

Wednesday 31<sup>th</sup> August 2011

## COKING COAL ACQUISITION

Universal Coal PLC is pleased to announce that it has secured the Donkin licence area on a Farm-in basis. The Donkin property is adjacent to the Somerville coking coal project in the Limpopo Province of South Africa. Based on historical drilling data, the property has a JORC compliant resource, with the potential for coking coal and open pit access.

- **The farm Donkin 72MS has a gross historical JORC Inferred resource of 42.4Mt, covering the northern extent of a farm area of 1,178 hectares.**
- **Historical data shows a coal zone of up to 20m thick present on the northern section of the property. The depth to the coal zone is anticipated as being between 20-70m.**

Commenting on the Donkin property acquisition Chairman Dr Tony Harwood said: *"We are delighted to have secured an additional farm-in agreement to achieve a 50% shareholding of the Donkin property. This is in line with Universal's strategy of consolidating key areas surrounding all our project areas."*

### Terms of the Farm-in Agreement

- UNV receives an effective 15% ownership upon completion of legal and technical due diligence, once Board approvals are granted.
- UNV will achieve a further;
  - 10 % upon confirming the Inferred Coal Resources (25%).
  - 10 % on Indicated Coal resources (35%)
  - 15% on Measured Coal Resources (50%)
- UNV has a three year period to achieve the above.

### Berenice-Cygnus Coking Coal Update

Universal are currently undertaking detailed analysis of samples obtained from the large diameter drill holes on the property to define the detailed coking coal and coke characteristics. Universal Coal expects to receive the results of these tests and analyses in October this year, where-upon Universal will proceed with a Scoping Study and an aggressive Phase 2 drill-out of the deposit to a Measured JORC Category.

<b>ASX Code</b>	UNV
<b>Shares on Issue</b>	203.7m
<b>Cash at hand</b>	\$9.9m
<b>Share Price (30/08/11)</b>	\$0.275
<b>Market Cap</b>	\$56m
<b>Options on Issue</b>	26.6m

<b>Chairman:</b>	Dr Tony Harwood
<b>CEO:</b>	Tony Weber
<b>Director:</b>	Henri Bonsma
<b>Director:</b>	Shammy Luvhengo
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It is anticipated that a resource upgrade will be announced prior to the above. For further information please refer to Universal's previous ASX announcement made on 14th July 2011 confirming a 1.2 billion tonne JORC compliant coking coal resource.

### **Kangala Thermal Coal Update**

Universal will be providing an update on its Kangala Thermal coal project in October this year which will include development and production targets following conclusion of the optimization study currently being undertaken.

### **Contact Details**

For more information on this announcement, please contact:

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