

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION**

FOR IMMEDIATE RELEASE – THIS ANNOUNCEMENT HAS BEEN APPROVED BY THE TERRACOM DISCLOSURE COMMITTEE FOR RELEASE

**3 February 2020**

**OFFER**

**FOR**

**UNIVERSAL COAL PLC (UNV)**

**BY**

**TCIG RESOURCES PTE LTD (TERRACOM BIDCO)**

**a wholly owned subsidiary of  
TERRACOM LIMITED (TERRACOM)**

### **Summary**

- The Board of TerraCom is pleased to announce an offer by its wholly owned subsidiary, TerraCom Bidco, to acquire the entire issued and to be issued share capital of UNV not already directly or indirectly owned by it (the **Offer**). The Offer is to be implemented by way of a contractual takeover offer within the meaning given to that term in section 974 of the UK Companies Act.
- Under the terms of the Offer, for each UNV Share held, UNV Shareholders (other than the Restricted UNV Shareholders) will receive:

**10 cents in cash and approximately 0.6026 New TerraCom Shares**

- The consideration under the Offer (**Offer Consideration**) will not be increased.
- Based on TerraCom's 6 month volume weighted average trading price to 28 January 2020 of 39.0 cents per TerraCom Share, the Offer values each UNV Share at 33.5 cents and the entire issued and to be issued share capital of UNV at approximately A\$175 million on a fully diluted basis, and represents a premium of approximately:
  - 42.6% to the closing price of 23.5 cents on the 31 January 2020 (being the last Business Day before the date of this Announcement, the **Latest Practicable Date**);
  - 31.4% to the 6 month volume weighted average price of 25.5 cents ended on the Latest Practicable Date.
- The Offer provides UNV Shareholders with:
  - 42.6% of the value of UNV Shares on the Latest Practicable Date in cash; and
  - 100% of the value of UNV Shares on the Latest Practicable Date in TerraCom Shares, based on a deemed value of 39.0 cents per TerraCom Share.
- UNV Shareholders, excluding TerraCom Bidco's existing holding, would own approximately 33.4% of the Merged Group (based on the ordinary issued share capital of TerraCom and UNV), and would participate in the potential future value creation in both UNV and TerraCom business.

- No separate offer is being made to acquire the UNV CDIs. However, UNV CDI Holders may accept the Offer in respect of the UNV Shares underlying and corresponding with the UNV CDIs held by them by, and only by, instructing the CDI nominee, CHESSE Depository Nominee Pty Limited. Further details on how to accept the Offer in respect of the UNV CDIs will be set out in the Offer Document.
- Each New TerraCom Share issued as consideration under the Offer will be issued on a fully paid basis and rank equally with all existing TerraCom Shares. Fractions of New TerraCom Shares will be rounded to the nearest whole New TerraCom Share. TerraCom will apply for admission to quotation of the New TerraCom Shares within seven days from the date on which the Offer Document, being a disclosure document for the purposes of Ch 6D of the Australian Corporations Act 2001 (Cth) (**Corporations Act**), is lodged with the Australian Securities & Investments Commission. Subject to approval for quotation being granted by the ASX, the New TerraCom Shares are expected to be quoted on the ASX. However, official quotation is not granted automatically on application.
- Holding statements will be despatched in accordance with the ASX Listing Rules (**Listing Rules**). TerraCom disclaims all liability (to the maximum extent permitted by law) to persons who trade the New TerraCom Shares before receiving confirmation of their holding in the form of a holding statement.

#### ***Background to and reasons for the Offer***

- On 30 October 2019, TerraCom announced that it had reached a binding agreement for TerraCom Bidco to acquire 104,467,056 securities in UNV, being approximately 19.995% of the issued share capital of UNV (**Initial Stake**).
- Following initial discussions to appoint nominees to the UNV Board, TerraCom Bidco issued a requisition notice to UNV on 18 November 2019 to call a general meeting to appoint two nominees to the UNV Board. On 4 December 2019, UNV announced the appointment of Mr Wallace King AO and Mr Craig Ransley as non-executive directors on the UNV Board and as a result, TerraCom Bidco withdrew its requisition notice.
- As a result of concerns in relation to the structure and independence of the UNV Board, particularly John Hopkins OAM as a chairman and director, TerraCom Bidco issued a requisition notice to call a general meeting to remove John Hopkins OAM from the UNV Board. On 10 January 2020, UNV called a general meeting to consider the resolution however on 13 January 2020, UNV announced John Hopkins OAM was resigning with immediate effect, which led to TerraCom Bidco withdrawing its requisition notice.
- Following the acquisition of the Initial Stake, TerraCom formed the view that the combination of the two businesses would be best served by an accelerated acquisition process. UNV has been subject to a number of failed takeover attempts throughout the last number of years that are likely to have frustrated UNV Shareholders. TerraCom believes these failed takeover attempts have wasted significant UNV management time and shareholder funds. Consequently, TerraCom is making this announcement in order to give UNV Shareholders the opportunity to consider the Offer.
- The Offer will provide:
  - a stable, business of scale with TerraCom and UNV operating successful coal mines;
  - expanded production footprint resulting in strong cash flow generation as a combined group with the ability to leverage an enhanced operating base to accelerate growth opportunities;
  - geographic diversification of asset portfolio with TerraCom's primary operating mine (Blair Athol) in Queensland (Australia), and UNV primary operations in South Africa; and

- a highly credentialed and diversified board and management team with extensive experience across both TerraCom and UNV.
- Moving swiftly and allowing the UNV Shareholders to consider the Offer at this stage provides UNV Shareholders with a high degree of certainty, and also an accelerated process in relation to the Offer will allow both the TerraCom and UNV teams to focus on the most important part of the businesses, operating successful coal mines. As noted below, TerraCom Bidco has received significant support from UNV Shareholders, representing 27.3% of UNV's issued share capital as at the Latest Practicable Date.
- TerraCom chose to engage with UNV Shareholders prior to this Announcement rather than the UNV Board. Despite the Offer not being recommended by the UNV Board on the date of this Announcement, TerraCom continues to value the operating capability of the UNV management team including CEO Tony Weber and executive director Shammy Luvhengo.

#### **Irrevocable undertakings**

- TerraCom Bidco has received irrevocable undertakings to accept the Offer in accordance with the procedure for acceptance set out in the Offer Document from African Minerals Exploration & Development Fund SICAR and Brasidas Investment Management LLC, in respect of an aggregate 142,852,084 UNV Shares representing approximately 27.3% of UNV's issued share capital as at the Latest Practicable Date.
- Further details of the irrevocable undertakings given to TerraCom Bidco (and the circumstances in which such arrangements will cease to be binding or otherwise fall away) are set out in Appendix 3.

#### **Information on TerraCom and TerraCom Bidco**

- TerraCom is a successful, established coal producer incorporated in Australia, whose shares are traded on the ASX (ASX: TER). TerraCom focuses on acquiring, building and operating a large portfolio of assets in the resource and energy sector in multiple jurisdictions. TerraCom's flagship project is the Blair Athol thermal coal project in the Bowen Basin in Queensland (Australia). TerraCom also owns the Baruun Noyon Uul (BNU) coking coal mine in the South Gobi Desert of Mongolia. In addition to the operating assets, TerraCom also has significant exploration assets in Queensland (Australia) located in Northern Galilee and Springsure.
- TerraCom Bidco is a wholly owned subsidiary of TerraCom established on 29 October 2019. TerraCom Bidco holds the Initial Stake and has not undertaken any activities, other than the investment in the Initial Stake, since its incorporation.

#### **Dividends**

- If any dividend or other distribution is authorised, declared, made or paid in respect of UNV Shares on or after the date of this Announcement, the Offer Consideration will be reduced by the amount of such dividend or other distribution, in which case eligible UNV Shareholders will be entitled to receive or retain such dividend or other distribution. In calculating the amount of any such reduction, the cash component of the Offer Consideration will be reduced first.

#### **Timetable and Conditions**

- Detailed information relating to the Offer, including the timetable and closing date, will be set out in the Offer Document, which is expected to be despatched to UNV Shareholders in February 2020.
- The Offer will be made on the terms and subject to the Conditions which are set out in Appendix 1 to this Announcement and on the further terms and conditions that will be set

out in the Offer Document, the Form of Acceptance and the CDI Acceptance Form (for UNV CDIs).

- In order to comply with the requirements of the Corporations Act in relation to acceptances of the Offer, only UNV Shares (other than UNV CDIs) held in certificated form will be capable of acceptance pursuant to and in accordance with the terms of the Offer. Accordingly, in order for UNV Shareholders (other than Restricted UNV Shareholders) who hold their UNV Shares (other than CDIs) in uncertificated form (**Uncertificated UNV Shares**), that is in CREST, to accept the Offer, it will be necessary to convert the Uncertificated UNV Shares into certificated form, that is withdrawn from CREST, prior to accepting the Offer. Further details of this process will be set out in the Offer Document and holders of Uncertificated UNV Shares who are proposing to convert any such shares are recommended to ensure that the conversion procedures are implemented in sufficient time to enable all necessary steps to be taken in connection with an acceptance of the Offer in accordance with the Offer timetable, which will be set out in the Offer Document.
- TerraCom has applied for and obtained approval from the ASX for a waiver of Listing Rule 7.1 in connection with the Share Offer, and therefore the Offer is not conditional on the receipt of approval from TerraCom shareholders with respect to the issue of New TerraCom Shares under the Share Offer.
- UNV is a public limited company incorporated in England and Wales whose shares are traded, including in the form of UNV CDIs, on the ASX. It is, therefore, not subject to the UK City Code on Takeovers and Mergers (**Code**) or the takeovers provisions in the Corporations Act. Accordingly, **the Code does not apply to the Offer and this transaction is not subject to the jurisdiction of, or regulated by, the UK Panel on Takeovers and Mergers. Additionally, the Offer will not be a 'takeover bid' pursuant to Ch 6 of the Corporations Act as UNV is not regulated by the takeovers provisions of the Corporations Act.**

Commenting on the Offer, TerraCom said:

*"TerraCom is delighted to make the Offer to UNV Shareholders and believes that combining the two businesses will provide additional value to both UNV and existing TerraCom shareholders. The Offer will allow both companies to continue to run successful coal operations with the improved benefit of geographic diversity and an expanded production footprint and also provide a substantial platform for future growth and development of the wider business.*

*In approaching the Offer, TerraCom took into consideration the ongoing frustrations possibly experienced by UNV Shareholders in the past due to the number of failed takeover attempts and a strong desire for country and asset diversification. As a team, TerraCom felt that UNV Shareholders needed a high degree of certainty and an accelerated process that would allow both TerraCom and UNV to continue their main focus - operating successful coal mines.*

*TerraCom understands that the UNV Board may not have had sufficient time to support the Offer, however, TerraCom has received overwhelming support from a number of highly credentialed institutional investors. This demonstrates that the proposal offered by TerraCom works in the interests of time and costs for UNV Shareholders.*

*The Board of TerraCom looks forward to growing the UNV and TerraCom businesses together and welcoming you all as shareholders to a larger, diversified coal operator with significant growth potential."*

**This summary should be read in conjunction with, and is subject to, the full text of this Announcement and its Appendices. The Offer will be subject to the satisfaction of the Conditions and certain further terms set out in the Offer Document, the Form of Acceptance and the CDI Acceptance Form (in respect of UNV CDIs). Appendix 2 to this Announcement contains the sources of information and bases of calculations of certain**

**information contained in this Announcement. Appendix 3 contains a summary of the irrevocable undertakings received in relation to the Offer. Appendix 4 contains definitions of certain expressions used in this summary and in this Announcement.**

**Enquiries:**

**TerraCom Bidco**

Megan Etccl

+61 7 4983 2038

[unvoffer@terracomresources.com](mailto:unvoffer@terracomresources.com)

TerraCom Bidco has retained Petra Capital Pty Limited as financial adviser and Ashurst LLP and Ashurst Australia as legal advisers in connection with the Offer.

**Important notice**

Petra Capital Pty Limited is acting as financial advisor to TerraCom and TerraCom Bidco in connection with the Offer and for no one else and will not be responsible to any party for providing advice in relation to the Offer, the contents of this Announcement or any matters referred to herein.

This Announcement is for information purposes only and is not intended to and does not constitute, or form part of, an offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the Offer or otherwise, nor shall there be any sale, issuance or transfer of securities of UNV in any jurisdiction in contravention of applicable law.

The Offer will be made solely by means of the Offer Document, the Form of Acceptance and the CDI Acceptance Form (in respect of UNV CDIs), which will contain the full terms and conditions of the Offer, including details of how to accept the Offer. The Offer Document will comprise, include or be accompanied by a disclosure document under Ch 6D of the Corporations Act (**Prospectus**) under which the Share Offer will be made. Any approval, decision or other response to the Offer and Share Offer should be made only on the basis of the information in the Offer Document, which includes the Prospectus, the Form of Acceptance and the CDI Acceptance Form (in respect of UNV CDIs). UNV Shareholders (including UNV CDI Holders) are strongly advised to read the formal documentation in relation to the Offer once it has been despatched. It is anticipated that UNV Shareholders will receive all formal documentation in February 2020.

**Overseas jurisdictions**

This Announcement has been prepared in accordance with the laws of England and Wales and Australia and the information disclosed may not be the same as that which would have been disclosed in accordance with the laws of jurisdictions outside England and Wales and Australia. The statements contained in this Announcement are made as at the date of this Announcement, unless some other time is specified in relation to them, and there shall be no implication that there has been no change in the facts set forth in this Announcement since such date.

The release, publication or distribution of this Announcement in jurisdictions other than Australia may be restricted by the laws of those jurisdictions. Persons who are not resident in Australia, or who are subject to the laws of any jurisdiction other than Australia, should inform themselves about and observe any applicable requirements. Any person (including, without limitation, nominees, trustees and custodians) who would, or otherwise intends to, forward this Announcement, the Offer Document or any accompanying document to any jurisdiction outside Australia should refrain from doing so and seek appropriate professional advice before taking any action. Further details in relation to the Overseas Shareholders will be contained in the Offer Document. Any failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Offer disclaim any responsibility or liability for the violation of such restrictions by any person.

Unless otherwise determined by TerraCom Bidco and permitted by applicable law and regulation, the Offer will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may accept the Offer by any such use, means, instrumentality or facility or from within a Restricted Jurisdiction. Accordingly, copies of this Announcement and all documents relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this Announcement and all documents relating to the Offer (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions where to do so would violate the laws in that jurisdiction.

#### **Additional information for US investors**

The Offer will be made for securities of a company incorporated in England and Wales and UNV Shareholders in the United States should be aware that this Announcement, the Offer Document, the Prospectus and any other documents relating to the Offer and the Share Offer have been or will be prepared in accordance with the laws of England and Wales and Australia (as the context requires) and applicable disclosure requirements, format and style thereunder, all of which differ from those in the United States.

This Announcement is not an offer of securities for sale in the United States. Securities may not be offered or sold in the United States absent registration with the United States Securities and Exchange Commission or an exemption from registration. There will be no public offering of these securities in the United States.

Securities to be issued pursuant to the Offer have not been, and will not be, registered under the US Securities Act of 1933, as amended (**Securities Act**), or under the securities laws of any state or other jurisdiction of the United States, and may not be offered, sold or resold except in transactions exempt from, or not subject to, the registration requirements of the Securities Act. Subject to certain exceptions, UNV Shareholders in the United States will only be able to accept the offering in respect of the cash consideration. A person who receives securities pursuant to the Offer may not resell such securities without registration under the Securities Act or without an applicable exemption from registration or in a transaction not subject to registration (including a transaction that satisfies the applicable requirements of Regulation S under the Securities Act).

For purposes of the US Securities Exchange Act of 1934, as amended (**US Exchange Act**), it is intended that the Offer will be made pursuant to Section 14(e) and Regulation 14E under the US Exchange Act benefitting from exemptions available to "Tier II" tender offers. Accordingly, the Offer will be subject to disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments that may be different from those applicable under US domestic tender offer procedures and law, and certain rules applicable to tender offers made into the United States, including rules promulgated under Section 14(d) of the US Exchange Act, do not apply.

The receipt of consideration by a US holder for the transfer of its UNV Shares pursuant to the Offer may be a taxable transaction for United States federal income tax purposes and under applicable United States state and local, as well as non-US and other, tax laws. Each UNV Shareholder is urged to consult their independent professional adviser immediately regarding the tax consequences of the Offer applicable to them, including under applicable United States federal, state and local, as well as non-US and other, tax laws.

#### **Forward-looking statements**

This Announcement (including information incorporated by reference in this Announcement), oral statements made regarding the Offer, and other information published by TerraCom or TerraCom Bidco 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", "will", "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 TerraCom Group or its operations; and (iii) the effects of government regulation on the TerraCom Group or its business.

The forward-looking statements are not guarantees of future performance. Such forward-looking statements involve known and unknown risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors could cause actual results to differ materially from those projected or implied in any forward-looking statements. These factors include, but are not limited to, the satisfaction of the Conditions to the Offer, as well as additional factors, such as changes in political and economic conditions, changes in the level of capital investment, retention of key employees, changes in customer preferences, success of business and operating initiatives and restructuring objectives, impact of any acquisitions or similar transactions, changes in customers' strategies and stability, competitive product and pricing measures, changes in the regulatory environment, fluctuations of interest and exchange rates, the outcome of any litigation.

Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date of this Announcement. All subsequent oral or written forward-looking statements attributable to TerraCom or TerraCom Bidco or any of their respective members, directors, officers or employees or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above. TerraCom and TerraCom Bidco disclaim any obligation to update any forward-looking or other statements contained in this Announcement, except as required by applicable law.

#### **No profit forecasts or estimates**

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 UNV for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for UNV.

#### **Governing law and jurisdiction**

The Offer will comply with the applicable rules and regulations of the United Kingdom and Australia. The Offer will be governed and constructed in accordance with the laws of England and Wales and will be subject to the exclusive jurisdiction of the courts of the England and Wales and to the Conditions and further terms set out in Appendix 1, and the full terms and conditions to be set out in the Offer Document.

#### **Publication of this Announcement on website**

A copy of this Announcement and certain relevant documents relating to the Offer will be available, free of charge, subject to certain restrictions relating to persons resident or located in Restricted Jurisdictions, on TerraCom's website at [www.TerraComresources.com/UNVOffer](http://www.TerraComresources.com/UNVOffer).

For the avoidance of doubt, the contents of this website and any websites accessible from hyperlinks on this website are not incorporated into and do not form part of this Announcement.

#### **Right to receive documents in hard copy form**

Any person entitled to receive a copy of documents, announcements and information relating to the Offer is entitled to receive such documents in hard copy form free of charge. A person may also request that all future documents, announcements and information in relation to the Offer are sent

to them in hard copy form. Hard copies of such documents, announcements (including this Announcement), and information will not be sent unless requested.

A hard copy of this Announcement may be requested by any person entitled to receive a copy by contacting TerraCom's Company Secretary, Megan Etccl, via phone +61 7 4983 2038 or via e-mail: unvoffer@terracomresources.com.

### **Rounding**

Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

### **References to UNV CDIs**

References to **UNV Shares** and **UNV Shareholders** in this document include a reference to the UNV CDIs (in respect of the UNV Shares underlying and corresponding with the UNV CDIs) and UNV CDI Holders, where the context requires.

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**FOR IMMEDIATE RELEASE**

**3 February 2020**

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**BY  
TCIG RESOURCES PTE LTD (TERRACOM BIDCO)  
a wholly owned subsidiary of  
TERRACOM LIMITED (TERRACOM)**

**1. Introduction**

The Board of TerraCom is pleased to announce an offer by its wholly owned subsidiary, TerraCom Bidco, to acquire the entire issued and to be issued share capital of UNV not already directly or indirectly owned by it (the **Offer**). The Offer is to be implemented by way of a contractual takeover offer within the meaning given to that term in section 974 of the UK Companies Act.

**2. The Offer**

Under the terms of the Offer, which will be subject to the Conditions and further terms set out in Appendix 1 and to the full terms and conditions to be set out in the Offer Document, for each UNV Share held, UNV Shareholders (other than Restricted UNV Shareholders) will receive:

**10 cents in cash and approximately 0.6026 New TerraCom Shares**

The consideration payable under the Offer (**Offer Consideration**) will not be increased.

Based on TerraCom's 6 month volume weighted average trading price to 28 January 2020 of 39.0 cents per TerraCom Share, the Offer values each UNV Share at 33.5 cents and the entire issued and to be issued share capital of UNV at approximately A\$175 million on a fully diluted basis, and represents a premium of approximately:

- 42.6% to the closing price of 23.5 cents on the 31 January 2020 (being the last Business Day before the date of this Announcement, the **Latest Practicable Date**);
- 31.4% to the 6 month volume weighted average price of 25.5 cents ended on the Latest Practicable Date.

The Offer provides UNV Shareholders with:

- 42.6% of the value of UNV Shares on the Latest Practicable Date in cash; and
- 100% of the value of UNV Shares on the Latest Practicable Date in TerraCom Shares, based on a deemed value of 39.0 cents per TerraCom Share.

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UNV Shareholders, excluding TerraCom Bidco's existing holding, would own approximately 33.4% of the Merged Group (based on the ordinary issued share capital of TerraCom and UNV), and would participate in the potential future value creation in both UNV and TerraCom business.

No separate offer is being made to acquire UNV CDIs. However, UNV CDI Holders may accept the Offer in respect of the UNV Shares underlying and corresponding with the UNV CDIs held by them by, and only by, instructing the CDI nominee, Chess Depository Nominee Pty Limited, to accept the Offer in respect of the UNV Shares underlying and corresponding with the UNV CDIs held by them. Further details on how to accept the Offer in respect of the UNV CDIs will be set out in the Offer Document.

In order to comply with the requirements of the Australian Corporations Act 2001 (Cth) (**Corporations Act**) in relation to acceptances of the Offer, only UNV Shares (other than UNV CDIs) held in certificated form will be capable of acceptance pursuant to and in accordance with the terms of the Offer. Accordingly, in order for UNV Shareholders who hold their UNV Shares (other than CDIs) in uncertificated form (**Uncertificated UNV Shares**), that is, in CREST, to accept the Offer, it will be necessary to convert the Uncertificated UNV Shares into certificated form, that is withdrawn from CREST, prior to accepting the Offer.

If TerraCom Bidco is advised that the law of a country or territory precludes the allotment, issue and/or delivery to a UNV Shareholder of New TerraCom Shares in accordance with the Offer, except after compliance by TerraCom with any governmental or other consent or any registration, filing or other formality with which TerraCom is unable to comply or compliance with which TerraCom regards as unduly onerous, then TerraCom Bidco may, in its sole discretion, treat such UNV Shareholder as a Restricted UNV Shareholder for the purposes of the Offer. New TerraCom Shares to which any Restricted UNV Shareholder are entitled shall be issued to a person appointed by TerraCom or TerraCom Bidco to hold such New TerraCom Shares on terms that such person shall, as soon as possible following the date on which the Offer becomes, or is declared, wholly unconditional, procure the sale of the relevant New TerraCom Shares at the best price which can reasonably be obtained at the time of sale.

The net proceeds of any such sale (after all applicable deductions) shall be paid to the relevant Restricted UNV Shareholder pro rata to their entitlement to New TerraCom Shares in Australian Dollars by cheque drawn on a branch of an Australian clearing bank and despatched to the relevant Restricted UNV Shareholder at their registered address. Any remittance of the net proceeds of the sale referred to shall be at the risk of the relevant Restricted UNV Shareholder.

Restricted UNV Shareholders should consult their own legal and tax advisers with respect to the legal and tax consequences of the Offer in their particular circumstances.

If any dividend or other distribution is authorised, declared, made or paid in respect of UNV Shares on or after the date of this Announcement, the Offer Consideration will be reduced by the amount of such dividend or other distribution, in which case eligible UNV Shareholders will be entitled to receive or retain such dividend or other distribution. In calculating the amount of any such reduction, the cash component of the Offer Consideration will be reduced first.

Each New TerraCom Share issued as consideration under the Offer will be issued on a fully paid basis and rank equally with all existing TerraCom Shares. Fractions of New TerraCom Shares will be rounded to the nearest whole New TerraCom Share. TerraCom will apply for admission to quotation of the New TerraCom Shares seven days from the date on which the Offer Document, being a disclosure document for the purposes of Ch 6D of the Corporations Act 2001, is lodged with the Australian Securities & Investments Commission. Subject to approval for quotation being granted by the Australian Securities Exchange (**ASX**), the New

TerraCom Shares are expected to be quoted on the ASX. However, official quotation is not granted automatically on application.

Holding statements will be despatched in accordance with the ASX Listing Rules (**Listing Rules**). TerraCom disclaims all liability (to the maximum extent permitted by law) to persons who trade the New TerraCom Shares before receiving confirmation of their holding in the form of a holding statement.

### 3. **Background to and reasons for the Offer**

#### ***Background***

On 30 October 2019, TerraCom announced that it had reached a binding agreement for TerraCom Bidco to acquire 104,467,056 securities in UNV, being approximately 19.995% of the issued share capital of UNV (**Initial Stake**). On 13 November 2019, TerraCom Bidco lodged a Form 603 (Notice of initial substantial holder) with UNV and the ASX, following settlement and completion of the purchase.

Following initial discussions to appoint nominees to the UNV Board, TerraCom Bidco issued a requisition notice to UNV on 18 November 2019 to call a general meeting of UNV to appoint two nominees to the UNV Board. On 4 December 2019, UNV announced the appointment of Mr Wallace King AO and Mr Craig Ransley as non-executive directors on the UNV Board and as a result, TerraCom Bidco withdrew its requisition notice.

As a result of concerns in relation to the structure and independence of the UNV Board, particularly John Hopkins OAM as a chairman and director, TerraCom Bidco issued a requisition notice to UNV on 23 December 2019 to call a general meeting to remove John Hopkins OAM from the UNV Board. On 10 January 2020, UNV called a general meeting to consider the resolution however, on 13 January 2020, UNV announced John Hopkins OAM was resigning with immediate effect, which led to TerraCom Bidco withdrawing its requisition notice.

#### ***Offer***

Following the acquisition of the Initial Stake, TerraCom formed the view that the combination of the two businesses would be best served by an accelerated acquisition process. UNV has been subject to a number of failed takeover attempts throughout the last number of years that are likely to have frustrated UNV Shareholders. TerraCom believes these failed takeover attempts have wasted significant UNV management time and UNV Shareholder funds. Consequently, TerraCom is making this Announcement in order to give UNV Shareholders the opportunity to consider the Offer.

The Offer will provide:

- a stable, business of scale with TerraCom and UNV operating successful coal mines;
- expanded production footprint resulting in strong cash flow generation as a combined group with the ability to leverage an enhanced operating base to accelerate growth opportunities;
- geographic diversification of asset portfolio with TerraCom's primary operating mine (Blair Athol) in Queensland (Australia), and UNV primary operations in South Africa;
- a highly credentialed and diversified board and management team with extensive experience across both TerraCom and UNV.

Moving swiftly provides UNV Shareholders with a high degree of certainty, and also an accelerated process in relation to the Offer will allow both the TerraCom and UNV teams to focus on the most important part of their businesses, operating successful coal mines. As

noted below, TerraCom Bidco has received significant support from UNV Shareholders, representing 27.3% of UNV's issued share capital as at the Latest Practicable Date.

TerraCom chose to engage with UNV Shareholders prior to this Announcement rather than the UNV Board. Despite the Offer not being recommended by the UNV Board on the date of this Announcement, TerraCom continues to value the operating capability of the UNV management team including CEO Tony Weber and executive director Shammy Luvhengo.

4. **Irrevocable undertakings**

TerraCom Bidco has received irrevocable undertakings to accept the Offer in accordance with the procedure for acceptance set out in the Offer Document from African Minerals Exploration & Development Fund SICAR and Brasidas Investment Management LLC, in respect of an aggregate 142,852,084 UNV Shares representing approximately 27.3% of UNV's issued share capital as at the Latest Practicable Date.

Further details of the irrevocable undertakings given to TerraCom Bidco (and the circumstances in which such arrangements will cease to be binding or otherwise fall away) are set out in Appendix 3.

5. **No reliance on non-public information**

The information in this Announcement concerning UNV has been obtained from publicly available information. TerraCom has not had access to UNV's non-public information in connection with the Offer and accordingly TerraCom has been unable to perform any due diligence on such information. Although TerraCom has no knowledge that would indicate that the information relating to UNV is inaccurate or incomplete, TerraCom cannot verify it and it has not been subject to comment or verification by UNV.

6. **Information relating to TerraCom and TerraCom Bidco**

***TerraCom***

TerraCom is a successful, established coal producer incorporated in Australia, whose shares are traded on the ASX (ASX: TER). TerraCom focuses on acquiring, building and operating a large portfolio assets in the resource and energy sector in multiple jurisdictions. TerraCom's flagship project is the Blair Athol thermal coal project in the Bowen Basin in Queensland (Australia). TerraCom also owns the Baruun Noyon Uul (BNU) coking coal mine in the South Gobi Desert of Mongolia. In addition to the operating assets, TerraCom also has significant exploration assets in Queensland (Australia) located in Northern Galilee and Springsure.

In the financial year ended June 2019, TerraCom achieved ROM production of 3.4 Mt and coal sales of 3.0 Mt, resulting in revenue from operations of A\$338 million and operating EBITDA of A\$94 million.

The TerraCom team are highly experienced coal specialists with the Board of TerraCom headed by Wal King AO, as non-executive chairman, who was the CEO of Leighton Holdings Limited from 1987 to 2010 (now approximately A\$9.4 billion market capitalisation CIMIC Group Limited).

***TerraCom Bidco***

TerraCom Bidco is a wholly owned subsidiary of TerraCom established on 29 October 2019. TerraCom Bidco holds the Initial Stake and has not undertaken any activities, other than the investment in the Initial Stake, since its incorporation.

7. **Information relating to UNV**

UNV is a public limited company incorporated in England and Wales, whose securities are traded on the ASX. UNV has a portfolio of production, development and exploration assets located across South Africa's major coalfields. This includes the Kangala Mine in the Witbank Coalfield, which commenced production in February 2014, the New Clydesdale Colliery, which commenced production in 2016, the North Block Complex and the Ubuntu Colliery. In addition to the operating assets, UNV also has thermal coal projects (Eloff and Arnot South) and a coking coal prospect (Bernice/Cygnus) in the Soutpansberg Coalfield.

8. **Management, employees and business of UNV**

As noted above, TerraCom has not undertaken detailed due diligence on UNV. Accordingly, TerraCom has not been able to undertake any substantial analysis in order to formulate detailed plans or intentions regarding the impact of the acquisition of UNV on the TerraCom business.

TerraCom has high regard for the skills and experience of the existing management and employees of UNV and TerraCom. TerraCom believes retaining key personnel within UNV would be important for delivering the business's future strategy.

9. **Financing of the cash offer**

TerraCom Bidco will fund the cash component of the Offer from existing cash resources.

10. **Structure of the Offer**

It is intended that the Offer will be implemented by means of a contractual takeover offer within the meaning given to that term in section 974 of the UK Companies Act. The Offer will be subjected to the terms and Conditions referred to in Appendix 1 and to the full terms and conditions which will be set out in the Offer Document, the Form of Acceptance and the CDI Acceptance Form (in the case of UNV CDIs).

Among other Conditions, the Offer will be conditional on:

- (a) valid acceptances of the Offer being received (and not, where permitted, withdrawn) in respect of such number of UNV Shares which, when aggregated with the UNV Shares held by TerraCom Bidco at the date of the Offer and any UNV Shares acquired or contracted to be acquired by TerraCom Bidco on or after such date, carry more than 47.3% of the voting rights then normally exercisable at a general meeting of UNV (being the aggregate of UNV Shares held by TerraCom Bidco and UNV Shares the subject of irrevocable undertakings at the date of this Announcement); and
- (b) the admission to quotation on the ASX of the New TerraCom Shares to be issued in connection with the Offer becoming wholly unconditional or subject only to the ASX's usual conditions.

As noted above, TerraCom Bidco has received irrevocable undertakings that have no investor rights of revocation in the event that the Offer proceeds. Once the irrevocable undertakings are actioned, the acceptance condition will be met. Under each of the irrevocable undertakings acceptance is required no later than two Business Days following TerraCom Bidco posting the Offer Document to UNV Shareholders.

TerraCom has applied for and obtained approval from the ASX for a waiver of Listing Rule 7.1 in connection with the Share Offer, and therefore the Offer is not conditional on the receipt of approval from TerraCom shareholders with respect to the issue of New TerraCom Shares under the Share Offer.

The Offer will become or be declared unconditional in all respects only if all Conditions to the Offer have been satisfied. Subject to the satisfaction of the Conditions, it is expected that completion of the Offer will occur in March 2020.

11. **Compulsory acquisition, delisting and cancellation of trading**

If TerraCom Bidco acquires, whether through acceptances under the Offer or otherwise, 90% or more of the UNV Shares to which the Offer relates and the Offer becomes or is declared unconditional in all respects, TerraCom Bidco intends to exercise its rights pursuant to provisions of Chapter 3 of Part 28 of the UK Companies Act to acquire compulsorily UNV Shares in respect of which it has not received acceptances of the Offer on the same terms as the Offer. Failing any objections to the compulsory acquisition procedure, and consistent with ASX's Guidance Note 33, it is anticipated that trading in UNV securities will be automatically suspended, with delisting to occur at a later date.

If at the close of the Offer TerraCom Bidco holds more than 75% but fewer than 90% of all the UNV Shares, TerraCom Bidco intends to cause UNV to apply to the ASX to be delisted. Otherwise, TerraCom Bidco intends to consider whether it is appropriate to maintain UNV's listing on ASX, having regard to considerations such as the costs associated with maintaining that listing, TerraCom Bidco's final level of ownership, the number of remaining UNV Shareholders, the level of trading in UNV Shares and the considerations in ASX Guidance Note 33.

Following the Offer becoming or being declared unconditional in all respects, assuming the requisite thresholds discussed above are satisfied and UNV Shares are in fact delisted, TerraCom Bidco may procure that UNV be re-registered as a private company.

**Any delisting of UNV Shares and re-registration of UNV as a private limited company would significantly reduce the liquidity and marketability of any UNV Shares not assented to the Offer at that time, and their value may be affected as a consequence. Any remaining UNV Shareholders would become minority shareholders in a majority controlled private limited company, may be unable to sell their UNV Shares, and there can be no certainty that any dividends or other distributions shall be made by UNV so that UNV Shareholders shall again be offered as much for the UNV Shares held by them as under the Offer.**

12. **Interests in UNV Shares**

As at the Latest Practicable Date, TerraCom Bidco owns 104,467,056 UNV CDIs, which represents approximately 19.995% of the issued capital of UNV.

13. **Overseas shareholders**

The availability of the Offer, and the distribution of this Announcement, to persons who are not resident in Australia may be affected by the laws of the relevant jurisdiction in which they are resident. Such persons should inform themselves of and observe any applicable legal or regulatory requirements of their jurisdiction. UNV Shareholders who are in doubt about such matters should consult an appropriate independent professional adviser in the relevant jurisdiction without delay.

This Announcement does not constitute an offer for sale of any securities or an offer or an invitation to purchase any securities. UNV Shareholders are advised to read carefully the Offer Document and the Prospectus and, for UNV Shareholders who hold their UNV Shares in certificated form, the Form of Acceptance, and all other formal documentation once those documents have been despatched.

14. **Documents available on website**

A copy of this Announcement will be made available, subject to certain restrictions relating to persons resident or located in Restricted Jurisdictions, on TerraCom's website at [www.terracomresources.com/UNVOffer](http://www.terracomresources.com/UNVOffer) until the end of the Offer.

15. **General**

The Offer will extend to all UNV Shares unconditionally allotted or issued fully paid after the date of this Announcement and before the Offer closes.

In order to comply with the requirements of the Corporations Act in relation to acceptances of the Offer, only UNV Shares (other than CDIs) held in certificated form will be capable of acceptance pursuant to and in accordance with the terms of the Offer. Accordingly, in order for UNV Shareholders who hold Uncertificated UNV Shares, that is in CREST, to accept the Offer, it will be necessary to convert the Uncertificated UNV Shares into certificated form, that is withdrawn from CREST, prior to accepting the Offer. Normal CREST procedures (including timings) apply in relation to any Uncertificated UNV Shares that are to be converted from uncertificated to certificated form during the course of the Offer and it is recommended to refer to the CREST Manual for details of such procedures.

Further details of this process will be set out in the Offer Document and holders of Uncertificated UNV Shares who are proposing to convert any such shares are recommended to ensure that the conversion procedures are implemented in sufficient time to enable all necessary steps to be taken in connection with an acceptance of the Offer in accordance with the Offer timetable, which will be set out in the Offer Document.

The UNV Shares will be acquired under the Offer fully paid and free from all liens, charges, equitable interests, charges, encumbrances, rights of pre-emption and other third party rights of any nature whatsoever and together with all rights attaching to them as at the date of this Announcement or subsequently attaching or accruing to them, save for the right to receive any other dividend, distribution, share repurchase payment and/or return of capital in respect of which a corresponding reduction has been made to the Offer Consideration in accordance with paragraph 2.5 of Appendix 1.

UNV is a public limited company incorporated in England and Wales whose shares are traded on the ASX. It is, therefore, not subject to the UK City Code on Takeovers and Mergers (the **Code**) or the takeovers provisions of the Corporations Act. Accordingly, **the Code does not apply to the Offer and this transaction is not subject to the jurisdiction of, or regulated by, the UK Panel on Takeovers and Mergers. Additionally, the Offer will not be a 'takeover bid' pursuant to Ch 6 of the Corporations Act as it UNV not regulated by the takeovers provisions of the Corporations Act.**

Petra Capital Pty Limited has given and not withdrawn its consent to the publication of this Announcement with the inclusion herein of the references to their names in the form and context in which they appear.

**Enquiries:**

**TerraCom Bidco**

Megan Etccl

+61 7 4983 2038

[unvoffer@terracomresources.com](mailto:unvoffer@terracomresources.com)

TerraCom Bidco has retained Petra Capital Pty Limited as financial adviser and Ashurst LLP and Ashurst Australia as legal advisers in connection with the Offer.

## Important notice

Petra Capital Pty Limited is acting as financial advisor to TerraCom and TerraCom Bidco in connection with the Offer and for no one else and will not be responsible to any party for providing advice in relation to the Offer, the contents of this Announcement or any matters referred to herein.

This Announcement is for information purposes only and is not intended to and does not constitute, or form part of, an offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the Offer or otherwise, nor shall there be any sale, issuance or transfer of securities of UNV in any jurisdiction in contravention of applicable law.

The Offer will be made solely by means of the Offer Document, the Form of Acceptance and CDI Acceptance Form (in respect of UNV CDIs), which will contain the full terms and conditions of the Offer, including details of how to accept the Offer. The Offer Document will comprise, include or be accompanied by a disclosure document under Ch 6D of the Corporations Act (**Prospectus**) under which the Share Offer will be made. Any approval, decision or other response to the Offer and the Share Offer should be made only on the basis of the information in the Offer Document, which includes the Prospectus, the Form of Acceptance and the CDI Acceptance Form (in respect of UNV CDIs). UNV Shareholders (including UNV CDI Holders) are strongly advised to read the formal documentation in relation to the Offer and the Share Offer once it has been despatched. It is anticipated that UNV Shareholders will receive all formal documentation in February 2020.

## Overseas jurisdictions

This Announcement has been prepared in accordance with the laws of England and Wales and Australia and the information disclosed may not be the same as that which would have been disclosed in accordance with the laws of jurisdictions outside England and Wales and Australia. The statements contained in this Announcement are made as at the date of this Announcement, unless some other time is specified in relation to them, and there shall be no implication that there has been no change in the facts set forth in this Announcement since such date.

The release, publication or distribution of this Announcement in jurisdictions other than Australia may be restricted by the laws of those jurisdictions. Persons who are not resident in Australia, or who are subject to the laws of any jurisdiction other than Australia, should inform themselves about and observe any applicable requirements. Any person (including, without limitation, nominees, trustees and custodians) who would, or otherwise intends to, forward this Announcement, the Offer Document or any accompanying document to any jurisdiction outside Australia should refrain from doing so and seek appropriate professional advice before taking any action. Further details in relation to the Overseas Shareholders will be contained in the Offer Document. Any failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Offer disclaim any responsibility or liability for the violation of such restrictions by any person.

Unless otherwise determined by TerraCom Bidco and permitted by applicable law and regulation, the Offer will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may accept the Offer by any such use, means, instrumentality or facility or from within a Restricted Jurisdiction. Accordingly, copies of this Announcement and all documents relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this Announcement and all documents relating to the Offer (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions where to do so would violate the laws in that jurisdiction.

## Additional information for US investors

The Offer will be made for securities of a company incorporated in England and Wales and UNV Shareholders in the United States should be aware that this Announcement, the Offer Document, the Prospectus and any other documents relating to the Offer and the Share Offer have been or will be prepared in accordance with the laws of England and Wales and Australia (as the context requires) and applicable disclosure requirements, format and style thereunder, all of which differ from those in the United States.

This Announcement is not an offer of securities for sale in the United States. Securities may not be offered or sold in the United States absent registration with the United States Securities and Exchange Commission or an exemption from registration. There will be no public offering of these securities in the United States.

Securities to be issued pursuant to the Offer have not been, and will not be, registered under the US Securities Act of 1933, as amended (**Securities Act**), or under the securities laws of any state or other jurisdiction of the United States, and may not be offered, sold or resold except in transactions exempt from, or not subject to, the registration requirements of the Securities Act. Subject to certain exceptions, UNV Shareholders in the United States will only be able to accept the offering in respect of the cash consideration. A person who receives securities pursuant to the Offer may not resell such securities without registration under the Securities Act or without an applicable exemption from registration or in a transaction not subject to registration (including a transaction that satisfies the applicable requirements of Regulation S under the Securities Act).

For purposes of the US Securities Exchange Act of 1934, as amended (**US Exchange Act**), it is intended that the Offer will be made pursuant to Section 14(e) and Regulation 14E under the US Exchange Act benefitting from exemptions available to "Tier II" tender offers. Accordingly, the Offer will be subject to disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments that may be different from those applicable under US domestic tender offer procedures and law, and certain rules applicable to tender offers made into the United States, including rules promulgated under Section 14(d) of the US Exchange Act, do not apply.

The receipt of consideration by a US holder for the transfer of its UNV Shares pursuant to the Offer may be a taxable transaction for United States federal income tax purposes and under applicable United States state and local, as well as non-US and other, tax laws. Each UNV Shareholder is urged to consult their independent professional adviser immediately regarding the tax consequences of the Offer applicable to them, including under applicable United States federal, state and local, as well as non-US and other, tax laws.

## Forward-looking statements

This Announcement (including information incorporated by reference in this Announcement), oral statements made regarding the Offer, and other information published by TerraCom or TerraCom Bidco 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", "will", "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 TerraCom Group or its operations; and (iii) the effects of government regulation on the TerraCom Group or its business.

The forward-looking statements are not guarantees of future performance. Such forward-looking statements involve known and unknown risks and uncertainties that could significantly affect

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expected results and are based on certain key assumptions. Many factors could cause actual results to differ materially from those projected or implied in any forward-looking statements. These factors include, but are not limited to, the satisfaction of the Conditions to the Offer, as well as additional factors, such as changes in political and economic conditions, changes in the level of capital investment, retention of key employees, changes in customer preferences, success of business and operating initiatives and restructuring objectives, impact of any acquisitions or similar transactions, changes in customers' strategies and stability, competitive product and pricing measures, changes in the regulatory environment, fluctuations of interest and exchange rates, the outcome of any litigation.

Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date of this Announcement. All subsequent oral or written forward-looking statements attributable to TerraCom or TerraCom Bidco or any of their respective members, directors, officers or employees or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above. TerraCom and TerraCom Bidco disclaim any obligation to update any forward-looking or other statements contained in this Announcement, except as required by applicable law.

#### **No profit forecasts or estimates**

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 UNV for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for UNV.

#### **Governing law and jurisdiction**

The Offer will comply with the applicable rules and regulations of United Kingdom and Australia. The Offer will be governed and constructed in accordance with the laws of England and Wales and will be subject to the exclusive jurisdiction of the courts of the England and Wales and to the Conditions and further terms set out in Appendix 1, and the full terms and conditions to be set out in the Offer Document.

#### **Publication of this Announcement on website**

A copy of this Announcement and certain relevant documents relating to the Offer will be available, free of charge, subject to certain restrictions relating to persons resident or located in Restricted Jurisdictions, on TerraCom's website at [www.TerraComresources.com/UNVOffer](http://www.TerraComresources.com/UNVOffer).

For the avoidance of doubt, the contents of this website and any websites accessible from hyperlinks on this website are not incorporated into and do not form part of this Announcement.

#### **Right to receive documents in hard copy form**

Any person entitled to receive a copy of documents, announcements and information relating to the Offer is entitled to receive such documents in hard copy form free of charge. A person may also request that all future documents, announcements and information in relation to the Offer are sent to them in hard copy form. Hard copies of such documents, announcements (including this Announcement), and information will not be sent unless requested.

A hard copy of this Announcement may be requested by contacting TerraCom's Company Secretary, Megan Etccl, via phone +61 7 4983 2038 or via e-mail: [unvoffer@terracomresources.com](mailto:unvoffer@terracomresources.com).

#### **Rounding**

Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and

figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

**References to UNV CDIs**

References to **UNV Shares** and **UNV Shareholders** in this document include a reference to the UNV CDIs (in respect of the UNV Shares underlying and corresponding with the UNV CDIs) and UNV CDI Holders, where the context requires.

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## APPENDIX 1

### CONDITIONS AND FURTHER TERMS OF THE OFFER

The Offer will be made on the terms and conditions set out in this Appendix 1 and to be set out in the Offer Document, the Form of Acceptance and the CDI Acceptance Form (in respect of UNV CDIs).

#### 1. PART A: CONDITIONS TO THE OFFER

The Offer will be conditional upon:

##### Acceptance Condition

- 1.1 valid acceptances of the Offer being received (and not, where permitted, withdrawn) in respect of such number of UNV Shares which, when aggregated with the UNV Shares held by TerraCom Bidco at the date of the Offer and any UNV Shares acquired or contracted to be acquired by TerraCom Bidco on or after such date, carry more than 47.3% (being the aggregate of UNV Shares held by TerraCom Bidco and UNV Shares the subject of irrevocable undertakings at the date of this Announcement) of the voting rights then normally exercisable at a general meeting of UNV including for this purpose any such voting rights attaching to UNV Shares which have been unconditionally allotted or issued before the Offer becomes or is declared unconditional (whether pursuant to the exercise of any outstanding subscription or conversion rights or otherwise). For the purposes of this Condition:
- (a) UNV Shares which have been unconditionally allotted shall be deemed to carry the voting rights they will carry upon being entered into the register of members of UNV;
  - (b) UNV Shares that cease to be held in treasury shares are UNV Shares to which the Offer relates;
  - (c) valid acceptances shall be deemed to have been received in respect of UNV Shares which are treated for the purposes of Part 28 of the UK Companies Act as having been acquired or contracted to be acquired by TerraCom Bidco by virtue of acceptances of the Offer.
- 1.2 The admission to quotation on the ASX of the New TerraCom Shares to be issued in connection with the Offer becoming wholly unconditional or subject only to ASX's usual conditions.

#### 2. PART B: CERTAIN FURTHER TERMS OF THE ACQUISITION

- 2.1 The Conditions are for the benefit of TerraCom Bidco and no UNV Shareholder shall be entitled to waive any of the Conditions without the prior written consent of TerraCom Bidco.
- 2.2 TerraCom Bidco will be under no obligation to treat as fulfilled any of the Conditions by a date earlier than the latest date for the fulfilment of that Condition notwithstanding that the other Conditions of the Offer may at such earlier date have been fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.
- 2.3 The UNV Shares to be acquired under the Offer will be acquired fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights now or hereafter attaching or accruing to them, including, without limitation, voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid, or any other return of capital (whether by reduction of share capital or share premium account or otherwise) made, on or after the date of this Announcement.

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- 2.4 Subject to the terms of the Offer, if, on or after the date of this Announcement, any dividend or other distribution is announced the Offer Consideration will reduce by the amount of any such dividend or other distribution, in which case: (a) any reference in this Announcement or in the Offer Document to the Offer Consideration for the UNV Shares will be deemed to be a reference to the Offer Consideration as so reduced; and (b) the relevant eligible UNV Shareholders will be entitled to receive and retain such dividend or distribution. To the extent that any such dividend or distribution announced, declared or paid is: (x) transferred pursuant to the Offer on a basis which entitles TerraCom Bidco to receive the dividend or distribution and to retain it; or (y) cancelled, the Offer Consideration will not be subject to change in accordance with this paragraph. Any reduction of the Offer Consideration as referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the Offer. In calculating the amount of any such reduction, the cash component of the Offer Consideration will be reduced first.
- 2.5 Subject to the terms of the Offer, if, on or after the date of this Announcement, the UNV Shares are subdivided, the Offer Consideration will reduce in accordance with the new fully diluted share capital of UNV, in which case any reference in this Announcement or in the Offer Document to the Offer Consideration for the UNV Shares will be deemed to be a reference to the Offer Consideration as so reduced. Any reduction of the Offer Consideration as referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the Offer. In calculating the amount of any such reduction, the cash component of the Offer Consideration will be reduced first.
- 2.6 In the event that TerraCom Bidco is temporarily prevented by law from satisfying any of its obligations under the Offer, TerraCom Bidco is not obliged to satisfy any of its obligations under the Offer until permitted by law to satisfy all of its obligations under the Offer.
- 2.7 In the event that TerraCom Bidco is permanently prevented by law from satisfying any of its obligations under the Offer, TerraCom Bidco is not obliged to satisfy any of its obligations under the Offer and any acceptances of the Offer for which the Offer Consideration has not been provided will be void and of no effect.
- 2.8 If the Offer lapses, it will cease to be capable of further acceptances. UNV Shareholders who have already accepted the Offer will then cease to be bound by acceptances submitted at or before the time the Offer lapses.
- 2.9 The availability of the Offer to persons not resident in Australia may be affected by the laws of the relevant jurisdictions. Persons who are not resident in Australia should inform themselves about and observe any applicable requirements.
- 2.10 The Offer is not being made, directly or indirectly, in, into or from, or by use of the mails of, or by any means of instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, any Restricted Jurisdiction where to do so would violate the laws of that jurisdiction.
- 2.11 The Offer shall be governed by, and construed in accordance with, the laws of the England and Wales and be subject to the exclusive jurisdiction of the courts of England and Wales and to the Conditions set out above and in the Offer Document and to the provisions of this Part B. The Offer will comply with the applicable rules and regulations of United Kingdom and Australia and any other applicable laws or regulations. Each of the Conditions will be regarded as a separate Condition and will not be limited by reference to any other Condition.

## APPENDIX 2

### SOURCES OF INFORMATION AND BASES OF CALCULATION

1. The value placed by the Offer on the existing issued and to be issued share capital of UNV on a fully diluted basis is based upon 522,471,758 UNV Shares as at the Latest Practicable Date (and assuming no UNV Shares are held in treasury).
2. The Closing Price on the Latest Practicable Date or 28 January 2020 (as applicable) is taken from information published by ASX and Chi-X (as applicable).
3. Volume-weighted average prices have been derived from information published by ASX and Chi-X (as applicable) and have been rounded to the nearest single decimal place.
4. Unless otherwise stated, the financial information relating to UNV is extracted from the audited consolidated financial statements of UNV for the financial year ended 30 June 2019.
5. Certain figures included in this Announcement have been subject to rounding adjustments.

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### APPENDIX 3

#### IRREVOCABLE UNDERTAKINGS

TerraCom Bidco has received irrevocable undertakings to accept the Offer in accordance with the terms of the Offer Document:

<b>Name of UNV Shareholder (including UNV CDI Holder)</b>	<b>Number of UNV Shares</b>	<b>Percentage of UNV issued share capital</b>
African Minerals Exploration & Development Fund SICAR on behalf of Coal Development Holdings B.V.	39,000,000	7.5%
Brasidas Investment Management LLC, on behalf of Brasidas Asia Event Driven Fund LP	50,323,950	9.6%
Brasidas Investment Management LLC, on behalf of Walleye Manager Opportunities LLC	34,716,000	6.6%
Brasidas Investment Management LLC, on behalf of Boothbay Absolute Return Strategies LP	18,812,134	3.6%
<b>Total</b>	<b>142,852,084</b>	<b>27.3%</b>

The UNV Shares referred to in the table above are either held by the UNV Shareholder directly, held via a nominee or by the CDI Nominee on behalf of the UNV CDI Holder. In each case, the UNV Shareholder has undertaken to accept (and to use all reasonable endeavours to procure the acceptance of) the Offer in accordance with the terms of the Offer Document.

All of these irrevocable undertakings terminate and automatically cease to have any effect if:

- (a) the Announcement is not released by 5 p.m. (Sydney time) on 5 February 2020;
- (b) TerraCom Bidco announces that it does not intend to proceed with the Acquisition and no new, revised or replacement acquisition (to which the undertakings apply) is announced at the same time; or
- (c) the Offer lapses or is withdrawn and no new, revised or replacement acquisition (to which the undertakings apply) is announced at the same time.

In addition, these undertakings will remain binding unless a competing unconditional offer of equivalent to 15% higher than the 33.5 cent Offer Consideration is received prior to Offer becoming unconditional in all respects.

## APPENDIX 4

### DEFINITIONS

The following definitions apply throughout this Announcement unless the context requires otherwise:

<b>Announcement</b>	this announcement
<b>associated undertakings</b>	has the meaning given in section 1151 of the UK Companies Act
<b>ASX</b>	ASX Limited ABN 98 008 62 691 and, where the context requires, the financial market that it operates which is known as the Australian Securities Exchange
<b>Australia</b>	the Commonwealth of Australia
<b>Board</b>	the board of directors of TerraCom
<b>Business Day</b>	a day (other than Saturdays, Sundays and public holidays in the United Kingdom and Australia) on which the banks are generally open for normal business in the City of London and Australia
<b>CDI or CHESS Depository Interest</b>	a unit of beneficial ownership that confers a beneficial interest in an underlying security which, in this case, is one UNV Share
<b>CDI Acceptance Form (CHESS)</b>	the CDI acceptance form attached to or accompanying this document pursuant to which UNV CDI Holders who hold UNV CDIs through UNV's CHESS Subregister accept the offer
<b>CDI Acceptance Form (Issuer Sponsored)</b>	the CDI acceptance form attached to or accompanying this document pursuant to which UNV CDI Holders who hold UNV CDIs through UNV's Issuer Sponsored Subregister may accept the offer
<b>CDI Acceptance Forms</b>	the CDI Acceptance Form (CHESS) and/or the CDI Acceptance Form (Issuer Sponsored)
<b>Closing Price</b>	the closing price of a UNV Share or a TerraCom Share (as applicable) as at the close of trading on the day to which such quotation relates as derived from information published by ASX and Chi-X (as applicable)
<b>Code</b>	the UK City Code on Takeovers and Mergers
<b>Conditions</b>	the conditions of the Offer set out in Appendix 1 to this Announcement and to be set out in the Offer Document
<b>Corporations Act</b>	the Australian <i>Corporations Act 2001</i> (Cth)
<b>CREST</b>	the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001/3755)) in respect of which Euroclear is the Operator (as defined in those Regulations) in accordance with which securities may be held and transferred in uncertificated form
<b>Disclosed</b>	the information which:  (a) has been fairly disclosed in the UNV 2019 Annual Report; or  (b) has been publicly announced by UNV before the date of this Announcement on the ASX
<b>Euroclear</b>	Euroclear UK & Ireland Limited, the operator of CREST

<b>Exchange Act</b>	the US Securities Exchange Act of 1934, as amended
<b>Form of Acceptance</b>	the form of acceptance and authority relating to the Offer which will accompany the Offer Document
<b>Initial Stake</b>	TerraCom Bidco's acquisition of 104,467,056 securities in UNV, being approximately 19.995% of the issued share capital of UNV
<b>Latest Practicable Date</b>	31 January 2020, being the last Business Day before the date of this Announcement
<b>Listing Rules</b>	the ASX Listing Rules
<b>Merged Group</b>	the enlarged group following completion of the Offer, comprising the TerraCom Group and the UNV Group
<b>New TerraCom Shares</b>	up to approximately 251,874,628 new shares of TerraCom to be issued in connection with this Offer
<b>Offer</b>	an offer by TerraCom Bidco for the entire issued and to be issued share capital of UNV not already directly or indirectly owned by it
<b>Offer Consideration</b>	the consideration to be delivered by TerraCom under the terms of the Offer, comprising approximately 0.6026 New TerraCom Shares and 10 cents per UNV Share
<b>Offer Document</b>	the offer document to be posted to UNV Shareholders containing the full terms and Conditions of the Offer
<b>Overseas Shareholders</b>	UNV Shareholders who are resident in, ordinarily resident in, citizens of, jurisdictions outside Australia
<b>Prospectus</b>	the disclosure document under Ch 6D of the Corporations Act to be combined with the Offer Document and posted to UNV Shareholders containing the terms of the Share Offer, which will be accompanied by the Form of Acceptance to be completed by accepting UNV Shareholders
<b>Restricted Jurisdiction</b>	any jurisdiction where local laws or regulation may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Offer is sent or made available in that jurisdiction
<b>Restricted UNV Shareholder</b>	subject to certain exceptions to be further detailed in the Offer Document, UNV Shareholders with a registered address in, or who are located in, a Restricted Jurisdiction
<b>Securities Act</b>	the US Securities Act of 1933, as amended
<b>Share Offer</b>	the offer of the New TerraCom Shares as consideration under the Offer
<b>subsidiary</b>	has the meaning given in section 1159 of the UK Companies Act
<b>subsidiary undertakings</b>	has the meaning given in section 1162 of the UK Companies Act
<b>TerraCom</b>	TerraCom Limited
<b>TerraCom Bidco</b>	TCIG Resources Pte Ltd
<b>TerraCom Group</b>	TerraCom and its subsidiaries and subsidiary undertakings from time to time, including TerraCom Bidco

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<b>TerraCom Shares</b>	the ordinary shares in the capital of TerraCom
<b>UK or United Kingdom</b>	the United Kingdom of Great Britain and Northern Ireland
<b>UK Companies Act</b>	the Companies Act 2006 (as amended)
<b>Uncertificated UNV Shares</b>	UNV Shares in uncertificated form
<b>UNV</b>	Universal Coal plc
<b>UNV 2019 Annual Report</b>	the annual report and accounts of UNV for the financial year ended 30 June 2019
<b>UNV Board</b>	the board of directors of UNV
<b>UNV Group</b>	UNV and its subsidiaries and subsidiary undertakings from time to time
<b>UNV Shareholders</b>	the registered holders of UNV Shares from time to time
<b>UNV Shares</b>	the ordinary shares in the capital of UNV and any further such ordinary shares which are unconditionally allotted or issued while the Offer remains open for acceptance or before such earlier date as TerraCom may determine, not being earlier than the date on which the Offer becomes, or is declared, unconditional as to acceptances or, if later, the closing date of the Offer
<b>UNV Shares to which the Offer relates</b>	the expression shall be construed in accordance with Chapter 3 of Part 28 of the UK Companies Act

A reference to "includes" shall mean "includes without limitation", and references to "including" and any other similar term shall be construed accordingly.

References to the singular include the plural and vice versa.

All times referred to are Sydney time unless otherwise stated.

All references to "**Australian Dollars**", "**A\$**" or "**cents**" are to the lawful currency of Australia.

All references to statutory provision or law or to any order or regulation shall be construed as a reference to that provision, law, order or regulation as extended, modified, replaced or re-enacted from time to time and all statutory instruments, regulations and orders from time to time made thereunder or deriving validity therefrom.

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