



ANNOUNCEMENT

22 January 2013

Flooding in Limpopo Province impacts Vele Colliery

Coal of Africa Limited (“CoAL”) advises that, following heavy rains in the Limpopo Province, operations at its Vele Colliery (“Vele” or “the Colliery”) have been forced to stop due to flooding. The mine site has recorded 500mm rainfall in the past five days compared to 450mm normal rainfall per annum. CoAL expects normal operations to resume in approximately seven days subject to receding rainfall. Vele currently has 5,500 tonnes stockpile of thermal coal product and produces 7,000 saleable tonnes per week.

CoAL’s lodge and management facility, Dongola Ranch, near Vele Colliery, has become a crisis communications hub and a safe haven for people stranded near the Mapungubwe World Heritage Site and surrounding farms. Doctors without Borders/Médecins Sans Frontières, the South African Police Services and the Musina Local Municipality have set up a base at Dongola where an expected number of more than 150 flood victims, some of which have been stranded on rooftops in the greater Mapungubwe area and rescued by military helicopter, are expected to seek shelter.

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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, including CoAL’s Makhado Project (coking coal) and the Mooiplaats and Woestalleen Collieries (both thermal coal). Vele Colliery commenced extraction of ROM material in December 2011 and had produced 254 760 m³ of ROM tonnes of thermal coal by the end of first quarter 2013.