



23<sup>rd</sup> January 2012

**RESPONSE TO MEDIA SPECULATION REGARDING STRATEGIC INVESTORS**

**Johannesburg, South Africa – (23 Jan 2012) - Universal Coal plc (ASX: UNV (“Universal”))** advises the Company is reviewing the appointment of advisors to assist with informal approaches regarding its coking coal projects in the north of South Africa.

The Company expects increasing interest in these assets, and as a result, and following a number of informal approaches and discussions from groups within the steel sector, Universal may appoint specialist advisors to assist in securing a strategic investor for the coking and thermal coal assets.

Universal has not received a formal statement or offer from any party regarding these assets. The Company continues to be in discussions with various equity investors and industrial groups in the steel and power generation sectors regarding its operations in South Africa as part of its ongoing investor relations and communications programs.

In December 2011, Universal advised shareholders that the Company’s two early-stage coking coal exploration projects in South Africa’s Limpopo province were likely to be the catalyst for substantial and increasing investor interest during 2012.

The Company said in December that the Berenice-Cygnus project, in particular, with a gross *in situ* resource of 1.3Bt declared from the first phase of drilling, was already attracting interest.

Berenice-Cygnus, situated in the emerging Soutpansberg Coalfield near the Mozambique and Zimbabwe borders, is located 30km from a railway siding linked to both Maputo and Richards Bay ports. A second phase of drilling is scheduled to begin in early 2012, and a scoping study commenced in late 2011 at the project.

**Competent Person’s Statement**

The information in this report that relates to Coal Resources or Ore Reserves relating to the Coking and thermal Coal Project is based on information reviewed and compiled by Mr Nico Denner, who is a registered natural scientist and a member of the South African Council for Natural Scientific Professions. Mr Denner is employed by Gemecs (Pty) Ltd and has sufficient experience which is relevant to the style of mineralisation and the type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Coal Resources and Ore Reserves. Mr Denner consents to the inclusion in this report of this information in the form and context in which it appears.

The information in this update that relates to exploration results is based on information reviewed and compiled by Mr Jaco Malan, who is a registered natural scientist and a member of the South African Council for Natural Scientific Professions. Mr Malan is employed by Universal Coal plc and has sufficient experience which is relevant to the style of mineralisation and the type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Coal Resources and Ore Reserves. Mr Malan consents to the inclusion in this report of this information in the form and context in which it appears.

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<b>ASX Code</b>	UNV
<b>Shares on Issue</b>	209.7m
<b>Cash at hand</b>	\$8.1m
<b>Share Price</b>	\$0.215
<b>Market Cap</b>	\$45.1m
<b>Options on Issue</b>	34.4m

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<b>Chairman:</b>	Dr Tony Harwood
<b>CEO:</b>	Tony Weber
<b>Director:</b>	Henri Bonsma
<b>Director:</b>	Shammy Luvhengo
<b>Director:</b>	John Hopkins

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