

ASX RELEASE
31 December 2012

MBILA UPDATE

Further to the announcement on 5 November 2012 the Company provides the following update regarding the status of the Mbila project.

The Company and the subscribers under the agreement in terms of which they were to acquire shares in Mbila Resources (Pty) Ltd have informed the vendors of the Mbila project that they do not consider themselves bound by the agreement and that consequently no further payments in terms of the agreement are to be made. The subscribers have tendered return of the Mbila shares and have demanded the repayment of all amounts paid to date for such shares.

Shareholders of the Company are advised that if the vendors do not accept the position adopted by the Company and the subscribers, dispute resolution proceedings are likely to follow. A response from the vendors is awaited.

ENDS

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About ZYL Limited

ZYL Limited is listed on the Australian Securities Exchange (ASX) and aims to become one of the world's leading anthracite coal producers. The mission of ZYL is to develop high-margin metallurgical coal deposits for domestic and export markets. Flagship projects are the Mbila and Kangwane projects in South Africa, located close to rail, port, power and water infrastructure.

Important information

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