



**Yancoal Australia Ltd
Annual General Meeting
30 May 2018**

Disclaimer

Summary of information

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This Presentation may contain, in addition to historical information, certain "forward-looking statements". Often, but not always, forward-looking statements can be identified by the use of words such as "anticipate", "believe", "expect", "scheduled", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "plan", "consider", "foresee", "aim", "will" and other similar expressions. Indications of, and guidance on, future production, resources, reserves, sales, capital expenditure, earnings and financial position and performance are also forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors that could cause actual results, performance or achievements of Yancoal to differ materially from any future results, performance or achievements expressed or implied by such forward looking statements. Many of these risks and uncertainties relate to factors that are outside the ability of Yancoal to control or estimate precisely, such as future market conditions, changes in regulatory environment and the behaviour of other market participants. Yancoal cannot give any assurance that such forward-looking statements will prove to have been correct. Investors are cautioned not to place undue reliance on projections or forward-looking statements which speak only as of the date of this Presentation, and none of Yancoal, any of its officers or any person named in this Presentation or involved in the preparation of this Presentation makes any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statements or any event or results expressed or implied in any forward looking statement

Financial data and rounding

All dollar values are in Australian dollars (A\$) and financial data is presented within the half year ended 30 June unless otherwise stated. A number of figures, amounts, percentages, estimates, calculations of value and fractions in this document are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this document.

Past Performance


Past performance information given in this Presentation should not be relied upon as (and is not) an indication of future performance.

CHIEF EXECUTIVE OFFICER REINHOLD SCHMIDT



AUSTRALIA'S LARGEST PURE-PLAY COAL PRODUCER





US\$2.45_B

ACQUISITION of Coal & Allied

For US\$2.69 billion in value, comprising of US\$2.45 billion cash payable on completion, US\$240 million in future non-contingent royalty payments over five years following completion, and a coal price linked contingent royalty.

23.44_{Mt}

SALEABLE COAL (equity share tonnes)

Total 2017 production (equity share) up 47 percent on year prior; including 4.92 million tonnes from the post-acquisition production from the Hunter Valley Operations and Mount Thorley Warkworth assets

30.55Mt

RUN OF MINE COAL (equity share tonnes)

Strong production from Moolarben complex, supported by fleet efficiencies and of coal from acquired Coal & Allied assets.


Year prior: 21.2Mt equity share 31 December 2016

28.54Mt

SALES VOLUME (equity share tonnes)

- Total coal sales (equity share): 28.5Mt
- Sales split (equity share): 19.55Mt thermal coal, 8.99Mt metallurgical coal
- Year prior: 19.3Mt 31 December 2016





\$2.6_B

TOTAL REVENUE

\$229_M

PROFIT AFTER TAX

Led by increased production output at a time of industry-high benchmark prices for semi-soft coking coal and thermal coal sales.

\$732_M

OPERATING EBIT TOTAL VALUE

Up \$693 million on the year prior

US\$2.35B

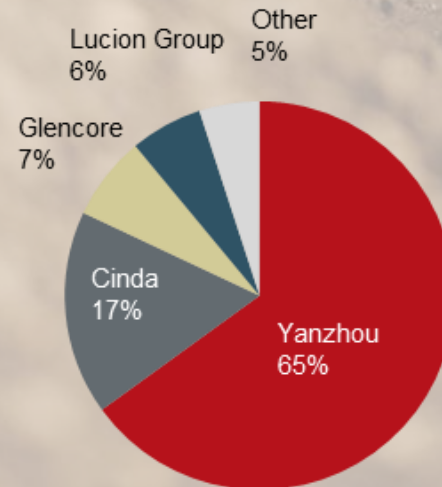
CAPITAL RAISING

- Pro-rata renounceable entitlement offer of 23,464,929,520 fully paid ordinary shares to raise US\$2.35B
- Associated placement of 1,500,000,000 fully paid ordinary shares to raise a further US\$150M.

Pro-Rata Entitlement Offer

- Attracted new investors
- Provided greater depth to shareholder base
- Efficiently generated necessary funding to support next stage of Yancoal's evolution.

Major Shareholders⁽¹⁾



(1) IRESS; as at 17 May 2018

THE YANCOAL WAY



Safety

- Safety is not optional. It is considered in everything we do to eliminate harm to our people.

People

- We value involvement from everyone.

Excellence

- We identify and implement best practice and operate above the line in the 'can do' zone with Courage, Trust and Pride.

Integrity

- We do what we say with honesty, integrity and reliability.

Innovation

- We seek to continuously improve all aspects of our business.

Addendum

The following slides were not presented during the Annual General Meeting and are provided for the information of shareholders and interested parties.

Acquisition Highlights

- Creating Australia's largest pure-play coal producer with majority ownership in three flagship thermal coal mines in Australia
- Potential to unlock substantial synergies with incremental value from the Glencore Transaction
- Sustainable capital structure and future cash flow generation to support deleveraging and value creation



Middlemount

- ~50.0% ownership
- Open cut
- 2017 saleable production
 - 100%: 3.9Mt
 - Total recoverable reserves: 68Mt

Yarrabee

- 100% ownership
- Open cut
- 2017 saleable production
 - 100%: 2.9Mt
 - Total recoverable reserves: 56Mt

Stratford Duralie

- 100% ownership
- Open cut
- 2017 saleable production
 - 100%: 0.7Mt
 - Total recoverable reserves: 44Mt

Moolarben

- 81% ownership
- Open cut
- 2017 saleable production
 - 100%: 12.4Mt
 - Total recoverable reserves: 267Mt

Ports

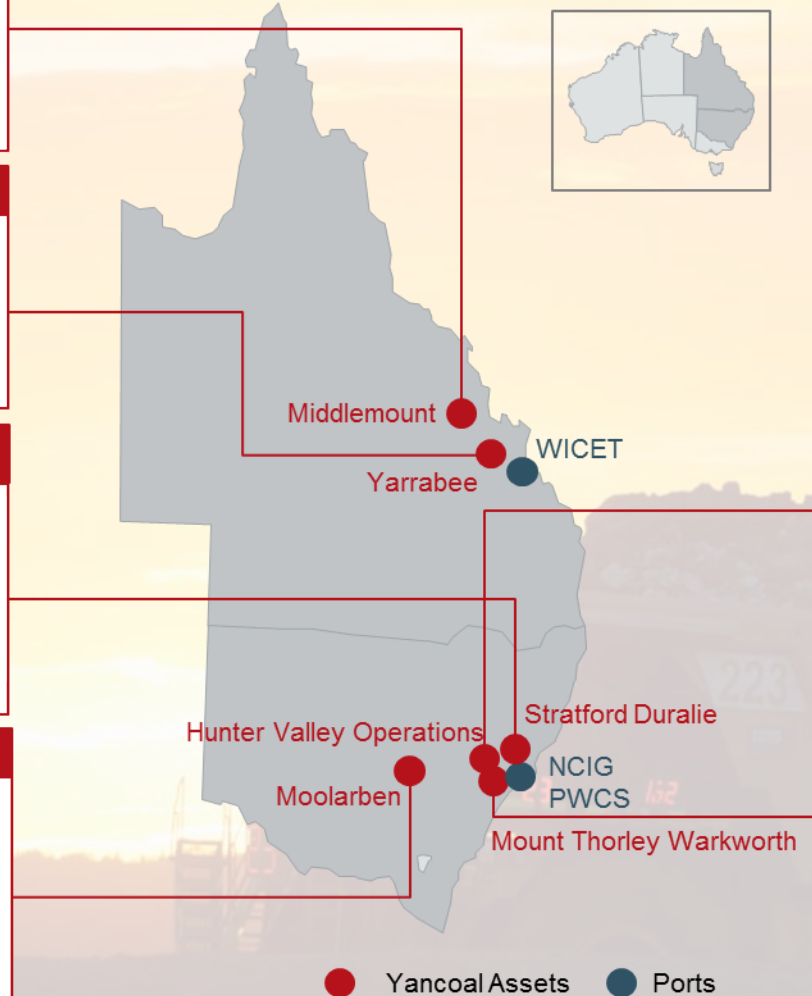
- **Port Waratah Coal Services (PWCS)**
 - 36.5% ownership
- **Newcastle Infrastructure Group (NCIG)**
 - 27% ownership
- **Wiggins Island Coal Export Terminal (WICET)**
 - 9.4% ownership

Hunter Valley Operations

- 51.0% ownership
- Open cut
- 2017 YAL saleable production (four months)
 - 100%: 4.8Mt
 - Total recoverable reserves: 824Mt

Mount Thorley Warkworth

- 82.9% ownership
- Mount Thorley: 80% ownership
- Warkworth: 84.5% ownership
- 2017 YAL saleable production (four months)
 - 100%: 3.9Mt
 - Total recoverable reserves: 348Mt



Financial Performance

Transformational acquisition drove immediate production and financial gains

Profit Results for 2017 and 2016 with Accounting Reconciliations	Year Ended December 2017			Year Ended December 2016		
	Before Tax A\$MM	Tax A\$MM	After Tax A\$MM	Before Tax A\$MM	Tax A\$MM	After Tax A\$MM
Revenue from Continuing Operations	2,601			1,238		
Operating EBITDA	988			172		
Operating EBIT	732			39		
Profit before Non-Operating Items	445	(126)	319	(170)	81	(90)
Bank Fees and Other Charges	(109)	33	(76)	(113)	-	(113)
Interest Income	114	(34)	80	125	(38)	87
Gain on Acquisition of Subsidiaries	177	-	177	-	-	-
Impairment Reversal of Mining Tenements	100	(30)	70	-	-	-
Fair Value Losses Recycled from Hedge Reserve	(229)	69	(160)	(133)	40	(93)
Remeasurement of Royalty Receivable	8	(2)	6	(6)	2	(4)
Transaction Costs	(33)	10	(23)	(3)	1	(2)
Stamp Duty Expensed	(167)	-	(167)	(12)	-	(12)
Other	5	(2)	3	-	-	-
Profit / (Loss)	311	(82)	229	(312)	85	(227)