

Coal of Africa Limited
(Incorporated and registered in Australia)
Registration number ABN 008 905 388
ISIN AU000000CZA6
JSE/ASX/AIM share code: CZA
(‘CoAL or the ‘Company’)

NOTICE OF STATUS OF DEFEATING CONDITIONS

Coal of Africa Limited (ABN 98 008 905 388) (**CoAL**) has made an offer for all of the issued and to be issued share capital of Universal Coal Plc (**Universal**) (the **Offer**). The Offer is contained in CoAL’s offer document dated 21 December 2015 (**Offer Document**) as supplemented.

Unless the context otherwise requires, capitalised words in this notice have the same meaning given to them in the Offer Document.

If the Conditions are not all satisfied by 15 July 2016 (other than the Condition contained in paragraph 1(k) (no material adverse change in the financial or trading position of, or prospects for, the Universal Group since 30 June 2015 and other prescribed occurrences) as set out in Section 1 of Part A of Appendix VI of the Offer Document which must be satisfied by 20 July 2016), the Offer will lapse. In this scenario, Universal Shareholders will retain their Universal Shares after the Offer lapses on 15 July 2016 and will be free to deal with their Shares as they see fit.

For the purposes of section 1019HG(3) of the *Corporations Act 2001* (Cth) (as notionally inserted by the ASIC Relief Instrument [15-1129]), CoAL gives notice that:

- (a) on 21 December 2015, CoAL declared that the Offer was free of the conditions set out in paragraph 1(g) (South African Competition Commission approval) and 1(i) (Mountain Rush Trading 6 Proprietary Limited consent) of Part A of Appendix VI of the Offer Document, and accordingly the Offer is free from those Conditions;
- (b) on 3 March 2016, CoAL declared that the Offer was free of the conditions set out in paragraph 1(a) (Minimum Acceptance) and 1(c) (Passage of CoAL Resolutions) of Part A of Appendix VI of the Offer Document, and accordingly the Offer is free from those Conditions;
- (c) on 11 March 2016, CoAL declared that the Offer was free of the condition set out in paragraph 1(h) (Investec Bank Limited providing its written consent) of Part A of Appendix VI of the Offer Document, and accordingly the Offer is free from that Condition;
- (d) on 8 April 2016, CoAL declared the Offer was free of the conditions set out in paragraph 1(b) (Loan Note Alternative elections being made in respect of Universal Shares representing not less than 40 percent of the voting rights carried by Universal Shares) of Part A of Appendix VI of the Offer Document, and accordingly the Offer is now free from that Condition;

- (e) on 8 July 2016, CoAL declared the Offer was free of the condition set out in paragraph 1(e) (the Subscription Agreements having become unconditional) of Part A of Appendix VI of the Offer Document, and accordingly the Offer is now free from that Condition;
- (f) CoAL has not freed the Offer from the condition set out in paragraph 1(d) (admission to trading on AIM of the Consideration Shares and readmission to trading on AIM of CoAL Shares) of Part A of Appendix VI of the Offer Document;
- (g) CoAL has not freed the Offer from the conditions set out in paragraph 1(f) (the Offer not becoming subject to the Code), 1(j) (all Authorisations having been obtained), 1(k) (no material adverse change in the financial or trading position of, or prospects for, the Universal Group since 30 June 2015 and other prescribed occurrences) as set out in Section 1 of Part A of Appendix VI of the Offer Document, however, at the time of lodging this notice, as far as CoAL knows, none of the events stipulated in those conditions have occurred; and
- (h) Coal's voting power in Universal at the time of giving this notice is 94.79%.

CoAL will not be waiving, and is not legally permitted to waive, any of the, as yet, unfulfilled Conditions.

In relation to the condition set out in paragraph 1(d) (admission to trading on AIM of the Consideration Shares and readmission to trading on AIM of CoAL Shares) as set out in Section 1 of Part A of Appendix VI of the Offer Document (the Readmission Condition), CoAL notes that the CSA with Eskom at NCC has not yet been finalised or signed. Universal has therefore not yet commenced mining activities at NCC, at which first coal was expected to be produced in the first half of 2016 as was envisaged in the Offer Document sent to Universal shareholders in December 2015. CoAL also advises that it has not as yet finalised and continues to progress its potential working capital funding opportunities.

Therefore as a result, of the continued uncertainty in finalising the CSA and the working capital funding opportunities CoAL's directors are not able to give the required working capital statement on the readmission of the Consideration Shares and CoAL's Shares to trading on AIM (Readmission) as at the date of this notice. The working capital statement, requires CoAL's directors to confirm that, in their opinion having made due and careful enquiry, the working capital available to the Enlarged Group (being the CoAL Group as enlarged by the Universal Group) will be sufficient for its present requirements, that is for at least twelve months from the date of Readmission and CoAL's directors must be able to make this working capital statement in order to achieve Readmission.

With CoAL's authority to issue the Consideration Shares expiring on 3 August 2016, CoAL does not currently intend to further extend the Offer should the Readmission Condition not have become capable of being satisfied by 15 July 2016.

8 July 2016

Enquiries

CoAL

Telephone: +27 (0)10 003 8000

David Brown, De Wet Schutte and Celeste Riekert

Qinisele Resources (Proprietary) Limited (Financial Adviser to CoAL)

Telephone: +27 (0)11 883 6358

Robert Philpot and Dennis Tucker

Peel Hunt LLP (Nominated Adviser and Broker to CoAL)

Telephone: + 44 (0)20 7418 8900

Matthew Armitt and Ross Allister

Investec Bank Limited (JSE Sponsor for CoAL)

Telephone: +27 (0)11 286 7000

Robert Smith and Tanya Cesare

Tavistock (United Kingdom PR Adviser to CoAL)

Telephone: +44 20 7920 3150

Jos Simson and Emily Fenton