



ANNOUNCEMENT

03 March 2016

**UPDATE: RECOMMENDED OFFER FOR UNIVERSAL COAL PLC**

**RESULTS OF GENERAL MEETING**

**SUBSCRIPTION AGREEMENT WITH HEI**

Coal of Africa Limited (ASX, AIM and JSE: CZA) (CoAL or the Company) is pleased to provide an update on its recommended offer for the entire issued and to be issued share capital of Universal Coal plc (Universal) (the Offer).

Unless otherwise defined in this announcement, capitalised terms used in this announcement have the meaning given to them in the offer document published by CoAL on 21 December 2015 (Offer Document).

**Fulfilment of Offer Conditions**

CoAL is pleased to advise that, in fulfilment of certain key Conditions to the Offer:

- it has now received:
  - acceptances of the Offer from Universal Shareholders (including Universal CDI Holders) representing **269,570,685** Universal Shares, equating to approximately **53.20%** of the total number of Universal Shares in issue, satisfying the Condition to the Offer set out in paragraph 1(a) of Part A of Appendix VI of the Offer Document; and
- at the general meeting of CoAL shareholders held earlier today (General Meeting), CoAL Shareholders passed the CoAL Resolutions approving the acquisition of Universal resulting from the Offer and the issue of the Consideration Shares and the Subscription Shares, satisfying the Condition to the Offer set out in paragraph 1(c) of Part A of Appendix VI of the Offer Document.

The Offer is still subject to the conditions set out in paragraphs (b) (Loan Note Alternative elections being made in respect of Universal Shares representing not less than 40 per cent of the voting rights carried by Universal Shares), (c) (passing of the CoAL Resolutions), (d) (admission to trading on AIM of the Consideration Shares and readmission to trading on AIM of CoAL Shares), (e) (the Subscription Agreements having become unconditional), (f) (the Offer not becoming subject to the Code), (h) (Investec Bank Limited providing its written consent on terms acceptable to CoAL acting reasonably), (j) (all Authorisations having been obtained) and (k) (no material adverse change in the financial or trading position of, or prospects for, the Universal Group since 30 June 2015 and other prescribed occurrences) of section 1 of Part A of Appendix VI of the Offer Document and, so far as CoAL is aware, those Conditions have not been fulfilled.

CoAL is of the view that good progress has been made on the remaining Conditions which are mainly procedural in their nature and that they can be fulfilled in a timely manner.



### Status of Loan Note Acceptances

CoAL has received elections for the Loan Note Alternative (including Universal CDI Holders) representing **185,968,264** Universal Shares, equating to approximately **36.70%** of the total number of Universal Shares.

### Extension of the Offer for Universal Coal plc

In addition, CoAL wishes to provide notice that it has further extended the Offer Period such that the definition of the Closing Date in the Offer Document is amended to 15 April 2016 or such later date or dates as may be determined by CoAL from time to time as provided in section 1 of Part B of Appendix VI, unless the Offer is withdrawn by CoAL, provided that in no circumstances will the Closing Date be later than 12 months after the Offer Date. A formal notice of variation and supplementary offer document has been lodged with ASIC earlier today and will be dispatched to Universal Shareholders shortly.

The variation has the effect of extending the period during which the Offer remains open for acceptances. The rationale for extending the Offer Period is to allow sufficient time to receive further Offer acceptances and for the remaining Conditions to be satisfied.

CoAL expects the Offer to proceed according to the revised indicative timetable set out below.

The dates and times set out in the timetable below are indicative only and may change in accordance with the terms and conditions of the Offer, to the extent permitted by law and as described in the Offer Document. In particular, the period during which the Offer is open for acceptance may be further extended by CoAL (where permitted by law).

<b>CDI Acceptance Expiry Time</b>	<b>7.00pm (Sydney time) on 11 April 2016</b>
<b>Final date for receipt of TTE Instructions and Forms of Acceptance</b>	<b>1.00pm (London time) on 15 April 2016</b>
<b>Closing Date of the Offer (unless the Offer Period is extended)</b>	<b>1.00pm (London time) on 15 April 2016</b>
Expected date by which settlement of consideration will first occur*	On or around 22 April 2016
Readmission of CoAL Shares to trading on AIM*	On or around 25 April 2016
Trading of Consideration Shares on AIM, ASX and JSE*	On or around 25 April 2016

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**\* CoAL will pay the cash and/or issue the Consideration Shares and/or Loan Notes to which accepting Universal Shareholders are entitled within 14 calendar days of the date on which the Offer becomes or is declared wholly unconditional or, in relation to valid acceptances received after this date but while the Offer remains open for acceptance, within 14 calendar days of that acceptance.**

CoAL wishes to highlight that as a result of the structure of the Offer, the 'squeeze-out' provisions in Chapter 3 of Part 28 of the UK Companies Act 2006 are not available to CoAL. Therefore, even if CoAL acquires 90 per cent. or more of the Universal Shares pursuant to the Offer, it will not be able to require the compulsory acquisition of the remaining Universal Shares and therefore Universal Shareholders are advised take such action as may be necessary to enable them to accept the Offer.

The CoAL Board continue to recommend Universal Shareholders who have previously accepted the Offer not to withdraw their acceptance. Your attention is again drawn to the letter of recommendation from the Independent Universal Directors contained in Part II of the Offer Document. The Independent Universal Directors continue to recommend that Universal Shareholders accept the Offer, as the Independent Directors have done respect of all of their own Universal Shares (comprising in aggregate, 3.25 per cent. of Universal's total issued share capital). Each of the Independent Universal Directors has accepted the Loan Note Alternative in respect of his Universal Shares.

Universal's obligations and those of each Independent Universal Director in respect of the recommendation to Universal Shareholders to accept the Offer will cease to apply in respect of an Independent Universal Director if that Independent Universal Director, acting on legal advice, determines that to give or continue to give, or fail to withdraw, modify or qualify the recommendation in favour of the Offer would be inconsistent with his fiduciary duties or his duties under applicable law or regulation.

In recommending the Offer, the Independent Universal Directors have concluded that the terms of the Offer are reasonable having regard to the recent trading prices of the Universal Shares on the ASX.

In assessing the value of the CoAL Shares being issued as part of the Cash and Share Offer, the Independent Universal Directors note the VWAP of CoAL Shares on the JSE for the 60 and 30 day periods ending on 24 November 2015, being A\$0.062 and A\$0.057 respectively (applying relevant Exchange Rates), and that CoAL will be raising US\$18 million at a price of US\$0.0435 (approximately A\$0.061) (applying relevant Exchange Rates) per CoAL Share from each of Yishun Brightrise and M&G pursuant to the Subscription Agreements.

#### **Additional Subscription Agreement**

CoAL is pleased to announce that it has entered into a subscription agreement with Haohua Energy International (Hong Kong) Resource Co. Limited (HEI). In terms of the Subscription Agreement HEI has agreed to subscribe for 114,942,528 new CoAL Shares at a subscription price of US\$0.0435 (approximately A\$0.061) per CoAL Share (HEI Subscription Shares) for an aggregate subscription amount of US\$5 million.



HEI's subscription for the HEI Subscription Shares is subject to certain conditions, including:

- the Offer becoming unconditional in all respects; and
- HEI receiving approval for the issue of the HEI Subscription Shares from the Foreign Investment Review Board in Australia.

CoAL intends to use the funds raised to provide additional funding for the Company's corporate activities and obligations.

HEI currently has a shareholding of 462,417,579 CoAL Shares representing 24% of the Company's existing issued share capital. Accordingly, HEI is considered a related party of the Company and HEI's subscription for 114,942,528 new CoAL Shares is considered a related party transaction under the AIM Rules for Companies. Accordingly, the Directors consider, having consulted with Peel Hunt LLP, the Company's nominated adviser, that the terms of HEI's subscription are fair and reasonable insofar as CoAL Shareholders are concerned.

#### Results of General Meeting

The Directors of CoAL are pleased to announce that at the CoAL General Meeting held earlier today, the resolutions put to the meeting were passed unanimously by a show of hands.

In accordance with ASX Listing Rule 3.13.2 and Section 251AA(2) of the Corporations Act 2001, the Company hereby provides the following information on proxy votes received for each resolution:

	For	Against	Discretionary	Abstain
<b>RESOLUTION 1 – Approval of acquisition by Coal of Africa Limited of Universal Coal plc</b>	1,177,100,575	302,032	919,319	1,500
<b>RESOLUTION 2 - Approval of issue of Shares to Yishun Brightside Investment Pte Ltd</b>	1,176,975,675	322,232	919,319	4,500
<b>RESOLUTION 3 - Approval of issue of Shares to M&amp;G Investment Management Ltd</b>	830,951,525	322,232	919,319	1,500
<b>RESOLUTION 4 - Approval of issue of Consideration Shares</b>	1,176,998,875	302,032	919,319	1,500
<b>RESOLUTION 5 – Approval of issue of Provisional Placement Shares</b>	714,659,796	322,232	919,319	4,500

Authorised by

David Brown

Chief Executive Officer

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Investec Bank Limited is CoAL's nominated JSE Sponsor

**About CoAL:**

CoAL is an AIM/ASX/JSE listed coal exploration, development and mining company operating in South Africa. CoAL's key projects include the Vele Colliery (coking and thermal coal), the Greater Soutpansberg Project /MbeuYashu, including CoAL's Makhado Project (coking and thermal coal).

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