

20 June 2012



universal
coal plc

UNIVERSAL COAL INCREASES HOLDING IN BRAKFONTein PROJECT TO GAIN MAJORITY STAKE

Universal Coal Plc (“Universal”) is pleased to announce it has obtained a majority stake (50% plus 1 share) in the Brakfontein Thermal Coal Project. Brakfontein is located within 20km of its proposed Kangala Mine in the Delmas area, 60 km east of Johannesburg.

Following on from the increase in resource announced at Kangala earlier in the month, this forms part of Universal Coal’s drive to consolidate its holdings around its nodal areas, having secured off take and all the regulatory permissions required as part of its Kangala Development.

The increase in stake follows a mutual amendment to the acquisition and option agreement, entered into on 7 June 2012 between Universal Coal and Energy Holdings South Africa (Pty) Ltd (“UCEHSA”), a 100% subsidiary of Universal Coal Plc, Unity Rocks Mining (Pty) Ltd (“Unity Rocks”) and Universal Coal Development III (Pty) Ltd (“UCDIII”).

In December 2011, Universal announced an upgraded resource for Brakfontein, following the mining right application lodged in Q4 last year. The Brakfontein Project hosts a JORC compliant thermal coal resource of 87.6 million tonnes (gross tonnes in situ) of which 70.5 million tonnes are measured, 14.9 million tonnes indicated and 2.2 million tonnes inferred resources.

Universal is proceeding with mine planning and engineering studies as well as undertaking the Environmental impact assessment as part of the mining right application process, with onsite geohydrological drilling and related studies in lieu of the H2 water license application currently underway.

Universal Coal’s CEO, Tony Weber said “We are delighted to have secured management control over the Brakfontein Project earlier than anticipated. Development of the project will allow Universal Coal to compete in the higher value thermal markets, with the feasibility study and regulatory applications aimed at moving this asset closer to production progressing well. The close proximity of Brakfontein to Universal’s proposed Kangala Mine opens the option of developing off the shared Kangala infrastructure that will result in significant lower development Capital and a corresponding increase in the economy of scale of the potential larger project”.

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

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John Hopkins *Non-Executive Chairman*
Anton Weber *CEO, Director*
Shammy Luvhengo *Executive Director*
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Brakfontein Resource Summary

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

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
4Upper	0.85-3.47	5.64	1.887	-	6.561
4Lower	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

The coal qualities of the bituminous coal (with a dry ash free content of >23%) are summarised in the table below.

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

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.