

05 May 2014



universal
coal plc

FIRST COAL SALES CASH FLOW RECEIVED

Highlights:

- Cash flow commences at the Kangala Colliery, South Africa
- Ramp up sales targets being met
- DMS circuit to be commissioned by end of May 2014
- Steady state monthly production as per Eskom CSA on track for June 2014

Universal Coal Plc (“Universal Coal”) (ASX:UNV) is pleased to announce the sale of the first 54,984 tonnes from its 2.4Mtpa ROM Kangala Colliery (70.5% interest) near Johannesburg, and confirms receipt of payment for the settlement thereof.

With first revenues now flowing, the Kangala Colliery has successfully transitioned from the capital development (“CAPEX”) phase to the operational phase (“OPEX”). Completion of the Dense Medium Separation (“DMS”) section of the plant is expected by the end of May 2014, following which, production of export quality thermal coal will commence, up to 100,000 tonnes per annum.

As per previous disclosures, Universal Coal is continuing to finalise the New Clydesdale Colliery (“NCC”) acquisition and will update the market once concluded and as permitted under existing confidentiality undertakings.

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About Kangala

Kangala, situated in the Witbank coalfield in Mpumalanga province, is Universal Coal's first operation. The mine will be a domestic thermal coal operation supplying coal primarily to Eskom. At a capital cost of A\$46.8m, this operation is projected to supply an estimated average of A\$15m EBITDA per annum (100%), with both costs and profit margins locked in.

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.

The operation is being 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 containing a 350tph crushing and screening circuit and the 200tph DMS washing plant will be owned by the company, but the operation thereof will be outsourced to Mineral Resource Development.

About Universal Coal

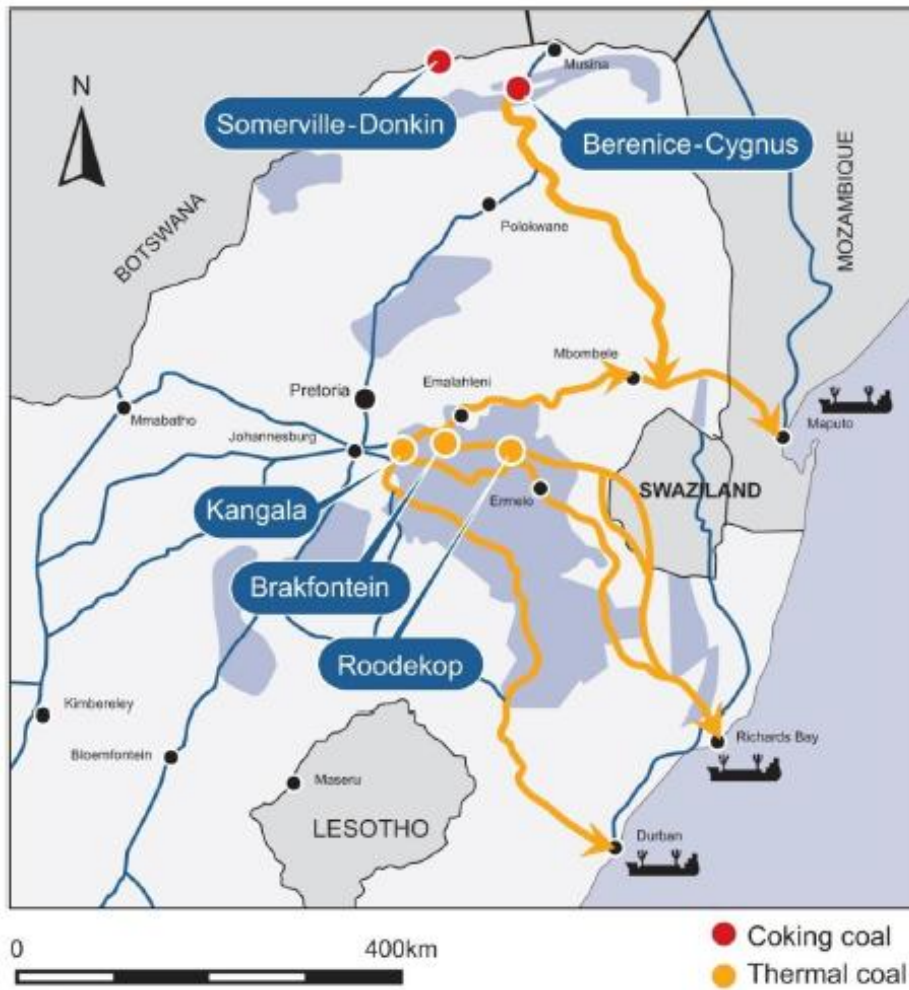
Universal Coal is an ASX-listed company with interests in five coal projects in South Africa. These projects contain in excess of 1.9 billion tonnes of JORC-compliant resources, of which over 1 billion tonnes is attributable to the company.

The most advanced asset, the Kangala project, is targeting first production February 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 completed earn-in agreements over two coking coal project areas (Berenice/Cygnus and Somerville/Donkin) that together 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	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 Ha	70.5%	None
	Middelbult 235IR: Portions 40 and 82	Prospecting Right: MP30/5/1/1/2/641PR	Delmas, Mpumalanga Province, South Africa	942 Ha	70.5%	None
	Modderfontein 236IR: Portion 1	Prospecting Right: MP30/5/1/1/2/639PR	Delmas, Mpumalanga Province, South Africa	127 Ha	70.5%	None
Roodekop	Roodekop 63IS	Mining Right: MP30/5/1/1/2/492MR	Kriel, Mpumalanga Province, South Africa	835 Ha	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 Ha	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 Ha	50%	None
Cygnus	Cygnus 543MS and adjacent farms	Prospecting Right: LP30/5/1/1/2/1276PR	All Days, Limpopo Province, South Africa	12,299 Ha	50%	None
Donkin	Donkin 72MS	Prospecting Right: LP30/5/1/1/2/2074PR	All Days, Limpopo Province, South Africa	1,178 Ha	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.

Universal Coal Global Coal Resources/Reserve 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	21.55	93.48	19.35	33.64	146.47	103.25
Roodekop ²	9.40	82.92	1.44	-	84.36	62.43
Brakfontein ³	-	70.50	15.00	2.20	87.70	44.10
Total Thermal Coal⁷	30.95	246.90	35.79	35.84	318.53	209.77
Coking Coal (Limpopo)						
Berenice ⁴	-	393.97	694.27	116.07	1,204.31	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	30.95	671.81	836.71	476.77	1,985.29	1,028.31

Notes:

- The Resources and Ore Reserves for Kangala, Brakfontein, Berenice, Cygnus, Somerville and Donkin were prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.
- The Resource and Ore Reserve for Roodekop have been updated to comply with the JORC Code 2012.
- Mineral resources are stated inclusive of mineral reserves.
- 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.

Competent Person's Statement

The information in this report that relates to Coal Resources 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 (a Recognised Overseas Professional Organisation). 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 2012 edition of the JORC Code. Mr Denner consents to the inclusion in this report of this information in the form and context in which it appears.

The Kangala Coal Reserve estimate was prepared by Mr Ben Bruwer, who is a Principal Mining Engineer and Co-owner of VBKom Consulting Engineers who are the preferred mining consultants to Stefanutti Stocks Mining Services (Pty) Ltd. He is a member of the Engineering Council of South Africa (ECSA) (a Recognised Overseas Professional Organisation) and member of SAIMM. He has more than 15 years' experience in the South African coal and minerals industries. VBKom CE has sufficient experience which is relevant to the type of mineralisation and the Kangala deposit and to the activity which Mr Bruwer is undertaking to qualify as a Competent Person as defined by the SAMREC and JORC Codes for Reporting of Exploration, Mineral Resources and Ore Reserves'.

The Roodekop Coal Reserve estimate was prepared by Mr Mike Seeger. Mr Seeger was employed by Universal Coal at the time as Chief Mining Engineer and is a member of the South African Institute of Mining and Metallurgy (Overseas Professional Organisation). He has more than 20 years' experience in the South African coal and minerals industries. Mr Seeger has sufficient experience which is relevant to the type of mineralisation and the Roodekop deposit and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the JORC Code for Reporting of Exploration, Mineral Resources and Ore Reserves'.

Reporting on Exploration Results

The Resource/Reserve Statements for Kangala, Brakfontein, Berenice, Cygnus, Somerville and Donkin were prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. The Resource/Reserve Statement for Roodekop was updated since to comply with the JORC Code 2012. The statement also complies with 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.