

31 August 2017

ASX Release:

Conversion of Subordinated Capital Notes and confirmation of conversion price adjustment

Yancoal SCN Limited (ASX: YCN) (“**Yancoal SCN**” or the “**Company**”) today confirms that, at the request of Yanzhou Coal Mining Co., Ltd (“**Yanzhou**”), all of Yanzhou’s 18,000,031 Yancoal SCN Limited subordinated capital notes (“**SCNs**”) have been converted into 18,000,031,000 fully paid ordinary shares (“**New Shares**”) in Yancoal Australia Limited (“**Yancoal**”) at a conversion price of US\$0.10 per share, in accordance with the SCN terms of issue.

In addition, a further 80 SCNs have been converted into 150,943 New Shares at the adjusted conversion price of US\$0.053 per New Share, in accordance with the SCN terms of issue.

Confirmation of Conversion Price Adjustment

Yancoal has today announced the issue of 23,464,929,520 fully paid ordinary shares in Yancoal under its recently completed 23.6 for 1 pro-rata renounceable entitlement offer (“**Entitlement Offer**”).

Yancoal SCN confirms that, in accordance with the SCN terms of issue and as a result of the issue of new shares under the Entitlement Offer, the SCN conversion price has been adjusted. The final adjusted SCN conversion price is US\$0.053 per Yancoal share.

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For media enquiries, contact:

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