

Coal of Africa Limited
(previously, "GVM Metals Limited")
(Incorporated and registered in Australia)
(Registration number ABN 008 905 388)
JSE Share code: CZA
ASX Share code: CZA
ISIN AU000000CZA6
(`CoAL` or `the Company`)

RESPONSE TO MEDIA ARTICLE REGARDING MOOIPLAATS

CoAL the coal mining and development company operating in South Africa (ticker: CZA) and listed on the AIM, ASX Limited and JSE Limited, notes recent press articles published by media in South Africa on 3 November 2010 regarding the Company's activities at the Mooiplaats Colliery in Mpumalanga.

The Company acknowledges that it has received a notice from the Department of Economic Development, Environment and Tourism, Mpumalanga ("Department"), noting its intention to issue a Compliance Notice in terms of section 31L of the National Environmental Management Act in relation to activities undertaken by the Company on portions 1 and 9 Farm Mooiplaats 219 IT in Ermelo ("Notice"). However CoAL would like to take this opportunity to state that, contrary to the media reports, it has not been asked to stop activities at the mine.

Pursuant to the terms of the Letter, CoAL may make an application for rectification within 10 days of receipt of the Letter, being 11 November 2010, following which the Department has stated that it may decide not to issue the Company with a Compliance Notice.

A detailed response will be issued in due course.

AUTHORISED BY:
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About CoAL

CoAL is an AIM/ASX/JSE listed coal mining and development company operating in South Africa. CoAL's key projects include the Woestalleen Colliery, the Mooiplaats thermal coal mine, the Vele coking coal project and the Makhado coking coal project.

The Mooiplaats coal mine commenced production in 2008 and is currently ramping up to produce 2 million tonnes per annum ("Mtpa"). CoAL's Makhado coking coal project is expected to start production in 2012 and timing for Vele to reach production is expected to commence Q1 2011. These operations are targeted to collectively produce an initial 2 Mtpa ramping up to a combined annual output of 10 Mtpa of coking coal.

In 2010, CoAL completed the ZAR467m acquisition of NuCoal Mining (Pty) Limited ("NuCoal"), a thermal coal producer with assets in South Africa in close proximity to CoAL's Mooiplaats mine. NuCoal owns the Woestalleen Colliery, which has a number of off-take contracts in place and processes approximately 2.5Mtpa of saleable coal for domestic and export markets. NuCoal also owns two beneficiation plants, one fully operational mine producing approximately 300kt per month of ROM coal and has recently commenced production at a second mine.

CoAL currently has 1 Mtpa export capacity at the Matola Terminal in Maputo, Mozambique, increasing to 3 Mtpa on completion of the next phase of expansion at the terminal. CoAL also has the option to participate in further expansion at the Matola Terminal, which is expected to increase the capacity at the terminal by an additional 10 Mtpa.