

3 February 2020



## NO ACTION RECOMMENDATION IN RESPECT OF UNSOLICITED BID

Universal Coal Plc ("Universal" or "Company") (ASX: UNV) acknowledges the announcement made by ASX-listed Terracom Ltd (ASX: TER) ("TerraCom") today that it is making an unsolicited bid for the Company through its wholly owned subsidiary, TCIG Resources Pte Ltd ("TCIG") ("Announcement").

TCIG, which it is understood owns 19.99% of Universal's issued shares, has offered an indicative sum of A\$0.335, made up of A\$0.10 in cash and approximately 0.6026 ordinary shares in TerraCom for each ordinary share of the Company that it does not already own. Based on the last close price of TerraCom as at Friday 31 January 2020, this offer equates to A\$0.29 per Universal share representing a premium of approximately 24.6% to Universal's last close price on the same day.<sup>1</sup>

Relevantly:

- the Announcement refers to the "overwhelming support from a number of highly credentialed institutional investors". It is noted that such support evidenced by the Announcement constitutes four shareholders,
  - three of which are related to each other (refer to the announcement regarding a Substantial Shareholder Notice dated 3 May 2019); and
  - the other of which had its nominee directors to the Board of Universal removed at the Annual General Meeting held on 29 November 2019 (refer to announcements dated 20 November 2019 and 2 December 2019);
- the Announcement does not include an offer document, which it is understood will contain full details of TCIG's unsolicited bid; and

---

<sup>1</sup> Universal share price of A\$0.235 and TerraCom share price of A\$0.32.

- Universal is not afforded the protections that would apply if it were regulated by the UK Panel on Takeovers and Mergers under the UK City Code on Takeover and Mergers or the Australian Takeovers Panel under Chapter 6 of the Australian Corporations Act.

The directors of Universal who are independent of TCIG's unsolicited bid ("Independent Directors") will meet as soon as reasonably practicable to fully consider the details of the Announcement with a view to, as a minimum, ensuring that all shareholders of Universal:

- receive sufficient information to assess TCIG's unsolicited bid in order to make a properly informed decision;
- are given equal opportunity to participate in TCIG's unsolicited bid; and
- are afforded sufficient time to accept or reject TCIG's unsolicited bid.

In the meantime, the Independent Directors recommend that shareholders and holders of CHESS Depositary Interests ("CDIs") do not take any action or make any decision in relation to their shareholding until the Independent Directors have had an opportunity to fully consider the proposed offer and provide a formal response.

The Independent Directors will keep shareholders informed of all material developments relating to the offer. The Company remains focussed on delivering on its business plan as an independent entity, seeking to deliver growth and income to its shareholders and holders of its CDIs.

For further information please contact:

Mark Eames  
Interim Chairman  
T: +61 400 586 747

Authorised by: Mark Eames, Interim Chairman

**UK REGISTERED OFFICE**

6th floor, 60 Gracechurch St  
London EC 3V 0HR  
United Kingdom

**AUSTRALIAN REGISTERED OFFICE**

Level 12, 680 George Street  
Sydney NSW 2000  
Australia

**OPERATIONAL OFFICE**

467 Fehrsen Street  
Brooklyn, 0181, Pretoria  
South Africa

**About the Company:**

Universal Coal Plc (incorporated and domiciled in the United Kingdom) is an ASX listed mid-tier +10Mtpa coal mining company (ASX:UNV) which operates three thermal coal mines in South Africa; the 4.0Mtpa opencut Kangala Colliery, the 3.7Mtpa opencut and underground New Clydesdale Colliery and the 3.4Mtpa opencut North Block Complex. Universal's fourth colliery is currently under construction and is set to deliver coal product at the rate of 1.2Mtpa from November 2019.

Universal's mines include both opencut and bord and pillar underground operations that are delivering product into the South African and international coal markets. They have an executive team possessing a proven track record of developing and managing profitable operations with experienced in-house technical and commercial competencies and good relationships with service providers, traders and end users.

Universal is delivering strong positive cash flow from its operations and is committed to building a sustainable mid-tier coal mining company providing investors with exposure to profitable coal mines.

Further information on Universal can be found at [www.universalcoal.com](http://www.universalcoal.com)