



11 May 2011

**UNIVERSAL SECURES 50% OWNERSHIP AND UPGRADES THE OPEN PIT RESOURCE AT ROODEKOP AND CONTINUES TO WORK TOWARDS DEVELOPING WORLD CLASS COKING COAL PROJECTS**

The Board of Directors of Universal Coal plc ("Universal Coal" or "Company") is pleased to announce:

- Universal Coal has now achieved a direct ownership of 50% in the Roodekop project, with an option to acquire up to 74% of the project following the completion of the Feasibility study, due to Commence in June 2011.
- Following completion of the final phase of drilling at the Roodekop project, Universal has upgraded its open pit resource to 48.6 Mt of which all but 0.6Mt is now Measured.
- The total resultant resource (JORC) over Roodekop now totals 82.8Mt of which 67.2Mt are at a Measured and 15.6Mt at an Indicated Resource level.

Furthermore Universal Coal is progressing well with the exploration program on the Berenice and Cygnus coking project;

- Drilling on the Berenice Project and the newly acquired Cygnus Project is on schedule for a JORC resource statement in July, with six drill rigs currently operational and a total of 39 holes completed to date - scheduled for completion in June 2011. The drilling continues to confirm the presence of a 35m-40m thick coal zone from sub-outcrop (less than 20m depth) up to 200m below surface. The coal zone consists of inter-bedded bright coal and carbonaceous mudstone with a number of coal-rich horizons containing between 40% and 50% coal.
- Commenting on the results achieved at Roodekop, Chairman Dr Tony Harwood said: "We are delighted with the drilling program at Roodekop exceeding the previous resource estimates and allowing us to now commence with the feasibility study. In addition to this we are on track and progressing well with our exploration programme on our Berenice and Cygnus coking coal project, with the focus on an Exploration Target of 700-800 million tonnes\*".

*\*The Exploration Target and potential coal quantity is conceptual in nature and takes cognisance of the thicknesses, laboratory-determined relative densities and the projected surface extent of the coal-rich horizons in the Berenice-Cygnus project area as observed during the current drilling programme. There has been insufficient exploration to define a Coal Resource and it is uncertain if further exploration will result in the determination of a Coal Resource.*

<b>ASX Code</b>	UNV
<b>Shares on Issue</b>	203.5m
<b>Cash</b>	\$14.5m
<b>Share Price</b>	\$0.41
<b>Market Cap</b>	\$83.4m
<b>Options on Issue</b>	26.9m

<b>Chairman:</b>	Dr Tony Harwood
<b>CEO:</b>	Tony Weber
<b>Director:</b>	Henri Bonsma
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## **COMPETENT PERSONS STATEMENT**

The information in this report that relates to Coal Resources or Ore Reserves relating to the Roodekop Project, is based on information reviewed and compiled by Mr Nico Denner, who is a registered natural scientist and a member of the South African Council for Natural Scientific Professions. Mr Denner is employed by Gemecs (Pty) Ltd 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 2004 edition of the Australasian Code for Reporting of Exploration Results, Coal Resources and Ore Reserves. Mr Denner consents to the inclusion in this report of this information in the form and context in which it appears.

The information in this update that relates to exploration results for the Berenice and Cygnus 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 employed 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 2004 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.

## **REPORTING ON EXPLORATION RESULTS**

This update has been compiled in accordance with the JORC Code, the recommendations and guidelines set out in the revised 2007 South African Code for The Reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC Code) and the rules and guidelines relating to the independent expert's reports set by ASIC and ASX.

## **CONTACT DETAILS**

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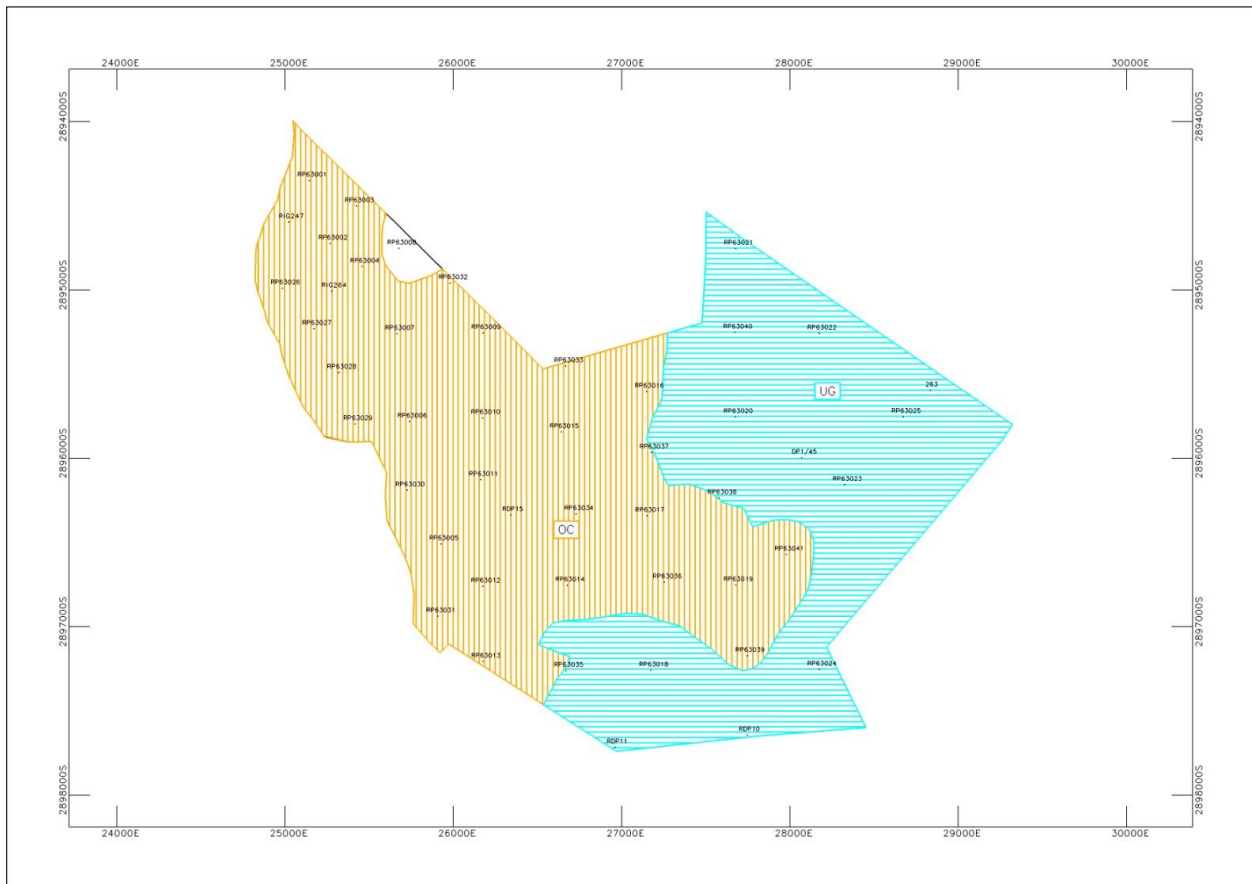
## **MEDIA**

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## ROODEKOP MINING DELINEATION BASED ON DRILL RESULTS



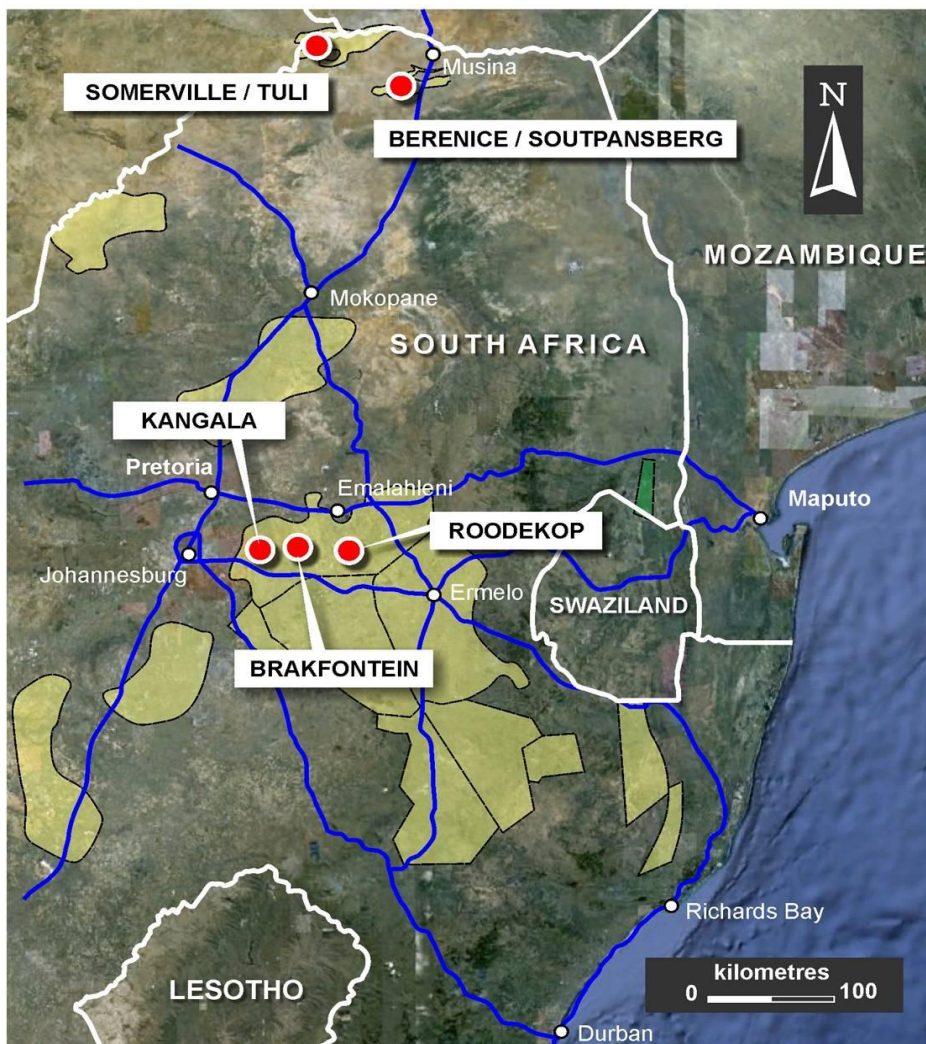
## COAL RESOURCES SUMMARY

<b>Project</b>	<b>Measured Millions of tonnes</b>	<b>Indicated Millions of tonnes</b>	<b>Inferred Millions of tonnes</b>	<b>Total Millions of tonnes</b>
<b>Thermal Coal (Witbank)</b>				
Kangala <sup>1,4</sup>	48.7	4.4	70.9	124.0
Roodekop <sup>2,6</sup>	67.2	15.6		82.8
Brakfontein <sup>3,4</sup>		96.6	29.0	125.6
<b>Total Thermal coal<sup>4,6</sup></b>	<b>115.9</b>	<b>116.6</b>	<b>99.9</b>	<b>332.4</b>
<b>Coking Coal (Limpopo)</b>				
Cygnus			95.5	95.5
Berenice <sup>5</sup>			122.0	122.0
Somerville <sup>5</sup>			274.0	274.0
<b>Total Coking Coal<sup>6</sup></b>			<b>491.5</b>	<b>491.5</b>
<b>Total<sup>7</sup></b>	<b>126.9</b>	<b>116.6</b>	<b>591.4</b>	<b>823.9</b>

Notes:

1. Universal Coal has an attributable interest of 70.5% of these coal resources.
2. Universal Coal has earned 50% in the Roodekop Project via the completion of an agreement with its JV partner Xakwa resources. Upon the completion of the feasibility study, Universal Coal has the option to acquire up to a 74% interest in the project.
3. Under the terms of the earn in agreement, Universal Coal is earning up to 50% in the Brakfontein Project via the completion of certain milestones (refer to Section of the Replacement Prospectus). Upon completion of these various milestones, Universal Coal's attributable interest increases and when all of the milestones are completed, Universal Coal will have an attributable interest of 50% in these coal resources (with the right to negotiate to acquire up to a 74% interest). Universal Coal currently has an attributable interest of 30% in these coal resources.
4. The Kangala and Brakfontein coal resources were estimated by Coffey Mining.
5. Under the terms of the earn in agreement, Universal Coal is earning up to 50% in the Berenice and Somerville Projects via the completion of certain milestones (refer to Section 11 of the Replacement Prospectus). Upon completion of these various milestones, Universal Coal's attributable interest increases and when all of the milestones are completed, Universal Coal will have an attributable interest of 50% in these coal resources (with the option to acquire up to a 74% interest). UCEHSA currently holds a 7% interest in UCD II. Ministerial consent to the transfer of 342/2009PR is still pending.
6. The Roodekop and Limpopo coal resources were estimated by Gemecs.
7. Rounding (conforming to the JORC Code) may cause computational discrepancies.

**PROJECT LOCATIONS**



## **ABOUT UNIVERSAL COAL PLC**

Universal Coal is a South African focussed coal company holding interests in three thermal coal projects of between 25% and 70.5%, which currently contain over 332Mt of JORC-compliant resources.

The Company is aiming to achieve first coal production from the Kangala Coal Project in 2011, ramping up to full production by the first quarter of 2012, subject to various regulatory approvals.

Development of the Kangala Project is located in the Witbank coalfield in South Africa, which supplies more than 50% of South Africa's saleable export and domestic coal.

The development of the Kangala Project is planned to be followed by the development of the Roodekop Project and Brakfontein Project subject to positive feasibility studies, financing and other regulatory approvals, with both projects being planned with the object of maximising their export coal potential.

In addition to the thermal coal projects, the Company has an earn-in agreement over two coking coal projects (Berenice and Somerville) that together contain 491.5Mt of JORC compliant Inferred resources.

The Company has an experienced team of directors, senior managers and geoscientists with extensive expertise in both coal exploration and mining in South Africa and who have a proven track record of project development.