

Notice of General Meeting and Explanatory Memorandum

**For the General Meeting to be held on
Tuesday, 8 May 2012 at 11.00am (GMT) at
The Offices of SGH Martineau LLP,
Fifth Floor, One America Square
Crosswall, London, EC3N 2SG**

If you are unable to attend the General Meeting, please complete the form of proxy (or if you are a CDI holder, the CDI Voting Instruction Form) and return it in accordance with the set of instructions set out on that form.

For Intermediary Online Subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions.

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR ATTENTION

Please read this document carefully and in its entirety. If you do not understand it or are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser (who in the United Kingdom, should be authorised under the Financial Services and Markets Act 2000).

If you have sold or otherwise transferred all of your shares in Universal Coal PLC, please send this document and the accompanying documents to the purchaser or transferee or the stockbroker, bank or other agent through which the sale or transfer was effected for transmission to the purchaser or transferee.

In this document, you will find:

1. A letter from the Chairman outlining the proposed resolutions to be considered at the General Meeting and a recommendation as to how you should vote.
2. Notice of General Meeting
3. An Explanatory Memorandum containing an explanation of, and information about, the proposed resolutions to be considered at the General Meeting and information to explain the resolutions.
4. A Proxy Form (or if you are a CDI holder, a CDI Voting Instruction Form).



**universal
coal plc**

REGISTERED IN ENGLAND – NO. 4482856

ARBN 143 750 038

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Mr John Hopkins (Non Executive Chairman)
Mr Anton Weber (Director, Chief Executive Officer)
Mr Hendrik Bonsma (Non Executive Director)
Mr Shammy Luvhengo (Executive Director)

One America Square Crosswall
London
EC3N 2SG
United Kingdom

17 April 2012

Dear Shareholder,

Universal Coal Plc: New Funding Arrangements

Your Directors have called a general meeting of Shareholders for Tuesday, 8 May 2012 to consider a number of resolutions relating to Universal Coal Plc's (**Company**) funding arrangements.

Resolutions 1 and 2 are interconditional ordinary resolutions relating to the converting note facility of up to A\$12 million entered into with Susquehanna International Group LLP through its subsidiary Susquehanna Pacific Pty Limited (**Susquehanna**) (which is subject to Shareholders' approval), as announced on 10 April 2012:

Resolution 1: Approval of the issue of a maximum of 12,000,000 converting notes (and CDIs and shares issued on conversion of those notes and in payment of interest in accordance with their terms) for a face value of up to a maximum of A\$12 million to Susquehanna

Resolution 2: Approval of the issue of a maximum of 38,527,394 options (and CDIs and shares issued on exercise of those options in accordance with their terms) to Susquehanna

Both of these resolutions must be passed in order that the Company may benefit from up to A\$12 million in funding support from Susquehanna.

This funding support is an essential part of the strategic roadmap developed and approved by the Board to enable Universal Coal PLC to:

- advance phase two drilling of the Berenice-Cygnus coking coal project;
- finalise engineering work on the Kangala thermal project; and
- provide the Company with additional working capital.

If approved, the Company will draw down an initial A\$7 million (of the A\$12m converting note facility) in May 2012. The remaining A\$5 million will be drawn down by the Company in conjunction with Susquehanna's option by September 2012.

This funding has been structured with a non conversion period of 7½ months from first drawdown to ensure no immediate dilution to shareholders. The key terms of the converting notes are:

- 7 year converting note term, converting price set at premium to the share price as at 10 April 2012 (being the date of the announcement of the funding arrangement)
- 9.5% fixed interest, which can be paid in shares at Universal's election for the first 18 months from drawdown (in line with the proposed first coal production from Kangala) at a 10% discount to the lower of the 5,10 or 30 day VWAP, paid quarterly in arrears
- a non conversion period of 7½ months from first drawdown (in line with the proposed commencement of development at Kangala) with a capped monthly conversion.

As it is a converting note facility, Susquehanna must fully convert its notes prior to maturity (ie, within 7 years).

In addition, the Company and Susquehanna have entered into an options package for up to a maximum of 38,527,394 options to be issued to Susquehanna (which could result in additional funding of up to A\$10.2 million through the exercise of those options).

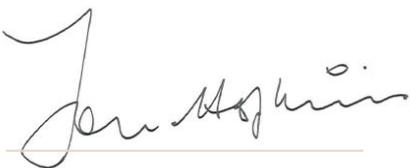
The options package is in respect of two tranches of options, tranche A and tranche B. The tranche B options will only be issued to Susquehanna if it subscribes for the A\$5 million second tranche of converting notes. In each case, the exercise price for options in tranche A and B (if applicable) is at a premium to the share price as at 10 April 2012 (being the date of the announcement of the funding arrangement).

Details relating to the converting note facility of up to A\$12 million and the related options package are set out in the enclosed documents. Shareholders should read these documents carefully and in their entirety in deciding how to vote on the resolutions regarding this funding package.

The Directors are unanimously of the opinion that the resolutions to be proposed at the General Meeting on Tuesday, 8 May 2012 are in the best interests of Shareholders as a whole. Your Board strongly recommends that you vote in favour of these resolutions at this General Meeting. The Directors intend to vote in favour of these resolutions in respect of their own beneficial interests in Shares.

Yours faithfully

Universal Coal PLC



MR JOHN HOPKINS

Non Executive Chairman

Notice of General Meeting

Notice is hereby given that a General Meeting of Universal Coal plc, a company incorporated in England and Wales under the Companies Act 1985 with Registered Number 4482856 (the Company) will be held at the offices of SGH Martineau LLP, Fifth Floor, One America Square, Crosswall, London EC3N 2SG on Tuesday, 8 May 2012 at 11am to consider, and if thought fit, to pass the following resolutions, of which resolutions 1 and 2 will be proposed as ordinary resolutions:

Ordinary Resolutions

1. THAT, subject to Resolution 2 set out in this Notice of General Meeting being passed, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the issue of:
 - a. a maximum of 12,000,000 Converting Notes to Susquehanna Pacific Pty Limited (SIG) under the Converting Note Agreement, each with a face value of A\$1 and with a maximum aggregate face value of A\$12,000,000;
 - b. CDIs and Shares on conversion of those Converting Notes; and
 - c. CDIs and Shares, at the election of the Company, in satisfaction of interest payable under the Converting Notes, each on the terms of the Converting Note Agreement, as described in the Explanatory Memorandum accompanying the Notice of General Meeting, be authorised and approved.
2. THAT, subject to Resolution 1 set out in this Notice of General Meeting being passed, for the purpose of ASX Listing Rule 7.1 and for all other purposes, the issue of:
 - a. a maximum of 38,527,394 Options to Susquehanna Pacific Pty Limited under the Options Deed, each Option exercisable into one CDI; and
 - b. CDIs and Shares on exercise of those Options, each on the terms of the Options Deed, as described in the Explanatory Memorandum accompanying the Notice of General Meeting, be authorised and approved.

By Order of the Board

John Bottomley

Company Secretary

Dated 17 April 2012

Registered Office

One America Square

Crosswall

London EC3N 2SG

Notes

1. Voting process for CDI holders

Computershare, on behalf of CHESS Depository Nominees Pty Limited (CDN), will mail CDI holders a CDI Voting Instruction Form along with this proxy statement and the other proxy solicitation materials. By completing, signing and returning the CDI Voting Instruction Form, CDI holders may instruct CDN to vote on their behalf in accordance with their written directions.

The Company's Registrars, Computershare Investor Services Pty Limited, GPO Box 242, Melbourne, Victoria 3001, Australia or by facsimile to 1800 783 447 or +61 3 9473 2555 has agreed to collect and process voting instructions from CDI holders. Computershare must receive your CDI Voting Instruction Form, completed and returned in accordance with the instructions provided on the form, by no later than 5pm (WST) on 3 May 2012.

If a CDI holder completes and returns a CDI Voting Instruction Form, such CDI holder may revoke those directions by delivering to Computershare, no later than 5pm (WST) 3 May 2012, a written notice of revocation bearing a later date than the CDI Voting Instruction Form previously sent.

CDI holders may attend the General Meeting, but cannot vote in person at the General Meeting.

2. Voting Exclusion Statement

In accordance with the notice requirements of ASX Listing Rule 7.3.8 for approval under ASX Listing Rule 7.1 and ASX Listing Rule 14.11.1, the Company will disregard any votes cast on Resolution 1 and Resolution 2 by SIG, shareholders of SIG, their nominees and any of their respective associates.

However, the Company will not disregard a vote if:

- a. it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- b. it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

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Explanatory Memorandum

1. Introduction

This Explanatory Memorandum has been prepared to assist the Company's shareholders and holders of CDIs in considering the resolutions set out in the Notice of General Meeting of Universal Coal plc (the Company), which is to be held at the offices of SGH Martineau LLP, Fifth Floor, One America Square, Crosswall, London EC3N 2SG on Tuesday, 8 May 2012 at 11am GMT.

This Explanatory Memorandum forms part of, and should be read in conjunction with, the Company's Notice of General Meeting.

This Explanatory Memorandum sets out the information required to be disclosed by the ASX Listing Rules to the Company's shareholders in seeking their approval on Resolution 1 and Resolution 2.

This Explanatory Memorandum is not investment advice. You should seek your own financial and professional advice before making any decision on how to vote at the General Meeting.

2. Issue of Converting Notes and Issue of Options (Resolution 1 and Resolution 2)

On 10 April 2012, the Company announced that it had executed funding documents with SIG for funding support of up to A\$12 million via the issue of converting notes, with further funding available via an unlisted options package. These arrangements are set out in the Converting Note Agreement and the Options Deed, respectively, which the Company has signed with SIG.

It is a condition precedent to each agreement (amongst other conditions) that the Company obtain the approval of its shareholders on or before 30 May 2012 to the issue of the Converting Notes and issue of CDIs on conversion of the Converting Notes under the Converting Note Agreement, and the granting of Options and issue of CDIs on exercise of the Options under the Options Deed.

ASX Listing Rule 7.1

Subject to a number of exceptions, ASX Listing Rule 7.1 limits the number of securities a company may issue or agree to issue without shareholder approval, in any 12 month period, to 15% of its issued securities. Shareholder approval under ASX Listing Rule 7.1 is required if the issue of Converting Notes or the issue of CDIs on the conversion of the Converting Notes, and the issue of the Options or issue of CDIs on the exercise of Options, will exceed this limit.

Resolution 1 relates to the issue of Converting Notes, the issue of CDIs (and corresponding Shares) on conversion of the Converting Notes, and the issue of CDIs (and corresponding Shares) at the election of the Company in satisfaction of interest payable under the Converting Notes, pursuant to the Converting Note Agreement.

Resolution 2 relates to the issue of Options, and the issue of CDIs (and corresponding Shares) on exercise of the Options, in relation to the Options Deed.

Both Resolution 1 and Resolution 2 are interdependent, meaning that the passing of one resolution is dependent on the other resolution also being passed.

If shareholder approval is granted under Resolution 1 and Resolution 2:

- the issue of the Converting Notes and Options, and the issue of CDIs (and corresponding Shares) on the conversion of Converting Notes, or in satisfaction of the payment of interest payable under the Converting Notes, and on the exercise of the Options, will be excluded from the calculation of the 15% limit under ASX Listing Rule 7.1; and
- all of the Converting Notes and Options referred to above may be converted and exercised into CDIs (with corresponding Shares being issued) without further approval from shareholders.

Information required for shareholder approval

In accordance with ASX Listing Rules 7.1 and 7.3, the following information is provided to shareholders in relation to Resolution 1 and Resolution 2:

Converting Notes (Resolution 1)

ASX Listing Rule 7.3.1:

A maximum of 12 million Converting Notes will be issued under the Converting Note Agreement, proposed to be issued in two tranches as follows:

Tranche 1: 7 million Converting Notes, each with a face value of A\$1 per Converting Note

Tranche 2: 5 million Converting Notes, each with a face value of A\$1 per Converting Note (provided SIG gives notice of its intention to elect to subscribe for Tranche 2 Converting Notes)

Subject to the terms of the Converting Note Agreement, the rate at which Converting Notes convert into CDIs is equal to the principal amount outstanding under the Converting Notes divided by the Conversion Price.

The Conversion Price for the Converting Notes is equal to 110% of the Close Price. The Close Price is determined as follows:

- Close Price =
- A\$0.25 per CDI if, at any time during the 8 week period commencing on the date on which the Company issues the drawdown notice to SIG in respect of the Tranche 1 Converting Notes (or such other date as is mutually agreed between the Company and SIG), the 5-day VWAP is equal to or greater than A\$0.25 per CDI; or
 - if paragraph (a) does not apply, A\$0.2336 per CDI.

The Conversion Price is subject to adjustment in the event of a reconstruction or reorganisation of the Company's capital, a capital distribution or special dividend, or a pro rata rights issue.

ASX Listing Rule 7.3.2 and 7.3.7:

The dates by which the Converting Notes are to be issued and allotted are as follows:

Tranche 1: Converting Notes: 3 Business Days after the date the Company issues a drawdown notice to SIG, following satisfaction of the Conditions Precedent. The Conditions Precedent must be satisfied on or before 30 May 2012.

Tranche 2: Converting Notes: 1 September 2012 (assuming SIG elects to subscribe for the Tranche 2 Converting Notes), to the extent permitted by any ASX waiver or modification of the ASX Listing Rules, and if such ASX waiver or modification of the ASX Listing Rules is not obtained prior to the General Meeting, then no later than 3 months after the date of the General Meeting.

ASX Listing Rule 7.3.3:

The face value of each Converting Note is A\$1, hence the issue price for the Converting Notes is as follows:

Tranche 1: A\$7 million

Tranche 2: A\$5 million (assuming SIG elects to subscribe for the Tranche 2 Converting Notes)

ASX Listing Rule 7.3.4:

The allottee of the Converting Notes is SIG.

SIG may transfer Converting Notes to:

- a wholly-owned subsidiary of SIG, or to a nominee or custodian of SIG, with the prior written approval of the Company (not to be unreasonably withheld), or

- b. another person with the prior written approval of the Company (which may be given or withheld by the Company in its sole discretion).

ASX Listing Rule 7.3.5:

A summary of the key terms of the Converting Notes is set out in the Annexure to this Explanatory Memorandum. A more detailed summary of the terms of the Converting Notes is available on the Company's website, www.universalcoal.com

ASX Listing Rule 7.3.6:

The intended use of the funds raised from the Converting Notes is for the development of current and future mining projects, and for general corporate purposes of the Company.

ASX Listing Rule 7.3.8:

A voting exclusion statement is included in the Notice of General Meeting to which this Explanatory Memorandum is attached.

Options (Resolution 2)

ASX Listing Rule 7.3.1:

A maximum of 38,527,394 options will be issued under the Options Deed, proposed to be issued in tranches as follows:

Tranche A (Low) Options: Maximum of 16,855,735 options

Tranche A (High) Options: Maximum of 5,618,579 options

If SIG elects to subscribe for the Tranche 2 Converting Notes under the Converting Note Agreement:

Tranche B (Low) Options: Maximum of 12,039,810 options

Tranche B (High) Options: Maximum of 4,013,270 options

ASX Listing Rule 7.3.2 and 7.3.7:

The dates by which the Options are to be issued and allotted are as follows:

Tranche A (Low) Options and Tranche A (High) Options: 3 Business Days after the Company issues a drawdown notice to SIG, following satisfaction of the Conditions Precedent (being the date on which the Tranche 1 Converting Notes are issued under the Converting Note Agreement)

If SIG elects to subscribe for the Tranche 2 Converting Notes under the Converting Note Agreement:

Tranche B (Low) Options and Tranche B (High) Options: 1 September 2012 (being the date on which the Tranche 2 Converting Notes are issued under the Converting Note Agreement), to the extent permitted by any ASX waiver or modification of the ASX Listing Rules, and if such ASX waiver or modification of the ASX Listing Rules is not obtained prior to the General Meeting, then no later than 3 months after the date of the General Meeting.

ASX Listing Rule 7.3.3:

The exercise price per option for each tranche of Options issued is as follows:

Tranche A (Low) Options: 112.5% x Close Price

Tranche A (High) Options: 117.5% x Close Price

If SIG elects to subscribe for the Tranche 2 Converting Notes under the Converting Note Agreement:

Tranche B (Low) Options: 112.5% x Close Price

Tranche B (High) Options: 117.5% x Close Price

Where the Close Price is that applicable under the Converting Note Agreement (see above).

ASX Listing Rule 7.3.4:

The allottee of each tranche of Options is SIG.

SIG may transfer Options to:

- a. a wholly-owned subsidiary of SIG, or to a nominee or custodian of SIG, with the prior written approval of the Company (not to be unreasonably withheld), or
- b. another person with the prior written approval of the Company (which may be given or withheld by the Company in its sole discretion).

ASX Listing Rule 7.3.5:

A summary of the key terms of the Options is set out in the Annexure to this Explanatory Memorandum. A more detailed summary of the terms of the Options is available on the Company's website, www.universalcoal.com.

ASX Listing Rule 7.3.6:

The intended use of the funds raised from the Options is for the development of current and future mining projects, and for general corporate purposes of the Company.

3. Queries

Shareholders are requested to contact Daniel Robinson on +61 8 6267 9030 if they have any queries in respect of the matters set out in these documents.

4. Proxies, and entitlement to attend and vote

Shareholders are advised that:

- a. As a Shareholder in the Company you are entitled to appoint a proxy to exercise all of your rights to attend, speak and vote at the General Meeting. A proxy need not be a member of the Company.
- b. In the case of joint holders, the vote of the person first named in the register of members tendering a vote will be accepted to the exclusion of the votes of the other joint holders.
- c. In the case of a corporation, the form of proxy must be expressed to be executed by the corporation and must be executed under its common seal, or signed on its behalf by a duly authorised attorney or duly authorised officer of the corporation.
- d. To be valid, the form of proxy and any power of attorney or other authority under which it is signed or a notarially certified copy of such power or authority must be deposited with the Company at Computershare Investors Services plc, The Pavilions, Bridgwater Road, Bristol BS99 6ZZ (Facsimile to +44 (0) 870 703 6101) by no later than 5pm (GMT) on 4 May 2012.
- e. The completion and return of a proxy card will not affect the right of a member to attend, speak and vote in person at the meeting convened by this notice.
- f. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share.
- g. To direct your proxy how to vote on the resolutions mark the appropriate box on the proxy form with an "X". To abstain from voting on a resolution select the relevant "withheld" box. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
- h. Pursuant to regulation 41 of The Uncertificated Securities Regulations 2001, members Shareholders who are entered into the register of members of Universal Coal PLC 48 hours before the time appointed for the General Meeting, or if the General Meeting is adjourned, in the register of members 48 hours prior to the time of any adjourned meeting, shall be entitled to attend and vote at the meeting in respect of the number of ordinary shares

registered in their name at that time. Changes to entries in the register of members after that time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

- i. CDI holders who are entered in the register of CDI holders of Universal Coal PLC as at 5pm (WST) on 3 May 2012, or if the General Meeting is adjourned, in the register of CDI holders 72 hours prior to the time of any adjourned meeting, shall be entitled to provide voting instructions to CDN in respect of the number of CDIs registered in their name at that time. Changes to entries in the register of CDI holders after that time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

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Glossary

Unless otherwise defined in this Notice of General Meeting and Explanatory Memorandum, the following words have the corresponding meaning:

ASX means ASX Limited (ABN 98 008 624 691) or the Australian Securities Exchange, as the context requires.

ASX Listing Rules means the listing rules of the ASX.

Board means the current board of Directors.

Business Day means a day on which banks are open for general banking business in Sydney, other than a Saturday or a Sunday or public holiday, and which is also a Business Day for the purpose of the ASX Listing Rules.

CDI means one CHESS Depository Interest representing a unit of beneficial ownership in one Share, registered in the name of CDN.

CDN means Chess Depository Nominees Pty Ltd (ABN 75 071 346 506).

Close Price means:

- a. A\$0.25 per CDI if, at any time during the 8 week period commencing on the date on which the Company issues the drawdown notice to SIG in respect of the Tranche 1 Converting Notes (or such other date as is mutually agreed between the Company and SIG), the 5-day VWAP is equal to or greater than A\$0.25 per CDI; or
- b. if paragraph (a) does not apply, A\$0.2336 per CDI.

Closing Date means the date on which the drawdown notice is issued by the Company for the Tranche 1 Converting Notes to be issued under the Converting Note Agreement (or such other date as agreed).

Company means Universal Coal plc.

Converting Note Agreement means the agreement by that name executed between the Company and SIG in April 2012.

Converting Notes means the converting notes to be issued under the Converting Note Agreement.

Directors means the directors of the Company.

General Meeting means the general meeting of the Company's shareholders which is to be held at the offices of SGH Martineau LLP, Fifth Floor, One America Square, Crosswall, London EC3N 2SG on Tuesday, 8 May 2012 at 11 am.

Noteholder means the holder of a Converting Note.

Options means options over unissued CDIs to be issued to SIG under the Options Deed.

Resolution means a resolution to be put to Shareholders as set out in this Notice of General Meeting.

Optionholder means the holder of an Option.

Options Deed means the Deed Granting Options for Unissued CDIs executed between the Company and SIG in April 2012.

Resolution means a resolution to be put to the Company's shareholders as set out in this Notice of General Meeting and Explanatory Memorandum.

Share means a fully paid ordinary share in the Company.

Shareholder means a holder of a Share.

SIG means Susquehanna Pacific Pty Limited (ABN 23 082 467 605).

Trading Day means a trading day for the purposes of the ASX Listing Rules.

Tranche 1 Drawdown Date means the date 3 Business Days after the date the Company issues a drawdown notice to SIG, following satisfaction of the Conditions Precedent (being the date on which the Tranche 1 Converting Notes are issued under the Converting Note Agreement). This is expected to occur in May 2012.

Transaction Documents include the Converting Note Agreement, the Options Deed and the share mortgage to be granted to SIG as contemplated by the Converting Note Agreement.

VWAP means the volume weighted average price of CDIs traded on the ASX over the relevant period, calculated as the total value of CDIs traded on the ASX during the relevant period divided by the total number of CDIs traded on the ASX during the relevant period.

WST means Western Standard Time as observed in Perth, Western Australia.

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Annexure to Explanatory Memorandum

1. Summary of key terms of the Converting Notes

Face value per Converting Note	A\$1.00
Number of Tranche 1 Converting Notes	7 million
Number of Tranche 2 Converting Notes	5 million
Interest Rate	9.5% per annum, payable quarterly in arrears on each interest payment date in: <ul style="list-style-type: none"> (a) cash; or (b) (until the date falling 18 months after the Closing Date), by applying the cash payable to subscribe for CDIs issued at a 10% discount to the lower of the 5 day, 10 day and 30 day VWAP ending on the Trading Day immediately prior to the relevant interest payment date, <i>provided that</i> CDIs are authorised for trading on the ASX, for the period commencing on the Closing Date, at the election of the Company. Interest is calculated on actual days elapsed and a year of 365 days.
Maturity Date	The date which is seven years after the Closing Date
First interest payment date for Tranche 1 Converting Notes	30 June 2012, or such other date as is mutually agreed
First interest payment date for Tranche 2 Converting Notes	31 December 2012, or such other date as is mutually agreed
No conversion period	Other than a conversion permitted as a result of a change of control event or an event of default occurring, the Noteholders must not convert any of the Converting Notes for the period commencing on the Closing Date until after the date falling 7 months and 15 days after the Closing Date.
Use of funds	The Company must use the net proceeds from the issue of the Converting Notes for the development of current and future mining projects, and for general corporate purposes of the Company.
Security and subordination	The repayment of amounts due under the Converting Notes will be secured by a share mortgage granted by the Company over the shares in its wholly owned subsidiary Universal Coal & Energy South Africa (Proprietary) Limited. If the Company or any of its subsidiaries creates a security interest to secure the financing of the development of any of its mining production assets (current or future), or pursuant to a subsequent bond issue, or convertible or converting note issue, then the Noteholder agrees that the security interest created ranks in priority to the share mortgage referred to above.
Redemption	The Company must redeem Converting Notes held by a Noteholder: <ul style="list-style-type: none"> (a) if an event of default occurs; or (b) if the Company is required to redeem Converting Notes if certain circumstances arise on a change of control event occurring, in which case, unless otherwise specified, the Company must pay the principal amount outstanding on the Converting Notes held by the Noteholder which are to be redeemed plus, in respect of each Converting Note that is redeemed, any accrued but unpaid interest up to and including the date of redemption.
Conversion Rate	The number of CDIs to which a Noteholder will be entitled in relation to the conversion of each Converting Note is equal to the principal amount outstanding on the Converting Note divided by the Conversion Price (unless otherwise specified).
Conversion Price	The Conversion Price for the Converting Notes is equal to 110% of the Close Price.
Conversion	Noteholders must not, together with their associates, at any time before the Maturity Date, hold more than 19.99% of CDIs in issue. Monthly capped conversions <ul style="list-style-type: none"> (a) 5% of the principal amount of the Converting Notes held by the

Noteholder, with an option to convert an additional 1% of the principal amount with the written approval of the Company, if the converting notes are first ranking in the capital structure of the Company; and

(b) 10% of the principal amount of the Converting Notes held by the Noteholder, if the converting notes are subordinated in the capital structure of the Company.

Change of control event

Converting Notes may be converted or redeemed if a change of control event occurs.

Maturity

The Company must convert all outstanding Converting Notes on the Maturity Date.

Additional conversion

If by the date 3 years and 6 months after the Closing Date all of the Converting Notes have not been converted or redeemed, then during each subsequent month the Noteholder may convert as many or a proportion of its Converting Notes depending on whether the VWAP is above or below the Conversion Price.

All CDIs issued and allotted on conversion will rank equally in all respects with all issued fully paid ordinary CDIs at the date of conversion. The Company will apply to the ASX for official quotation of all CDIs issued and allotted upon conversion.

Adjustments to Conversion Price

The Conversion Price is adjusted in accordance with usual provisions in the event of:

- (a) the reconstruction or reorganisation (including a consolidation, subdivision or reduction) of the issued capital of the Company;
- (b) if the Company declares a special dividend or makes a capital distribution; or
- (c) if the Company conducts a rights issue or a bonus issue.

Conditions Precedent

The conditions precedent include obtaining the approval of the Company's shareholders as sought by the Resolutions, finalising any outstanding Transaction Documents, and the provision of legal opinions to SIG in relation to the Transaction Documents.

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2. Summary of key terms of the Options

Number of Options	<p>A maximum of 38,527,394 options will be issued, as follows:</p> <p>Tranche A (Low) Options: Maximum of 16,855,735 options</p> <p>Tranche A (High) Options: Maximum of 5,618,579 options</p> <p>If SIG subscribes for the Tranche 2 Converting Notes:</p> <p>Tranche B (Low) Options: Maximum of 12,039,810 options</p> <p>Tranche B (High) Options: Maximum of 4,013,270 options</p>
Exercise price	<p>The exercise price per option for each tranche of Options issued is as follows:</p> <p>Tranche A (Low) Options: 112.5% x Close Price</p> <p>Tranche A (High) Options: 117.5% x Close Price</p> <p>If SIG subscribes for the Tranche 2 Converting Notes:</p> <p>Tranche B (Low) Options: 112.5% x Close Price</p> <p>Tranche B (High) Options: 117.5% x Close Price</p>
Expiry	<p>The Options expire at 5pm (Sydney time) on the date which is the fifth anniversary of the Tranche 1 Drawdown Date.</p>
Time of exercise	<p>(a) Subject to paragraph (b), the Optionholder may exercise some or all of the Options at any time from the date that is 9 months after the Tranche 1 Drawdown Date until the time the Options expire.</p> <p>(b) If a change of control event in respect of the Company occurs at any time from the Tranche 1 Drawdown Date to the date that is 9 months after the Tranche 1 Drawdown Date, the Optionholder may exercise some or all of the Options, at any time, from the date that the change of control event occurs until the time the Options expire.</p>
Participation and adjustments	<p><i>Participation in new issues</i></p> <p>Optionholders may not participate in new issues of CDIs unless the Optionholder exercises that Option and becomes the holder of CDIs prior to the record date for the new issue of CDIs.</p> <p><i>Adjustments</i></p> <p>The relevant exercise price for the Options is adjusted in accordance with usual provisions in the event of:</p> <p>(a) a pro rata issue of CDIs;</p> <p>(b) a bonus issue of CDIs; and</p> <p>(c) if the issued capital of the Company is reconstructed or reorganised, or if there is a return or reduction of capital.</p>
Fractional CDIs	<p>No fractional CDIs shall be issued upon exercise of the Options. The Company must, in lieu of issuing any fractional CDIs, issue the holder with a whole CDI.</p>



universal
coal plc

ARBN 143 750 038

000001 000 UNV
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your vote:



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CDI Voting Instruction Form



Vote online, 24 hours a day, 7 days a week:

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Cast your vote



Review and update your securityholding

Your secure access information is:

Control Number: 999999

SRN/HIN: I9999999999

PIN: 99999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

For your vote to be effective it must be received by 5.00pm (WST) Thursday 3 May 2012

How to Vote on Items of Business

Each CHESS Depository Interest (CDI) is equivalent to one share of Company Common Stock, so that every 1 (one) CDI that you own at 5.00pm (WST) on 3 May 2012 entitles you to one vote.

You can vote by completing, signing and returning your CDI Voting Instruction Form. This form gives your voting instructions to CHESS Depository Nominees Pty Ltd, which will vote the underlying shares on your behalf. You need to return the form no later than the time and date shown above to give CHESS Depository Nominees Pty Ltd enough time to tabulate all CHESS Depository Interest votes and to vote on the underlying shares.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the Australian registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Only duly authorised officer/s can sign on behalf of a company. Please sign in the boxes provided, which state the office held by the signatory, ie Sole Director, Sole Company Secretary or Director and Company Secretary. Delete titles as applicable.

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

GO ONLINE TO VOTE



or turn over to complete the form

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Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

CDI Voting Instruction Form

Please mark to indicate your directions

STEP 1 CHESSE Depository Nominees will vote as directed

XX

Voting Instructions to CHESSE Depository Nominees Pty Ltd

I/We being a holder of CHESSE Depository Interests of Universal Coal PLC hereby direct CHESSE Depository Nominees Pty Ltd to vote the shares underlying my/our holding at the General Meeting of Universal Coal PLC to be held at The Offices of SGH Martineau LLP, Fifth Floor, One America Square, Crosswall, London EC3N 2SG on Tuesday, 8 May 2012 at 11.00am (GMT) and at any adjournment of that meeting. By execution of this CDI Voting Form the undersigned hereby authorises CHESSE Depository Nominees Pty Ltd to appoint such proxies or their substitutes to vote in their discretion on such business as may properly come before the meeting.

STEP 2 Items of Business

PLEASE NOTE: If you mark the Abstain box for an item, you are directing CHESSE Depository Nominees Pty Ltd or their appointed proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Approval of the Issue of a Maximum of 12,000,000 Converting Notes (and CDI's and Shares Issued on Conversion of those Notes and in Payment of Interest in accordance with their Terms) to Susquehanna Pacific Pty Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval of the Issue of a Maximum of 38,527,394 Options (and CDI's and Shares Issued on Exercise of those Options in accordance with their Terms) to Susquehanna Pacific Pty Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name _____

Contact Daytime Telephone _____

Date ____ / ____ / ____

UNV

999999A

Computershare