

ASX ANNOUNCEMENT

30 October 2019



Substantial Interest Acquired in Universal Coal Plc

TerraCom Limited (**TerraCom** or the **Company**) is pleased to announce that it has reached a binding agreement to purchase a substantial shareholding in Universal Coal Plc (**Universal** or **UNV**) (**ASX: UNV**) via the acquisition of approximately 19.9% of the issued capital of Universal (representing 104.5 million securities¹) from Coal Development Holding B.V. for a combination of cash and TerraCom Shares totalling \$34.6 million.

The acquisition of the substantial interest in Universal aligns with the Company's ongoing corporate strategy by enabling the Company to enter into an emerging market, yet at the same time reducing the Company's sovereign risk profile with new investments in South Africa.

Chairman Wal King commented: *"This transaction is a significant achievement for TerraCom. Universal's asset portfolio provides the Company with greater geographic diversification and an expanded production footprint. The growth achieved under the guidance of CEO Tony Weber throughout the last few years has been exceptional. TerraCom is excited to become a substantial shareholder and looks forward to being associated with Universal's long term profitable growth"*

Details of the transaction are as follows:

Shareholding Details	Universal Coal Plc (ASX: UNV)
Total securities purchased	104,467,056 ¹ securities in Universal, representing approximately 19.995% of the total issued capital of UNV.
Purchase price	Total consideration of approximately A\$34.6 million: <ul style="list-style-type: none">- Approximately A\$17.3 million cash; and- Approximately 34.2 million fully paid ordinary shares in TerraCom at a deemed issue price of A\$0.5061².
Settlement date	On or around 30 October 2019.

Refer **Appendix A** for further information about Universal.

¹ Chess depositary interests (CDIs)

² Calculated with reference to the 6 month VWAP. TER shares are to be issued under the Company's placement capacity in accordance with LR7.1 and LR7.1A.

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About TerraCom Limited

TerraCom Limited (**ASX: TER**) is an emerging company originating as a resource explorer with a large portfolio of operating assets in Mongolia and Queensland, Australia. We are currently enacting a growth strategy towards delivering a Mid-Tier diversified operating and trading business and have a global focus on the development of a high yielding diversified asset portfolio for its investors.

To learn more, please visit www.terracomresources.com.

Appendix A – About Universal Coal Plc (ASX: UNV)³

ASX-listed Universal Coal (ASX: UNV) is committed to building a profitable mid-tier coal mining company providing investors with exposure to coking and thermal coal assets with the potential to develop into projects of significance.

Corporate Details	Total Shares on issue: 522.47 million Market Cap: \$128 million (as at 24 October 2019)																																			
Project Details	Universal has a portfolio of producing, development and exploration assets located across South Africa’s major coalfields including: <table><tr><th>Mine / Project</th><th>Coal Type</th><th>Resource</th><th>Reserve</th></tr><tr><td>Kangala Colliery</td><td>Thermal</td><td>98.69Mt</td><td>28.30Mt</td></tr><tr><td>New Clydesdale Colliery</td><td>Thermal</td><td>136.67Mt</td><td>54.80Mt</td></tr><tr><td>North Block Complex</td><td>Thermal</td><td>108.71Mt</td><td>55.40Mt</td></tr><tr><td>Ubuntu Colliery</td><td>Thermal</td><td>75.80Mt</td><td>9.10Mt</td></tr><tr><td>Eloff Project</td><td>Thermal</td><td>528.00Mt</td><td></td></tr><tr><td>Arnot South</td><td>Thermal</td><td>206.60Mt</td><td></td></tr><tr><td>Berenice/Cygnus</td><td>Coking/Thermal</td><td>1.35Bt</td><td></td></tr></table>				Mine / Project	Coal Type	Resource	Reserve	Kangala Colliery	Thermal	98.69Mt	28.30Mt	New Clydesdale Colliery	Thermal	136.67Mt	54.80Mt	North Block Complex	Thermal	108.71Mt	55.40Mt	Ubuntu Colliery	Thermal	75.80Mt	9.10Mt	Eloff Project	Thermal	528.00Mt		Arnot South	Thermal	206.60Mt		Berenice/Cygnus	Coking/Thermal	1.35Bt	
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Financial Information	Financial Performance: EBITDA: 2019 EBITDA A\$98 million (A\$52.5 million attributable) FY2020 Guidance – A\$73 million (A\$43 million attributable) Capital: FY2020 Guidance – A\$46.0 million (A\$22.4 million attributable) Sales: 2019 – 6.7 Mt (3.8 Mt attributable) FY2020 Guidance – 6% increase to 8.4Mt (attributable 4.6Mtpa) Dividend Position: 50% increase in dividends to A\$0.03 per share for the FY2019 year Cash information as at 30 September 2019: Group cash: A\$26.3 million (A\$17.9 million attributable)																																			
Growth Opportunities	<ul style="list-style-type: none">- Increasing sales to 8.4Mt by June 2020- Increase in sales to 9.6Mtpa in FY2021- Additional portfolio growth- Acquisition opportunities to diversify quality and location																																			

³ Information disclosed has been sourced from the Universal Coal website www.universalcoal.com