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ASX Release:

Update on application for listing on the Stock Exchange of Hong Kong

Yancoal Australia Ltd (**Yancoal** or **Company**) (ASX: YAL) refers to its announcement of Monday, 2 July 2018 relating to the Company's confidential application to the Stock Exchange of Hong Kong (**HKEx**) to list the Company's fully paid ordinary shares on a dual-primary basis on the Main Board of the HKEx (**HK Listing**).

Yancoal has applied for a dual-primary listing in the interests of increasing liquidity in Yancoal's shares and to help further diversify Yancoal's investor base.

Yancoal remains fully committed to retaining its listing on the Australian Securities Exchange (**ASX**). Accordingly, if the HK Listing is approved, Yancoal's shares will be able to be traded on both the ASX and the HKEx.

Status of application for HK Listing

The Company's application to HKEx for approval for HK Listing (**HKEx Listing Application**) is well advanced.

Following the hearing of the HKEx Listing Application by the Listing Committee of the HKEx, Yancoal has submitted a "Post Hearing Information Pack" (**PHIP**) to the HKEx, which contains certain business and financial information relating to Yancoal.

The PHIP is available for viewing and download at the HKEx's website, as required by the HKEx Listing Rules.

The PHIP is in draft form and the information contained therein is incomplete and subject to changes, which could be material. A copy of the PHIP has been published to the ASX for the information of all stakeholders.

Potential capital raising

As announced on 2 July 2018, the HK Listing is being undertaken in conjunction with a proposed capital raising.

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.

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

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.

If the HK Listing and proposed capital raising proceed, the Company intends to use the net proceeds:

- to repay outstanding indebtedness of the Yancoal Group under its syndicated facility (and potentially to repay unsecured loans from related parties);
- to finance potential acquisitions (the Company has not identified any targets to be acquired);
- to finance the acquisition of an additional 4% interest in the Moolarben joint venture; and
- as working capital and for general corporate purposes.

The terms and structure of the proposed capital raising will be disclosed in the prospectus to be published on the HKEx website in due course.

Proposed transaction remains subject to approvals

The implementation of the dual listing and associated capital raising is subject to 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

In connection with the proposed offering of Shares in connection with the proposed HK Listing, the price of Yancoal's 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 final 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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