



Lapse of Offer for Universal Coal Plc

Coal of Africa Limited (ABN 98 008 905 388) (ASX, AIM and JSE: CZA) (**CoAL**) advises that its offer for the entire share capital of Universal Coal Plc (**Universal**) (the **Offer**) as contained in CoAL's offer document dated 21 December 2015 as supplemented (**Offer Document**), has lapsed.

The offer closed at 1.00pm (London time) on 15 July 2016, with the remaining Conditions to the Offer unfulfilled at that time. Therefore, all contracts resulting from acceptances of the Offer by Universal shareholders are void and of no effect.

At the Offer's scheduled close, CoAL had received acceptances representing approximately 95.72% of Universal's issued share capital. As a result of the lapse of the Offer CoAL now has no voting power in Universal.

While an overwhelming majority of Universal shareholders accepted CoAL's Offer, the CSA with Eskom at NCC has not yet been finalised or signed. Universal has therefore not yet commenced mining activities at NCC, at which first coal was expected to be produced in the first half of 2016 as was envisaged in the Offer Document.

As a result, of the continued uncertainty in finalising the CSA and the other working capital funding opportunities, CoAL's directors were not able to opine on the required working capital statement on the readmission of the Consideration Shares and CoAL's Shares to trading on AIM (**Readmission**). The working capital statement, required CoAL's directors to confirm that, in their opinion having made due and careful enquiry, the working capital available to the Enlarged Group (being the CoAL Group as enlarged by the Universal Group) would be sufficient for its present requirements, that is for at least twelve months from the date of Readmission. CoAL's directors must be able to make this working capital statement in order to achieve Readmission of the Enlarged Group.

Whilst CoAL is disappointed it cannot complete the Offer at this time, it considers it important that any acquisitions be sustainable and accretive and will continue to evaluate all opportunities, which include CoAL making another offer for Universal, the structure of which would need to ensure the sustainability of the Enlarged Group going forward and be capable of completion.

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Notwithstanding the opportunities being evaluated, CoAL continues to focus on restructuring its balance sheet, operations and project pipeline to be better positioned to unlock shareholder value as has been evidenced by the Soutpansberg deferred consideration agreement and continued regulatory progress on both Vele Colliery and Makhado Project.

Unless the context otherwise requires, capitalised words in this notice have the same meaning given to them in the Offer Document.

Authorised by

David Brown

Chief Executive Officer

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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).

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