

29 November 2018

ASX Release:

Yancoal announces launch of HK\$1.589 billion Australian entitlement offer and allocation of shares offered under the Global Offering

Highlights

- Yancoal has allocated 68,358,100 new Yancoal Shares to investors under the Global Offering at an Offer Price of HK\$23.48 per Share (equivalent to A\$4.15 per Share¹) to raise total proceeds of HK\$1.605 billion. The Global Offering is fully underwritten.
- Given the offer price for the Global Offering has been determined and shares offered under the Global Offering have been allocated, Yancoal is now launching the Entitlement Offer, being a 0.05387 for 1 accelerated pro-rata renounceable entitlement offer to raise up to approximately HK\$1.589 billion.

Update on Global Offering

Yancoal Australia Ltd (ASX: YAL) (“Yancoal” or “Company”) is pleased to announce that it has allocated 68,358,100 new fully paid ordinary shares in Yancoal to investors under the Hong Kong initial public offering of its fully paid ordinary shares (“Shares”) on the Main Board of the Stock Exchange of Hong Kong (“HKEx”) (“Global Offering”) at an offer price of HK\$23.48 per Share (equivalent to A\$4.15 or US\$3.00 per Share²) to raise total proceeds of HK\$1.605 billion.

Settlement of the Global Offering, and the issue and commencement of trading of the Shares on the HKEx, is expected to occur on Thursday, 6 December 2018, subject to the Underwriting Agreements (as referred to below) becoming and remaining unconditional and not having been terminated.

Entitlement Offer

Yancoal is pleased to confirm that the accelerated pro-rata renounceable entitlement offer (“Entitlement Offer”) previously announced on Monday, 26 November 2018, under which eligible shareholders will have the opportunity to subscribe for 0.05387 new Shares for every 1 existing Share in the Company which they hold at 7.00pm (Sydney, Australia time) on Tuesday, 4 December 2018 (the **Record Date**), will be undertaken at HK\$23.48 per Share (“Offer Price”) (representing A\$4.15³).

¹ Based on an A\$:HK\$ rate of 5.6610.

² Based on an A\$:HK\$ rate of 5.6610 and a US\$:HK\$ rate of 7.8266.

³ Based on an A\$:HK\$ rate of 5.6610.

The Offer Price represents:

- a 27.7% premium to the closing price of the Shares on Wednesday, 28 November 2018 of A\$3.25⁴; and
- a 25.8% premium to the theoretical ex rights⁵ price of A\$3.30 per Share⁶.

With respect to the Global Offering (as referred to in its announcement on Monday, 26 November 2018), the Company has entered into an underwriting agreement on Friday, 23 November 2018 in respect of the Hong Kong Public Offering, and is expecting to enter into an underwriting agreement in respect of the International Offering today. The terms and conditions of each underwriting agreement is summarised in the section headed “Underwriting” in the HK Prospectus (as defined below).

An offer booklet containing information in respect of the Retail Entitlement Offer (“**Entitlement Offer Booklet**”) will be released on ASX today and sent to Eligible Shareholders by Friday, 7 December 2018, and will annex extracts of the prospectus registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) in respect of the Company’s proposed dual listing of its Shares on HKEx (“**HK Prospectus**”) and the Global Offering. Neither the Entitlement Offer Booklet nor the HK Prospectus are a prospectus or other disclosure document for the purposes of Chapter 6D of the Corporations Act 2001 (*Cth*) and neither of these will be lodged with the Australian Securities and Investments Commission. Eligible Shareholders should read both the Entitlement Offer Booklet (including the extracts from the HK Prospectus) and other documents Yancoal has filed with the ASX and the HKEx for more complete information about Yancoal and this offering carefully before making any investment decision regarding the Entitlement Offer.

Any Eligible Shareholders who wishes to acquire Shares under the Retail Entitlement Offer will need to complete, or otherwise apply in accordance with, the personalised entitlement and acceptance form that will accompany the Entitlement Offer Booklet.

Shares issued under the retail tranche of the Entitlement Offer will be recorded on Yancoal’s Australian register and will be quoted on ASX (subject to quotation approval being granted by ASX – see section 3.16 of the Entitlement Offer Booklet for further details).

Key dates

Event	Date
Institutional Entitlement Offer period	Friday, 30 November 2018
Record Date for eligibility for the Entitlement Offer	7.00pm, Tuesday, 4 December 2018
Settlement of Global Offering, issue of Shares under the Global Offering and commencement of trading of Global Offering Shares on the HKEx (the Listing Date) (this is also the date of settlement of Institutional Entitlement Offer and issue of New Shares under the Institutional Entitlement Offer since those Shares have been allocated to participants in the Global Offering)	Thursday, 6 December 2018

⁴ Equivalent to HK\$18.40 or US\$2.35 based on the closing rates published by the Reserve Bank of Australia on Wednesday, 28 November 2018.

⁵ Theoretical ex-rights price (or “**TERP**”) is the theoretical price at which Shares should trade immediately after the announcement of the Offer. TERP is a theoretical calculation only and the actual price at which Shares trade immediately after the announcement of the Offer will depend on many factors and may not be equal to TERP.

⁶ Equivalent to HK\$18.68 or US\$2.39 based on the closing rates published by the Reserve Bank of Australia on Wednesday, 28 November 2018.

Market stabilisation trading on HKEx may commence	Thursday, 6 December 2018
Quotation of Shares issued under the Institutional Entitlement Offer	Friday, 7 December 2018
Entitlement Offer Booklet and Entitlement and Acceptance Form despatched / Dispatch of letter to Ineligible Shareholders	Friday, 7 December 2018
Retail Entitlement Offer opens	Friday, 7 December 2018
Retail Entitlement Offer closes	5.00pm, Tuesday, 18 December 2018
Announcement of the results of the Retail Entitlement Offer	Thursday, 20 December 2018
Retail Bookbuild	Friday, 21 December 2018
Settlement of Retail Entitlement Offer	Thursday, 27 December 2018
Issue of Shares and Additional New Shares under the Retail Entitlement Offer	Friday, 28 December 2018
Last day for exercise of the Over-Allotment Option and end of market stabilisation period on HKEx	Saturday, 29 December 2018
Commencement of trading of Shares and Additional New Shares issued under the Retail Entitlement Offer	Monday, 31 December 2018
Despatch of holding statements for Shares and Additional New Shares issued under the Retail Entitlement Offer and payment of Retail Premium (if any)	Wednesday, 2 January 2018

Dates and times are indicative only and subject to change. All times and dates refer to Sydney, Australia time.

Enquiries

Eligible Shareholders who do not receive a copy of the Entitlement Offer Booklet, or who have questions relating to the Entitlement Offer, should call Yancoal's Offer Information Line on:

- 1300 855 080 (from within Australia); or
- +61 3 9415 4000 (from outside of Australia),

between 9.00am to 5.00pm (Sydney, Australia time), Monday to Friday during the period of the Retail Entitlement Offer.

Ends

Media and Investor Relations contact:

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Important Notices

This announcement is not financial product or investment advice nor a recommendation to acquire New Shares and has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek legal, taxation and financial advice appropriate to their jurisdiction and circumstances. Yancoal is not licensed to provide financial product advice in respect of New Shares.

Not for distribution or release in the United States

This announcement and any material accompanying it may not be released or distributed in the United States. This announcement and any material accompanying it does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The entitlements, New Shares and Additional New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933 (as amended) (**U.S. Securities Act**) or the securities laws of any state or other jurisdiction of the United States. The entitlements may not be taken up by persons in the United States and the New Shares (or additional New Shares, as the case may be) may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and the applicable securities laws of any state or other jurisdiction of the United States. The New Shares and Additional New Shares to be offered and sold to Eligible Shareholders will only be sold in 'offshore transactions' (as defined in Rule 902(h) under the U.S. Securities Act) in compliance with Regulation S thereunder.

Forward looking statements

This announcement contains certain forward-looking statements including statements of current intention, statements of opinion and predictions as to possible future events. Forward-looking statements can generally be identified by the use of forward looking words such as “anticipate”, “believe”, “expect”, “project”, “forecast”, “estimate”, “likely”, “intend”, “should”, “could”, “may”, “target”, “plan”, “consider”, “foresee”, “aim”, “will” and other similar expressions within the meaning of securities laws of applicable jurisdictions, and include but are not limited to the outcome and effects of the Entitlement Offer. Indications of, and guidance or outlook on, future earnings, financial position, performance and strategies are also forward looking statements. Such statements are not statements of fact and there can be no certainty of outcome in relation to the matters to which the statements relate. These forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual outcomes to be materially different from the events or results expressed or implied by such statements. Those risks, uncertainties, assumptions and other important factors are not all within the control of the Company and cannot be predicted by the Company. This includes changes in circumstances or events that may cause objectives to change as well as any statements about market and industry trends, which are based on interpretations of current market conditions. They also include general economic conditions, exchange rates, interest rates, regulatory environments, competitive pressures, selling price, market demand and conditions in the financial markets which may cause objectives to change or may cause outcomes not to be realised. This announcement includes forward looking statements in relation to and the Entitlement Offer and the Company's future financial results. Actual results, performance or achievements may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. Readers are cautioned not to place undue reliance on

forward-looking statements and none of the Company or any of its subsidiaries, affiliates and associated companies (or any of their respective officers, employees or agents) makes any representation, assurance or guarantee as to the accuracy or likelihood of fulfilment of any forward looking statement or any outcomes expressed or implied in any forward looking statements.