

8th December 2011

BRAKFONTEIN COAL RESOURCE UPDATE

The Board of Directors of Universal Coal plc (“Universal Coal” or “Company”) is pleased to announce a resource update for the Brakfontein Thermal Coal Project (“Brakfontein”), South Africa.

Following completion of the drilling and resource estimation, and reporting a Measured resource at Brakfontein of 70.53 million tonnes, Universal Coal has submitted a mining right application over the project area and will proceed with a feasibility study for the project in 2012.

Resource Estimation Highlights

- A JORC compliant coal resource at the Brakfontein Thermal Coal Project of 87.664 million tonnes (gross tonnes in situ) of which 70.53 million tonnes are now Measured, 14.944 million tonnes Indicated and 2.185 million tonnes Inferred.
- The resource update follows completion of a 72 hole drilling programme.
- The coal is contained within the 5, 4, 2 and 1 Seams with characteristics typical of the Witbank Coal Field.

A summary of the JORC compliant resources as determined by Gemecs is provided below:

Table1: Resources Estimation

Million Tonnes with Volatile Matter Dry Ash Free Content > 23% (bituminous coal)					
Seam	Thickness (m)	Measured	Indicated	Inferred	Total
5	1.21-1.36	1.517	0.197	-	1.714
4 Upper	0.91-3.45	10.966	1.441	0.241	12.648
4 Lower	2.02-3.64	10.0	1.214	-	11.214
2	2.81-6.38	20.03	2.791	-	22.821
1	0.87-1.21	2.413	0.699	0.875	3.987
Subtotal		44.926	6.342	1.116	52.384
Million tonnes with Volatile Matter Dry Ash Free Content < 23% (lean coal)					
Seam	Thickness (m)	Measured	Indicated	Inferred	Total
5	0.76-1.43	0.344	0.195	-	0.539
4 Upper	0.85-3.47	5.64	1.887	-	6.561
4 Lower	2.00-3.50	8.022	2.863	0.32	11.205
2	3.25-6.45	11.491	3.566	-	15.057
1	0.79-1.21	0.112	0.091	0.749	0.952
Subtotal		25.609	8.602	1.069	35.28
Total		70.535	14.944	2.185	87.664

- Cut offs applied included seam thicknesses of less than 0.5m and mined out areas.
- The reduction in coal resources at Brakfontein from the initial resources of 125.6 million tonnes is primarily as a result of the presence of previously unknown basement highs where no coal has developed and historical mined out areas.

ASX Code	UNV
Shares on Issue	209.7m
Cash at hand	\$8.1m
Share Price	\$0.225
Market Cap	\$47.2m
Options on Issue	26.6m

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- The coal qualities (on an air-dried basis) of the bituminous coal with a volatile matter content (on a dry ash free basis) of >23% are summarised in the table below.
- The 5, 4 Lower and 2 Seams, that constitute 68% of the bituminous coal resources with a volatile matter content on a dry ash free basis of >23%, yield (theoretical) between 47.24% and 54.24% B-grade coal suitable for the export thermal coal market.

Table 2: Coal Qualities

Seam	RAW COAL QUALITIES					QUALITIES: PRIMARY PRODUCT AT CV 26.5MJ/KG AND SECONDARY PRODUCT AT CV20.5MJ/KG													
	CV (MJ/Kg)	AS (%)	IM (%)	VM (%)	TS (%)	PYL (%)	PCV (MJ/Kg)	PAS (%)	PIM (%)	PVM (%)	PTS (%)	PWD	SYL (%)	SCV (MJ/Kg)	SAS (%)	SIM (%)	SVM (%)	STS (%)	
S5	17.38	37.70	3.92	17.35	0.99	54.24	26.50	14.97	4.36	22.82	0.64	1.61	5.57	20.50	31.69	4.05	15.74	0.78	
S4U	12.45	49.47	3.45	14.68	0.82	14.37	26.50	15.67	3.76	21.58	1.54	1.50	20.76	20.50	29.71	3.87	16.32	0.80	
S4L	21.20	28.14	3.93	19.87	1.10	52.87	26.50	15.52	4.44	22.80	0.84	1.59	26.12	20.50	29.76	4.02	18.42	0.97	
S2	19.62	32.34	3.96	19.40	0.97	47.24	26.50	15.40	4.85	23.46	0.84	1.59	21.89	20.42	29.70	4.82	16.62	0.79	
S1	16.67	39.44	3.77	17.04	0.73	35.12	26.50	15.65	4.78	23.52	1.00	1.54	17.16	20.50	29.50	4.40	18.17	0.66	

Universal Coal Chairman Dr. Tony Harwood said, *"It is very pleasing to report a Measured resource at Brakfontein. We now have a very high level of confidence in the resource that allows us to apply for a mining right and proceed with a feasibility study."*

Universal Coal submitted a mining right application over the Brakfontein project area during the final quarter of 2011, and the company intends proceeding with a feasibility study for the project, commencing in early in 2012.

The Brakfontein Coal Project is located in the Delmas district, on the western margin of the Witbank coalfield and is one of Universal Coal's three near-term thermal coal production assets in South Africa. The majority of the country's electricity is coal-generated and most of that comes from the Witbank coalfield, which hosts Universal Coal's thermal coal projects, including Brakfontein. The Company is also looking to develop two highly prospective coking coal projects; at the Soutpansberg coalfield, where Universal Coal's Berenice / Cygnus project is located, and within the Tuli coalfield at the Somerville Project. (Please refer to Table 3 below for details on each project).

Competent Person's Statement

The information in this report that relates to Coal Resources or Ore Reserves relating to the Brakfontein 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 for the Brakfontein 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.

Table 3: Universal Coal Total Resources Summary

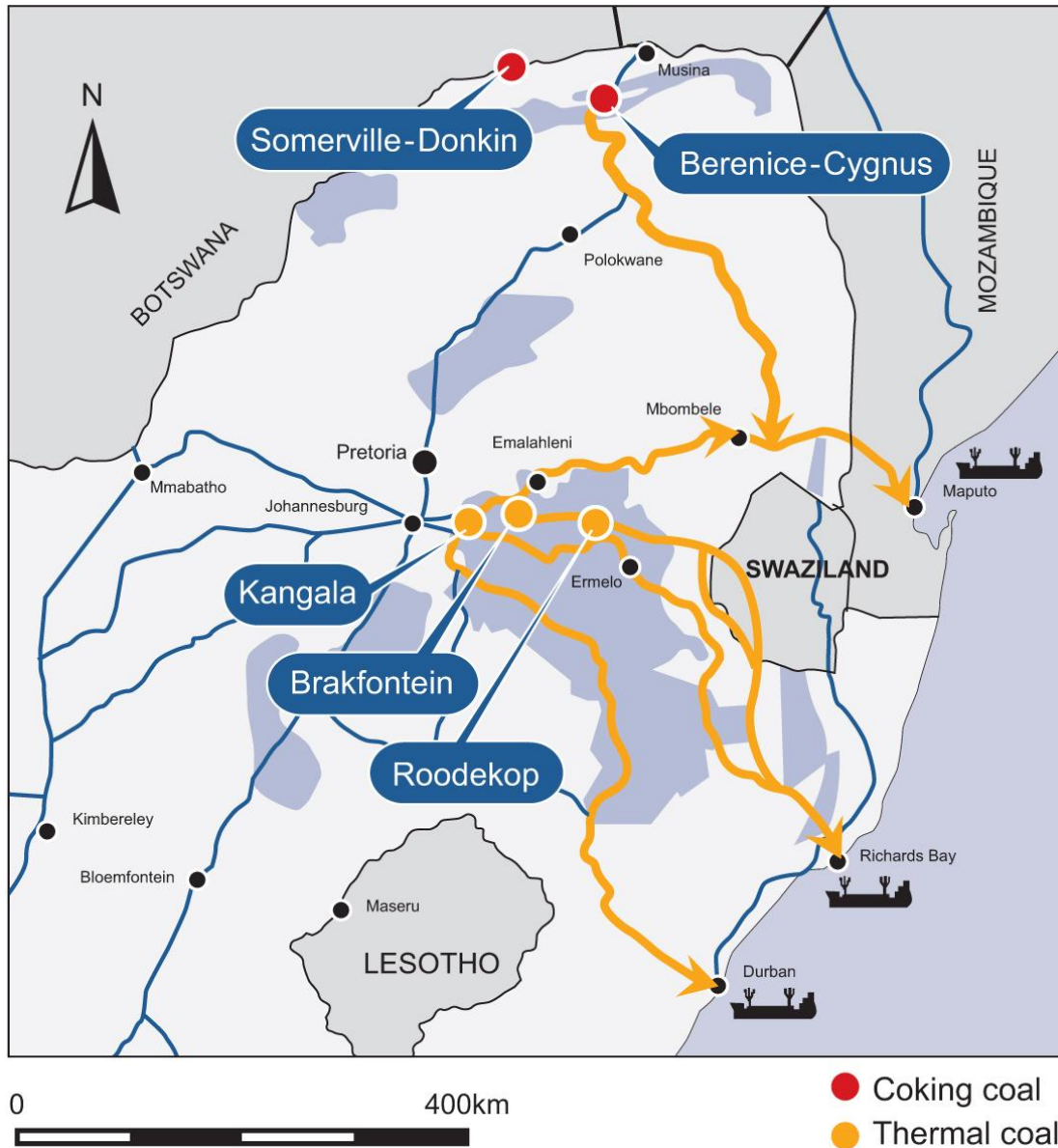
Project	Measured Millions of tonnes	Indicated Millions of tonnes	Inferred Millions of tonnes	Total Millions of tonnes
Thermal Coal (Witbank)				
Kangala ^{1,4}	48.7	4.4	70.9	124.0
Roodekop ^{2,6}	67.2	15.6		82.8
Brakfontein ^{3,4}	70.5	15.0	2.2	87.7
Total Thermal coal^{4,6}	186.4	35.0	73.1	294.5
Coking Coal (Limpopo)				
Berenice ⁵ – Cygnus ⁶	7.9	394.5	922.0	1324.4
Somerville ⁵ -Donkin ⁷			316.4	316.4
Total Coking Coal⁸	7.9	394.5	1,238.4	1,640.8
Total⁹	194.3	429.5	1,311.5	1,935.3

Notes:

1. Universal Coal has an attributable interest of 70.5% of these coal resources.
2. Universal Coal has earned 50% in the Roodekop Project via the completion of an agreement with its JV partner Xakwa resources. Upon the completion of the feasibility study, Universal Coal has the option to acquire up to a 74% interest in the project.
3. Under the terms of the earn in agreement, Universal Coal is earning up to 50% in the Brakfontein Project via the completion of certain milestones (refer to Section of the Replacement Prospectus). Upon completion of these various milestones, Universal Coal's attributable interest increases and when all of the milestones are completed, Universal Coal will have an attributable interest of 50% in these coal resources (with the right to negotiate to acquire up to a 74% interest). Universal Coal currently has an attributable interest of 30% in these coal resources.
4. The Kangala and Brakfontein coal resources were estimated by Coffey Mining.
5. Under the terms of the earn in agreement, Universal Coal is earning up to 50% in the Berenice and Somerville Projects via the completion of certain milestones (refer to Section 11 of the Replacement Prospectus). Upon completion of these various milestones, Universal Coal's attributable interest increases and when all of the milestones are completed, Universal Coal will have an attributable interest of 50% in these coal resources (with the option to acquire up to a 74% interest). UCEHSA currently holds a 22% interest in UCD II. Ministerial consent to the transfer of 342/2009PR is still pending.
6. Under the terms of the earn in agreement, Universal Coal is earning up to 50% in the Cygnus Project via the completion of certain milestones. Upon completion of these various milestones, Universal Coal's attributable interest increases and when all of the milestones are completed, Universal Coal will have an attributable interest of 50% in this project (with the option to acquire up to a 74% interest). UCEHSA currently holds a 10% interest in UCD V(the Cygnus joint venture company). Ministerial consent to the transfer of 227/2008PR is still pending.
7. Under the terms of the earn in agreement, Universal Coal is earning up to 50% in the Donkin Project via the completion of certain milestones. Upon completion of these various milestones, Universal Coal's attributable interest increases and when all of the milestones are completed, Universal Coal will have an attributable interest of 50% in this project (with the option to acquire up to a 74% interest). UCEHSA currently holds a 15% interest in the Donkin joint venture company.
8. The Roodekop and Limpopo coal resources were estimated by Gemecs.
9. Rounding (conforming to the JORC Code) may cause computational discrepancies.

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Diagram 1: Project Locations



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