Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

Coal of Africa Limited

ABN

98 008 905 388

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1	+Class of +securities issued or to be issued	Shares
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	79,676,037 – ("**Tranche 1 Shares**")
3	Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)	Fully paid ordinary
4	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not	Yes

+ See chapter 19 for defined terms.

	rank equally, other than in relation to the next dividend, distribution or interest payment	
5	Issue price or consideration	51 pence (AU 79 cents) per Share
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Net proceeds raised from the issue of Tranche 1 Shares and 50,323,963 Shares ("**Tranche 2 Shares**") (this issue of the Tranche 2 Shares is subject to receipt of shareholder approval) will be used to finance the following: • the remaining capital expenditure to bring the Vele project into production and related working capital – c. US$25 million; • the first tranche cash consideration for the Chapudi Acquisition upon receipt of regulatory approvals (by no later than 30 April 2012 under the terms of the Sale and Purchase Agreement (as amended) with the Sellers) – US$43 million payable on completion of the acquisition in addition to the deposit of US$2 million that has already been paid to the Sellers; • c. US$15 million on targeted exploration activities and a technical programme at Chapudi and in respect of other Soutpansberg Coalfield projects in order to advance preparation for New Order Mining Right applications; and • c. US$17 million for general working capital/corporate purposes including c. US$10 million to establish a financial guarantee for the Transnet Freight Rail account and c. US$5 million in adviser fees for the preparation of the registration document and Mineral Expert's Report published on 31 October 2011.
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	On or about 7 November 2011

		Number	+Class
8	Number and +class of all +securities quoted on ASX (*including* the securities in clause 2 if applicable)	611,960,610	Fully paid ordinary shares

		Number	+Class
9	Number and +class of all +securities not quoted on ASX (*including* the securities in clause 2 if applicable)	250,000	Class B Options exercisable at $2.05 each on or before 1 May 2012.
		7,000,000	Class D Options exercisable at $1.25 each on or before 30 September 2012.
		1,000,000	Class G Options exercisable at $1.90 each on or before 30 September 2012.
		600,000	Class H Options exercisable at $1.25 on or before 1 May 2012.
		1,650,000	Class I Options exercisable at $3.25 on or before 31 July 2012.
		5,000,000	Class J Options exercisable at $2.74 on or before 30 November 2014.
		818,500	Class K Options exercisable at $1.90 on or before 30 June 2014.
		2,500,000	Class C Options exercisable at $1.20 on or before 9 November 2015
		1,441,061	ESOP Options exercisable at $1.40 on or before 30 September 2015
		1	Option to subscribe for 50 million ordinary shares for 60 pence each between 1 November 2010 and 1 November 2014, as approved by shareholders on 22 April 2010.

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Not applicable

Part 2 - Bonus issue or pro rata issue

+ See chapter 19 for defined terms.

Questions 11 to 33 – Not Applicable

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(*tick one*)

(a) ☒ Securities described in Part 1

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Questions 35 to 42 - Not Applicable

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.

- There is no reason why those +securities should not be granted +quotation.

- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

  Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.

- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.

- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: Shannon Coates Date: 4 November 2011

(Company secretary)

Print name: SHANNON COATES

+ See chapter 19 for defined terms.