



ANNOUNCEMENT

30 October 2013

CoAL SECURES FUNDING

Coal of Africa Limited (CoAL) (ASX: CZA) is pleased to announce that, subsequent to the receipt of an approved term sheet as announced on 30 August 2013, the Company has finalised an 18-month, R210 million (approximately US\$21.4 million) working capital facility from Investec Bank Limited (Investec). The facility will be used for general operating expenditure and enable CoAL to continue to execute against the key priorities of its previously disclosed enhanced turnaround strategy.

The working capital facility will be used to fund the much reduced, on-going operating costs of the company while awaiting the proceeds from the sale of the identified non-core assets which are Woestalleen, Mooiplaats, Opgoedenhooop and Holfontein.

The loan will be made available in two equal tranches linked to progress in the disposal of the Woestalleen and Mooiplaats collieries. The principal terms of the loan include a margin of 500 basis points, pledge and cession of the shares and loan accounts in the major operating subsidiaries of the group. In addition to the above CoAL will issue 20 million options to Investec which are exercisable at R1.32 before October 2018. The first tranche of the funds are available immediately and amount to R105million (approximately US\$10.7million) It is forecast that the proceeds generated from sale of the non-core assets, once completed will be sufficient to settle the facility.

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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).