



SECOND OPERATION IN PRODUCTION

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Competent Person Statement

The information in this report that relates to Exploration Results, Minerals Resources or Ore Reserves relating to the Kangala, NCC, Roodekop, Brakfontein, Arnot South, Berenice and Somerville Projects is based on information reviewed and compiled by Mr Jaco Malan, who is a registered natural scientist and a member of the South African Council for Natural Scientific Professions. Mr Malan is contracted by Universal Coal plc and has sufficient experience which is relevant to the style of mineralisation and the type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Coal Resources and Ore Reserves. Mr Malan consents to the inclusion in this report of this information in the form and context in which it appears.

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1. EXECUTIVE SUMMARY

DELIVERING VALUE

1. EXECUTIVE SUMMARY

...focus on increasing shareholder returns...

Second operation in production:

- NCC Phase 1 commissioned
 - 6 Month Offtake for all products finalized
 - First full month of coal shipments in October
- NCC Phase 2 nearing commencement once;
 - Long term Offtake terms finalized - October
 - 2mtpa Open Cast operation development to commence post finalization

Kangala operation:

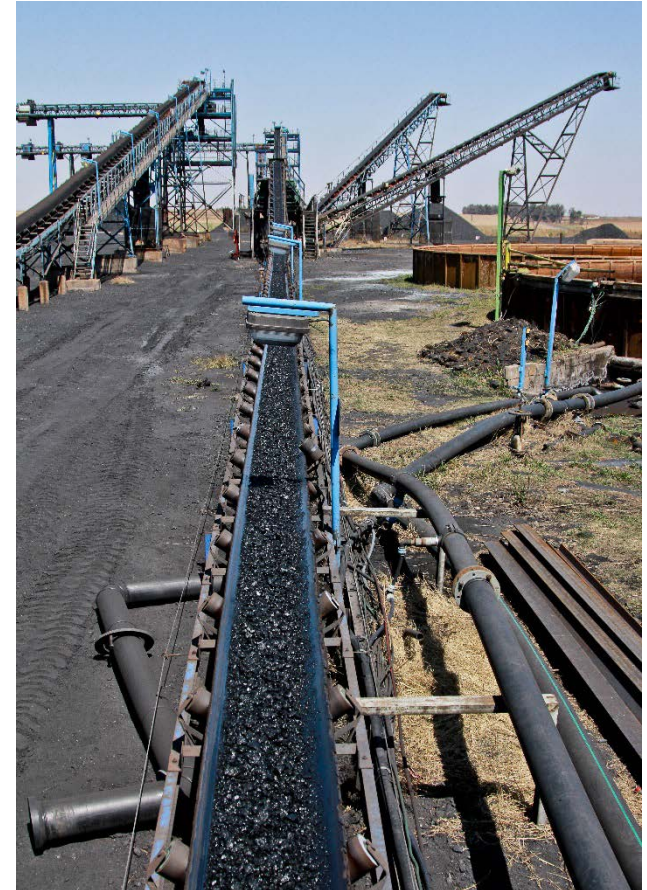
- Steady state, delivering near record production

Brakfontein project:

- Fully licensed with the granting of the water license,

Opportunities:

- Expand coal production portfolio by type and geography
- Dividends once NCC is profitable, achieving steady state production
- Commercialising of Brakfontein, Arnot South and Berenice projects



Financial Highlights – 30 June 2016

Profit and loss	2016*	2015
Revenue	A\$97.6m	A\$75m
GP margin	19%	20%
Group EBITDA	A\$13.6m	A\$13.8m
Kangala EBITDA	A\$21m	A\$17m
Kangala EBITDA per tonne	A\$10.31	A\$10.12
Net profit after tax	A\$16.5m	A\$1.2 m
Cash cost per ROMt	A\$12.72	A\$15.82
Balance Sheet	2016*	2015
Cash on hand	A\$7.5m	A\$26.5m
Net debt	A\$19.9m	A\$29.7m
Net debt to Attr Equity	27%	38%
Leverage (net debt/EBITDA)	1.5 times	2.2 times
Cash flow*	2016*	2015
Group operating cash flow	A\$10.4m	A\$14.7m

- A\$3.5m spent on corporate defence and takeover costs
- * Subject to final 2016 Audit results

1. EXECUTIVE SUMMARY – CORPORATE SNAPSHOT

ASX information

(as at 31 July 2016)

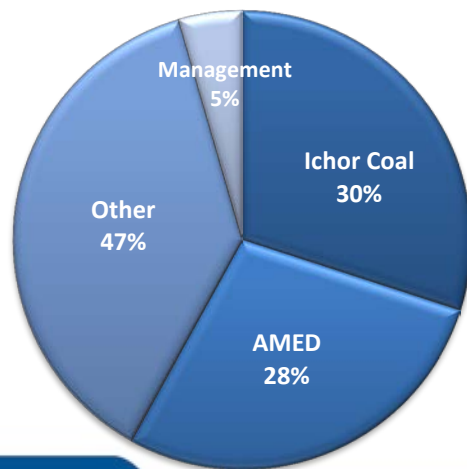
- ASX Listed UNV.ASX
- Equity on issue: 514 million
- Share price: A\$0.14
- Market capitalisation: ~A\$72 million
- Unrestricted cash (30 June 2016) : A\$7.5 million

Recent UNV share price (AUD cents)



UNV share register

(as at 31 July 2016)



Three takeover approaches within one year, all at significant premiums to recent share price (*the final CoAL takeover offer lapsing due to CoAL's inability to satisfy Working Capital requirements*)

Our story

***...3.2mtpa ROM produced in FY2016,
second mine operational...***

2. OPERATIONAL OVERVIEW

SECOND OPERATION COMMISSIONED

...set to become a 4mtpa saleable coal producer in 2017

2. SECOND OPERATION – NCC - IN PRODUCTION

...PHASE 1 Production commenced...

Mine producing from both Underground sections

- First ROM coal produced early September 2016
- Ability to produce 0.9 mtpa ROM from Stage 1
- 6 month Offtake finalized with
 - First full month coal Delivery in October
 - Credible Offtake partner
- Processing facility commissioned and producing Sales Coal
 - Ability to process 3.2 mtpa once third processing facility is re-commissioned (phase 2)
 - Flexibility in producing a variety of product simultaneously

Open Cast Mine planned to produce

- First coal within three months from start-up
- Produce in excess of ~2.2mtpa ROM from Open cast



2. NCC – PHASE ONE, THE CURRENT OPERATION

PHASE 1: Current Diepspruit underground



Increased Resources & Reserves

- JORC Reserve 29.3mt
 - JORC Resource 144.7mt
- * Resources are stated inclusive of reserves

Current Operation

- Phase 1: In production ~900ktpa ROM (underground)
 - Fully funded from internal cash flows
 - High quality thermal product
 - Six month off take agreement concluded

Processing

- Three installed DMS Processing Circuits, Currently 2 operational (combined capable of processing up to 3.2mtpa)

Milestone Dates

- Week of;
 - ✓ 8 September - 1st Coal from Underground
 - ✓ 12 September - Plant re-commissioning
 - First full month of Sales - October



2. NCC – PHASE TWO, THE PLANNED EXPANSION

PHASE 2: Future Roodekop Opencast



Milestone Dates

- Concluding long term offtake agreement during October
- From open cast Commencement;
 - Three months to ROM coal
 - Six months to steady state production

Processing

- Re-commission the third installed DMS Processing Circuits – combined capable of processing up to 3.3mtpa
- Rail load out on site

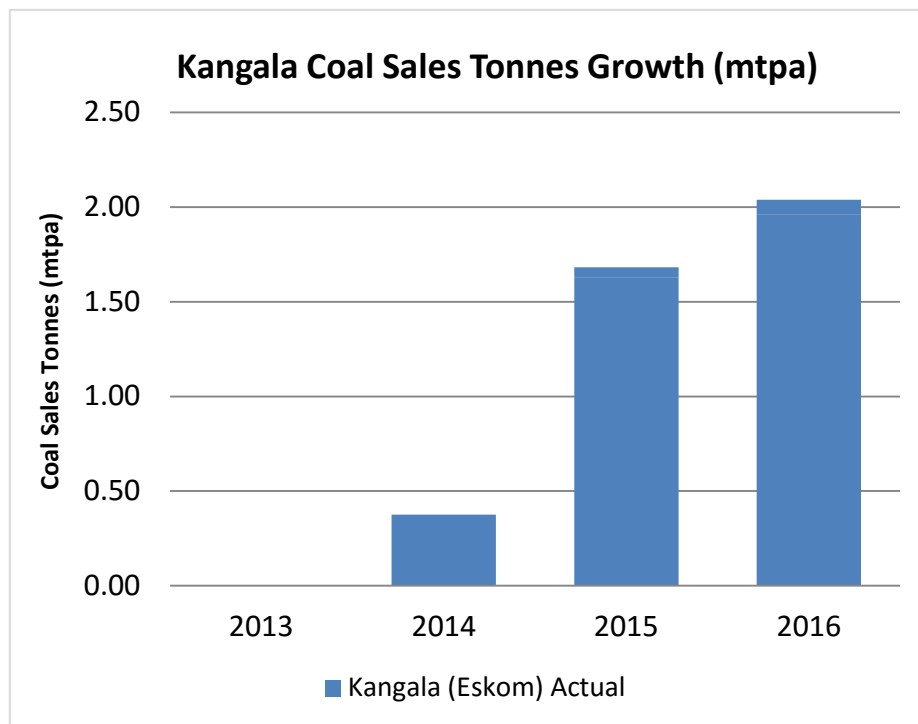
Planned Operation

- Phase 2: Ramp up to full 3mtpa ROM (Incl. open cast), debt finance secured pending offtake agreement
 - *High quality thermal product sales (1.5-2mtpa)*
 - *Low phos Met coal (Sales 100-200ktpa)*



2. KANGALA

...delivering record output and strong cash-flows...



Operational Performance (tonnes)	Total YTD	% Change	Previous Year	Total from Start of Production
	30-Jun-16		30-Jun-15	
Run-of-mine (ROM)	3,269,212	32%	2,472,232	6,374,828
Feed to plant	3,124,199	22%	2,569,448	6,155,595
Plant Yields	65%	-	65%	67%
Domestic sales	1,959,234	20%	1,627,083	3,961,649
Export sales	78,156	47%	53,160	131,316
Total sales	2,037,390	21%	1,680,243	4,092,965

2. KANGALA MINE

...delivering record output and strong cash-flows...



Previous Quarter

- Sales tonnes Quarter to date 528kt (Net June Quarter 609kt)
 - Domestic 522kt Quarter to date (576kt sales tonnes June Quarter)
 - Export 6kt Quarter to date (33kt sales tonnes June Quarter)

Operation

- 1.02mt Quarter to date (June Q 1.44mt ROM)

Products

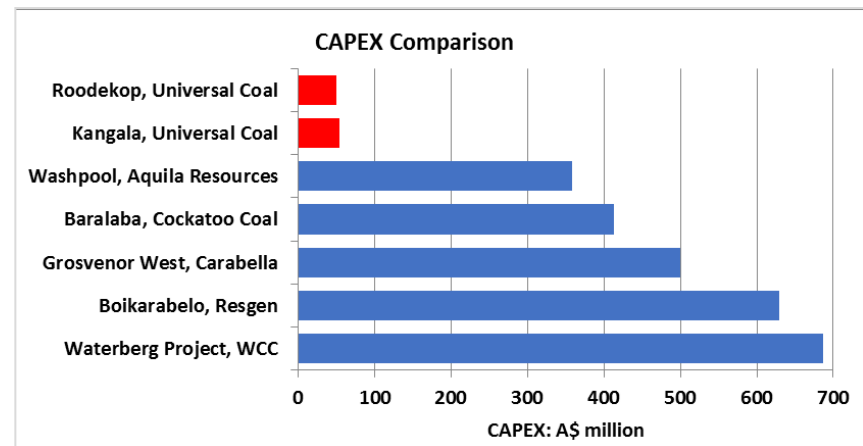
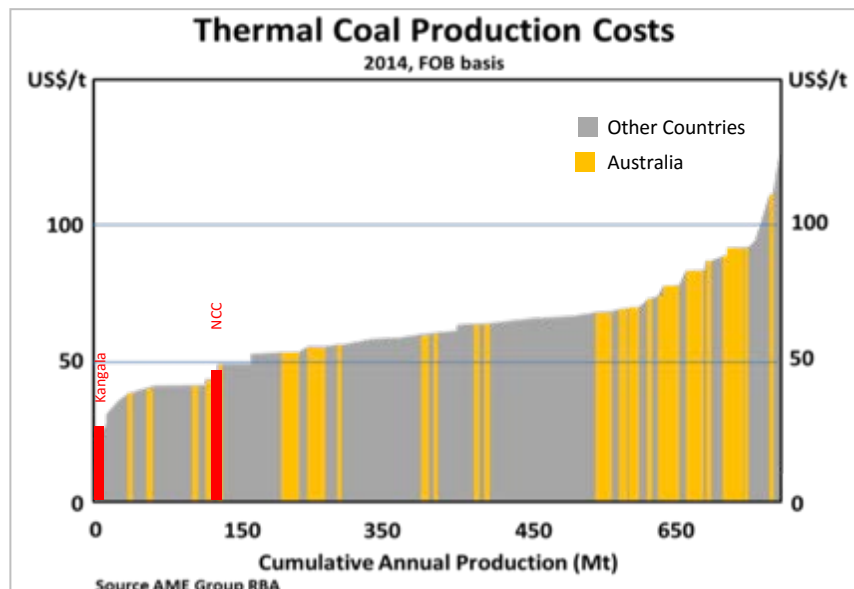
- Domestic:
 - Thermal coal to Eskom
 - 8 year off-take renewable for 8 years
- Export RB1 sales via RBCT Quattro Scheme

Resources & Reserves

- 16.3mt JORC reserve
- 131.7mt JORC resource
 - * Resources are stated inclusive of reserves
- Remaining LOM Stripping Ratio of ~1.7:1

2. UNV – AMONG THE LOWEST COST PRODUCERS GLOBALLY

- Very low strip ratios:
 - Kangala – 1.7:1
 - Roodekop – 3.5:1
- Very low development Capex and Opex



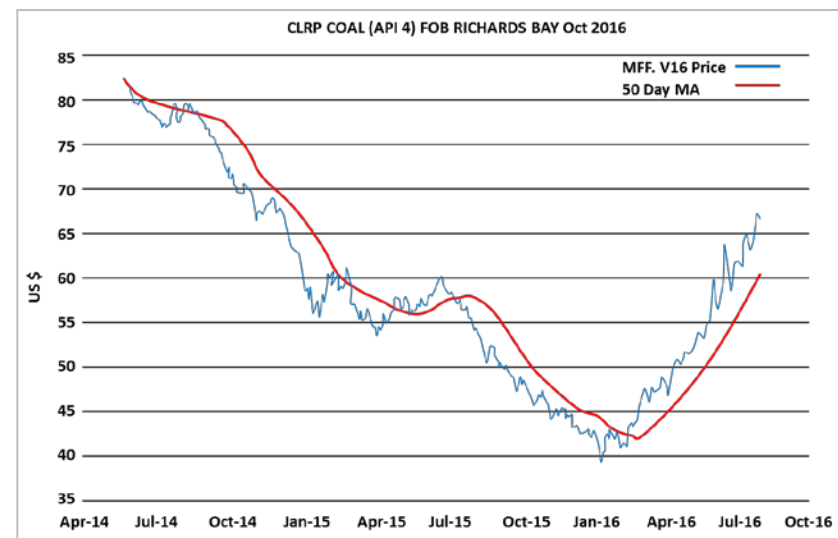
- Close to existing rail and road infrastructure – NCC has Rail load out facility
- Close to existing Domestic Coal markets - 50km from power stations
- Access to Export markets - 500km from RBCT by rail

3. THERMAL COAL MARKET

SIGNS OF SUSTAINED RECOVERY

3. THERMAL COAL – SUSTAINED SIGNS OF GLOBAL PRICE RECOVERY

- Benchmark Richards Bay API4 6000kcal/kg (FOB) coal price increased from \$49 to \$66 since Jan 2016
 - *Oct 2016 futures trending upwards US\$66)*
- **Thermal coal is not facing a permanent decline**
 - carbon emissions reduced >20% in high efficiency, low emissions (HELE) plants under construction in Asia; and
 - the use of higher energy thermal coal
- Prices are supported in the short term by China's plans to eliminate as much as 500mt of production capacity, and consolidate a further 500mt
- Longer term North East Asian Demand story based on increased power growth



3. THERMAL COAL – STRONG DOMESTIC SOUTH AFRICAN CONSUMPTION

South Africa

- Produces ~280mtpa of coal (2013e):
 - Consumes 75% of the coal domestically
 - Exports 72mtpa of high grade thermal coal
- A large and growing domestic market:
 - 93% of electricity generation is coal fired
 - Only 50% of households are electrified

Eskom

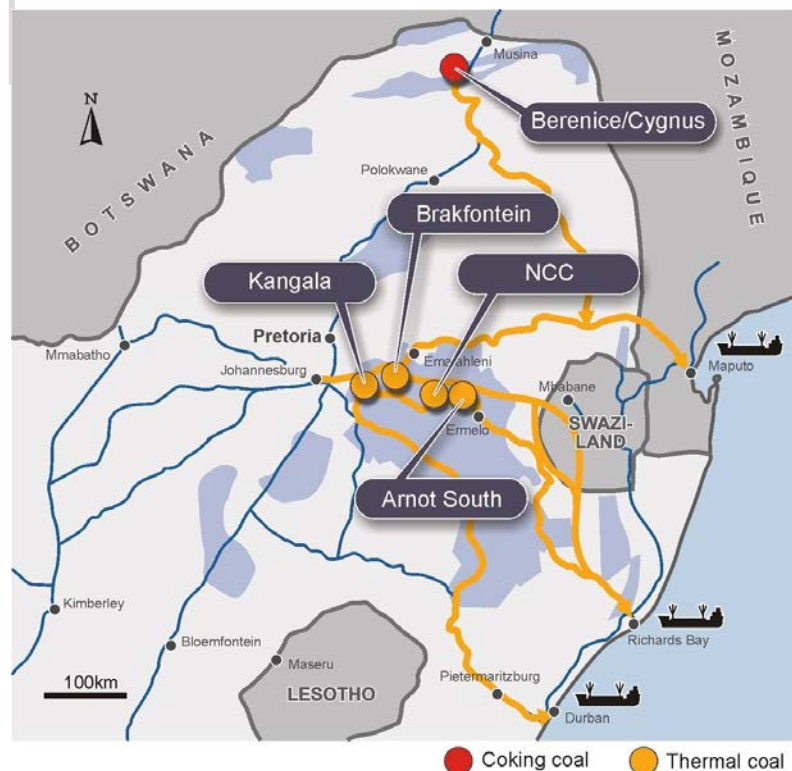
- South African public electricity utility
- One of the top 20 utilities in the world by generation capacity, with Net maximum capacity of 41,194MW
- Eskom generates ~95% of the electricity used in South Africa
 - ~45% of the electricity used in Africa
- Eskom in midst of capacity expansion
 - Increasing output by 17,120MW
 - Construction of two new coal-fired power stations (Medupi and Kusile) nearing completion - 2018-2020
- Currently Consumes 126mtpa of coal
 - requires extra 18-22mtpa by 2017/2018
- Contracts for medium term coal supply are negotiated on a ROI basis
- Suppliers require a minimum of 51% BEE participation to qualify as vendors



4. RESOURCE AND RESERVE STATEMENT

A LARGE, WELL DRILLED RESOURCE BASE

4. CURRENT RESOURCE & RESERVE STATEMENT



Project	Resources mt				Reserves
	Measured	Indicated	Inferred	Total	Proven/ Probable
Thermal Coal (Witbank)					
Kangala (domestic/export)	78.7	19.4	33.6	131.7	16.3
NCC (domestic/export)	96.8	41.8	6.0	144.7	29.3
Brakfontein (domestic)	31.7	39.4	4.7	75.8	9.1
Arnot South (domestic/export)	2.3	65.3	139	206.6	-
Subtotal	209.5	165.9	183.4	558.8	54.7
Coking Coal (Limpopo)					
Berenice-Cygnus	424.9	800.9	124.3	1,350.1	-
Subtotal	424.9	800.9	124.3	1,350.1	-
Total	634.4	966.8	307.7	1,908.9	54.7

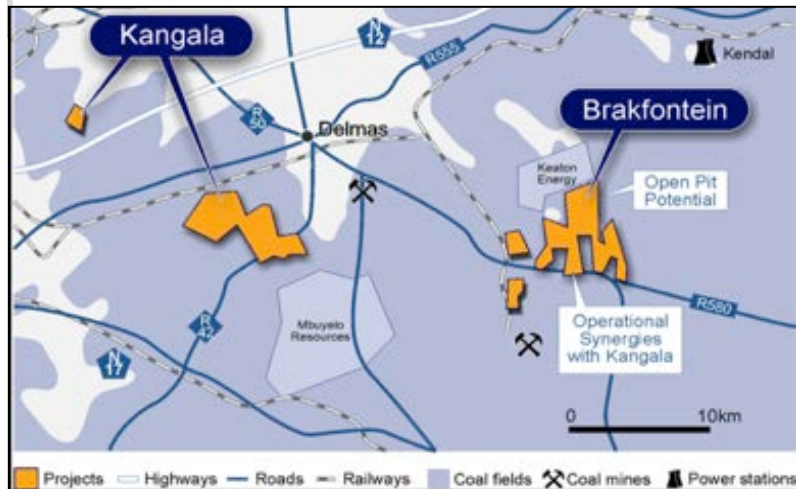
Notes:

1. Mineral Resources and Ore Reserves as stated in announcement titled "Annual Mineral Resources and Ore Reserves Update – June 2016" released to the market on 26 September 2016
2. The Resource/Reserve estimates were prepared and disclosed under the JORC Code 2012
3. Mineral resources are stated inclusive of mineral reserves and on a gross in situ basis
4. Universal has an attributable interest of 70.5 per cent. of the Kangala Project
5. Universal has an attributable interest of 49 per cent. in the NCC Project
6. Universal has an attributable interest of 50.29 per cent. in the Brakfontein Project and the right to negotiate to acquire up to a 74 per cent. interest upon completion of the BFS and award of a mining right and associated regulatory approvals
7. Universal has an attributable interest of 50 per cent. in the Arnot South project
8. Universal has an attributable interest of 50 per cent. in the Berenice & Cygnus Projects with an option to acquire up to a 74 per cent. Interest

5. ORGANIC PROJECT PIPELINE

GROWING, DIVERSIFIED COAL PORTFOLIO

5. PROJECT PIPELINE



Brakfontein

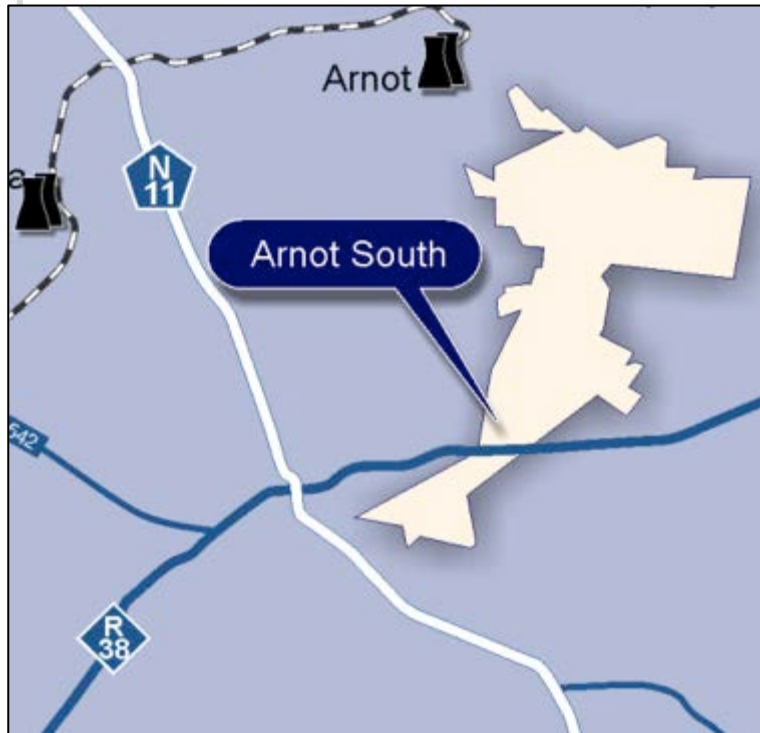
- 75.8mt thermal coal JORC resource
- 9.1mt JORC reserve
- 25km east of Kangala Mine
- Licensing:
 - Mining Right and Environmental Authorizations granted
 - IWULA granted
- Planned 1.2mtpa ROM operation



Berenice Cygnus

- High volatile, high swell SSCC & thermal coal project
- 1,350mt shallow resource - 700mt open pit at shallow dips (<6°)
- 20km from existing railway infrastructure and 55km west of Coal of Africa's Makhado coking coal project
- Licensing:
 - Mining Right and Environmental Authorizations in application
- DRA scoping study confirms viability for sustainable 10Mtpa open cut operation

5.1 PROJECT PIPELINE (cont.)



Project Name	➤ Arnot South
Ownership	➤ 50% shareholding
Resources & Reserves	➤ JORC Resource 206.6mt * Resources are stated on a gross in situ basis
Coal Quality	➤ Raw coal (undiluted) CV of 22.4 MJ/kg ➤ Wash simulations indicate that the No. 2 seam can support various single and multi-product scenarios at high theoretical yields
Planned activities	➤ Resource upgrade – drilling out a Measured Resource by end 2017 ➤ Complete Feasibility Study and apply for Mining Right in 2018 ➤ Not required to contribute to funding until development (on a loan basis)

Product Option	Primary Product (air dried basis)						Secondary Product (air dried basis)						Combined Product YL %
	YL %	ASH %	CV MJ/kg	VM %	IM %	S %	YL %	ASH %	CV MJ/kg	VM %	IM %	S %	
27.5 MJ/kg	53.9	12.5	27.5	26.2	3.4	0.34	32.8	27.8	21.5	19.5	3.0	1.04	86.7
26.5 MJ/kg	72.4	15.0	26.5	24.7	3.4	0.36	9.0	27.6	21.5	19.3	3.0	1.05	81.4
25.5 MJ/kg	84.9	17.5	25.5	23.9	3.3	0.41	-	-	-	-	-	-	84.9

6. MILESTONES AND CONCLUSION

VALUE ACCRETIVE GROWTH UNDERPINNED BY STRONG
CASH FLOWS

6. UPCOMING MILESTONES & OPPORTUNITIES

- Conclude long term NCC off take discussions, to bring phase 2 into production and
- taking UNV to over 6mtpa ROM and 4mtpa coal sales producer
- Continue to work towards commercialising:
 - Brakfontein (all licenses in place)
 - Berenice (mining right lodged and progressing)
 - Arnot South
- Continue with Assessment of acquisition opportunities in South Africa and Australia

6. CONCLUSION

- Commissioned NCC during September, thereby getting second cash generation stream online
- Record output and strong cash-flow generated from Kangala operation
- Improving thermal coal market and depreciating Rand benefitting Universal
- Strong pipeline of development assets
- Opportunity to grow coal portfolio both in product mix and geographically
- Board policy to pay dividends once NCC is profitable following steady state production

...set to become a 4Mtpa producer in 2017

7. APPENDICES

AN EXPERIENCED BOARD

John Hopkins

Non Executive Chairman (Independent)



John Hopkins is a qualified and experienced lawyer and professional company director. He has been on the board or chairman of more than 20 public listed companies since 1985 (both in Australia and Canada) and as such has been involved in the financing and development (and subsequent M & A activities) of many gold, base metal, energy (coal and oil and gas), mineral sands and other resource projects all over the world.

He currently chairs Wolf Minerals Ltd (WLF) and as such has in the past 5 years overseen the transition from explorer to producer and taking its market capitalization to over \$300m. John is also a Fellow of the Australian Institute of Company Directors. Mr Hopkins was awarded the Medal of the Order of Australia (OAM) in January 2015 for services to the minerals and resources sector.

Nonkululeko Nyembezi-Heita

MSc, MBA

Non Executive Director



Nonkululeko Nyembezi-Heita is the Chief Executive Officer of Ichor Coal N.V., an international mineral resources company focusing on coal mining in South Africa. IchorCoal holds significant minority positions in a number of South African-based coal mining companies.

Previously Chief Executive Officer of ArcelorMittal South Africa, the largest steel producer on the African continent and a subsidiary of the ArcelorMittal Group which, in turn, is the largest steel producer in the world. Prior to that, she served as the Chief Officer of Mergers & Acquisitions for the Vodacom Group and, before that, Chief Executive Officer of Alliance Capital, then local subsidiary of a New York-based global investment management company. Ms Nyembezi-Heita has served as an independent non-executive director on numerous boards. She currently serves as non-executive Chairperson of the Johannesburg Stock Exchange and non-executive member of the Board of Old Mutual plc.

Carlo Baravalle

Non Executive Director



After four years of experience in finance with an Italian fashion group, GFT, Carlo Baravalle completed an MBA at INSEAD. He then spent several years in strategic consulting, working on assignment for many large French conglomerates in both France and the USA. He later moved into the telecoms industry, working firstly with BT to start new ventures outside the UK, then as a Director of the Corporate Finance Telecoms team at Warburg, and later in a senior global position at Lucent Technologies.

Carlo subsequently moved into the private equity sector, firstly as MD International and Main Board Member at The Exchange FS, and later as Senior Vice-President for EMEA, Asia and LatAm for LCC, a telecoms engineering company initially invested by the Carlyle Group.

Hendrik Bonsma

Non Executive Director



A businessman with interests throughout South Africa, Hendrik Bothma has been actively investing in the South African mining industry for over a decade. Henry, as he is more commonly known, has been involved in various successful chrome, platinum, and iron ore transactions, and has promoted several listings on the JSE Limited, AIM, the London Stock Exchange and ASX.

Andries Engelbrecht

Non Executive Director



Andries Engelbrecht has more than 20 years of experience in the coal mining industry and, most recently was the Chief Operating Officer of Riversdale Mining Limited, where he was responsible for all Africa-based projects and operations. Prior to that Andries held the role of General Manager at Riversdale Mining's Zululand Anthracite Colliery. He has also held various management positions within BHP Billiton's Ingwe Coal Corporation.

David Twist

BSc Hons, PhD

Non Executive Director



David Twist is a founding member of Platmin and was CEO until 2006., after which he focused on new mineral exploration opportunities at Sephaku Holdings. Previously with Impala Platinum and involved in the Bushveld Complex research at the University of Pretoria, he is a member of the South African Council of Natural Scientific Professions, the Geological Society of London, the Society of Economic Geologists (US).

PROVEN MANAGEMENT TEAM

Tony Weber
MSc Mining Eng

Chief Executive Officer



Prior to joining Universal Coal, Tony Weber was an Executive Director at Nkwe Platinum Limited, as well as Operations Manager at the Potgietersrus Platinum Mine and at the Gamsberg Project. He is a Mining Engineer with 20 years' experience in mining, spanning project assessment, finance, development and operations. Tony's coal experience includes working at the New Clydesdale Colliery and Greenside Colliery for Gold Fields Limited, as well as a brief period at the Prosper Hanneli Colliery in Germany. He has significant skills and experience in coordinating project feasibility studies and hands-on operational experience in the coal extraction industry.

Shammy Luvhengo
BSc Geology

Director Business Development



Investment banker and qualified Geologist. Shammy Luvhengo started his career with Exxaro Resources Limited before moving into the investment world.

Previous work experience includes positions at Investec Bank and Nedbank Capital, where Shammy was involved in structuring and implementing project finance and BEE deals within the resources industry. Prior to joining Universal Coal, he worked at Nkwe Platinum Limited as Head of Business Development and Investor Relations.

Daryl Edwards
CA (SA)

Chief Financial Officer



Daryl Edwards is a Chartered Accountant with over 12 years of professional experience in finance and commerce.

Prior to joining Universal Coal, he was CFO at Asenjo Energy, a Botswana-based coal exploration and development company, a Joint Venture between Aquila Resources Limited, Sentula Mining Limited and Jonah Capital BVI. Daryl is responsible for all financial and commercial facets of the business, and is an integral part of the management team responsible for returning shareholder value.

Minah Moabi
MSc Environmental Science

Director Corporate Affairs



A qualified Environmental Scientist and member of the South African Council for Natural Scientific professions (SACNASP), Minah Moabi has 10 years' experience in environmental management, water management and sustainable development.

Prior to joining Universal, Minah worked for BHP Billiton (BECSA) as a Project Manager, managing environment-related projects. She is responsible for developing, implementing and managing social and environmental management systems, strategies and action plans that ensure corporate sustainable development.

Kevin Donaldson
BSc Mining Eng

Chief Development Engineer



A Mining Engineer with over 20 years experience in coal mining. Kevin Donaldson started his career in operations at the then Rand Mines Limited ("Rand Mines"), where he reached the level of Mine Overseer. He later joined Anglo American Plc, where he moved into the mine planning and technical side of mining and project development.

Kevin will be involved in the study phases of Universal Coal's projects, and will be responsible for the implementation of the Kangala Mine project.

Jaco Malan
MSc Exploration Geology

Country Representative: Australia



A co-founder of Universal Coal and Geologist with a Masters Degree in Exploration Geology. Jaco started his career with Iscor Limited and has over 20 years' experience in target generation and exploration across a range of commodities including coal, platinum, heavy minerals, gold and industrial minerals. He played a major role in identifying and acquiring Universal Coal's current portfolio of South African projects. Jaco is responsible for the day to day management of the company's Australian business development initiatives and is a member of the development and delivery team for the current coal assets.

CONTACTS

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