Half Year Financial Statements

GIVEN IN ACCORDANCE WITH ASX LISTING RULE 4.2A

31 December 2012

universal coal plc

ARBN 143 750 038

Summary results for the six months ended 31 December 2012

	Six months ended 31 Dec 2012 A$'000	Six months ended 31 Dec 2011 A$'000	% Movement
Operating loss	(2 460)	(3 562)	31%
(Loss)/profit for the period	(2 761)	5 314	(152%)
Taxation	-	-	-
Total comprehensive (loss)/income for the period attributable to equity shareholders	(3 286)	4 628	(171%)

Explanation of above result

Universal Coal is a near term coal exploration company and had no mines operating in the period. The loss is mainly attributable to operating, administrative, finance and regulatory expenses. The prior period profit has arisen from an accounting entry upon step-up acquisitions through earn-in agreements with Universal Coal Development II (Pty) Ltd (7% to 40% shareholding) and Universal Coal Development III (Pty) Ltd (30% to 40% shareholding).

Dividends

There were no dividends declared or paid during the period (31 December 2011: $nil) and the Directors do not recommend that any dividend be paid.

Earnings Result

The total comprehensive loss of Universal Coal Plc for the six months ended 31 December 2012 after providing for tax was A$ 3 285 323 (31 December 2011, profit of A$ 4 627 847).

(Loss)/Earnings per share – (LPS)/EPS	Six months ended 31 Dec 2012	Six months ended 31 Dec 2011
Basic (loss)/earnings per share (cents per share)	(1.2)	2.6
Diluted (loss)/earnings per share (cents per share)	(1.2)	2.6
Weighted average number of ordinary shares used in the calculation of basic (LPS)/EPS	221 641 572	205 673 684
Weighted average number of diluted shares used in the calculation of diluted (LPS)/EPS	221 641 572	207 491 334

The amount used as the numerator in calculating basic (loss)/earnings per share is the same as the (loss)/profit attributable to the owners of the parent in the consolidated statement of profit or loss and other comprehensive income.

JOHN HOPKINS

Non-executive Chairman

15 March 2013

Content

Corporate directory

DIRECTORS	John Hopkins Hendrik Bonsma Shammy Luvhengo Anton Weber David Twist Carlo Baravalle
REGISTERED OFFICE (UK)	One America Square Crosswall London EC3N 2SG United Kingdom Telephone: +44 20 7264 4444 Facsimile: +44 20 7264 4440
REGISTERED OFFICE (AUST)	Level 12 George Street Sydney, NSW, 2000 Australia
OPERATIONAL OFFICE	467 Fehrsen Street Brooklyn, 0182, Pretoria South Africa Telephone: +27 12 460 0805 Facsimile: +27 12 460 2417
BANKERS	HSBC Bank Australia Ltd Level 1, 190 St Georges Terrace Perth WA 6000, Australia HSBC Bank Plc Coventry DSC, Harry Weston Road Binley West Midlands CV3 2TQ United Kingdom
AUDITORS	BDO LLP 55 Baker Street London W1U 7EU United Kingdom
JOINT COMPANY SECRETARIES	John Bottomley (United Kingdom) of SGH Martineau Company Secretarial LLP and Emma Lawler (Australia)
COMPANY REGISTRATION NO.	ARBN 143 750 038

Corporate directory

SOLICITORS	Sparke Helmore Lawyers Level 16 321 Kent Street Sydney, NSW, 2000 Australia
	Mayer Brown International LLP 201 Bishopgate London Greater London EC2M EUG United Kingdom
	Webber Wentzel Attorneys 10 Fricker Road Illovo Boulevard Illovo, Johannesburg 2196 South Africa
STOCK EXCHANGE LISTING	Australian Securities Exchange (Share code: UNV)
SHARE REGISTRARS	Computershare Investor Services Pty Ltd Level 2, 45 St Georges Terrace Perth WA 6000 Australia
	Computershare Investor Services Plc The Pavilions, Bridgwater Road Bristol BS99 6ZY United Kingdom
WEBSITE	www.universalcoal.com

Chairman's Statement

The Directors submit the unaudited financial statements of Universal Coal Plc (ASX: UNV; the Company) for the six months ended 31 December 2012.

1. Directors & officers

The names of Directors who held office during or since the end of the half year:

John Hopkins	Chairman and Non-executive Director
Anton Weber	Chief Executive Officer and Executive Director
Shammy Luvhengo	Executive Director
Hendrik Bonsma	Non-executive Director
Carlo Baravalle	Non-executive Director (appointed 7 January 2013)
David Twist	Non-executive Director (appointed 7 January 2013)

2. Results

Universal Coal generated a loss for the half year after tax of A$ 3,285,323 (six month ended 31 December 2011, profit of A$ 4,627,847).

The loss was attributable mainly to operating, administration, regulatory and finance costs. The prior period profit was the result of an accounting entry in the amount of A$ 8,778,281 upon step-up acquisition through earn-in agreements with Universal Coal Development II (Pty) Ltd (7% to 40% shareholding) and Universal Coal Development III (Pty) Ltd (30% to 40% shareholding).

3. Review of development and exploration activity

Coal assets

The Company's coal assets are all located in South Africa. The Company has three thermal exploration coal projects in the Witbank Coalfield in the Mpumalanga Province and two exploration coking coal projects in the Limpopo Province.

Thermal Coal Exploration Assets

Kangala

Universal Coal has approved the development of the Kangala Mine, with first coal delivery to South African electricity utility, Eskom expected by mid-2014.

Kangala, situated in the Witbank coalfield in Mpumalanga province, is Universal Coal's first operation, with this being a de-risked domestic thermal coal operation to supply coal primarily to Eskom. At an estimated capital cost of A$ 49m, this operation is projected to supply an estimated average of A$ 15m EBITDA per annum (100%), with both costs and profit margins locked in. With an initial projected four year payback period, coal sales of 2.1Mtpa are split between 2Mtpa Eskom and a lesser 100ktpa ~6 000kCal coal to be supplied to the domestic market.

Operating costs will be optimised at a low A$15 per ton over an initial eight year life of mine at Wolvenfontein achieving an effective >80% yield on 2.4Mtpa ROM rate. The additional resource base at Kangala potentially allows for a total mine life exceeding 20 years by means of developing a series of similar sized pits adjacent to Wolvenfontein. Furthermore, there is added opportunity to increase the resource base further and extend mine life through potential JV's over neighbouring resources.

The operation will be run on the historically proven outsource model, with Stefanutti Stocks Mining Services supplying both the mining fleet and skill set to run the initial eight year Wolvenfontein pit, operating a fleet of 60t trucks, 85t excavators and supporting equipment. The dual circuit processing facility, a 350tph crushing and screening circuit plus the 200tph DMS washing plant will be owned by Universal Coal, but the operation will be outsourced to Mineral Resource Development.

Roodekop

The feasibility study at Roodekop was completed in December 2012 and is currently being reviewed and optimised to maximise returns for shareholders.

All regulatory applications required to obtain the necessary mining authorisation have been lodged and to date Universal Coal has been granted the Mining Right and National Environmental Management Act (NEMA) Authorisation. Approval of the Integrated Water Use Licence (IWUL) and Waste Licences is expected in the last quarter of 2013.

Development of the Roodekop project will be dependent on the award of these Licences.

Brakfontein

The final Environmental Impact Assessment report in terms of NEMA and IWUL applications were submitted to the relevant authorities during the quarter. Universal Coal awaits the outcome of the regulatory applications.

Coking coal exploration assets

Berenice/Cygnus

Following completion of the second phase drilling in 2012 GEMECS, an independent geological consultancy was commissioned to update the geological model and resource estimate. The updated resource estimate was reported to the market on 25 February 2013 and highlighted the following:

- **90%** of the coal resource now reports to the Measured and Indicated Categories (JORC).
- **1.35 billion tonnes** (gross tons in-situ) JORC (2004) compliant coal resource with **424.9 million tonnes** classified as Measured, **800.9 million tonnes** as Indicated and **124.3 million tonnes** as Inferred.
- **709.6 million tonnes** are potentially amenable to open cut mining with indicative low seam dips (<3°).
- Large diameter drilling results indicate a 40% increase in theoretical coking coal yields compared to the yields obtained from the slim diameter drilling reported previously.

Coal quality analysis and test work on large diameter samples are continuing, aimed at obtaining baseline coking coal properties and beneficiation characteristics. The next phase of development of the Berenice Project can now proceed with a pre-feasibility study planned to commence in the second half of 2013.

Under the terms of the earn-in agreement, Universal Coal earned 50% in the Berenice and Somerville Projects on the completion of the second phase drilling and has unlocked a further exclusive option to acquire the balance of 24% (to take a maximum ownership to 74%).

Universal Coal Global Coal Resources Summary

Project	Reserve Proved Mt	Resource Measured Mt	Resource Indicated Mt	Resource Inferred Mt	Total Mt	Attributable to Universal Coal Mt[7]
Thermal Coal (Witbank)						
Kangala[1]	20.8	72.88	19.48	33.64	146.80	103.50
Roodekop[2]	-	82.92	1.44	-	84.36	62.42
Brakfontein[3]	-	70.50	15.00	2.20	87.70	44.10
Total Thermal coal[7]	**20.8**	**226.30**	**35.92**	**35.84**	**318.86**	**210.02**
Coking Coal (Limpopo)						
Berenice[4]	-	393.97	694.27	116.07	1204.31	602.16
Cygnus[5]	-	30.94	106.65	8.22	145.81	29.16
Somerville[4]	-	-	-	274.22	274.22	137.11
Donkin[6]	-	-	-	42.42	42.42	6.36
Total Coking Coal[7]	**-**	**424.91**	**800.92**	**440.93**	**1,666.76**	**774.79**
Total[7]	**20.8**	**651.21**	**836.84**	**476.77**	**1,985.62**	**984.81**

Notes:

1. Universal Coal has an attributable interest of 70.5% of the Kangala Project.
2. Universal Coal has an attributable interest of 74% in the Roodekop Project.
3. Universal Coal has an attributable interest of 50.29% in the Brakfontein Project and the right to negotiate to acquire up to a 74% interest upon completion of the BFS and award of a mining right.
4. Universal Coal has an attributable interest of 50% in the Berenice and Somerville Projects with an option to acquire up to a 74% interest.
5. Universal Coal has an attributable interest of 20% in the Cygnus Project that will increase to 50% on completion of certain exploration milestones and to 74% on execution of an option.
6. Universal Coal has an attributable interest of 15% in the Donkin Project that will increase to 50% on completion of certain exploration milestones.
7. Rounding (conforming to the JORC Code) may cause computational discrepancies.

4. Corporate

Eskom Agreement Update

Following the successful capital raising the binding Coal Supply Agreement with Eskom has been finalised, with execution in line with final project documentation. All other outstanding items were previously finalised between the parties.

Coal Development Holdings

Universal Coal secured a private placement transaction with Coal Development Holdings (CDH) a special purpose entity of African Minerals Exploration & Development Fund, SICAR (AMED), with CDH subscribing to 29.99% of the issued capital in Universal Coal at $0.141568 per CDI (equating to a total investment of A$ 13.6m). AMED (a member of the United Nations Global Compact) is a Luxembourg-based private equity mining investment fund and will provide strategic support to

Universal Coal. The fund focuses on investing in brown field mineral projects predominantly in Africa. Amongst the Fund's founding partners are David Twist and Rudolph de Bruin, who have a proven track record of bringing large scale African projects into production and together have over 40 years of experience in more than 20 African countries. The Fund has so far invested in 9 projects across Africa. Through this transaction, CDH has nominated, and the Board has accepted, two non-executive directors to join the board of Universal Coal. Those nominees, David Twist and Carlo Baravalle were appointed on 7 January 2013.

Issue of CDIs

On 31 December 2012, the Company issued 95,840,676 new Shares / Chess Depositary Interests (CDI's) at an issue price of A$ 0.1415 to CDH pursuant to the investment described above. The issuance of these CDI's was approved by Shareholders at the Company's Annual General Meeting.

Project Finance for Kangala

In mid-September 2012, Universal Coal announced a project financing arrangement with a leading South African bank, Rand Merchant Bank ("RMB") for the funding of the Kangala Project. The finance solution from RMB is for 65% project finance; a significant debt carrying capacity for this greenfield project demonstrating the strength of the Kangala project, the Eskom off-take contract and Universal Coal's project plan and implementation strategy. The financing arrangement is subject to several conditions precedent which are anticipated to be met by mid-2013. RMB's partnership with Universal Coal includes a Master Finance Deed for future Universal Coal projects and a transactional banking solution for the Universal Coal Group.

5. Prospects

The Company expects contractor agreements for mining, as well as infrastructure and plant development and operation to be executed during Q1: 2013. Project financing and legal contracts are anticipated to be completed simultaneously. Management anticipates the development of Kangala to commence by mid-year with first coal sales to Eskom in early 2014. Review and optimisation of the Roodekop feasibility study will also be completed during this period.

6. Subsequent events

Universal Coal achieved a direct ownership of 74% in the Roodekop coal project on 23 January 2013 having exercised the option it held over this asset. The option was exercised for a cash consideration of ZAR 5million (A$530,000).

Under the terms of the earn in agreement, on 15 January 2013 Universal Coal earned 50% in the Berenice and Somerville Projects on the completion of the second phase drilling and has unlocked a further exclusive option to acquire the balance of 24% (to take a maximum ownership to 74%).

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JOHN HOPKINS

Non-executive Chairman

15 March 2013

Consolidated Statement of Financial Position

For the half year ended 31 December 2012

	Notes	Unaudited 31 Dec 2012 A$'000	Audited 30 Jun 2012 A$'000	Unaudited 31 Dec 2011 A$'000
Assets				
Non-Current Assets				
Property, plant and equipment		40	166	53
Intangible assets	3	21 634	19 799	7 447
Investments in associated undertakings	4	16 454	15 282	19 303
		38 128	**35 247**	**26 803**
Current Assets				
Trade and other receivables		2 319	1 652	500
Cash and cash equivalents		17 681	8 826	7 125
		20 000	10 478	7 625
Total Assets		**58 128**	**45 725**	**34 428**
Equity and Liabilities				
Equity				
Share capital	5	26 054	17 534	17 534
Share premium		41 724	35 358	35 358
Foreign currency translation reserve		1 640	2 165	2 729
Share based payment reserve		6 063	6 128	3 438
Retained deficit		(29 212)	(26 695)	(24 277)
		46 269	**34 490**	**34 782**
Non-controlling interest		4 899	4 973	(552)
Equity Attributable to Equity Holders of Parent		**51 168**	**39 463**	**34 230**
Liabilities				
Non-Current Liabilities				
Converting notes	7	5 399	5 315	-
Provisions	8	919	-	-
		6 318	**5 315**	**-**
Current Liabilities				
Trade and other payables		642	947	198
Total Liabilities		**6 960**	**6 262**	**198**
Total Equity and Liabilities		**58 128**	**45 725**	**34 428**

The notes on pages 14 to 19 form part of this half-year report.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 31 December 2012

	Notes	Unaudited Half year to 31 Dec 2012 A$'000	Unaudited Half year to 31 Dec 2011 A$'000
Share based payment charge		(105)	(1 425)
Operating expenses		(2 355)	(2 137)
Operating loss	9	**(2 460)**	**(3 562)**
Finance income		163	187
Gain arising on step up of interest in associated undertakings		-	8 779
Share of operating loss of associated undertakings		(11)	(9)
Foreign exchange gain /(loss)		6	(81)
Finance expense		(459)	-
(Loss) / profit for the period		**(2 761)**	**5 314**
Other comprehensive expenses:			
Exchange differences on translation of foreign operations*		(525)	(686)
Total comprehensive (loss) / income for the period		**(3 286)**	**4 628**
(Loss) / profit attributable to:			
Owners of the parent		(2 687)	5 318
Non-controlling interest		(74)	(4)
		(2 761)	**5 314**
Total comprehensive (loss) / income attributable to:			
Owners of the parent		(3 212)	4 632
Non-controlling interest		(74)	(4)
		(3 286)	**4 628**
Earnings per share			
Per share information		Cents	Cents
Basic (loss)/earnings per share		(1.2)	2.6
Diluted (loss)/earnings per share		(1.2)	2.6

The notes on pages 14 to 19 form part of this half-year report.

* Exchange differences on translation of foreign operations would be transferred to profit or loss on disposal of subsidiary.

Consolidated Statement of Changes in Equity

For the half year ended 31 December 2012

	Share Capital A$'000	Share premium A$'000	Total Share Capital A$'000	Foreign currency translation reserve A$'000	Share based payment reserve A$'000	Total reserves A$'000	Retained deficit A$'000	Total equity attributable to equity holders of the company A$'000	Non-controlling interest A$'000	Total A$'000
Period from 1 July 2011 to 31 December 2011 - Unaudited										
Balance at 01 July 2011	**17 077**	**34 495**	**51 572**	**3 415**	**3 372**	**6 787**	**(29 634)**	**28 725**	**(548)**	**28 177**
Changes in equity										
Profit/(loss) for the period	-	-	-	-	-	-	5 318	5 318	(4)	5 314
Shares issued	457	863	1 320	-	(1 320)	(1 320)	-	-	-	-
Share based payments	-	-	-	-	1 425	1 425	-	1 425	-	1 425
Transfer between reserves	-	-	-	-	(39)	(39)	39	-	-	-
Other comprehensive loss	-	-	-	(686)	-	(686)	-	(686)	-	(686)
Total changes	457	863	1 320	(686)	66	(620)	5 357	6 057	(4)	6 053
Balance at 31 Dec 2011	**17 534**	**35 358**	**52 892**	**2 729**	**3 438**	**6 167**	**(24 277)**	**34 782**	**(552)**	**34 230**
Period from 1 July 2012 to 31 December 2012 - Unaudited										
Balance at 1 July 2012	**17 534**	**35 358**	**52 892**	**2 165**	**6 128**	**8 293**	**(26 695)**	**34 490**	**4 973**	**39 463**
Changes in equity										
Profit/(loss) for the period	-	-	-	-	-	-	(2 687)	(2 687)	(74)	(2 761)
Issue of shares	8 520	6 366	14 886	-	-	-	-	14 886	-	14 886
Share based payments	-	-	-	-	105	105	-	105	-	105
Transfer between reserves	-	-	-	-	(170)	(170)	170	-	-	-
Other comprehensive loss	-	-	-	(525)	-	(525)	-	(525)	-	(525)
Total changes	8 520	6 366	14 886	(525)	(65)	(590)	(2 517)	11 779	(74)	11 705
Balance at 31 Dec 2012	**26 054**	**41 724**	**67 778**	**1 640**	**6 063**	**7 703**	**(29 212)**	**46 269**	**4 899**	**51 168**
Notes	5									

The notes on pages 14 to 19 form part of this half-year report.

Consolidated Statement of Cash Flows

For the half year ended 31 December 2012

	Notes	Unaudited Half year to 31 Dec 2012 A$'000	Unaudited Half year to 31 Dec 2011 A$'000
Cash flows from operating activities			
Cash used in operations	10	(2 501)	(2 828)
Finance income		163	187
Finance expense		(167)	-
Net cash used in operating activities		**(2 505)**	**(2 641)**
Cash flows from investing activities			
Acquisition of property, plant and equipment		-	(7)
Proceeds on sale of property, plant and equipment		-	2
Acquisition of intangible assets	3	(1 741)	(676)
Investment in associated undertakings		(1 183)	(2 097)
Net cash outflow from investing activities		**(2 924)**	**(2 778)**
Cash flows from financing activities			
Net proceeds on share issues		14 719	-
Net cash generated from financing activities		**14 719**	**-**
Total cash movement for the period		9 290	(5 419)
Cash at the beginning of the period		8 826	12 830
Effect of exchange rate movement on cash balances		(435)	(286)
Total cash and cash equivalents at the end of the period		**17 681**	**7 125**

The notes on pages 14 to 19 form part of this half-year report.

Notes to the half year unaudited consolidated Financial Statements

1. Significant Accounting Policies

General information

The Company is domiciled in the UK. The address of the registered office is One America Square, Crosswall, London EC3N 2SG. The registered number of the company is 4482856.

Basis of preparation

The condensed consolidated interim financial information has been prepared using the accounting policies applied by the company in its 30 June 2012 annual report which are in accordance with International Financial Reporting Standards (IFRS and IFRC interpretations) issued by the International Accounting Standards Board ("IASB") as adopted for use in the EU ("IFRS"), except as noted below. The condensed set of financial statements included in this half-yearly report has been prepared in accordance with International Accounting Standard 34, “Interim Financial Reporting”, as adopted by the EU. This condensed consolidated interim financial report does not include all notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2012 and any public announcements by Universal Coal Plc.

The condensed interim financial information for the period 1 July 2012 to 31 December 2012 is unaudited. In the opinion of the Directors, the condensed interim financial information for the period presents fairly the financial position, result from operations and cash flows for the period in conformity with IFRS generally accepted accounting principles consistently applied and IAS1: Presentation of Financial Statements with effect from 1 July 2012. The condensed interim financial information incorporates comparative figures for the interim periods to 30 June 2012 and 31 December 2011 for the consolidated statement of financial position, the interim period from 1 July 2011 to 31 December 2011 for the consolidated statement of cash flows and the interim period from 1 July 2011 to 31 December 2011 for the consolidated statement of changes in equity. The financial information for the year ended 30 June 2012 contained in this interim report does not constitute statutory accounts as defined by section 435 of the Companies Act 2006. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditor's report on those accounts was unqualified, did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their report and did not contain a statement under section 498(2)-(3) of the Companies Act 2006.

2. Investments in subsidiaries

The following summary pertaining to the investments in subsidiaries is detailed below:

Name of Company	Holdings	Country of Incorporation	31 Dec 2012 (%)	30 Jun 2012 (%)
Universal Coal & Energy Holdings South Africa (Pty) Ltd	Direct	South Africa	100.00	100.00
Universal Coal Development I (Pty) Ltd	Indirect	South Africa	70.50	70.50
Universal Coal Development III (Pty) Ltd	Indirect	South Africa	50.29	50.29
Twin Cities Trading 374 (Pty) Ltd	Indirect	South Africa	74.00	74.00
Epsimax (Pty) Ltd	Indirect	South Africa	74.00	74.00
Episolve (Pty) Ltd	Indirect	South Africa	74.00	74.00
Bold Moves 1765 (Pty) Ltd	Indirect	South Africa	74.00	74.00

All subsidiaries are incorporated and operate within South Africa.

Notes to the half year unaudited consolidated Financial Statements (continued)

3. Intangible Assets

	31 Dec 2012 A$'000			30 Jun 2012 A$'000		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Mining and prospecting rights	12 057	-	12 057	19 733	-	19 733
Development asset	9 495	-	9 495	-	-	-
Computer software	120	(38)	82	113	(47)	66
Total	**21 672**	**(38)**	**21 634**	**19 846**	**(47)**	**19 799**

The development asset relates to acquisition, exploration and development expenditure on the Kangala project.

4. Investments in associated undertakings

	% Holding 31 Dec 2012	% Holding 30 Jun 2012	31 Dec 2012 A$'000	30 Jun 2012 A$'000	Contribution to profit/(loss) 31 Dec 2012 A$'000	Contribution to profit/(loss) 30 Jun 2012 A$'000
Universal Coal Development II (Pty) Ltd	40,00 %	40,00 %	12 678	11 702	(11)	(3)
Universal Coal Development III (Pty) Ltd*	n/a	n/a	-	-	-	(3)
Universal Coal Development IV (Pty) Ltd	50,00 %	50,00 %	3 451	3 278	1	10
Universal Coal Development V (Pty) Ltd	10,00 %	10,00%	321	302	(1)	(1)
Universal Coal Development VI (Pty) Ltd	- %	- %	4	-	-	-
			16 454	**15 282**	**(11)**	**3**

All associated undertakings are incorporated and operate within South Africa.

* in the 2012 period this entity was classified as a subsidiary and consolidated

5. Share Capital

	Half year ended 31 Dec 2012 A$'000	Half year ended 30 Jun 2012 A$'000
Ordinary shares	26 054	17 534
	Number	**Number**
Ordinary shares	319 575 447	209 684 554

Notes to the half year unaudited consolidated Financial Statements (continued)

Shares:	Date	Number of shares issued	Cumulative number of shares issued
Opening balance at 1 Jul 2012	1 Jul 2012	-	209 684 554
Shares issued at A$ 0.119	2 Jul 2012	343 431	210 027 985
Shares issued at A$ 0.163	13 Aug 2012	12 264 521	222 292 506
Shares issued at A$ 0.104	30 Sep 2012	1 442 265	223 734 771
Shares issued at A$ 0.142	28 Dec 2012	95 840 676	319 575 447
Closing balance at 31 Dec 2012			**319 575 447**

6. Unlisted Options

Options outstanding as at 31 December 2011	
Strike price between A$0.20 and A$0.39 and exercise dates between November 2013 to December 2015	26 646 177
Options outstanding as at 31 December 2012	
Strike price between A$0.20 and A$0.40 and exercise dates between November 2013 to December 2015	56 220 492

7. Converting Notes

The Company raised A$7million in the 2012 financial year through a binding Converting Note Agreement with Susquehanna Pacific Pty Ltd at an issue price of A$ 1 each, at a coupon rate of 9.5% per annum and a maturity date of 7 years. The Converting Notes were issued together with 22,474,314 share options.

Reconciliation of Converting Notes	31 Dec 2012 A$'000	30 Jun 2012 A$'000
Opening balance	5 315	-
Converting notes issued		7 000
Capitalised financing costs		(1 744)
Accrued finance expense	(41)	41
Amortised finance expense	125	18
Closing balance	**5 399**	**5 315**

Notes to the half year unaudited consolidated Financial Statements (continued)

8. Provisions, Commitments and Contingent Liabilities

Rehabilitation provision	31 Dec 2012 A$'000	31 Dec 2011 A$'000
Opening balance	-	-
Rehabilitation provision recognised during the period	919	-
Closing balance	**919**	**-**

No additional significant commitments and no contingent liabilities were outstanding at 31 December 2012.

9. Operating loss

	Half year to 31 Dec 2012 A$'000	Half year to 31 Dec 2011 A$'000
Operating loss for the period is stated after accounting for the following:		
Employee costs	829	794
Administrative expenses	1 327	845
Regulatory expenses	179	75
Exploration expenditure	95	254

10. Cash used in operations

(Loss)/profit before taxation	(2 761)	5 314
Adjustments for:		
Depreciation and amortisation	32	29
Gain arising on step up of interest in associated undertakings	-	(8 779)
Share of operating loss of associated undertakings	11	9
Amortised finance expense	(125)	-
Finance income	(163)	(187)
Finance expense	459	-
(Profit) / loss from foreign currency transactions	(6)	81
Share based payments	105	1 425
Movement in provisions	919	-
Changes in working capital:		
Increase in trade and other receivables	(667)	(61)
Increase / (decrease) trade and other payables	(305)	(659)
	(2 501)	**(2 828)**

Notes to the half year unaudited consolidated Financial Statements (continued)

11. (Loss) / Earnings per share

	31 Dec 2012 '000	31 Dec 2011 '000
(Loss) / earnings for the purpose of basic (LPS)/EPS	(A$ 2 687)	A$ 5 318
Weighted average number of shares used in basic (LPS)/EPS	221 642	205 674
(Loss) / earnings for the purpose of diluted (LPS)/EPS	(A$ 2 687)	A$ 5 318
Weighted average number of shares used in diluted (LPS)/EPS	221 642	207 491

12. Related Parties

	Half year to 31 Dec 2012 A$'000	Half year to 31 Dec 2011 A$'000
Related party transactions		
Consulting fees paid to related parties:		
Ofhani Phaswana	35	72
Rent paid to related parties:		
KEE Enterprises (Pty) Ltd	32	42
Loans to related party: Xakwa Investments (Pty) Ltd		
Loan balance at the beginning of the year	**315**	**301**
Interest	8	14
Loan balance at the end of the year	**323**	**315**

13. Subsequent events

Universal Coal achieved a direct ownership of 74% in the Roodekop coal project on 23 January 2013 having exercised the option it held over this asset. The option was exercised for a cash consideration of ZAR 5million (A$530,000).

Under the terms of the earn in agreement, on 15 January 2013 Universal Coal earned 50% in the Berenice and Somerville Projects on the completion of the second phase drilling and has unlocked a further exclusive option to acquire the balance of 24% (to take a maximum ownership to 74%).

Notes to the half year unaudited consolidated Financial Statements (continued)

14. Segmental Reporting

All investments in associates and subsidiaries operate in one geographical location being South Africa, and are organised into one business unit from which the Group's expenses are incurred and future revenues are expected to be earned, being for the exploration for and extraction of coal and production of coal through in-direct holdings. The reporting on these investments to the Chief Operating Decision Makers, the Board of Directors, focuses on the use of the profit and loss and capitalisation of the coal projects.

The non-current assets relating to the capitalisation expenditure associated with the coal projects are located in South Africa. All corporate expenditure, assets and liabilities relate to incidental operations carried out in the United Kingdom, Australia and South Africa.

For the half year to 31 December 2012	Indirect Interest in Exploration and development of coal A$'000	Corporate (Unallocated) A$'000	Total A$'000
Operating expenses	-	(95)	(95)
Admin expenses (excl share based payments)	(40)	(2 220)	(2 260)
Share based payments expense	-	(105)	(105)
Share of operating loss of associate	(11)	-	(11)
Foreign exchange gain	-	6	6
Finance income	-	163	163
Finance expense	-	(459)	(459)
(Loss) before and after taxation	(51)	(2 710)	(2 761)
Total non-current assets	38 004	124	38 128
Total assets	40 400	17 728	58 128
Total liabilities	(1 202)	(5 758)	(6 960)

For the half year to 31 December 2011	Indirect Interest in Exploration and development of coal A$'000	Corporate (Unallocated) A$'000	Total A$'000
Admin expenses (excl share based payments)	(12)	(2 125)	(2 137)
Share based payments expense	-	(1 425)	(1 425)
Share of operating loss of associate	(9)	-	(9)
Gain arising on step-up of interest	8 779	-	8 779
Foreign exchange loss	-	(81)	(81)
Net finance income	-	187	187
Profit before and after taxation	8 758	(3 444)	5 314
Total non-current assets	26 658	145	26 803
Total assets	28 191	6 237	34 428
Total liabilities	(30)	(168)	(198)

Directors' Declaration

In the opinion of the Directors:

a. The financial statements and notes set out on pages 10 to 19:

   i. Comply with Accounting Standard IAS 34 Interim Financial Reporting

   ii. Give a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half year ended on that date; and

b. There are reasonable grounds to believe that Universal Coal Plc will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of directors.

John Hopkins

Non-executive Chairman

15 March 2013

Independent review report to Universal Coal Plc

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UNIVERSAL COAL PLC

HALF YEARLY REPORT FOR SIX MONTHS ENDED 31 DECEMBER 2012

INDEPENDENT REVIEW REPORT TO UNIVERSAL COAL PLC

Introduction

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 December 2012 which comprises the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows, the related explanatory notes, and the directors' declaration.

We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of and has been approved by the directors. The directors are responsible for preparing the interim report in accordance with the rules of the Australian Stock Exchange.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The condensed set of financial statements as included in these half-yearly interim statements is prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting', as adopted by the European Union.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Our report has been prepared in accordance with the terms of our engagement to assist the company in meeting the requirements of the rules of the Australian Stock Exchange and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 December 2012 is not prepared, in all material respects, in accordance with the rules of the Australian Stock Exchange and International Accounting Standard 34 'Interim Financial Reporting' as adopted by the European Union.

BDO LLP

BDO LLP

Chartered Accountants and Registered Auditors

Location

United Kingdom

Date: 15 March 2013

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).