

31 December 2014

# ASX Release:

## Yancoal confirms issuance of Subordinated Capital Notes

Yancoal Australia Ltd (**Yancoal**) and Yancoal SCN Limited (**Issuer**) today announced that the offer of Subordinated Capital Notes by the Issuer has successfully closed, raising US\$1,800,510,200<sup>1</sup> from the issue today of 18,005,102 Subordinated Capital Notes at US\$100 each.

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.

### Confirmation of allotment and issue of the Subordinated Capital Notes

Yancoal confirms that the Subordinated Capital Notes have been allotted and issued today.

### Allocation of Subordinated Capital Notes

All investors who lodged valid applications for Subordinated Capital Notes have received their allocation in full. Applicants can confirm their allocation of Subordinated Capital Notes by telephoning the Yancoal Information Line on 1300 608 419 (within Australia) or +61 3 9938 4354 (outside Australia) from 9am – 5pm, Sydney time Monday to Friday (Business Days only).

### Trading on ASX

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”.

All applicants are responsible for confirming the number of Subordinated Capital Notes allocated to them prior to selling any Subordinated Capital Notes. Applicants who sell Subordinated Capital Notes before receiving their holding statement do so at their own risk.

Trading on a normal settlement basis is expected to commence on 8 January 2015.

### Holding statements and refund cheques

Holding statements, stating the number of Subordinated Capital Notes issued to each successful applicant are expected to be dispatched on 6 January 2015. Any refunds are expected to be despatched on 9 January 2015.

### First distribution

The distribution rate is initially set at 7.00% per annum. The first distribution payment date is expected to be 31 July 2015<sup>2</sup>.

**End**

<sup>1</sup> Includes late applications.

<sup>2</sup> Distribution payments can be deferred at the Issuer's discretion and generally the Issuer will not be under any obligation to make up or compensate Noteholders for any unpaid distribution payments. Deferred distributions will only become payable at the Issuer's election or if the Issuer elects to redeem the Subordinated Capital Notes or (to the extent of funds available to the Issuer or Yancoal to make such payment in accordance with the subordination provisions of the Subordinated Capital Notes or the Subordinated Guarantee) in a Winding Up of the Issuer or Yancoal.

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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).*