

23 December 2014

ASX Release:

Completion of Shortfall Bookbuild

Yancoal Australia Ltd (**Yancoal**) today announced that the shortfall bookbuild of Subordinated Capital Notes by its wholly owned subsidiary, Yancoal SCN Limited (**Issuer**), had been undertaken.

The shortfall bookbuild comprised entitlements to subscribe for Subordinated Capital Notes that eligible shareholders did not take up, as well as the entitlements of ineligible shareholders.

The shortfall bookbuild has not resulted in sales of any additional Subordinated Capital Notes. As disclosed in the Second Supplementary Prospectus dated 18 December 2014, the Issuer reserves the right to accept late applications either generally or in particular cases, but no later than 30 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 supplemented by a First Supplementary Prospectus dated 12 December 2014 and a Second Supplementary Prospectus dated 18 December 2014.

End

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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).