



ANNOUNCEMENT

30 April 2015

Capital Raising Update

Further to the announcements of 26 August 2014, 25 September 2014 and 17 December 2014, in which Coal of Africa Limited (“CoAL” or the “Company”) announced a capital raising of up to 695 million shares at an issue price of GBP 0.055 (the “Capital Raising”) and that the second stage of the Capital Raising had been split into two parts, the Company can now confirm that Stage 3 will be implemented no later than 29 May 2015.

Stage 3 of the Capital Raising will comprise of an additional 144 million shares at the same issue price as Stages 1 and 2 of the Capital Raising, being GBP 0.055 per share, and will raise gross proceeds of £7.92 million. The Stage 3 shares will be fully paid ordinary shares in the capital of CoAL and, on issue, will rank equally in all respects with CoAL’s existing fully paid ordinary shares. Even though completion of Stage 3 of the Capital Raising is later than originally envisaged, it will not affect the financial position of the Company and on completion, it will conclude the Capital Raising which will have raised gross proceeds of £38.225 million.

As the approval of CoAL’s shareholders for the issue of the Stage 3 shares, obtained at the meeting on 25 September 2014, will have expired prior to their issue, CoAL intends to issue the Stage 3 shares without shareholder approval as permitted pursuant to Rule 7.1 of the ASX Listing Rules.

Details of the participants and subscriptions in the Capital Raising are set out below.

| | Stage 1 | Stage 2 | Stage 3 |
|--|--------------------|--------------------|--------------------|
| Haohua Energy International (Hong Kong) Resource Co. Limited | 98 000 000 | 80 000 000 | 37 000 000 |
| M & G Investment Management Limited | 97 000 000 | 60 000 000 | 28 000 000 |
| Investec Asset Management (Proprietary) Limited | 30 000 000 | 50 000 000 | - |
| TMM Holdings (Proprietary) Limited | 26 000 000 | 110 000 000 | 79 000 000 |
| Total | 251 000 000 | 300 000 000 | 144 000 000 |

David Brown, Chief Executive Officer of CoAL commented:

“The successful completion of Stage 3 of the Capital Raising will conclude the communicated equity fundraise and allow the Company sufficient funds to focus on the development of its projects. On behalf of CoAL I would like to thank our shareholders for their continued commitment to the strategy of the Company.”

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Bernard R. Pryor – Chairman, David H. Brown – Chief Executive Officer, Michael G. Meeser – Chief Financial Officer
Non-executive directors: Peter G. Cordin, Andrew D. Mifflin, Khomotso B. Mosehla, Thabo F. Mosololi, Rudolph H. Torlage

For more information contact:

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Investec Bank Limited is the nominated JSE Sponsor

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).
