

28 August 2017

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ASX Release:

Completion of Pro Rata Renounceable Entitlement Offer

Yancoal Australia Ltd (ASX: YAL) (“**Yancoal**” or the “**Company**”) has completed its pro rata renounceable entitlement offer (“**Entitlement Offer**”) of approximately **23,464,929,520** fully paid ordinary shares to raise up to US\$2.35 billion, as announced to ASX on 1 August 2017. The Entitlement Offer was underwritten or committed up to US\$2.3 billion (including the US\$1 billion of New Shares which Yanzhou Coal Mining Company Limited had committed to take-up).

The Entitlement Offer closed at 5.00pm (Sydney time) on Friday 25 August 2017, raising approximately US\$1,004 million before issue costs. Existing Yancoal shareholders subscribed for approximately 10,035,875,091 new fully paid ordinary shares (“**New Shares**”) at the offer price of US\$0.10 (“**Offer Price**”), representing a participation rate of approximately 42.8% (subject to final reconciliation).

Application monies received in A\$ have or will be converted to US\$ at an A\$ to US\$ exchange rate of 0.7905, being the closing spot exchange rate prevailing on the Entitlement Offer closing date (being Friday, 25 August 2017).¹

Following the close of the Entitlement Offer, the approximately **13,429,054,429** entitlements for New Shares not taken up by existing Yancoal shareholders were offered to eligible institutional investors through a bookbuild (the “**Shortfall Bookbuild**”) conducted by the Joint Lead Managers; Morgan Stanley Australia Securities Limited, J.P. Morgan Australia Limited and China International Capital Corporation Hong Kong Securities Limited² (the “**Joint Lead Managers**”), on behalf of Yancoal. The Joint Lead Managers received valid applications for approximately US\$59 million worth of New Shares (subject to final reconciliation) through the Shortfall Bookbuild.

The entitlements for New Shares not taken up in the Shortfall Bookbuild, representing approximately US\$1,284 million will be allocated to the underwriters; China Shandong Investment Limited³, Cinda International HGB Investment (UK) Limited⁴ and Glencore Coal Pty Ltd according to the Underwriter Allocation Policy as disclosed in the Entitlement Offer Booklet.

The Shortfall Bookbuild did not clear at or above the Offer Price of US\$0.10 and as a result there will be no Entitlement Offer premium available for distribution to renouncing and ineligible shareholders.

¹ <http://www.rba.gov.au/statistics/frequency/exchange-rates.html>

² To the extent that China International Capital Corporation Hong Kong Securities Limited (“**CICC**”) provides financial services in Australia in connection with the Offer, CICC is exempt from the requirement to hold an Australian financial services licence in respect of the financial services being provided by it. CICC is regulated by the Securities and Futures Commission of Hong Kong under Hong Kong laws, which differ from Australian laws.

³ An entity associated with Shandong Lucion Investment Holdings Group Co., Ltd.

⁴ An entity associated with China Cinda Asset Management Co., Ltd.

Settlement of the Entitlement Offer is expected to be completed on Wednesday, 30 August 2017. New Shares issued under the Entitlement Offer are expected to be allotted on Thursday, 31 August 2017 and to commence trading on the ASX on a normal settlement basis on Friday, 1 September 2017. Holding statements are expected to be dispatched on Friday, 1 September 2017.

END

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