



ANNOUNCEMENT

21 September 2015

Completion of Yishun equity and loan transactions

Coal of Africa Limited ("CoAL" or the "Company"), the coal exploration and project development company operating in South Africa, and traded on the ASX, AIM and the JSE, is pleased to announce the successful completion of the shareholder approved share placement to Yishun Brightrise Investment PTE Limited ("Yishun").

The 183,231,261 ordinary shares were issued to Yishun, at 5.15 pence per share, in terms of the subscription agreement entered into between the Company and Yishun in relation thereto and raised £9,436,663 (US\$14.5 million), including accrued interest. The completion of the share issue satisfied the remaining conditions in the loan agreement between Yishun and CoAL pursuant to which Yishun has advanced a loan of US\$10 million to the Company. The loan bears no interest and is only repayable in limited circumstances.

The subscription proceeds and loan amount will be used to finance pre-construction costs at the Company's flagship Makhado coking and thermal coal project ("Makhado Project") and for general working capital. Yishun has expressed an intention to acquire a strategic interest in the Makhado Project and discussions between the parties continue. The investment package being discussed includes an equity investment in the Makhado Project; the provision of a shareholder loan on commercial terms providing the funds required for the development of the colliery; and the award of the Makhado Project engineering, procurement and construction (EPC) contract on commercial terms.

David Brown, Chief Executive Officer of CoAL, commented:

"The proceeds from Yishun's investment in CoAL as well as the US\$10 million loan to the Company will be used for general working capital and to settle obligations prompted by the granting of the Makhado Project New Order Mining Right as well as those that will be triggered by the granting of the Integrated Water Use Licence, expected in due course. The Company and Yishun are progressing negotiations to further their potential investment in the project and shareholders will be updated as negotiations between the parties advance."

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
Matthew Armitt/Ross Allister	Nominated Adviser and Broker	Peel Hunt LLP	+44 20 7418 8900
Charmane Russell/Jane Appiah-Yeboah (Kamau)	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).
