



universal
coal plc

4 June 2012

The Manager
Company Announcements
Australian Securities Exchange Limited
Level 6, 20 Bridge Street
Sydney NSW 2000

By e-lodgement

FACILITY DRAWDOWN AND APPENDIX 3B

The company advises that it has completed the Tranche 1 drawdown with Susquehanna Pacific Pty Ltd (Susquehanna) of A\$7 million, and today has issued the notes and options for this tranche accordingly (as previously approved by Shareholders).

The associated Appendix 3B is attached.

For further information please contact the Company directly on +61 8 6267 0210.

For and on behalf of the Board

London Registered Office:
One America Square, Crosswall, London EC3N 2SG
Tel: +44 (0) 207 264 444 Fax: +44 (0) 207 264 440
Registered in England and Wales
Company Number: 4482856

Perth Office:
Suite 2, Level 2, 28 Kings Park Road, West Perth WA 6005
Tel: +61 (8) 6267 0210 Fax: +61 (8) 9481 1840
ARBN: 143 750 038
www.universalcoal.com

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Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

Universal Coal plc

ARBN

143 750 038

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | Converting Notes and Options |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 7,000,000 Converting Notes

Maximum of 22,474,314 Options, comprised of:
(a) maximum of 16,855,735 Tranche A (Low) Options; and
(b) maximum of 5,618,579 Tranche A (High) Options |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | The Converting Notes will not be listed.

Each Converting Note has a face value of \$1 and bears interest at the rate of 9.5% per annum, payable quarterly in arrears.

The Converting Notes convert at a conversion price equal to 110% of the Close Price, where the Close Price is:
(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 in respect of the Converting Notes (or such other date as is agreed) (Drawdown Date), 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 |

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per CDI.

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 Converting Notes have a 7 year term.

The Converting Notes may be redeemed:

- (a) upon an event of default; or
- (b) if certain circumstances arise on a change of control event occurring.

The Converting Notes may be converted as follows:

- (a) at any time after 7.5 months after the Drawdown Date:
 - (i) 5% of the principal amount of the Converting Notes each month (with an option to convert an additional 1% with the written approval of the company), if the Converting Notes are first ranking in the capital structure of the company;
 - (ii) 10% of the principal amount of the Converting Notes each month, if the Converting Notes are subordinated in the capital structure of the company;
- (b) at any time if a change of control event occurs;
- (c) all outstanding Converting Notes must be converted on the maturity date; and
- (d) if by the date 3.5 years after the Drawdown 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.

The Options will not be listed.

The exercise price per Option is as follows:

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

Tranche A (High) Options: 117.5% x Close

+ See chapter 19 for defined terms.

Price

The Options expire at 5pm (Sydney time) on the fifth anniversary of the Drawdown Date.

The Options may be exercised:

(a) subject to paragraph (b) at any time from the date that is 9 months after the Drawdown Date until the time the Options expire.

(b) if a change of control event occurs at any time from the Drawdown Date to the date that is 9 months after the Drawdown Date, at any time from the date that the change of control event occurs until the time the Options expire.

Each Option is exercisable into one CDI.

4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

The Converting Notes when converted to fully paid CDIs, and the CDIs issued on exercise of the Options, will rank equally with the fully paid CDIs then on issue.

Prior to conversion into fully paid CDIs, the Converting Notes and Options do not carry any voting rights.

5 Issue price or consideration

\$1 for each Converting Note and Option

6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)

The intended use of the funds raised is for the development of current and future mining projects and for general corporate purposes of the company.

7 Dates of entering +securities into uncertificated holdings or despatch of certificates

The Convertible Notes and the Options will be issued on 4 June 2012 and certificates dispatched by 5 June 2012.

8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)

Number	+Class
164,452,674	CDIs

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New issue announcement

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	34,831,880	Ordinary shares restricted for 24 months from 09/12/10.
	10,400,000	Ordinary shares restricted for 12 months from 09/12/10.
	4,400,000	Options exercisable at \$0.20 on or before 09/12/2015.
	8,115,727	Options exercisable at \$0.26 on or before 09/12/2015.
	3,200,000	Options exercisable at \$0.34 on or before 09/12/2015.
	5,800,000	Options exercisable at \$0.39 on or before 09/12/2015.
	1,972,180	Options exercisable at \$0.26 on or before 31/12/2013.
	1,972,180	Options exercisable at \$0.286 on or before 31/12/2013.
	986,090	Options exercisable at \$0.312 on or before 31/12/2013.
	200,000	Options exercisable at \$0.26 on or before 31/12/2011.
	8,000,000	Options exercisable at \$0.40 on or before 12/12/2015.
	7,000,000	Converting Notes
22,474,314	Options	

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10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

N/A

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Part 2 - Bonus issue or pro rata issue

- 11 Is security holder approval required? N/A
- 12 Is the issue renounceable or non-renounceable? N/A
- 13 Ratio in which the +securities will be offered N/A
- 14 +Class of +securities to which the offer relates N/A
- 15 +Record date to determine entitlements N/A
- 16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? N/A
- 17 Policy for deciding entitlements in relation to fractions N/A
- 18 Names of countries in which the entity has +security holders who will not be sent new issue documents
Note: Security holders must be told how their entitlements are to be dealt with.
Cross reference: rule 7.7. N/A
- 19 Closing date for receipt of acceptances or renunciations N/A
- 20 Names of any underwriters N/A
- 21 Amount of any underwriting fee or commission N/A
- 22 Names of any brokers to the issue N/A
- 23 Fee or commission payable to the broker to the issue N/A

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24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺ security holders	N/A
25	If the issue is contingent on ⁺ security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do ⁺ security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do ⁺ security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do ⁺ security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	⁺ Despatch date	N/A

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Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

+ See chapter 19 for defined terms.

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Entities that have ticked box 34(b)

38 Number of securities for which
⁺quotation is sought

N/A

39 Class of ⁺securities for which
quotation is sought

N/A

40 Do the ⁺securities rank equally in all
respects from the date of allotment
with an existing ⁺class of quoted
⁺securities?

If the additional securities do not
rank equally, please state:

- the date from which they do
- the extent to which they
participate for the next dividend,
(in the case of a trust,
distribution) or interest payment
- the extent to which they do not
rank equally, other than in
relation to the next dividend,
distribution or interest payment

N/A

41 Reason for request for quotation
now

Example: In the case of restricted securities, end of
restriction period

(if issued upon conversion of
another security, clearly identify that
other security)

N/A

	Number	⁺ Class
42 Number and ⁺ class of all ⁺ securities quoted on ASX (<i>including</i> the securities in clause 38)	N/A	N/A

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Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: Daniel Robinson Date: 4 June 2012
(~~Director~~/Company secretary)

Print name: Daniel Robinson

+ See chapter 19 for defined terms.

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