

Wednesday 7th August 2011

DONKIN PROJECT- COAL QUALITIES

The Board of Directors of Universal Coal plc (“Universal Coal” or “Company”) is pleased to provide further information on the recently acquired Donkin Coal Project:

- The farm Donkin 72MS has a gross in-situ JORC compliant Inferred resource of 42.4mt of coal, covering the northern extent of a farm area of 1,178 hectares.
- Historical data indicates that three coal zones are present with a combined thickness of 8m. Depth to the coal zone is anticipated as being at 20-70m.
- The coal zones exhibit the following range in raw qualities (on an air-dried basis), as ascertained from historical drill information:

Ash (%)	Calorific Value (Mj/kg)	Volatile Matter (%)	Fixed Carbon (%)	Inherent Moisture (%)
37.6 - 80	3.0 - 22.9	10 - 24	7.9 - 51.5	1.1 - 2.3

- Based on historical tabulations the following qualities for a 3.8m thick mining selection (for a 12% ash product) could apply:

Wash cut-point Relative Density	Bore Hole Yield (%)	Calorific Value (Mj/kg)	Ash (%)	Volatile Matter (%)	Sulphur (%)
1.42 (Coking)	24	30.0	12.0	36.4	0.8
1.42-1.74 (Middlings)	25	23.0	29.9	29.7	0.8
+ 1.74 (Discard)	51	8.1	67.2	15.5	2.4

- Coking test results are not available, however there is a likelihood of some coking ability for the lower density fraction of coal from the locality, as observed from data on Universal Coal’s adjacent Somerville project.

ASX Code	UNV
Shares on Issue	203.7m
Cash at hand	\$9.9m
Share Price	\$0.27
Market Cap	\$55m
Options on Issue	26.6m

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COMPETENT PERSON'S STATEMENT

The information in this report that relates to Coal Resources or Ore Reserves relating to the Donkin Coal Project is based on information reviewed and compiled by Mr Nico Denner, who is a registered natural scientist and 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 the interpretation of the exploration results for the Donkin 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 AND FORWARD LOOKING STATEMENTS

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.

Some statements in this announcement regarding estimates of future events are forward-looking statements. They involve risk and uncertainties that could cause actual results to differ from estimated results. Forward-looking statements include but are not limited to statements concerning the Company's exploration programme, outlook, target sizes and coal qualities. They include statements preceded by words such as "expected", "planned", "target", "scheduled", "prospective", "potential", "possible" and similar expressions.

CONTACT DETAILS

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