

Australia's Largest Pure-Play Coal Producer

Investor Presentation

November, 2018



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Introduction

Offer Summary



Issuer	<ul style="list-style-type: none"> • Yancoal Australia Limited (ASX: YAL) (“Yancoal” or the “Company”)
Listing Exchange	<ul style="list-style-type: none"> • Dual Primary Listing on the Hong Kong Stock Exchange • Stock code: 3668
Indicative Offer Price Range	<ul style="list-style-type: none"> • HK\$23.48 – HK\$25.84 per share • Represents A\$4.09 – A\$4.50 per share based on AUDHKD exchange rate of 5.74
Offering Size & Structure	<ul style="list-style-type: none"> • Global Offering of 59,441,900 shares (and up to 68,358,100 shares if the 15% over-allotment option is fully exercised) • Hong Kong Public Offering of 10% and International Offering of 90% (144A & Reg S), subject to reallocation
Cornerstone Investor	<ul style="list-style-type: none"> • Shaanxi Coal and Chemical Industry Group Co., Ltd (US\$40MM)
Lock-up Period	<ul style="list-style-type: none"> • Controlling Shareholders: 12 months • Cornerstone Investor: 6 months
Use of Proceeds	<ul style="list-style-type: none"> • Repayment of Debt (48%) • Financing Potential Future Acquisitions (30%) • Purchase of Additional 4% Interest in Moolarben (12%) • Working Capital and General Corporate Purposes (10%)
Joint Sponsors	<p>Morgan Stanley  招銀国际 CMB INTERNATIONAL  BOC INTERNATIONAL</p>
Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers	<p>Morgan Stanley  招銀国际 CMB INTERNATIONAL  BOC INTERNATIONAL  citi</p>
Joint Bookrunners/ Joint Lead Managers	<p> 建銀国际 CCB International  光大證券 EBS INTERNATIONAL  信達國際 CINDA INTERNATIONAL  海通國際 HAITONG  中泰國際 ZHONGTAI INTERNATIONAL</p>
Offer Timetable	<ul style="list-style-type: none"> • 26 – 29 November 2018: Hong Kong Public Offering • 26 – 29 November 2018: Management Roadshow • 29 November 2018: Expected Price Determination Date • 5 December 2018: Announcement of Final Offer Price and results of allocations in the Hong Kong Public Offering • 6 December 2018: Trading of Shares on Hong Kong Stock Exchange

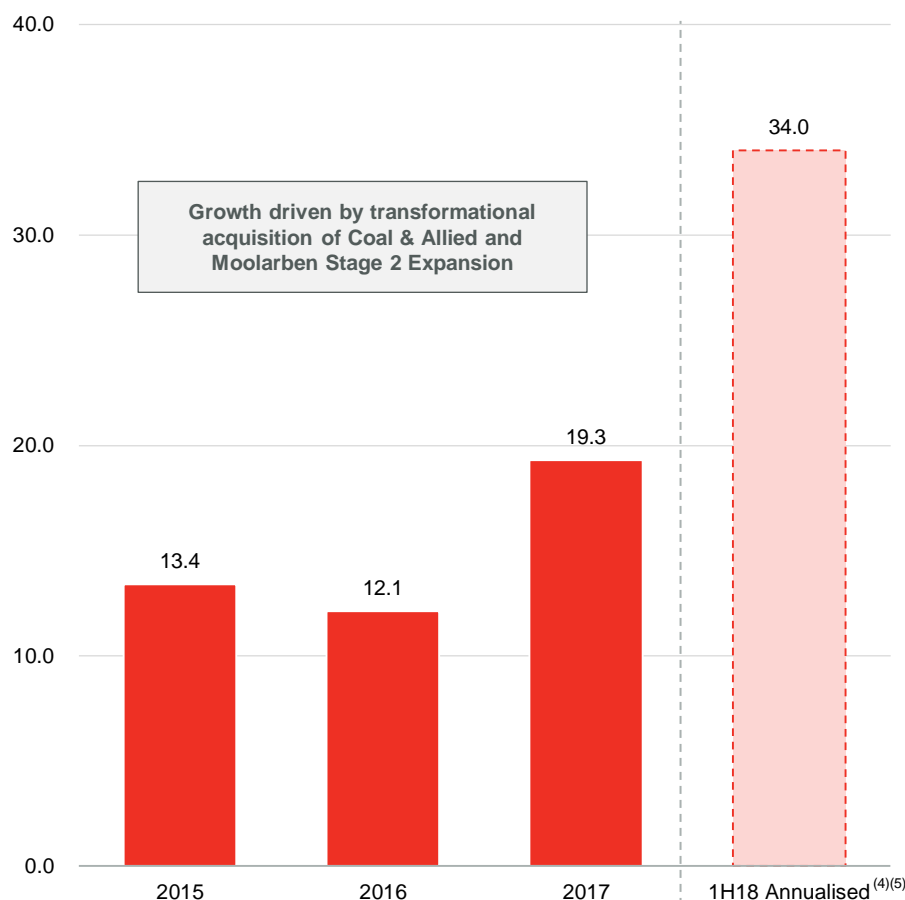
Company Overview



We are Australia's largest pure-play coal producer primarily servicing Asia's power generation industry

Yancoal Saleable Production Profile

Attributable Basis (Mt)



Source: Company Filings

Notes:

- Market data as at 20 November 2018
- Net Debt based on unaudited balances as at 31 October 2018. Represents A\$2,562MM of senior debt, A\$1,504MM of SHL, A\$45MM of leases less A\$545MM of cash
- Assumes spot AUDUSD of 0.72 as at 20 November 2018
- Annualised figures are not CY18 forecasts and are simply calculated as 2 times of 1H18 reported figures
- Does not include production from Middlemount (incorporated joint venture) and Watagan (equity-accounted investment and deconsolidated from Yancoal in March 2016). Unit metrics on a saleable production tonne basis

6

Capitalisation Summary (Pre Raise)

	A\$	US\$ ⁽³⁾
Exchange Listing	ASX	
Share Price as at 20 November 2018 (\$/sh) ⁽¹⁾	3.12	2.25
Shares Outstanding (MM)	1,256	1,256
Market Cap (\$MM)⁽¹⁾	3,919	2,829
Net Debt (\$MM) ⁽²⁾	3,566	2,574
Enterprise Value (\$MM)	7,485	5,403

Source: IRESS, Company Filings

Key Operating and Financial Metrics (1H18 Annualised Basis)

Annualised 1H18 Figures ⁽⁴⁾	A\$MM	US\$MM ⁽³⁾	A\$ / tonne ⁽⁵⁾
Saleable Production ⁽⁵⁾	34.0 Mt		
Revenue	4,694	3,389	138
Operating EBITDA	1,960	1,415	58
Profit Before Tax	1,078	778	32
Profit After Tax	722	521	21
Net Operating Cash Flow	1,424	1,028	42
Net Debt / Operating EBITDA ⁽²⁾⁽⁶⁾	1.8x		
EV / Operating EBITDA ⁽¹⁾⁽²⁾⁽⁶⁾	3.8x		
P / E ⁽⁶⁾	5.4x		
Dividend Yield ⁽⁷⁾	6.6%		

Source: IRESS, Company Filings

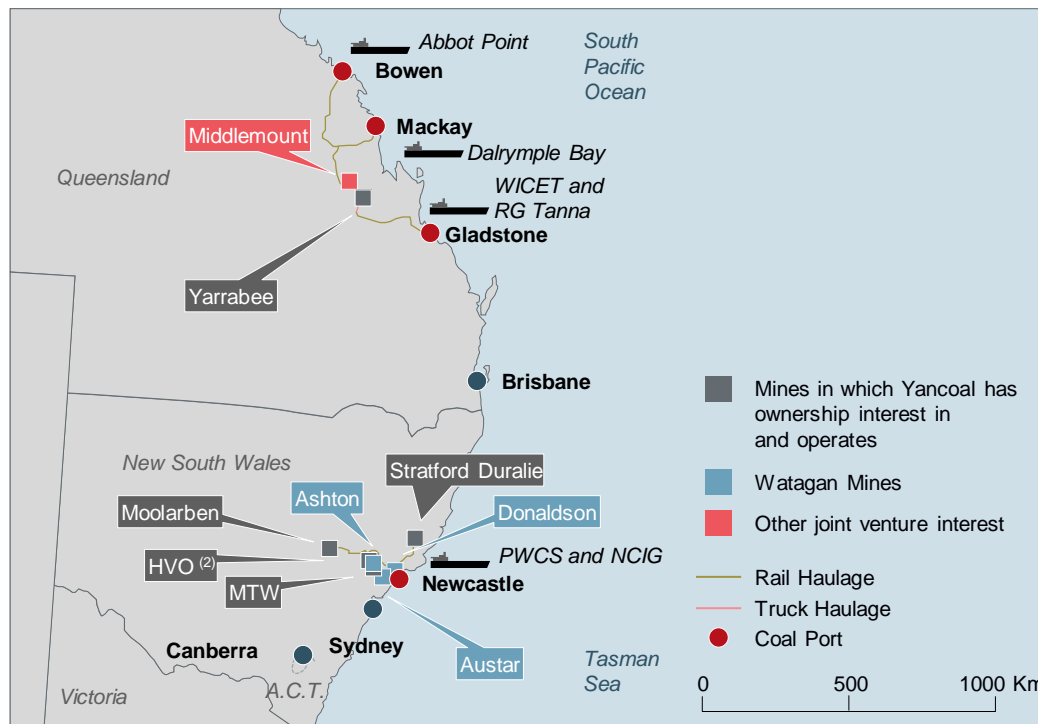
- Ratios are based on annualised 1H18 Operating EBITDA and Profit After Tax and do not represent CY18 forecasts
- Dividend yield based off annualised 1H18 dividend of A\$260MM (A\$130MM announced in respect of 1H18) and does not represent CY18 forecast

Portfolio Overview



A diversified portfolio of world-class coal assets comprising interests in 9 mines with supporting rail and port infrastructure

Yancoal's Portfolio



Source: Company Filings

Asset Overview⁽¹⁾

Location	Ownership	Marketable Reserves ⁽³⁾	Resources ⁽⁴⁾	Saleable Production			
				(CY17) ⁽⁵⁾	(1H18)		
Hunter Valley Operations ⁽²⁾	NSW	51%	554 Mt	3,788 Mt	14.8 Mt	6.4 Mt	Our Three Flagship Assets
Mount Thorley Warkworth	NSW	82.9%	225 Mt	1,692 Mt	11.8 Mt	6.0 Mt	
Moolarben	NSW	81%	215 Mt	1,159 Mt	12.4 Mt	8.8 Mt	
Stratford Duralie	NSW	100%	26 Mt	319 Mt	0.7 Mt	0.2 Mt	Watagan Mines
Yarrabee	QLD	100%	42 Mt	194 Mt	2.9 Mt	1.1 Mt	
Middlemount	QLD	49.9997%	67 Mt	121 Mt	3.9 Mt	2.1 Mt	
Ashton, Austar and Donaldson	NSW	100%	89 Mt	1,056 Mt	3.1 Mt	0.8 Mt	
Total (100% Basis)	NSW, QLD	n/a	1,218 Mt	8,327 Mt	49.4 Mt	25.4 Mt	
Total (Attributable)	NSW, QLD	n/a	837 Mt	5,916 Mt	19.3 Mt⁽⁶⁾	17.0 Mt⁽⁶⁾	

Source: Company Filings

Notes:

1. Marketable Reserves, Resources and Saleable Production for individual assets are reported on a 100% basis
2. HVO is operated as a 51:49 unincorporated joint venture with Glencore. The HVO JV is jointly controlled by Yancoal and Glencore through a joint venture management committee and is operated by a manager, HV Ops, which is appointed by Yancoal and Glencore and which reports to the joint venture management committee
3. Marketable Reserves, Resources and Saleable Production as at 30 June 2018
4. Measured, indicated and inferred Resources as at 30 June 2018
5. Adjusted for full-year contribution of Coal & Allied assets and subject to limitations to the limitations and qualifications set out in the RPM Competent Person's Report
6. Attributable Saleable Production does not include production from Middlemount (incorporated joint venture) and Watagan (equity-accounted investment and deconsolidated from Yancoal in March 2016)



Key Investment Highlights

Key Investment Highlights



1

Australia's largest pure-play coal producer and once listed, the largest HKSE-listed exporter of high quality seaborne thermal coal



2

World class large-scale coal mines which produce high value export coal and operate at industry-leading cash margins



3

Long-term sustainable capital structure combined with significant base of reserves / resources provides a sustainable platform for growth



4

Experienced management team well positioned to pursue growth opportunities and create further shareholder value



5

Valuable and strategic operational and trade relationships as well as strong support from key shareholders



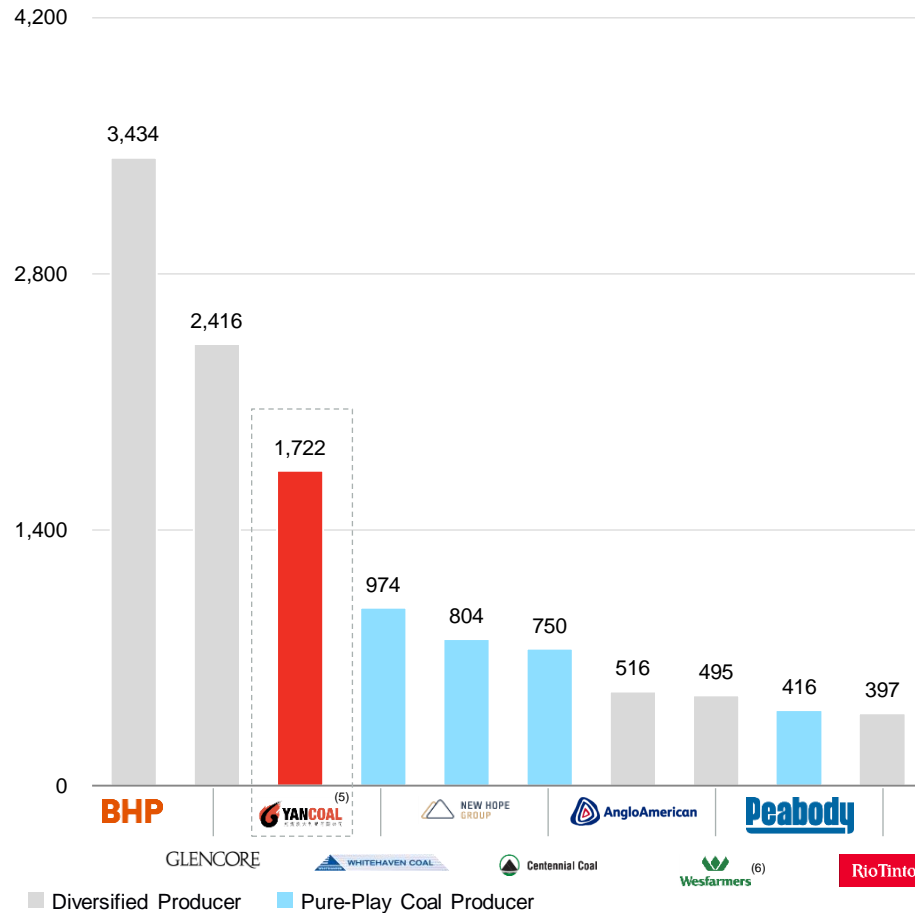
1 Australia's Largest Pure-Play Coal Producer



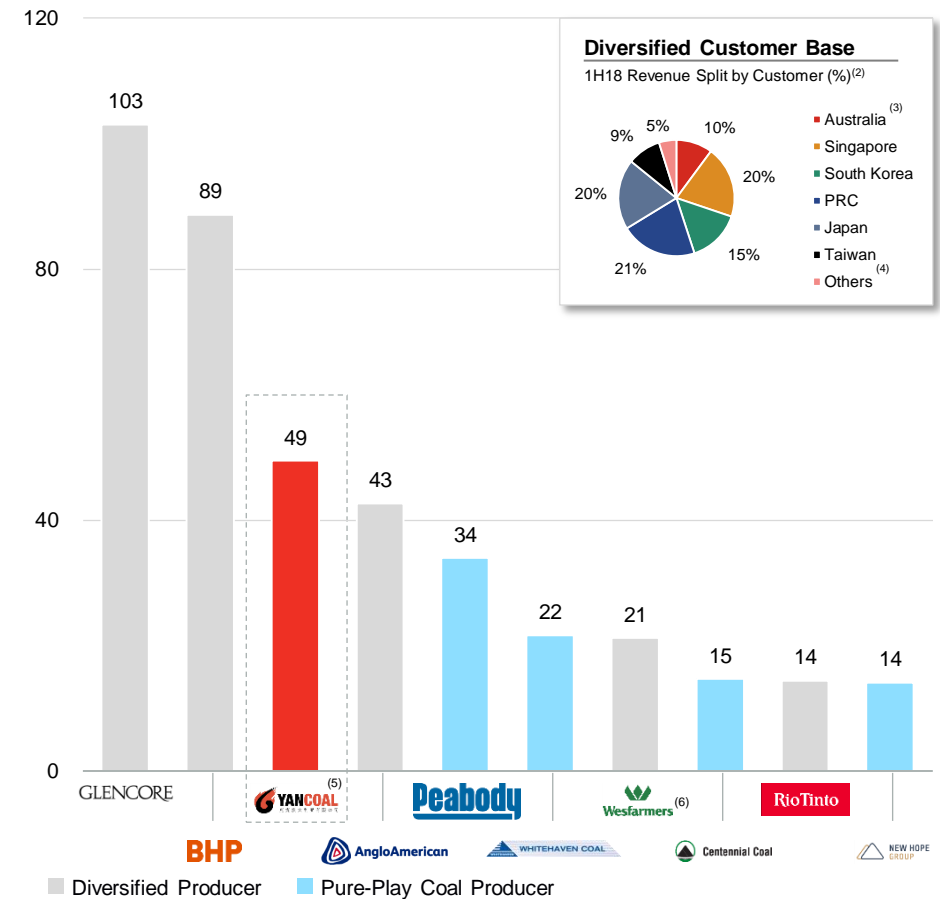
Australia's largest pure-play coal producer with a seaborne business focused on major Asian export markets including the PRC

Largest Pure-Play Coal Producer in Australia by Marketable Reserves and Production

CY17 Coal Reserves in Australia, 100% Basis (Mt)⁽¹⁾



CY17 Saleable Production in Australia, 100% Basis (Mt)⁽¹⁾



Source: Company Filings, AME Industry Report

Notes:

- Wesfarmers and Rio Tinto have divested coal assets. Wesfarmers sold Curragh coal mine in December 2017 and its interest in the Bengalla coal mine in August 2018. Rio Tinto sold interests in Hail Creek coal mine, Valeria coal project, Winchester South coal project and Kestrel coal mine in March 2018
- Revenue split shown based on revenue from external customers only and excludes fair value losses recovered from hedge reserves, interest income, mining services fees, sea freight revenue and other sources of revenue.

Source: Company Filings, AME Industry Report

- Revenue to Australian customers represent coal sales to other Australian coal companies
- Others include coal sales to Malaysia, Vietnam, Thailand, India, Indonesia and Chile
- Adjusted for full-year contribution of Coal & Allied assets and subject to limitations to the limitations and qualifications set out in the RPM Competent Person's Report
- Wesfarmers has other businesses outside of coal production and therefore, has been classified as diversified

1 One of The Largest HKSE-Listed Exporters of Coal⁽¹⁾



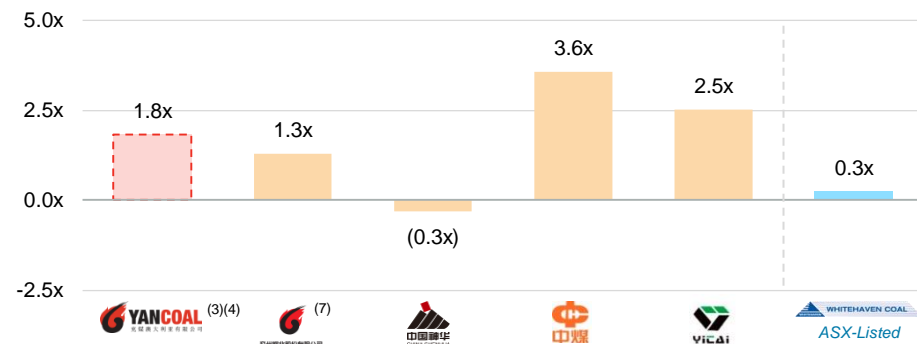
We offer HKSE investors a differentiated investment proposition focused around delivering high quality export coal

Our Investment Proposition Relative to HKSE-Listed Peers

- ✓ High margin assets located in a low-risk jurisdiction
- ✓ High quality export coal with favourable demand characteristics
 - Exposed to high efficiency low emissions ('HELE') thematic
- ✓ Diversified end markets – less exposed to China domestic coal policy
- ✓ Pure-play exposure with no other businesses outside of coal mining
- ✓ Well capitalised and deleveraging further using strong operating cashflow
- ✓ Retain SOE support and access to attractive funding sources

Leverage Ratio

Net Debt (as at 31 October 2018) / Annualised 1H18 Operating EBITDA for Yancoal (x)
 Latest Reported Net Debt / Consensus CY18E Operating EBITDA for Peers⁽⁵⁾ (x)



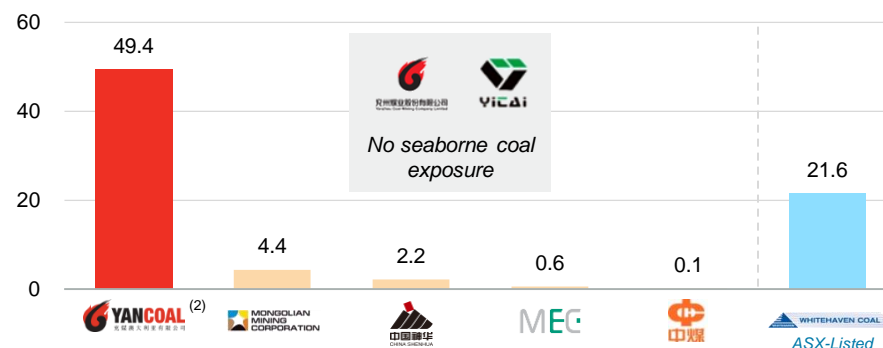
Source: Company Filings, CapitalIQ

Notes:

1. Assumed listing of Yancoal on HKSE
2. Adjusted for full-year contribution of Coal & Allied assets and subject to limitations to the limitations and qualifications set out in the RPM Competent Person's Report
3. Net Debt based on unaudited balances as at 31 October 2018. Represents A\$2,562MM of senior debt, A\$1,504MM of SHL, A\$45MM of leases and A\$545MM of cash.

Largest HKSE-Listed Exporter of Coal⁽¹⁾

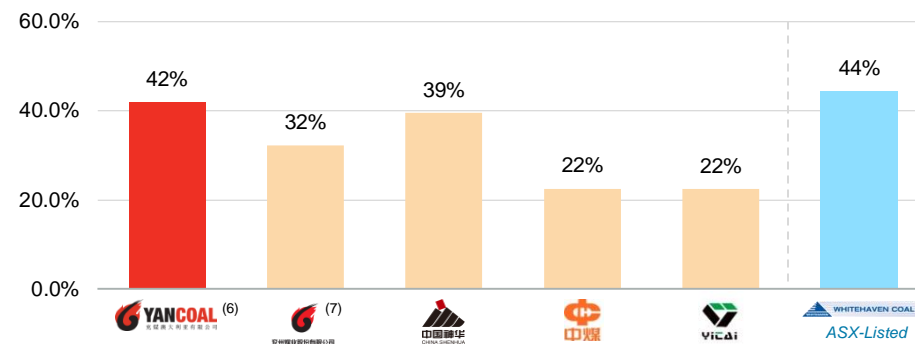
Seaborne Coal Production in 2017, 100% Basis (Mt)



Source: Company Filings, AME Industry Report

Operating EBITDA Margin

1H18 Revenue / 1H18 Operating EBITDA for Yancoal (%)
 Consensus CY18E Revenue / Consensus CY18E Operating EBITDA for Peers⁽⁵⁾ (%)



Source: Company Filings, CapitalIQ

4. Leverage Ratio for Yancoal calculated using annualised 1H18 Operating EBITDA and does not represent CY18 forecast
5. Peer Revenue and Operating EBITDA based on broker consensus estimates sourced from Capital IQ as at 20 November 2018
6. Operating EBITDA Margin calculated using 1H18 Revenue and 1H18 Operating EBITDA and does not represent CY18 forecast
7. Metrics for Yanzhou include 100% of Yancoal as Yanzhou fully consolidates Yancoal in its accounts

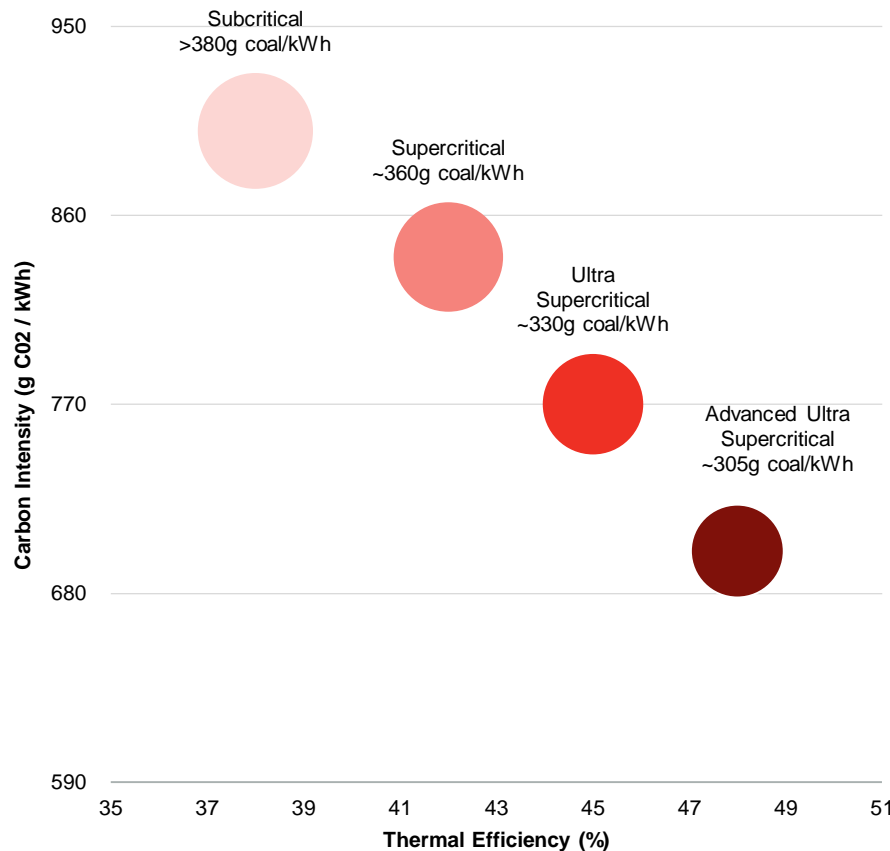
2 World Class Mines Producing High Value Coals



Our thermal coal brand is well regarded by consumers for its high energy content which allows us to secure favourable pricing

Power generators are focused on improving thermal efficiency...

Note: bubble size represents grams of coal required for each kWh of power generated

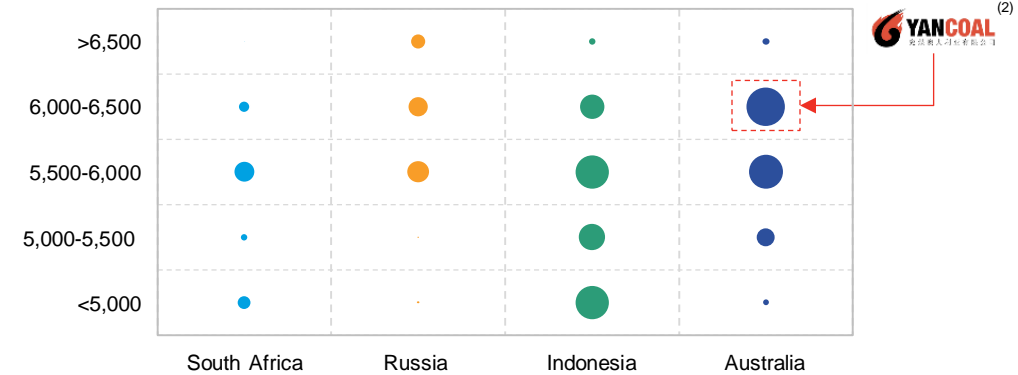


Source: AME Industry Report, International Energy Agency

- Notes:
1. Ball size represents relative contribution to seaborne thermal trade
 2. Refers to Yancoal's Hunter Valley Low Ash Thermal product

...which is driving demand for our high energy product⁽¹⁾

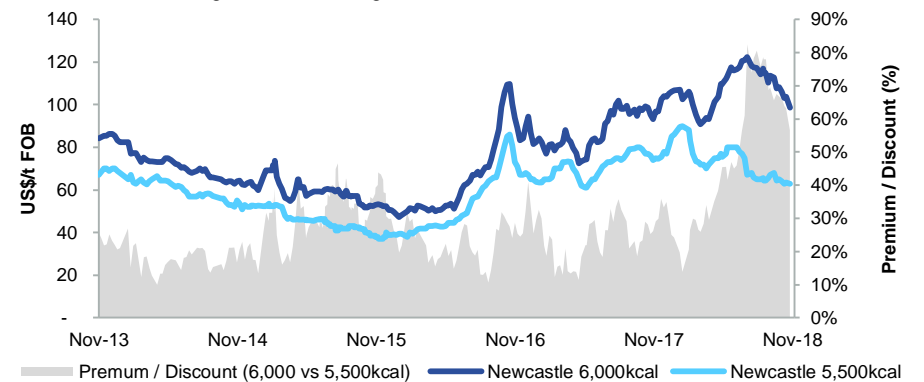
Energy Content (kcal/kg NAR)



Source: AME Industry Report

...and allows us to capture premium pricing

Newcastle 6,000 kcal/kg vs 5,500 kcal/kg NAR Price



Source: Bloomberg as at 19 November 2018



2 Industry-leading Cash Margins



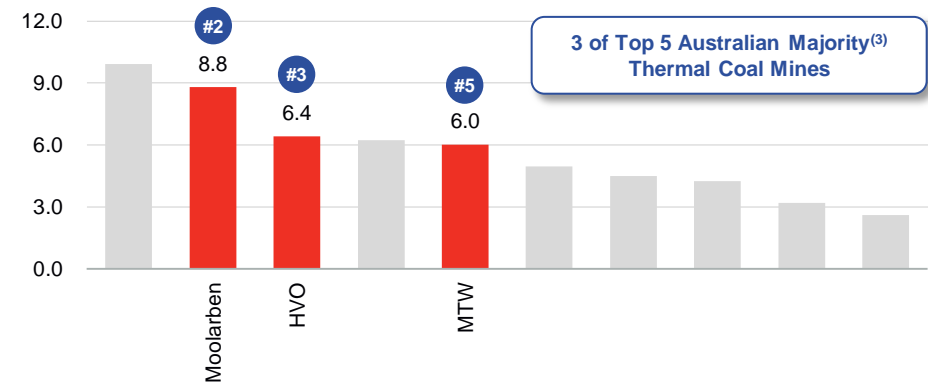
Significant scale, a relentless focus on driving asset performance and premium pricing for our coal products allows us to operate at industry-leading cash margins

Continued Focus on Driving Performance of Our Asset Base

- ✓ Post C&A, we have realised and will continue to improve operational synergies by maximising adjacency benefits
- ✓ Benefits include the potential to increase marketable reserves / mine life as well as reduce strip ratios / other costs through;
 - Mining “barrier coal” (at HVO specifically);
 - Enhancing equipment utilisation and productivity;
 - Coal blending opportunities; and
 - Reducing take-or-pay liabilities through optimisation of logistics and port allocation
- ✓ We continue to seek more favourable terms across various procurement contracts

Significant Scale Drives Efficiency, Performance and Productivity⁽¹⁾

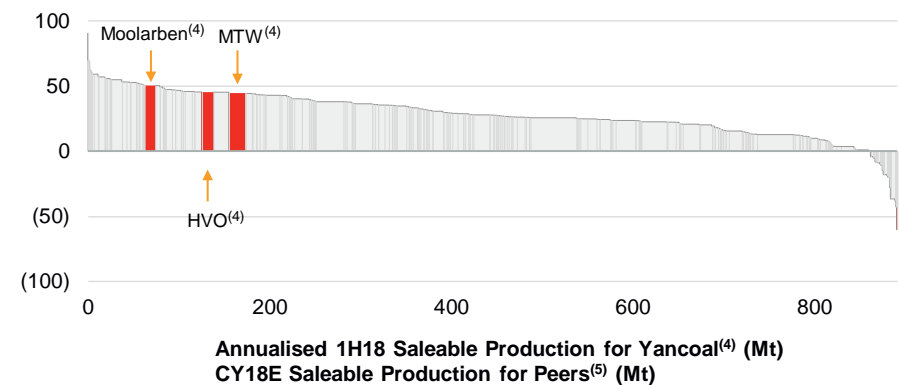
1H18 Saleable Production (100% basis, Mt)⁽²⁾



Source: Company Filings, AME Industry Report

Industry-Leading Cash Margins At our Three Flagship Mines⁽⁴⁾

Cash Margins Excluding Royalties (A\$/t)



Source: Company Filings, AME Industry Report

Source: Company Filings

Notes:

1. Saleable Production for Moolarben, HVO and MTW represents 1H18 reported saleable production
2. Includes all thermal and metallurgical coal production from the mine in 1H18
3. Mines where thermal coal comprises at least 50% of saleable production
4. Saleable Production for Moolarben, HVO and MTW in cash margin curve represents annualised 1H18 saleable production and do not represent CY18 forecasts
5. Saleable Production for Peers represent CY18E forecasts sourced from AME

3 Long-term Sustainable and Disciplined Capital Structure



Our balance sheet has materially strengthened in recent years which provides a platform for future growth and further returns to shareholders

Our Approach to Capital Structure

- ✓ Balance sheet materially strengthened and well-poised to deliver future growth and shareholder returns
- ✓ Voluntary debt repayments of US\$500MM in 1H18, US\$150MM in September 2018 and US\$100MM in October 2018
- ✓ Maiden A\$130MM dividend announced in August 2018 in respect of 1H18
- ✓ Enhanced credit position allowed us to lower parent guarantee fixed rate from 2.5% p.a to 1.5% p.a
- ✓ Approximately 48% of proceeds from Offering will be used to reduce our existing indebtedness and overall cost of capital
- ✓ De-leveraging remains a key focus for Yancoal balanced with delivery of future dividends (especially given our robust cash flow profile)

Dividend Metrics

Dividends Paid	7 Sep 2018 (Record Date)	A\$130MM
Net Profit After Tax	1H2018	A\$361MM
Market Capitalisation	20 Nov 2018	A\$3,919MM
Payout Ratio		36%
Implied Dividend Yield⁽⁵⁾		6.6%

Source: Company Filings

Notes:

1. Net Debt based on unaudited balances as at 31 October 2018. Represents A\$2,562MM of senior debt, A\$1,504MM of SHL, A\$45MM of leases and A\$545MM of cash
2. Assumes Total Debt of A\$4,284MM and Total Equity of A\$5,265MM as at 30 June 2018
3. Net Debt represents Total Debt of A\$4,111MM less cash of A\$545MM as at 31 October 2018 (unaudited figures)

Debt Structure by Maturity

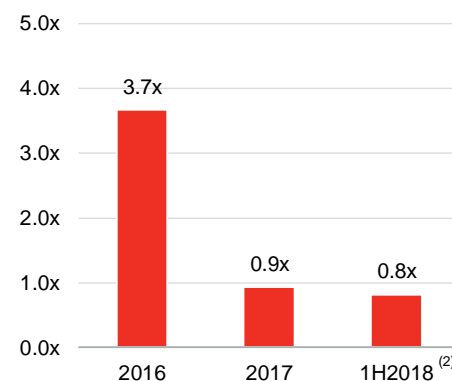
A\$MM

	31 Dec 16	31 Dec 17	30 Jun 18	31 Oct 18 ⁽¹⁾
Secured Bank Loans	3,593	3,117	2,622	2,562
Unsecured Loans from Related Parties	1,290	1,527	1,611	1,504
Secured Lease Liabilities	67	55	51	45
Total Debt	4,950	4,699	4,284	4,111
Less: Cash	(190)	(207)	(485)	(545)
Net Debt	4,760	4,492	3,799	3,566

Source: Company Filings

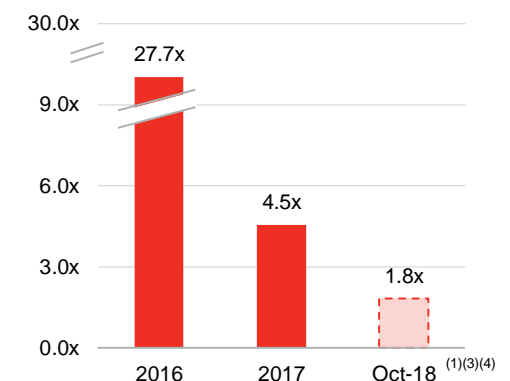
Key Credit Metrics

Total Debt / Total Equity (x)



Source: Company Filings

Net Debt / LTM EBITDA (x)



4. Leverage Ratio calculated using annualised 1H18 Operating EBITDA and does not represent CY18 forecast
5. Dividend yield based off annualised 1H18 dividend of A\$260MM (A\$130MM announced in respect of 1H18) and does not represent CY18 forecast

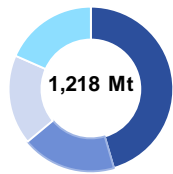
3 Sustainable Platform for Growth



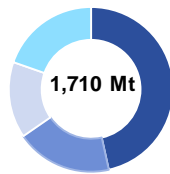
Large, high quality reserve and resource base located in a low risk jurisdiction – underpins current and anticipated production levels whilst also supporting future growth opportunities

Significant Reserve and Resource base (as at 30 June 2018)

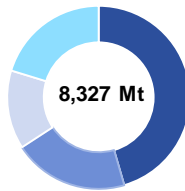
By Marketable Reserves (100% basis)



By Total Reserves (100% basis)



By Total Resources (100% basis)⁽¹⁾



■ HVO⁽⁴⁾ ■ MTW ■ Moolarben ■ Other Mines⁽²⁾

Source: Company Filings

Organic growth initiatives could create material value for shareholders

MTW Underground

- Significant potential for underground mining
- Opportunity to realise up to **5 to 7Mtpa ROM production increase** and augment take or pay commitments of the Group's operations
- Further confirmatory studies are required

HVO Boundary Coal Pillar

- Potential for **additional ROM coal tonnage of 100 – 120Mt** with extensions of mines
- Integrated mining planning should be conducted to realize potential upside in LOM plans and Reserves

Blending

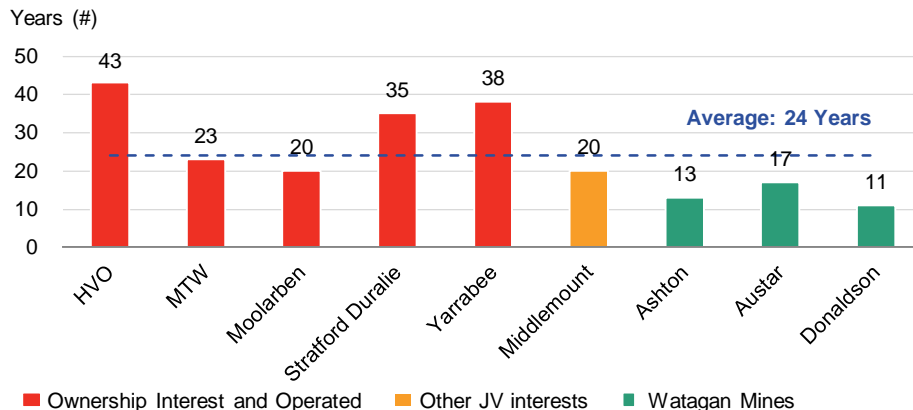
- Additional value creation through blending based on **high value coal types**
- Blending strategy to assist in further **optimising mining operations** in the short- and long-term through establishing a consolidated pit to port blending model

Moolarben Expansion

- Increase in site **ROM coal production from 18Mtpa to 24Mtpa** through optimising the approved Stage 1 and Stage 2 operations

Source: RPM Competent Persons Report, Yancoal

Average estimated mine life of 24 years⁽³⁾



Source: Company Filings

Notes:
 1. Includes measured, indicated and inferred resources
 2. Other Mines include Stratford Duralie, Yarrabee, Middlemount and Watagan Mines (Ashton, Austar and Donaldson)
 3. Mine life of each individual mine calculated as marketable reserves (as at 31 December 2017) divided by CY17 production. Average represents average of each individual mine life

4. HVO is operated as a 51:49 unincorporated joint venture with Glencore. The HVO JV is jointly controlled by Yancoal and Glencore through a joint venture management committee and is operated by a manager, HV Ops, which is appointed by Yancoal and Glencore and which reports to the joint venture management committee

4 Experienced Management Team



Management team consists of executives with deep experience in the coal sector and the financial sector, with track record of success



Baocai Zhang, Chair of the Board

- Chair of the Board since June 2018
- Previously the Co-Vice Chairman and the Chair of the Executive Committee of Yancoal Australia Ltd
- Served in a number of positions at Yanzhou, including Director of the Planning and Finance Department in 2002 and Deputy General Manager in 2011
- EMBA from Nankai University



Fucun Wang, Chair of the Executive Committee

- CEC since Jun 2018
- 30+ years of experience in the coal/mining industry
- Previous director of strategic planning and decision centre of Yankuang Group
- EMBA from Hebei Industrial University



Reinhold Schmidt, CEO

- CEO since August 2013 and led Yancoal's acquisition of Coal & Allied
- 20+ years of experience in the mining industry
- Previously COO of Xstrata Coal Queensland, and President of the Colombian coal assets of Glencore
- MSc Mining Engineering (Mineral Economics)



Lei Zhang, CFO

- CFO since March 2014 and led Yancoal's acquisition of Coal & Allied
- 20+ years of financial, commercial and M&A experience in the mining and oil & gas industries
- General Manager at Commercial, Finance, M&A at Shell Far East, Executive Director & CFO of Chinalco Mining Corp. International (HKEX: 3668) and Vice President & CFO of Chinalco Overseas Holdings, and Vice President and Real Estate CFO of Siemens North East Asia
- PHD of Economics from China Academy of Social Science Institute and MBA from Peking University



Laura Zhang, Company Secretary

- Founding executive since 2004
- Company Secretary since 2005 and Executive GM of Legal and Compliance since 2014
- BA, MA, Fellow Member of the Hong Kong Institute of Chartered Secretaries, Graduate Australian Institute of Company Directors, UNSW EMBA candidate

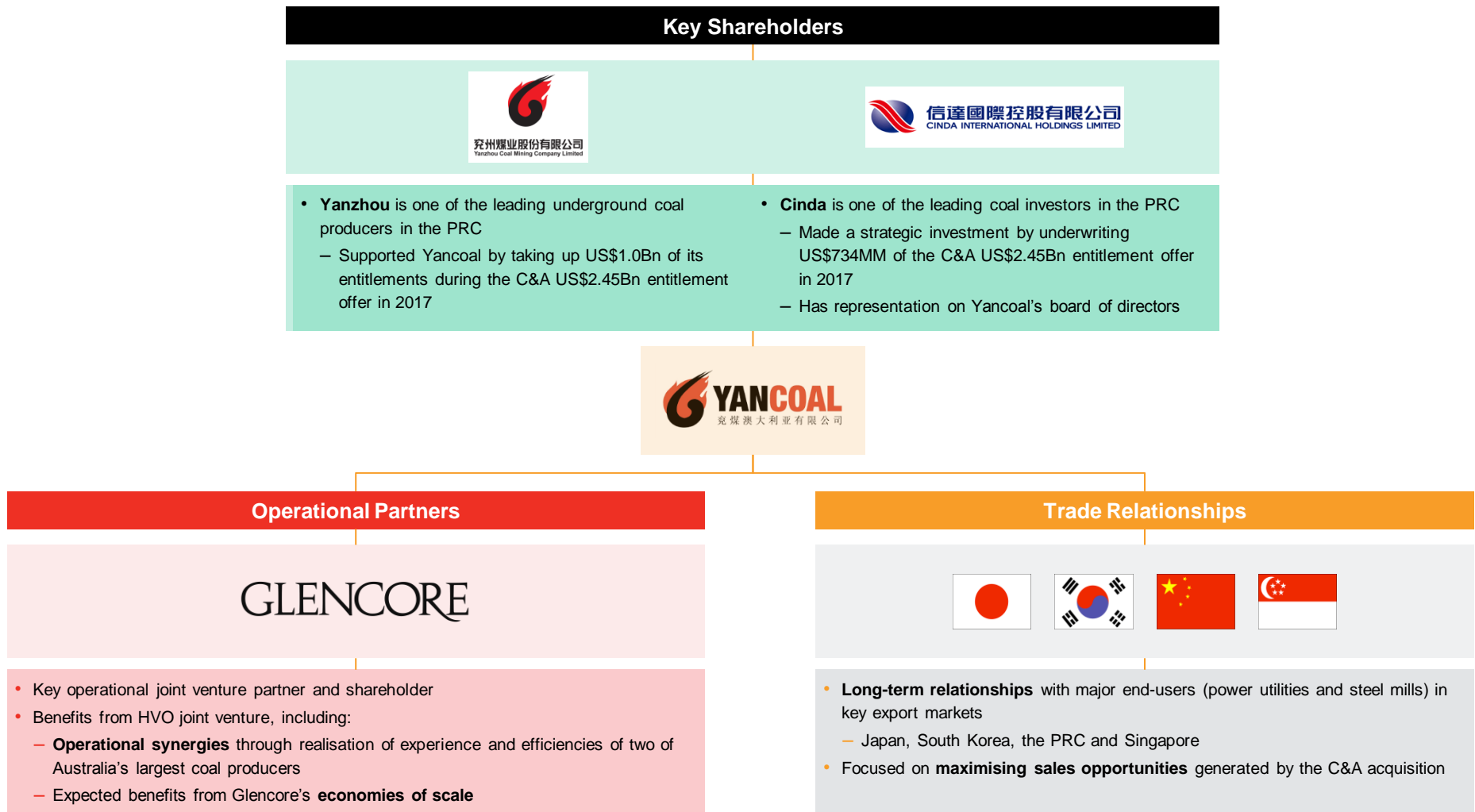
Key Achievements To Date

- ✓ Completion of the **transformative Coal & Allied acquisition**, redefining the business as Australia's largest pure-play coal producer
- ✓ Completion of Stage Two Moolarben underground mine **ahead of schedule and below budget**

5 Strong Relationships With Key Stakeholders



Valuable and strategic operational and trade relationships as well as strong support from key shareholders



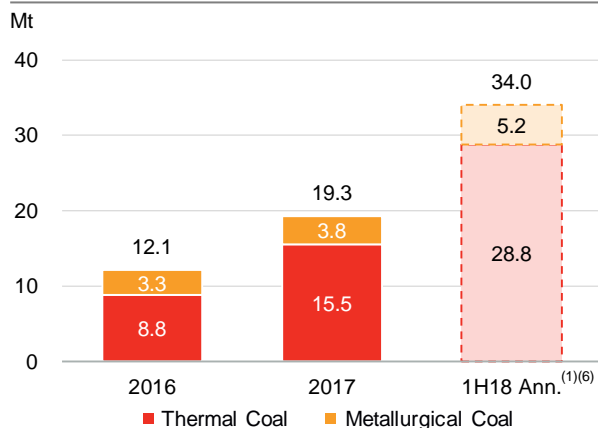


Financial Overview

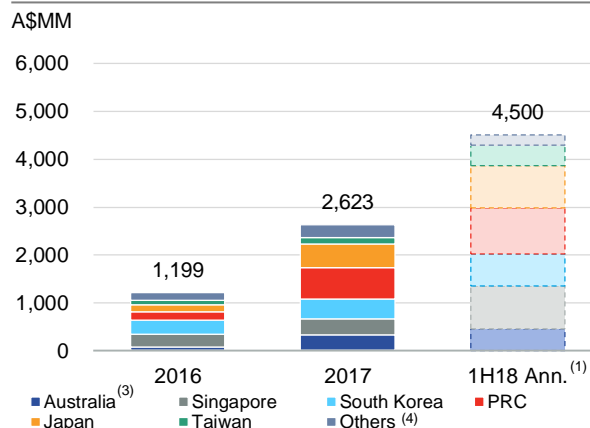
Key Operating and Financial Metrics



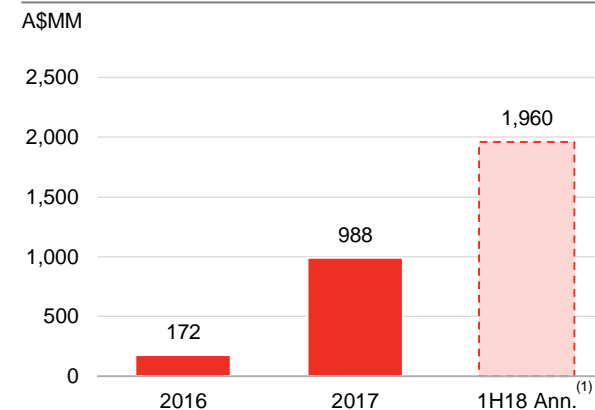
Saleable Production



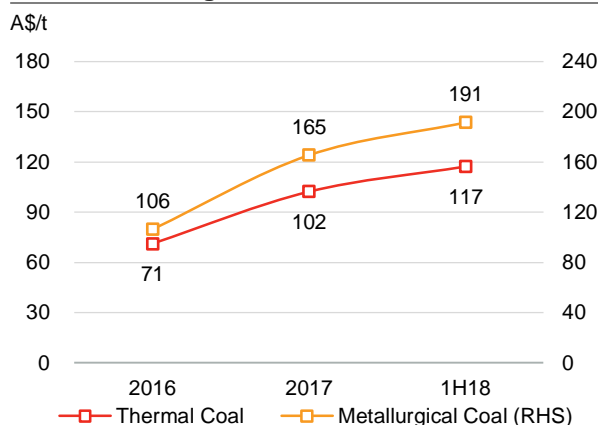
Coal Revenue by Customer⁽²⁾



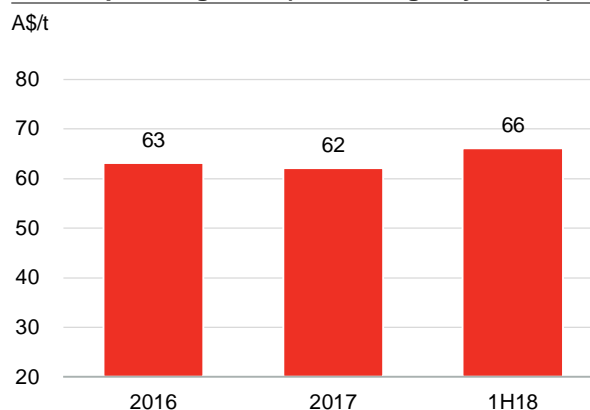
Operating EBITDA



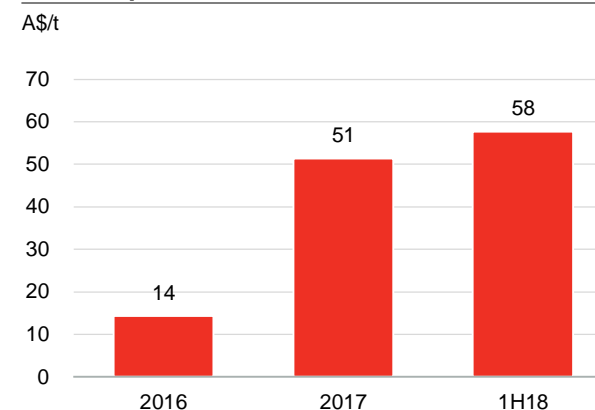
Realised Pricing



Cash Operating Cost (Excluding Royalties)⁽⁵⁾



EBITDA per Saleable Tonne Produced⁽⁶⁾



Source: Company Filings

Notes:

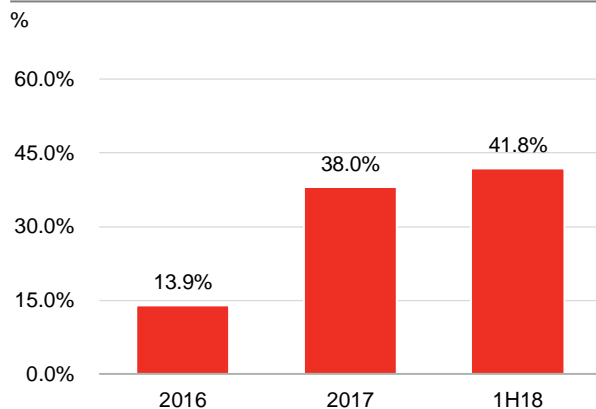
- Annualised 1H18 figures simply reflect two times 1H18 reported figures and do not represent CY18 forecasts
- Revenue shown in chart represents revenue from external customers only and excludes fair value losses recycled from hedging reserve, interest income, mining services fees, sea freight revenue and other sources of revenue
- Revenue to Australian customers represent coal sales to other Australian coal companies
- Other includes Malaysia, Vietnam, Thailand, India, Indonesia and Chile

- Includes costs (on a saleable per tonne basis) associated with raw materials and consumables used, employee benefits, transportation and contractual services and plant hire
- Saleable tonnes exclude production from Middlemount (incorporated joint venture) and Watagan (equity-accounted investment and deconsolidated from Yancoal in March 2016)

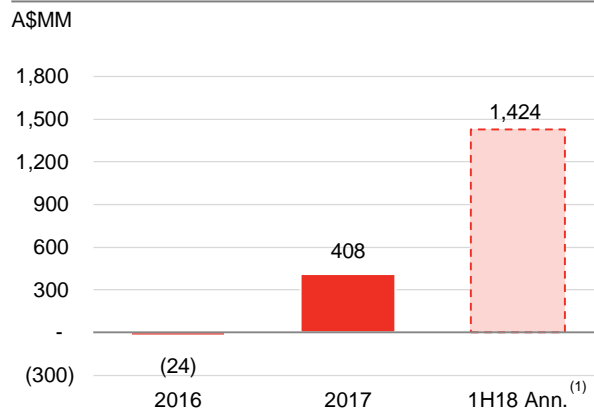
Key Operating and Financial Metrics (Continued)



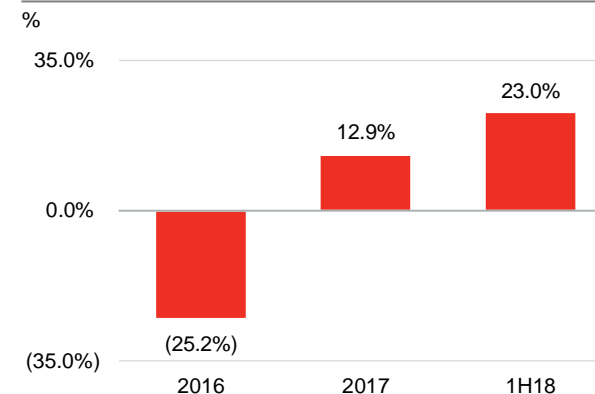
Operating EBITDA Margin



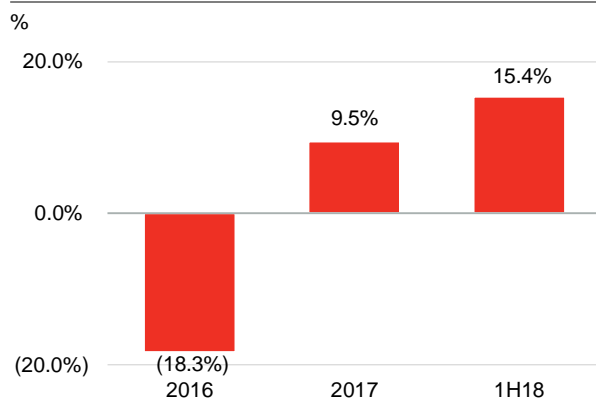
Net Cash (Used in) / Generated from Operating Activities



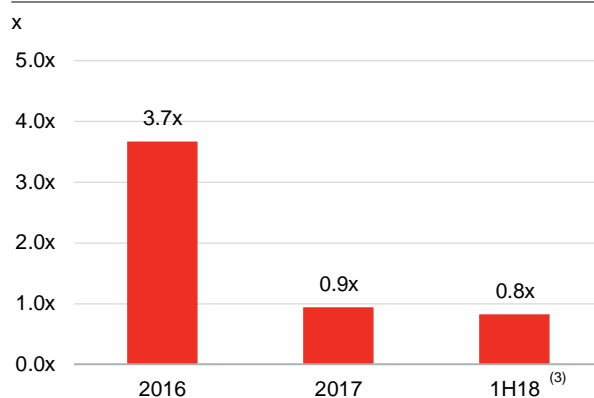
Profit / (Loss) Before Tax Margin



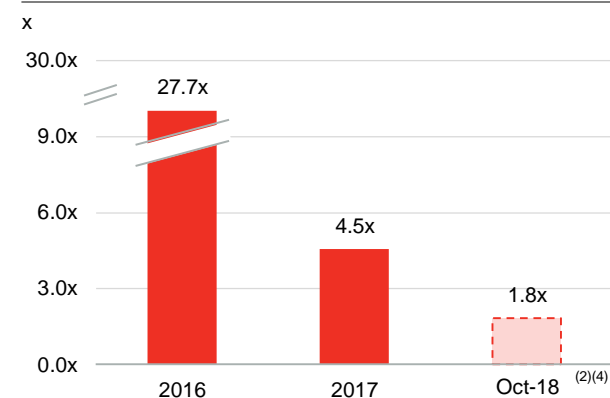
Profit / (Loss) After Tax Margin



Total Debt / Total Equity



Net Debt / LTM EBITDA



Source: Company Filings

Notes:

1. Annualised 1H18 figures simply reflect two times 1H18 reported figures and do not represent CY18 forecasts
2. Net Debt based on unaudited balances as at 31 October 2018. Represents A\$2,562MM of senior debt, A\$1,504MM of SHL, A\$45MM of leases less A\$545MM of cash
3. Assumes Total Debt of A\$4,284MM and Total Equity of A\$5,265MM as at 30 June 2018
4. Leverage Ratio calculated using annualised 1H18 Operating EBITDA and does not represent CY18 forecast

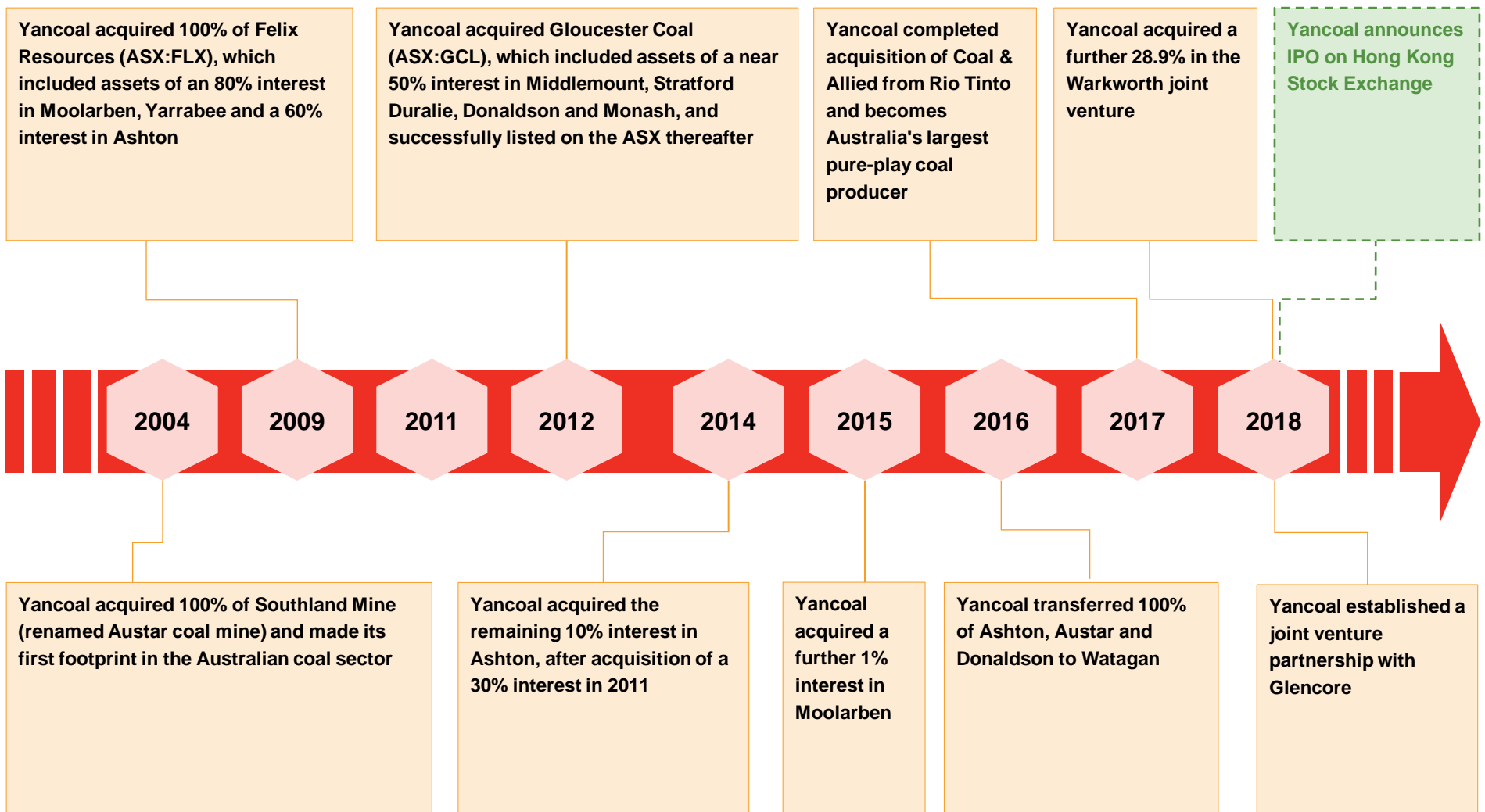


Appendix A: Yancoal's History

History and Key Milestones



Since our incorporation in 2004, we have grown through a series of successful M&A transactions and organic initiatives



Coal & Allied Acquisition Recap



Transformational acquisition by Yancoal, creating Australia's largest pure-play coal producer

<p>Coal & Allied Acquisition</p>	<ul style="list-style-type: none"> • Yancoal successfully completed the acquisition of Coal & Allied from Rio Tinto in September 2017 <ul style="list-style-type: none"> – Total consideration of US\$2.45 billion in cash, US\$240 million in non-contingent royalty payments plus contingent coal-price linked royalty payments • The transformational acquisition added two flagship Australian thermal coal operations to Yancoal's portfolio, Hunter Valley Operations ("HVO") and Mt Thorley-Warkworth ("MTW")
<p>Glencore Joint Venture Partnership</p>	<ul style="list-style-type: none"> • Following the Coal & Allied acquisition, Yancoal formed an unincorporated joint venture with Glencore in respect of HVO with Glencore owning 49% and the joint venture being managed by a manager, HV Ops, which is appointed by Yancoal and Glencore <ul style="list-style-type: none"> – As part of the Coal & Allied acquisition, Yancoal entered into a binding agreement to acquire Mitsubishi's 32.4% interest in HVO for US\$710 million – Glencore subsequently acquired Mitsubishi's 32.4% interest in HVO and an additional 16.6% interest from Yancoal for US\$429 million plus a share of the royalties payable by Yancoal to Rio Tinto • Yancoal's partnership with Glencore is also intended to provide substantial incremental value potential through realization of synergies
<p>Equity Raising & Balance Sheet Recap</p>	<ul style="list-style-type: none"> • Yancoal funded the acquisition through a US\$2.5 billion equity raising, including a rights issue and placement, which was strongly supported by new and existing shareholders <ul style="list-style-type: none"> – Yancoal's major shareholder, Yanzhou provided US\$1 billion in equity funding – Significant support from new shareholders with Cinda, Lucion Group and Glencore becoming substantial shareholders • The equity raising formed part of a balance sheet recapitalization together with conversion of US\$1.8 billion SCNs and US\$429 million cash from Glencore, significantly improving Yancoal's credit profile





Appendix B: Supplementary Information

1H CY18 Results Update

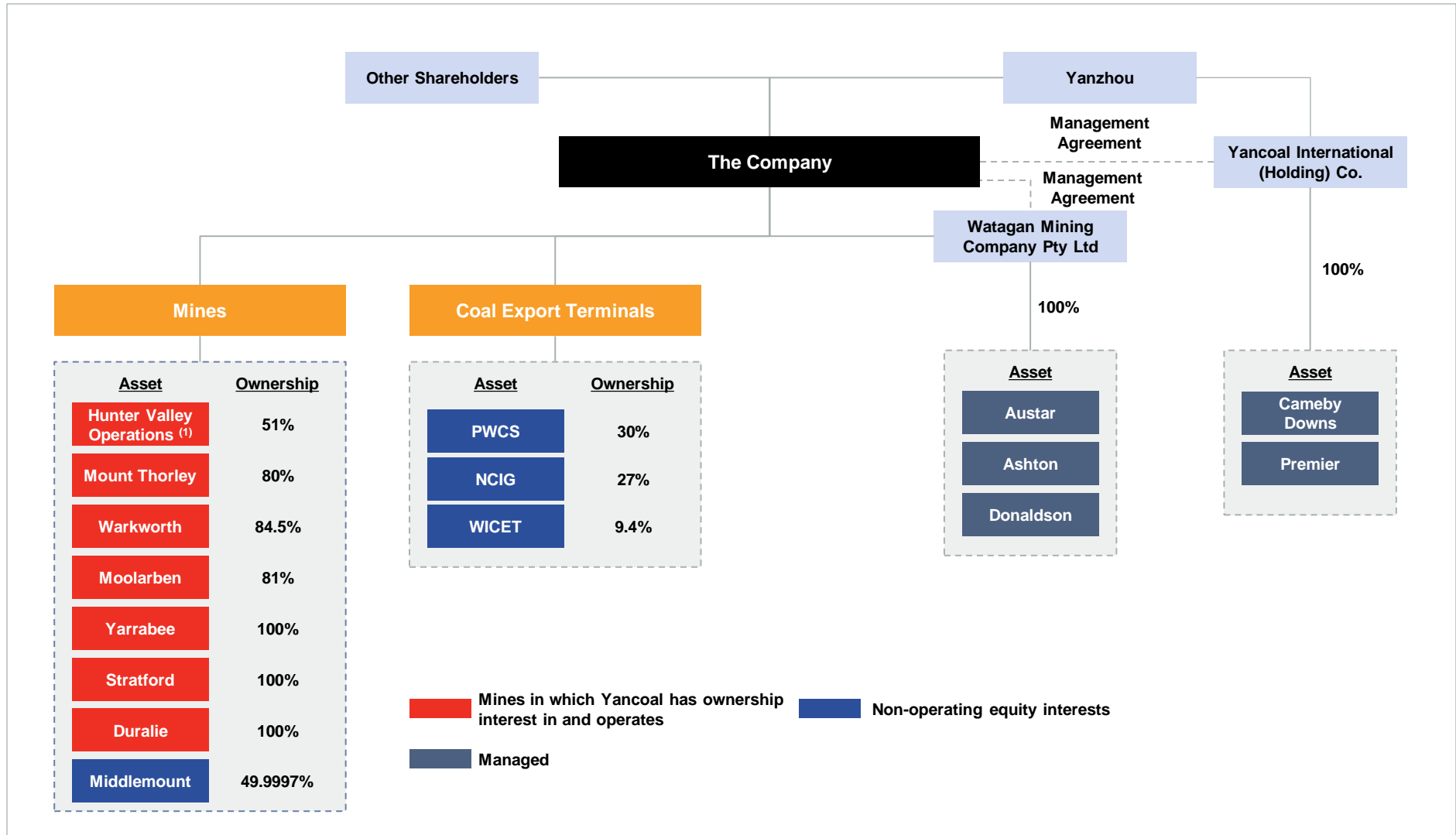


Yancoal's transformational acquisition of 100% of C&A from Rio Tinto drove immediate production and financial gains

Profit Result (A\$MM)	Half-Year Ended June 2018	Half-Year Ended June 2017	Full Year Ended December 2017	Full Year Ended December 2016
Revenue from Continuing Operations	2,347	832	2,601	1,238
Operating EBITDA	980	277	988	172
Operating EBIT	736	197	732	39
Finance Costs	(152)	(105)	(287)	(209)
Bank Fees and Other Charges	(62)	(49)	(109)	(113)
Interest Income	58	57	114	125
Gain on Disposal / Acquisition of Interest in Joint Operation and Subsidiaries	78	-	177	-
Impairment Reversal of Mining Tenements	-	-	100	-
Fair Value Losses Recycled from Hedge Reserve	(45)	(101)	(229)	(133)
Remeasurement of Royalty Receivable	2	2	8	(6)
Transaction Costs	(10)	(21)	(33)	(3)
Stamp Duty Expensed	(16)	(3)	(167)	(12)
Write-down of Financial Assets	(50)	-	-	-
Receipts from Joint Venture Participant	-	5	5	-
Profit / (Loss) before Income Tax	539	(18)	335	(312)
Net Profit / (Loss) after Income Tax	361	(14)	246	(227)

Source: Company Filings

Organisational Structure



Notes:
 1. HVO is operated as a 51:49 unincorporated joint venture with Glencore. The HVO JV is jointly controlled by Yancoal and Glencore through a joint venture management committee and is operated by a manager, HV Ops, which is appointed by Yancoal and Glencore and which reports to the joint venture management committee

Reserves and Resources By Mine



As at 30 June 2018, Yancoal has Coal Reserves of 1,710Mt, Marketable Coal Reserves of 1,218Mt and Coal Resources of 8,327Mt (on 100% basis)

- On an attributable basis, Yancoal's Coal Reserves were 1,178Mt, Marketable Coal Reserves were 837Mt and total Coal Resources (measured, indicated and inferred) were 5,916Mt (as at 30 June 2018)
- The three flagship mines amount to ~80% of Coal Reserves, Marketable Coal Reserves and Coal Resources

Coal Reserves (Proved and Probable, as at 30 Jun 2018, on a 100% basis)⁽¹⁾

	Mines in which Yancoal has ownership interests in and operates					Other Joint Venture Interests	Watagan Mines			Total
	HVO (OC)	MTW (OC)	Moolarben (OC/UG)	Stratford Duralie (OC)	Yarrabee (OC)	Middlemount (OC)	Ashton (OC/UG)	Austar (UG)	Donaldson (UG)	
Coal Reserves (Mt)	796	MT: 8 W: 314	OC: 189 UG: 67	44	55	87	OC: 14 UG: 33	41	62	1,710
Marketable Coal Reserves (Mt)	554	MT: 5 W: 220	OC: 148 UG: 67	26	42	67	OC: 8 UG: 18	31	32	1,218
Product Type	Met/ Thermal	Met/ Thermal	Thermal	Met/ Thermal	Met/ Thermal	Met/ Thermal	Met	Met/ Thermal	Thermal	-
80% of Total Coal Reserves, and 82% of Marketable Coal Reserves										

Coal Resources (as at 30 Jun 2018, on a 100% basis)⁽²⁾

	Mines in which Yancoal has ownership interests in and operates					Other Joint Venture Interests	Watagan Mines			Total
	HVO (OC)	MTW (OC)	Moolarben (OC/UG)	Stratford Duralie (OC)	Yarrabee (OC)	Middlemount (OC)	Ashton (OC/UG)	Austar (UG)	Donaldson (UG)	
Measured (Mt)	704	MT: 27 W: 197	OC: 438 UG: 287	OC:11 UG: -	94	73	OC: 25 UG: 52	70	OC: 10 UG: 178	2,165
Indicated (Mt)	1,430	MT: 75 W: 713	OC: 105 UG: 131	OC:196 UG: 1	80	47	OC: 49 UG: 18	80	OC: - UG: 326	3,249
Measured and Indicated (Mt)	2,134	MT: 102 W: 910	OC: 543 UG: 418	OC:207 UG: 1	174	120	OC: 74 UG: 70	150	OC: 10 UG: 503	5,414
Inferred (Mt)	1,654	MT: 153 W: 527	OC: 69 UG: 129	OC: 76 UG: 35	20	1	OC: 70 UG: 15	69	OC: - UG: 95	2,913
Total	3,788	MT: 255 W: 1,437	OC: 612 UG: 547	OC: 283 UG: 36	194	121	OC: 144 UG: 85	219	OC: 10 UG: 598	8,327
80% of Total Measured, Indicated and Inferred Resources										

Notes:

1. Attributable data is based on our effective ownership interest as at the Latest Practicable Date and is provided on an aggregate, not per mine, basis
2. As defined in the JORC Code and as at 30 June 2018. Total Coal Resources = Measured + Indicated + Inferred coal resources

Summary of Yancoal's Product Suite



		Hunter Valley			Queensland	
		Low Ash Thermal	High Ash Thermal	SSCC	PCI	Coking Coal
Calorific Value	<i>kcal / kg</i>	6,322	<6,322	6,784	6,767	NA
Ash	%	≤15	>15	9.5	11.5	10
Total Moisture	%	10	10	10	9	10
Fixed Carbon	%	53	53	52	77.8	69.5
Sulphur	%	0.55	0.55	0.65	0.68	0.43
Phosphorous	%	0.008	0.008	0.023	0.096	0.039
Volatile Matter	%	31	31	36	9.2	19
HGI	#	50	50	50	72	85
Free Swelling Index	#	NA	NA	7	NA	6
Fluidity	<i>ddpm</i>	NA	NA	150	NA	20

Source: Company Filings

Hunter Valley Operations

Yancoal
Owned & Operated

Other JV
Interests

Watagan
Mines

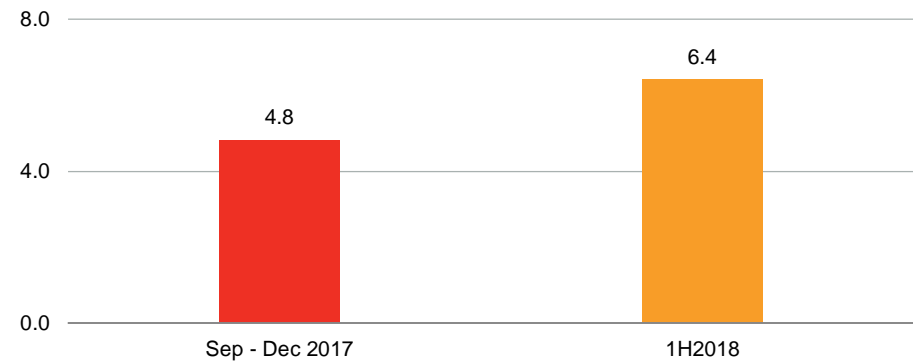


Key Metrics

Location	New South Wales, Australia
Mine Type	Open Cut
Year of Initial Operation	1949
Ownership (%)	51.0%
Coal Resources (OC + UG) (100% basis)⁽¹⁾	Measured: 704Mt Indicated: 1,430Mt Measured + Indicated: 2,134Mt Inferred: 1,654Mt Total: 3,788Mt
Coal Reserves (OC) – Proven and Probable (100% basis)⁽¹⁾	796Mt
Marketable Coal Reserves (OC) – Proven and Probable (100% basis)⁽¹⁾	554Mt
Mine Life	43 years
Product Type	Thermal / Semi Soft Coking

Marketable Coal Production (Mt) (100% basis)⁽²⁾

Production (Mt)



Commentary

- World-class tier-one thermal coal asset
- Located at 24 km north-west of Singleton in the Hunter Valley Basin of NSW, HVO is operated as an unincorporated joint venture with Glencore
- HVO is a multi-pit open cut mine, using dragline, and truck and shovel methods. ROM coal is processed through two on-site coal preparation plants to produce semi-soft coking coal and low, medium and high ash thermal coal for the export market. Product coal is railed through the Hunter Valley rail network and shipped via the Port Waratah Coal Terminal in Newcastle
- Subsequent to completion of the acquisition on 1 September 2017, HVO achieved saleable coal production of 4.8Mt in the four-month period in 2017 and 6.4Mt in the first half of 2018
- HVO has expansion potential, and operational synergies with Glencore, including mining coal from barriers between mines of the two companies

Notes:

1. As at 30 June 2018

2. For 2017, only 4 months of production from 1 September 2017, following completion of the Coal & Allied transaction. Source: Annual Report & Quarterly Activities Report

Mount Thorley Warkworth

Yancoal
Owned & Operated

Other JV
Interests

Watagan
Mines

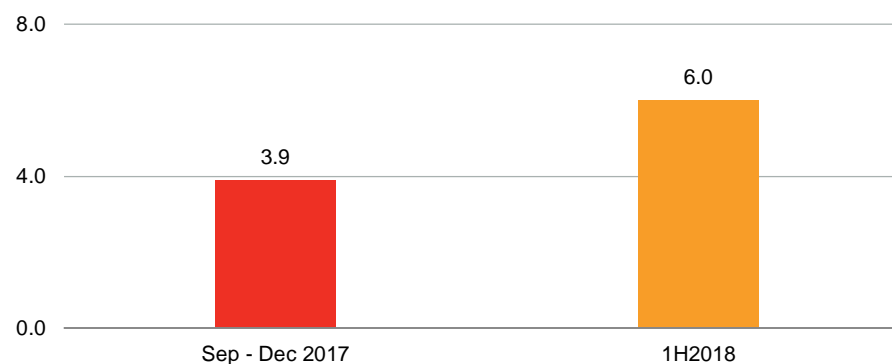


Key Metrics

Location	New South Wales, Australia
Mine Type	Open Cut
Year of Initial Operation	1981
Ownership (%)	82.9%
Coal Resources (OC + UG) (100% basis)⁽¹⁾	Measured: 27Mt (MT), 197Mt (W) Indicated: 75Mt (MT), 713Mt (W) Measured + Indicated: 102Mt (MT), 910Mt (W) Inferred: 153Mt (MT), 527Mt (W) Total: 255Mt (MT), 1,437Mt (W)
Coal Reserves (OC) – Proven and Probable (100% basis)⁽¹⁾	8Mt (MT), 314Mt (W)
Marketable Coal Reserves (OC) – Proven and Probable (100% basis)⁽¹⁾	5Mt (MT), 220Mt (W)
Mine Life⁽³⁾	23 years
Product Type	Thermal / Semi Soft Coking

Marketable Coal Production (Mt) (100% basis)⁽²⁾⁽³⁾

Production (Mt)



Commentary

- World-class tier-one thermal coal asset
- MTW is an integrated operation of two open cut mines located adjacent to each other, 15 km south-west of Singleton in the Hunter Valley of NSW
- MTW operates through multiple pits, using dragline, and truck and shovel methods. ROM coal is processed through two on-site coal preparation plants to produce semi-soft coking coal and low, medium and high ash thermal coal for the export market. Product coal is railed through the Hunter Valley rail network and shipped via the Port Waratah Coal Terminal in Newcastle
- Subsequent to completion of the acquisition on 1 September 2017, MTW achieved saleable coal production of 3.9Mt in the four-month period in 2017 and 6.0Mt in the first half of 2018
- Following preliminary studies, we have commissioned further drilling and technical assessments to consider the feasibility of a potential underground opportunity at MTW

Notes:

1. As at 30 June 2018

2. For 2017, 4 months of production from 1 September 2017, following completion of the Coal & Allied transaction. Source: Annual Report & Quarterly Activities Report

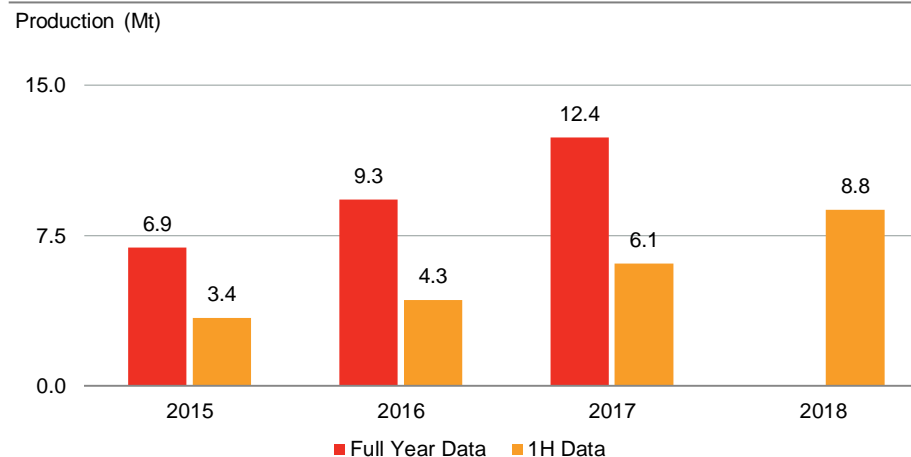
3. Source from Yancoal Prospectus and Quarterly Activities Reports



Key Metrics

Location	New South Wales, Australia
Mine Type	Open Cut and Underground
Year of Initial Operation	2010
Ownership (%)	81%
Coal Resources (OC + UG) (100% basis)⁽¹⁾	Measured: 438Mt (OC), 287Mt (UG) Indicated: 105Mt (OC), 131Mt (UG) Measured + Indicated: 543Mt (OC), 418Mt (UG) Inferred: 69Mt (OC), 129Mt (UG) Total: 612Mt (OC), 547Mt (UG)
Coal Reserves (OC+UG) – Proven and Probable (100% basis)⁽¹⁾	189Mt (OC), 67Mt (UG)
Marketable Coal Reserves (OC+UG) – Proven and Probable (100% basis)⁽¹⁾	148Mt (OC), 67Mt (UG)
Mine Life⁽²⁾	20 years
Product Type	Thermal

Marketable Coal Production (Mt) (100% basis)⁽²⁾



Commentary

- Located within the western coalfields of New South Wales, Moolarben is a Tier One open-cut and underground complex producing export quality thermal coal
- Expansion of the Moolarben complex continued in 2017 with the successful commissioning of the new underground mine and commencement of longwall production in October 2017 on schedule and on budget
- In 2017, production at the open cut and underground mines achieved total ROM production of 14.7Mt and saleable coal production of 12.4Mt
- Now fully developed, the integrated Moolarben Coal Complex (Stage One and Stage Two) has approval to produce up to 21Mt of ROM coal per annum

Notes:

1. As at 30 June 2018

2. Source from Yancoal Prospectus and Quarterly Activities Reports

Stratford Duralie (Gloucester)

Yancoal
Owned & Operated

Other JV
Interests

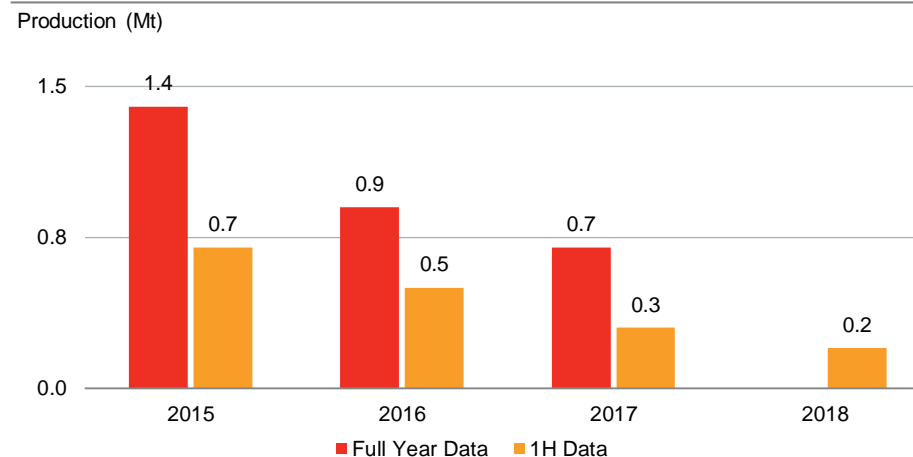
Watagan
Mines



Key Metrics

Location	New South Wales, Australia
Mine Type	Open Cut
Year of Initial Operation	1995
Ownership (%)	100%
Coal Resources (OC) (100% basis)⁽¹⁾	Measured: 11Mt (OC) Indicated: 196Mt (OC), 1Mt (UG) Measured + Indicated: 207Mt (OC), 1Mt (UG) Inferred: 76Mt (OC), 35Mt (UG) Total: 283Mt (OC), 36Mt (UG)
Coal Reserves (OC) – Proven and Probable (100% basis)⁽¹⁾	44Mt (OC)
Marketable Coal Reserves (OC) – Proven and Probable (100% basis)⁽¹⁾	26Mt (OC)
Mine Life⁽²⁾	35 years
Product Type	Thermal / Met

Marketable Coal Production (Mt) (100% basis)⁽²⁾



Commentary

- Located within the Gloucester Basin of NSW, the Stratford Duralie operation produces high fluidity semi-soft coking and thermal coals
- Stratford Duralie capitalised on improved mining conditions established in the first half of 2017 following a redesign of the mine in late 2016, enabling sustained extraction rates
- In 2017, Stratford Duralie achieved total ROM coal production of 0.9Mt and saleable coal production of 0.7Mt
- Mining activity at the Duralie mine continues to wind down and operational focus moves to the commencement of production of the 1.2Mt ROM per annum Stratford extension project in the latter half of 2018

Notes:

1. As at 30 June 2018

2. Source from Yancoal Prospectus and Quarterly Activities Reports

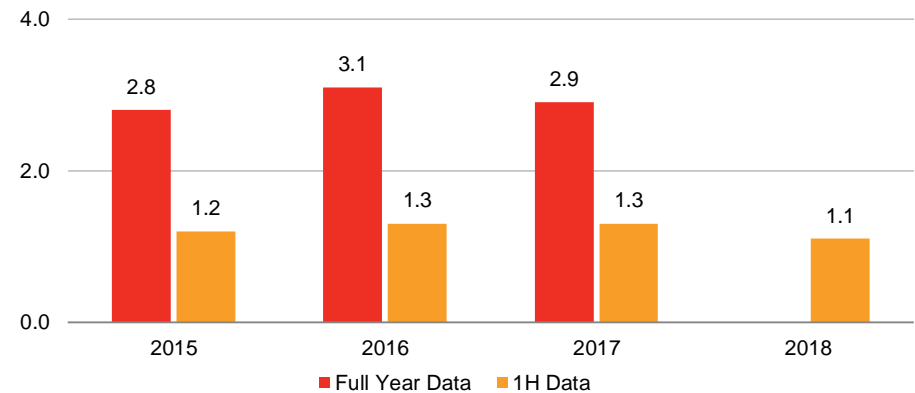


Key Metrics

Location	Queensland, Australia
Mine Type	Open Cut
Year of Initial Operation	1982
Ownership (%)	100%
Coal Resources (OC) (100% basis)⁽¹⁾	Measured: 94Mt Indicated: 80Mt Measured + Indicated: 174Mt Inferred: 20Mt Total: 194Mt
Coal Reserves (OC) – Proven and Probable (100% basis)⁽¹⁾	55Mt
Marketable Coal Reserves (OC) – Proven and Probable (100% basis)⁽¹⁾	42Mt
Mine Life⁽²⁾	38 years
Product Type	PCI / Thermal

Marketable Coal Production (Mt) (100% basis)⁽²⁾

Production (Mt)



Commentary

- Located at approximately 40 kilometres north-east of Blackwater in Central Queensland's Bowen Basin, Yarrabee is an open cut coal mine
- Yarrabee produces low volatile, semi-anthracitic PCI coal, exporting to steelmakers in the Asian region
- ROM coal is mined from a number of pits, with the majority of coal blended at the site's coal handling preparation plant. A notable portion of the ROM coal is bypassed due to its superior in situ quality
- Product coal is road hauled about 37 kilometres to the Boonal load out facility on the Blackwater railway system and then railed to the RG Tanna and Wiggins Island Coal Export Terminals in Gladstone for export to customers
- In 2017, Yarrabee achieved total ROM coal production of 3.4Mt and total saleable coal production of 2.9Mt

Notes:

1. As at 30 June 2018

2. Source from Yancoal Prospectus and Quarterly Activities Reports

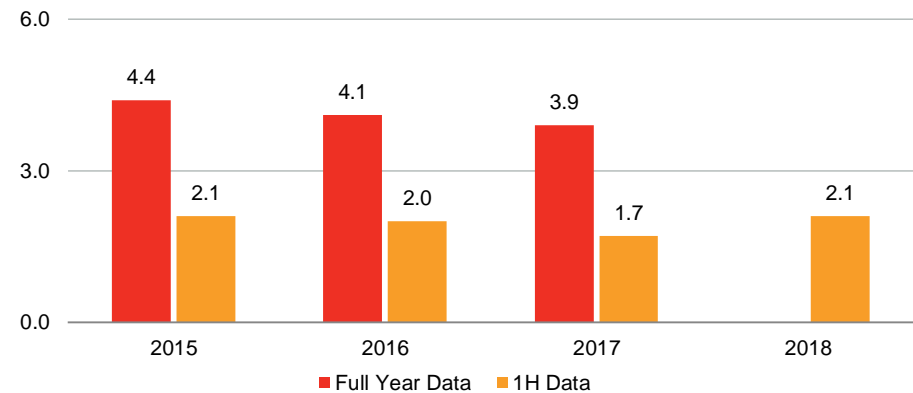


Key Metrics

Location	Queensland, Australia
Mine Type	Open Cut
Year of Initial Operation	2011
Ownership (%)	Around 50.0%
Coal Resources (OC) (100% basis)⁽¹⁾	Measured: 73Mt Indicated: 47Mt Measured + Indicated: 120Mt Inferred: 1Mt Total: 121Mt
Coal Reserves (OC) – Proven and Probable (100% basis)⁽¹⁾	87Mt
Marketable Coal Reserves (OC) – Proven and Probable (100% basis)⁽¹⁾	67Mt
Mine Life⁽²⁾	20 years
Product Type	Thermal / Met

Marketable Coal Production (Mt) (100% basis)⁽²⁾

Production (Mt)



Commentary

- Located 90 kilometres north-east of Emerald in Queensland's Bowen Basin, Middlemount is an open cut mine producing low volatile PCI coal and hard coking coal used for export markets
- Middlemount is mined using conventional truck and shovel techniques. ROM coal is washed at an onsite facility. Product coal is railed and shipped via Dalrymple Bay Coal Terminal and Abbot Point Port
- The Middlemount joint venture overcame the impacts of poor weather conditions and subsequent interruptions to rail and shipping to re-establish consistent extraction and throughput rates in the second half of 2017
- In 2017, Middlemount achieved total annual ROM coal production of 5.3Mt and total saleable coal production of 3.9Mt

Notes:

1. As at 30 June 2018
2. Source from Yancoal Prospectus and Quarterly Activities Reports

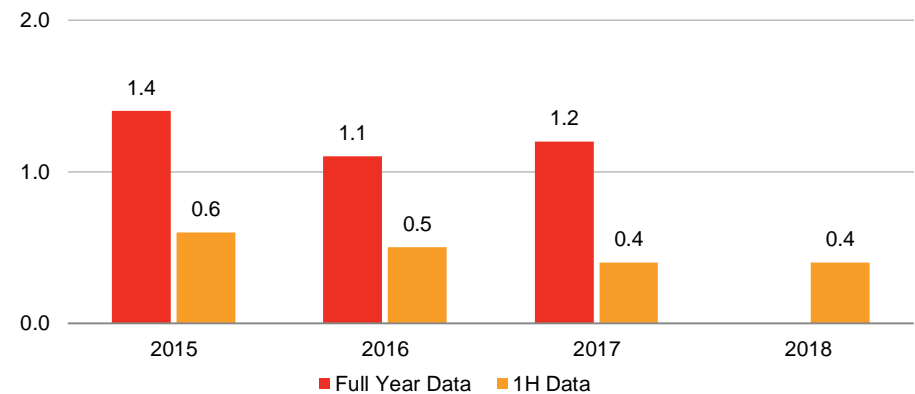


Key Metrics

Location	New South Wales, Australia
Mine Type	Underground and Potential Open Cut
Year of Initial Operation	2005
Ownership (%)	100% ⁽²⁾
Coal Resources (OC + UG) (100% basis)⁽¹⁾	Measured: 25Mt (OC), 52Mt (UG) Indicated: 49Mt (OC), 18Mt (UG) Measured + Indicated: 74Mt (OC), 70Mt (UG) Inferred: 70Mt (OC), 15Mt (UG) Total: 144Mt (OC), 85Mt (UG)
Coal Reserves (OC+UG) – Proven and Probable (100% basis)⁽¹⁾	14Mt (OC), 33Mt (UG)
Marketable Coal Reserves (OC+UG) – Proven and Probable (100% basis)⁽¹⁾	8Mt (OC), 18Mt (UG)
Mine Life⁽³⁾	13 years
Product Type	Semi Soft Coking

Marketable Coal Production (Mt) (100% basis)⁽³⁾

Production (Mt)



Commentary

- Located in the Upper Hunter Valley region of New South Wales, the Ashton underground mine produces semi-soft coking coal for export through the Port of Newcastle
- The Ashton operation includes an operating underground mine, an approved but undeveloped open cut project, coal handling and preparation plant and a rail siding
- In 2017, Ashton achieved total ROM coal production of 2.8Mt and saleable coal production of 1.2Mt for the year
- The approval for the Ashton 'Mod 5' (integration modification) has been received. The modification enables Ashton to increase underground production up to 5.45Mtpa ROM

Notes:

1. As at 30 June 2018

2. Watagan Mining Company Pty Ltd is a wholly-owned subsidiary of Yancoal Australia Ltd, controlled by a consortium of financiers consisting of Industrial Bank Co. Ltd, BOCI Financial Products Limited and United NSW Energy Limited. Effective 31 March 2016, Yancoal ceased to control Watagan and remains the exclusive provider of mine management, marketing, infrastructure and other corporate support services for the Ashton, Austar and Donaldson assets

3. Source from Yancoal Prospectus and Quarterly Activities Reports



Key Metrics

Location	New South Wales, Australia
Mine Type	Underground
Year of Initial Operation	1916
Ownership (%)	100% ⁽²⁾
Coal Resources (UG) (100% basis)⁽¹⁾	Measured: 70Mt Indicated: 80Mt Measured + Indicated: 150Mt Inferred: 69Mt Total: 219Mt
Coal Reserves (UG) – Proven and Probable (100% basis)⁽¹⁾	41Mt (UG)
Marketable Coal Reserves (UG) – Proven and Probable (100% basis)⁽¹⁾	31Mt (UG)
Mine Life⁽³⁾	17 years
Product Type	Met/Thermal

Notes:

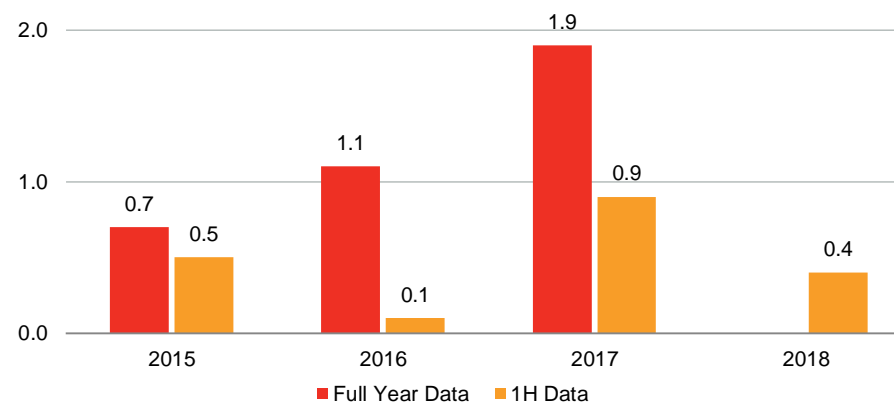
1. As at 30 June 2018

2. Watagan Mining Company Pty Ltd is a wholly-owned subsidiary of Yancoal Australia Ltd, controlled by a consortium of financiers consisting of Industrial Bank Co. Ltd, BOCI Financial Products Limited and United NSW Energy Limited. Effective 31 March 2016, Yancoal ceased to control Watagan and remains the exclusive provider of mine management, marketing, infrastructure and other corporate support services for the Ashton, Austar and Donaldson assets

3. Source from Yancoal Prospectus and Quarterly Activities Reports

Marketable Coal Production (Mt) (100% basis)⁽³⁾

Production (Mt)



Commentary

- Austar is one of the oldest mines within New South Wales, having been in operation for 100 years
- Located south-west of Cessnock, Austar produces a premium semi-hard coking coal characterised as the highest fluidity and lowest ash coking coal in Australia, with low phosphorous and low alkalis. The coal is shipped through the Port of Newcastle
- In 2017, Austar achieved total ROM coal production of 2.0Mt and saleable coal production of 1.9Mt

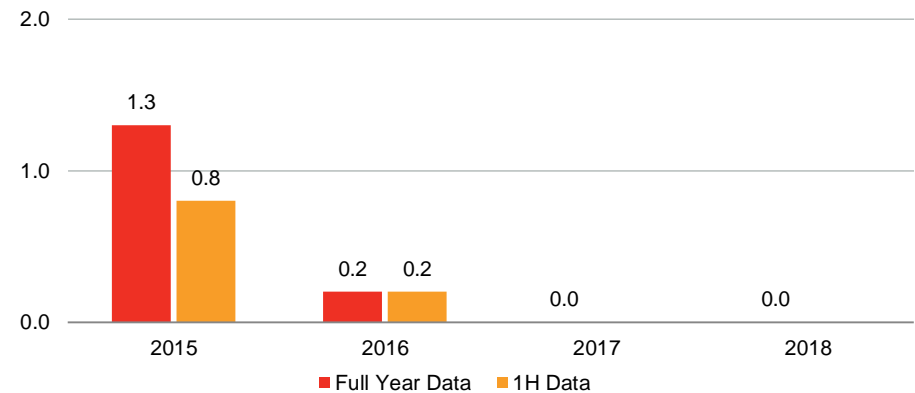


Key Metrics

Location	New South Wales, Australia
Mine Type	Underground
Year of Initial Operation	2006
Ownership (%)	100% ⁽²⁾
Coal Resources (OC + UG) (100% basis)⁽¹⁾	Measured: 10Mt (OC), 178Mt (UG) Indicated: 326Mt (UG) Measured + Indicated: 10Mt (OC), 503Mt (UG) Inferred: 95Mt (UG) Total: 10Mt (OC), 598Mt (UG)
Coal Reserves (UG) – Proven and Probable (100% basis)⁽¹⁾	62Mt (UG)
Marketable Coal Reserves (UG) – Proven and Probable (100% basis)⁽¹⁾	32Mt (UG)
Mine Life⁽³⁾	11 years
Product Type	Thermal

Marketable Coal Production (Mt) (100% basis)⁽³⁾

Production (Mt)



Commentary

- As announced in May 2016, the Donaldson coal operation was moved to “care and maintenance”, with mining at the Abel underground mine ceasing in June 2016

Notes:

1. As at 30 June 2018

2. Watagan Mining Company Pty Ltd is a wholly-owned subsidiary of Yancoal Australia Ltd, controlled by a consortium of financiers consisting of Industrial Bank Co. Ltd, BOCI Financial Products Limited and United NSW Energy Limited. Effective 31 March 2016, Yancoal ceased to control Watagan and remains the exclusive provider of mine management, marketing, infrastructure and other corporate support services for the Ashton, Austar and Donaldson assets

3. Source from Yancoal Prospectus and Quarterly Activities Reports