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universal
coal plc

UNIVERSAL COAL INCREASES STAKE IN 1.3BT COKING COAL PROJECT, SOUTH AFRICA

Universal Coal plc (ASX: UNV) has increased to 50% its ownership of the Cygnus portion of its prime Berenice coking coal project in the Limpopo region of South Africa.

Berenice is a large metallurgical deposit with a total JORC compliant coking coal resource of 1.35 billion tonnes, of which 1,23Bt is in the measured and indicated category. Of the total Berenice resource 675 million tonnes are now attributable to the company. Importantly, the project is located outside environmentally sensitive areas and within 30 km of existing rail infrastructure, currently being used to export coal out of the Matola coal terminal.

Universal Coal consummated its earn-in agreement for the Cygnus property after completing the second phase of drilling and providing an updated resource estimate through Independent Geological Consulting Firm GEMECS. The company can increase its stake in the Berenice project to 74% via achievement of other milestones.

Commenting on the increase in ownership, CEO Tony Weber said: "We are delighted to have completed the final step of this farm-in agreement to achieve 50% shareholding over the entire Berenice coking coal project. The resource upgrade allows the next phase of development of the project to proceed, with a pre-feasibility study to commence by year-end."

Universal Coal is also advancing as per schedule the development at its Kangala Mine, targeting first production in April 2014, and will continue to release regular progress reports.

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Universal Coal Global Coal Resources Summary

Project	Reserve Proved Mt	Resource Measured Mt	Resource Indicated Mt	Resource Inferred Mt	Total Mt	Attributable to Universal 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 coal⁷	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	72.91
Somerville ⁴	-	-	-	274.22	274.22	137.11
Donkin ⁶	-	-	-	42.42	42.42	6.36
Total Coking Coal⁷	-	424.91	800.92	440.93	1,666.76	818.54
Total⁷	20.8	651.21	836.84	476.77	1,985.62	1,028.56

Notes:

1. Universal has an attributable interest of 70.5% of the Kangala Project.
2. Universal has an attributable interest of 74% in the Roodekop Project.
3. Universal 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 has an attributable interest of 50% in the Berenice and Somerville Projects with an option to acquire up to a 74% interest.
5. Universal has an attributable interest of 50% in the Cygnus Project with an option to acquire up to a 74% interest.
6. Universal 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.

About Universal Coal

Universal Coal is an ASX-listed company with interests in five coal projects in South Africa. These projects contain in excess of 1.9 billion tonnes of JORC-compliant resources, of which over 800 million tonnes is attributable to the company.

The most advanced asset, the Kangala project, is targeting first coal sales by April 2014. Kangala is located in the Witbank coalfield, which supplies more than 50% of South Africa's saleable export and domestic coal.

Following the Kangala project will be development of the export-focused Roodekop and Brakfontein projects subject to positive feasibility studies, financing and other regulatory approvals.

In addition to the thermal coal projects, the company has an earn-in agreement over two coking coal projects (Berenice and Somerville) that together contain 1.67 billion tonnes of JORC-compliant resources.

The company has an experienced team of directors, senior managers and geoscientists with extensive expertise in both coal exploration and mining in South Africa and who have a proven track record of project development.