

25 September 2018



universal
coal plc

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

On 18 September 2018, Universal Coal Plc (**Universal Coal** or **Company**) (ASX: UNV) announced that it had 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**).

As announced, 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**) for a cash consideration of A\$0.35 per Universal Share by way of a scheme of arrangement pursuant to Part 26 of the United Kingdom's *Companies Act 2006* (**Scheme**).

The Board has formed a committee of directors who are independent of the NBIO (**Independent Directors**) to assess the NBIO. The Independent Directors consider that it is in the best interests of the Company's security holders to engage with Ata Resources and the Consortium in respect of the NBIO to determine if any of the conditions of the NBIO can be removed. In this regard, Universal has agreed to provide Ata Resources and its advisors with access to limited information in order for it to undertake a confirmatory financial review of the Company.

Notwithstanding these developments, there is no certainty that the NBIO will result in a binding offer, that Ata Resources or the Consortium will receive the funding that is required to effect the Scheme, that the Independent Directors will recommend the Scheme or that the Scheme will proceed.

The Independent Directors will keep shareholders and CHESS Depositary Interest holders informed of all material developments relating to the NBIO.

For further information please contact:

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