

28 June 2018



UNIVERSAL'S EBITDA GUIDANCE EXCEEDED

- ✓ **28% higher attributable EBITDA than per previous half year guidance**
 - ✓ Attributable EBITDA of A\$48.5 million expected for FY2018.
 - ✓ Group EBITDA expected for FY2018 is A\$70 million – a 27% increase on the previous guidance A\$55 million.
 - ✓ Guidance is based on actual results year-to-date and internal assumptions for the international coal price, foreign exchange forecasts, prevailing contract prices and estimated costs for the June 2018 month.
- ✓ **Record production of 4.7Mt (2.9Mt attributable), up 2% from guidance**
 - ✓ Kangala Colliery is expected to delivered more than 2.5Mt of product to Eskom for FY2018.
 - ✓ New Clydesdale Colliery exceeds the committed tonnes for FY2018 by 14% and benefits by significant increase in API4 export price since July 2017.

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Universal Coal Plc (“Universal” or “the Company”), (ASX:UNV) is pleased to report that the Company is expected to exceed the updated EBITDA guidance released to market in January 2018.

On 17 January 2018, Universal provided forward looking earnings guidance for FY2018 that updated the forecast EBITDA for FY 2018 to A\$55 million (Attributable: A\$37.9) and projected steady state production of 4.6Mt (attributable of 2.8Mt). The company is pleased to increase the expected EBITDA for the group by 27% to A\$70 million (Attributable: A\$48.5 million) and saleable tonnes of 4.7Mt (Attributable:2.9Mt).

The very strong increase in EBITDA for FY 2018 is due to:

- 1) Strong production performance by the Kangala operation which exceeded the projected sales tonnes by approximately 150Kt for FY2018.
- 2) The new Clydesdale Colliery (NCC) achieving 14% more than projected sales tonnes for FY2018. The NCC received approximately A\$27 of revenue per export tonne more than in the projected forecast for the period January 2018 to June 2018. The increase in revenue contributed an additional A\$12.2 million of revenue to the financial results for the last six months of the FY2018.
- 3) The Company forecasts an overall total sales tonnage of 4.7Mt (attributable 2.9Mt) of product sold to market for the FY2018.
- 4) Operational costs remain in line with forecasts.
- 5) The original EBITDA was enhanced by a A\$2.6million FX gain for FY2018 due to the increase in ZAR:AUD exchange rate over the period January to June 2018.

The guidance provided for the financial year ending June 2018 is still subject to the finalisation of the statutory accounts and the audit by the external auditor of Universal Coal Plc. Final results will be released by mid-September 2018.

Announcement Reference:

- ✓ *Original company guidance for the FY2018 as announced on 26 September 2017: Market Update and FY2018 Earnings Guidance (<http://www.asx.com.au/asxpdf/20170926/pdf/43mmn1k6yw751r.pdf>)*
- ✓ *Updated company guidance for the FY2018 as announced on 18 January 2018: Market Update and FY2018 Earnings Guidance (<http://www.asx.com.au/asxpdf/20170926/pdf/43mmn1k6yw751r.pdf>)*

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About the Company:

ASX-listed Universal Coal (ASX: UNV) is committed to building a sustainable mid-tier coal mining company providing investors with exposure to coking and thermal coal assets with the potential to develop into projects of significance.

The company has a portfolio of producing, development and exploration assets located across South Africa's major coalfields.

Kangala Mine in the Witbank coalfield, Universal's first mine, commenced production in February 2014. Kangala produces an average of 2.5 million tonnes of saleable thermal coal per annum, primarily for the domestic market. Kangala Mine has expansion plans to both the adjacent Middlebuilt and Eloff Project.

The New Clydesdale Colliery (NCC) commenced underground production in 2016 and has ramped up opencast mining production, completing the company's progress towards becoming a multi-mine producer.

The Brakfontein project is a fully regulated project with Mining Right and Integrated water use license and development of this mine will commence as soon as feasible off takes agreements and surface rights have been finalised.

Besides its thermal coal projects (including Brakfontein, Eloff & Arnot South), the company has completed earn-in agreements over one coking coal project (Berenice/Cygnus) in the Soutpansberg coalfields.

Universal Coal is committed to creating shareholder wealth by distribution of generated cash flows to both project development and dividend distribution to shareholders.

The company is cash positive, generating sustainable cash flows from its diversified coal portfolio, and has limited capex requirements for expansion, which can be funded by current cash flows. Universal coal has an appetite for both organic growth and growth by acquisition, but also has a strong commitment to dividend distribution to its shareholders

Forward looking Statements

This document contains 'forward looking statements' including with regard to production and financial projections (which involve subjective judgment and analysis). Forward looking statements are subject to significant uncertainties, risks, and contingencies, many of which are outside the control of, and are unknown to the Company. In particular, these forward looking statements are made only as of the date of this document, they assume the success of the Company's business strategies, and are subject to business, competitive and economic uncertainties and risks. No representation, warranty or assurance (express or implied) is given or made in relation to any forward looking statement by any person (including the Company). In particular, no representation, warranty or assurance (express or implied) is given in relation to any underlying assumption or that any forward looking statement will be achieved. Actual future events may vary materially from the forward looking statements and the assumptions on which the forward looking statements are based. Given these uncertainties, recipients are cautioned to not place undue reliance on such forward looking statements. Subject to any continuing obligations under applicable law or any relevant listing rules of the ASX, the Company disclaims any obligation or undertaking to disseminate any updates or revisions to any forward looking statements in this document to reflect any change in expectations in relation to any forward looking statements or any change in events, conditions or circumstances on which any such statement is based.

Nothing in this document shall under any circumstances create an implication that there has been no change in the affairs of the Company since the date of this document.

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