

14 August 2017

ASX Release:

SCN Special Conversion Date

Yancoal SCN Limited (ASX: YCN) (“**Yancoal SCN**” or the “**Company**”) announces that it is expected that 31 August 2017 (“**Special Conversion Date**”) will be a Special Conversion Date on which Yancoal SCN Limited Subordinated Capital Notes (“**SCNs**”) may be converted to Yancoal Australia Limited (“**Yancoal**”) shares, if holders of SCNs have provided the Company and Yancoal with a notice to convert their SCNs (prepared in accordance with the SCN terms of issue (“**SCN Terms**”) (“**Conversion Notice**”).

As announced on 1 August 2017 in connection with Yancoal’s 23.6 to 1 renounceable pro-rata entitlement offer (“**Entitlement Offer**”), Yanzhou Coal Mining Co Ltd (“**Yanzhou**”) has made a commitment to Yancoal that it will convert as many of its SCNs as is permitted, having regard to the Australian Takeovers Panel order¹, with such conversion to occur at completion of the Entitlement Offer. The allotment date for Yancoal shares under the Entitlement Offer is currently scheduled to be 31 August 2017, the same date as the Special Conversion Date. Conversion of the SCNs on the Special Conversion Date is subject to completion of the Entitlement Offer occurring on 31 August 2017. If the allotment date for the Entitlement Offer changes, the Special Conversion Date will also change (although 31 August 2017 is also a normal month end conversion date under the SCN Terms and this will not change).

Yanzhou’s commitment to convert its SCNs is expected to result in the issue of 18,000,031,000 Yancoal shares on the Special Conversion Date. In accordance with the SCN Terms, given that the number of Yancoal shares to be issued on the Special Conversion Date is greater than 10% of the number of Yancoal shares on issue at 24 November 2014, the Company also announces that the Company will accept Conversion Notices for SCNs that are to be converted to Yancoal shares on the Special Conversion Date up until 5.00pm on 22 August 2017.

As noted above, the conversion of Yanzhou’s SCNs is subject to the completion of Entitlement Offer. In the event that the Entitlement Offer does not complete, Yancoal SCN and Yancoal have provided their consent to Yanzhou to withdraw its Conversion Notice, and will also provide this consent to any other holder of SCNs who requests it.

Ends

¹ The order of the Australian Takeovers Panel made on 15 December 2014 in respect of the SCNs, as amended, varied or replaced from time to time, which prevents Yanzhou from converting SCNs where such conversion would result in Yanzhou (and any associates) having voting power of more than 78% in Yancoal.

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