

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Yancoal Australia Limited (**Yancoal**)

ABN

82 111 859 119

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | |
|---|---|
| 1 +Class of +securities issued or to be issued | Fully paid ordinary shares (Shares) |
| 2 Number of +securities issued or to be issued (if known) or maximum number which may be issued | <p>563,881 Shares (New Shares) will be issued on Friday, 28 December 2018 pursuant to the retail component (Retail Entitlement Offer) of the pro-rata accelerated renounceable entitlement offer announced by Yancoal on 29 November 2018 (Entitlement Offer).</p> <p>In addition, 59,439,422 Shares were issued on Thursday, 6 December 2018 pursuant to the institutional component (Institutional Entitlement Offer) of the Entitlement Offer and another 2,478 Shares were issued under rule 7.1 to resolve reconciliation issues arising from the quantification of record date holdings.</p> <p>The total number of Shares issued is 60,005,781 Shares.</p> |

<p>3 Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)</p>	<p>The new Shares issued under the Entitlement Offer will be on the same terms as existing Shares on issue.</p>
<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>The new Shares issued under the Entitlement Offer will be on the same terms as existing Shares on issue and will rank equally in all respects with those existing Shares from the issue date.</p>
<p>5 Issue price or consideration</p>	<p>HK\$23.48 per New Share (Offer Price)</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>As described in the ASX Announcements in respect of the Entitlement Offer lodged with the ASX on 29 November 2018 (ASX Materials).</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>No</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>N/A</p>

6c	Number of +securities issued without security holder approval under rule 7.1	2,478 being new Shares issued to resolve reconciliation issues arising from the quantification of record date holdings.
6d	Number of +securities issued with security holder approval under rule 7.1A	N/A
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A
6f	Number of +securities issued under an exception in rule 7.2	60,003,303 Shares
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Rule 7.1 remaining capacity: 188,408,285
7	<p>+Issue dates</p> <p>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	<p>The issue date for New Shares under the Retail Entitlement Offer is Friday, 28 December 2018.</p> <p>The issue date for New Shares under the Institutional Entitlement Offer was Thursday, 6 December 2018.</p>

8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	Number	+Class
		After completion of the Retail Entitlement Offer there will be 1,316,077,537 Shares on issue.	Ordinary shares
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	Number	+Class
		41,482,104	Deferred Share Rights
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	New Shares issued under the Entitlement Offer will have the same dividend rights as existing Shares.	

Part 2 - Pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Renounceable
13	Ratio in which the +securities will be offered	0.05387 for 1
14	+Class of +securities to which the offer relates	Fully paid ordinary shares
15	+Record date to determine entitlements	7.00pm (Sydney, Australia time) on 4 December 2018
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Yes
17	Policy for deciding entitlements in relation to fractions	Where fractions arose in the calculation of entitlements under the Entitlement Offer, they were rounded up to the nearest whole number of new Shares.

18	Names of countries in which the entity has security holders who will not be sent new offer documents	All countries other than Australia and New Zealand and any other jurisdictions into which it is decided to make offers, as disclosed in the ASX Materials.
	Note: Security holders must be told how their entitlements are to be dealt with.	
	Cross reference: rule 7.7.	
19	Closing date for receipt of acceptances or renunciations	The Retail Entitlement Offer closed at 5.00pm (Sydney, Australia time) on 18 December 2018.
20	Names of any underwriters	The Retail Entitlement Offer is not underwritten.
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	Morgan Stanley Australia Securities Pty Limited (who has been appointed as the bookrunner of the retail bookbuild)
23	Fee or commission payable to the broker to the issue	There are no brokers appointed to the Entitlement Offer. The Bookrunner will be entitled to a commission of 2.5% on shares sold under the retail bookbuild, if any.
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	<p>A draft Entitlement Offer booklet was lodged on ASX on 29 November 2018 and the typeset version of the Entitlement Offer booklet was released on ASX on 7 December 2018.</p> <p>The Entitlement Offer booklets and personalised Entitlement and Acceptance Forms were despatched to eligible shareholders in connection with the Retail Entitlement Offer on 7 December 2018.</p>

27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do security holders dispose of their entitlements (except by sale through a broker)?	<p>Eligible shareholders who wished to transfer all or part of their entitlements other than on ASX were required to send a completed Renunciation and Transfer Form (obtainable from Yancoal's share registry, Computershare Investor Services Pty Limited, or their broker) together with their Entitlement and Acceptance Form and the transferee's requisite application monies to Yancoal's share registry in relation to those entitlements that they wished to transfer.</p> <p>See section 3.8 of the Entitlement Offer booklet for more information.</p>
33	⁺ Issue date	The issue date for New Shares under the Retail Entitlement Offer is Friday, 28 December 2018.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of ⁺securities
(tick one)

(a) ⁺Securities described in Part 1

(b) All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of +securities for which +quotation is sought

39 +Class of +securities for which quotation is sought

40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

N/A

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

N/A

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	N/A	N/A

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:


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(Director/Company secretary)

Date: 28 December 2018

Print name: Laura Ling Zhang

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	43,959,446,612 (pre-consolidation) 1,255,984,189 (post-consolidation)
Add the following: <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	(post-consolidation equivalents) 86,171 (31/01/2018) 1,396: fractional rounding on share consolidation (05/10/2018)
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
“A”	1,256,071,756
Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>

Multiply “A” by 0.15	188,410,763
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	2,478
“C”	2,478
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	188,410,763
<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	2,478
<p>Total [“A” x 0.15] – “C”</p>	<p>188,408,285</p> <p><i>[Note: this is the remaining placement capacity under rule 7.1]</i></p>

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	N/A
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	N/A
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	N/A
“E”	N/A
Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	N/A
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	N/A

Total ["A" x 0.10] – "E"	N/A <i>Note: this is the remaining placement capacity under rule 7.1A</i>
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+ See chapter 19 for defined terms.