

22 December 2014

ASX Release:

Closing of Subordinated Capital Notes offer to eligible shareholders

Yancoal Australia Ltd (**Yancoal**) today announced the closing of the offer of Subordinated Capital Notes to eligible shareholders by its wholly owned subsidiary, Yancoal SCN Limited, raising gross proceeds of approximately US\$1,800,209,900 (including the US\$1.8 billion which Yanzhou Coal Mining Company Limited had committed to subscribe)¹.

On 10 November 2014, Yancoal announced a renounceable rights offer of 2.32112 Subordinated Capital Notes for every 100 Yancoal ordinary shares to raise up to approximately US\$2.3 billion.

Entitlements to subscribe for approximately US\$507,596,300 of Subordinated Capital Notes, representing entitlements not taken up by eligible shareholders as well as entitlements that ineligible shareholders were not eligible to take up, will now be offered for sale under a shortfall bookbuild (**Shortfall Bookbuild**).

The Shortfall Bookbuild will occur tomorrow, 23 December 2014.

Subordinated Capital Notes are expected to be issued on 31 December 2014. Subordinated Capital Notes are expected to commence trading on the ASX on a deferred settlement basis on 2 January 2015 under the ASX code of "YCNPA". Trading on a normal settlement basis is expected to commence on 8 January 2015.

The offer of Subordinated Capital Notes was made under a Prospectus dated 24 November 2014 as supplemented by a First Supplementary Prospectus dated 12 December 2014 and a Second Supplementary Prospectus dated 18 December 2014.

End

Media and Investor Relations contact:

James Rickards
General Manager Investor Relations and Corporate Affairs
Yancoal Australia Limited
Phone: +61 2 8583 5922
Mobile: +61 419 731 371
Email: james.rickards@yancoal.com.au

The offering of securities in this release will only be open to investors that are in Australia or New Zealand (and institutional shareholders of Yancoal ("eligible institutional shareholders") in certain permitted jurisdictions where it is considered reasonable to make the offer having regard to the number of holders in the relevant jurisdiction, the number and value of securities they would be offered and the cost of complying with any relevant legal and regulatory requirements), and accordingly, this release does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or to, or for the account or benefit of, any U.S. person (as defined in Regulation S under the U.S. Securities Act of 1933) (except to eligible institutional shareholders in circumstances permitted under that Act).

¹ This does not include a small number of applications received today which are in the course of being processed.