

24 May 2017

ASX Release:

Yancoal makes Tag-along Offer to Mitsubishi

Yancoal Australia Ltd (“Yancoal”) has today made a binding offer to acquire Mitsubishi Development Pty Ltd’s (“Mitsubishi”) 32.4% interest in the Hunter Valley Operations Joint Venture (“HVO JV”) for US\$710 million (the “Tag-along Offer”). Mitsubishi has until 23 June 2017 to accept the Tag-along Offer.

The Tag-along Offer fulfills Yancoal’s obligation to make a ‘tag-along offer’ to Mitsubishi under the sale and purchase agreement for Yancoal’s acquisition of 100% of the shares in Coal & Allied Industries Limited from wholly owned subsidiaries of Rio Tinto Limited (“CNA Transaction”) and the corresponding requirements of the Hunter Valley Operations Joint Venture Agreement.

If Mitsubishi accepts the Tag-along Offer then Yancoal and Mitsubishi will be subject to a binding agreement for Yancoal to acquire Mitsubishi’s 32.4% interest in the HVO JV (the “Mitsubishi Transaction”).

The Mitsubishi Transaction is conditional on completion of the CNA Transaction as well as receipt of necessary regulatory approvals.

Commenting on the Mitsubishi Transaction, Yancoal Australia Chief Executive Officer Reinhold Schmidt said, “The Binding Offer is another important milestone in the strategic acquisition of Coal & Allied and sends a clear message to all stakeholders of Yancoal Australia’s continuing investment into the local resources sector.

“We have negotiated a commercially robust offer in the best interests of all parties and the future growth of the Coal & Allied assets.

“With Rio Tinto’s support, we look forward to progressing the next steps in the Coal & Allied Transaction to become Australia’s largest independent coal producer.”

Completion of the Mitsubishi Transaction will occur the later of (i) the date which is six months after the date of completion of the CNA Transaction (or an earlier date specified by Yancoal) and (ii) 10 business days after fulfilment of the conditions precedent, which includes, among other things, obtaining the necessary regulatory approvals.

END

For Media Inquiries, contact:

James Rickards
General Manager Investor Relations and Corporate Affairs
Yancoal Australia Limited

Phone: +61 2 8583 5922
Mobile: +61 419 731 371
Email: james.rickards@yancoal.com.au
Yancoal Australia Ltd
Level 26, 363 George Street
Sydney NSW 2000