

1 October 2015



universal
coal plc

ICHOR OFFER – TAKE NO ACTION

Universal Coal Plc ("Universal" or the "Company") notes that Ichor Coal N.V. ("Ichor") has announced that it has issued an offer document (the "Offer Document") in connection with its unsolicited offer to acquire all of the ordinary shares of the Company ("Shares") that it does not currently own, at a price of A\$0.16 per Share (the "Ichor Offer").

The Ichor Offer remains open for acceptance until 1 p.m. (London time) on 3 December 2015 and remains highly conditional, including a minimum acceptance condition of 50%, amongst numerous subjective conditions that are for the benefit of Ichor, and provide no assurance to shareholders that the Ichor Offer will complete.

While the sub-committee of directors of the Company who are independent of the Ichor Offer ("Independent Directors") undertake a detailed review of the Offer Document in conjunction with their advisers, the Independent Directors maintain their unanimous recommendation that the Company's shareholders **TAKE NO ACTION** in respect of the Ichor Offer.

If shareholders do not wish to accept the Ichor Offer (or wish to reject the Ichor Offer), they may simply ignore the Ichor Offer Document and **TAKE NO ACTION**. The effect of this is that they will:

- retain their Shares;
- retain their ability to sell their Shares at a later time; or
- retain the ability to accept an alternative offer for their Shares should one emerge.

Ichor first announced its intention to make its offer on 21 August 2015. On 27 August 2015, the Company issued a response announcement setting out the reasons why the Independent Directors considered Ichor's indicative offer to be inadequate, highly conditional and opportunistic. This continues to be the unanimous view of the Independent Directors.

Further, the Independent Directors are concerned that, despite the detailed knowledge of Universal that is held by Ichor, including as a result of having nominee directors appointed to the Company's board of directors, Ichor continues to make the incorrect statement in the Offer Document about Universal and its business, in that the

Company is being negatively impacted by the price of seaborne thermal coal, whereas Universal is primarily a producer of thermal coal for the domestic South African market and is currently benefiting from local prices secured under long term sales arrangements with Eskom Holdings SOC Limited.

Third Party Interest and Alternative Indicative Offer at a Higher Price

Since 27 August 2015, the Company has been approached on a confidential basis by other parties who have expressed an interest in making alternative offers for the Shares. As a result, the Company has opened a data room that the Company has made accessible to credible, interested alternative bidders who have signed a non-disclosure agreement with Universal.

In particular, as announced on 21 September 2015, the Company has received a written, non-binding indicative proposal for a cash offer at a price of A\$0.20 per Share from a party with existing exposure to the South African coal mining industry which the Independent Directors consider credible.

The Independent Directors and their advisers continue to engage in discussions with this party and other credible, interested parties to determine whether a formal alternative offer or offers can be made. There can be no certainty that an alternative formal offer will be made, or as to the terms of any resulting offer, should one be made.

If shareholders wish to wait and see if one or more alternative offers are formalised, which may result in them receiving more for their Shares than under the Ichor Offer, they should **TAKE NO ACTION** in respect of the Ichor Offer.

Universal's Shares/CDIs Currently Trade on the ASX at a Premium to the Ichor Offer Price of A\$0.16 per Share

As at 30 September 2015, being the last date practicable prior to the publication of this announcement, the Company's Shares were quoted on the ASX at a closing price of A\$0.18 per Share, a 12.5% premium to the price of Ichor's Offer.

Shareholders remain free to sell their Shares on market which may, subject to the actual market price per Share, be at a higher price than would be received by accepting the Ichor Offer.

Independent Expert's Report

The Independent Directors have retained KPMG Financial Advisory Services (Australia) Pty Ltd ("KPMG") to prepare an Independent Expert's Report in order to determine whether the Ichor Offer is fair and reasonable (the "IER"). With the Ichor Offer now received, KPMG will be able to finalise the IER, which is expected shortly. Once received, the Independent Directors will make the findings of the IER available to shareholders.

If shareholders wish to review the findings of the IER before evaluating the Ichor Offer, they should **TAKE NO ACTION** in respect of the Ichor Offer pending receipt of the IER.

Recommendation and Intentions of the Independent Directors

For the reasons set out above, the Independent Directors recommend shareholders do not accept the Ichor Offer (or reject the Ichor Offer) by **TAKING NO ACTION**.

Each of the Independent Directors, representing in aggregate 16,459,881 Shares or 3.25% of the Company's issued share capital, intends to reject the Ichor Offer.

The Independent Directors will continue to update shareholders as appropriate in respect of further developments and following receipt of the IER.

CDI Holders

The Independent Directors are presently considering (in conjunction with ASX and Computershare Investor Services Pty Limited) the appropriate way in which the Offer Document should be communicated to registered holders of Chess Depository Interests ("CDIs") so that they can properly assess the Ichor Offer and, should they wish to, indicate their instructions to CHESS Depository Nominees Pty Ltd in relation to rejection or acceptance of the Ichor Offer.

For further information please contact:

Tony Weber

Chief Executive Officer

Universal Coal Plc

+27 12 460 0805

t.weber@universalcoal.com

Richard Greenfield

GMP Securities Europe LLP

+44 207 647 2800

richard.greenfield@gmpeurope.com

Robert Williams

FCR

T: +61 2 8264 1003

r.williams@fcr.com.au

Nick Dacres-Mannings

APP Securities Pty Limited

+61 2 9226 0036

Nick.dm@appsecurities.com.au