

ASX RELEASE
9 April 2012

**DEBT-FUNDING PROPOSALS FOR MBILA PROJECT
AND CORPORATE UPDATE**

- **Six debt-funding proposals for Mbila Project development being evaluated**
- **Proposals received from both South African and international institutions**
- **Proposals for funding range from \$45m to \$70m**

ZYL Limited (“ZYL” or the “Company”) (**ASX: ZYL**), the Perth-based emerging anthracite producer with two projects in South Africa, is pleased to announce the receipt of six debt-funding proposals for the development of the Mbila Project located in Kwa Zulu-Natal province. The proposals have been received from a suite of both South African and international institutions.

The proposals include both US dollar- and Rand-denominated alternatives, with differing and various commercial terms and conditions. Both the quantum and commercial terms of the offers will be considered when determining the funding institution(s).

Commenting on the proposals, Chief Executive Officer, Ian Benning stated: “We are pleased with the level of interest received and the competitive nature of the proposals. That the proposals have been received on the back of the Mbila Interim Feasibility Study results highlights the robust economics and strategic significance of the project.”

The Board is evaluating each proposal based on the merits of it in terms of ZYL's objective of becoming a leading anthracite coal producer.

Macquarie process update

As previously communicated to the market, ZYL has received unsolicited expressions of interest to either partner with or acquire the company and in this respect appointed Macquarie Bank as its financial adviser to manage and co-ordinate a strategic partner search. ZYL wishes to update shareholders that this process is continuing as planned, with several potential bidders invited to conduct further due diligence on the company and its underlying assets. Shareholders will be updated on further progress at the appropriate time, but are reminded that there is no guarantee that this process will develop into a formal proposal or it may be determined that superior shareholder returns can be achieved by ZYL continuing alone to develop the Mbila and Kangwane anthracite projects.

Corporate Office:

Level 8, 225 St Georges Terrace, Perth 6000, Western Australia
PO Box 7653, Cloisters Square, Perth 6850, Western Australia

Tel: +61 8 9486 4036
Fax: +61 8 9486 4799

Email: info@zylimited.com.au
Web: www.zylimited.com.au



Notice of Meeting update

Further to the announcement made by ZYL on 3 April 2012, the company would like to clarify that the shareholders meeting that will be held on 2 May 2012 is a new shareholders meeting rather than a postponement of an earlier meeting.

Contact:

Ian Benning, CEO, ZYL LIMITED

T: +27 (0) 87 350 2751

M: +27 (0) 83 702 8221

E: ian.benning@zylimited.co.zau

Phillipe Lalieu, Commercial Director, ZYL Limited

T: +27 (0) 11 245 9800

M: +61 (0) 83 455 6867

E: phillipe.lalieu@zylimited.com.au

Media - South Africa

James Duncan, Russell and Associates

T: +27 (0) 11 880 3924

M: +28 (0) 82 892 8052

E: james@rair.co.za

Media - Australia

Annette Ellis, Purple Communications

T: +61 (0) 8 6314 6300

M: +61 (0) 458 200 039

E: aellis@purplecom.com.au

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.

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