INVESTOR BRIEFING

Gloucester Coal and Yancoal Australia

May 2012

YANCOAL

兖煤澳大利亚有限公司

GLOUCESTER COAL

Disclaimer

IMPORTANT NOTICES

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Financial data and rounding: All dollar values are in Australian dollars (A$) unless otherwise stated. A number of figures, amounts, percentages, estimates, calculations of value and fractions in this document are subject to the effect of rounding.

Other: "CY" refers to Calendar year.

The Explanatory Booklet lodged with the ASX on 30 April 2012 sets out further information on the matters set out in this presentation as well as additional matters, including possible risks, possible disadvantages and other considerations relevant to the Merger Proposal.

The Explanatory Booklet contains information that is material to Shareholder's decision whether or not to vote in favour of the Merger Proposal and the Capital Return. Accordingly, you should read and carefully consider the information in the Explanatory Booklet to help you make an informed voting decision.

Gloucester Shareholders should refer in particular to Section 5 of the Explanatory Booklet for guidance on the expected advantages, possible disadvantages and other considerations relevant to the Merger Proposal and the Capital Return, as well as to Section 9 for guidance on the risk factors associated with the Merger Proposal.

Transaction Highlights

- ✓ Gloucester and Yancoal Australia have entered into an agreement to combine the two companies to create the leading Australian listed pure play coal producer
- ✓ Merger consideration of an ordinary share in Merged Group plus up to one CVR Share for every Gloucester Share (1)
- ✓ Separate to the merger, eligible Gloucester Shareholders registered as such on the Capital Return Record Date will receive $3.15 cash comprising a special dividend of approximately $0.44(2) and capital return of approximately $2.71
- ✓ The Independent Expert has concluded that, in the absence of a superior proposal, the Merger Proposal is fair and reasonable and in the best interests of those Gloucester shareholders who receive the default consideration of Yancoal Ordinary Shares and CVR shares for their Gloucester Shares.
- ✓ The Independent Expert has valued the total consideration to Gloucester shareholders at $9.35 to $9.48 per share(3)
- ✓ Board of Gloucester has unanimously recommended that shareholders vote in favour of the merger, in the absence of a superior proposal
- ✓ Gloucester's largest shareholder, Noble Group, has informed Gloucester that it will vote in favour of the merger in the absence of a superior proposal and will elect to receive only Yancoal Ordinary Shares as its scheme consideration (as a result of their intentions Noble will not receive CVR Shares as part of its consideration)
- ✓ FIRB approval of merger proposal announced 9 March 2012
- ✓ Explanatory booklet released to ASX on 30 April 2012 with meetings to be held 4 June 2012

Note:

1) Yancoal Australia will issue CVR Shares (in addition to Yancoal Australia Ordinary Shares) to Gloucester Shareholders who participate in the Merger Proposal, and who do not make an 'All Ordinary Shares' Election. Based on elections in respect of at least 130 million Gloucester Shares.
2) Refer to section 10.3 of the Explanatory Booklet to understand the taxation consequences of receiving the Special Dividend and the entitlement to franking credit tax offset.
3) The value of the Capital Return and Special Dividend are included in the Independent' Expert's assessment of the fair market value of the consideration offered to Shareholders.

What Will Gloucester Shareholders Receive?

$3.15 Cash

- $0.44 fully franked Special Dividend paid prior to the Effective Date(1) (2)
- $2.71 Capital Return(2)

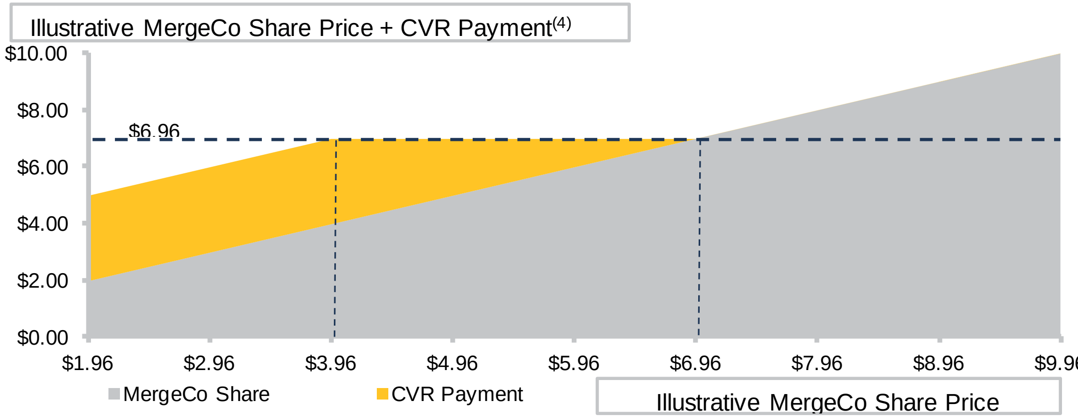
1 Share in MergeCo(2)

- Gloucester shareholders will hold 22% of MergeCo, Yanzhou Coal will hold 78%

+

CVR(3)

- Right to receive consideration by amount MergeCo share price is less than $6.96 based on the 90 day VWAP 18 months after merger implementation
- Subject to a cap of $3.00 per share and other conditions



1) Amount of special dividend will depend on Gloucester's trading performance up to the record date to determine entitlements to the special dividend and capital return.
2) Further information on the Scheme Consideration, Special Dividend and Capital Return is available in section 1 of the Explanatory Booklet.
3) Further information on the CVR Shares is available in the appendices and in section 3 of the Explanatory Booklet.
4) Illustrative total value ignores time value of money. This is provided by way of illustration only. This is not a representation of Gloucester's expectation of the share price performance of MergeCo. Share prices may fall or rise and will be affected by both the operating and financial performance of MergeCo as well as by general market conditions.

Creating Australia's Largest Listed Pure-play Coal Producer

- ✓ Enhanced scale and diversification from a significantly larger portfolio of quality coal assets across New South Wales and Queensland including seven operating mines, six projects under feasibility study[(1)] and a suite of exploration assets
- ✓ Attractive growth profile, supported by recoverable reserves of 697Mt and resources of 3.5Bt (equity basis) and a strategic position in port and rail infrastructure
- ✓ An attractive and diversified mix of metallurgical and thermal coal products
- ✓ Strengthened financial platform to pursue growth opportunities
- ✓ Potential to realise substantial synergies, with an estimated NPV of $220 – 380m[(2)]
- ✓ Combined Board and executive management team that has a proven track record in the coal industry

Note:
1) These six feasibility studies include expansions of existing operating mines
2) Refer to section 8.15 of the Explanatory Booklet

Overview of Yanzhou Coal

- Yanzhou is a leading coal mining company with international listings in Shanghai (600188), Hong Kong (1171) and New York (YZC)
  - Market capitalisation of US$15.9bn as at 4 May 2012
  - Sixth largest coal company globally (by reserves)
- Owns and operates 14 coal mines:
  - Six mines in China
  - Six Australian operations (owned through Yancoal Australia)
  - Produces both thermal and metallurgical coal for domestic and international customers (51Mt in 2011)
  - 56,103 employees as at 31 December 2011
- One of China's most respected companies and leading exponent of LTCC
- Has a strong track record of good financial management and corporate governance:
  - Share price has increased by over 300% over the past three years
  - Net income has grown considerably since 2007, reaching US$1,417m in 2011
  - The recipient of numerous awards for corporate governance practices
- As of 31 December 2011, Yanzhou has eight subsidiaries and two affiliates

Timeline of Key Investments

	Size	Acquisition / Divestiture
Dec-04	$64m[1]	Acquired Southland mine and subsequently re-named to Austar
Dec-09	$3.3bn	Acquired 100% of Felix Resources
Mar-10	($201m)	Divested its 51% interest in Minerva to Sojitz[2]
May-11	$244m	Acquired an additional 30% in Ashton Coal from IMC Group
Aug-11	$203m	Acquired 100% interest in Syntech Resources from Goldman Sachs
Sep-11	$297m	Acquired 100% of Premier Coal from Wesfarmers

Source: Company filings, Bloomberg

Notes:

(1) Represents initial Paid Up Capital for the establishment of Austar

(2) Sojitz exercised its pre-emptive rights over Yancoal's 51% interest in Minerva

Large Scale, Diversified Portfolio of Quality Coal Assets

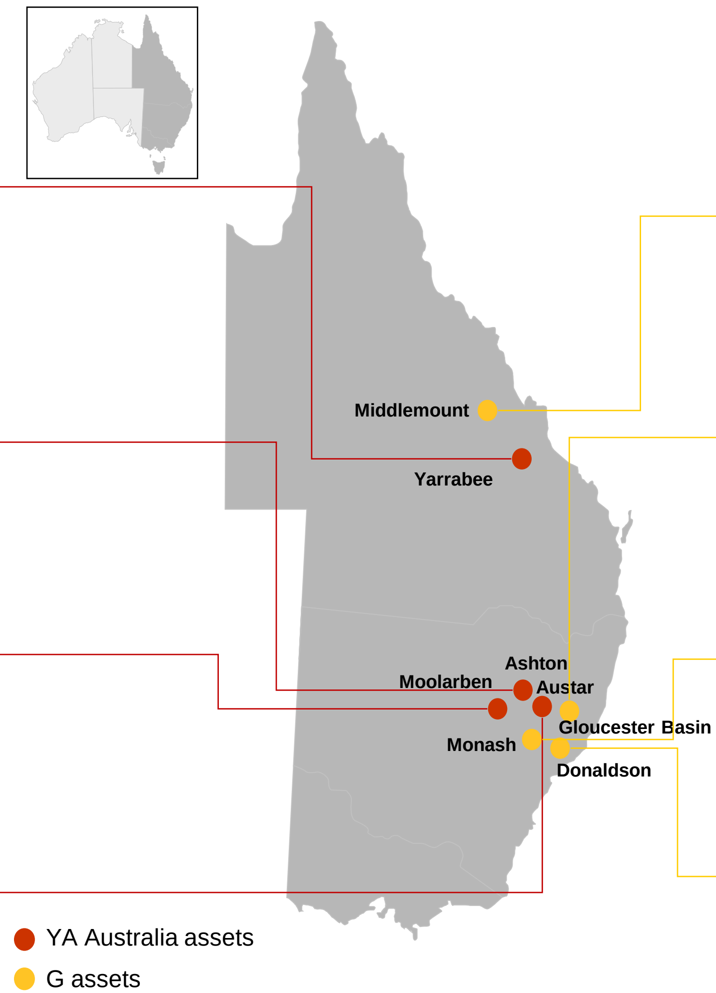
YANCOAL 兖煤澳大利亚有限公司 [1]

Yarrabee	Operating
100% owned	
Open cut	
Low volatile PCI	
Reserves	57Mt
Resources (M&I&I)	170Mt
Saleable Production (CY11A)	2.4Mt

Ashton	Operating & Development
90% owned	
Open cut and underground	
Semi-soft coking coal and export thermal coal	
Reserves	57Mt
Resources (M&I&I)	333Mt
Saleable Production (CY11A)	1.2Mt

Moolarben	Operating & Development
80% owned	
Open cut and underground	
Export thermal coal	
Reserves	315Mt
Resources (M&I&I)	1,183Mt
Saleable Production (CY11A)	5.0Mt

Austar	Operating
100% owned	
Underground	
Semi-hard coking coal and export thermal coal	
Reserves	44Mt
Resources (M&I&I)	221Mt
Saleable Production (CY11A)	1.6Mt



GLOUCESTER COAL [1]

Middlemount	Operating
~50% owned	
Open-cut	
PCI & semi-hard coking coal	
Reserves	96Mt
Resources (M&I&I)	123Mt
Saleable Production (CY11A)	0.5Mt

Gloucester Basin	Operating & Development
100% owned	
Open-cut	
Semi-hard coking coal and export thermal coal	
Reserves	84Mt
Resources (M&I&I)	316Mt
Saleable Production (CY11A)	1.9Mt

Monash	Exploration
100% owned	
Underground	
Semi-hard coking coal and export thermal coal	
Reserves	-
Resources (M&I&I)	577Mt
Saleable Production (CY11A)	n.a.

Donaldson	Producing
100% owned	
Open cut & Underground	
Semi-soft coking coal and export thermal coal	
Reserves	161Mt
Resources (M&I&I)	885Mt
Saleable Production (CY11A)	1.6Mt[2]

Note: All figures shown are on a 100% basis. Reserves and Resources figures shown are JORC compliant. M&I&I is Measured, Indicated and Inferred Resources

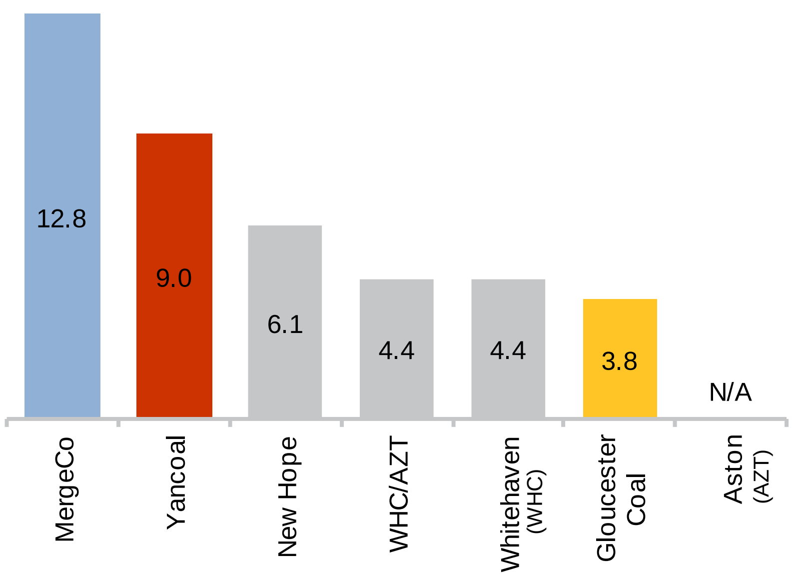
1) All information relating to Yancoal based on information provided by Yancoal.
2) Note Donaldson production shown for CY11. Acquisition of Donaldson effective 14 July 2011.
3) Refer to section 15.1 of the Explanatory Booklet released 30 April 2012 for details of Competent Persons who have compiled the information on which the reserves and resources are based.

Substantial Reserves & Resources Position and Production Base Relative to Listed Peers

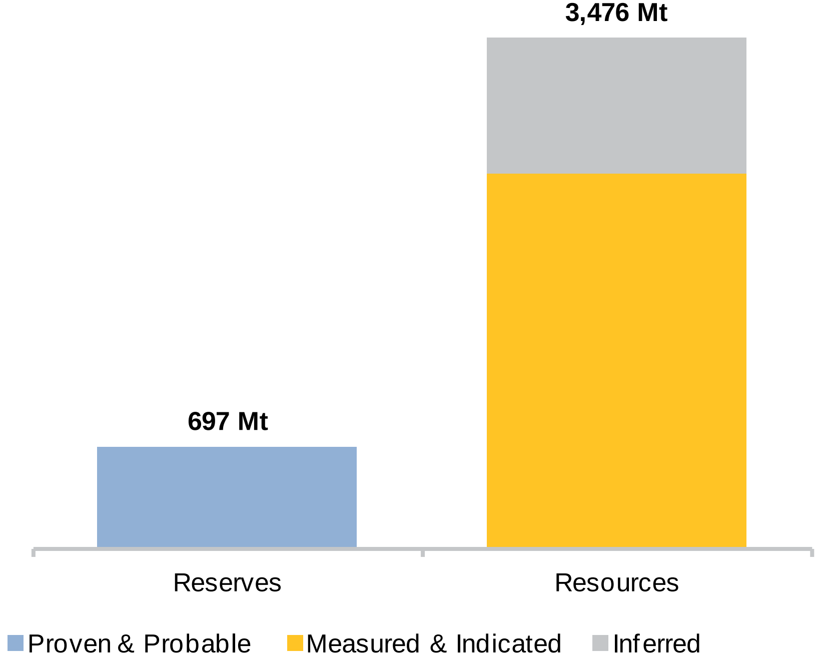
- MergeCo is expected to be Australia's largest listed pure-play coal company (based on CY11 saleable production)
- Portfolio of quality, expandable operating mines in NSW and a growing position in Queensland

Substantial Production Base(1)

Source: Derived from ASX released company information as at 23 April 2012.



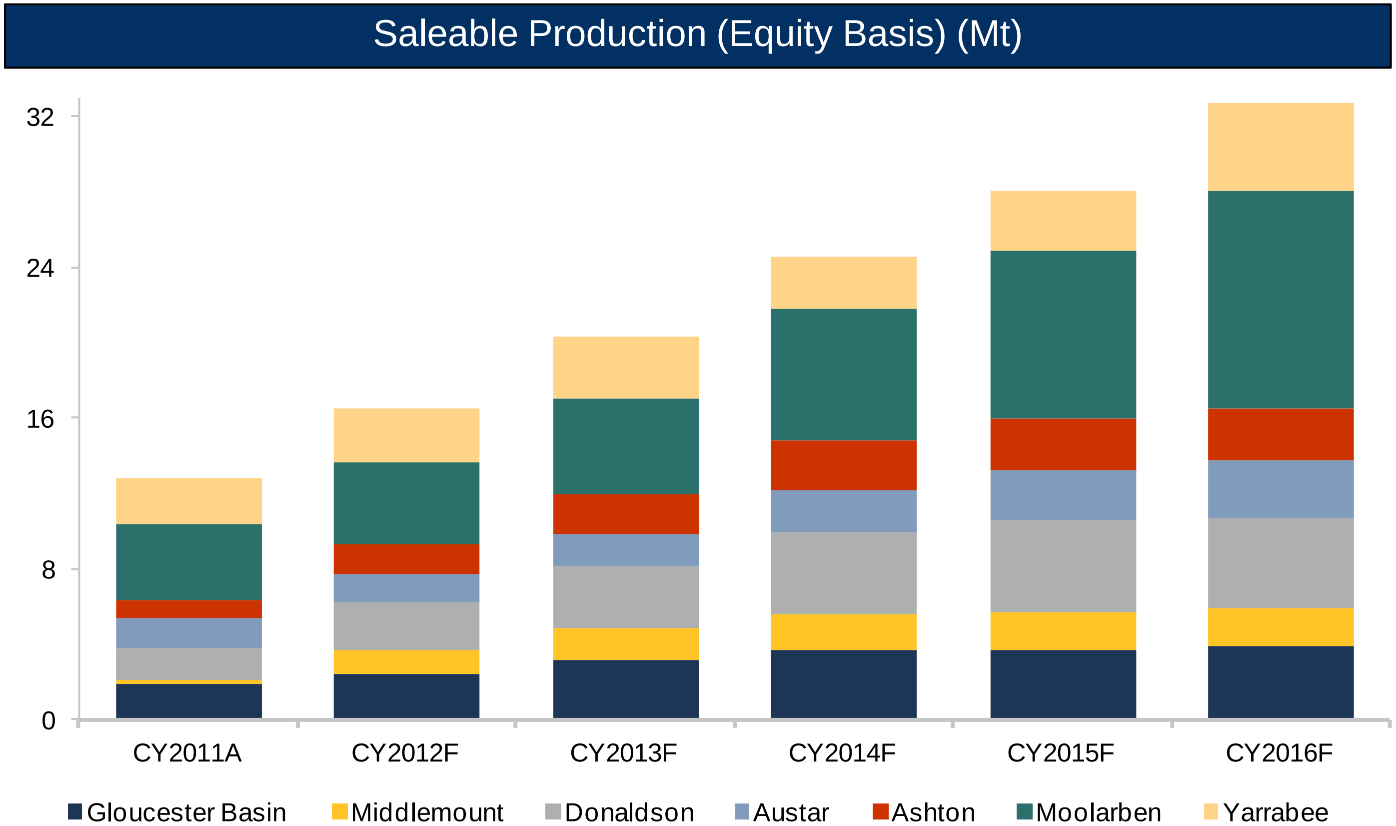
MergeCo Reserves & Resources(2)



1) Production based on calendar year 2011 reported production, except for New Hope which is 12 months to January 2012. Production shown on an equity basis. Gloucester production includes a full 12 months of Donaldson production. Acquisition of Donaldson effective 14 July 2011. Yancoal Australia production excludes the Excluded Assets. The WHC/AZT bars in the above chart refer to the merger of Whitehaven and Aston, particulars of which have been released to ASX.
2) Refer to Section 15 of Explanatory Booklet released 30 April 2012 for details of Competent Persons who have compiled the information on which the reserves and resources are based.

Significant Existing Production Base and Strong Growth Profile

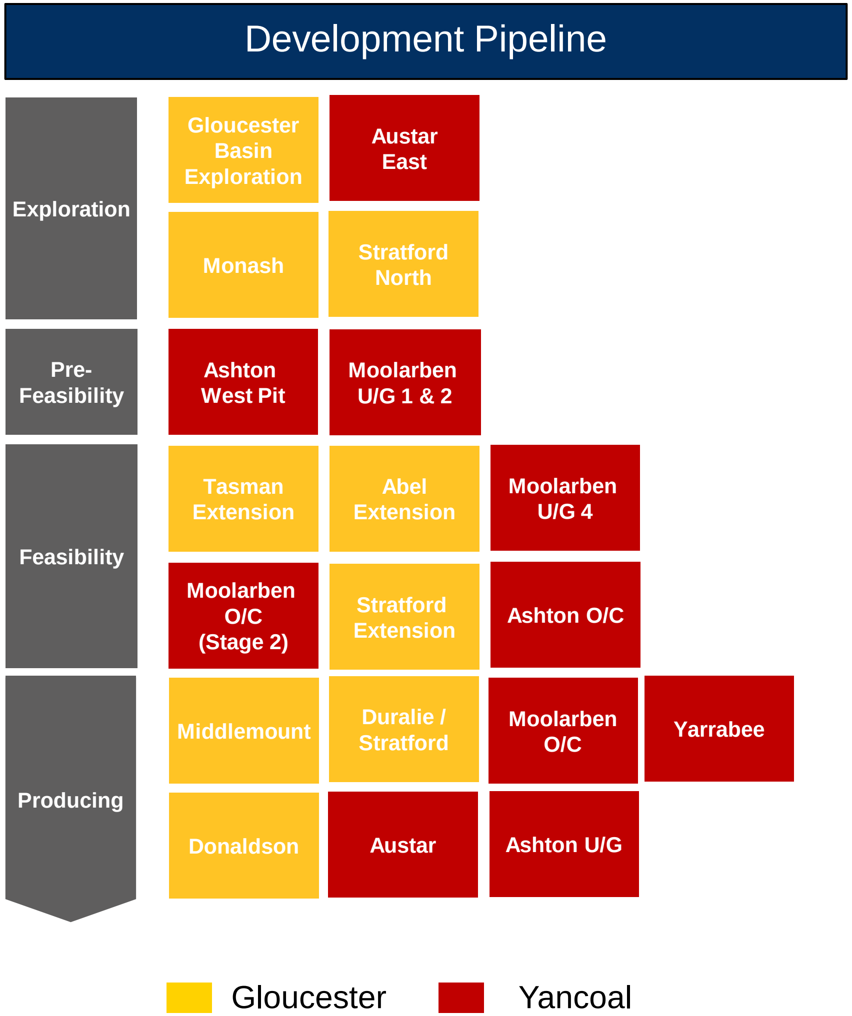
- MergeCo will have a balanced mix of metallurgical and thermal coal production across most major coal product types
- MergeCo pro forma saleable production mix for CY11 of c.51% Thermal, c.27% Coking and c.22% PCI



Note:

1) Projected production figures are estimates only and are subject to the risks outlined in the Explanatory Booklet released to ASX on 30 April 2012, including but not limited to risks relating to reserves and resources estimates, exploration and development, land title and access (including acquisition of required land and native title negotiation), mining approvals, rail access, port allocation and capacity, operational risks (including but not limited to transport and infrastructure) and the availability (or continuation) of financing. Forward looking statements are not a guarantee of future performance and involve unknown risks, uncertainties and other factors, many of which will be outside the control of the Merged Group.

Significant Pipeline of Growth Projects



- Significantly larger portfolio of quality coal assets across NSW and Queensland
- MergeCo expected to have attractive growth profile
- Attractive and diversified mix of metallurgical and thermal coal products
- Strengthened financial platform to pursue growth opportunities
- Potential to realise substantial synergies
- Combined Board and executive management team that has a proven track record in the coal industry

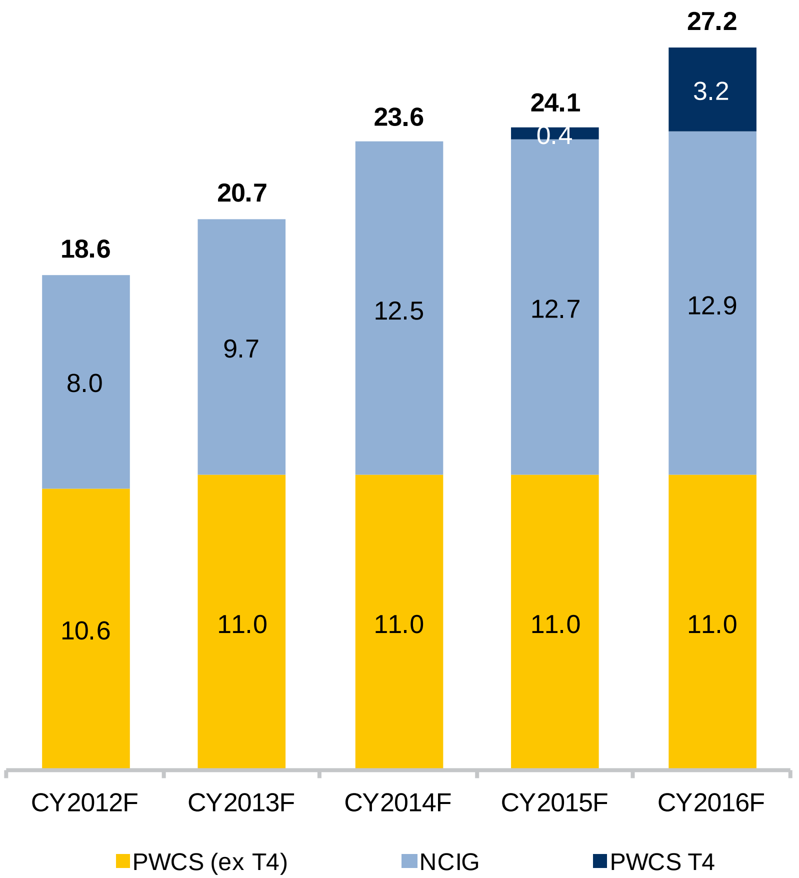
Strategic Infrastructure Holdings to Support Growth Plans

Overview

NSW

- Combined NSW port capacity of ~19 Mtpa in CY12, expected to increase to ~27 Mtpa in CY16
- 27% shareholding in NCIG and significant PWCS capacity allocations
- Potential opportunities for MergeCo to leverage growth projects to utilise excess NSW port capacity
- Well positioned in terms of port capacity
- Rail haulage contracts in place for current levels of production

Combined NSW Port Capacity (Mt, Equity Basis)



Note:
1) Based on current capacity at PWCS (and NCIG) and expected capacity allocations from NCIG shareholding and PWCS T4.
2) Gloucester's and Yancoal's PWCS T4 capacity for CY2015 and CY2016 is a provisional allocation only. The availability of this capacity is subject to a review by the Newcastle Port Corporation. If the completion of T4 is delayed or there is a shortfall of actual capacity against target capacity, this may have a material adverse effect on the projected port capacity.
3) Refer to pages 53 and 89 of the Explanatory booklet for further information

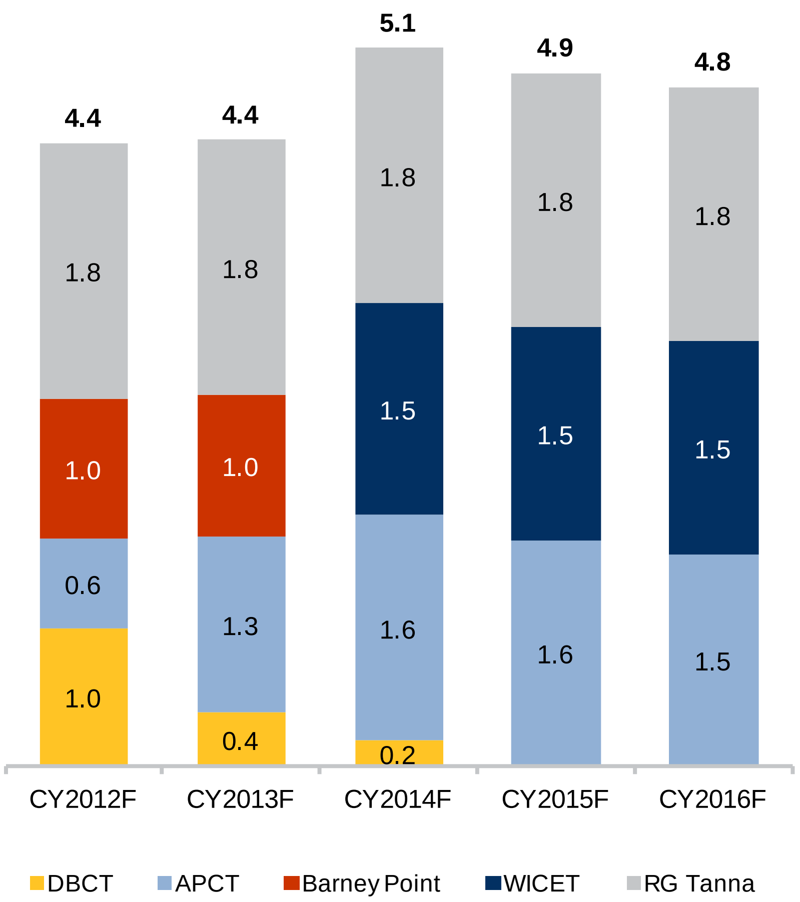
Strategic Infrastructure Holdings to Support Growth Plans (Cont'd)

Overview

Queensland

- Queensland port capacity at APCT, DBCT, R.G. Tanna, with a capacity allocation at Wiggins Island Stage 1
- Potential additional capacity at one of the APCT T4-T9 terminals, through shareholding in NQCT which has secured preferred respondent status
- Middlemount Coal is in advanced discussions with other port users regarding entering into arrangements to utilise part of their excess port capacity during the period 2015 to 2017
- Commitment Deed with one of the two preferred developers of terminals at Dudgeon Point for a total of 1.3 Mtpa

Combined Queensland Port Capacity (Mt, Equity Basis)



Note:
1) Refer to page 89 of the Explanatory booklet for further information

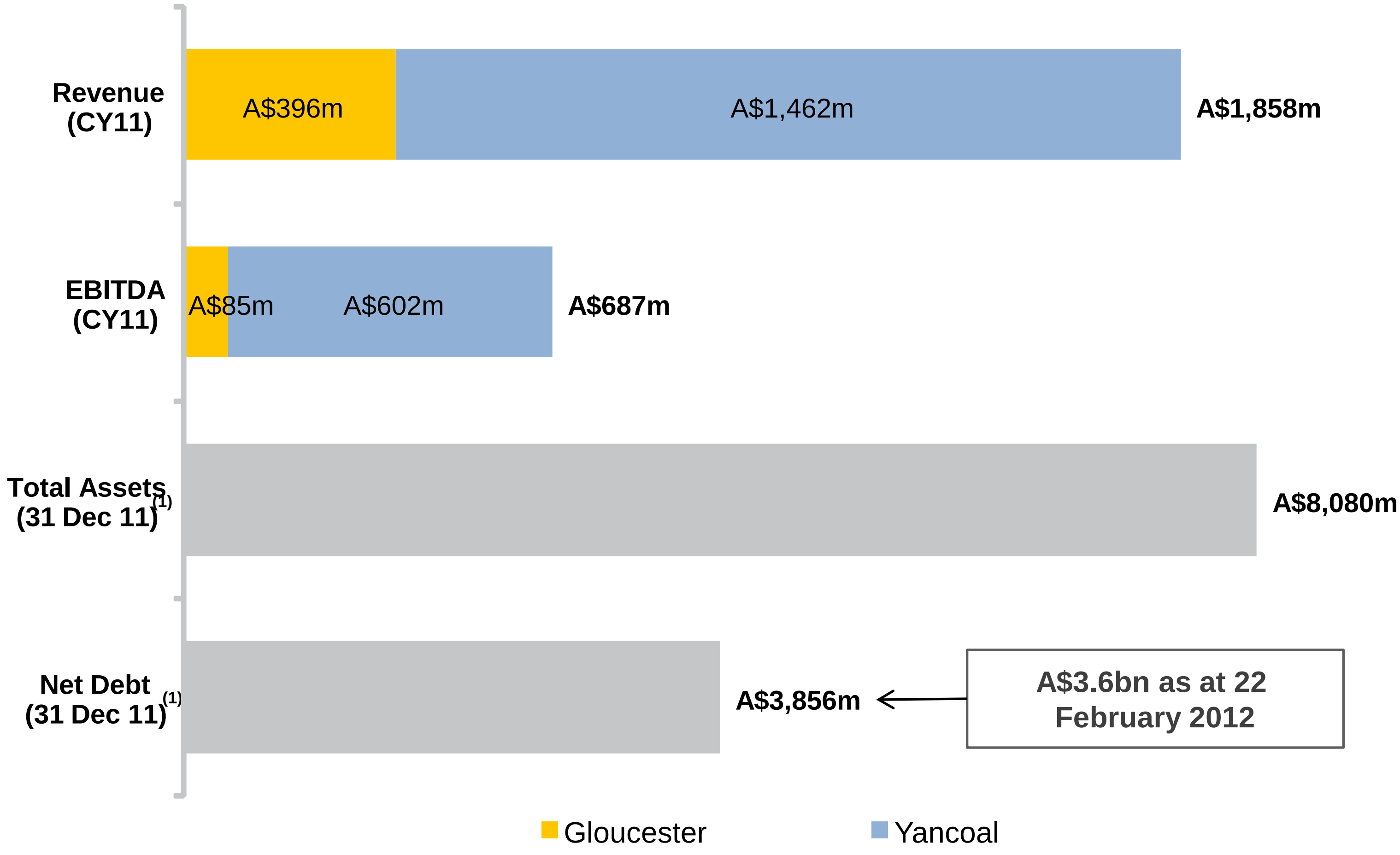
Potential for Significant Synergies

- Gloucester and Yancoal Australia Directors believe a number of synergy benefits arise as a result of the creation of the Merged Group[1]
  - Quantifiable synergies with net present value[2] of circa $220 - $380m may be achieved
- Number of areas identified as having potential substantial benefits to the Merged Group that have not been able to be quantified that include: combined marketing benefits, equipment & knowledge sharing, improved buying power for capital equipment, maintenance and inventory efficiencies and lower borrowing costs

		Indicative NPV Impact
Infrastructure Optimisation	• Utilisation of Gloucester excess port capacity to meet capacity shortfalls and realising opportunities to accelerate project development. • Logistics savings and benefits through access to a greater number of load points and a larger stockpile capacity	$100 – 205m
Coal Blending	• Greater access to coal with complementary qualities for blending due to MergeCo's larger and broader suite of both thermal and metallurgical coal products	A$10 – 30m
Corporate savings, tax & procurement savings	• Elimination of duplicated corporate costs • Tax base reset for certain Gloucester assets • Cost savings from the utilisation of the Merged Group's stronger bargaining position and larger buying power	A$110 – 145m

Note:
1) Refer to section 8.15 of the Explanatory Booklet for further information
2) Assuming a nominal WACC of 11% and based on market consensus assumptions in relation to coal prices and exchange rates.

Financial Snapshot of Merged Group

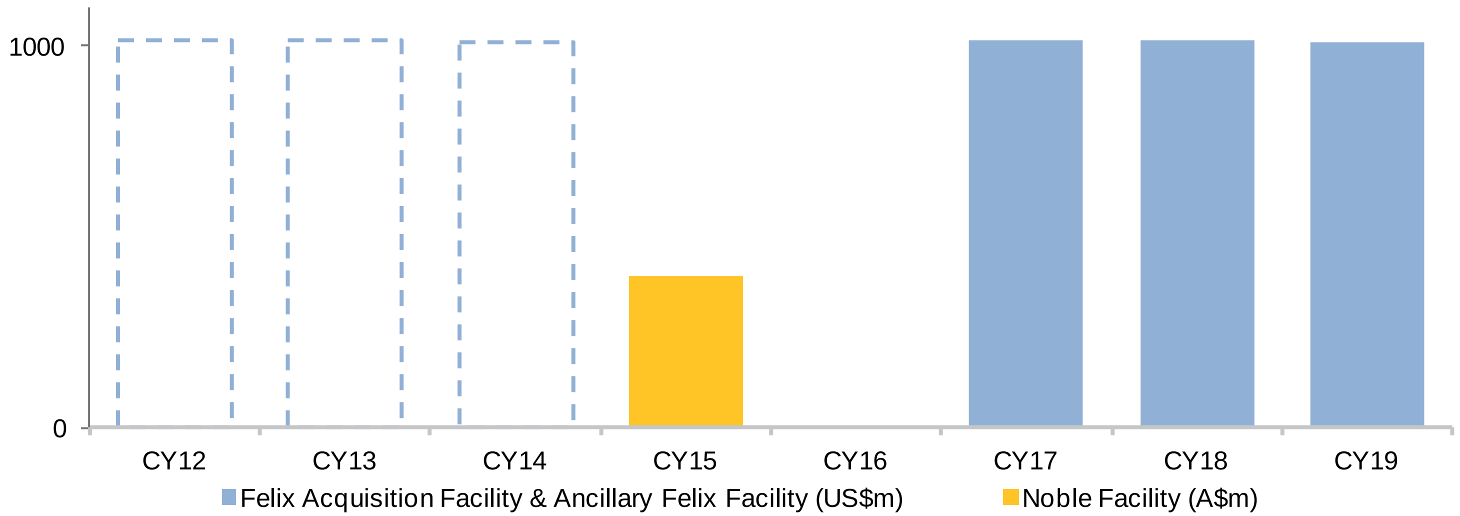


Note:

1) Pro forma reviewed as at and for the year ended 31 December 2011. Refer to Section 8 of the Explanatory Booklet released to ASX on 30 April 2012 for further details, including adjustments applied to derive pro forma accounts.

Update on Debt Facilities

Indicative MergeCo Debt Facility Maturity Profile



- Debt maturity proposed to be extended for original Felix facilities (Bank of China)[1]
- Pricing of Felix facilities proposed to increase to LIBOR + 2.80% extending the current facilities maturity profile (commencing from end of each current facility's maturity)
- Terms for Capital Return facility and new Capital Expenditure Facility to be negotiated, Gloucester will inform its shareholders about the confirmation of debt extensions and facilities to be put in place and any other key terms as soon as this occurs and is notified to Gloucester

Note:

1) The extensions of the Felix facilities (together with any changes to their key terms in connection with those extensions) have not been formally agreed as at 27 April 2012. Refer to Section 8.7 of Explanatory Booklet released to ASX on 30 April 2012 for further information.

Experienced Board & Management Team

Board

Weimin Li
Chairman
Currently Vice Chairman of Yancoal Australia, and Chairman and CEO of Yanzhou Coal

James MacKenzie
Co-Vice Chairman & Independent Director
Currently Independent Non-Executive Chairman of Gloucester Coal and also Chairman of Mirvac and Pacific Brands

Cunliang Lai
Co-Vice Chairman & Chair of the Executive Committee
General Manager of Yanzhou Coal
Over 20 years experience in coal mine management

Gregory Fletcher
Independent Director
Currently independent non-executive director of Gloucester

Geoff Raby
Independent Director
Formerly Australia's ambassador to the Peoples Republic of China

Xinghua Ni
Director
Currently Chief Engineer of Yanzhou Coal

Yuxiang Wu
Director
Currently Director and CFO of Yanzhou Coal

Vincent O'Rourke
Independent Director
Currently independent director of Yancoal Australia

William Randall
Independent Director
Currently non-executive director of Gloucester
Director of Noble Group

Baocai Zhang
Director
Currently deputy general manager of Yanzhou

Boyun Xu
Director
Currently General Manager Business Development of Yancoal Australia

Experienced Management

Murray Bailey
Chief Executive Officer

- Currently Managing Director of Yancoal Australia
- Over 30 years experience in the mining industry

Timetable

Event	Target date
Gloucester announces recommended Merger Proposal	6 March 2012[1]
First court hearing. Court orders convening of scheme meeting	27 April 2012[1]
Despatch explanatory booklet with Independent Expert Report (IER) and other Appendices	4 May 2012[1]
Gloucester shareholder meetings to vote on scheme and capital reduction	4 June 2012[2]
Fulfilment of other conditions, including finalisation of debt terms, FIRB, NDRC and Hong Kong Stock Exchange	7 June 2012
Second court hearing. Court approval of Scheme	8 June 2012
Record date for Capital Reduction and Special Dividend	20 June 2012
Payment of Capital Return[3][4] and Special Dividend[4]	21 June 2012
Court orders lodged with ASIC. Scheme becomes Effective	22 June 2012
Commencement of trading of Yancoal Australia Ordinary Shares and CVR Shares on a deferred settlement basis	25 June 2012
Record date for Scheme	29 June 2012
Merger implementation	3 July 2012

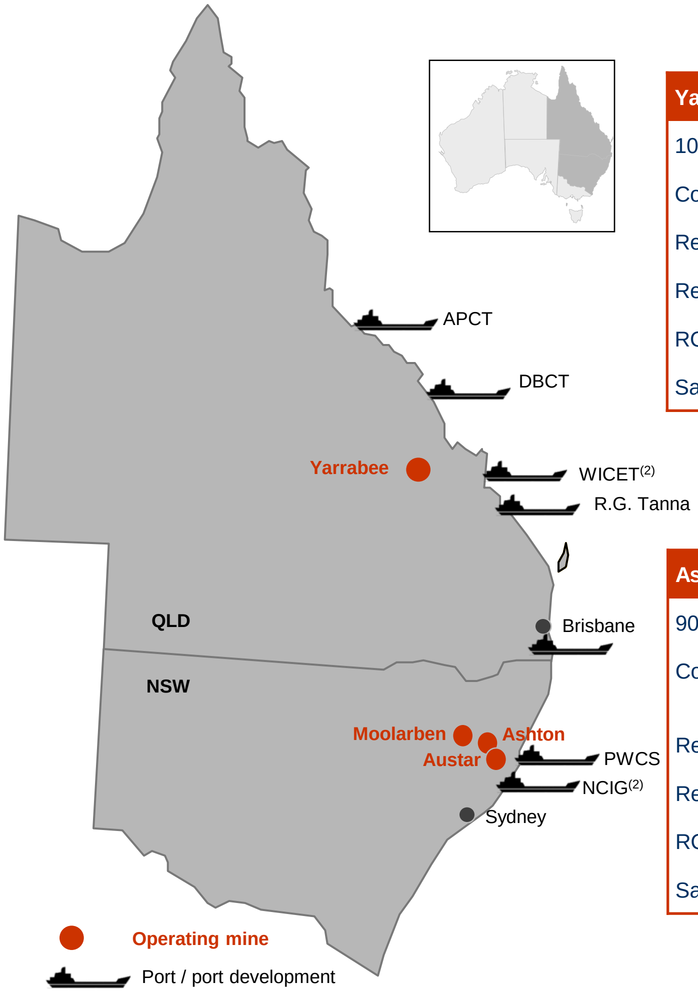
Note:
1) All dates other than this one are subject to variation.
2) Gloucester will seek adjournment if it has not received from the ATO a positive indication that the Class Rulings will be received in a form and on terms contemplated by the Class Rulings Requests.
3) Paid by delivery of Promissory Note(s) payable six months after merger implementation.
4) Determination subject to resolution of Gloucester Directors.

Overview of Yancoal Australia Assets

Yancoal Australia Asset Overview

Moolarben	Operating & Development
80% owned open-cut & underground mine	
Coal type	Export thermal coal
Reserves	315Mt
Resources (M&I&I)	1,183Mt
ROM production (CY11A)	7.0Mt
Saleable production (CY11A)	5.0Mt

Austar	Operating
100% owned underground mine	
Coal type	Semi-hard coking coal and export thermal coal
Reserves	44Mt
Resources (M&I&I)	221Mt
ROM production (CY11A)	1.9Mt
Saleable production (CY11A)	1.6Mt



Yarrabee	Operating
100% owned open-cut mine	
Coal type	Low volatile PCI coal
Reserves	57Mt
Resources (M&I&I)	170Mt
ROM production (CY11A)	3.1Mt
Saleable production (CY11A)	2.4Mt

Ashton	Operating & Development
90% owned open-cut & underground mine	
Coal type	Semis-soft coking coal and export coking coal
Reserves	57Mt
Resources (M&I&I)	333Mt
ROM production (CY11A)	2.2Mt
Saleable production (CY11A)	1.2Mt

Notes:
1) PWCS abbreviated for Port Waratah Coal Services, NCIG for Newcastle Coal Infrastructure Group, WICET for Wiggins Island Coal Export Terminal, APCT for Abbot Point Coal Terminal and DBCT for Dalrymple Bay Coal Terminal.
2) Yancoal owns a 15.4% interest in NCIG and 5.6% interest in WICET Stage 1.
3) Only includes assets associated with the merger of Yancoal Australia with Gloucester Coal.
4) All figures shown are on a 100% basis.
5) Reserves and Resources figures shown are JORC compliant.
6) Map is not to scale.

Moolarben

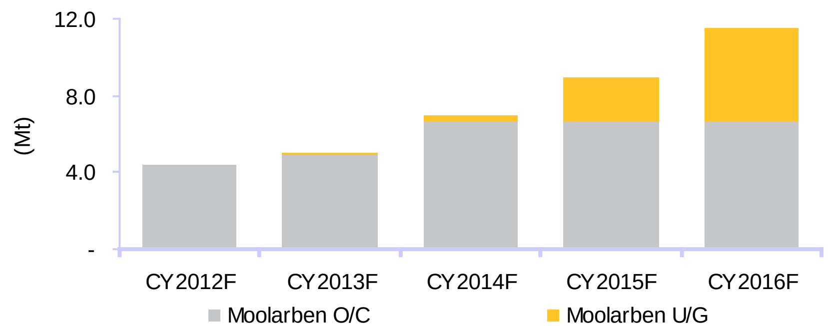
Overview

- Located in the central western NSW, approximately 40 km north-east of Mudgee
- Moolarben Coal Mine is an unincorporated joint venture owned 80% by Yancoal Australia, 10% by Sojitz and 10% by a consortium of Korean companies
- Currently an open-cut operation, with an underground operation being developed
- Moolarben has achieved its initial Stage 1 approved capacity of 7.0Mtpa ROM production (and has conditional approved capacity of 8.0Mtpa ROM production), yielding total saleable production of 5.0Mt (100% basis) in 2011 of export quality thermal coal
- Yancoal Australia has now re-submitted its Stage 2 planning application to increase open-cut ROM production capacity to 13.0Mtpa with the underground mine expected to reach ROM production of approximately 4.0Mtpa
- Existing port capacity of 0.6Mtpa through PWCS and 5.2Mt through NCIG in 2012, which is expected to increase to 8.3Mtpa at NCIG as the terminal reaches its full capacity of 66Mtpa
- Provisional allocation of a further 3.5Mtpa from the PWCS T4 development
- Capital investment of approximately A$1.0bn (on a 100% basis) expected to be spent over the period 2012 to 2016 to be spent developing the low-cost open-cut and underground operations at Moolarben

Mine characteristics (100% basis)

Ownership:		80%
Status:		Operating & development
Mine type:		Open-cut & underground
Coal type:		Export thermal coal
	OC	**UG**
Reserves:	241Mt	75Mt
Resources (M&I&I):	1,183Mt	

Saleable production estimates (equity basis)



Notes:

1) Data shown for year ending 31 December and shown on an equity basis. These estimates relate to future expectations and therefore are subject to the risk factors set out in the Explanatory Booklet, and involve known and unknown risks and uncertainties. The actual production is likely to vary on an annual basis as a function of supply, demand, other market conditions and potentially, the impact of one or more of the risks described in Section 9 of the Explanatory Booklet. Forward looking statements are not a guarantee of future performance which may be outside the control of the Merged Group. See further the note on forward-looking statements at the front of this document and page 6 of the Explanatory Booklet.
2) In addition, these estimates assume that:
   - the conditions attaching to Moolarben's approved capacity of 8.0Mtpa ROM production are satisfied from calendar year 2012;
   - the approvals, mining leases and land (or landholder consents) necessary for Stage 2 production to commence are obtained during calendar year 2013;
   - PWCS T4 commences operation and the 3.5Mt of capacity provisionally allocated to Moolarben for calendar year 2016, becomes available; and
   - additional above-rail capacity to match Moolarben's estimated saleable production is obtained and additional below-rail capacity is obtained for calendar year 2012 to match that estimated saleable production.

Austar

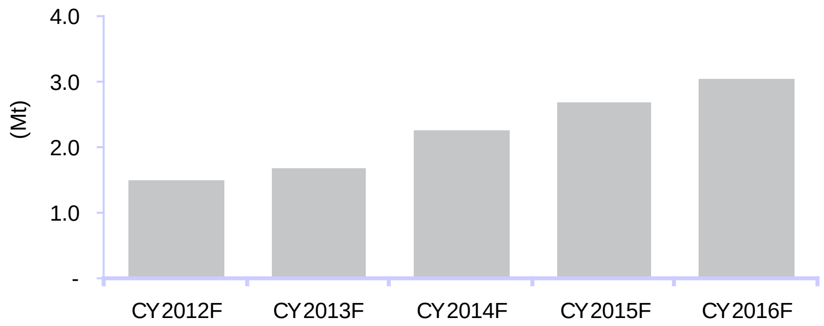
Overview

- Located 65 kilometres west of Newcastle and 12 kilometres south west of Cessnock in New South Wales
- Has been operating for over 60 years under a number of companies and was purchased by Yancoal Australia in 2004, with commercial mining commencing again in October 2006
- Austar is an underground mine which has historically produced a high quality semi-hard coking coal and in 2011 produced 1.9Mt of ROM coal and 1.6Mt of saleable production
- Yancoal Australia has invested approximately A$264 million implementing longwall top-coal caving (LTCC) at Austar
  - The investment in the LTCC technology allowed increased coal recovery rates from Austar, and therefore significantly improved mine economics
- Management at Austar is focused on completing mining in the Stage 2 area and on developing the new Stage 3 area. Underground development in Stage 3 commenced in 2009 with commercial longwall production expected to start in 2013
  - In conjunction with the Stage 3 mining area, Yancoal Australia has committed capital to replace and upgrade specific equipment throughout the Austar coal processing chain to improve capacity and maximise production on the currently underutilised LTCC machine
- Capital investment of approximately A$250m (on a 100% basis) expected to be spent over the period 2012 to 2016

Mine characteristics (100% basis)

Ownership:	100%
Status:	Operating
Mine type:	Underground
Coal type:	Semi-hard coking coal and premium export thermal coal
Reserves:	44Mt
Resources (M&I&I):	221Mt

Saleable production estimates (equity basis)



Notes:
(1) Data shown for year ending 31 December and shown on an equity basis. These estimates relate to future expectations and therefore are subject to the note on forward-looking statements at the front of this document and page 6 of the Explanatory Booklet as well as the risk factors set out in Section 9 of the Explanatory Booklet, and involve known and unknown risks and uncertainties, which may be outside the control of the Merged Group. The actual production is likely to vary on an annual basis as a function of supply, demand, other market conditions and potentially, the impact of one or more of the risks described in Section 9 of the Explanatory Booklet.
(2) In addition, these estimates assume that:
- approvals to increase ROM production to at least 3.7Mtpa are obtained by calendar year 2016;
- PWCS Terminal 4 commences operation and Austar is allocated at least 0.4Mt of capacity for calendar year 2016 (should the Merger Proposal not proceed Yancoal Australia will apply for this capacity in late 2012);
- additional port capacity to match Austar's estimated saleable production is obtained from calendar year 2015; and
- additional above-rail capacity to match Austar's estimated saleable production is obtained.

Ashton

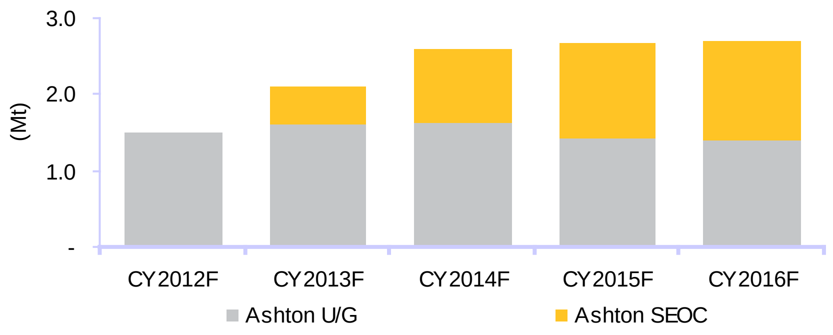
Overview

- Ashton is located 94km north west of Newcastle and 12km north west of Singleton in the Hunter Valley in New South Wales
- Yancoal Australia is the operator of the Ashton unincorporated joint venture and has a 90% interest, with the remaining 10% interest held by ITOCHU Corporation
- The operations comprise both an operating underground mine and an open-cut mine development following the scheduled closure of the North East Open-Cut (NEOC) operation in early 2011
- Total production from Ashton in 2011 was 2.2Mt of ROM coal and 1.2Mt of saleable product (including coal from the NEOC)
  - Both the underground and open-cut Ashton mines typically produce semi-soft coking coal
- The application to develop the South East Open-Cut (SEOC) was refused by the Planning and Assessment Commission (PAC) on 19 December 2011
  - Yancoal Australia has successfully appealed the refusal of this application and, as a result, PAC will now review its decision
- Capital investment of approximately A$290m (on a 100% basis) expected to be spent over the period 2012 to 2016 (includes SEOC)
- Ashton has an established rail loop and loader, with current rail capacity in line with port entitlements. Ashton currently has port allocation of 3.0Mtpa through PWCS, and should the Merger Proposal not proceed, it intends to apply for additional PWCS T4 capacity in late 2012

Mine characteristics (100% basis)

Ownership:		90%[1]
Status:		Operating & development
Mine type:		Open-cut & underground
Coal type:		Primarily semi-soft coking coal
	OC	**UG**
Reserves:	17Mt	40Mt
Resources (M&I&I):	61Mt	272Mt

Saleable production estimates (equity basis)



Notes:
1) Data shown for year ending 31 December and shown on an equity basis. These estimates relate to future expectations and therefore involve known and unknown risks and uncertainties. The actual production is likely to vary on an annual basis as a function of supply, demand, other market conditions and potentially, the impact of one or more of the risks described in Section 9 of the Explanatory Booklet.
2) In addition, these estimates assume that:
   - the South East Open-Cut (SEOC) development planning approval, together with other approvals, mining leases and land (or landholder consents) necessary for SEOC production to commence, are obtained by calendar year 2013; and
   - additional above-rail capacity to match Ashton's estimated saleable production is obtained.

Yarrabee

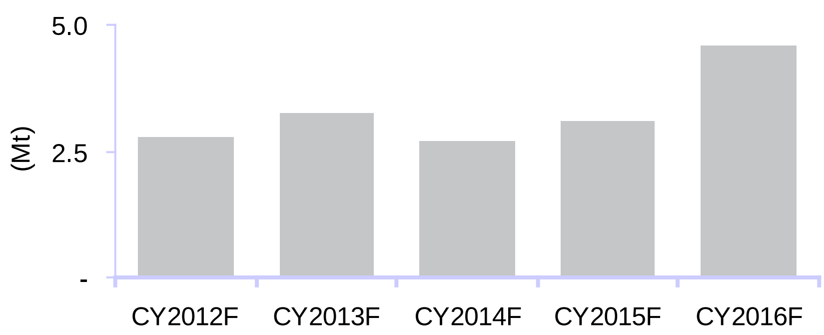
Overview

- Yarrabee is located in the Bowen Basin, approximately 150 kilometres west of Rockhampton and 280 kilometres north-west of the Port of Gladstone in Queensland
- Production in 2011 consisted of 3.1Mt of ROM coal and saleable production of 2.4Mt
  - Yarrabee produces a low volatile pulverised coal injection coal which is used in steel making
- Capital investment of approximately A$520m (on a 100% basis) expected to be spent over the period 2012 to 2016 to achieve peak ROM coal and saleable production of 5.8Mt and 4.6Mtpa, respectively[3]
- Coal product is currently hauled via road to the Boonal load out facility on the Blackwater rail system
- Annual port allocation consists of 1.7Mt at RG Tanna with an additional 0.1Mt dependent on available capacity and up to 1.0Mt through Barney Point (ending in 2014) on a best endeavours basis
  - further port allocation of 1.5Mtpa at WICET Stage 1 from commissioning of that facility which is expected to occur in 2014
  - Yancoal Australia has agreed with Adani Mining Pty Ltd to conditionally acquire port capacity of 1.3Mtpa for Yarrabee at Dudgeon Point, subject to approval and construction of that facility. This capacity is expected to become available from 2017[4]

Mine characteristics (100% basis)

Ownership:	100%
Status:	Operating
Mine type:	Open-cut
Coal type:	Low volatile PCI
Reserves:	57Mt
Resources (M&I&I):	170Mt

Saleable production estimates (equity basis)



Notes:
1) Data shown for year ending 31 December and shown on a 100% basis. These estimates relate to future expectations and therefore involve known and unknown risks and uncertainties. The actual production is likely to vary on an annual basis as a function of supply, demand, other market conditions and potentially, the impact of one or more of the risks described in Section 9 of the Explanatory Booklet.
2) In addition, these estimates assume that:
   • additional port capacity to match Yarrabee's estimated saleable production is obtained for calendar year 2013 and 2016; and
   • additional below-rail and above-rail capacity to match Yarrabee's estimated saleable production is obtained.
3) Projected production figures are estimates only and are subject to the risks set out in Section 9 of the Explanatory Booklet. Forward looking statements are not a guarantee of future performance and involve known and unknown risks, uncertainties and other factors, many of which will be outside the control of the Merged Group.
4) A final decision to develop has not yet been made and the development of the terminal (and its operational commencement date) depends on, among other things, the outcome of environmental studies and obtaining the required environmental and planning approvals.

Appendices

Further Information on Transaction

- Merger to be effected by scheme of arrangement between Gloucester and its ordinary shareholders under which Yancoal will acquire Gloucester for Yancoal shares, with Yancoal to list on ASX as MergeCo

- Gloucester's largest shareholder, Noble Group, has informed Gloucester Coal and announced to the Singapore Stock Exchange that it will:
  - vote in favour of the merger in the absence of a superior proposal; and
  - elect to receive Yancoal Shares as its scheme consideration (i.e., Noble will not be issued CVR Shares in the transaction)

- The merger remains conditional on Chinese regulatory approvals, Gloucester shareholder approval and court approval, as well as a number of other conditions(1)

Notes:
1) Please refer to Section 11.5 of the Explanatory Booklet released to ASX on 30 April 2012 for further details of the merger proposal conditions.

Key Features of CVR

Availability	• Yancoal Australia will issue CVR Shares (in addition to Yancoal Australia Ordinary Shares) to Gloucester Shareholders who participate in the Merger Proposal, and who do not make an 'All Ordinary Shares' Election(1)(2)
ASX Listing	• The Yancoal Australia Ordinary Shares and CVR Shares will be separately quoted on ASX • Yancoal Australia Ordinary Shares and CVR Shares are not in any way 'stapled ' and can be separately traded
Partial Price Protection	• The CVR Shares offer a level of downside price protection for Gloucester Shareholders against a fall in the price of Yancoal Australia Ordinary Shares for a maximum of up to 18 months following implementation of the Scheme • The CVR Shares are to be Repurchased following implementation of the Merger Proposal for a 'Repurchase Price' equal to the amount by which the price of Yancoal Australia Ordinary Shares on ASX is less than A$6.96, based on the 90 day VWAP 18 months after the Merger Proposal is implemented (or potentially an earlier date), subject to a cap of A$3.00 per CVR Share and other conditions.
Form of Repurchase	• Payment may be satisfied in cash or by the transfer of existing Yancoal Australia Ordinary Shares to the holder of the CVR Shares, with the payment alternative being at the discretion of Yanzhou Coal. • Yanzhou Coal has agreed to fund the Repurchase Price. • No new Yancoal Australia shares will be issued on the Repurchase of CVR Shares
Early Lapse	• The CVR Shares will also be Repurchased if the VWAP of Yancoal Australia Shares is above A$6.96 for 20 out of 25 consecutive trading days. • In these circumstances, CVR holders will receive a nominal cash payment (less than A$0.01 per CVR Share) and the partial downside price protection that CVR Shares offer automatically falls away. • Yancoal Australia must notify holders of CVR Shares if the VWAP is above A$6.96 over 10 out of any 15 consecutive Trading Days at any time prior to the date which is 90 days from the CVR Shares End Date
Limited ancillary rights	• Each CVR Share confers a right on its holder to receive accounts, reports and notice of meetings of Yancoal Australia and to attend any general meetings of Yancoal Australia but confers no right on the holder to vote at a general meeting of Yancoal Australia, receive dividends, participate in a return of capital (other than in certain limited respects); or subscribe for new securities of Yancoal Australia or to participate in any bonus issues of securities of Yancoal Australia

Notes:
1) Please refer to Section 3 of the Explanatory Booklet released to ASX on 30 April 2012 for further details of CVR Shares Terms.
2) Except for Gloucester Shareholders who are 'Foreign Scheme Shareholders' or 'Electing Small Shareholders' who will receive the net proceeds of the sale of the Yancoal shares to which they would otherwise have been entitled.

FIRB

- On 8 March 2012 Yancoal Australia's proposed acquisition of Gloucester was approved by FIRB, subject to certain conditions

- Two key conditions attached to FIRB's approval are that by no later than 31 December 2013:
  - Yanzhou Coal reduce its economic ownership of certain operating assets of Felix Resources (which assets were acquired by a subsidiary of Yancoal Australia as part of its acquisition of Felix Resources as at the time of that acquisition) to a maximum of 50% (and from 31 December 2013, Yanzhou Coal's economic interest cannot exceed 50%); and
  - Yanzhou Coal reduce its economic ownership in the Merged Group to less than 70% (and from 31 December 2013, Yanzhou Coal's economic interest cannot exceed 70%)

- The full conditions attached to FIRB's approval are set out in the attachment to Gloucester's ASX announcement of 9 March 2012 entitled 'FIRB approval of merger proposal – further details'.

Key Risks

The Explanatory Booklet lodged with the ASX on 30 April 2012 sets out further information on the matters set out in this presentation as well as additional matters, including possible risks, possible disadvantages and other considerations relevant to the Merger Proposal.

The Explanatory Booklet contains information that is material to Shareholder's decision whether or not to vote in favour of the Merger Proposal and the Capital Return. Accordingly, you should read and carefully consider the information in the Explanatory Booklet to help you make an informed voting decision.

Gloucester Shareholders should refer in particular to Section 5 of the Explanatory Booklet for guidance on the expected advantages, possible disadvantages and other considerations relevant to the Merger Proposal and the Capital Return, as well as to Section 9 for guidance on the risk factors associated with the Merger Proposal.