

26 June 2017

ASX Release:

Further revised Coal & Allied transaction remains superior to Glencore proposal

Highlights:

- **Yancoal has amended its Sale and Purchase Agreement to acquire 100% of the shares in Coal & Allied and associated royalty arrangements**
- **Purchase price remains US\$2.45 billion, payable in full on completion**
- **Additional value of \$US240 million via updated royalty payments across five years**
- **Deposit amount provided by Yankuang increased to US\$225 million**
- **Yancoal has obtained New South Wales Government approvals required for the transaction**
- **The Rio Tinto Board has maintained its support of the Yancoal transaction and the Rio Tinto shareholder meetings are expected to be held as planned on 27 and 29 June 2017**

Yancoal Australia Ltd (ASX: YAL) (“Yancoal” or the “Company”) has further amended its Sale and Purchase Agreement (“SPA”) to acquire 100% of Coal & Allied Industries (“Coal & Allied”)(the “CNA Transaction”) and associated royalty arrangements.

The purchase price remains US\$2.45 billion, payable in full on completion, with Yancoal to deliver additional value of US\$240 million by way of a non-contingent royalty, payable over five years.

Yankuang has also increased its financial support in relation to deposit arrangements in support of the transaction. Yankuang will now provide a US\$125 million bank guarantee towards the deposit arrangements, in addition to the US\$100 million deposit that it has already agreed to provide.

Yancoal also confirms that it has now received New South Wales Government approvals required for the transaction.

Yancoal Chairman, Xiyong Li, said, “Yancoal continues to provide Rio Tinto with the certainty of approvals and funding required to facilitate the efficient and timely sale of the Coal & Allied assets in support of Rio Tinto’s global strategic growth.”

Yancoal Chief Executive Officer, Reinhold Schmidt, said, “Yancoal has again delivered a transaction that is free from the regulatory risks of Glencore’s competing bid, while providing the assurance required for Rio Tinto shareholders to support the acquisition.

“The acquisition of Coal & Allied will establish Yancoal as the largest independent pure-play coal producer within Australia and provide greater competition and opportunity across established global markets.”

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