

*20:20 Investor Series  
Sydney – July 2011*



**universal**  
coal plc

*Dr Tony Harwood – Executive Chairman*

**ASX:UNV**



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## **Competent Person Statement**

The information in this report that relates to Exploration Results, Minerals Resources or Ore Reserves relating to the Kangala, Roodekop, Brakfontein, Berenice-Soutpansberg and Somerville-Tuli 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 have 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.

# Corporate Strategy



- **We aim to** become a mid-tier South African thermal and coking coal mining company
- **We have** substantial coking coal assets with large tonnage potential
- **We are** developing low-cost, high-margin thermal coal assets
- **We will** target low-cost, high-margin assets with good infrastructure
- **We will** leverage skills and relationships developed in South Africa over 26 years



# Highlights

- ❑ Resources inventory – 1.8 Bt gross *in situ* (JORC-compliant) resources
- ❑ Coking coal projects – 1.48 Bt
  - Berenice/Cygnus Project
    - ❖ Significant increase achieved on resource base
  - Somerville Project
- ❑ Three thermal coal projects – 332Mt
  - Kangala – bankable feasibility study
  - Roodekop – 48 Mt open pit resource
  - Brakfontein – drilling complete for feasibility



# Corporate Profile



ASX Code	UNV
Existing shares on issue	203.5m
Share price (13/07/2011)	A\$0.36
Market capitalisation	A\$73.2m
Options on issue	26.9m

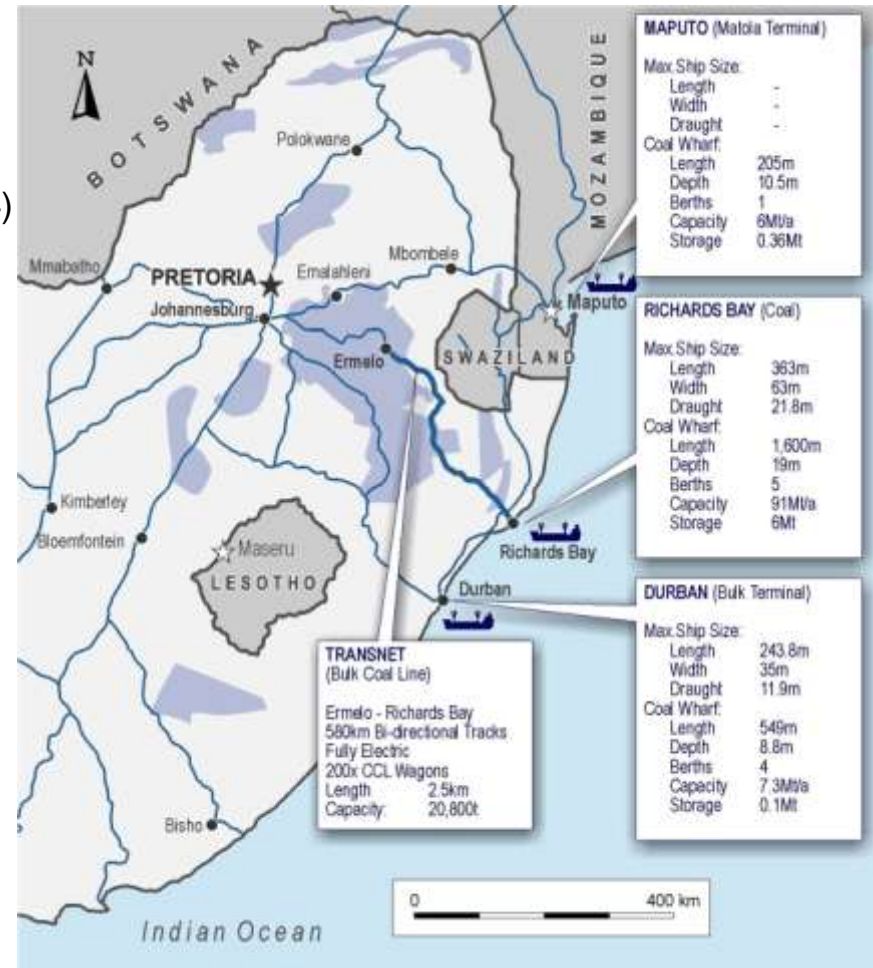
## Directors

Dr Tony Harwood	Executive Chairman	Mining Executive, Geologist
Mr Tony Weber	Chief Executive Officer	Mining Engineer
Mr Henri Bonsma	Non-executive Director	Mining Lawyer
Mr Shammy Luvhengo	Non-executive Director	Investment Banker, Geologist
Mr John Hopkins	Non-executive Director - Aust	Mining Executive, Lawyer

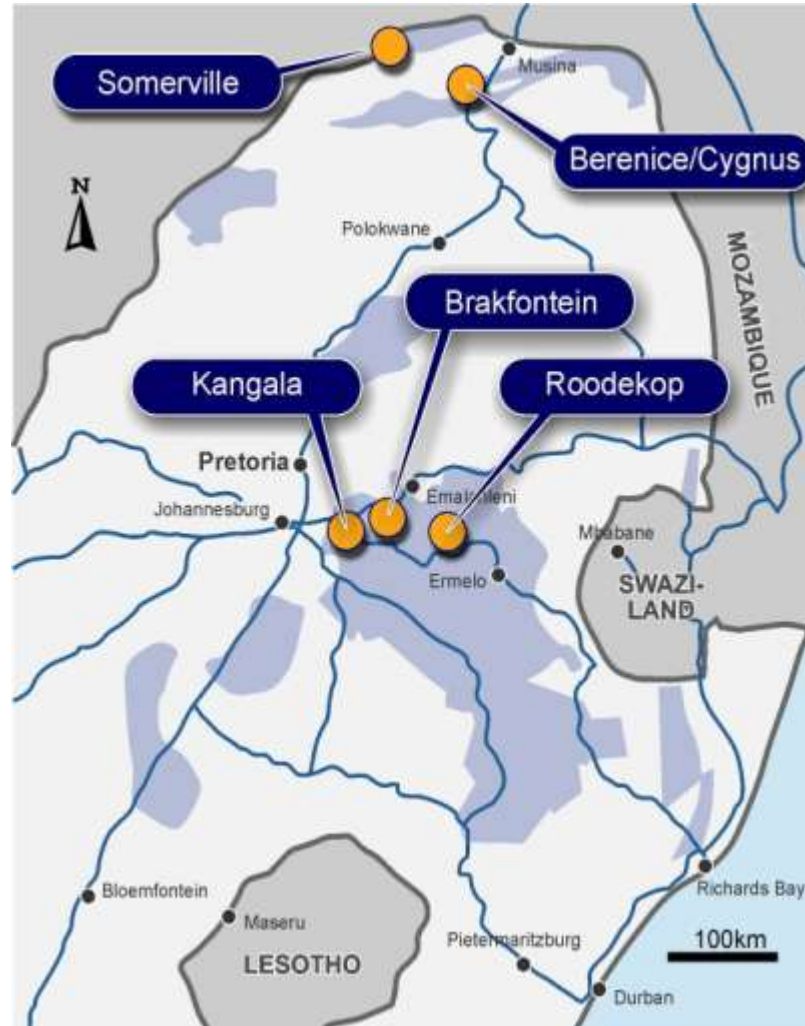
# South African Coal Sector



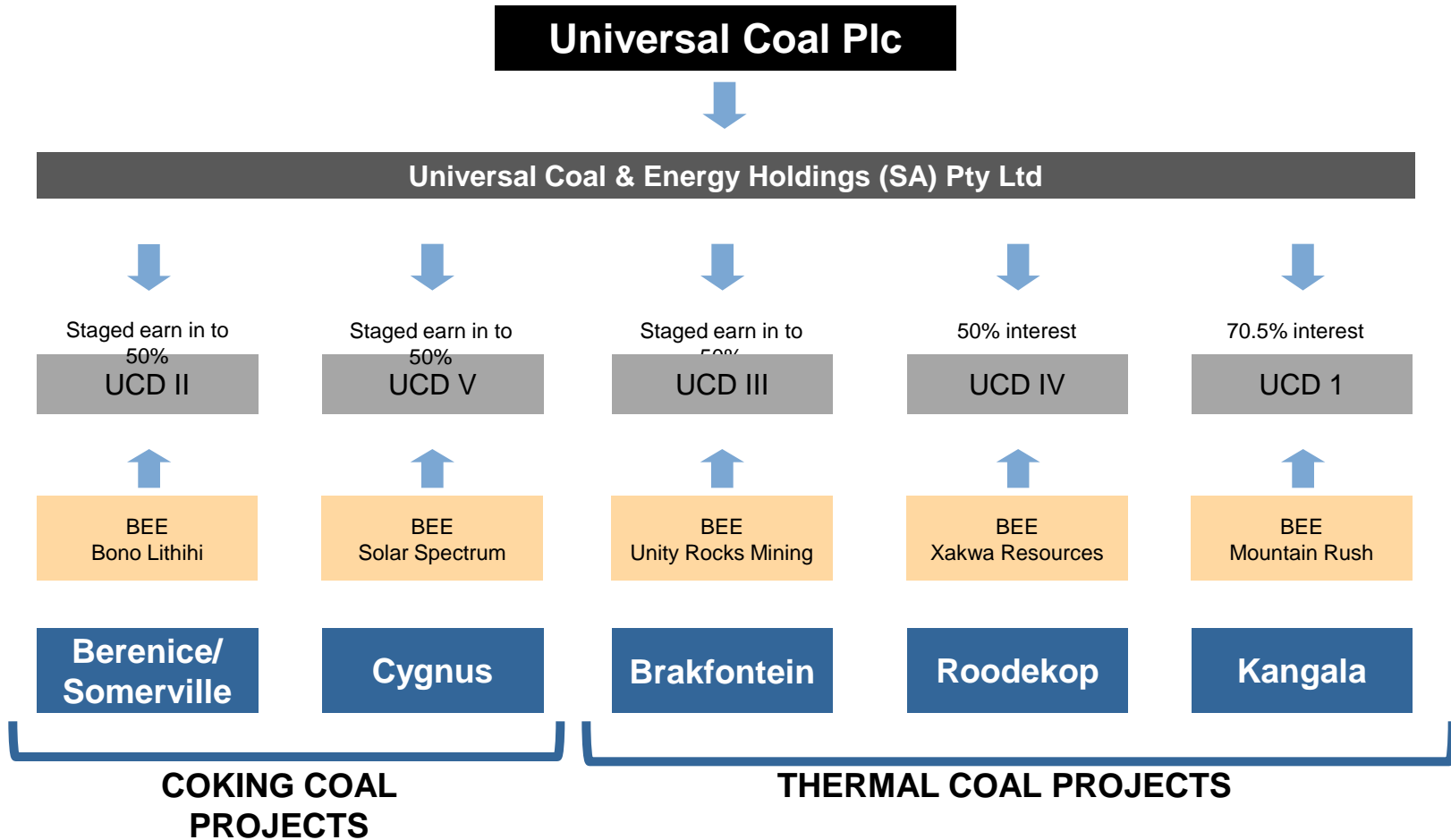
- ❑ **Mature coal mining culture**
  - major and junior miners producing 236Mt (2008)
  - large number of contractors with capacity
- ❑ **Good and existing infrastructure**
  - port capacity (RBCT capacity increased 91Mt pa)
  - rail capacity (RBCT rail increase to 81Mtpa in 2014)
  - alternative rail access to Maputo and Durban
  - upgrading of Richards Bay and Maputo Ports
- ❑ **Strong domestic demand**
  - Eskom consumption 125Mtpa (2008)
  - domestic non-power sector (10Mtpa 2008)
  - Sasol coal to liquids (41Mtpa 2008)
  - Independent Power Producers (IPP's)
- ❑ **Strong export demand**
  - large demand from India, Korea and China
- ❑ **Quality coal, quality location**
  - high CV, low moisture, low sulphur coal
  - all projects close to rail sidings
- ❑ **New opportunities for growth**
  - access to quality coal deals, with strong interest for off take, joint ventures or project sales from Asian customers (India, China, Korea)



# Universal Current Project Locations

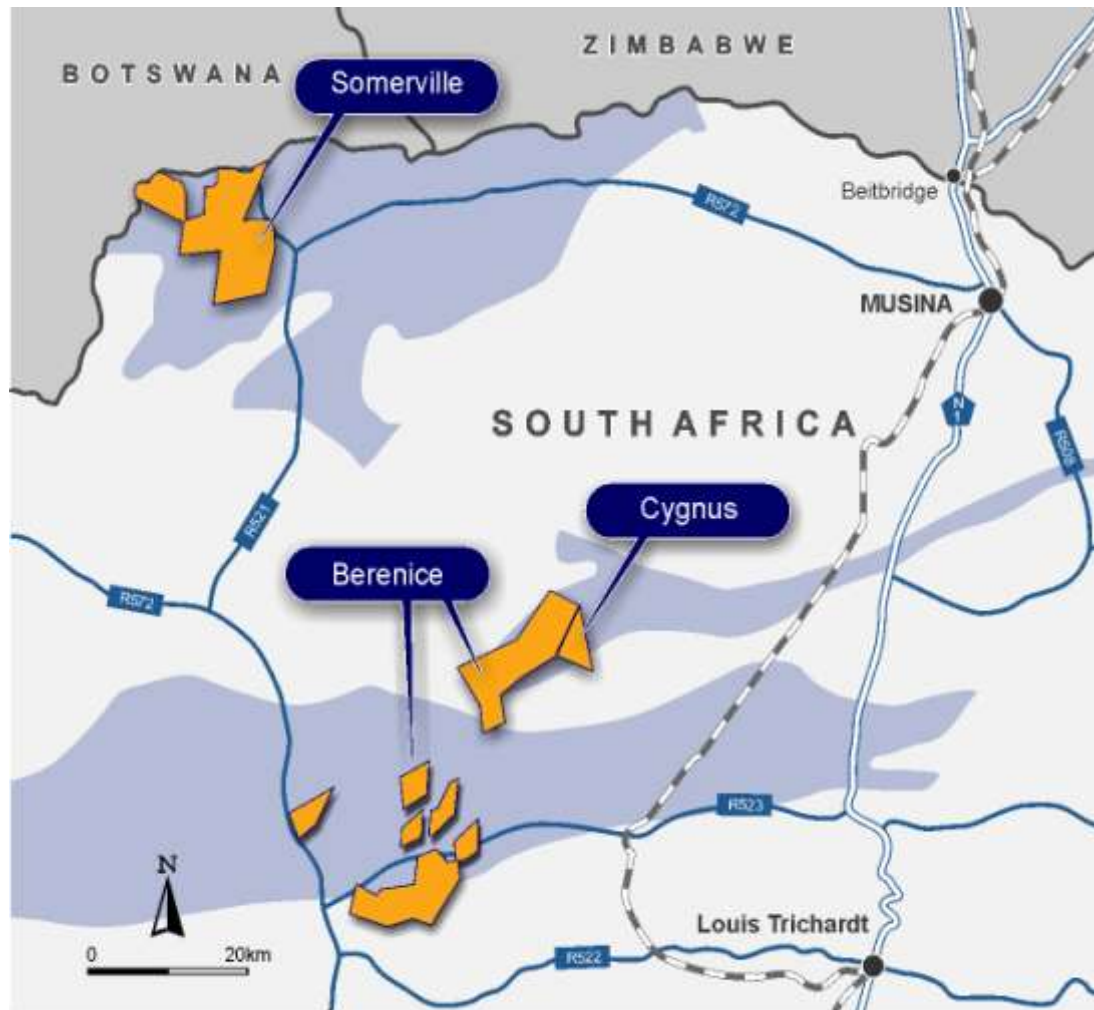


# Project Ownership Structure



UCD = Universal Coal Development

# Location: Coking Coal Projects

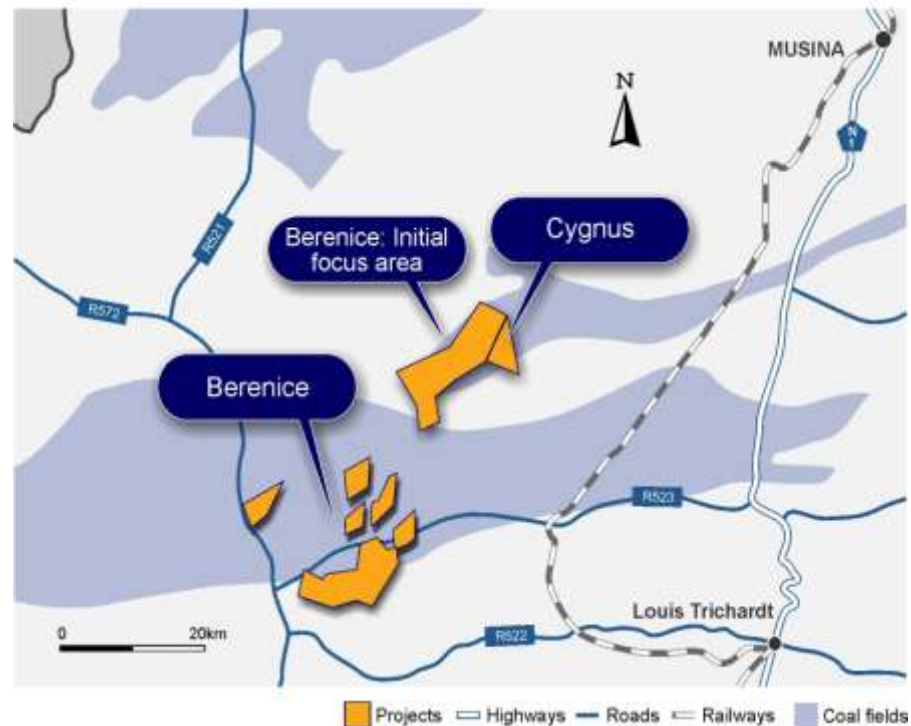


Projects Highways Roads Railways Coal fields

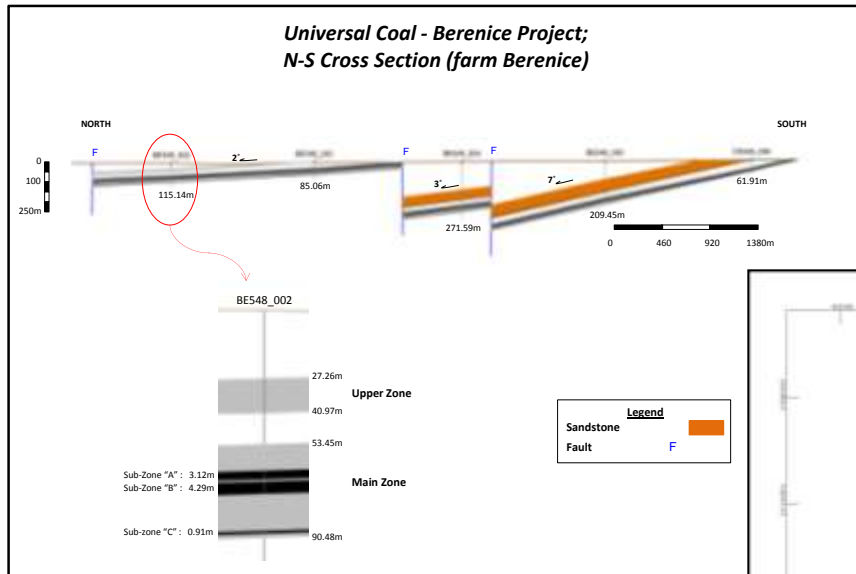
# Berenice/Cygnus: Coking Coal Project universal coal plc

## Key figures

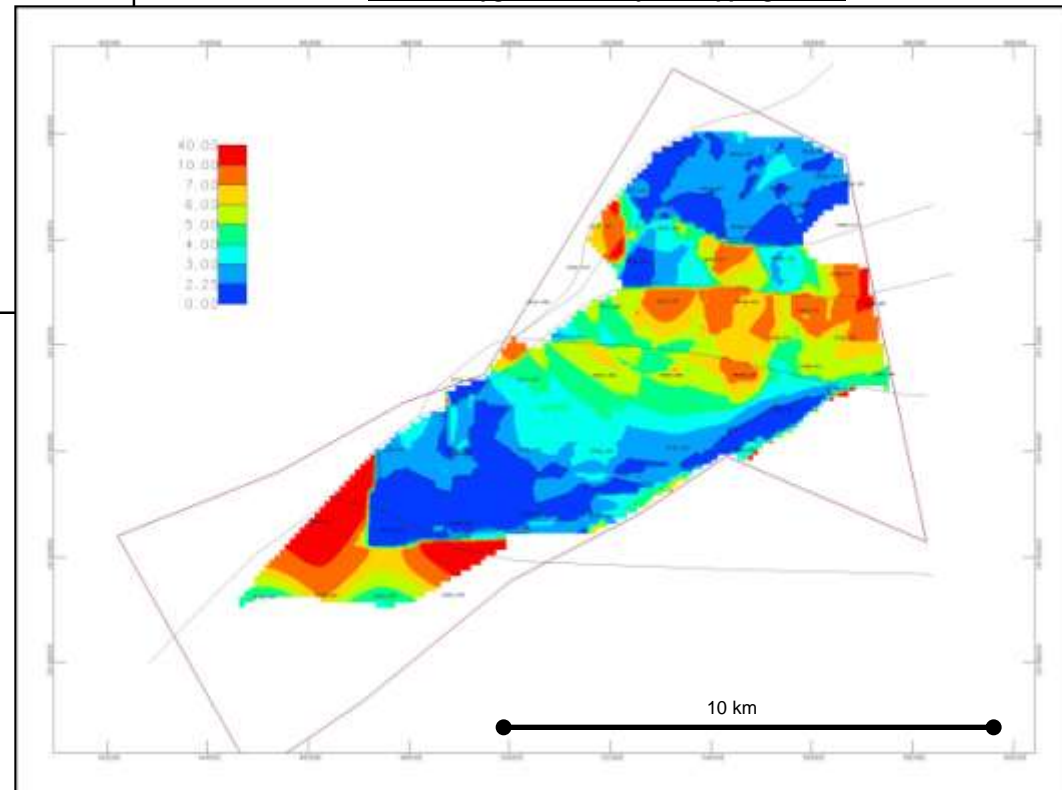
<b>Ownership</b>	Earn-in to 50% (option to acquire 74%) 50% by drilling a measured resource
<b>Resources</b>	1.2 Bt gross <i>in situ</i> Inferred and Indicated Coal Resources (JORC)
<b>Exploration</b>	<ol style="list-style-type: none"> <li>Detailed coking coal test work on large diameter holes in progress, to be completed end-Q3 2011</li> <li>Phase 2 drilling to upgrade a portion of the resource to the Measured Category - to commence H2 2011</li> </ol>
<b>Target development</b>	Feasibility study commences 2012
<b>Highlights</b>	<ul style="list-style-type: none"> <li>1<sup>st</sup> Phase resource drilling resulted in a significant upgrade in resources and confidence levels</li> <li>Drilling confirmed shallow, consistently developed coal zones containing coking coal, exploitable by open cast mining methods</li> <li>30km from main line railway siding linked to the Maputo and Richards Bay Ports</li> <li>Outside environmentally sensitive areas and outside the Mapungupwe World Heritage Site and proposed buffer zone</li> <li>2<sup>nd</sup> Phase drilling to commence in Q4 2011</li> </ul>



# Berenice/Cygnus: Geology



**Berenice-Cygnus Coal Project Stripping Ratios**



- Phase 1 - 52 slim diameter and 8 large diameter holes
- Coal occurs within eight sub-zones in a 35m – 40m thick composite carbonaceous unit deposited within a structurally controlled half-graben, approximately 12.5km in length and 4km wide
- The coal-rich sub-zones have been intersected from sub-outcrop, less than 20m in depth, up to 250m below surface
- Large diameter samples submitted for detailed coking coal and coke analyses (incl. Grey King, Gieseler Plasticity, Arnu Dilatation, Petrographic Analysis, etc) – results expected end-October 2011

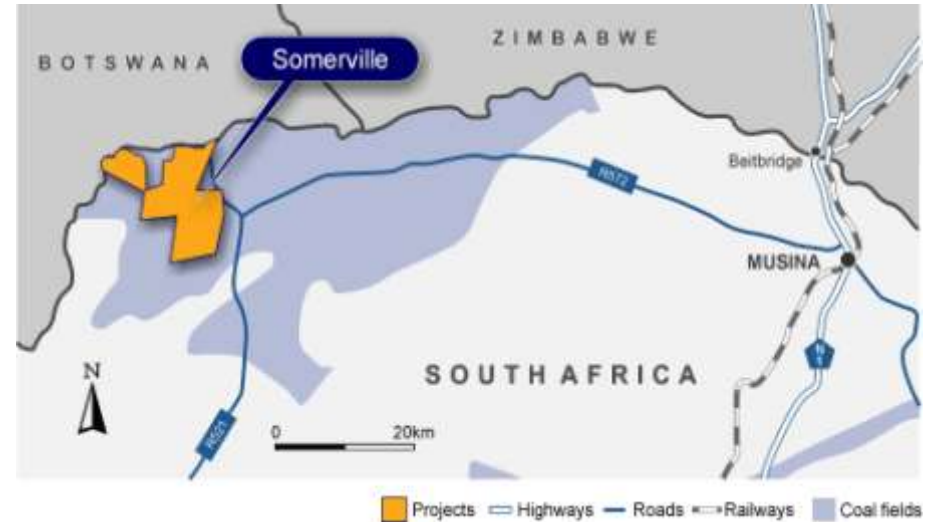
# Somerville Project Overview

## Key figures

<b>Ownership</b>	Earn-in to 50% (opportunity to acquire 74%)
<b>Resources</b>	274Mt gross <i>in situ</i> Inferred Resources (JORC) - coking coal
<b>Exploration</b>	Exploration target within tenements is 800-1,000Mt*

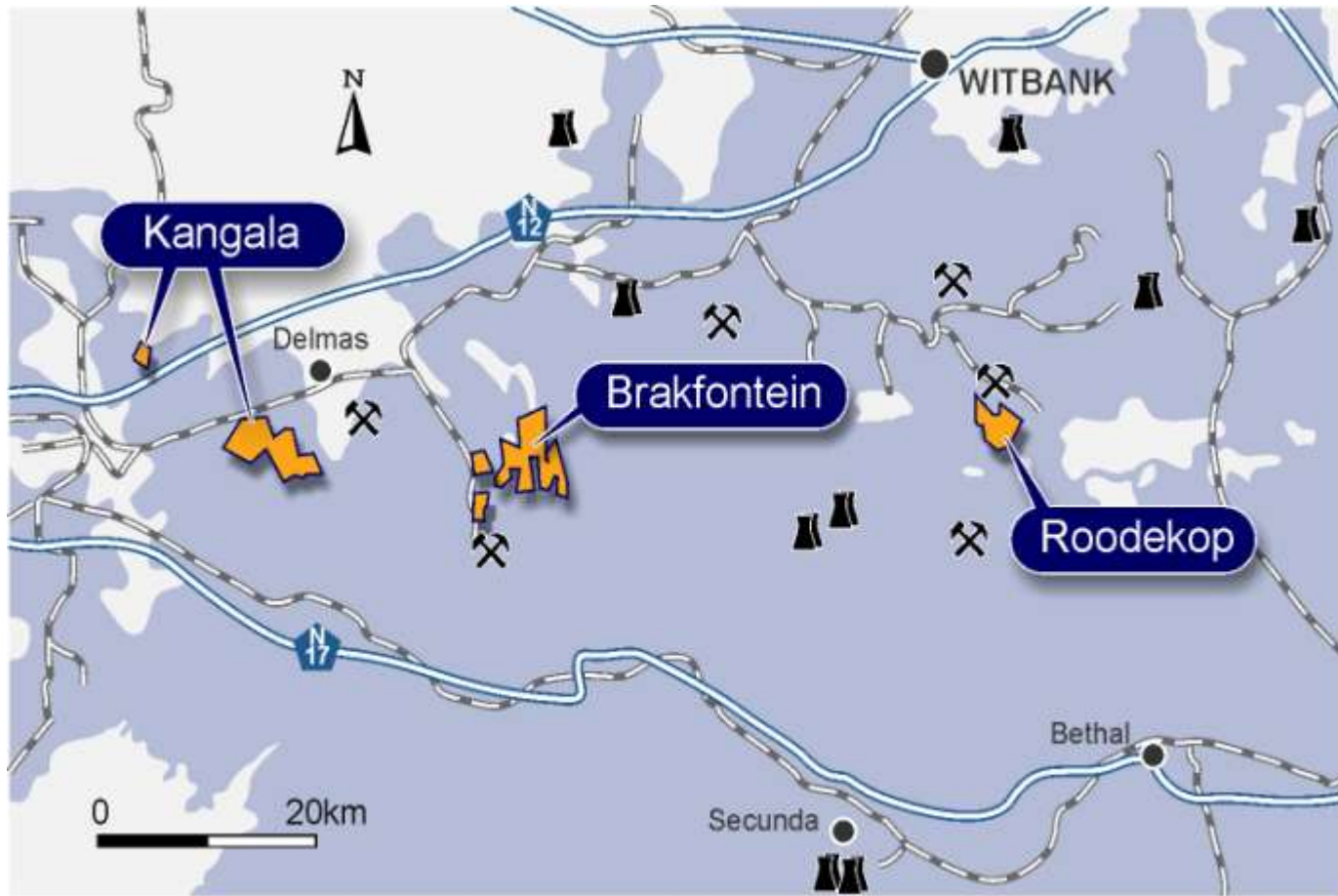
## Highlights

- 15,000ha under prospecting license
- 6 holes drilled historically illustrating coking coal potential
- Internal desk top studies to assess exploration potential



\* The potential quantity and grade of the Somerville exploration target is conceptual in nature and there currently is insufficient drilling to define a Mineral Resource above and beyond the existing Resource as stated

# Location: Witbank Thermal Coal Project universal coal plc



 Projects  Highways  Railways  Coal fields  Coal mines  Power stations

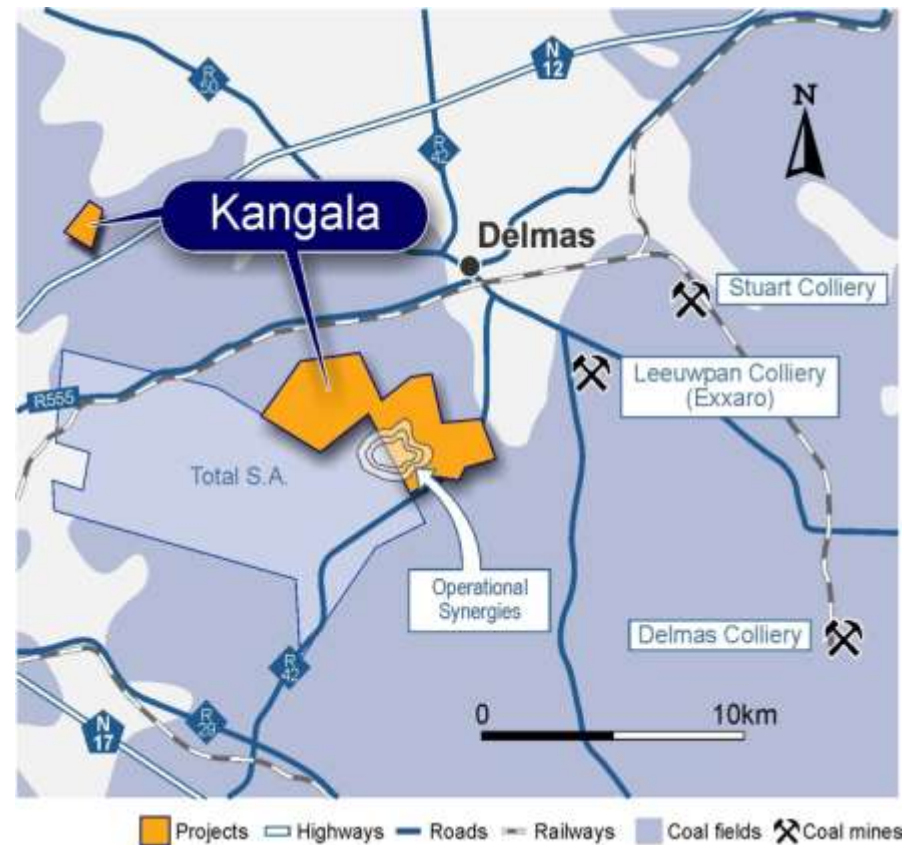
# Kangala: Domestic Thermal Coal Project universal coal plc

## Key figures

<b>Ownership</b>	70.5% (BEE 29.5%)
<b>Resources</b>	Total of 124Mt <i>in situ</i> Measured, Indicated and Inferred Resources (JORC)
<b>Target costs</b>	Opex – ZAR90 / ROM tonne (A\$13/t)
<b>Target development</b>	* Targeting 3.0Mt pa production rate Commences H2 2011

## Highlights

- Mining right granted
- BFS being finalized
- Targeting 5,400Kcal/Eskom grade thermal
- Initial 48Mt Measured Resource
- Life of Mine low-cost open pit operation
- 14km west of Leeuwpaan rail siding



\*Subject to bankable feasibility study

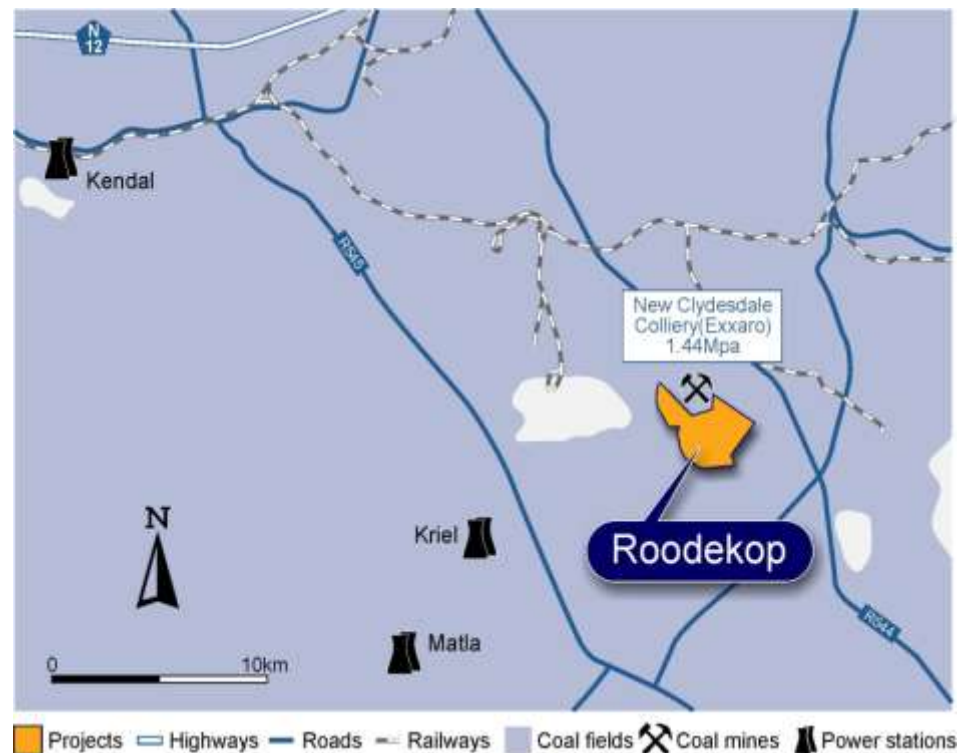
# Roodekop: Export Thermal Coal Project

## Key figures

<b>Ownership</b>	50% (option to acquire 74%)
<b>Resources</b>	82.8Mt of <i>in situ</i> Measured and Indicated Resource (JORC) – export quality
<b>Target development</b>	Feasibility study commences 2011 Mine development 2012
<b>Target production</b>	1.5Mt pa ROM production

## Highlights

- New Order Mining Right application accepted
- Resource modeling for the feasibility study completed
- 48Mt open pitable Measured Resource base
- Targeting low phosphorous metallurgical coal and RBC1 specification export coal
- 7km south of RBCT linked railway siding



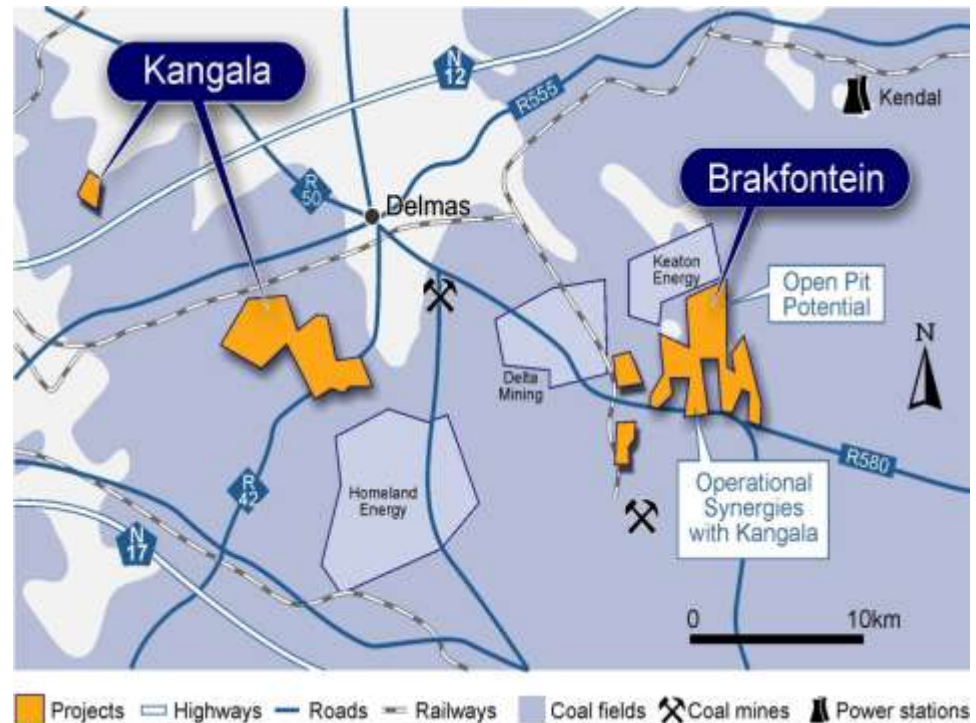
# Brakfontein: Export Thermal Coal Project universal coal plc

## Key figures

<b>Ownership</b>	Earn-in to 50% (opportunity to Acquire 74%) 50% achieved on feasibility study
<b>Resources</b>	126Mt of <i>in situ</i> Indicated and Inferred Resources (JORC) – export quality
<b>Target development</b>	Feasibility study commences 2012 Mine development 2013
<b>Target production</b>	1.5Mt pa ROM production

## Highlights

- Mining right application targeted H1 2011
- Open pit – early years
- 5km north of railway siding
- Targeting RBC1 specification thermal coal
- 180 holes drilled to date with infill drilling completed, May 2011



# Coal Resources Summary



Project	Measured Mt	Indicated Mt	Inferred Mt	Total Mt
<b>Coking coal</b>				
Berenice-Cygnus		258.2	953.1	1211.3
Somerville			274.0	274.0
<b>Coking coal total</b>			<b>1,227.1</b>	<b>1,485.3</b>
<b>Thermal coal</b>				
Kangala (Domestic)	48.6	4.4	70.9	124.0
Roodekop (Export)	67.2	15.6	-	82.8
Brakfontein (Export)		96.6	29.0	125.6
<b>Thermal coal total</b>	<b>115.8</b>	<b>116.6</b>	<b>99.9</b>	<b>332.4</b>
<b>Total resources</b>	<b>115.8</b>	<b>374.8</b>	<b>1327.0</b>	<b>1,817.7</b>

# Coal Development Programme



	H2 10	H1 11	H2 11	H1 12	H2 12
<b>Kangala</b>					
Feasibility study	█				
Grant of mining right	█				
Start development/mining			█		
<b>Roodekop</b>					
Lodge mining right	█				
Phase 2 drilling	█				
Feasibility study			█		
Start development/mining				█	
<b>Brakfontein</b>					
Lodge mining right application			█		
Phase 2 drilling		█			
Feasibility study				█	
Start development /mining					
<b>Coking coal</b>					
Phase 1 drilling	█				
Phase 2 drilling			█		
Lodge mining right				█	
Infill drilling				█	
Feasibility study					█

# Summary

- ❑ Targeting low cost – high margin mining projects
- ❑ 1.8 Bt of Coking and Thermal coal resources
- ❑ Coking coal:
  - 1,48MBt resources
  - +30,000ha under licence
- ❑ Thermal coal:
  - 332Mt resources
  - Kangala BFS targeting 3Mt/a open pit operation
  - Targeting 6Mt/a production in 3 years
- ❑ Consolidation focus for growth



# Thank you



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