COAL of AFRICA LIMITED

ANNOUNCEMENT **25 AUGUST 2008**

CoAL SECURES LONG TERM PORT ALLOCATION

Coal of Africa Limited ("CoAL" or "the Company", ticker "CZA"), the AIM/ASX/JSE listed coal development company operating in South Africa, is pleased to advise that it has today secured long term port allocations for the export of product from its Makhado and Vele metallurgical coal projects, and the Mooiplats thermal coal project through the Maputo and Richards Bay ports terminal respectively. These terminal facilities are operated by subsidiaries of Grindrod Limited. Furthermore, CoAL has secured an option to increase its agreed allocations following planned expansion to each of these terminals.

Throughput agreements signed provide for an allocation to CoAL of 1,000,000 metric tonnes of coal per annum ("MTPA") through the Matola dry bulk coal terminal in Maputo ("Maputo Agreement" or "Maputo Terminal") and a ramp up to 900,000 metric tonnes of coal per year through the Grindrod Terminals dry bulk export terminal at Richards Bay ("Richards Bay Agreement" or "Richards Bay Terminal") by 2010.

Furthermore and significantly, CoAL has secured the rights to up to 100% of any increased capacity at the Maputo Terminal and up to 50% of any increased capacity to the Richards Bay Terminal, in return for CoAL participating in the funding of any proposed expansions at these terminals.

CoAL's Managing Director Simon Farrell commented "Securing these port allocations in an environment where infrastructure remains a supply side constraint across the industry is a significant milestone in facilitating the Company's near and long term coal export plans."

PLANNED MAPUTO TERMINAL EXPANSION

Grindrod has announced its intended expansion of the Maputo Terminal from the current estimated 4mtpa to an estimated 6mtpa, providing CoAL with a total potential throughput allocation of 3mtpa upon completion. In addition to this, a feasibility study is also being completed to consider the viability of a further expansion of this facility beyond 6mtpa. In the event that the further expansion beyond 6mtpa proceeds and CoAL exercises its option to participate, the ultimate throughput allocation secured by CoAL could be as high as 7mtpa.

RICHARDS BAY TERMINAL EXPANSION

Richards Bay Terminals and Transnet Port Terminals ("TPT"), the owners and operators of the infrastructure comprising the Richards Bay Dry Bulk Terminal ("DBT"), are currently conducting feasibility studies on the proposed expansion of the their infrastructure comprising the DBT. In the event that this expansion proceeds, and subject to CoAL exercising its option, the total throughput allocation secured by CoAL could be as high as 3mtpa upon completion.

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PORT AGREEMENTS

The Maputo Agreement is conditional upon operator Terminal de Carvao da Matola Limitada ("TCM"), the Grindrod Limited subsidiary that operates the Maputo Terminal, securing an extension of its current sub-concession agreement with Sociedade De Desenvolvimento Do Porto De Maputo ("Maputo Port") prior to 1 January 2009, for a minimum period of 5 years. The Maputo Agreement is for an initial term of 5 years, with the option of two further successive 5 year terms if TCM is able to secure an extension of its sub-concession agreement with the Maputo Port for a further period of at least 15 years on or before 30 June 2013.

The Richards Bay Agreement is conditional upon Richards Bay Terminals successfully concluding an agreement with TPT to jointly expand each party's infrastructure to accommodate the planned increase in capacity, together with the necessary environmental authorisations and approvals being granted for the handling of coal at the terminal. The Richards Bay Agreement is for an initial term of 5 years, with an optional further 5 year term if Richards Bay Terminals is successful in securing an extension to the above mentioned agreement with TPT.

Throughput fees have been agreed for all coal exported through the Maputo Terminal, with a "take or pay" policy applying to 75% of contracted tonnage commencing from 2011. Throughput fees have also been agreed for all coal exported through the Richards Bay Terminal, with a "take or pay" policy obligating CoAL to pay for 75% of the contracted tonnage per year, whether or not it is actually utilised.

RAIL

As announced previously, CoAL has already entered into a cooperation agreement with Transnet Freight Rail to secure facilities for the transportation of coal to the respective terminals and following the conclusion of the above mentioned port allocations, the Company is confident of securing rail allocations to match the Company's planned coal production and exports.

Yours sincerely,

SIMON J FARRELL

Managing Director

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About CoAL:

Coal of Africa Limited ("CoAL"), formerly GVM Metals Limited, is primarily focused on the acquisition, exploration and development of metallurgical and thermal coal projects. The Company's key projects, along with its leading metals processing company NiMag Group (Pty) Ltd are in South Africa. The Company was incorporated in Western Australia and listed in 1980. Since 2005, the Company has also listed on both the AIM and JSE markets, allowing further growth in the Company's coal assets.