

18 September 2018



INDICATIVE, NON-BINDING PROPOSAL TO ACQUIRE 100% OF UNIVERSAL COAL BY WAY OF SCHEME OF ARRANGEMENT

In response to the recent increase in the price and traded volumes of the Company's CHESS Depositary Interests (**CDIs**), Universal Coal Plc (**Universal Coal** or **Company**) (ASX: UNV) acknowledges that it has received a conditional, non-binding indicative offer (**NBIO**) from a consortium of investors (**Consortium**) led by a private entity that is incorporated in South Africa, Ata Resources Proprietary Limited (**Ata Resources**).

The NBIO proposes a change of control transaction by which the Consortium will acquire the entire issued and to be issued share capital of the Company (each a **Universal Share**) by way of a scheme of arrangement pursuant to Part 26 of the United Kingdom's *Companies Act 2006* (**Scheme**).

Ata Resources, on behalf of the Consortium, proposes to offer cash consideration of A\$0.35 for each Universal Share. The NBIO is subject to a number of conditions, which include:

- entry into a transaction implementation agreement (**TIA**) between the Consortium and the Company;
- receipt of irrevocable undertakings from shareholders representing, in aggregate, in excess of 50% of the issued share capital of the Company to vote in favour of the Scheme and the subsequent delisting of the Company from ASX;
- completion of confirmatory financial review by Ata Resources and its financiers in respect of the Company; and
- the finalisation of debt and equity funding arrangements by each of Ata Resources and the Consortium.

Universal has been advised that Ata Resources has received an irrevocable undertaking from Coal Development Holdings B.V. (representing approximately 27.5% of the share capital of Universal) to vote in favour of the Scheme and subsequent delisting of the Company.

There is no certainty that the NBIO will result in a binding offer, that the TIA will be negotiated or agreed, that Ata Resources will receive its desired level of shareholder support, that Ata Resources or the Consortium will receive the funding that is required to effect the Scheme, that the directors of Universal who are independent of the NBIO (**Independent Directors**) will recommend the Scheme or that the Scheme will proceed.

The Independent Directors will meet as soon as reasonably practicable to fully consider the details of the NBIO. In the meantime, the Independent Directors recommend that Universal's shareholders and CDI holders take no action and make no decisions in respect of the NBIO until the independent Directors have had an opportunity to fully consider the NBIO. The Independent Directors will keep shareholders informed of all material developments relating to the NBIO.

For further information please contact:

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