

24 August 2017

ASX Release:

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Yancoal Entitlement Offer Update

Yancoal Australia Limited (ASX: YAL) (“**Yancoal**”) refers to its 23.6 for 1 pro-rata renounceable entitlement offer announced to the Australian Securities Exchange (“**ASX**”) on 1 August 2017 (“**Entitlement Offer**”).

It has been brought to Yancoal’s attention that BPAY imposes payment restrictions that may prevent large holders making BPAY application payments in excess of A\$1 million.

Holders of Yancoal shares wishing to apply for New Shares in the Entitlement Offer who may be affected by the BPAY restrictions can contact Computershare via the Offer Information Line to arrange payment either by direct deposit or via other methods.

Yancoal has also determined to extend the opportunity to apply for shortfall in the Entitlement Offer to certain eligible investors that are in the United States who are “qualified institutional buyers” as defined in Rule 144A under the US Securities Act of 1933, as amended (the “**U.S. Securities Act**”) pursuant to an exemption from the registration requirements of the US Securities Act provided by section 4(a)(2) thereof. This is expected to be undertaken in conjunction with the Entitlement Offer bookbuild following close of the Entitlement Offer at 5.00pm (Sydney time) on Friday, 25 August 2017.

The Entitlement Offer closes at 5.00pm (Sydney time) on 25 August 2017. To participate, you need to ensure that:

- you have paid your application monies via BPAY pursuant to the instructions that are set out on the personalised Entitlement and Acceptance Form so that they are received by the registry before 5.00pm (Sydney time) on 25 August 2017 (or, for large applications, otherwise via direct deposit or other methods as referred to above).

END

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