

12 June 2012



universal
coal plc

Kangala Thermal Project Coal Resource Increase

Following the successful conclusion of a binding Coal Sales Agreement Term Sheet and Memorandum of Understanding (MOU) for supply of coal from the Kangala Thermal Coal Project ("Kangala") to Eskom, the Board of Directors of Universal Coal Plc ("Universal") is pleased to announce:

- An 18% increase in the coal resource, following completion of a 30-hole drilling programme at the Middelbult prospect.
- The Kangala Project coal resource (inclusive of reserves) now totals 146.8Mt (JORC), up from the previous 124.0Mt. The coal resource is made up of 19.50Mt Proved Reserves, 74.18Mt Measured, 19.48Mt Indicated and 33.64Mt Inferred Resources.
- Potential exists to increase the resource base in the Kangala area further, with Universal recently having announced the granting of a prospecting right over certain portions of the farm Goedgedacht 228 IR located 8km east of the proposed Kangala Mine, covering an area of approximately 215 hectares situated directly between Exxaro's Leeupan Mine and Stuart Coal's Mine, immediately adjacent to Exarro's coal load-out rail loop.

Commenting CEO Mr Tony Weber said: "Universal is very pleased with the increase in the coal resource and the improved confidence levels achieved following the latest resource update. This confirms our belief that the Kangala project hosts a significant resource capable of supporting a life of mine for the proposed Kangala project well in excess of the current planned 8 years at BFS production levels"

The JORC compliant resources (gross in situ tonnes) and reserves for the Kangala Thermal coal Project are summarised as follows:

STOCK EXCHANGE LISTING
Australian Securities Exchange
(Share code: UNV)

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Anton Weber *Chief Executive Officer*
Shammy Luvhengo *Executive Director*
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Prospect ¹	Seam	Reserve Proved Mt	Measured Resource Mt	Indicated Resource Mt	Inferred Resource Mt	Total Resource (including Proved Reserve) Mt
Wolvenfontein	Mid	0.81	0.12	0.13	1.25	1.50
	Bottom	18.69	15.57	-	30.92	46.49
Middelbult	Mid	-	0.69	1.17	0.02	1.88
	Bottom	-	44.30	13.86	0.14	58.30
Modderfontein	Mid	-	-	-	1.31	1.31
	Bottom	-	13.5	4.32	-	17.82
Total		19.50	74.18	19.48	33.64	146.80

1. Universal Coal has an attributable interest of 70.5% of these coal resources

Seam	Quality: Primary Product (Practical) on an air-dried basis for a 25.5 Mj/kg						
	Yield (%)	Calorific Value (Mj/kg)	Ash (%)	Volatile Matter (%)	Sulphur (%)	Inherent Moisture (%)	Phos. (%)
Mid+Bottom	34.5	25.5	17.2	22.7	1.07	4.96	-

Seam	Quality: Secondary Product (Practical) on an air-dried basis					
	Yield (%)	Calorific Value (Mj/kg)	Ash (%)	Volatile Matter (%)	Sulphur (%)	Inherent Moisture(%)
Mid+Bottom	18.7	20.5	29.1	19.23	1.06	4.8

Competent Person's Statement

The information in this report that relates to Coal Resources relating to the Kangala 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 (a Recognised Overseas Professional Organisation). 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 Kangala Coal Reserve estimate was prepared by Mr Ben Bruwer, who is a Principal Mining Engineer and Co-owner of VBKom Consulting Engineers who are the preferred mining consultants to Stefanutti Stocks Mining Services (Pty) Ltd. He is a member of the Engineering Council of South Africa (ECSA) (a Recognised Overseas Professional Organisation) and member of SAIMM. He has more than 15 years' experience in the South African coal and minerals industries. VBKom CE has sufficient experience which is relevant to the type of mineralisation and the Kangala deposit and to the activity which Mr Bruwer is undertaking to qualify as a Competent Person as defined by the SAMREC and Jorc Codes for Reporting of Exploration, Mineral Resources and Ore Reserves'.

The information in this update that relates to exploration progress for the Kangala 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 (a Recognised Overseas Professional Organisation). 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.