YANCOAL AUSTRALIA LTD
ADDRESS: Level 11, 68 York Street Sydney NSW 2000
PHONE: 61 2 8243 5300
FAX: 61 2 8243 5399
WEBSITE: www.yancoalaustralia.com.au

31 May 2013

ASX Release:

Chairman's Speech and CEO Presentation for the AGM

Yancoal is pleased to present the speech delivered by Yancoal's Chairman, Mr Weimin Li and the CEO presentation to be delivered by Peter Barton, Acting CEO at Yancoal's Annual General Meeting at 10.30am on 31 May 2013.

Chairman's Speech

It gives me great pleasure to stand before you today at Yancoal Australia's inaugural Annual General Meeting. The successful merger of Yancoal with Gloucester Coal, and Yancoal's concurrent listing on the ASX in June 2012 has made the combined group the largest listed pure-play coal producer in Australia – a milestone for a company that made its first investment in the Australian coal industry in 2004.

Your company has grown rapidly over a relatively short period of time through a series of mergers and acquisitions along with additional investment in a number of the operating assets in line with our ambitious growth goals. In addition, through the integration of resources and the alignment of management systems following the merger, the company is starting to realise its competitive advantages by enabling progressive and orderly development of its growth projects.

The philosophy and approach that has underpinned our business since inception in 2004 will not change now that Yancoal is a separately listed company. We have always been focused on growth and take a long-term view when making strategic decisions. We are facilitating development activities to maximize profit through innovative management initiatives, with the aim of improving profitability and returns to shareholders. As we prepare and implement strategies for current business operation and the next stage of our growth, Yancoal is fortunate indeed to have a major shareholder that is committed to our plans for the company, and is able to provide support for delivery of those plans.

2012 Review

2012 was an extremely active and challenging year for your company. Despite several unfavourable factors including a volatile global economic environment and deteriorating coal prices, the company has focused on maximizing shareholder returns through optimising operational activities and cutting costs wherever possible. After the listing, management focused on the initial integration of the companies and the realisation of the synergies identified prior to the merger. The management team then shifted focus onto cost reduction across all of its operations and in the head office.

A business transformation process that encompasses the use of "LEAN" methodology to underground mining had been introduced to the Abel Mine in early 2012 and was showing great promise by reducing costs, improving productivity and safety outcomes at the mine. Following an internal review of the process your Board decided to support the "LEAN" programme and recommended for it to be introduced progressively across all of the mine sites. The management team will continue to seek opportunities to further improve the "LEAN" programme to ensure its benefits can be captured at the mines on an ongoing basis.

Financial Performance

After the corporate transactions that took place during 2012, the company reported a profit of $404.6 million for the year on sales revenue of $1,412.3 million from the sale of 14.8Mt of coal.

Outlook for 2013

Looking ahead for the remainder of 2013 in an environment where global coal market conditions remain difficult, both challenges and opportunities emerge. The company will continue to focus on cost reduction activities at its mine sites and at head office via the ongoing introduction of the "LEAN" programme at each mine. Work will continue to advance the growth projects at Moolarben and Ashton. We expect to further improve the management systems and aim to capture additional synergies from the merger. These activities should lead to improved profitability for the company. In early 2013, the Board approved a longer term growth plan for the company. The expansion and development plans encompass the most attractive growth options available to the company and propose sequential development in line with funding availability, to ensure both short-term profitability and long-term sustainability. Based on the plan, production will increase from 14Mt in 2012 to about 24Mt by 2017, an increase of over 70% during the period.

On behalf of the Board I would like to thank the management team and all of our employees, for their contribution through a year of rapid change for Yancoal. I would also like to express the Board's strong support for the management team, given the challenges facing the company in 2013.

I would also like to thank my fellow Directors, joint venture partners, contractors and other business partners for their support throughout 2012. While 2013 will undoubtedly present us with both challenges and opportunities, I am confident that we are well prepared to continue to improve the company's profitability, and returns to the shareholders.

Additional information about the company can be found at www.yancoal.com.au

INVESTOR RELATIONS CONTACT: Ian McAleese+61 2 8243 5314, +61 427 227 530,
imcaleese@yancoal.com.au

About Yancoal

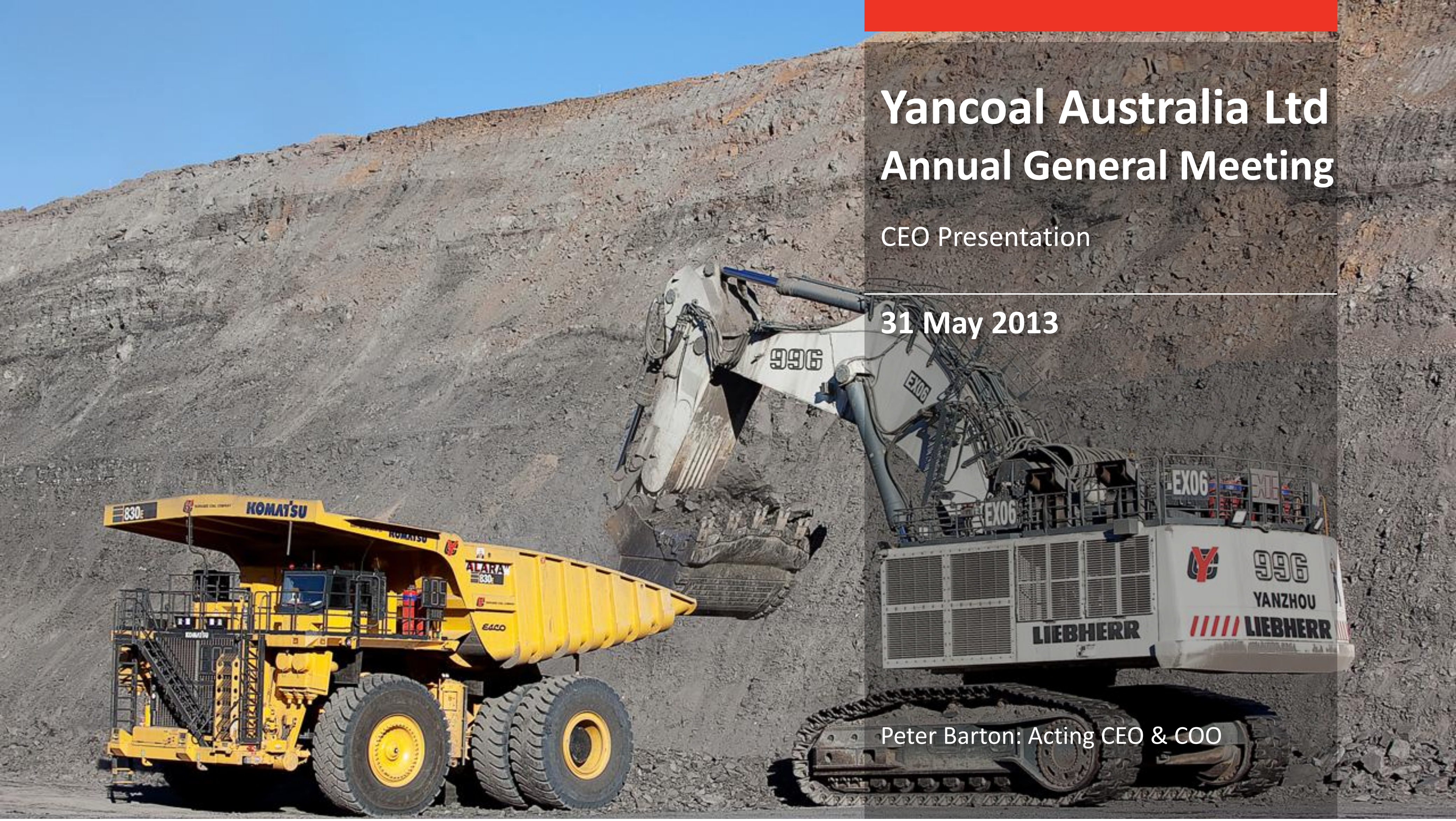
In NSW Yancoal operates Moolarben mine near Mudgee in the NSW central west; Ashton, Austar, Abel, Tasman and Donaldson mines in the Hunter Valley; and Duralie and Stratford in the Gloucester region north of Newcastle. The company also operatesYarrabee mine near Blackwater in central Queensland, and has a near 50 per cent share in Middlemount mine north-west of Rockhampton.Yancoal also has investments in two coal terminals - Wiggins Island in Gladstone which Yancoal holds 5.6 per cent share and NCIG in Newcastle which Yancoal holds a 27 per cent share. On behalf of its major shareholder, Yanzhou, Yancoal manages Cameby Downs mine in south west Queensland, Premier mine in south west Western Australia, Longwall Top Coal Caving (LTCC) technologies Pty Ltd and Ultra Clean Coal (UCC) Pty Ltd.

Yancoal Australia Ltd
Annual General Meeting

CEO Presentation

31 May 2013

Peter Barton: Acting CEO & COO



Reaching new horizons together

YANCOAL
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Disclaimer

Summary of information

This Presentation contains summary information about Yancoal Australia Ltd (“Yancoal”, “Yancoal Australia” or the “Company”) and its subsidiaries and their activities. It should be read in conjunction with Yancoal’s other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange (“ASX”), which are available at www.asx.com.au. No representation or warranty is made by Yancoal or any of its advisers, agents or employees as to the accuracy, completeness or reasonableness of the information in this Presentation or provided in connection with it. No information contained in this Presentation or any other written or oral communication in connection with it is, or shall be relied upon as, a promise or representation. Nothing in this Presentation should be construed as either an offer to sell or a solicitation of an offer to buy or sell Yancoal securities in any jurisdiction.

Not financial product advice

This Presentation is not financial product or investment advice nor an offer, invitation or a recommendation to acquire Yancoal ordinary shares or CVR shares and has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek legal, taxation and financial advice appropriate to their jurisdiction and circumstances. Yancoal is not licensed to provide financial product advice in respect of Yancoal shares. Each recipient of this Presentation should make its own enquiries and investigations regarding all information included in this Presentation including but not limited to the assumptions, uncertainties and contingencies which may affect future operations of Yancoal and the values and the impact that different future outcomes may have on Yancoal.

Forward-looking statements

This Presentation may contain, in addition to historical information, certain "forward-looking statements". Often, but not always, forward-looking statements can be identified by the use of words such as "anticipate", "believe", "expect", "scheduled", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "plan", "consider", "foresee", "aim", "will" and other similar expressions. Indications of, and guidance on, future production, resources, reserves, sales, capital expenditure, earnings and financial position and performance are also forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors that could cause actual results, performance or achievements of Yancoal to differ materially from any future results, performance or achievements expressed or implied by such forward looking statements. Many of these risks and uncertainties relate to factors that are outside the ability of Yancoal to control or estimate precisely, such as future market conditions, changes in regulatory environment and the behaviour of other market participants. Yancoal cannot give any assurance that such forward-looking statements will prove to have been correct. Investors are cautioned not to place undue reliance on projections or forward-looking statements which speak only as of the date of this Presentation, and none of Yancoal, any of its officers or any person named in this Presentation or involved in the preparation of this Presentation makes any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statements or any event or results expressed or implied in any forward looking statement

Financial data and rounding

All dollar values are in Australian dollars (A$) and financial data is presented within the half year ended 30 June 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. Accordingly, the actual calculation of these figures may differ from the figures set out in this document.

Past Performance

Past performance information given in this Presentation should not be relied upon as (and is not) an indication of future performance.

YANCOAL 兖煤澳大利亚有限公司

Contents

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Highlights in 2012

- Completed the merger with Gloucester Coal to create one of Australia's largest diversified coal companies
- Successfully listed on the Australian Securities Exchange
- Achieved record production and sales
- Commenced realisation of the synergies identified prior to the merger
- Cost reduction plans implemented across the group
- Moolarben Stage 2 Open Cut 4 Definitive Feasibility Study (DFS) completed

An eventful year when Yancoal listed

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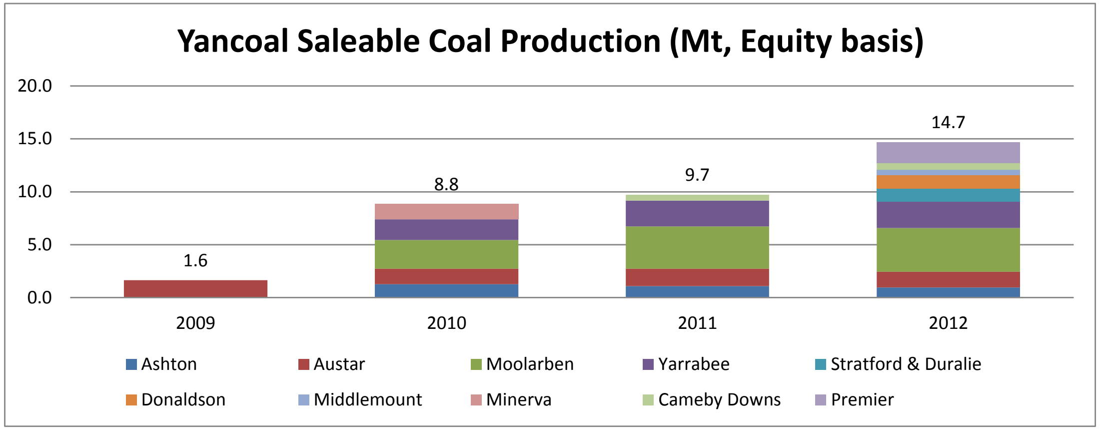
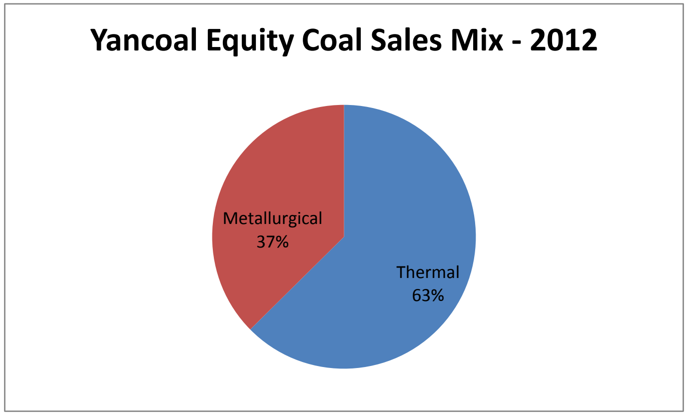
Results for 2012

- Yancoal reported a profit after tax of $404.6 million and an EBIT loss of $5.2 million for 2012
- A new record in equity production of 14.7Mt achieved
- Metallurgical coal sales represented 37% to the total

2012 Profit Result	$m's
Sales Revenue	1,412.3
Operating EBITDA	197.9
Operating EBIT	(5.2)
After Tax Profit from Ops	**30.5**
Non Operating Items	
FX on Loans	47.0
Transaction Costs	(20.7)
Gain on Acquisition	200.0
Mark to Market CVRs	(8.6)
MRRT Adoption	154.9
Profit after Tax	**404.6**





Production record achieved

Key strategies for 2013

- Continue to focus and deliver on cost reduction across all mine sites
- Progressively introduce the "LEAN" programme to all mines
- Pursue identified project development aggressively
- Ensure all projects are positioned to move forward when approvals are obtained
- Realise further synergies from the merger
- Focus on increasing the level of contracted sales verses spot sales

Key strategies identified

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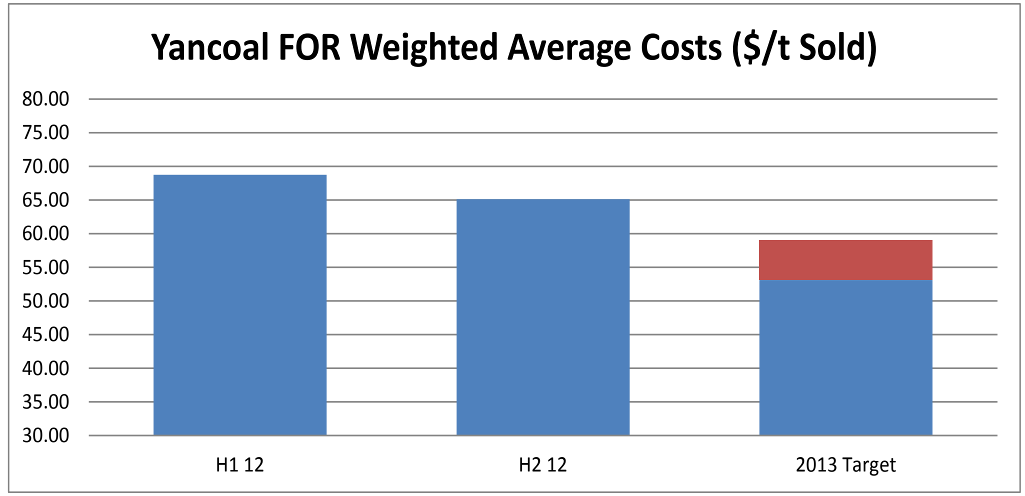
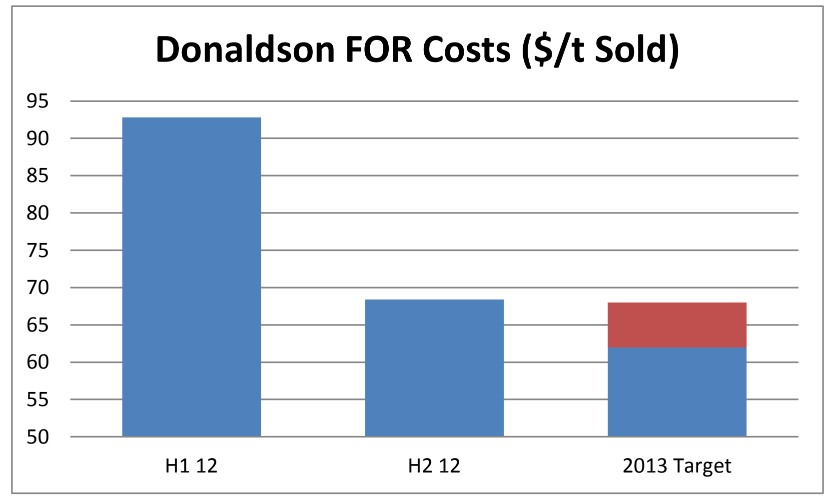
Cost progress and targets

- Yancoal has set an aggressive target for cost reduction in aggregate across its mines for 2013 following a reduction of about 5% achieved half on half in 2012

- **More cost reductions are planned for 2013 with another 11% expected, taking the total cost cuts on an FOR basis from first half 2012 to about 15% across the Company**

- Introduction of the "LEAN" programme at the Donaldson group lead to a significant reduction in costs during 2012





Note: The red portion of the bar in the charts represents the expected range of outcomes for 2013

Cost reductions an ongoing focus with targets set

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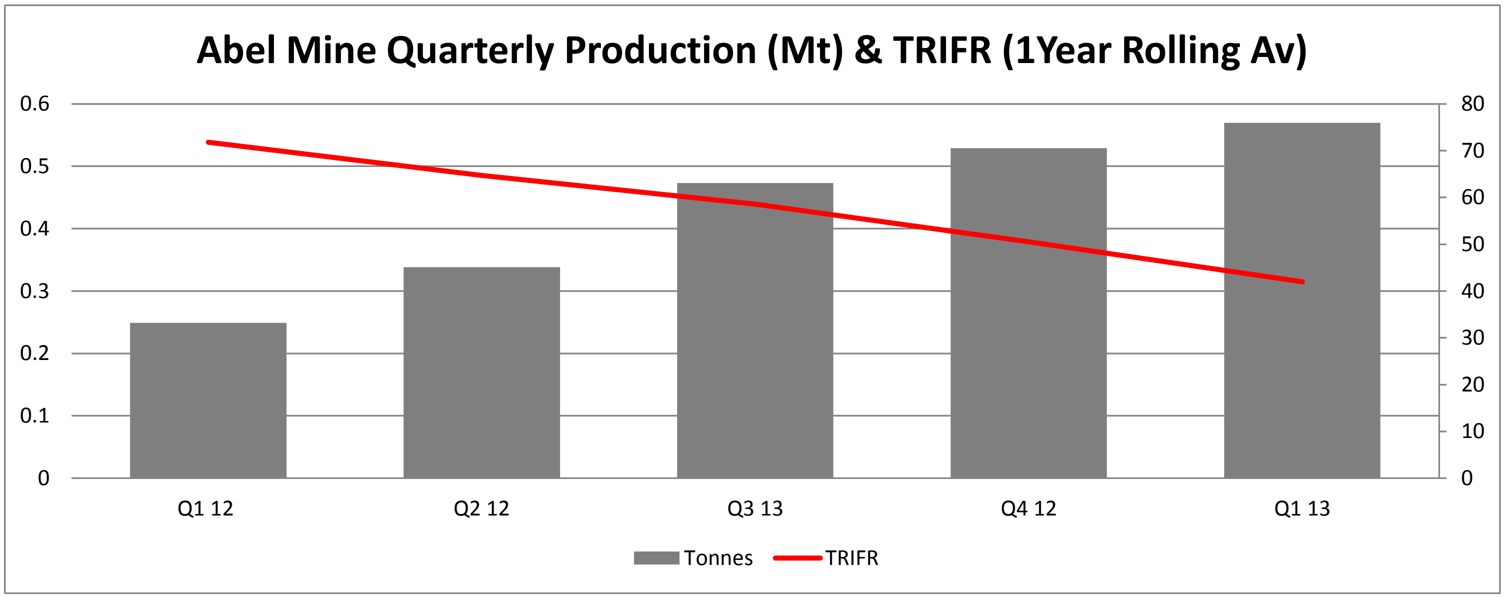
"LEAN" delivering at Abel

- The programme at Abel (part of Donaldson) commenced in early 2012 and is continuing with further gains achieved during the first quarter of 2013
- The significant improvement in safety statistics has been an unforseen benefit from the process
- Once the process becomes part of the culture of a mine improvements should continue to be captured over time



Productivity increasing and safety improving

Achieving mine site cost targets

	"Deep Dive"	Future state	Go/No go → Implementation plan & realisation of actions
Duration	3 weeks	2 weeks	20 weeks
Aims	Quantification of improvement needs Overview of savings potential Preliminary calendar for potential capture of gains Management alignment on the right level of ambition	Shared vision of the production and operating system, management infrastructure, mindset and behaviours	Demonstration of the vision's feasibility and capture potential Training and support for the change leaders
Activities	Analysis of technical constraints and operating standards Shop floor observations Interviews Identification of "irritants"	Description of future-state operating modes Transition analysis - how to get from current state to future state Management workshops Definition of training program	Definition of standards with operators Improvement of the performance management tool Dealing with "irritants" Training shift leaders in tools Improvement Teams

Process generating impressive results

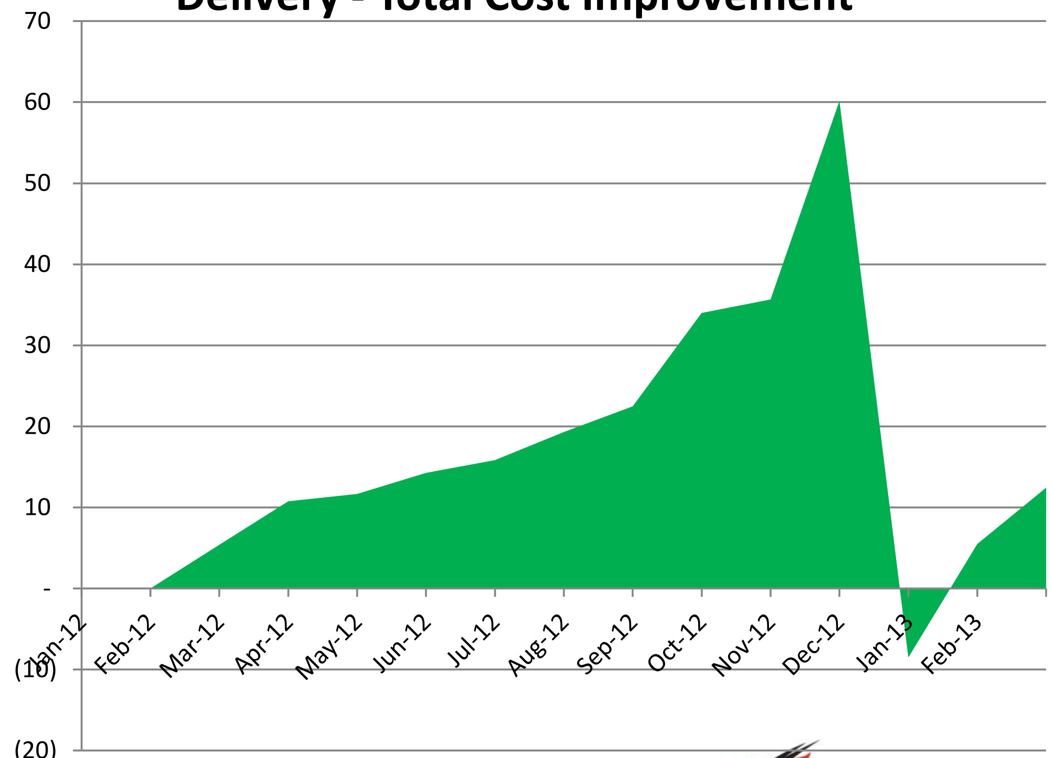
Achieving mine site cost targets

The business improvement process is estimated to have delivered A$60m of value in 2012 from Abel and Yarrabee interventions and $12M year to date 2013

Value Identified

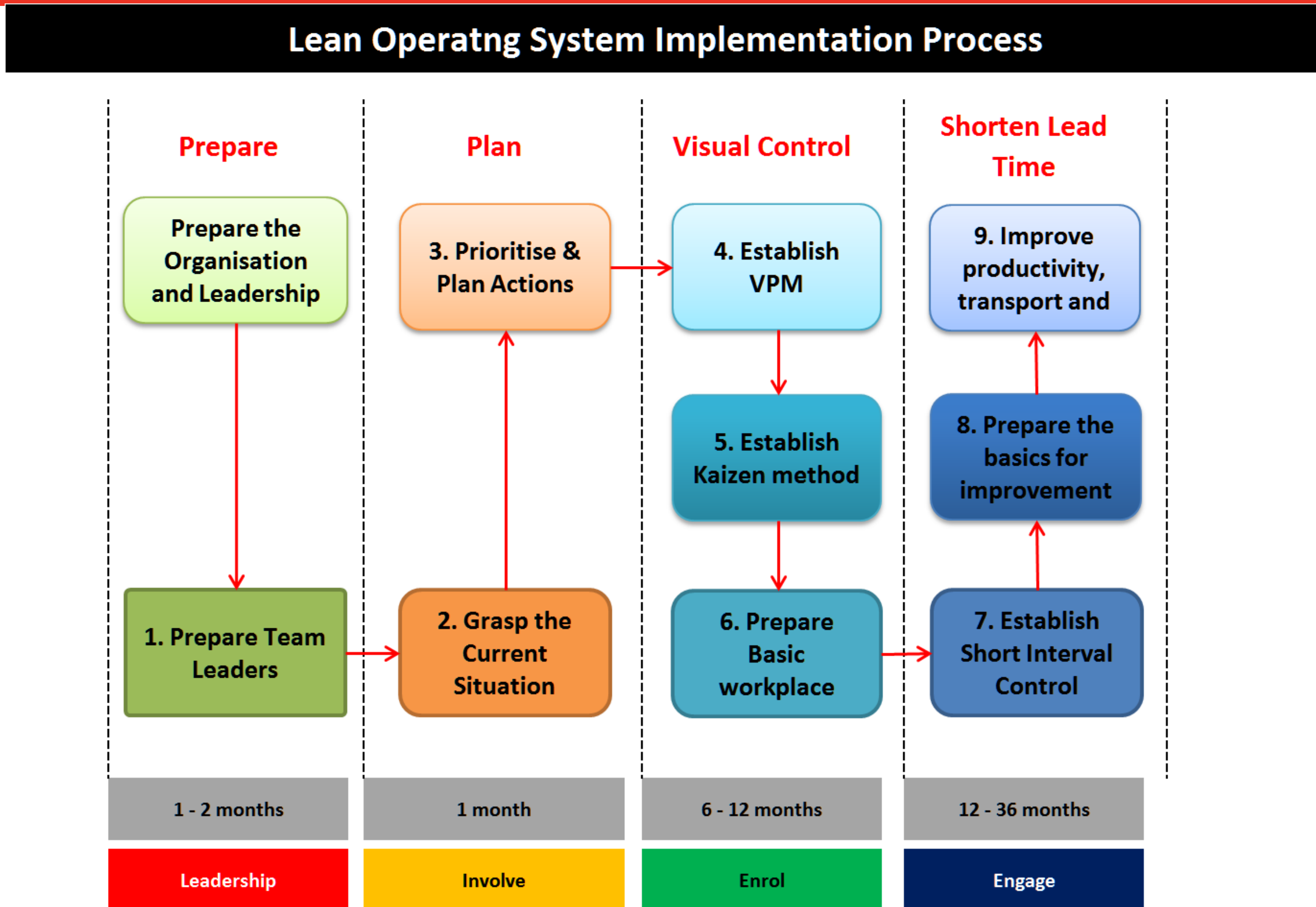
- Yarrabee Deep Dive
  - $32M (Cost)
- Abel Deep Dive (Wave 2)
  - $5.45 Million (Productivity)
  - $11.5 Million (Cash Cost)
  - Total $16.95M
- Austar Wave 1
  - $8 Million (Productivity)
  - $21 Million (Cash Cost)
- **Total $29 - 32M**

Yancoal Business Improvement Value Delivery - Total Cost Improvement



Targets identified for 2013

"LEAN" based on Abel and Austar experiences



Complex process requiring Board support

Synergy realisation

- The majority of synergies are only scheduled to be realised from 2014 onwards
- Nevertheless progress has been made with material value now being realised

Total
$220-380m[1]

Infrastructure Optimisation ($100–205m)[1]

Leveraging Unutilised Port Capacity

- Using Gloucester 's unutilised port capacity to accelerate Yancoal projects and to meet capacity shortfalls
- Progress: synergies will only be realised post 2014 however feasibility studies for expansion projects are running on schedule and nominations for new capacity have not been made

Reduction in Peak Railings and Logistics Savings

- Avoid charges related to peak railings and removing duplication of logistics operations
- Progress: Peak railing charges have been avoided and logistics operations have now been consolidated

$2.5m p.a[2]
(~$5m NPV)

Coal Blending ($10-30m)[1]

Coal Blending

- Blending a larger and broader suite of thermal and met coals to maximise revenue
- Progress: comprehensive review of all coal types is ongoing; review is expected to be completed mid-year with implementation to commence in 2H2013

Corporate, Tax & Procurement ($110-145m)[1]

Tax Savings

- Resetting of tax base leading to increased tax deductions
- Progress: tax base has been reset although realisation of deductions is dependent upon income profile which is lower than expected due to softer market

Tax base now reset
(~$70m NPV)

Corporate Costs Savings

- Elimination of duplication of corporate costs
- Progress: Headcount reduction completed with significant savings; rationalisation of corporate suppliers completed

$7.1m p.a[2]
(~$50m NPV)

Procurement Savings

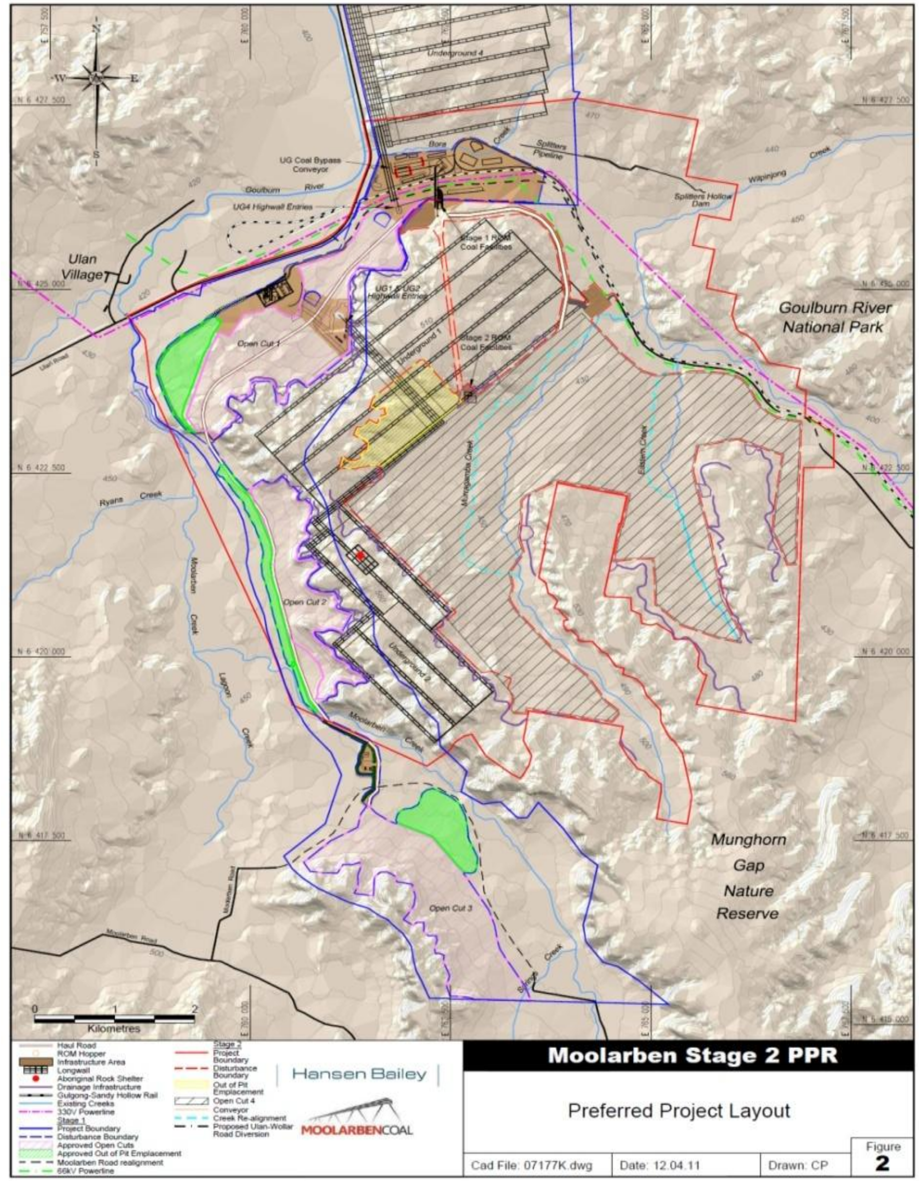
- Leveraging greater buying power to reduce costs
- Progress: Procurement review completed with procurement plan being progressively implemented; a number of major supplies have been tendered already with savings realised and locked-in over contract life

~$20m p.a[2, 3]
(~$160m NPV)

1. Indicative NPV impact of quantifiable synergies indicated in the Explanatory Booklet
2. Approximate pre-tax cost savings on an annual basis resulting from the actions taken so far for each relevant synergy category; does not necessarily mean the savings will continue indefinitely
3. Including contracts under final tender review

Project development - Moolarben

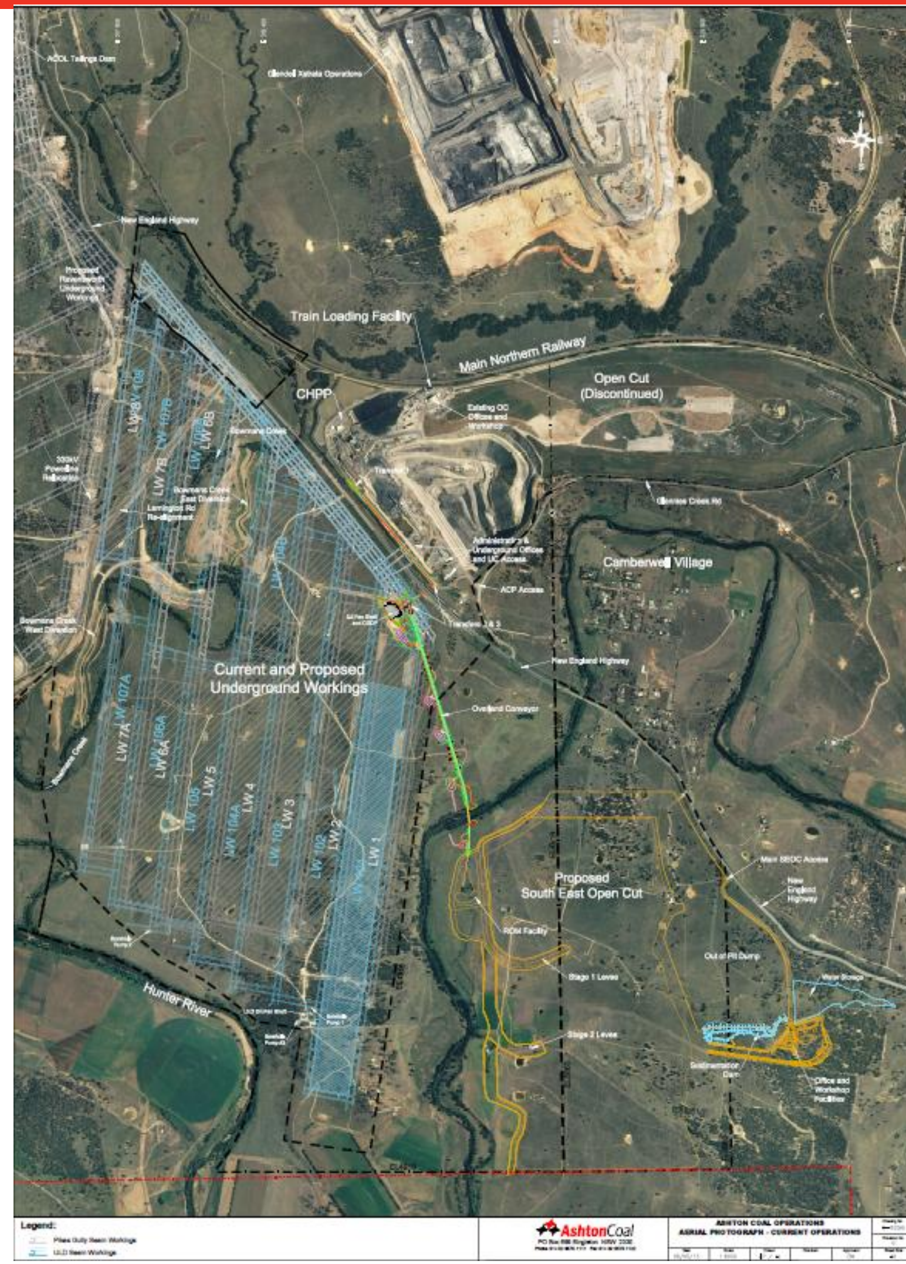
- Moolarben Stage 2 project will increase open cut output from 8.0Mtpa to 13Mtpa ROM coal (product 5.6Mtpa to 9.0Mtpa 100% basis)
- The NSW DP&I is currently reviewing all the application documents
- The DP&I will hand the application to a PAC for their review in the near future
- The PAC will review the project and hand down a decision (3 months to 4 months)
- Work on all the subordinate approvals and management plans required to develop the project continues
- The DFS for the underground mine (UG1) has been completed



A tier 1 mine under development

Project development – Ashton SEOC

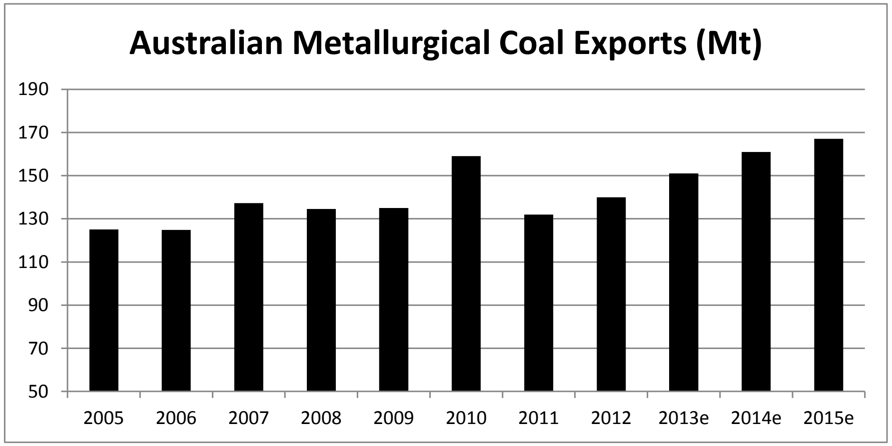
- Ashton successfully appealed a decision by the PAC not to approve the project
- An environment group lodged a merits appeal in the Land & Environment Court after the PAC decision
- A hearing of the appeal has been scheduled for late August 2012
- Ashton is continuing to refine the development schedule and plans for the project with the aim of being able to commence work as soon as possible after the Court ruling
- Open cut production is forecast to ramp up to about 3.0Mtpa ROM coal



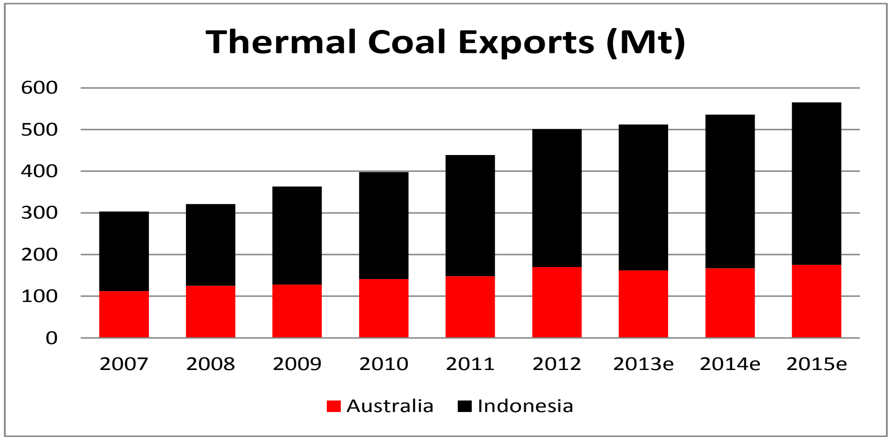
Hurdles being overcome

Coal price outlook

- **Metallurgical and thermal coal prices to remain subdued for 2013**
- With the spot hard coking coal price trading below the recently negotiated Q2 benchmark price combined with weak demand from the steel industry and forecast production growth from Australia, prices are expected to remain under pressure
- Strong supply growth from both Australia and Indonesia is forecast to outstrip demand growth for the next three years implying a weak outlook for thermal coal prices
- A weakening Australian dollar may assist all Australian coal producers to increase profit margins



Source: UBS



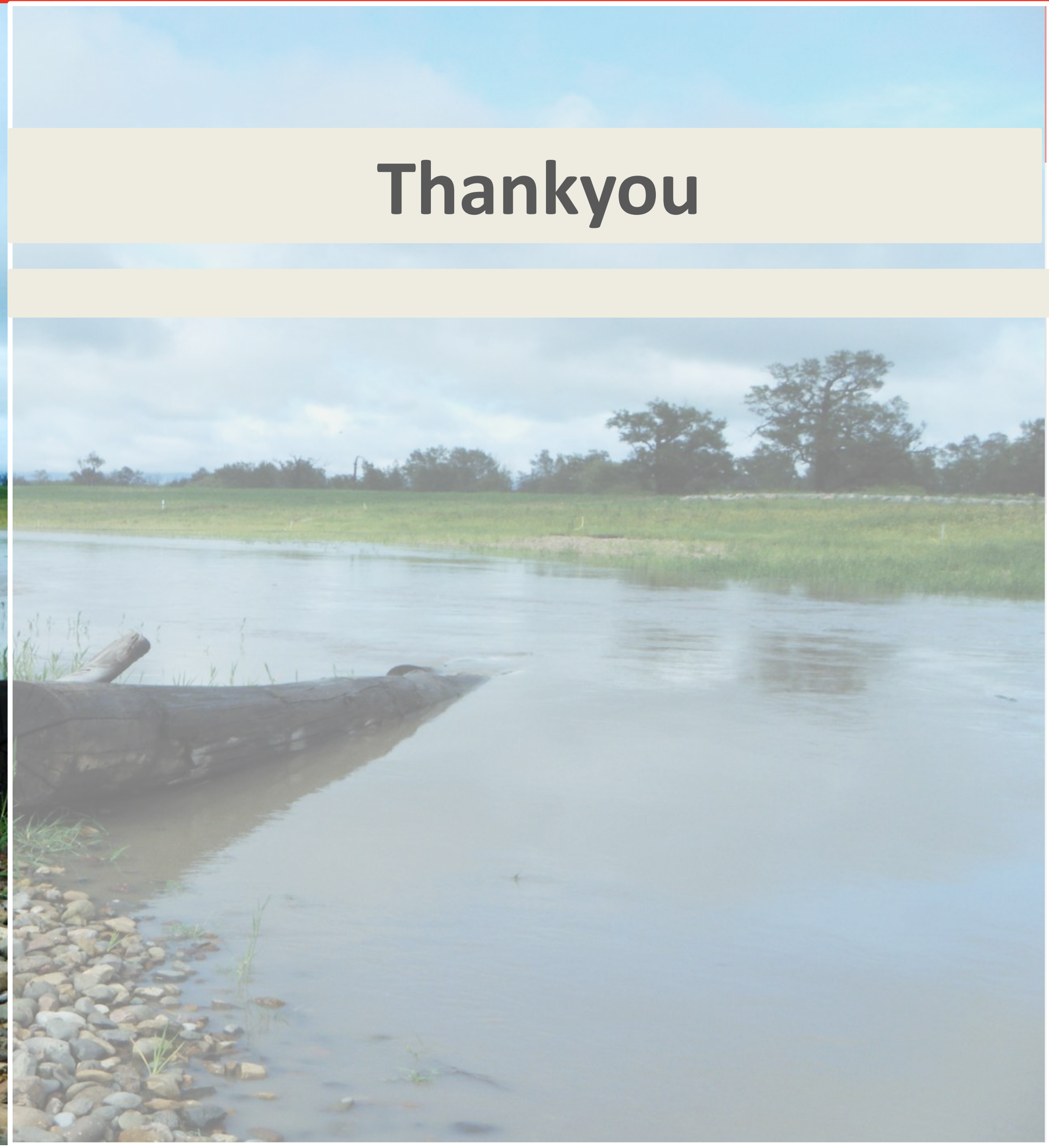
Source: UBS

Subdued pricing outlook

Outlook

- Costs reductions will continue
- Modest growth in production and sales in 2013
- Project development to continue
- Synergy benefits will be captured
- Seeking new markets in the Asian region

Improve returns to shareholders



Thankyou