



ANNOUNCEMENT

20 August 2014

Response to Announcement by Beijing Haohua Energy Resource Co. Ltd

Coal of Africa Limited (the "Company") notes the recent announcement on the Shanghai Stock Exchange by Beijing Haohua Energy Resource Co. Ltd that one of its subsidiaries plans to acquire not more than 215 million shares in the Company for a maximum price of 5.5 pence per share.

As the Company has stated in its interim financial results released on 10 March 2014, the ability of the Company to continue as a going concern and to pay its debts as and when they fall due is dependent on, among other things, obtaining additional funding from either financial institutions or the equity markets to meet its planned commitments. In line with this, the Company is currently in discussions with a number of parties, including strategic investors, regarding a potential conditional capital raising for the Company. At this time, the discussions remain incomplete and no binding agreements have been entered into.

The Company will provide a further update to shareholders in due course.

Authorised by

David Brown

Chief Executive Officer

20 August 2014

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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).

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