

Monday 13th December 2010

COKING COAL DRILLING UNDERWAY Thick Coal Sequences Intersected

Following the successful raising and listing on the ASX under the code UNV, the Board of Directors of Universal Coal plc ("Universal Coal") is pleased to provide an update on its Coking coal project

- **Drilling has commenced at the eastern portion of Berenice Coking Coal Project in the Limpopo province, with coal sequences intersected in all five holes completed to date.**
- **35-40m thick consistently developed coal zones have been intersected at depths ranging from 20-200m below surface. The coal zone consists of interbedded bright coal and carbonaceous mudstone.**
- **Additional funds will be allocated to drilling at Berenice with the view to defining an inferred resource over the initially targeted area of 6989 hectares. The Company has an earn-in agreement over two coking coal projects (Berenice and Somerville) that together contain 396Mt of JORC compliant Inferred resources. Commenting on the successful drilling Chairman Dr Tony Harwood said " We are delighted with the initial intersections of such thick coal sequences. We will now be focusing on increasing our Coking Coal inferred resource"**
- **The board of Universal Coal will be providing a market update shortly on all Thermal coal projects which will include production targets on our first mine to market "Kangala".**

Corporate

As of 13th December 2010, Universal Coal's registered office in Australia will be:

Universal Coal plc
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ASX Code	UNV
Shares on Issue	197.2m
Cash at hand	\$20.4m
Share Price	26c
Market Cap	\$51.3m
Options on Issue	18.5m

Chairman:	Dr Tony Harwood
CEO:	Tony Weber
Director:	Henri Bonsma
Director:	Shammy Luvhengo
Director:	John Hopkins

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About Universal Coal plc

Universal Coal is a South African focussed coal company holding interests in three thermal coal projects of between 25% and 70.5%, which currently contain over 300Mt of JORC-compliant resources.

The Company is aiming to achieve first coal production from the Kangala Coal Project in 2011, ramping up to full production by the first quarter of 2012, subject to various regulatory approvals.

Development of the Kangala Project is located in the Witbank coalfield in South Africa, which supplies more than 50% of South Africa's saleable export and domestic coal.

The development of the Kangala Project is planned to be followed by the development of the Roodekop Project and Brakfontein Project subject to positive feasibility studies, financing and other regulatory approvals, with both projects being planned with the object of maximising their export coal potential.

In addition to the thermal coal projects, the Company has an earn-in agreement over two coking coal projects (Berenice and Somerville) that together contain 396Mt of JORC compliant Inferred resources.

The Company has an experienced team of directors, senior managers and geoscientists with extensive expertise in both coal exploration and mining in South Africa and who have a proven track record of project development.

Competent Person's Statement

The information in this update that relates to Exploration Results relating to the Berenice-Soutpansberg Project 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.

Reporting on Exploration Results

The update have been compiled in accordance with the JORC Code, the recommendations and guidelines set out in the revised 2007 South African Code for The Reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC Code) and the rules and guidelines relating to the independent expert's reports set by ASIC and ASX.