



universal
coal plc

INVESTOR ROADSHOW May 2018

Tony Weber, CEO
London, United Kingdom

ASX:UNV

www.universalcoal.com

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Competent Person statement

The information in this presentation that relates to Exploration Results, Minerals Resources or Ore Reserves relating to the Kangala, NCC, Roodekop, Brakfontein, Arnot South, Eloff and Berenice Projects is based on information summarised by Mr Jaco Malan, who is a registered natural scientist and a member of the South African Council for Natural Scientific Professions. Mr Malan is employed by Universal Coal plc and has sufficient experience which is relevant to the style of mineralisation and the type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Coal Resources and Ore Reserves. Mr Malan consents to the inclusion in this presentation of this information in the form and context in which it appears.

AGENDA

Universal snapshot

Operational performance

Financial performance

Acquisition: North Block Complex

Operations and projects

The coal market

Human Resource and local economic development

Outlook and growth strategies

Management team

UNIVERSAL SNAPSHOT

ASX code: **UNV**

Shares on issue
522m

Share price
A\$0.22

Market cap
A\$115m

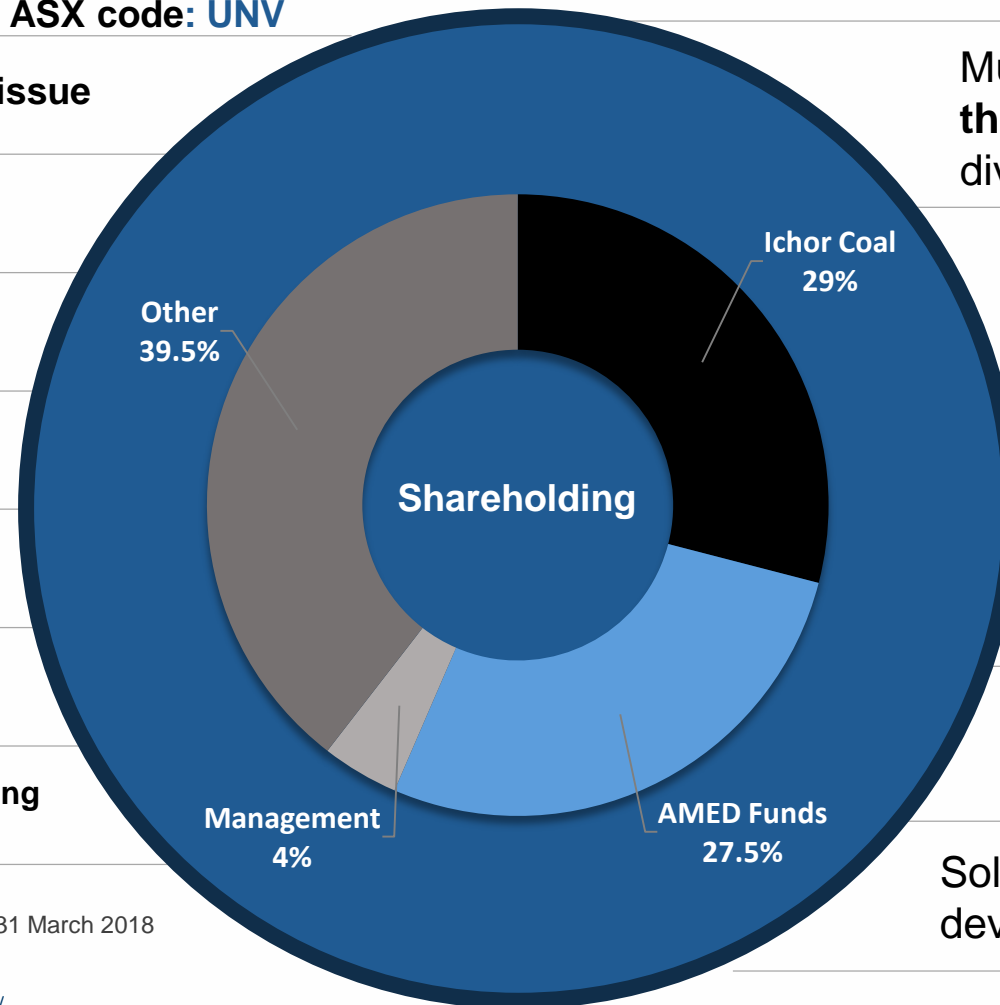
Group cash
A\$30.8m

Group net interest bearing asset
A\$4.8m*

Attributable cash
A\$18m

Attr. net interest bearing asset
A\$8.8m*

At 31 March 2018



Multi-mine
thermal coal producer
diversified revenue stream

2018 EBITDA forecast
of **A\$55 million***
(A\$38 million attributable)

Forecast 2018 sales
4.6Mt*
(2.9Mt attributable)

Dividends paid since 2017,
current yield 9.5% (gross)

Solid project expansion &
development pipeline

- Refer to Market Guidance 17 January 2018 – <http://www.universalcoal.com/media-centre/asx-releases/>
- *Net asset calculated: Interest Bearing debt- cash- interest bearing receivables

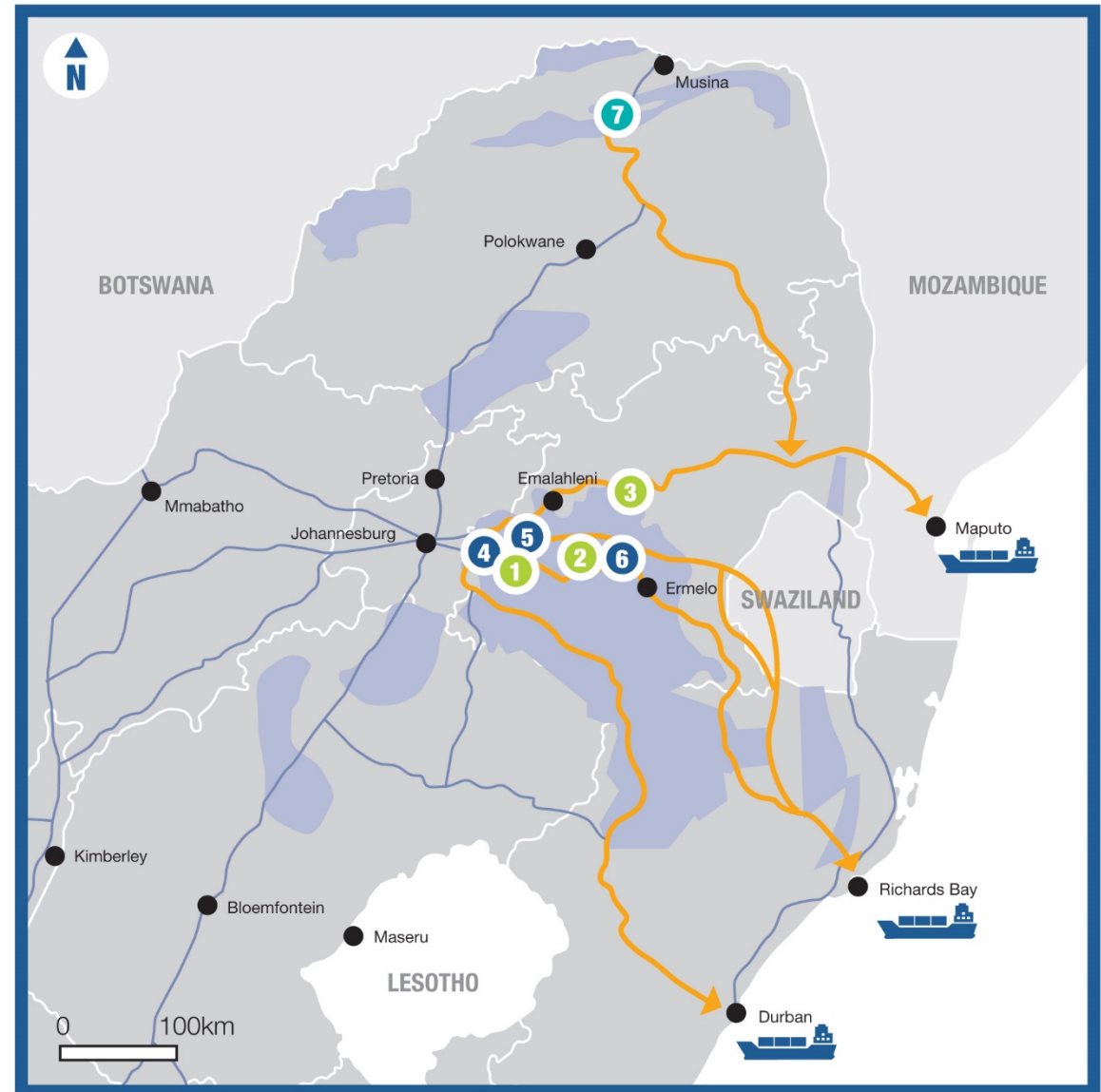
OPERATIONAL PERFORMANCE



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**Total Measured
Resource
626.3Mt**

CURRENT OPERATIONS AND PROJECTS



LEGEND

Thermal coal – mines

- 1 Kangala
- 2 NCC
- 3 NBC*

Thermal coal – projects

- 4 Eloff
- 5 Brakfontein
- 6 Arnot South

Coking coal – project

- 7 Berenice/Cygnus

* Under acquisition

RESOURCE AND RESERVE STATEMENT

PROJECT	Resources (Mt)			Total	Reserves (Mt)
	Measured	Indicated	Inferred		Proven/ Probable
Thermal Coal (Witbank)					
Kangala (domestic/export)	61.2	15.1	32.2	108.50	35.9
Eloff (domestic)	9.4	213.5	201.5	424.0	-
NCC (domestic/export)	96.8	41.8	6.0	144.7	57.3
Brakfontein (domestic)	31.7	39.4	4.7	75.8	9.1
Arnot South (domestic/export)	2.3	65.3	139.0	206.6	-
Subtotal	201.4	375.1	383.4	959.9	102.3
Coking Coal (Limpopo)					
Berenice-Cygnus (soft)	424.9	800.9	124.3	1,350.1	-
Subtotal	424.9	800.9	124.3	1,350.1	-
Total	626.3	1,176.0	507.7	2,310.0	-

Notes:

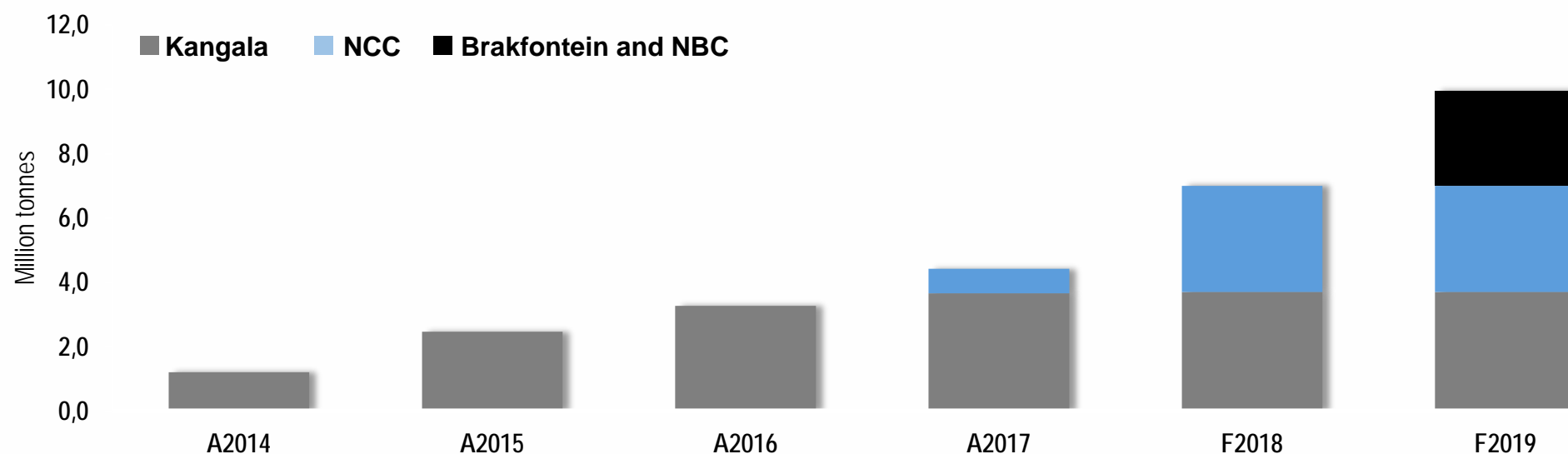
1. The Resource/Reserve estimates were prepared and disclosed under the JORC Code 2012
2. Mineral Resources are stated inclusive of Mineral Reserves and on a gross *in-situ* basis
3. Universal has an attributable interest of 70.5% of the Kangala project
4. Universal has an attributable interest of 14.2% of the Eloff project (post Manyeka acquisition this will increase to 39.2%)
5. Universal has an attributable interest of 49% in the NCC project

6. Universal has an attributable interest of 50.29% in the Brakfontein project and the right to negotiate to acquire up to a 74% interest
7. Universal has an attributable interest of 50% in the Arnot South project
8. Universal has an attributable interest of 50% in the Berenice and Cygnus projects with an option to acquire up to a 74% interest
9. The North Block Complex has not been included in the Resource and Reserve statement and will be included once the S11 has been granted by the DMR

OPERATIONAL PERFORMANCE

METRIC	Unit	FY2017 Audited	2018 Forecast	2019 Forecast	2018 Change
Run of mine volumes	Mt	4.4	7.0	10.0	58% ↑
Domestic thermal sales	Mt	2.6	3.9	6.3	50% ↑
Export thermal sales	Mt	0.4	0.7	0.9	78% ↑

Run of mine volumes (Mt)



Forecast based on assumptions stated in announcements titled "Annual Statement of Mineral Resources and Ore Reserves" released to the market on 26 September 2016, "NCC Ore Reserve doubled to 58.24Mt" released to the market on 27 April 2017 and "EBITDA Guidance exceeded by 46%" released to the market on 16 January 2018

* Volumes assumes Brakfontein online of full year in FY2019 and North Block included from January 2019.



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FINANCIAL PERFORMANCE

**Revenue:
YTD
A\$224m**

FINANCIAL PERFORMANCE YTD MARCH 2018



Revenue

A\$224 million YTD



Dividend yield

9.58%



Payment

A\$0.01 unfranked
interim dividend



Net asset*

A\$4.8m (Attr. A\$8.8m)

*Debt-cash-shareholder loan



Cash in bank

A\$30m (Attr.
A\$18m)



COAL sales YTD

3.5Mt
on track to achieve
4.6Mt full year sales



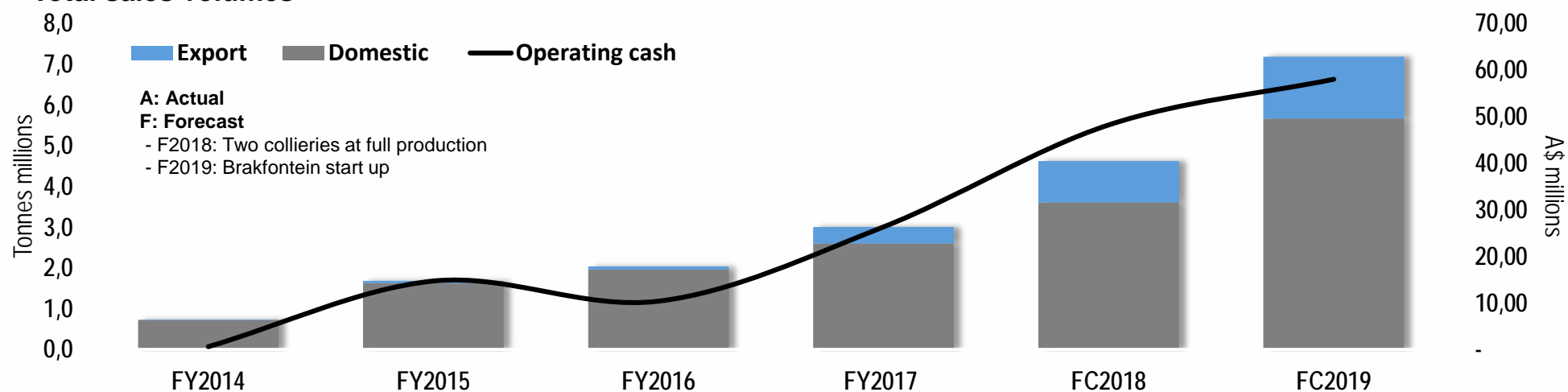
EBITDA YTD

YTD A\$50m vs
FC2018 guidance of
A\$55m

FINANCIAL PERFORMANCE

METRIC	Unit	FY2016 Audited	FY2017 Audited	2018 Forecast	2018 Change
Revenue	A\$m	97.6	149.2	287.7	93% ↑
EBITDA	A\$m	13.6	25.0	55.0	120% ↑
EBITDA margin	%	14%	17%	19%	2% ↑
Group net interest-bearing debt	A\$m	20.4	9.4	–	–
Attributable net interest-bearing debt/cash	A\$m	18.0	2.4	–	–

Total sales volumes



Forecast based on assumptions stated in announcements titled "Annual Statement of Mineral Resources and Ore Reserves" released to the market on 26 September 2016, "NCC Ore Reserve doubled to 58.24Mt" released to the market on 27 April 2017 and "EBITDA Guidance exceeded by 46%" released to the market on 17 January 2018

KANGALA COLLIERY

THERMAL COAL 3.7Mtpa ROM

Domestic

2Mtpa off-take contract to 2023

Export

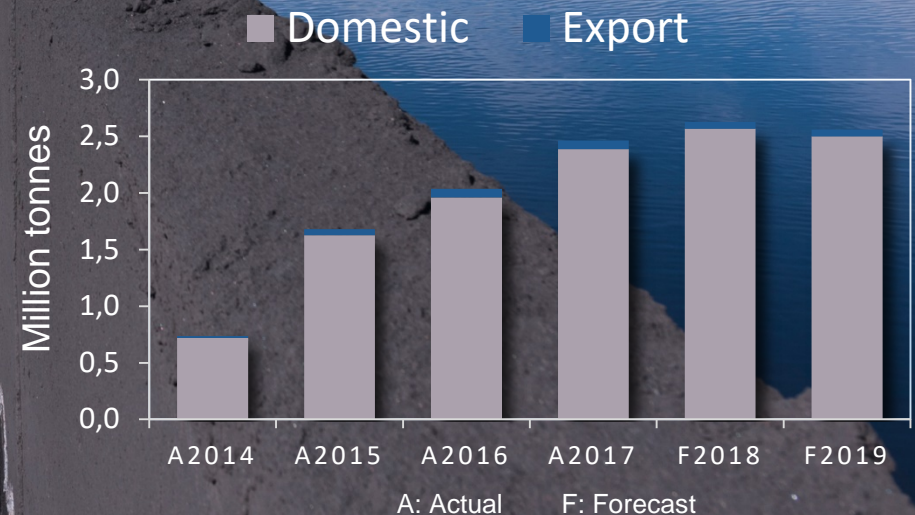
- ~60Ktpa
- 6,000Kcal API4 spot market pricing

→ **2.5Mtpa sales**

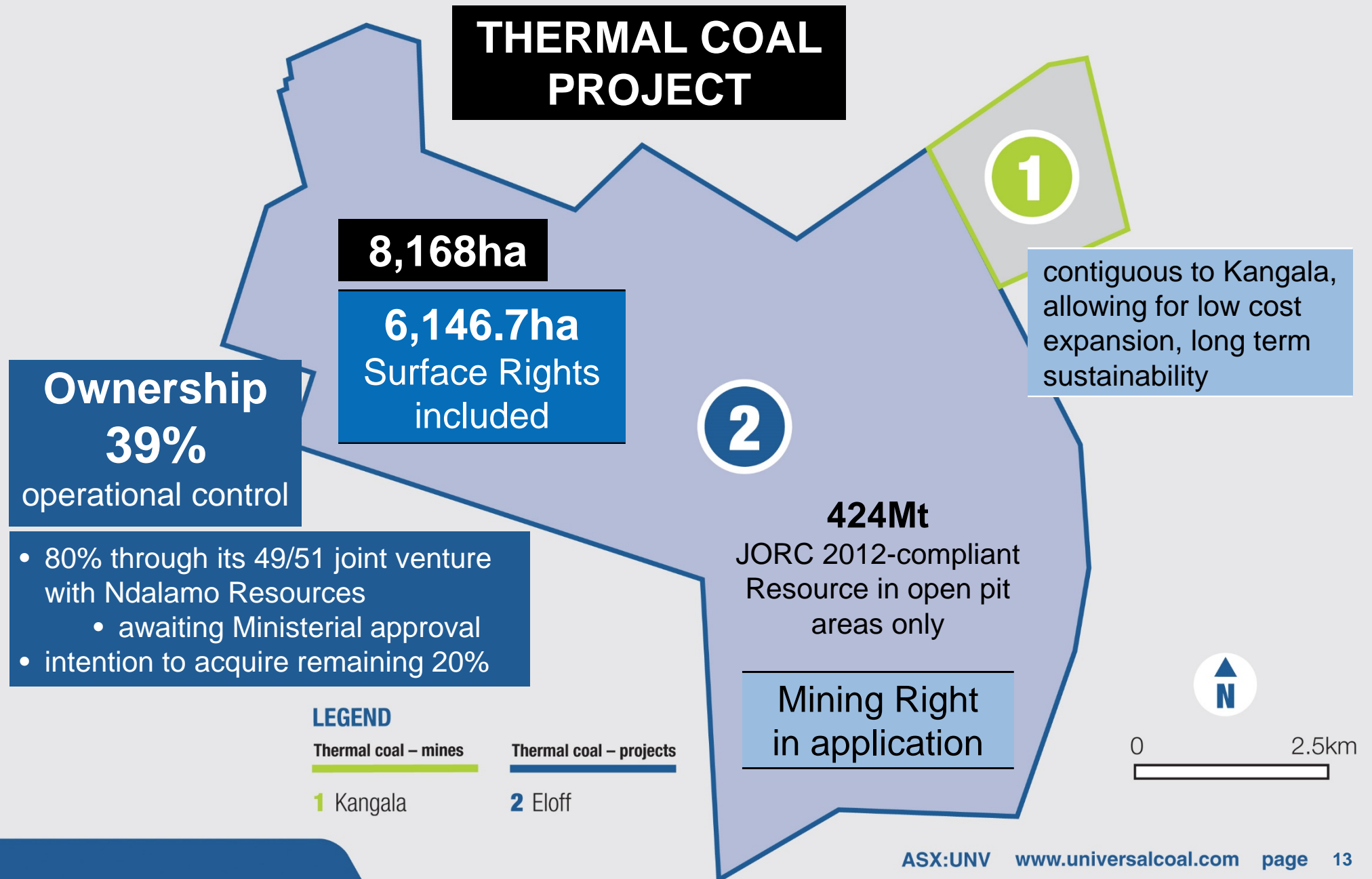
Ownership
70.5%
operational control

OPEN PIT
• truck & shovel operation
• ~1.8:1 strip ratio

LoM Extension possible with Eloff acquisition:
additional 424Mt resource



KANGALA EXPANSION: ELOFF



NEW CLYDESDALE COLLIERY

THERMAL COAL 3.3Mtpa ROM

Domestic
65%

Export
35%
API4-linked

1.2Mtpa to 2023 at
negotiated pricing

- ~650Ktpa to 2021
- 6,000Kcal API4 spot market pricing

Ownership
49%

operational control

2.0Mtpa sales ←

UNDERGROUND

- room and pillar
- three sections

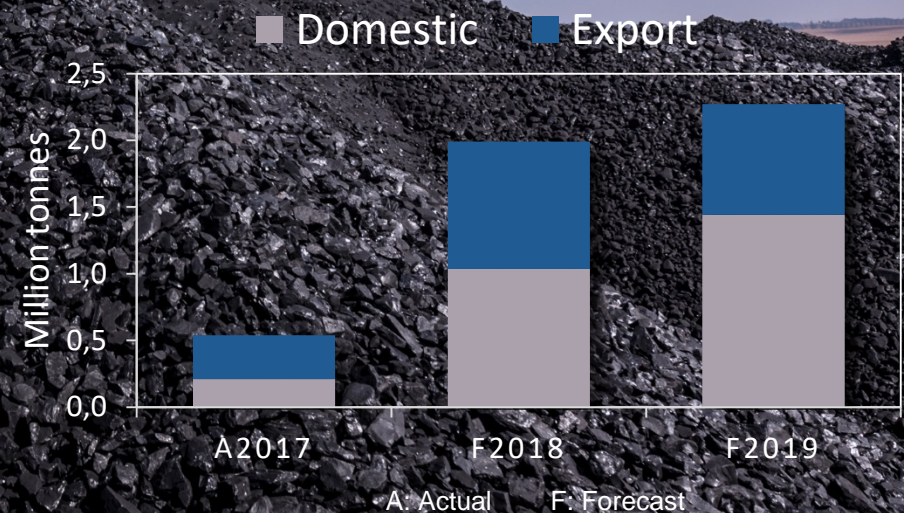
OPEN PIT

- truck & shovel operation
- ~3:1 strip ratio

57.3Mt

Ore Reserves double
confirm

20-year LoM





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ACQUISITIONS

NORTH BLOCK COMPLEX

ACQUISITION OF NBC

- Acquired 100% of North Block Complex from Exxaro
- ~A\$18.6million provisional purchase price
 - which offset against any increase in liabilities on closure of transaction (49% effective ownership Universal)
 - 10% deposit at signature
 - Remainder of payment at closure of conditions, FY2019
- Quality, low strip ratio coal resource – export and domestic thermal
- 3.5Mtpa ROM producing 2.7Mtpa sales to ESKOM
 - with minor sized domestic and export product*
- Approvals required
 - competition commission
 - S11 ministerial consent from DMR



* Refer to UNV Acquisition announcement 8 March 2018 – <http://www.universalcoal.com/media-centre/asx-releases/>

GREAT POTENTIAL FOR NBC PROJECT

- Fits growth strategy and business model
- Opportunity to increase group production beyond 7Mtpa
 - based on current NBC production figures
- Close access to rail – own siding
- Potential to increase LoM in excess of 10 years including Paardeplaats project
 - Paardeplaats has potential to be lower quartile cost operation, averaging ~1.66:1 stripping ratios (bcm:tonne)*
- Intention is to:
 - convert the mine to a multi-product export orientated operation
 - utilise existing infrastructure with minimal Capex required
- Synergistic mining opportunities in area



* Refer to UNV Acquisition announcement 8 March 2018 – <http://www.universalcoal.com/media-centre/asx-releases/>

INFRASTRUCTURE, ASSET INVESTMENT

DMS COAL BENEFICIATION PLANT 400t/hr capacity

contractor operated

~1,900ha
Surface Rights
holding

Mine-owned rail siding can
load trains for domestic
markets

includes current and future
production areas

Crush and screen capacity
in excess of current throughput

WATER TREATMENT PLANT
1.8 mega litres/day

currently treating
1.2 mega litres
producing water of potable quality

NBC SALIENT FEATURES

LOCATION AND ACCESS TO MARKET	INFRASTRUCTURE, ASSET INVESTMENT	COMMUNITY, ECONOMIC IMPACT
<ul style="list-style-type: none"> ▪ Located in the Belfast-Carolina area in Mpumalanga province, South Africa ▪ Comprises three mining areas ▪ Close to several power stations ▪ Close to railways ▪ Accessible to major highways 	<ul style="list-style-type: none"> ▪ 400t/hr capacity DMS coal beneficiation plant, contractor operated ▪ Crush and screen capacity in excess of current throughput ▪ Water treatment plant with a capacity of 1.8 mega litres a day, <ul style="list-style-type: none"> ▪ currently treating 1.2 mega litres, producing water of a potable quality ▪ Mine owned rail siding can load trains for domestic and export markets ▪ ~1 900ha Surface Rights holding <ul style="list-style-type: none"> ▪ includes current and future production areas 	<ul style="list-style-type: none"> ▪ Significant contributions to economy of Belfast <ul style="list-style-type: none"> ▪ housing and civil supplies projects ▪ Focused on environmental sustainability <ul style="list-style-type: none"> ▪ infrastructure, education, enterprise development and skills development programmes

NBC CURRENT DECLARED RESERVE AND RESOURCE

CATEGORY	Tonnage Mt	CV MJ/kg	VM %	Ash %	S %
Measured Resource	77.31	19.6	20.3	31.6	0.9
Indicated Resource	16.20	19.3	20.9	28.6	1.0
Inferred Resource	13.20	19.1	21.6	29.4	1.2
Total Resource	106.71	19.5	20.5	30.9	1.0
Probable Reserve	26.46				
Proved Reserve	1.50				
Total Reserve	27.96				

- CV – calorific value
- VM – volatile matter
- S – sulphur
- Mt – million tonnes
- Coal qualities are quoted on a mineable tonnage in-situ (MTIS) and on an air-dried basis
- All tonnages quoted are metric tonnes
- Rounding-off of figures may result in minor computational discrepancies
- Note: The North Block Complex hosts a SAMREC (South African Code for The Reporting of Exploration Results, Mineral Resources and Mineral Reserves, 2007 edition, amended July 2009) compliant coal Resource of 106.71mt, inclusive of a probable Reserve of 27.96mt. Both SAMREC and JORC are rigorous codes that deliver robust resource and reserve estimates and SAMREC compliant estimates are “qualifying foreign estimates” for the purpose of ASX listing rules. No major differences in the estimates would be anticipated as between SAMREC and JORC 2012 compliance

PROJECT DEVELOPMENT PIPELINE

BRAKFRONTEIN

50.29% owned

- Thermal coal project
- 9.1Mt JORC Reserve
- Proposed 1.2Mtpa ROM operation
- 25km east of Kangala
- Close to existing infrastructure
- All regulatory authorisations granted

BERENICE CYGNUS

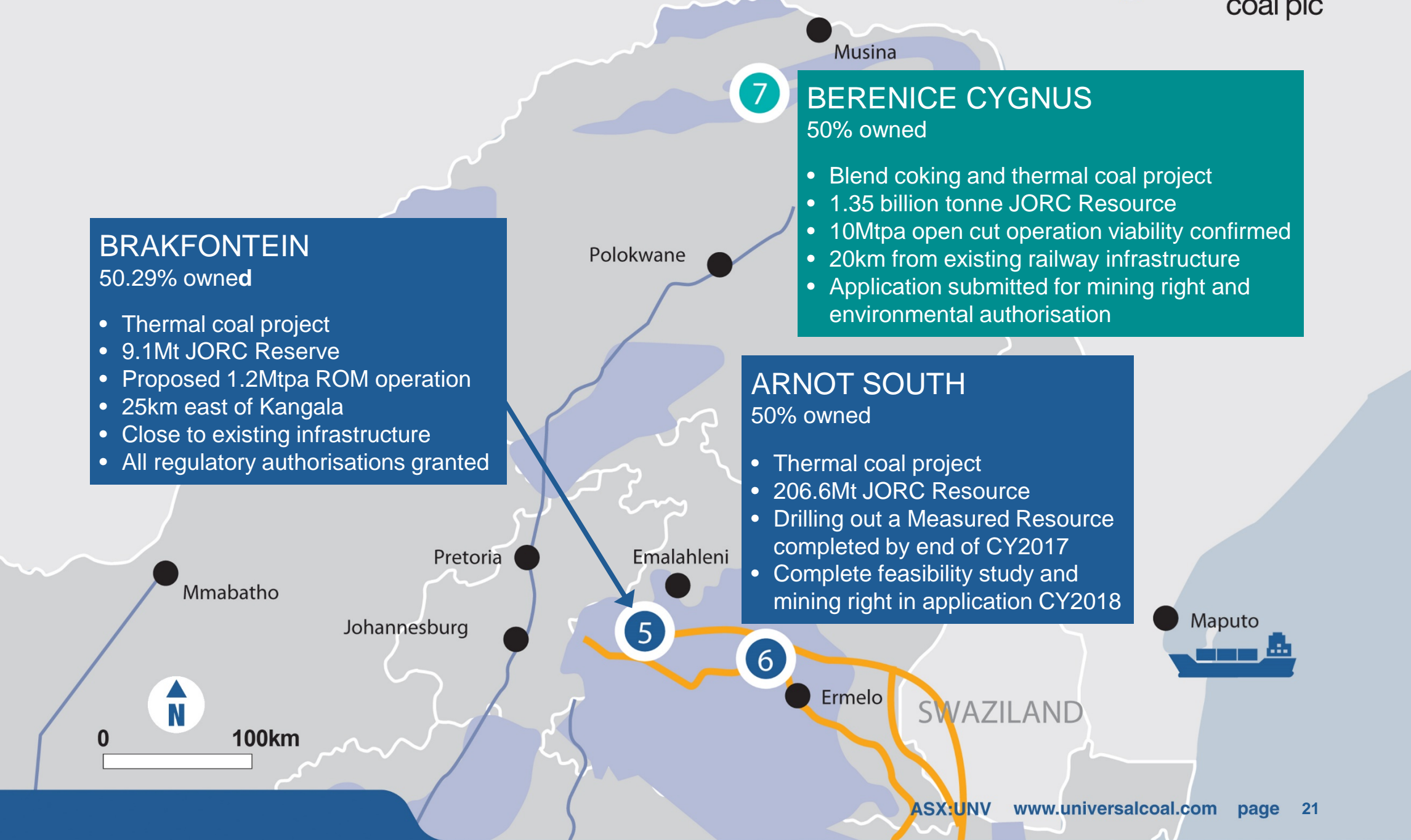
50% owned

- Blend coking and thermal coal project
- 1.35 billion tonne JORC Resource
- 10Mtpa open cut operation viability confirmed
- 20km from existing railway infrastructure
- Application submitted for mining right and environmental authorisation

ARNOT SOUTH

50% owned

- Thermal coal project
- 206.6Mt JORC Resource
- Drilling out a Measured Resource completed by end of CY2017
- Complete feasibility study and mining right in application CY2018





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THE COAL MARKET

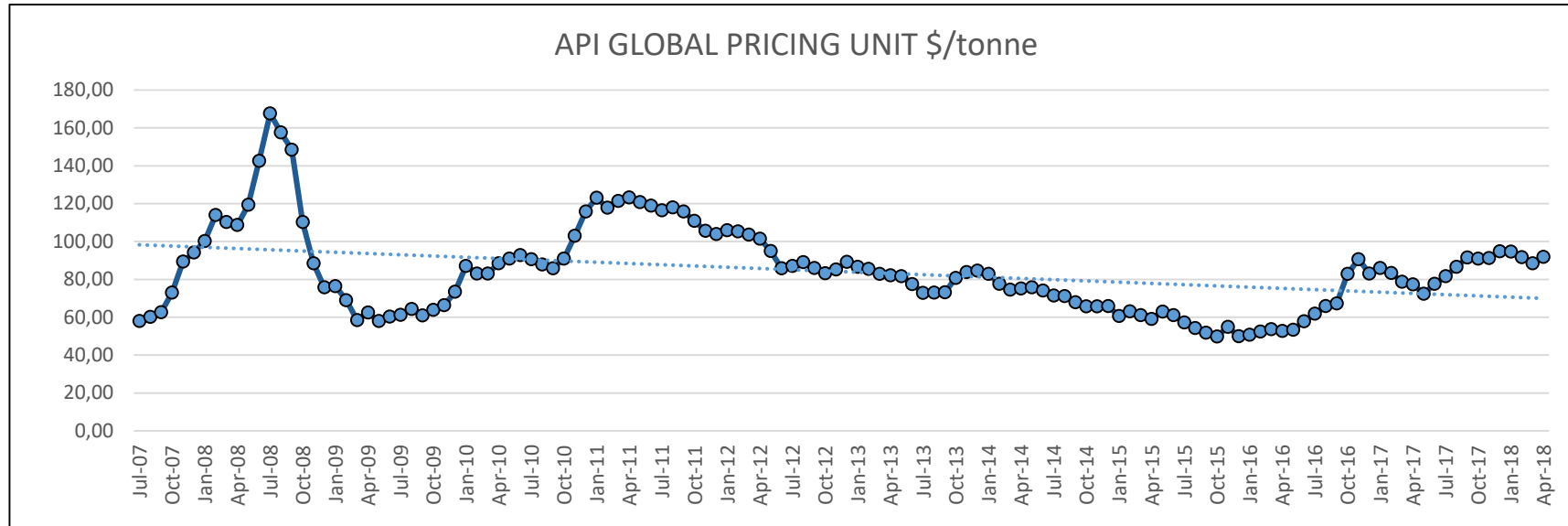
SOUTH AFRICA:

7th largest coal producer in the world



THERMAL COAL MARKET

- Sustained signs of long-term global price recovery
- Demand for high-energy thermal coal remains strong in developing nations
 - increase in demand for power in north-east Asia
 - high efficiency, low emissions (HELE) plants (reduce carbon emissions by >20%) will result in:
 - high ash coal being replaced by higher energy coal



SOUTH AFRICAN COAL MARKET

ESKOM:

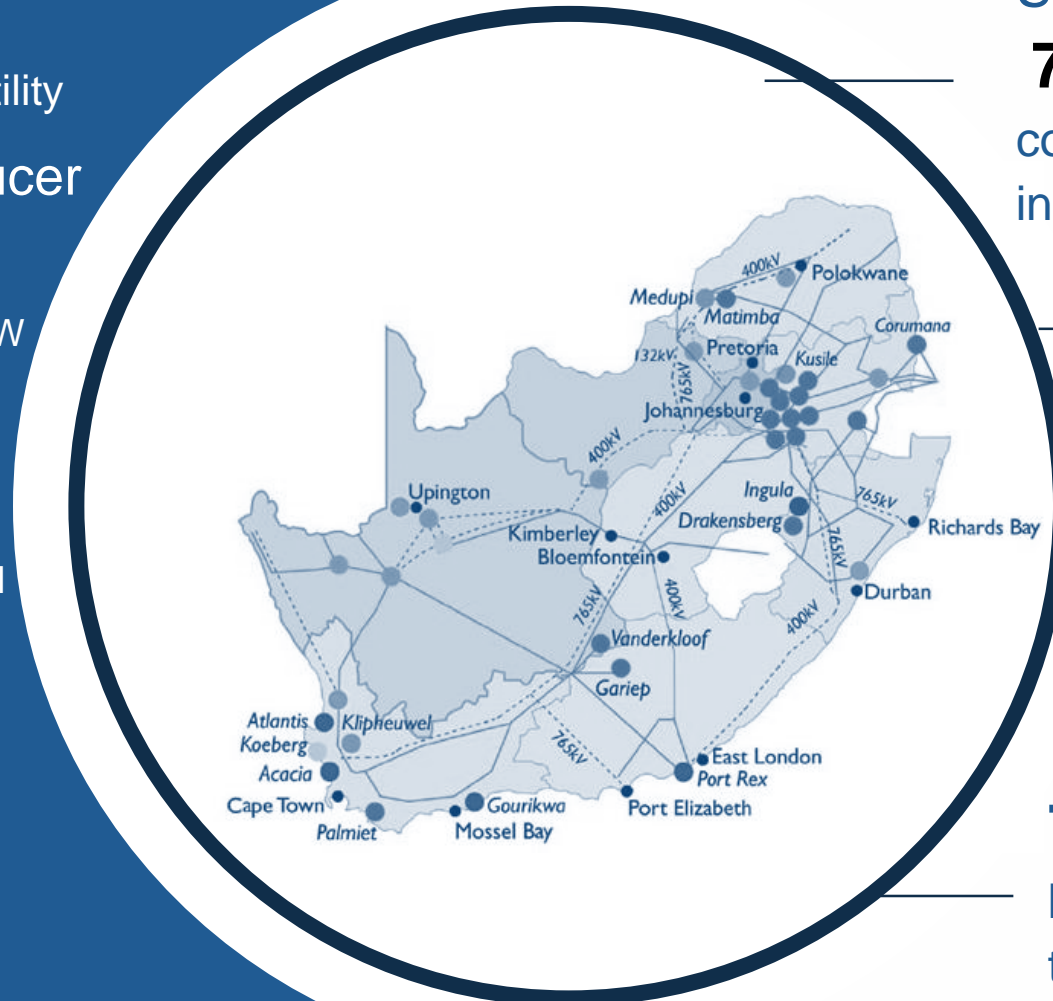
local public electricity utility

World top 20 producer
by generation capacity

- 41,194MW
- increasing by ~17,000MW by 2020
- Generates electricity
 - ~95% domestic
 - ~45% of Africa's large consumer of coal
 - requires extra tonnage by 2020

Construction of two new coal-fired power stations nearing completion

- Medupi
- Kusile



South Africa:

7th largest

coal producer
in the world

~260Mt

coal per annum
(2017)

77% of domestic
energy needs
provided by coal

72Mtpa

high energy
thermal coal
exported

HUMAN RESOURCE AND LOCAL ECONOMIC DEVELOPMENT

Community operators training

- 200 local residents successfully trained to become competent operators on articulated dump trucks and excavators
- 100 operators appointed as articulate dump truck operators for NCC and Kangala
- Skills training programme continues

Study assistance

- 8 comprehensive bursaries awarded to community students in engineering, artisan and accounting at higher education institutions
- 6 employees offered financial assistance to study further

Educational support

- Participated in grade 12 study camp hosted by Department of Education
- Provided school desks to an underprivileged school

Internship and learnerships

- 39 university graduates offered one year internship programme
 - geology, metallurgy, mechanical engineering and environmental

Adult Basic Education Training

- Ongoing for the employees and community

Recruitment and employment

- 88% Kangala and 80% NCC workforce (including contractors) from local municipality areas

Enterprise development and localisation

- R80m invested in FY2017 on local district municipality HDSA suppliers, service providers, small-medium enterprise projects and programmes
- Provided food parcels and blankets to Kangala community after severe thunderstorms left many homeless and injured

OUTLOOK

AND GROWTH STRATEGIES



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INVESTMENT PROPOSITION

- ✔ Growing asset base with saleable coal tonnage of at least ~7Mtpa by 2019
- ✔ Long term contracts in place, providing stable margins for cash flow generation
- ✔ 9.5% Dividend yield with strong EPS growth
- ✔ low gearing ratio of 27%

Universal Coal plc share price

ASX:UNV 5 March 2018, 16.10 GMT



WHY UNIVERSAL?

OUTLOOK	RETURNS	CASH FLOW	GROWTH
<ul style="list-style-type: none"> • A\$38 million attributable EBITDA forecast for 2018 • Sustainable dividend policy implemented – dividend pay-out ratio 37% • Minimal capex requirements to achieve forecast • Strong customer demand and long term offtake contracts in place 	<p>Balanced shareholder expectations by:</p> <ul style="list-style-type: none"> • returning cash through regular dividends • funding capex requirements from internally generated cash flows • retaining capital to sustain value accretive growth 	<ul style="list-style-type: none"> • Positive attributable net cash position <ul style="list-style-type: none"> • debt repaid systematically • Generating stable cash flows at predictable margins: <ul style="list-style-type: none"> • 83% sales into solid domestic markets, downside price protection • 17% sales into high-value international coal markets 	<ul style="list-style-type: none"> • Defined growth strategy increasing sales to 7Mtpa by Dec 2019, through: <ul style="list-style-type: none"> • maintaining current steady-state at Kangala and NCC • executing project development at Brakfontein • completing NBC acquisition • Further growth possible <ul style="list-style-type: none"> • Eloff • through acquisitions

PROVEN MANAGEMENT TEAM



Tony Weber
MSc Mining Eng
Chief Executive Officer

Prior to joining Universal Coal, Tony Weber was an Executive Director at Nkwe Platinum Limited, as well as Operations Manager at the Potgietersrus Platinum Mine and at the Gamsberg Project. He is a Mining Engineer with 20 years' experience in mining, spanning project assessment, finance, development and operations. Tony's coal experience includes working at the New Clydesdale Colliery and Greenside Colliery for Gold Fields Limited, as well as a brief period at the Prosper Haniel Colliery in Germany. He has significant skills and experience in coordinating project feasibility studies and hands-on operational experience in the coal extraction industry.



Shammy Luvhengo
BSc Geology
Director Business Development

Investment banker and qualified Geologist. Shammy Luvhengo started his career with Exxaro Resources Limited before moving into the investment world.

Previous work experience includes positions at Investec Bank and Nedbank Capital, where Shammy was involved in structuring and implementing project finance and BEE deals within the resources industry. Prior to joining Universal Coal, he worked at Nkwe Platinum Limited as Head of Business Development and Investor Relations.



Celeste van Tonder
CA/CPA
Chief Financial Officer

Celeste van Tonder is a Chartered accountant with over 10 years of professional experience in mining finance and business development.

Prior to joining Universal Coal, she was Group Business development and Investor Relations manager at Coal of Africa, an Australian coal exploration and development company listed on the ASX, JSE and AIM. Celeste is responsible for all financial and commercial facets of the business, and is an integral part of the management team responsible for returning shareholder value.



Minah Moabi
MSc Environmental Science
Director Corporate Affairs

Environmental Scientist and registered member of the South African Council for Natural Scientific professions (SACNASP). Minah Moabi has over 12 years' environmental management experience in coal mining. She started her career with the Department of Water Affairs, and later joined Exxaro Resources in environmental management and sustainable development. Prior to joining Universal Coal, Minah held a Project Manager position at BHP Billiton Energy Coal South Africa. She is responsible for the group's environmental and social statutory and regulatory obligations, corporate social responsibility and sustainability.



Simon Mokitimi
BSc Geology (Hon), MBA
Chief Geologist

Geologist with more than 19 years experience in coal exploration, resource modelling and mine geology and registered member of the South African Council of Natural Scientific Professions.

Prior to joining Universal Coal, Simon held positions within Anglo Coal, Xstrata and BHP Billiton. Simon provides specialised geological support to Universal Coal and ensures that projects are executed in adherence to set geological standards, procedures and policies. He also provides critical input to feasibility studies and ensure that resources are mined optimally on all operating mines.



Kevin Donaldson
BSc Mining Eng
Chief Development Engineer

A Mining Engineer with over 20 years experience in coal mining. Kevin Donaldson started his career in operations at the then Rand Mines Limited ("Rand Mines"), where he reached the level of Mine Overseer. He later joined Anglo American Plc, where he moved into the mine planning and technical side of mining and project development. Kevin will be involved in the study phases of Universal Coal's projects, and will be responsible for the implementation of the Kangala Mine project.

CONTACTS

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Chief Executive Officer

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