

12 February 2020



TAKE NO ACTION RECOMMENDATION IN RESPECT OF TERRACOM OFFER

Universal Coal Plc ("Universal" or "Company") (ASX: UNV) acknowledges that ASX-listed Terracom Ltd (ASX: TER) ("TerraCom") has released an offer document (the "Offer Document") in connection with its unsolicited bid for the Company through its wholly owned subsidiary, TCIG Resources Pte Ltd ("TCIG").

Under the Offer Document, TCIG has offered A\$0.10 in cash and 0.6026 ordinary shares in TerraCom for each ordinary share of the Company that it does not already own ("Unsolicited Bid").

Based on the last close price of TerraCom as at Tuesday, 11 February 2020, the offer in the Unsolicited Bid equates to A\$0.278 per Universal share representing a premium of only approximately 13.4% to Universal's last close price on the same day.¹

The directors of Universal who are independent of Unsolicited Bid ("Independent Directors") will undertake a detailed review of the Offer Document in conjunction with their advisers to fully consider the details of the Unsolicited Bid.

TAKE NO ACTION

While the committee of the Independent Directors undertake the detailed review of the Offer Document, the Independent Directors maintain their recommendation that shareholders and holders of CHESS Depositary Interests ("CDIs") **do not take any action or make any decision** in relation to the Unsolicited Bid until the Independent Directors have had an opportunity to fully consider the Offer Document and provide a response.

As announced on 6 February 2020, Deloitte Corporate Finance Pty Ltd ("Deloitte") has been retained to prepare an independent expert's report ("IER") in order to determine whether the Unsolicited Bid is fair and reasonable. Deloitte have commenced work on the IER.

¹ Universal share price of A\$0.245 and TerraCom share price of A\$0.295.

Once received, the Independent Directors will make the findings of the IER available to shareholders. If shareholders wish to review the findings of the IER before evaluating the Unsolicited Bid, they should **take no action** in respect of the Unsolicited Bid pending receipt of the IER.

If shareholders do not wish to accept the Unsolicited Bid (or wish to reject the Unsolicited Bid), they may simply ignore the Offer Document and **take no action**. The effect of this is that they will:

- retain their shares;
- retain their ability to sell their shares at a later time; or
- retain the ability to accept an alternative offer for their shares should one emerge.

The Independent Directors will keep shareholders informed of all material developments relating to the Unsolicited Bid.

The Company remains focussed on delivering on its business plan, 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