

7 January 2019

# ASX Release:

## Further Update on Watagan Agreements

Industrial Bank Co. Ltd (“**IBC**”), BOCI Financial Products Limited (“**BOCIF**”) and United NSW Energy Limited (“**UNE**” together with IBC and BOCIF, the “**Bondholders**”) hold US\$775 million of nine-year secured bonds that were issued by Watagan Mining Company Pty Ltd (“**Watagan**”), a wholly-owned subsidiary of Yancoal, to the Bondholders on 31 March 2016 (the “**Watagan Bonds**”).

### *Put option in relation to the Watagan Bonds*

The Bondholders each have a put option allowing them to transfer issued Watagan Bonds at face value to Yankuang Group Company Limited (“**Yankuang**”) during specified exercise windows during the first week of January in 2019, 2021, 2023 and 2025. As previously disclosed, on 4 January 2019 BOCIF gave notice to Yankuang and Watagan that it had exercised its right to put its Watagan Bonds to Yankuang.

IBC and UNE have notified Yankuang and Watagan that neither of them intend to exercise their rights to put their Watagan Bonds to Yankuang at this time.

### *Implications for Yancoal*

The non-exercise by IBC and UNE of their respective rights to put their Watagan Bonds to Yankuang is not expected to have any implications for Yancoal.

**Ends**

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