

16 October 2014



universal
coal plc

COMPLETION OF STRATEGIC INVESTMENT

Highlights

- IchorCoal has invested A\$24.5 million in Universal Coal
- Universal Coal's major shareholder, Coal Development Holding B.V., has further invested A\$1 million
- Funds raised intended to be used to complete the acquisition of Universal Coal's second operating asset, the New Clydesdale Colliery, amongst other purposes
- Universal Coal is well positioned to become a mid-tier coal company in South Africa

Universal Coal Plc ("Universal Coal" or "Company") (ASX: UNV) is pleased to announce that, after obtaining the necessary shareholder approvals at the General Meeting held in London on 6 October 2014, it has completed the proposed strategic investment by IchorCoal NV ("Ichor") (FRA: IO0) of A\$24.5 million and Coal Development Holding B.V.'s ("CDH") investment of A\$1 million in the Company.

The funds raised will complete the financing of the acquisition of the New Clydesdale Colliery ("NCC") from Exxaro Coal Mpumalanga (Pty) Ltd subject to the completion of that transaction, part-fund the development of the Roodekop project which is expected to include the NCC and, in respect of any balance, to fund general working capital and implement further acquisition opportunities as they arise.

As part of the investment, Messrs Nonkululeko Nyembezi-Heita and Andries Engelbrecht have been appointed to the Board of Universal Coal as nominee directors of Ichor. The appointments are effective from 16 October 2014 and each will be subject to re-election at the Company's Annual General Meeting to be held later this year.

This investment is a watershed moment for the Company and will assist it fulfil its goal of becoming South Africa's next mid-tier coal company.

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