

3rd February 2012

Company Announcements Office
Australian Securities Exchange
Level 4 Exchange Centre
20 Bridge Street
Sydney NSW 2000

MBILA OFFTAKE EXPRESSIONS OF INTEREST EXCEED 600 000 TPA

Highlights:

- Six non-binding expressions of interest (EOIs) received for offtake in respect of Mbila project production
- EOIs received for more than 600 000 tonnes per annum
- Full output of Phase 1 of planned saleable tonnes covered
- Two EOIs received from international mining companies

ZYL Limited (ZYL; ASX: ZYL), the Perth-based emerging metallurgical coal producer with two key projects in South Africa, is pleased to announce that a total of six non-binding expressions of interest, representing more than 600 000 tonnes per annum, have been received for offtake in respect of production from its Mbila anthracite project in South Africa's Kwa-Zulu Natal province. The EOIs received to date cover full output of Phase 1 of planned saleable tonnes at the Mbila project.

Executive Chairman Bevan Tarratt said: "Four more EOIs, including one from an international mining company, have been received since ZYL announced the signing of the first non-binding EOIs on 12 December; these demonstrate the interest in the Mbila product and substantiate the company's decision to prioritise Mbila's development."

The fast-tracking of Mbila's development is primarily to capitalise on premium pricing for the project's low-phosphorous, low-sulphur, high-fixed carbon product in the South African market. The premium pricing is a consequence of demand – particularly from local ferromanganese, mineral sands and silicon carbide producers – substantially outstripping supply.

ZYL is continuing to re-engage with parties who expressed interest in the Mbila product prior to the company's investment in the project, and is seeking to formalise the EOIs received to date. The company will update the market in due course.

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



Contact:

Bevan Tarratt, Executive Chairman, ZYL LIMITED

T: +61 8 9486 4036
M: +61 (0) 418 928 719
E: btarratt@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) 45 820 039
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 metallurgical coal producers. The mission of ZYL is to develop high-margin metallurgical coal deposits for domestic and export markets. Flagship projects are the Mabila and Kangwane projects in South Africa, located close to rail, port, power and water infrastructure.

Important information

The information in this announcement is an overview and does not contain all information necessary to make an investment decision. To the extent permitted by law, no representation or warranty, express or implied, is made as to the accuracy, adequacy or reliability of any statements, estimates or opinions or other information contained in this announcement, any of which may change without notice. This document is not a prospectus, disclosure document or offering document under Australian law or under any other law. It does not constitute an offer or invitation to apply for securities. It is for information purposes only. This announcement is not an offer of securities for subscription or sale in the United States or any other jurisdiction in which such an offer or solicitation is not authorised or to any other person to whom it is unlawful to make such an offer or solicitation. Some of the information contained in this announcement constitutes forward-looking statements that are subject to various risks and uncertainties, not all of which may be disclosed. These statements discuss future objectives or expectations concerning results of operations or financial condition or provide other forward-looking information.

Prospective investors should make their own independent evaluation of an investment in the securities. The material contained in this document does not take into account the investment objectives, financial situation or particular needs of any particular investor. No recommendation to investors regarding the suitability of the securities has been made and the recipient must make its own assessment and/or seek independent advice on financial, legal, tax and other matters, including the merits and risk involved. This announcement and its contents have been distributed to you, in confidence, solely for your information and may not be retransmitted or otherwise reproduced or disclosed to third parties or made public in any way, in whole or in part, for any purpose without written permission.