



UPDATE: RECOMMENDED OFFER FOR UNIVERSAL COAL PLC

31 May 2016

Coal of Africa Limited (ASX, AIM and JSE: CZA) ("CoAL") provides the following update on CoAL's recommended offer for the entire issued and to be issued share capital of Universal Coal Plc (ASX: UNV) (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 (the "Offer Document") as supplemented and varied by subsequent notices.

Signature of Subscription Agreements

CoAL is pleased to advise that it has now signed the two subscription agreements with Hengshun Zhongsheng Group Co., Ltd and Summer Trees PTE. Ltd ("the Subscribers") pursuant to which the Subscribers will subscribe for 229,885,058 and 114,942,529 CoAL Shares respectively at a price of US\$0.0435 (approximately A\$0.05932¹) per CoAL Share, for total proceeds of US\$15 million ("New Subscription Agreements")

These New Subscription Agreements will replace the YBI Subscription Agreement, which has been terminated, which was previously intended to be replaced by a US\$15 million loan to be made available to CoAL by YBI as first noted in the notice of variation dated 8 April 2016.

The New Subscription Agreements are conditional upon:

- a) the Offer having been declared by CoAL to have become unconditional in all respects; and
- b) the directors of CoAL (or a duly authorised committee of CoAL directors) having approved and authorised the issue of the CoAL shares to the Subscribers and the Subscribers having received a copy of the authorising resolution.

No further shareholder approvals will be required in order to facilitate the issue of CoAL Shares to the Subscribers, noting that CoAL has been granted an extension until 3 August 2016 to issue the Shares approved at the General Meeting held on 3 March 2016.

Enquiries

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¹ Exchange rate AUD\$1.00:USD\$0.7335 as published by the Reserve Bank of Australia on 12 May 2016



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