



ANNOUNCEMENT

11 March 2016

TRANSACTION UPDATE: RECOMMENDED OFFER FOR UNIVERSAL COAL PLC

Coal of Africa Limited (ASX, AIM and JSE: CZA) ("CoAL") and Universal Coal Plc (ASX: UNV) ("Universal") are pleased to provide the following update on CoAL's recommended offer for the entire issued and to be issued share capital of Universal (the "Offer").

Unless otherwise defined in this announcement, capitalised terms used in this announcement have the meaning given to them in the offer document published by CoAL on 21 December 2015 ("Offer Document").

Offer Conditions

CoAL is pleased to advise that it has received the written consent of Investec Bank Limited to the Implementation of the Offer, thus satisfying the condition (h) as set out in Section 1 of Part A of Appendix VI of the Offer Document.

CoAL has received elections for the Loan Note Alternative from Universal Shareholders (including Universal CDI Holders representing 186,292,400 Universal Shares equating to approximately 36.77% of the total number of Universal Shares in issue. In addition, an additional acceptance in respect of 20,000,000 Universal Shares, equating to 3.95% of the total number of Universal Shares in issue, and in respect of which an irrevocable undertaking to accept the Loan Note Alternative was given, is currently being treated as invalid due to a procedural issue. This procedural issue is expected to be resolved in due course, which upon resolution would result in the satisfaction of condition (b) as set out in Section 1 of Part A of Appendix VI of the Offer Document.

In addition, the Offer remains subject to conditions (d), (e), (f), (j) and (k) as set out in Section 1 of Part A of Appendix VI of the Offer Document.

CoAL Rio Tinto Chapudi Agreements

On 8 March 2016, CoAL announced that it has received a notice (the "Notice") from Rio Tinto Minerals Development Limited and Kwezi Mining Proprietary Limited alleging that CoAL is in breach of an obligation under its agreements pursuant to which its subsidiary company acquired interests in Chapudi Coal Pty Ltd and Kwezi Mining Exploration Pty Ltd. CoAL has announced that on legal advice it is disputing the validity of the Notice and if Rio Tinto and Kwezi pursue the matter, CoAL will defend its position vigorously. It is not expected to have any impact on the Offer.

Timetable

The Offer remains open for acceptance until 15 April 2016 and is expected to proceed according to the indicative timetable set out below.

The dates and times set out in the timetable below are indicative only and may change in accordance with the terms and conditions of the Offer, to the extent permitted by law and as described in the Offer Document. In particular, the period during which the Offer is open for acceptance may be further extended by CoAL (where permitted by law).

AU: Coal of Africa Limited, Suite 8, 7 The Esplanade, Mount Pleasant, Perth WA 6153, Australia, **Tel:** +61 8 9316 9100, **Fax:** +61 8 9316 5475

ZA: South Block, Summercon Office Park, Cnr Rockery Lane and Sunset Avenue, Lonehill, 2191, **Tel:** +27 10 003 8000 **Fax:** +27 11 388 8333 **Email:** adminza@coalofafrica.com

Bernard R. Pryor – Chairman, David H. Brown – Chief Executive Officer, De Wet O Schutte
Non-executive directors: Peter G. Cordin, Andrew D Mifflin, Khomotso B. Mosehla, Thabo F Mosololi, Rudolph H. Torlage

CDI Acceptance Expiry Time	7.00pm (Sydney time) on 11 April 2016
Final date for receipt of TTE Instructions and Forms of Acceptance	1.00pm (London time) on 15 April 2016
Closing Date of the Offer (unless the Offer Period is extended)	1.00pm (London time) on 15 April 2016
Expected date by which settlement of consideration will first occur*	On or around 22 April 2016
Readmission of CoAL Shares to trading on AIM*	On or around 25 April 2016
Trading of Consideration Shares on AIM, ASX and JSE*	On or around 25 April 2016

CoAL will pay the cash and/or issue the Consideration Shares and/or Loan Notes to which accepting Universal Shareholders are entitled within 14 calendar days of the date on which the Offer becomes or is declared wholly unconditional or, in relation to valid acceptances received after this date but while the Offer remains open for acceptance, within 14 calendar days of that acceptance.

CoAL and Universal wish to highlight that as a result of the structure of the Offer, the 'squeeze-out' provisions in Chapter 3 of Part 28 of the UK Companies Act 2006 are not available to CoAL. Therefore, even if CoAL acquires 90 per cent. or more of the Universal Shares pursuant to the Offer, it will not be able to require the compulsory acquisition of the remaining Universal Shares and therefore Universal Shareholders are advised take such action as may be necessary to enable them to accept the Offer.

Enquiries

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Investec Bank Limited is the nominated JSE Sponsor

About CoAL:

CoAL is an AIM/ASX/JSE listed coal exploration, development and mining company operating in South Africa. CoAL's key projects include the Vele Colliery (coking and thermal coal), the Greater Soutpansberg Project /MbeuYashu, including CoAL's Makhado Project (coking and thermal coal).
