

24 April 2012



Berenice-Cygnus Major Coal Development Project Update

Following on from the release of a successful feasibility study for the company's Kangala project, Universal Coal plc ("Universal") is pleased to announce that:

- DRA has concluded the Concept Study on the Berenice project as reported in the December quarterly update to the market
- The Concept Study, which considered a number of production scenarios, indicates:
 - a sustainable 10 million tonne per annum (run of mine) operation, *with*;
 - a life of mine (open cast) well in excess of 25 years, *and that*;
 - the mine will produce both primary soft coking and secondary thermal coal products

The Concept Study confirms that the Berenice project is viable at this stage of its development and as a result, the Company has commenced the second phase of drilling at Berenice-Cygnus with 12 holes completed to date.

This drilling;

- Is being undertaken to bring the Inferred and Indicated resources within the open pit areas to a Measured Category.
- Totals 95 slim diameter and a further 29 large diameter holes, to be completed over two phases. The current (second) phase will focus on drilling out of the southern open-pit area and is expected to be completed in the third quarter of 2012. The third phase will be undertaken thereafter with completion expected during 2013.

STOCK EXCHANGE LISTING
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Board of Directors
John Hopkins *Non Executive Chairman*
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Hendrik Bonsma *Non-Executive Director*

South African Office
467 Fehrsen Street, Cnr Muckleneuk
Brooklyn, Pretoria, 0181
PO Box 2423
Brooklyn Square, 0075
South Africa

Phone: +27 (12) 460 0805
Fax: +27 (12) 460 2417
Website: www.universalcoal.com

Further to this, Universal has been advised that the Department of Mineral Resources (DMR) South Africa has approved:

- the renewal of the Berenice prospecting right for an additional three years
- the Section 11 transfer of the Cygnus project from Solar Spectrum to Universal Coal Development 5 (Pty) Ltd, the special purpose entity for this project.

Commenting on these developments, the company's Chief Executive Officer Tony Weber said:

“We are very pleased to be advancing the Berenice-Cygnus project with clarity now over its sustainable viability. This project is strategically important to Universal given its position within the emerging Soutpansberg coking coal field and the quantum of available resource. The company is now working on further mine planning and logistical supply chain strategies ex mine including rail and port, in addition to commencing preliminary identification of potential markets for the coal both domestic and for export.”

Competent Person's Statement

The information in this update that relates to the interpretation of the 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

The 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.

For further information please contact:

Institutions & Media

Anthony Ward

Head of Commercial & Corporate Affairs

Universal Coal Plc

+612 8116 8701

a.ward@universalcoal.com

Investor Relations

Dan Robinson

Company Secretary

Universal Coal Plc

+618 6267 0210

d.robinson@universalcoal.com