



## **ICHORCOAL WILL NOT EXTEND CASH OFFER FOR UNIVERSAL COAL**

**Johannesburg, 29 January 2016:** Ichor Coal N.V. (IchorCoal) will not extend its cash offer for ASX-listed Universal Coal (UNV).

On 30 September 2015, IchorCoal made a cash offer for the entire issued and to be issued share capital of UNV that it does not already own at A\$0.16 a share. This offer expires on 5 February 2016.

IchorCoal notified the ASX today that it would not extend its offer for several reasons. Shareholders have had enough time to consider the detail of IchorCoal's offer and there is a reduced possibility of the deal being accepted due to the current UNV share price relative to IchorCoal's offer price as well as the competing Coal of Africa Limited (CoAL) offer.

IchorCoal said that delays in UNV finalising a coal sales agreement with Eskom for the New Clydesdale Colliery (NCC) and the reduced value proposition of UNV to IchorCoal in Australian dollar terms given the recent depreciation of the South African rand were also factors in the decision. The rand depreciated 18.8% against the Australian dollar between 30 September 2015 and 27 January 2016. The acquisition price offered is in Australian dollars, whereas UNV's cash flows are predominantly in Rand.

IchorCoal holds 29.99% of the existing issued share capital of UNV and as UNV's single largest shareholder, IchorCoal said it would be helpful to shareholders assessing the CoAL offer if further detail was provided about the debt burden CoAL will assume following its offer for UNV, given the Loan Note alternative inherent in the offer. Pro forma financials provided in the CoAL offer document imply gross debt of over US\$100 million (before interest), with significant near term repayments, compared with only US\$59 million in available cash. Given CoAL's project development obligations and forecast near-term cash flow, IchorCoal said further detail on CoAL's ability to service this debt burden would be useful to shareholders.

Taking into account UNV's own project development activities at NCC as well as its own debt service obligations, IchorCoal does not anticipate that UNV will pay material dividends, if any, in the near term to contribute to CoAL meeting its project development and debt obligations. UNV had negative net operating cash flows of A\$2 million in the half year ended 31 December 2015, has never declared a dividend and has not announced an intention to declare a dividend in the near term.

IchorCoal CEO Nonkululeko Nyembezi-Heita said: "IchorCoal retains a strategic shareholding in Universal Coal and will continue to work with Universal Coal as an independent listed company to maximise value for all shareholders."

**ENDS**

## About IchorCoal

IchorCoal is an international mining company with a focus on thermal coal production in South Africa. Incorporated in the Netherlands, IchorCoal is listed on the German stock exchange. IchorCoal owns and operates its own coal resources as well as holding equity positions in various coal mining entities. Apart from its holding in Universal Coal, it owns 45.2% in Mbuyelo Coal and controls the producing Vunene mine. IchorCoal has attributable mineable resources of approximately 400-million tonnes of coal on 16 properties.

## Enquiries:

Birney Corporate	Australian media agent to IchorCoal	Matt Birney <a href="mailto:matt@birneycorporate.com.au">matt@birneycorporate.com.au</a>	+61 8 9322 5880 +61 4 1921 7090
Aprio Strategic Communications	South African media agent to IchorCoal	Julian Gwillim <a href="mailto:julian@aprio.co.za">julian@aprio.co.za</a>	+27 11 880 0037

## Contact:

Ichor Coal N.V.  
30 Jellicoe Avenue  
Rosebank 2196  
South Africa  
Tel: +27 11 2681100  
[www.ichorcoal.com](http://www.ichorcoal.com)