

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

31 August 2017

ASX Release:

Issue of shares under capital raising and SCN conversion

Yancoal Australia Limited (ASX: YAL) (“**Yancoal**” or the “**Company**”) has successfully completed the issue of new fully paid ordinary shares (“**New Shares**”) under the pro-rata renounceable entitlement offer (“**Entitlement Offer**”) and institutional placement (“**Placement**”) announced to ASX on 1 August 2017. New Shares under the Entitlement Offer and Placement were issued at the offer price of US\$0.10 (“**Offer Price**”).

Yancoal has today issued:

- 23,464,929,520 New Shares under the Entitlement Offer, raising gross proceeds of US\$2,346,492,952; and
- 1,500,000,000 New Shares under the Placement, raising gross proceeds of US\$150,000,000.

In addition, Yancoal has today issued 18,000,031,000 New Shares to Yanzhou Coal Mining Co., Ltd (“**Yanzhou**”) on conversion of all of its subordinated capital notes (“**SCN**”) at a conversion price of US\$0.10 per New Share, in accordance with the SCN terms of issue. Yancoal has also issued a further 150,943 New Shares on conversion of 80 other SCNs for which a conversion notice was received, at a conversion price of US\$0.053 per New Share¹, in accordance with the SCN terms of issue.

The number of Yancoal shares on issue prior to the issue of New Shares under the Entitlement Offer, Placement and SCN conversion was 994,276,659. The number of Yancoal shares on issue following the issue of the New Shares under the Entitlement Offer, Placement and SCN conversion today is 43,959,388,122.

New Shares issued under the Entitlement Offer, Placement and SCN conversion are expected 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

¹ The conversion price under the SCN terms of issue has been adjusted as a result of the issue of New Shares under the Entitlement Offer.

For media enquiries, contact:

James Rickards

General Manager Investor Relations and Corporate Affairs

Phone: +61 2 8583 5300

Mobile: +61 419 731 371

Email: James.Rickards@yancoal.com.au

Important Information

Nothing contained in this announcement constitutes investment, legal, tax or other advice. You should seek appropriate professional advice before making any investment decision.

This announcement may not be released or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. Neither the Shares nor the entitlements have been, or will be, registered under the U.S. Securities Act of 1933, as amended (**U.S. Securities Act**) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the entitlements may not be exercised or taken up by, and the Shares may not be offered or sold to, persons in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable U.S. state securities laws.