

27 August 2012



universal
coal plc

Berenice-Cygnus Coking Coal Project Exploration Update

Following on from the company announcement of 5 June 2012, Universal Coal plc ("Universal") is pleased to announce that:

- the second phase of resource drilling at Berenice-Cygnus has been completed. The drilling;
 - was undertaken to bring the Inferred and Indicated resources within the southern open pit area to a Measured Category.
 - totalled 80 holes, including both slim diameter and large diameter drilling.
 - confirmed the presence of a 35m - 40m thick coal zone from sub-outcrop (less than 20m depth) up to 200m below surface. The coal zone consists of inter-bedded bright coal and carbonaceous mudstone with a number of coal-rich horizons containing between 40% and 50% coal.
- the last of the analytical results from this drilling campaign are expected to be available by mid October 2012 and the updated geological model and resource estimate by end of November 2012.
- the environmental risk assessment, geotechnical study and geohydrological survey commissioned in preparations of the pre-feasibility study are progressing well with the environmental risk assessment complete and both the geohydrological survey and geotechnical studies well advanced.
- a third phase of resource drilling, totalling 47 holes, will be undertaken during 2013 to bring the Inferred and Indicated resources within the northern open pit area to a Measured Category.
- the end of this drilling campaign, combined with the finalisation of analytical results and upgraded geological model sees Universal move to 50% ownership interest of this project through its earn in right.

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Tony Weber, CEO of Universal commented *“the completion of this second phase drilling program has continued to increase our confidence in the resource at Berenice-Cygnus. The results of the technical analysis of the drilling campaign in terms of coal qualities flowing into an update on technical modeling will continue to demonstrate the resource and allow the company to continue its positioning of this important asset”*.

Competent Person’s Statement

The information in this update that relates to the interpretation of the exploration results for the Berenice and Cygnus Projects 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.

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