

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Coal of Africa Limited

ABN

98 008 905 388

Quarter ended ("current quarter")

31 December 2008

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (6 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	1,787	3,708
1.2	Payments for (a) exploration and evaluation	(2,282)	(4,516)
	(b) development	(7,891)	(12,051)
	(c) production	(4,942)	(10,500)
	(d) administration	(4,923)	(11,499)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	4,735	6,837
1.5	Interest and other costs of finance paid	(180)	(383)
1.6	Income taxes paid	-	-
1.7	Other		
Net Operating Cash Flows		(13,695)	(28,404)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a)prospects	-	-
	(b)equity investments	-	(6,191)
	(c) other fixed assets	(22,396)	(25,001)
1.9	Proceeds from sale of: (a)prospects	-	-
	(b)equity investments	-	-
	(c)other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material – Note 6)	-	(23,296)
Net investing cash flows		(22,396)	(54,488)
1.13	Total operating and investing cash flows (carried forward)	(36,091)	(82,892)

+ See chapter 19 for defined terms.

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1.13	Total operating and investing cash flows (brought forward)	(36,091)	(82,892)
1.14	Cash flows related to financing activities		
	Proceeds from issues of shares, options, etc.(net) <i>see note 7.4 below</i>	-	33,451
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (Exchange rate related movements in foreign borrowings and reserves)	-	-
	Net financing cash flows	-	33,451
	Net increase (decrease) in cash held	(36,091)	(49,441)
1.20	Cash at beginning of quarter/year to date	238,543	252,005
1.21	Exchange rate adjustments to item 1.20	71	(41)
1.22	Cash at end of quarter	202,523	202,523

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

	Current quarter \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	662
1.24 Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

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Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	4,637	2,151

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	(1,500)
4.2 Development	(45,000)
Total	(46,500)

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	2,311	3,902
5.2 Deposits at call	202,363	236,924
5.3 Bank overdraft	(2,151)	(2,283)
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	202,523	238,543

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed				
6.2 Interests in mining tenements acquired or increased				

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	411,375,378	411,375,378		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 *Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	20,880,802	Nil	<i>Exercise price</i> See Note 7	<i>Expiry date</i> See Note 7
7.8 Issued during quarter	1,650,000	Nil	<i>Exercise price</i> See Note 7	<i>Expiry date</i> See Note 7
7.9 Exercised during quarter	Nil	Nil		
7.10 Expired during quarter	Nil	Nil		
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Date: 19 January 2009
(Director)

Print name: Simon Farrell

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities:** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.
- 6 The \$A26,123,000 recorded in 1.12 of the cash flow reflects cash paid in relation to logistics development for CoAL's Makhado and Vele projects. These payments are deposits for port allocation for the export of coal from the Maputo terminal in Mozambique.

7 Issued and Quoted Options as at 31 December 2008:

Number Issued	Number Quoted	Exercise Price	Expiry Date	Lapsed Since End of quarter
9,250,000	-	A\$0.50	30 September 2011	-
196,688	-	GBP0.34	17 May 2009	-
7,000,000	-	A\$1.25	30 September 2012	-
934,114	-	GBP0.65	30 November 2009	-
250,000	-	A\$2.05	1 May 2012	-
1,000,000	-	A\$1.90	30 September 2012	-
600,000	-	A\$1.25	1 May 2012	-
1,650,000	-	A\$3.25	31 July 2010	-

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