

2 March 2020



UNIVERSAL COAL CONFIRMS FY2020 GUIDANCE

- **Group EBITDA of A\$24 million for the period ending 31 December 2019 – on track to achieve full year FY2020 Group guidance of A\$73 million (Attr. A\$44 million)**
- **Successful development of Ubuntu Colliery allows for first coal sales in February 2020**
- **4.8Mt of product has been sold to the end of February 2020 – FY2020 Forecast of 7.9Mtpa (Attr. 3.9Mt)**
- **Increased exposure to higher margin export quality coal from Paardeplaats, part of North Block Complex (“NBC”) and New Clydesdale Colliery (“NCC”)**
- **Average monthly sales of 700Kt is forecasted – a significant achievement in the Company’s growth strategy**

Universal Coal Plc (“Universal” or “the Company”), (ASX: UNV) has released its financial results for the six months ending 31 December 2019. The Company has made significant progress in the development of various projects and is well-placed to continue meeting targets and guidance.

The Company achieved Group EBITDA of A\$24 million for the period ending December 2019 and has confirmed the full year FY2020 Group EBITDA guidance¹ of A\$73 million. Group EBITDA forecasted for the second half of the FY2020 to June is A\$49 million, an increase of 204% on the first half of FY2020, signalling Universal’s confidence in a return to expected profitability.

Following the investment in the development of the Ubuntu project, the first coal sales have been delivered to Eskom during February 2020. The Ubuntu Colliery² is expected to deliver 500Kt in sales volumes for the remainder of the FY2020.

Expansion of NBC has been completed through swift mine development activities at the Paardeplaats³ project. Since the granting of the Section 11 transfer (transfer of ownership approval by the Department of Mineral Resources), the Company has been able to transition into the Paardeplaats

¹ Appendix 4B and Half Year Financial Statements announced 28 February 2020: - <http://www.universalcoal.com/media-centre/asx-announcements/announcements-2020>

² Universal Coal’s Next Project Now Fully Permitted – Ubuntu announcement dated 19 September 2016: <http://www.universalcoal.com/media-centre/asx-announcements/announcements-2016>

³ UNV Completes Acquisition of Third Operating Colliery – NBC announcement dated 12 November 2018: <http://www.universalcoal.com/media-centre/asx-announcements/announcements-2018>

mining area without any disruptions. The Paardeplaats resource is capable of producing both domestic and export quality coal.

Domestic volumes at NCC⁴ have been reduced to contracted tonnages. Accordingly, Universal intends to direct the excess tonnages to the higher margin export market for the balance of this financial year.

During the month of February, the Company sold a total of 640Kt of product to market of which 140Kt was export quality coal. This proves the increase in the greater export exposure and is a significant achievement in the Company's growth strategy.

Mining costs at NCC and NBC are anticipated to return to forecasted levels for the remainder of the FY2020.

Dividend

The Company has not declared an interim dividend for the period ending December 2019 owing to the current corporate action from TCIG Resources Pte Ltd, a wholly owned subsidiary of Terracom Limited. Universal committed to a dividend payment policy in 2017 and has diligently delivered on this policy, as permitted by Company resources. According to the dividend policy, Universal will evaluate the profitability of the Company, capital commitments and existing cash resources at the time of dividend declaration. Universal is confident that a full dividend (i.e. 45% of Net Profit after Tax) will be available for consideration at the end of the 2020 financial period.

Outlook

Universal is on track to achieve sales volumes of 7.9Mt (Attr. 3.9Mt) for the financial year ending June 2020 and EBITDA of A\$73 million (Attr A\$44 million).

Further details of the Company's financial and operational performance are available in the Interim Financial statements and Appendix 4D released to the market on Friday 28th February 2020.

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⁴ NCC - First Opencast Coal Processed from Second Mine – NCC announcement dated 9 April 2017:
<http://www.universalcoal.com/media-centre/asx-announcements/announcements-2017>

Important information

This announcement (including information incorporated by reference in this announcement), and other information published by Universal may contain statements that are or may be deemed to be forward looking statements. All statements other than statements of historical facts included in this announcement may be forward-looking statements. Without limitation, any statements preceded or followed by or that include the words "targets", "plans", "believes", "expects", "aims", "intends", "may", "anticipates", "estimates", "projects" or words or terms of similar substance or the negative thereof, are forward looking statements. For the avoidance of doubt, forward-looking statements include, but are not limited to, statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of the Universal group of companies or its operations; and (iii) the effects of government regulation on the Universal group of companies or its business.

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No statement in this announcement is intended as a profit forecast or estimate for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per share for Universal for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Universal.

Certain figures in this announcement have been subjected to rounding adjustments.

Universal has relied on publicly available information and statements issued by TerraCom in this announcement for which TerraCom is responsible.