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ASX Release:

Yancoal Applies for Dual Listing on Hong Kong Stock Exchange

Highlights:

- Confidential application to The Stock Exchange of Hong Kong (“HKEX”) to list Yancoal shares on a primary basis on the Main Board of the HKEX.
- Yancoal will maintain its listing on the Australian Securities Exchange (“ASX”) following its listing on the HKEX.
- Dual listing on the HKEX to occur in conjunction with a proposed capital raising. Details of the capital raising have not yet been finalised.
- Existing Yancoal shareholders will have an opportunity to participate in the proposed capital raising on a pro-rata basis.
- 35 for 1 share consolidation proposed for approval by shareholders.

Application for dual listing

Yancoal Australia Ltd (ASX: YAL) (“Yancoal” or the “Company”) has today made a confidential application to the HKEX for approval of the listing of, and permission to deal in, on the Main Board of the HKEX, the fully paid ordinary shares in Yancoal (the “Shares”) in issue and the new Shares proposed to be issued under the capital raising.

Yancoal remains fully committed to retaining its listing on the ASX. Accordingly, if the HKEX listing application is approved, Yancoal shares will be able to be traded on both the ASX and the HKEX.

The dual listing on the HKEX will be done in conjunction with a proposed capital raising, details of which will be finalised in due course and announced to the market at that time.

Existing Yancoal shareholders will have the opportunity to participate in the proposed capital raising on a pro-rata basis.

Commenting on the proposed dual listing, Yancoal Chairman Mr Baocai Zhang, said:

“Having established Yancoal as Australia’s largest pure-play coal producer and a major contributor of high quality thermal and semi-soft coal into global markets, we are now taking the next step in our evolution with the listing in Hong Kong.

“The Hong Kong Stock Exchange is one of the leading global stock markets with impressive access to a diversified and stable investor base from both local and overseas investment communities.

“Yancoal has applied for a dual listing in the interests of increasing liquidity in Yancoal’s shares and to help further diversify Yancoal’s investor base.”

Yancoal Chief Executive Officer, Reinhold Schmidt, said, “The dual listing of Yancoal and proposed capital raising will allow our business to further enhance its capital structure and builds upon the successful completion of our transformative acquisition of Coal & Allied in 2017.

“Supported by the consistently strong production and financial performance of our three tier-one high-quality, low-cost assets, Yancoal is a proven leader within the local resources sector with a long-term vision for continued investment into Australia.”

In 2017 Yancoal produced 31.5 million tonnes of saleable coal (23.4 million tonnes equity share), achieving a total operating EBIT of \$732 million before tax, up \$693 million on the year prior, and a profit after tax of \$229 million from revenue of \$2.6 billion.

Yancoal has made the application to the HKEX at this time to facilitate the potential dual listing of Yancoal on the HKEX prior to the end of calendar year 2018.

Proposed capital raising details to be finalised

Details of the proposed capital raising to be undertaken in conjunction with Yancoal’s potential dual listing on the HKEX have not yet been finalised. Yancoal expects that while majority shareholder Yanzhou Coal Mining Company Limited (“**Yanzhou**”) will reduce its percentage ownership interest in Yancoal as a result of the capital raising, Yancoal will remain as a subsidiary of Yanzhou.

Proposed consolidation of capital

Yancoal’s Board considers that it would be beneficial for Yancoal’s share capital to be consolidated on the basis that 35 existing fully paid Yancoal shares be consolidated into one fully paid share.

The share consolidation is intended to create a more appropriate share capital structure for a company with Yancoal’s market capitalisation with the expected benefit of reduced volatility in Yancoal’s share price.

The proposed share consolidation will not impact shareholders’ pro-rata ownership interests in Yancoal.

The share consolidation will require approval at an extraordinary general meeting of Yancoal shareholders to be held in September 2018. A notice of meeting and details on the proposed share consolidation will be sent to Yancoal shareholders in due course. Yanzhou has confirmed to Yancoal it intends to vote in favour of the share consolidation resolution.

Joint sponsors and joint lead managers

Yancoal has appointed Morgan Stanley Asia Limited, CMB International Capital Limited and BOCI Asia Limited as joint sponsors, joint global co-ordinators, joint lead managers and joint bookrunners in relation to

the proposed dual listing on HKEX and the associated capital raising. Morgan Stanley Asia Limited has also been appointed as Financial Adviser to the Company in relation to the transaction.

Application of securities laws and regulations

On listing on the HKEX, in addition to complying with Australian law and ASX requirements (including the ASX Listing Rules), Yancoal will become subject to the applicable Hong Kong company and securities laws, the HKEX Main Board Listing Rules and the Hong Kong Code on Takeovers and Mergers.

Proposed transaction remains subject to approvals

The implementation of the dual listing and associated capital raising is subject to, among other things, the approval of the HKEX, the final decision of the Yancoal Board, market conditions and other factors.

Accordingly, shareholders and potential investors of Yancoal should be aware there is no assurance from Yancoal that the proposed listing on the HKEX and capital raising will take place or as to when it may take place. Shareholders and potential investors of Yancoal should therefore exercise caution when dealing in or investing in the shares or other securities of Yancoal. Any person who is in doubt about their position or any action to be taken is recommended to consult professional advisers.

Other information

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities nor is it calculated to invite any such offer or invitation.

In particular, this announcement does not constitute and is not an offer to sell or an invitation or a solicitation of any offer to buy or subscribe for any securities in Hong Kong, the United States of America, Australia or elsewhere. Securities may not be offered or sold in the United States of America absent registration or an exemption from registration under the U.S. Securities Act. The securities described herein have not been and will not be registered under the U.S. Securities Act. There will be no public offering of securities in the United States of America.

This announcement is not for release, publication or distribution, in whole or in part, in, into or from the United States of America or any jurisdiction where to do so would constitute a violation of the relevant laws or regulations of such jurisdiction.

In connection with the proposed offering of Shares in connection with the proposed listing on HKEX, the price of the Shares may be stabilised in accordance with the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong). Details of any intended stabilisation and how it will be regulated under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and by virtue of the requirements of the Australian Securities and Investments Commission will be contained in Yancoal's Hong Kong prospectus, which will be issued in Hong Kong in connection with the Hong Kong public offering of the Shares if the dual listing and associated capital raising proceeds.

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