



## ANNOUNCEMENT

6 JULY 2011

### VELE COLLIERY ENVIRONMENTAL AUTHORISATION GRANTED

Coal of Africa Limited ("CoAL" or the "Company") is pleased to advise that with reference to the application for rectification in terms of Section 24G of the South African National Environmental Management Act, 107 of 1998 ("NEMA") authorisation has been granted by the Department of Environmental Affairs ("DEA") with effect from 5 July 2011. As expected the authorisation contains specific conditions the Company will be required to fulfil due to the uniqueness of the area.

The construction phase at Vele is expected to be completed within six to nine months from the restart date and will ultimately ramp up to an initial production profile of 1 million tonnes per annum. Re-employment of staff and contractors will be phased in line with the production ramp-up.

John Wallington, Chief Executive Officer of CoAL commented, "We welcome the decision by the DEA which acknowledges the Company's efforts in achieving compliance under NEMA. As stated previously the Colliery has an approved NOMR and Environmental Management Program from the Department of Mineral Resources. This development is a further significant step towards the re-opening of the mine. Vele has the potential to bring significant positive benefits to the Limpopo region and to the South African economy as a whole.

We are very aware of our broader obligation to the responsible development of our assets, and we are acutely aware of the sensitivity of the area and the significant responsibilities the approval brings. We are committed to engaging continually with all key stakeholders as development resumes and operations commence."

The Company will update the market of further developments in this regard.

Authorised by

**JOHN WALLINGTON**

Chief Executive Officer

06 July 2011

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**For more information contact**

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**About CoAL:**

CoAL is an AIM/ASX/JSE listed coal mining and development company operating in South Africa. CoAL's key projects include the Woestalleen Colliery, the Mooiplaats thermal coal mine, the Vele coking coal project and the Makhado coking coal project.

The Mooiplaats thermal coal mine commenced production in 2008 and is currently ramping up to produce 2 million tonnes per annum ("mtpa"). CoAL's Makhado coking coal project is expected to start production in 2013 and timing for Vele to reach production is still to be confirmed. These operations are targeted to collectively produce an initial 2mtpa ramping up to a combined annual output of 10mtpa of coking coal.

In 2010, CoAL completed the ZAR467 million acquisition of NuCoal Mining (Pty) Limited ("NuCoal"), a thermal coal producer with assets in South Africa in close proximity to CoAL's Mooiplaats mine. NuCoal owns the Woestalleen Colliery, which has a number of off-take contracts in place and processes approximately 2.5mtpa of saleable coal for domestic and export markets. NuCoal also owns two beneficiation plants, one fully operational Zonnebloem mine producing approximately 300kt per month of ROM coal and has recently commenced production at a Hartogshoop mine.

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