



ANNOUNCEMENT

07 December 2015

Update on Offer Funding

Coal of Africa Limited ("CoAL") is pleased to announce that, following the announcement on 26 November 2015 regarding the recommended offer to be made for Universal Coal plc, it has entered into a subscription agreement with M&G Investment Management Limited ("M&G"), pursuant to which M&G has agreed to subscribe for new CoAL shares for an aggregate subscription amount of US\$3 million ("M&G Subscription Agreement") at a subscription price of US\$0.0435 (approximately A\$0.061) per CoAL share.

The US\$3 million to be provided under the M&G Subscription Agreement is the final element of the financing required by CoAL for its offer to acquire all the issued share capital of Universal Coal plc (the "Offer"), and means that, on the basis of the intention statements received by CoAL in respect of the loan note alternative for the Offer, and subject to all applicable conditions being satisfied, the funding for the Offer has now been fully secured.

M&G's commitment to subscribe under the M&G Subscription Agreement is subject to the same conditions as the subscription agreement entered into between CoAL and Yishun Brightrise Enterprise Pte Limited on 25 November 2015 ("YBI Subscription Agreement"), being (1) if required, M&G receiving approval for the issue of the subscription shares from the Australian Foreign Investment Review Board, (2) CoAL's shareholders approving the issue of the new CoAL shares to M&G, and (3) the Offer becoming unconditional in all respects (other than the condition that the YBI Subscription Agreement and M&G Subscription Agreement have become unconditional in all respects). The M&G Subscription Agreement will terminate automatically if these conditions have not been satisfied by 30 June 2016. In addition, M&G has a right to terminate the M&G Subscription Agreement for breach of warranty by CoAL which, in M&G's reasonable opinion, is material in the context of its aggregate investment in CoAL (including its previous investments).

The M&G Subscription Agreement is otherwise on substantially similar terms to the YBI Subscription Agreement.

CoAL shareholder approval for the issue of subscription shares to M&G and Yishun will be sought at the general meeting convened to approve the acquisition. Terms and expressions used in this announcement shall, unless the context otherwise requires, have the same meaning as given to them in the announcement of 26 November 2015.

For more information contact:

David Brown	Chief Executive Officer	Coal of Africa	+27 10 003 8000
De Wet Schutte	Chief Financial Officer	Coal of Africa	+27 10 003 8000
Celeste Riekert	Investor Relations	Coal of Africa	+27 10 003 8000
Tony Bevan	Company Secretary	Endeavour Corporate Services	+61 08 9316 9100

Company advisors:

Jos Simson/Emily Fenton	Financial PR (United Kingdom)	Tavistock	+44 20 7920 3150
-------------------------	-------------------------------	-----------	------------------

AU: Coal of Africa Limited, Suite 8, 7 The Esplanade, Mount Pleasant, Perth WA 6153, Australia, Tel: +61 8 9316 9100, Fax: +61 8 9316 5475

ZA: South Block, Summercon Office Park, Cnr Rockery Lane and Sunset Avenue, Lonehill, 2191, Tel: +27 10 003 8000 Fax: +27 11 388 8333 Email: adminza@coalofafrica.com

Matthew Armit/Ross Allister	Nominated Adviser and Broker	Peel Hunt LLP	+44 20 7418 8900
Charmane Russell/Olwen Auret	Financial PR (South Africa)	Russell & Associates	+27 11 880 3924 or +27 82 372 5816

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).
