



ANNOUNCEMENT

1 December 2015

GRANT OF PERFORMANCE RIGHTS AND OPTIONS

Coal of Africa Limited ("CoAL" or the "Company") confirms the following awards to directors following the shareholder approval received at the Annual General Meeting of Shareholders ("AGM") on 27 November 2015.

Following the approval of shareholders David Brown, Chief Executive Officer and De Wet Schutte, Chief Financial Officer, will be granted a total of 9,714,021 Performance Rights and 5,449,944 Performance Rights respectively under the Company's Performance Rights Plan. The total Performance Rights issued have been determined by dividing ZAR4,812,500 and ZAR2,700,000 (which is 83% and 75% of Mr Brown and Mr Schutte's fixed remuneration respectively) by the volume weighted average price of the Shares of the Company over the 5 trading days prior to the date of grant of the Performance Rights. The Performance Rights are granted as conditional awards over ordinary shares of no par value for no consideration. The awards will ordinarily vest three years after the grant date subject to the vesting conditions.

Additionally, following the approval of shareholders, Mr Bernard Pryor, Mr Peter Cordin, Mr Khomotso Mosehla, Mr Andrew Mifflin and Mr Thabo Mosololi, all Independent Non-Executive Directors of the Company have been issued 1,000,000 options exercisable at GBP 0.055 each at nil consideration. The options will expire three years after grant date.

Current Shares and Options Held by Directors:

Mr Brown currently holds 825,000 ordinary shares in the Company which represents 0.05% of the Company's issued share capital as well as 10,575,000 unlisted options issued to him following the 2014 AGM pursuant to the terms and conditions of the Company's Employee Share Option Plan. 3,525,000 of these options are exercisable or will become exercisable on each of 1 February 2015, 1 February 2016 and 1 February 2017 at an exercise price of ZAR1.2, ZAR1.32 and ZAR1.45 respectively. All of the options expire on 1 February 2019.

Mr Brown also held 2,500,000 unlisted options that expired on 30 November 2015.

Mr Schutte does not currently hold any shares or options in the Company.

Mr Pryor currently also holds 150,000 ordinary shares in the company which represent 0.01% of the Company's total issued shares. Mr Pryor held 1,000,000 unlisted options that expired on 30 November 2015.

Mr Cordin currently also has an indirect interest in 1,371,059 ordinary shares in the company which represent 0.07% of the Company's total issued shares.

Mr Mosololi current also holds 10,000 shares in the company which represent 0.001% of the Company's total issued shares. Mr Mosehla and Mr Mifflin do not currently hold any other shares or options in the Company.

AUTHORISED BY:**Tony Bevan****Company Secretary**

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 Armit/Ross Allister	Nominated Adviser and Broker	Peel Hunt LLP	+44 20 7418 8900
Charmane Russell/Olwen Auret	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).
