



1st Quarter 2011 RESULTS

28 October 2010

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Quarterly Production Performance 2010



	APRIL - JUNE 4 th Quarter 2010	JULY - SEPTEMBER 1 st Quarter 2011	QUARTER –ON-QUARTER VARIANCE(%)
Mooiplaats			
ROM(000)	95	182	92
ROM Purchased	154	155	0
Saleable Production: PRIMARY	115	198	72
Eskom	83	56	(33)
1000 Fatality Free Production Shifts Achieved at Mooiplaats			
Woestalleen			
ROM (000)	992	931	(6)
Saleable Production: Primary	444	447	0
Secondary	69	104	51
Eskom	86	115	33

- ❑ Access to rail and port allocation at Matola, Maputo
 - unlocking logistical constraints is a key long term factor
- ❑ Acquisition and consolidation of world class coking coal assets
 - potential to transform the economy of the region and province
 - potential to add value to shareholders, employees and the surrounding communities
- ❑ Direct foreign investment exceeds R2bn

- ❑ Creation of wealth through rapid growth
- ❑ Resultant capacity shortfall resulting in implementation gaps
- ❑ Company fully committed to rectifying stakeholder issues
- ❑ Company in transition to implementation phase
 - project delivery
 - operational performance

Mooiplaats Colliery



- ❑ Operations continued with three underground sections
- ❑ Mooiplaats produced 182,230 tonnes of ROM coal, compared to 94,514 tonnes during the previous quarter
- ❑ Additional continuous miner is due to be delivered early Q4 2010
- ❑ Ramp up is expected to be completed in early 2011, with five sections producing 190,000 to 200,000 tonnes per month of ROM coal.
- ❑ Working closely with the Department of Water Affairs (DWA) to rectify the outstanding water use license
- ❑ Analysis of regional water quality results indicate no negative impact on the quality of the water downstream of the mine
- ❑ DWA has capacity constraints resulting in significant backlog in issuing of licenses
- ❑ Mooiplaats is committed to full compliance



Aerial view of Mooiplaats Colliery

Mooiplaats commissioned wash plant in May 2009 and first shipment in February 2010

Vele Colliery



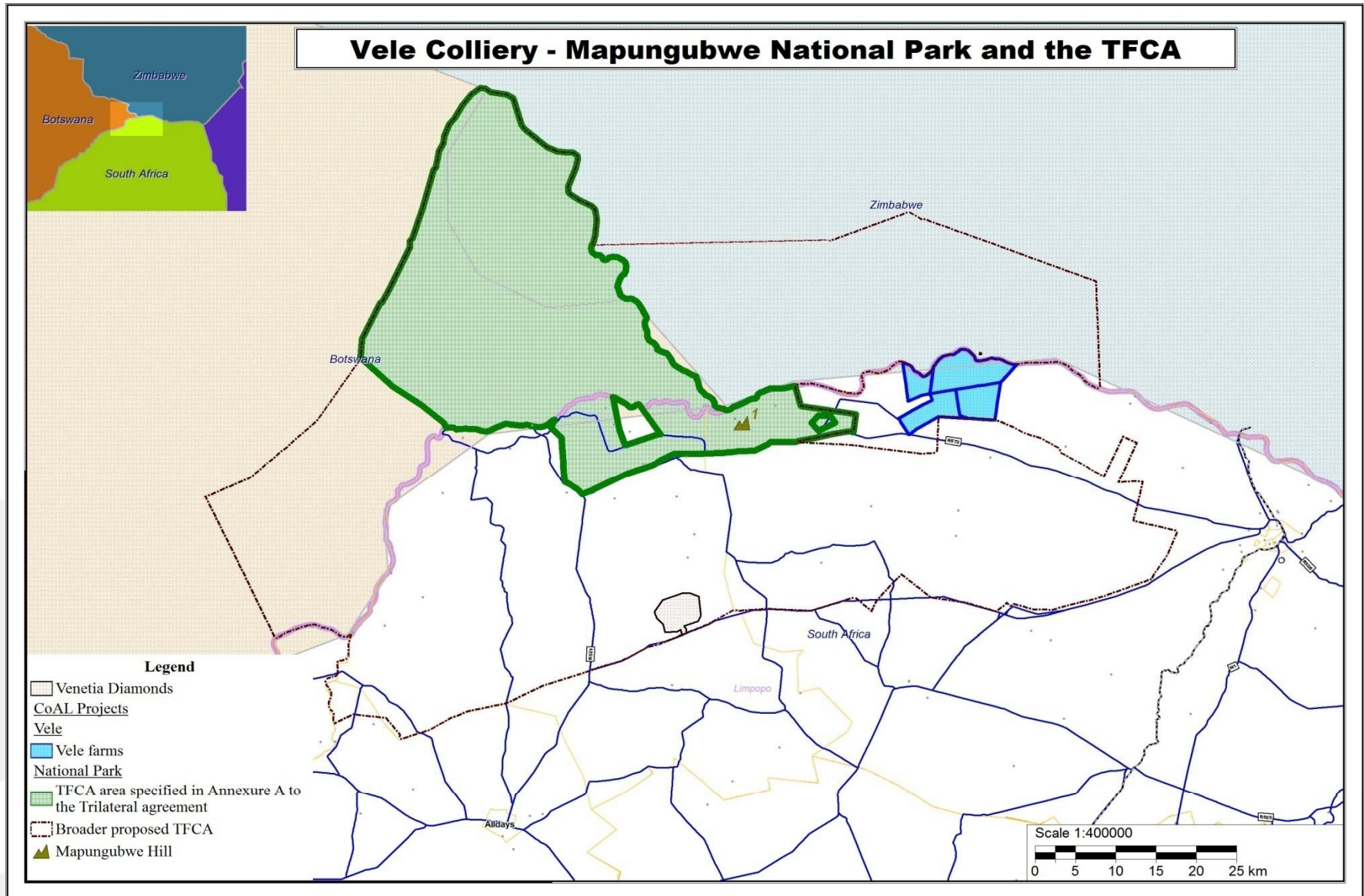
- ❑ Granted a Mining Right in Feb 2010 with an approved Environmental Management Plan (EMP)
- ❑ 850 job opportunities created – workforce now reduced by 596 people
- ❑ Compliance Notice served by DEA during the quarter – rectification papers in terms section of 24G being submitted
- ❑ CoAL has fully adhered to the instructions contained in the Compliance Notice and is committed to working with the DEA
- ❑ Integrated Water Use Licence pending - submitted 10 November 2009
- ❑ Capex estimate revised to ZAR571.4 million.
- ❑ The mine will bring positive economic benefits to the region
 - estimated R166m contribution toward Vhembe District Municipality during the construction phase (3 year period)
 - estimated further R2.8bn during the operational phase



Vele wash plant assembly at site

Vele is a blend coking coal asset, ideally placed to supply ArcelorMittal's Vanderbijlpark steel works

Map of Vele Colliery Location & Conservation Initiatives



Makhado Coking Coal Project



- ❑ Definitive Feasibility Study progressing well:
 - expected to be finalised by Q1 2011
- ❑ Commenced engagement with stakeholders including:
 - communities
 - regional and local government
 - interested and affected parties
- ❑ CoAL will engage with relevant NGO's on the 'best way forward' to ensure
 - realisation of potential for this and future adjacent projects to transform the region and the province
 - while ***achieving optimal balance*** between the environment and the socio-economic needs of the country



Tanga Camp - Recent installation of solar heating panels for hot water

Makhado is a long life coking coal asset offering significant growth potential

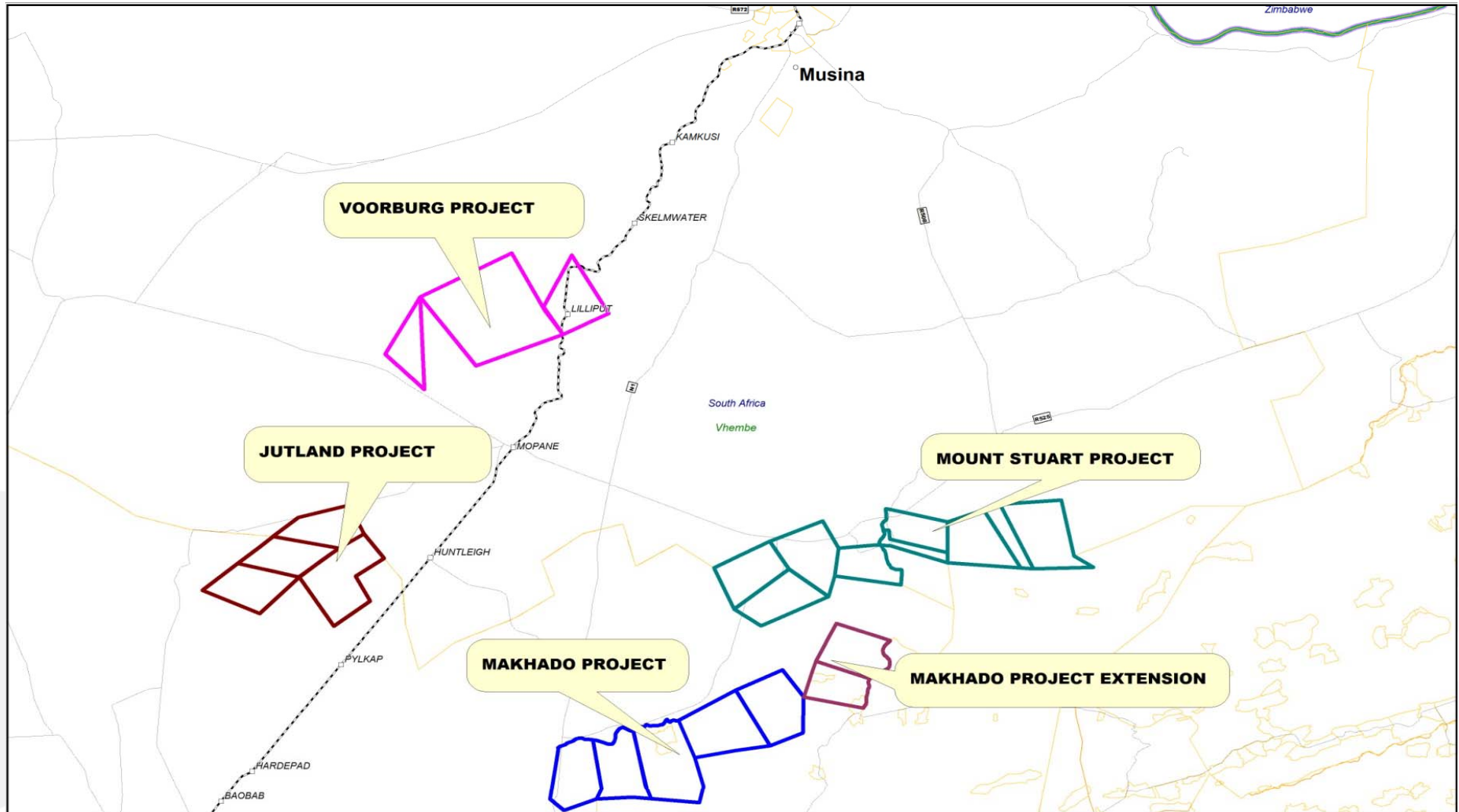
Rio Tinto Farm Swap



Key Highlights

- ❑ Approval of the Rio Tinto farm swap section 102 application resulted in consolidation of the New Order Prospecting Rights
- ❑ The farm swap has resulted in formation of contiguous block of eight farms located 5km to the North east of Makhado, known as the Mount Stuart project
- ❑ CoAL has two additional contiguous blocks of farms in the Mopane sub-basin of the Soutpansberg coalfield namely the Voorburg & Jutland prospects situated 25km & 15km respectively to the North of the Makhado project

CoAL Soutpansberg Projects



Scale 1:250000
0 1.5 3 6 9 12 15 km

South Africa as a Mining Investment Destination



- ❑ To restore confidence in RSA as an investment destination in mining, there is need for more clarity and certainty on regulatory processes
- ❑ All key stakeholders such as the Government, relevant environment and heritage NGO's and the industry need to agree on optimal way forward
- ❑ It is essential that 'sensitive' areas are quarantined to ensure that exploration investment is confined to defined mining areas
- ❑ The previous commodity boom created massive economic value for several nations including China, Australia and Chile
- ❑ South Africa cannot afford to miss the next boom

The future ... significant upside

- ❑ The company is committed to complying fully with all relevant legislation
- ❑ These CoAL projects have the potential to radically transform the economy of the region and the Province
- ❑ CoAL's world class coking coal assets will add substantial value to our shareholders, employees, surrounding communities, the province and the country as a whole
- ❑ CoAL will engage and partner with, where applicable, all relevant stakeholders to maximise benefit for all concerned



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