



JOINT ANNOUNCEMENT

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Coal of Africa awards Optimisation Study and Front End Engineering and Design package to DRA

International engineer and project delivery group DRA Global has announced that its South African company DRA Projects SA has been awarded the Optimisation Study and Front End Engineering and Design (FEED) package for Coal of Africa Limited (CoAL) Makhado coal project.

The Makhado project is located in the Limpopo Province of South Africa, and is approximately 80 km from CoAL's existing Vele Colliery. It is planned that both hard coking coal and thermal coal will be produced from the Makhado project for export and domestic consumption. Initially the operation will be an opencast mine, with potential for expansion to an underground operation in future years.

DRA's recent award follows its earlier role on the Makhado project for CoAL in the preparation of the Definitive Feasibility Study of the coal processing and handling facilities, completed in early 2013. The scope of the Optimisation and FEED assignment expands this earlier role by DRA to now include the infrastructure components of the project, and also the integration of the work of a number of specialist consultants.

Commenting on the award, Paul Thomson, DRA's CEO, said: "It is especially pleasing to be awarded this next phase of the investigation and development of the Makhado coal project. Our early interaction with CoAL began in 2010 with initial studies and the new award is testament to the sound relationship established between our two organisations and our respective project teams."

Thomson continues: "A key requirement of the Optimisation Study and FEED phase will be the identification of appropriate cost reduction opportunities to help optimise the economics of the project in the current challenging market. DRA and its key staff have had many years' experience in the design and delivery of "fit-for-purpose" yet high performance project in coal and other commodities. We will apply this experience and skill fully to the Makhado project. We very much look forward to continuing to work closely with CoAL through future phases of the project."

CoAL's current plan is that work on the Makhado site will begin during the second semester of 2016, followed by a 26 month build programme with first coal produced during 2019.

David Brown, CEO of CoAL commented that: “We are pleased to have DRA on board during the next phase of developing the Makhado Project. This is an exciting yet crucial phase of the project development and being associated with DRA during this period will ensure a successful start to the construction of the Makhado Project.

About DRA

DRA is a global multi-disciplinary engineering group which delivers mining, minerals processing and infrastructure services from concept to commissioning in addition to comprehensive operations and maintenance services. DRA has offices and operations in Africa, Australia, Canada, China, Europe, India, and the USA. The DRA Group provides highly flexible services, allowing it to meet with needs of multinational mining companies as well as junior and emerging producers. The company’s expertise covers a wide range of commodities including coal, gold, PGMs, ferrous metals, diamonds, graphite, uranium, base metals, mineral sands, fertilizer minerals and rare earths.

About CoAL:

Coal of Africa Limited (CoAL) is an emerging coal exploration, development and mining company operating in South Africa. CoAL's key projects include the Vele Colliery (coking and thermal coal), Makhado Project (coking and thermal coal) and the Greater Soutpansberg Project /MbeuYashu,

With good access to rail and port infrastructure, CoAL can effectively service domestic and international markets; providing a much-needed resource for economic growth and development for the country and the provinces in which we operate.

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About CoAL:

CoAL is an AIM/ASX/JSE listed coal exploration, development and mining company operating in South Africa. CoAL's key projects include the Vele Colliery (coking and thermal coal), the Greater Soutpansberg Project /MbeuYashu, including CoAL's Makhado Project (coking and thermal coal).