

17 December 2014



universal
coal plc

SATISFACTION OF COMPLETION TESTS AT KANGALA

Highlights

- **Rand Merchant Bank awards completion to Kangala Colliery**
- **Cash distributions now permitted**

Universal Coal Plc ("Universal Coal") (ASX: UNV) is pleased to confirm that its Kangala Colliery has successfully met project Completion Tests to the satisfaction of debt financier Rand Merchant Bank ("RMB"). This represents another significant milestone for the company, marking the official transition to steady state operations for Kangala.

Located in the Witbank coal field of South Africa, Kangala is a 2.4 million tonnes per annum (Mtpa) run-of-mine (ROM) operation, with installed plant capacity to expand to 4.25 Mtpa. The operation is cashflow positive, with the majority of its thermal coal product supplying South Africa's leading power utility ESKOM.

Completion testing for a continuous period of 90 days commencing on 1 August 2014 to 31 October 2014 was deemed satisfactory according to the Independent Technical Advisor based on their assessment of the mine safety record, various designs, mine plan, mine production performance, product yields and qualities, plant performance and customer delivery.

Universal Coal has now fully complied with its performance obligations and qualifies for more attractive Project Finance Facility terms. Furthermore the Kangala Colliery is now entitled to, under certain circumstances, make permitted cash distributions to its shareholders in the form of shareholder loan repayments and/or dividend distributions.

NCC Project Progress update

Universal Coal only awaits approval of the Section 11 from the Department of Mineral Resources prior to finalising the impending NCC acquisition, which is expected to conclude early next year. At present, the Open Cast tendering process is underway on Roodekop, whilst discussions are ongoing with underground mining contractors in order to reconvene these workings once NCC is started up.

A bankable feasibility study as part of the debt funding is also progressing, anticipated to be finalised first quarter 2015, to allow for the seamless development of the joint operation next year. The equity component of the mine financing was successfully raised as part of the A\$25.5m capital raising undertaken with Ichor Coal and Coal Development Holding during October this year.

Universal Coal remains on track to deliver this operation to the market during 2015, having successfully developed and commissioned the Kangala Colliery during the 2013/2014 year. The combined operations will have an installed capacity in excess of 6.25mt per annum of processing capacity, with expected ROM of 5Mtpa.

We will keep the market informed over the progressing developments.

For further information please contact:

Institutions & Media

Tony Weber
Chief Executive Officer
Universal Coal Plc
+27 12 460 0805
t.weber@universalcoal.com

Robert Williams
FCR
T: +61 2 8264 1003
r.williams@fcr.com.au