

29 January 2013



**universal**  
coal plc

## UNIVERSAL COAL INCREASES ITS OWNERSHIP IN THE BERENICE COKING COAL AND ROODEKOP THERMAL PROJECTS

- Now holding direct ownership of 50% in the Berenice and Somerville Coking coal development projects
- Now holding direct ownership of 74% in the Roodekop Thermal coal development project following exercise of the option

The Board of Directors of Universal Coal plc (“Universal” or “Company”) is pleased to announce that the Company has consummated its automatic earn in agreement (via funding the drilling campaigns to date) over its prime coking coal development project, achieving a direct ownership of 50% in the Berenice coking coal project. This has been achieved following the completion of the second phase of drilling and an updated resource estimate completed by Independent Geological Consulting Firm GEMECS. As a result of now owning 50% of this project, Universal also un-locks a further exclusive option to acquire the balance of 24% (to take a maximum ownership to 74%).

The Berenice project plays hosts to a historical total JORC compliant coking coal resource of 1.324 billion gross tons in-situ of coal, which has now been drilled out to pre-feasibility status. *A resource update will be released in February, having been delayed due slow turnaround of analytical work by outside third parties.*

**This has resulted in the Universal attributable coking coal tonnes increasing to 750.3 gross tons in-situ of coal.**

Additionally Universal has achieved a direct **ownership of 74% in the Roodekop coal project** having exercised the option it held over this asset. The option was exercised for a cash consideration of ZAR 5million.

**This has resulted in the Universal attributable thermal coal resources increasing to 210.02 gross tons in-situ of coal.**

Commenting on the increase in ownership secured at Berenice, Executive Director & Chief Executive Officer of Universal Tony Weber said: "We are delighted to have concluded this farm-in agreement to achieve 50% shareholding in the primary Coking properties, with the resultant drilling now allowing for the next phase of development of the Berenice Project".

**In addition to Universal Coal releasing the updated independent resource over the Berenice project in February; the company will also release comprehensive details pertaining to developments at its Kangala project, having successfully raised its equity capital requirements in December 2012 and with final credit approval received from project debt financier Rand Merchant Bank (RMB).**

## **COMPETENT PERSON'S STATEMENT**

The information in this report that relates to Coal Resources or Ore Reserves 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 the interpretation of the exploration results 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.

## COAL RESOURCES SUMMARY

<b>Project</b>	<b>Reserve Millions of tonnes</b>	<b>Measured Millions of tonnes</b>	<b>Indicated Millions of tonnes</b>	<b>Inferred Millions of tonnes</b>	<b>Total Millions of tonnes</b>
<b>Thermal Coal (Witbank)</b>					
Kangala <sup>1</sup>	19.50	74.18	19.48	33.64	146.80
Roodekop <sup>2</sup>	-	82.92	1.44	-	84.36
Brakfontein <sup>3</sup>	-	70.50	15.00	2.2	87.70
<b>Total Thermal coal<sup>7</sup></b>	<b>19.50</b>	<b>227.6</b>	<b>35.92</b>	<b>35.84</b>	<b>318.86</b>
<b>Coking Coal (Limpopo)</b>					
Berenice <sup>4</sup> – Cygnus <sup>5</sup>		7.90	394.50	922.00	1324.40
Somerville <sup>4</sup> -Donkin <sup>6</sup>				316.64	316.64
<b>Total Coking Coal<sup>7</sup></b>	<b>-</b>	<b>7.90</b>	<b>394.50</b>	<b>1,238.64</b>	<b>1,641.04</b>
<b>Total<sup>7</sup></b>	<b>19.50</b>	<b>235.50</b>	<b>430.42</b>	<b>1,274.48</b>	<b>1,959.90</b>

### Notes:

1. Universal Coal has an attributable interest of 70.5% of the Kangala Project.
2. Universal Coal has earned 74% in the Roodekop Project via the exercise of its option with its JV partner Xakwa resources
3. Under the terms of the earn-in agreement, Universal Coal currently owns 50.29% in the Brakfontein Project. Universal Coal's attributable interest increases and when all of the milestones are completed, Universal Coal will have the right to negotiate to acquire up to a 74% interest upon completion of the BFS and award of a mining right.
4. Under the terms of the earn in agreement, Universal Coal has concluded its 50% stake in the Berenice and Somerville Projects via the completion of certain milestones (refer to Section 11 of the Replacement Prospectus). Upon completion of these various milestones, Universal Coal's attributable interest increases and when all of the milestones are completed, Universal Coal has an attributable interest of 50% in these coal resources (with the option to acquire up to a 74% interest). UCEHSA now holds a 50% interest in UCD II. Ministerial consent to the transfer of 342/2009PR has been granted.
5. Under the terms of the earn in agreement, Universal Coal is earning up to 50% in the Cygnus Project via the completion of certain milestones. Upon completion of these various milestones, Universal Coal's attributable interest increases and when all of the milestones are completed, Universal Coal will have an attributable interest of 50% in this project (with the option to acquire up to 74% interest). UCEHSA currently holds a 10% interest in UCD V (the Cygnus joint venture company).
6. Under the terms of the earn-in agreement, Universal Coal is earning up to 50% in the Donkin Project via the completion of certain milestones. Upon completion of these various milestones, Universal Coal's attributable interest increases and when all of the milestones are completed, Universal Coal will have an attributable interest of 50% in this project. UCEHSA currently holds a 15% interest in UCD VI (the Donkin joint venture company).
7. Rounding (conforming to the JORC Code) may cause computational discrepancies.