

ASX Announcement / Media Release

4th March 2014



universal
coal plc

FIRST PRODUCTION MILESTONE AT KANGALA COAL MINE

Universal Coal Plc (“Universal Coal”) (ASX:UNV) is pleased to announce that production has now commenced at its Kangala mine, located 65 km from Johannesburg, South Africa.

First delivery of coal will commence during March 2014 in line with our first commercial production having commenced in February as per the 2Mtpa offtake agreement with South Africa’s leading power utility, Eskom. Remaining production will target the lucrative export markets, via a 100 ktpa offtake agreement with leading South African coal producer Exxaro Resources.

Kangala is the company’s first coal mine. The operation is now ramping up towards its nameplate capacity of 2.4 million tonnes per annum (Mtpa), of which 2.1 Mtpa is saleable.

Commenting on the occasion, Universal Coal’s CEO Tony Weber said, “This marks a significant milestone as we progress towards becoming a mid-tier coal producer.

“Kangala will provide steady and strong cashflow for the decade to come, laying the foundation for further growth in helping to fund the progress of our pipeline of quality coal assets including our next operation, Roodekop/ New Clydesdale Colliery.”

“We thank our dedicated management team, employees and contractors who have worked tirelessly to build this project into an operating mine on schedule and within budget, and so transition Universal Coal into a producer.”

With regards to the NCC acquisition, Universal is in the process of finalizing the legal agreements and regulatory processes together with the seller, and will update the market regarding details in the near future

For further information please contact:

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About Universal Coal

ASX-listed Universal Coal (ASX: UNV) is focused on becoming a leading mid-tier coal company.

Universal Coal has a portfolio of producing, development and exploration assets located across South Africa's major coalfields, and which contain in excess of 1.9 billion tonnes of JORC-compliant resources, some 1 billion tonnes attributable to the company.

The Kangala mine in the Witbank coalfield, commenced first production in February 2014. Kangala produces at the rate of 2.1 million tonnes per annum saleable thermal coal, primarily for the domestic market.

Following Kangala will be development of the export-focused Roodekop project located contiguous to Exxaro's New Clydesdale Colliery (NCC). Universal Coal has announced a deal to acquire NCC, which will fast track the company's progress towards becoming a multi-mine producer.

Besides its thermal coal projects (including Brakfontein), the company has completed earn-in agreements over two coking coal project areas (Berenice/Cygnus and Somerville/Donkin) that combined contain 1.67 billion tonnes of JORC-compliant resources.

The following map and schedule provides information pertaining specifically to the location and tenure of interests held by Universal Coal Plc in Mining Rights (MR) and Prospecting Rights (PR) in South Africa.



Project	Property	Permit Type & Number	Location	Size (ha)	Beneficial Interest Held	Change in Interest from previous Quarter
Kangala	Wolvenfontein 244IR: Portion 1 and RE of Portion 2	Mining Right: MP30/5/1/2/2/429MR	Delmas, Mpumalanga Province, South Africa	951	70.5%	None
	Middelbult 235IR: Portions 40 and 82	Prospecting Right: MP30/5/1/1/2/641PR	Delmas, Mpumalanga Province, South Africa	942	70.5%	None
	Modderfontein 236IR: Portion 1	Prospecting Right: MP30/5/1/1/2/639PR	Delmas, Mpumalanga Province, South Africa	127	70.5%	None
Roodekop	Roodekop 63IS	Mining Right: MP30/5/1/1/2/492MR	Kriel, Mpumalanga Province, South Africa	835	74%	None
Brakfontein	Brakfontein 264IR : Portions 6, 8, 9, 10, 20, 26, 30 and Remaining Extent	Prospecting Right: MP30/5/1/1/2/1879PR	Delmas, Mpumalanga Province, South Africa	879	50.29%	None
Berenice & Somerville	Berenice 548MS, Celine 547MS, Doorvaardt 355MS, Longford 354MS, Somerville 9MS and adjacent farms	Prospecting Right: LP30/5/1/1/2/376PR	Waterpoort, Limpopo Province, South Africa	39,484	50%	None
Cygnus	Cygnus 543MS and adjacent farms	Prospecting Right: LP30/5/1/1/2/1276PR	All Days, Limpopo Province, South Africa	12,299	50%	None
Donkin	Donkin 72MS	Prospecting Right: LP30/5/1/1/2/2074PR	All Days, Limpopo Province, South Africa	1,178	15%	None

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.