

12 June 2017

ASX Release:

Mitsubishi accepts Yancoal Tag-along Offer

Yancoal Australia Ltd (“Yancoal”) confirms that Mitsubishi Development Pty Ltd (“Mitsubishi”) has accepted its binding offer to acquire Mitsubishi’s 32.4% interest in the Hunter Valley Operations Joint Venture (“HVO JV”) for US\$710 million (the “Tag-along Offer”), as announced 24 May 2017.

Mitsubishi has also agreed to grant Yancoal a call option to purchase its 28.9% interest in the Warkworth operation for the price of US\$230 million.

In addition, Yancoal has reached agreement for Mitsubishi to provide exclusive agency arrangements for thermal coal sales into Japanese power utilities.

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.

Yancoal and Mitsubishi are now 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.

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