

Wednesday, 22nd June 2011

DRILLING RESULTS SHOW COKING COAL HORIZONS CONSISTENT OVER ENTIRE BERENICE-CYGNUS PROJECT AREA

The Board of Directors of Universal Coal plc ("Universal Coal" or "Company") is pleased to provide an update on its coking and thermal coal exploration activities:

Berenice-Cygnus Coking Coal Project:

- The first phase of resource drilling at the Berenice-Cygnus Coking Coal Project has been completed. The drilling has confirmed that the geological structure is a half-graben (see Map and Cross-Section below) and that there could be an appreciable tonnage that could be amenable to open pit mining or shallow underground mining.
- A total of 51 slim diameter and 8 large diameter diamond drill holes confirm the presence of a 35m – 40m thick composite coal zone deposit within a structurally controlled half-graben structure, approximately 12.5km in length and 4km wide. The coal zone has been intersected from sub-outcrop, less than 20m in depth, up to 250m below surface and consists of interbedded bright coal and carbonaceous mudstones. At least three consistently developed sub-zones, containing between 40% and 50% coal, occur towards the base of the coal zone. The three distinct coal-rich sub-zones have thicknesses that vary between 1.91m - 5.37m (Zone A), 1.73m-5.92m (Zone B) and 0.5m-1.75m (Zone C), respectively (see below).
- Washability test results have been received for the first 20 slim diameter drill holes, with the remainder of the results expected by early July. The results of these tests show that at wash densities of less than 1.40g/cm³ the coking coal typically exhibits Free Swelling Indices (an indicator of coking tendencies) of 7 to 9, Roga Indices (an indicator of caking properties) ranging from 70 to 90, volatile matter contents of between 33% and 36%, inherent moisture contents of between 0.94% and 2.76%, ash contents of between 8.59% and 14.88%, sulphur contents of between 0.7% and 1.22% and phosphorous contents of between 0.007% and 0.07%. Free Swelling Indices of between 6 and 2 are also observed for the coal washed between the 1.450 g/cm³ and 1.70 g/cm³ density fractions[#].

The 8 large diameter drill holes are being sampled for specialised coking coal test-work and analysis. This test work will determine additional coking characteristics and ultimately the type of coking coal present.

A geological model and updated JORC compliant resource estimate targeted at between 700-800 million tonnes* is on schedule and expected to be completed by mid-July.

ASX Code	UNV
Shares on Issue	203.5m
Cash at hand	\$14.0m
Share Price	\$0.28
Market Cap	\$57.0m
Options on Issue	26.6m

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Brakfontein Thermal Coal Project

- The current phase of diamond drilling at the Brakfontein thermal coal project has now been finalised. A total of 38 additional holes have been completed during this resource definition phase. A resource update is expected in August and thereafter a feasibility study is likely to be commissioned on the project and a mining licence application will be submitted.

Commenting on the progress with the Company's exploration activities, Chairman Dr. Tony Harwood said, "We are delighted that the resource drilling at the Berenice-Cygnus Coking Coal project has been finalised and confirms the presence of the target coking coal sub-zones over the entire drilling area. The results to date continue to return encouraging coking coal analytical results. The preliminary structural interpretation indicates that the coking coal zone is close to surface in some places and could be amenable to open-cast mining. We will now focus on finalising the resource update with an exploration target of 700-800 million tonnes* for this project. The Brakfontein Thermal Coal project drilling has also been finalised and I am pleased to announce that both drilling campaigns have been completed on time and within budget."

#The coal qualities are reported on an air dried basis and extracted from the results obtained to date and may not be representative of the potential resource as a whole.

**The Exploration Target and potential coal quantity is conceptual in nature and takes cognisance of the thicknesses, laboratory-determined relative densities and the projected surface extent of the coal-rich horizons in the Berenice-Cygnus project area as observed from the current drilling programme. There has been insufficient exploration to define a Coal Resource and it is uncertain if further exploration will result in the determination of a Coal Resource.*

Competent Person's Statement

The information in this update that relates to exploration results for the Berenice-Cygnus Coking Coal 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 has 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.

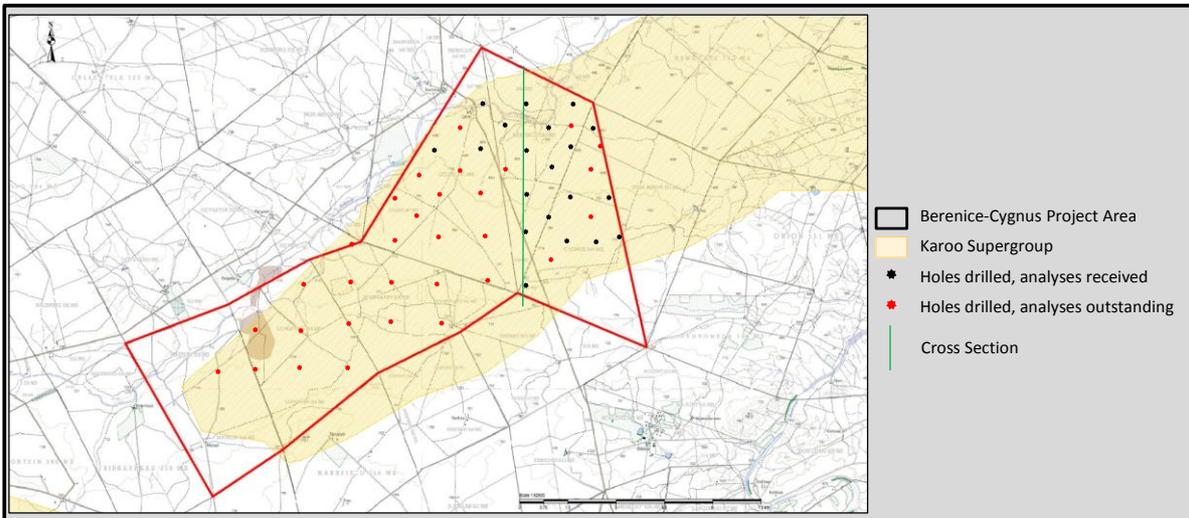


Figure 1: Drilling at Berenice/Cygnus

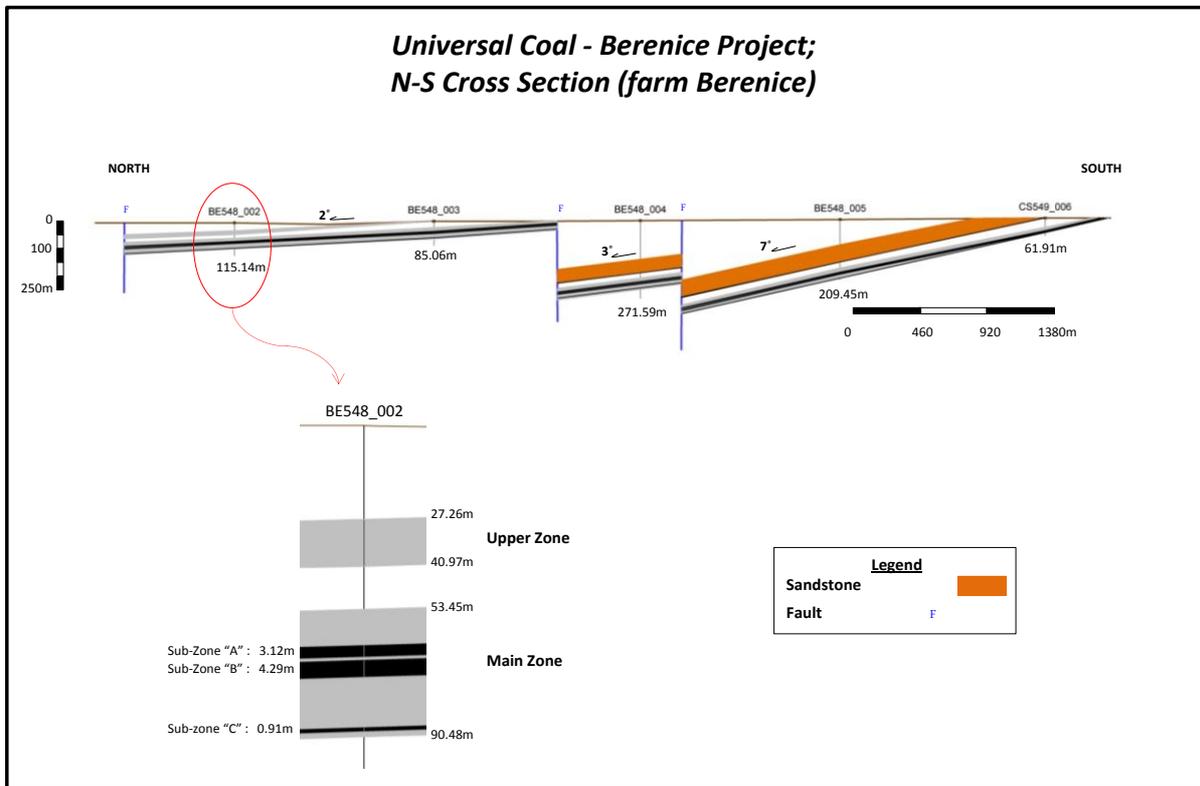


Figure 2: Cross Section Berenice/Cygnus

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