

Yancoal Australia Ltd

Subordinated Capital
Notes offering

November 2014



Reaching new horizons together



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Today's agenda

1. Transaction summary
2. Business overview
3. Financial overview
4. Coal market outlook
5. Priority growth projects
6. Details of the Offer
7. Key dates and contacts

Appendix A: JORC Resources and Reserves

Appendix B: Growth Strategy

1. Transaction Summary

Overview

- ❑ Yancoal Australia Limited (“Yancoal”) is committed to generating value for shareholders as it continues to build a business positioned for future growth
- ❑ To manage its way through the current coal market downturn Yancoal needs to pro-actively strengthen its balance sheet by reducing gearing, address its financial covenant position and establish a more sustainable capital structure
- ❑ The company also needs to secure additional capital to pursue growth that will lower its overall productions costs
- ❑ To effect this, Yancoal has announced a pro-rata renounceable rights offering of Subordinated Capital Notes (“SCNs”) to raise up to US\$2.3 billion
- ❑ The Offer is not Underwritten
 - Yancoal’s largest shareholder, Yanzhou Coal Mining Company Limited (“Yanzhou”), has committed to take up its full entitlement of US\$1.8 billion of SCNs - but will not be eligible to subscribe for any Shortfall Securities
 - other shareholders can elect to subscribe or seek to trade their rights
 - non Yanzhou shareholders can apply for and have a right to take up Shortfall Securities not applied for by shareholders (subject to reservation of US\$75m of securities for potential external investors)

Overview cont'd...

- ❑ Conditional on the offer proceeding, Yanzhou has committed to provide additional financial support to Yancoal in the form of:
 - up to A\$1.4 billion under a committed financing facility which will rank below the SCNs, for use by Yancoal for general corporate purposes;
 - up to US\$807 million under a committed financing facility which will rank equally with the SCNs, to support distribution payments on the SCNs during the first five years if required.
- ❑ Yanzhou has also committed to Yancoal that (unless revoked with not less than 24 months notice) for so long as Yanzhou owns at least 51% of Yancoal, Yanzhou will ensure that Yancoal continues to operate so that it remains solvent
- ❑ Yanzhou has announced its current intention to retain at least 51% of the ordinary shares of Yancoal and immediately notify Yancoal should that intention cease

Rationale for the Offer

- ❑ Yancoal had senior debt outstanding at 30 June 2014 of US\$2.839 billion under Bank of China facilities and US\$1.916 billion owing to Yanzhou
 - these debts rank pari passu with each other and both count towards covenant calculations
- ❑ It is unlikely Yancoal would be able to meet the financial covenants in its bank facilities in the near to medium term without a significant capital raising to reduce gearing
- ❑ US\$1.8 billion of Yanzhou existing senior ranking loan will be repaid from the proceeds of the SCN issue - Yanzhou has agreed to subscribe for US\$1.8 billion of SCNs being its pro-rata share of the offer
- ❑ The SCNs will be treated as equity for Financial Covenant Purposes under the BOC Facilities
 - significantly improving Yancoal's covenant position;
 - facilitating an extension of 3 years in the BOC Facilities; and
 - extending the first test date for interest cover ratio covenant to 30 June 2016
- ❑ The SCN issue plus associated Yanzhou commitments also improve the capacity of Yancoal to fund operations and growth going forward
 - supporting development of the low cost stage 2 expansion of Moolarben
- Deutsche Bank has been appointed to manage the offer of SCNs

Key Protections for Investors in SCNs

- ❑ By subscribing for SCNs, Shareholders and potential new investors will have the opportunity to:
 - acquire Yancoal Ordinary Shares on a fixed price basis (US\$0.10 per share) through the exercise of conversion rights; or
 - hold the SCNs for the purpose of receiving an income stream through the payment of Distributions under the Terms of the SCNs
- ❑ Whilst the Distribution on the SCNs is deferrable by Yancoal
 - Yanzhou has committed to provide a US\$807 million Distribution Facility sufficient to fund the payment of Distributions for the first 5 years, if required
- ❑ The SCNs will rank equally with the Distribution Facility but ahead of any further financial support provided by Yanzhou and ahead of Ordinary Shares
- ❑ In the event Yanzhou becomes entitled to compulsorily acquire the SCNs within the first 5 years, it has committed to do so at a price inclusive of a “Make Whole” protection
- ❑ Yanzhou’s ongoing financial support and commitment includes:
 - Yanzhou commitment to provide up to A\$1.4 billion of financial support that will rank below the SCNs;
 - undertaking to Yancoal to ensure Yancoal continues to operate so that it remains solvent so long as Yanzhou owns at least 51% of Yancoal Ordinary Shares*
 - stated intention to retain at least 51% ownership of Yancoal;
 - commitment that any further financial support provided by Yanzhou to be subordinated to SCNs (subject to limited exceptions) until a Resale Offer has been made or SCNs have been Redeemed or Converted;

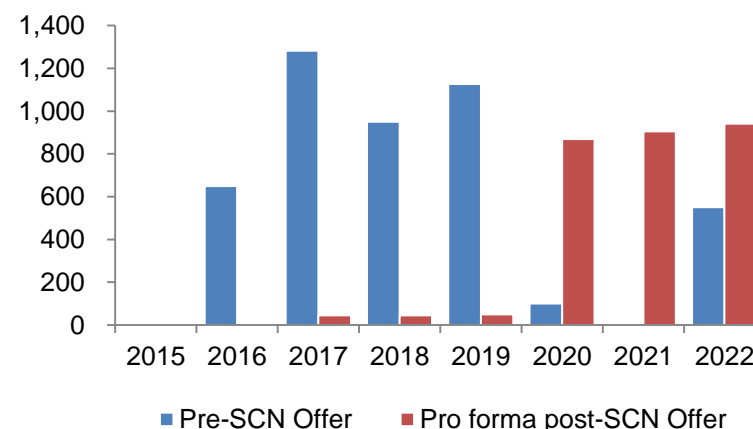
Summary pro-forma balance sheet & gearing

- ❑ Net debt at 30 June 2014 was A\$4,410.8m
- ❑ Assuming Offer proceeds of US\$2.3bn, Yancoal's pro-forma Financial Indebtedness at 30 June 2014 would be A\$2,091.4m
- ❑ Relative to a gearing covenant under the BOC Facilities of 0.80 at 31 December 2014, pro forma gearing at 30 June 2014 would reduce from 0.78 to 0.37
- ❑ In the event only US\$1.8bn of proceeds are raised from the Offer pro forma gearing as at 30 June 2014 would be 0.47
- ❑ The 3 year extension granted under the BOC Facilities, conditional upon the SCN issue proceeding, would materially improve and lengthen the debt repayment profile

A\$m	30-Jun-14	Pro forma 30-Jun-14 (US\$2.3bn proceeds)	Pro forma 30-Jun-14 (US\$1.8bn proceeds)
Cash	365.3	779.1	249.7
Financial indebtedness	4,410.8	2,091.4	2,620.8
Net Worth	1,217.2	3,505.7	2,976.3
Gearing*	0.78	0.37	0.47

* Financial Indebtedness / Financial Indebtedness + Net Worth

Current and pro-forma debt Repayment Profile



2. Business Overview

About Yancoal

- ❑ Yancoal is an Australian-based coal producer with interests in seven operating mines located in New South Wales (NSW) and Queensland (QLD), Australia
- ❑ Yancoal's principal activity is the production of metallurgical and thermal coal for export for use in the steel and power industries in Asian markets
- ❑ Yancoal has a predominantly Australian management and sales teams, with significant Australian and international coal industry experience. Approximately 98% of the workforce are Australians. Yancoal is committed to Australia – the communities in which it operates, its employees, shareholders and the environment
- ❑ Over recent years Yancoal has invested approximately A\$5.1 billion in its operations and has grown coal sales from 0.2Mt in 2006 to 17.0Mt in 2013 (equity basis) with a total Resource of 3,504.4Mt and recoverable Reserve of 651.7Mt (equity basis) as at 31 December 2013¹

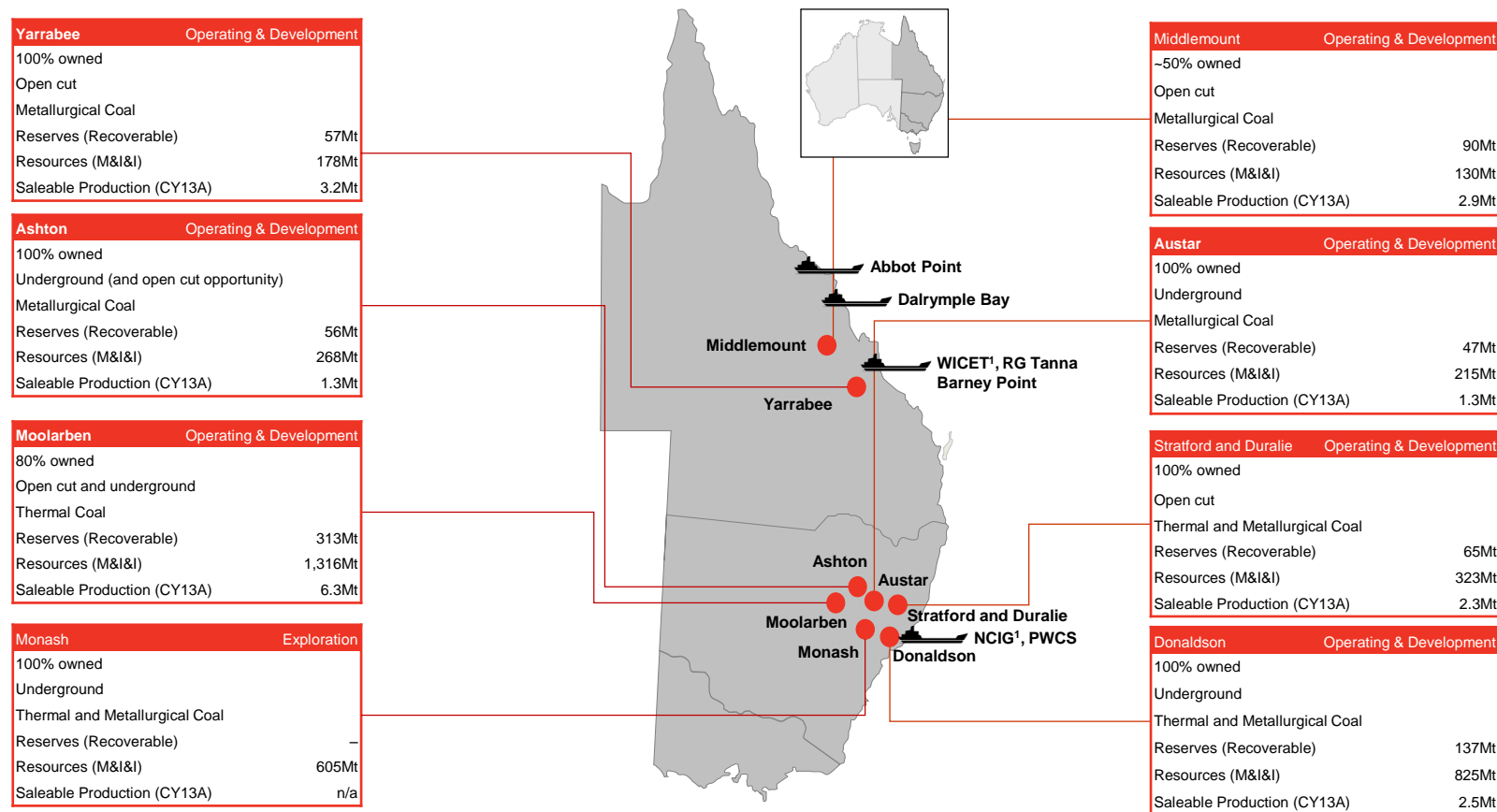
History of Yancoal's major acquisitions

Year	Description of major acquisitions
2004	Acquisition of 100% of Southland Mine (renamed Austar)
2009	Acquisition of 100% of Felix Resources (assets include mines in Moolarben, Yarrabee, Ashton)
2011	Acquisition of a further 30% interest in Ashton
2012	Merger with Gloucester Coal (assets include Middlemount, Stratford & Duralie, Donaldson Mines & Monash)
2014	Acquisition of the remaining 10% interest in Ashton

1. For details on JORC Resources and Reserves and disclosures please refer to Appendix A

Yancoal asset summary

Yancoal operates 7 mines and 1 exploration project in NSW and QLD. Coal is exported through several coal terminals in both states

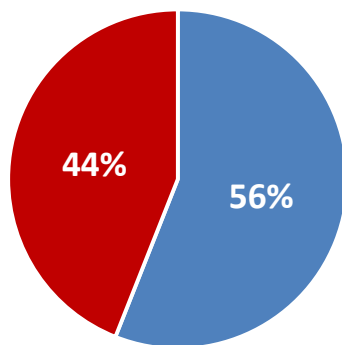


Note: All figures above are shown on a 100% basis. For details on JORC Resources and Reserves and disclosures please refer to Appendix A
 1. Yancoal holds a 27% interest in NCIG and a 5.6% interest in Stage 1 of WICET

Yancoal asset summary cont'd...

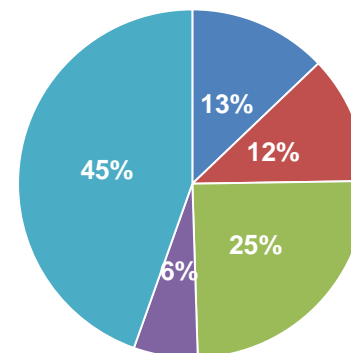
- ❑ Yancoal produces a variety of different coal products. These coal products have various characteristics such as calorific value/thermal content, moisture content, sulphur content and ash content. The prices received for Yancoal's coal products relative to observable benchmark prices take in to account these differences in coal qualities and specifications
- ❑ Yancoal sells coal mainly in the Asia Pacific region (including around 40% into China) and has a number of initiatives underway to further diversify its coal sales by geography (in particular into Vietnam and Malaysia) and to increase the percentage of direct sales to end users.

2014F coal sales split (Equity basis)



■ Thermal Coal Sales ■ Metallurgical Coal Sales

2014F coal sales by destination (100% basis)¹



■ China ■ Japan ■ Korea ■ Taiwan ■ Other

1. The majority of sales included in the "other" category are sold through various traders (of which 18% represents metallurgical coal sold to India and South America and the balance of 27% thermal coal sold mainly via traders into China)

3. Financial Overview

1H 2014 Operational and Financial Commentary

- ❑ Yancoal announced a loss after income tax of A\$192.7 million from revenue of A\$654.6 million for the half-year ended 30 June 2014. Operating EBIT was a loss of A\$126.6 million.
- ❑ Losses were mostly attributable to the impacts of the continued strength of the Australian dollar and downturn in thermal and metallurgical coal prices, driven by global market oversupply
- ❑ In response to market headwinds, Yancoal has continued its transformation program with the following initiatives completed:
 - Clustering of the operating mines with a geographical focus on NSW, Moolarben (Mudgee) and Queensland under three Regional General Managers;
 - Establishment of a centralised Shared Services function for transactional activities;
 - Restructure of operational support services, including Commercial, HR and Technical Services into a regional model so that resources are shared between sites;
 - Coordinated purchasing across the group through the appointment of a GM Procurement; and
 - Increased blending of coals across the group, to optimise margin
- ❑ Yancoal has also continued the roll-out of the “Yancoal Way”, which is focused on improving:
 - Safety performance;
 - Machine availability, utilisation and productivity;
 - Yield and mining practices;
 - Employee attitudes and behaviours; and
 - Lower costs across all operations

Operational Scorecard

- Record low prices for both Metallurgical and Thermal Seaborne Exports have continued to weigh on Yancoal's performance in 2014
- Difficult mining conditions at Ashton Underground mine and the incident at Austar have contributed to less than expected production in 2014
- Yancoal has kept unit operating costs at 2013 levels despite the drop in production

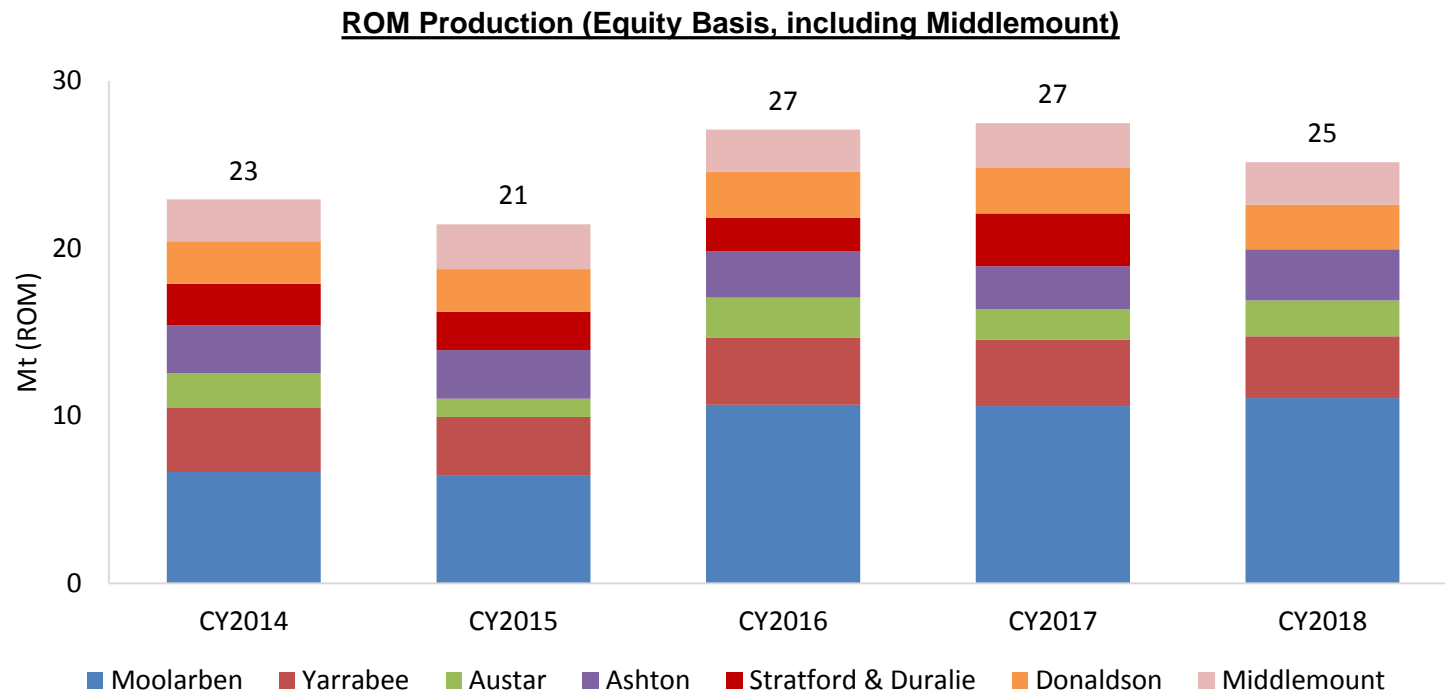
Yancoal Operating Performance

Equity Production and Sales	Unit	2012	2013	FY2014 Guidance	YoY Change (2013 vs. 2014)
Run of Mine (ROM) coal production	Mt	21.0	23.1	22.6	-2%
Saleable coal production	Mt	14.6	16.9	16.7	-1%
Coal sales	Mt	14.9	17.0	17.2	1%
FOB cash costs ¹	A\$/t	96	85	86	1%
Price achievement ¹	A\$/t	111	96	85	-11%
Product mix (Met %/Thermal %)	%	60/40	45/55	44/56	
Capital expenditure ¹	A\$M	314	172	168	-2%

1. Equity is pro-rata equity share based calculation and excludes Middlemount

Yancoal's forecast production

- ❑ Yancoal currently has two well established growth projects:
 - Moolarben Stage 2 Open Cut Expansion (OC4); and
 - Moolarben Stage 2 Underground Development.
- ❑ The highest priority of these projects is the Moolarben Stage 2 Open Cut Expansion, which will increase ROM production from the open cut to 13Mtpa
- ❑ The production profile below includes 1st coal from OC4 in Q4 2015 and development of the Moolarben Underground from 2H 2018 (development coal only, with longwall production commencing in 2019)¹



1. For details on JORC Resources and Reserves (including forecast ROM production) and disclosures please refer to Appendix A and B

4. Coal Market Outlook

Coal Market Overview – Recent Developments

Macro Drivers

Australian Supply

- ❑ Export volumes have increased by 5% in 2014
- ❑ Growth projects have been delayed
- ❑ Costs of production have fallen 4%

Demand

- ❑ Chinese demand for imported coking coal was 13% lower for the 1H 2014 than for the same period in 2013
- ❑ Demand for thermal coal has increased but not at the same pace as supply

FX

- ❑ Quantitative easing in the USA and comparatively strong interest rates in Australia have kept the A\$ above historic averages, currently at ~\$0.855

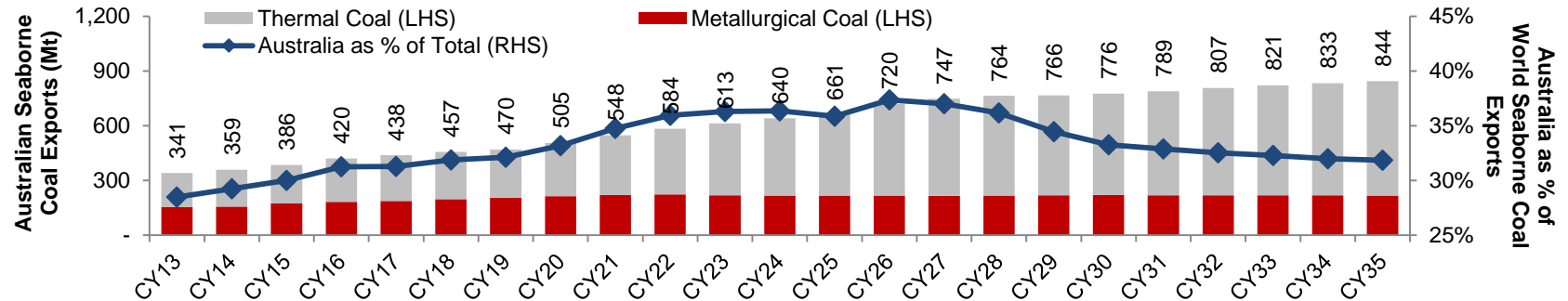


Impact on Australian Coal Market

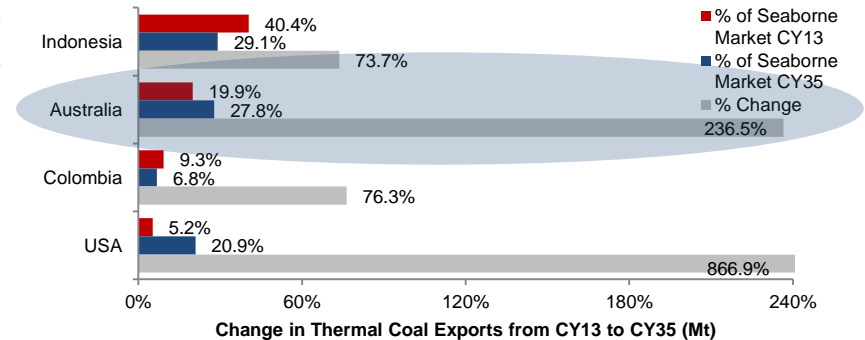
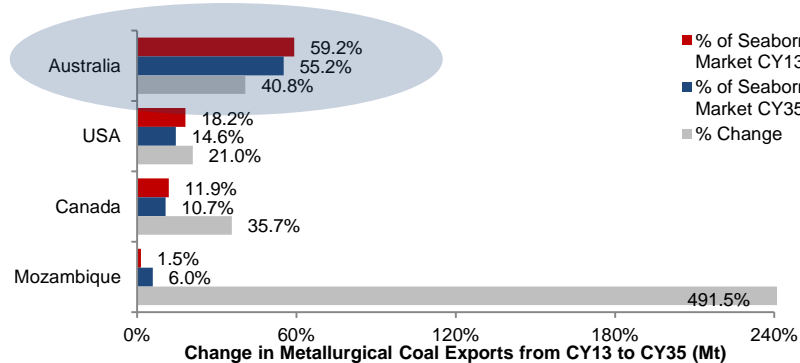
- ❑ Coal prices have continued to fall over the last 12 months, by as much as 30% for some products
- ❑ In Australia six coal mines closed in 2013 with another four closures announced in the first half of 2014
- ❑ 12,000 jobs have been cut over the past two years
- ❑ There was an estimated 15% decrease in capital investment in 2013
- ❑ Take-or-pay contracts with rail and port providers have forced many mining companies to continue operations at a loss in order to offset the large amount of contracted capacity

Coal Market Overview – Long-term Fundamentals

Australia's role in seaborne coal exports is forecast to increase over the next decade before moderating in significance in the 2030s.



Australia to remain the major supplier of met coal and nearly surpass Indonesia as the world's main exporter of thermal coal.

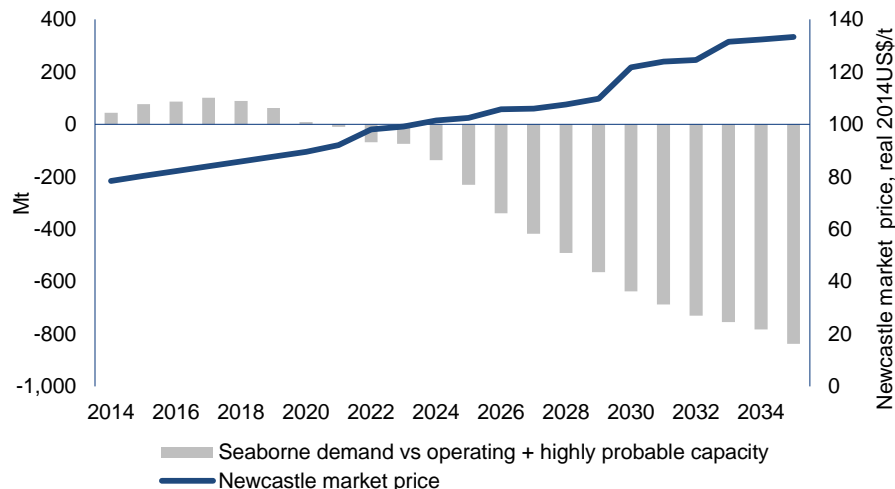


Source: Wood Mackenzie Coal Market Service

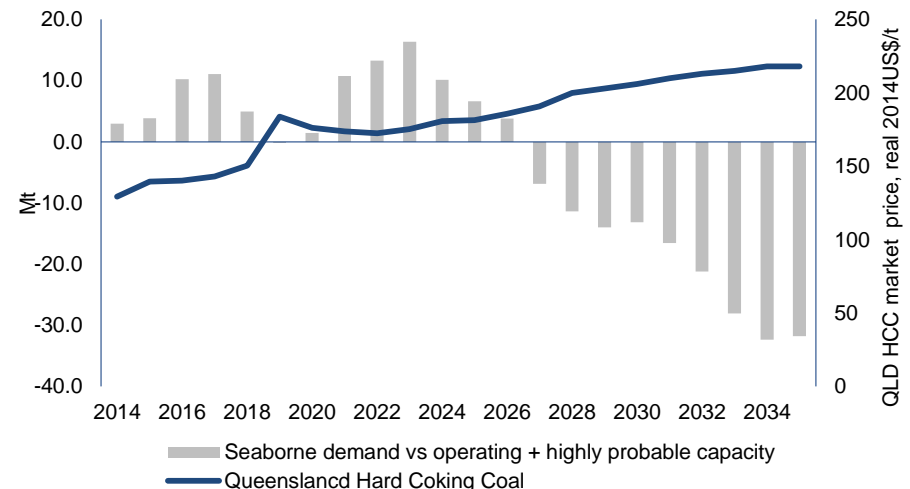
Coal Market Overview – Market Rebalancing

- ❑ Seaborne thermal markets are expected to rebalance after 2020 as demand growth, capacity exhaustion and the need for a satisfactory return on capital lift prices
- ❑ Sufficient supply of metallurgical coal exists to keep the market well supplied until 2018 where new project supply will be required

Seaborne Thermal Demand “Looseness” vs. FOB Newcastle Price



Seaborne HCC Demand “Looseness” vs. QLD HCC Price



Source: Wood Mackenzie Coal Supply & Coal Market Services

5. Yancoal's Priority Growth Projects

Priority Growth Projects – OC & UG Overview

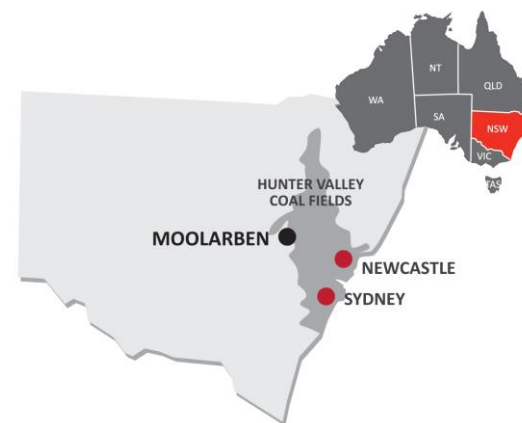
Yancoal's development plan in the medium-term is focused on delivering the open cut and underground expansions at its tier 1 asset, Moolarben

- ❑ The first priority is the development of the Stage 2 open cut expansion that will bring ROM production up to 13Mtpa on a 100% basis
- ❑ First coal from the open cut expansion is expected in 2H 2015 depending on the timing of approvals and the availability of funding
- ❑ Development of the underground is currently forecast from 2018, but timing is dependent on both approvals and the availability of funding
- ❑ The underground will add 4Mtpa (but long-term could add up to 6Mtpa) of bypass coal to the Moolarben complex

Moolarben Reserves and Resources and Production Targets¹

Coal type	100% Export thermal coal	
	OC	UG
Reserves	250Mt	63Mt
Resources	1,316Mt	
Saleable production target	9Mtpa	4 to 6Mtpa

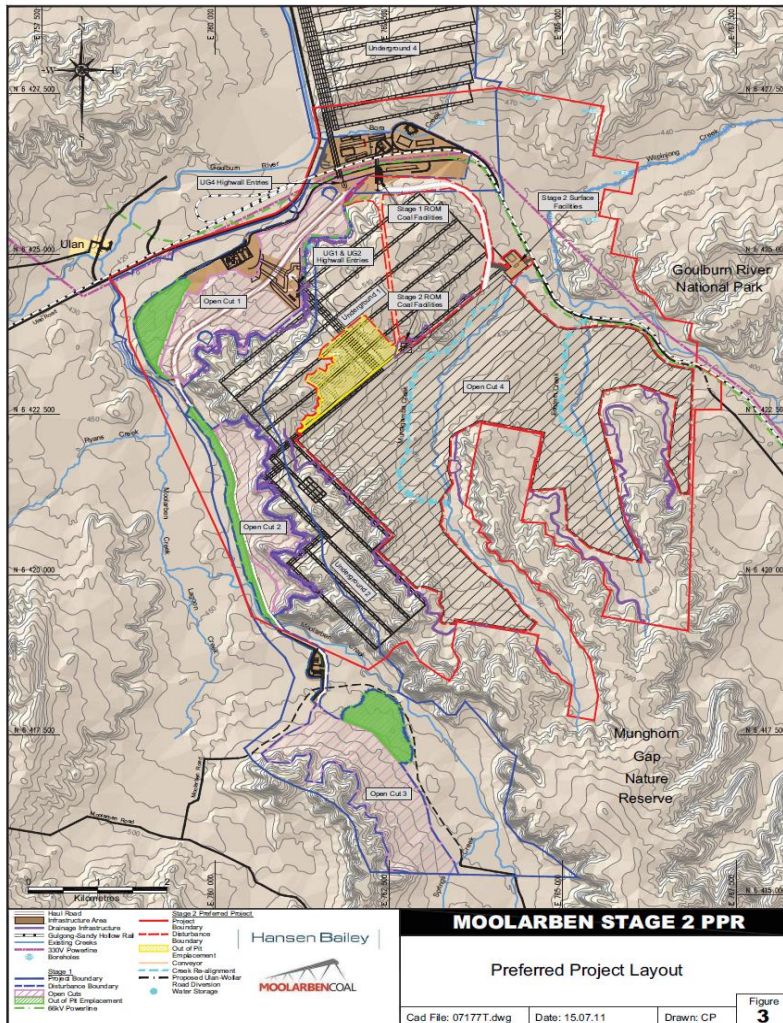
Project Location



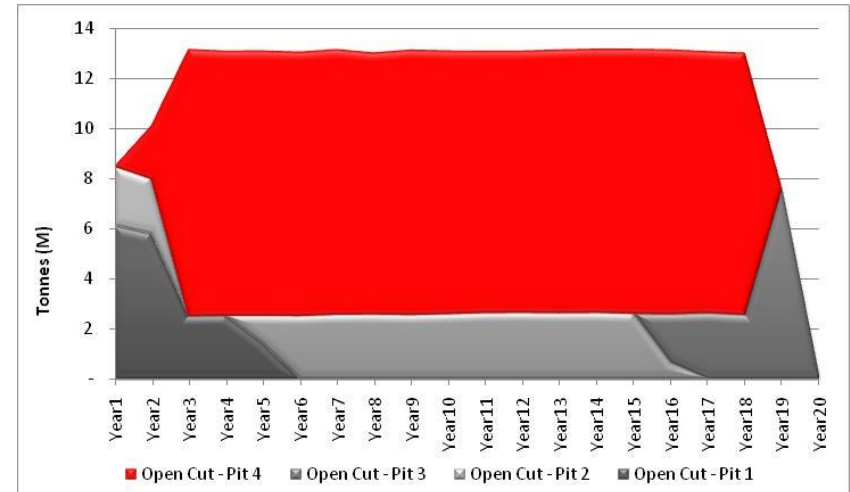
1. Reserves and Resources are on a 100% basis as at 31-December-2013 For details on JORC Resources and Reserves and disclosures please refer to Appendix A

Priority Growth Projects – OC Overview

Moolarben Project Layout



Forecast Open Cut Expansion



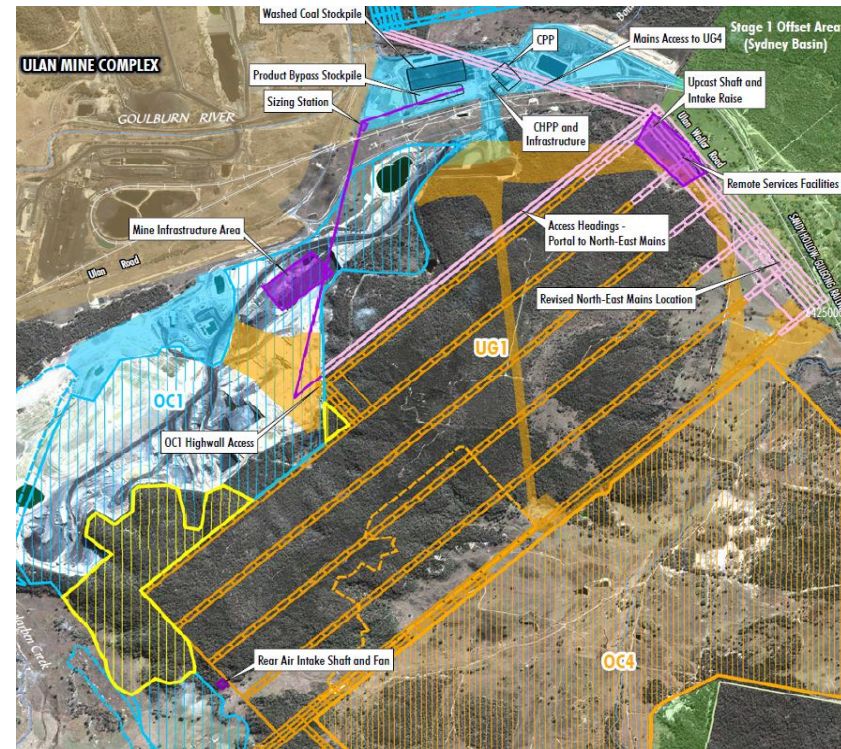
Coal Quality

Coal type	18.0% Ash	25.0% Ash
Inherent moisture (% adb)	2.5	2.5
Ash content (% adb)	18.0	26.0
Volatile matter (% adb)	29	28
Fixed carbon (% adb)	50.5	45.0
Sulphur content (% adb)	0.5	0.5
Hardgrove Grindability Index	49	45
Calorific value (kcal/kg NAR)	5,780	5,200

Priority Growth Projects – UG Overview

- ❑ UG1 will be the first in the sequence of underground mines at Moolarben
- ❑ Mining for UG1 is currently scheduled to commence from the OC1 Highwall access in 2018, with longwall production commencing in 2019
- ❑ Earlier development is possible, but is dependent on both approvals and funding
- ❑ Underground production will add 4Mtpa (but long-term could add up to 6Mtpa)
- ❑ CHPP Bypass Coal output is estimated to be <16% ROM ash product suitable for blending to the 14.5% Japanese thermal coal market specification
- ❑ A DFS is currently underway to increase the accuracy of the operating and financial assumptions for UG1

Proposed Moolarben UG1 Layout



6. Details of the Offer

SCN summary terms

Issuer	<ul style="list-style-type: none"> Yancoal SCN Limited (ACN 602 841 556), a wholly owned subsidiary of Yancoal
Instrument	<ul style="list-style-type: none"> Fully paid, subordinated, perpetual, convertible, unsecured notes
Offer structure	<ul style="list-style-type: none"> Pro rata, renounceable rights offer of 2.32112 SCNs for every 100 Yancoal ordinary shares Yancoal shareholders (except Yanzhou) can apply for additional SCNs should some shareholders not take up all of their entitlements under the Offer SCNs not subscribed for by close of Offer will be offered for sale through a shortfall bookbuild (at least US\$75 million of any shortfall will offered through this bookbuild)
Issue price	<ul style="list-style-type: none"> US\$100 per SCN
Record date	<ul style="list-style-type: none"> 7pm on 28 November 2014
Offer size	<ul style="list-style-type: none"> Up to US\$2.3077 billion Yanzhou has committed to take up its full entitlement of US\$1.8 billion
Use of proceeds	<ul style="list-style-type: none"> Yancoal intends to apply US\$1.8 billion of the Offer proceeds to repay senior ranking shareholder loans to Yanzhou Any remaining proceeds will be used to partly fund Yancoal's existing coal operations and future growth
Manager	<ul style="list-style-type: none"> Deutsche Bank AG, Sydney Branch
Listing	<ul style="list-style-type: none"> SCNs expected to be listed on ASX under the code 'YCNPA'

SCN summary terms cont'd...

Maturity date	<ul style="list-style-type: none"> ❑ Perpetual (no fixed maturity date) unless converted or redeemed (holders can also be offered resale)
Distributions	<ul style="list-style-type: none"> ❑ Fixed rate distributions, payable semi-annually in arrears unless deferred ❑ Initial distribution rate of 7.00% per annum, resettable to 5-year USD mid-swap rate plus the initial margin per annum every 5 years ❑ 2.50% per annum step up applies in year 10 (and an incremental 5.00% per annum step up in the event of a change of control) ❑ Distribution payments are scheduled to be paid on 31 January and 31 July of each year, commencing 31 July 2015
Deferral of Distributions	<ul style="list-style-type: none"> ❑ Distributions are deferrable at the discretion of the Issuer ❑ Deferred distributions are non-compounding ❑ The Issuer may elect to pay any deferred Distribution at its discretion as an Optional Distribution Payment
Restrictions on deferral of Distributions	<ul style="list-style-type: none"> ❑ If any Distribution has been deferred, then Yancoal may not undertake a Restricted Action until all Unpaid Distributions are paid as an Optional Distribution Payment ❑ Furthermore, if Yancoal undertakes a Restricted Action then the Issuer must make the next Distribution Payment ❑ Restricted Actions are generally payments of dividends or returns of capital on Yancoal Ordinary Shares, Junior Ranking Obligations or Equal Ranking Obligations

SCN summary terms cont'd...

Conversion	<ul style="list-style-type: none"> Holder right to Convert to 1,000 Yancoal Ordinary Shares at any time after the first 40 days until 30 years after the Issue Date (until Redeemed) including upon receipt of a Redemption or Resale Notice from the Issuer (conversion price fully adjusted for any ordinary dividends paid in first five years together with other market standard adjustments)
Redemption	<ul style="list-style-type: none"> SCNs may be Redeemed at the discretion of the Issuer: <ul style="list-style-type: none"> on the First Reset Date (after 5 years) and on each Distribution Payment Date thereafter (all or some on a pro-rata basis) upon a Tax Event, Accounting Event or Change of Control Event (all but not some) at any time if there are less than 10% of the original principal amount of SCNs outstanding (all but not some) Redemption Price is Par plus any accrued and Unpaid Distributions
Resale	<ul style="list-style-type: none"> The Issuer may elect a Resale (on any date where it could Redeem the SCNs) in which case Holders will have their SCNs purchased by a party nominated by the Issuer for the Redemption Amount Holdings are not obliged to accept a Resale
Ranking	<ul style="list-style-type: none"> On winding up of Yancoal, SCNs rank: <ul style="list-style-type: none"> behind BOC facility and US\$116 million of Yanzhou shareholder loans due to mature in 2022 and other senior debt; equal with funding provided in respect of distributions and any other equal ranking debt; ahead of other junior Yanzhou facilities and Yancoal ordinary shares.

Support and Commitment from Yanzhou

Distribution support facility	<ul style="list-style-type: none"> Up to US\$807 million in additional funding under a committed facility ranking equally with the SCNs, for the purpose of paying distributions on the SCNs during the first five years
Junior ranking support facility	<ul style="list-style-type: none"> Up to A\$1.4 billion in additional funding under a committed facility subordinated to the SCNs, for the purpose of funding Yancoal's cash flow requirements and for general corporate purposes
Solvency undertaking	<ul style="list-style-type: none"> Unless revoked with not less than 24 month notice, an undertaking to ensure that Yancoal continues to operate so that Yancoal remains solvent so long as Yanzhou owns more than 51% of Yancoal Ordinary Shares
Intention to retain majority ownership	<ul style="list-style-type: none"> Stated intention to retain at least 51% holding in Yancoal Ordinary Shares and undertaking to notify ASX immediately if that intention changes
Further Yanzhou funding support to rank below SCNs	<ul style="list-style-type: none"> Any further funding support provided by Yanzhou during the first five years to be subordinated to the SCNs (subject to limited exceptions) These subordination arrangements continue beyond the first five years until a Resale Offer is made or all SCNs are Redeemed or Converted
Compulsory acquisition protection	<ul style="list-style-type: none"> In the event Yanzhou is entitled to compulsorily acquire Yancoal – Yanzhou is required to pay the SCN holders the greater of the Redemption Amount and a "Make Whole" amount

7. Key Dates and Contacts

Key dates

Lodgement of Prospectus with ASIC	24 November 2014
Entitlements trading begins	26 November 2014
Record date to determine entitlements to the SCNs	7.00pm, 28 November 2014
Prospectus with personalised application form dispatched to Yancoal shareholders	2 December 2014
Opening date of the Offer	2 December 2014
Entitlements trading ends	10 December 2014
Investor Site Visit	11 December 2014
Closing date for the Offer	5.00pm 17 December 2014
Shortfall bookbuild	18 December 2014
Issue date	24 December 2014
SCNs expected to commence trading on ASX on a deferred settlement basis	29 December 2014
Holding statements dispatched	31 December 2014
SCNs expected to commence trading on ASX on a normal settlement basis	5 January 2015

Note: The key dates and times for the Offer are indicative only and may change without notice

Key Offer contacts

Yancoal

James Rickards

General Manager Investor Relations and Corporate Affairs

+61 2 8583 5922 +61 419 731 371 james.rickards@yancoal.com.au

Deutsche Bank AG, Sydney Branch

Hamish Whitehead

Managing Director Equity Capital Markets

+61 2 8258 2644 +61 420 964 816

Richard Gannon

Managing Director – Head of Metals & Mining

+61 3 9270 4201 +61 417 137 490

Further Information

Yancoal Information Line on 1300 608 419 (within Australia) or +61 3 9938 4354 (outside Australia)
(Monday to Friday 9.00am – 5.00pm, Sydney time) during the Offer Period

Appendix A: JORC Resources & Reserves

Appendix A: Resources and Reserves

Details of JORC Resources and Reserves, forecast ROM Production and Competent Persons Statements which follow are extracted from the Prospectus for Subordinated Capital Notes of Yancoal SCN Limited dated 24 November 2014.

Resources and Reserves

The statements of Resources and Reserves presented in this Prospectus have been produced in accordance with the Australasian Code for reporting of Mineral Resources and Ore Reserves, 2004 (JORC 2004) or 2012 (JORC 2012). Losses were mostly attributable to the impacts of the continued strength of the Australian dollar and downturn in thermal and metallurgical coal prices, driven by global market oversupply.

Commodity prices and exchange rates used to estimate the economic viability of Reserves are based on Yancoal long-term forecasts unless otherwise stated.

The ore reserves tabulated are all held within existing, fully permitted mining tenements or are under applications to become mining tenements¹.

JORC 2012

The information in this Prospectus that relates to Resources for the Austar, Ashton and Middlemount projects and Reserves for the Austar and Ashton projects was reported in compliance with the principles and guidelines of JORC 2012 in Yancoal's Annual Report for the year ended 31 December 2013.

Yancoal is not aware of any new information or data that materially affects the information included in Yancoal's Annual Report for the year ended 31 December 2013 and at the time of this Prospectus all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

Yancoal confirms that the form and context in which the Competent Person's findings are presented in respect of these Resources and Reserves have not been materially modified from Yancoal's Annual Report for the year ended 31 December 2013.

1. With the exception of Donaldson, where a portion of the reserve currently resides within the Exploration Leases. Mining Lease applications are planned to be submitted at an appropriate time prior to mining expanding into these areas.

Appendix A: Resources and Reserves cont'd...

JORC 2004

The information in this Prospectus that relates to:

- ❑ Resources for the Moolarben, Yarrabee, Gloucester, Donaldson and Monash projects; and
- ❑ Reserves for the Moolarben, Yarrabee, Gloucester, Donaldson and Middlemount projects,

was prepared and first disclosed in compliance with the principles and guidelines of JORC 2004. It has not been updated since to comply with JORC 2012 on the basis that the information has not materially changed since it was last reported. This information is based on, and fairly represents, information and supporting documentation prepared by Competent Persons (refer to the 'Competent Person' Table below). All Competent Persons have, at the time of reporting, sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the JORC Code.

With the exception of the Competent Persons in respect of the Yarrabee project, each Competent Person listed in this Prospectus is an independent consultant. The Yarrabee Resource and Reserves reports were audited by an independent consultant at the time of their generation.

Each relevant Competent Person named on slide 39 consents to the inclusion in this Presentation of the relevant information in this Presentation that relates to Resources and Reserves in the form and context in which they appear.

Yancoal is in the final stages of updating all statements of Resources and Reserves to comply with JORC 2012. However, as noted above and in the tables on the following slides, a number of projects are reported in accordance with JORC 2004 (based on reports dated prior to 1 December 2013). Reserve and Resource estimates prepared in compliance with JORC 2004 may vary when reported as Resources and Reserves in accordance with JORC 2012. In particular, please refer to the risk factor at Sections 7.3.11 and 7.3.12 of the Prospectus.

Appendix A: Resources and Reserves cont'd...

All of the Resource and Reserve figures presented are reported in 100% terms (unless otherwise stated). All of the Resource estimates (unless otherwise stated) are inclusive of Resources that have been converted to Reserves (i.e. Resources are not additional to Reserves).

Resources¹

Project	Ownership %	Coal Type	Measured JORC Resource Mt	Indicated JORC Resource Mt	Inferred JORC Resource Mt	Total JORC Resources Mt	JORC Code	Competent Person	Report Date
Moolarben*	80	Thermal	465.1	593.6	257.6	1,316.3	2004	1	Jun-13
Austar*	100	Met/Thermal	75	70	70	215	2012	2	Jun-13
Ashton*	100	Met/Thermal	144.0	76.0	48.0	268.0	2012	13	Aug-13
Yarrabee*	100	Met/Thermal	75.5	89.2	12.8	177.5	2004	4	Jun-13
Gloucester – Stratford*	100	Met/Thermal	5.8	67	25	97.8	2004	6	Sep-12
Gloucester – Duralie*	100	Met/Thermal	12.6	67	68	147.6	2004	6	Sep-12
Gloucester – Grant and Chainey*	100	Met/Thermal	3.9	46	27	76.9	2004	6	Sep-12
Middlemount*	50	Met/Thermal	93.0	33.8	3.0	129.8	2012	8	Mar-13
Donaldson*	100	Met/Thermal	596.8	212.5	15.7	825.0	2004	10	Jun-13
Monash*	100	Met/Thermal	148.1	178.3	278.4	604.8	2004	12	Dec-12
Total						3,858.7			
Yancoal Attributable Share**						3,504.4			

*No depletions for production have been applied to resource totals since the JORC report dates. Depletions will be applied upon update of the JORC resource reports.

** The 'Yancoal Attributable Share' total above only includes an attributable share of 90% for Ashton as it is based on information from Yancoal's Annual Report for the year ended 31 December 2013. Yancoal now owns 100% of Ashton (since 30 September 2014).

Note: Met = Metallurgical coal.

Note: All Resources are reported on a 100% basis, with Yancoal's ownership reported in the 'Ownership %' column for each deposit.

Appendix A: Resources and Reserves cont'd...

Reserves¹

Project	Ownership %	Coal Type	Recoverable Reserves				Marketable Reserves				JORC Code	Competent Person	Report Date	ROM Production From JORC Report Date to Dec-13 Mt	Saleable Production From JORC Report Date to Dec-13 Mt
			Proved Reserve Report JORC Mt	Probable Reserve Report JORC Mt	Total Reserves at JORC Report Date Mt	Total Reserves Dec - 13 Mt	Proved Reserve Report JORC Mt	Probable Reserve Report JORC Mt	Total Reserves at JORC Report Date	Total Reserves Dec-13 Mt					
Moolarben (O/C)	80	Thermal	124.7	129.9	254.6	250.4	86.9	89.4	176.3	173.1	2004	1	Jun-13	4.2	3.2
Moolarben (U/G)	80	Thermal	37.3	25.6	62.9	62.9	37.3	25.6	62.9	62.9	2004	1	Jun-13		
Austar (U/G)	100	Met/Thermal	14.2	33.5	47.7	46.9	11.5	26.3	37.8	37.1	2012	3	Jun-13	0.8	0.7
Ashton (SE O/C)	100	Met/Thermal		15.6	15.6	15.6		7.8	7.8	7.8	2012	14	Aug-13		
Ashton (WP O/C)	100	Met/Thermal													
Ashton (U/G)	100	Met	35.5	5.9	41.4	40.5			19.6	19.2	2012	14	Aug-13	0.9	0.4
Yarrabee (O/C)	100	Thermal/Met	37.5	21.2	58.7	56.9	13.5	33.2	46.7	45.0	2004	5	Jun-13	1.9	1.6
Gloucester – Stratford (O/C)*	100	Met/Thermal	0.9	39.0	39.9	38.3**	0.5	21.2	21.7	20.6**	2004	7	Sep-12	4.4*	2.7*
Gloucester – Duralie (O/C)*	100	Met/Thermal	8.4	12.2	20.6	18.9**	4.8	8.5	13.3	11.7**	2004	7	Sep-12		
Gloucester – Grant and Chainey (O/C)	100	Met/Thermal		8.8	8.8	8.8		5.0	5.0	5.0	2004	7	Sep-12		
Middlemount (O/C)	50	Met/Thermal	69.0	27.0	96.0	89.8	51.0	18.1	69.1	64.5	2004	9	Feb-11	6.2	4.6
Donaldson (U/G)	100	Thermal/Met	78.3	60.0	138.3	136.9			85.7	84.6	2004	11	Jun-13	1.4	1.1
Total					784.5	765.9			545.9	531.5				19.8	14.3
Yancoal Attributable Share***					667.5	651.7			460.7	449.3				15.8	11.3

*ROM production and saleable production are for Stratford and Duralie combined.

**At the time of Yancoal's Annual Report for the year ended 31 December 2013, only combined production values for Stratford and Duralie were available and therefore a 4.4Mt depletion was applied solely against Duralie. As a result of further data becoming available, this 4.4Mt depletion has been applied 1.7Mt against Stratford and 2.7Mt against Duralie. There has been no change to the total Reserves reported for Stratford and Duralie on a combined basis since Yancoal's Annual Report for the year ended 31 December 2013.

***The 'Yancoal Attributable Share' total above only includes an attributable share of 90% for Ashton as it is based on information from Yancoal's Annual Report for the year ended 31 December 2013. Yancoal now owns 100% of Ashton (since 30 September 2014).

Note: ROM production and saleable production figures from the JORC report date to the end of December 2013 are based on actual production figures gathered by Yancoal.

Note: Met = Metallurgical coal. O/C = Open Cut. U/G = Underground

Note: Reserves are inclusive of Resources estimates and are reported on a 100% basis, with Yancoal's ownership reported in the 'ownership %' column for each deposit.

1. The information in this table relating to Resources and Reserves is based on information from Yancoal's Annual Report for the year ended 31 December 2013. The only change between the information set out in Yancoal's Annual Report for the year ended 31 December 2013 and this Table relates to depletion at Stratford and Duralie.

Appendix A: Resources and Reserves cont'd...

Competent Persons

Project	Report Type	Competent Person (CP)	CP #	Title	Company
Moolarben	Resource	Jon Barber	1	Principal Consultant	Jon Barber Mining Consultants
	Reserve	Jon Barber	1	Principal Consultant	Jon Barber Mining Consultants
Austar	Resource	Robert Dyson	2	General Manager Operations	McElroy Bryan Geological Services Pty Ltd
	Reserve	Michael Barker	3	General Manager Underground Services	Palaris Mining P/L
Ashton	Resource	Tom Bradbury	13	Project Manager: Coal	Geos Mining
	Reserve – U/G	Greg Mattila	14	Principal	Mattila Pty Limited
	Reserve - SEOC	Greg Mattila	14	Principal	Mattila Pty Limited
Yarrabee	Resource	Stuart Whyte	4	Superintendent Geology and Exploration	Yarrabee Coal Company Pty Ltd
	Reserve	Andrew Lau	5	Technical Services Manager	Yarrabee Coal Company Pty Ltd
Gloucester – Stratford	Resource	Janet Bartolo	6	Manager Geological Modelling	McElroy Bryan Geological Services Pty Ltd
	Reserve	Trisha Wilson	7	Senior Mining Consultant	Runge Pincock Minarco
Gloucester – Duralie	Resource	Janet Bartolo	6	Manager Geological Modelling	McElroy Bryan Geological Services Pty Ltd
	Reserve	Trisha Wilson	7	Senior Mining Consultant	Runge Pincock Minarco
Gloucester – Grant and Chainey	Resource	Janet Bartolo	6	Manager Geological Modelling	McElroy Bryan Geological Services Pty Ltd
	Reserve	Trisha Wilson	7	Senior Mining Consultant	Runge Pincock Minarco
Middlemount	Resource	Greg Jones	8	Principal Consultant	JB Mining Services Pty Ltd
	Reserve	Mark Bryant	9	Principal Mining Consultant	The Minserve Group Pty Ltd
Donaldson	Resource	Ian Blayden	10	Principal Consultant	Geological and Management Services Pty Ltd
	Reserve	Dave Thomas	11	Principal Consultant	IMC Mining Group Pty Ltd
Monash	Resource	Paul Wootton	12	Chief Geologist	Ellemby Consulting

Appendix B: Growth Strategy

Appendix B: Growth Strategy

Yancoal currently has two well established organic growth projects:

- ❑ Moolarben Stage 2 Open Cut Expansion (OC 4); and
- ❑ Moolarben Stage 2 underground development.

Yancoal's current forecast assumes approval for the Moolarben Stage 2 Expansion in the first quarter of 2015, with first coal from OC 4 in late 2015.

The highest priority of these is the Moolarben Stage 2 Open Cut Expansion (OC4), which will increase ROM production from the open cut up to 13Mtpa.

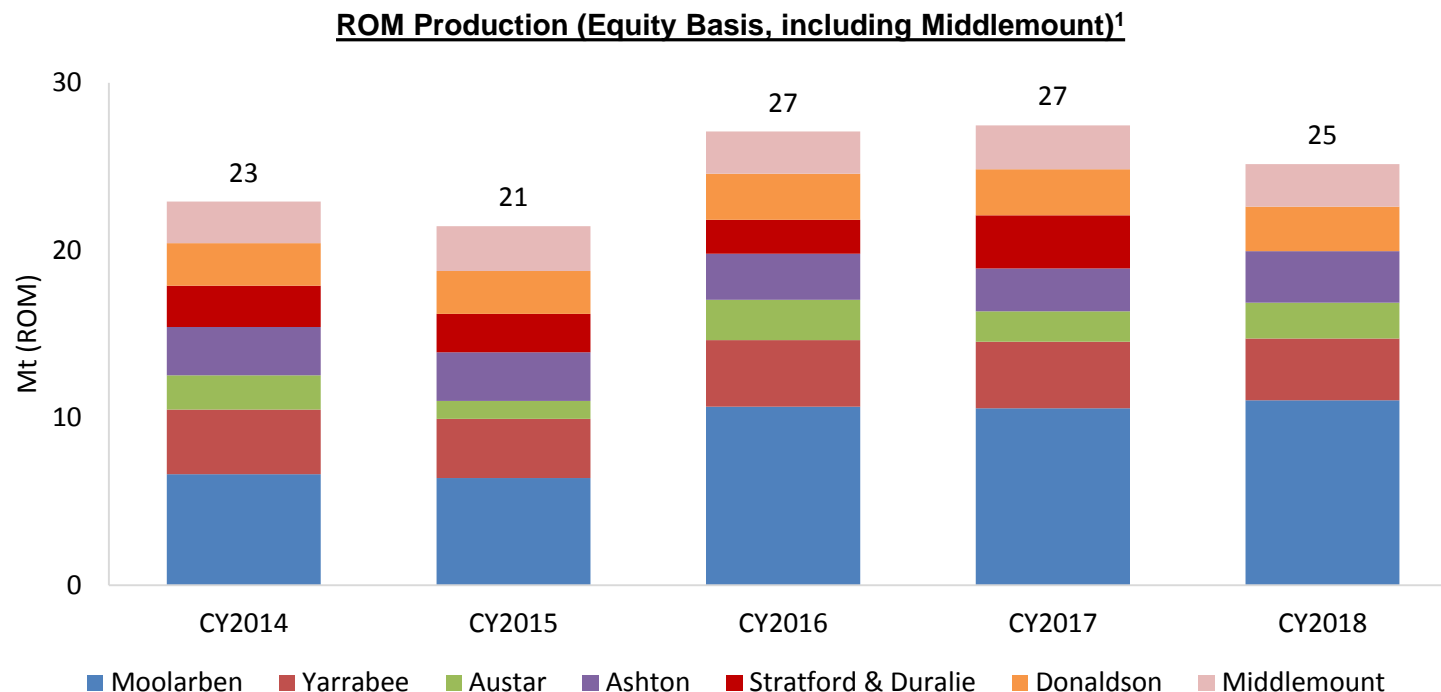
The next priority is the Moolarben Stage 2 underground development. Current approvals would allow the underground development to add a further 4Mtpa of ROM production from 2016 (and saleable production, given that the coal will not need to be washed).

Despite the decline in coal prices and strong A\$, both of these projects would positively contribute to Yancoal's profitability and cash flow.

Other growth options under review include Ashton South East Open Cut and SEP, which are currently in the process of obtaining the necessary regulatory approvals, and the Stratford North Project, which is undergoing an extensive exploration program.

The charts on the following slides show Yancoal's forecast ROM and saleable production by mine on an equity basis. The only growth projects currently included in Yancoal's outlook to 2018 are the Moolarben Stage 2 open cut from Q4 2015 and development of the Moolarben underground from 2H 2018 (development coal only in 2018, with longwall production commencing in 2019). No other growth projects are included. The drop in production during 2015 is mainly as a result of the expected discontinuity in longwall production at Austar. 2018 is also forecast to see a drop in production as Duralie reaches the end of its minable reserves.

Appendix B: Growth Strategy cont'd...



1. Notes: Data shown for year ending 31 December. These estimates relate to future expectations and therefore are subject to the risk factors set out in Section 7 of the Prospectus, 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 7 of the Prospectus. Forward looking statements are not a guarantee of future performance which may be outside the control of the Yancoal. If Yancoal is unable to (i) acquire from relevant third party owners the land over which projected expansion projects are intended to take place; (ii) otherwise reach commercial agreement with relevant land owners regarding the extraction of coal (including as to terms which are commercially acceptable to Yancoal); or (iii) obtain planning permission for the expansion projects (including as to terms which are commercially acceptable to Yancoal) or if Yancoal is otherwise adversely affected by one or more of the applicable risks described in Section 7 of the Prospectus, there is a risk that such projects will not be able to proceed in their current form. This may have a material adverse effect on the projected production figures.

Appendix B: Growth Strategy cont'd...

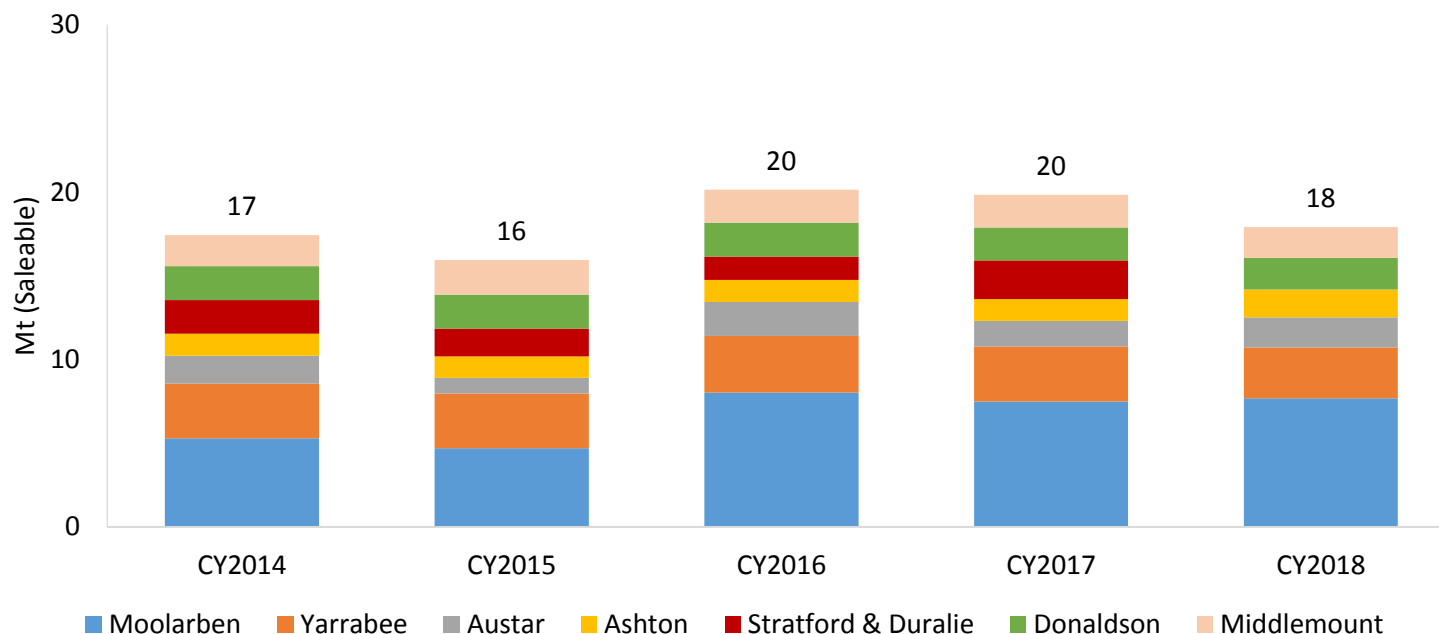
Yancoal's forecast ROM production is based on Reserve estimates (proved ore reserves and probable ore reserves) and Resource estimates (measured mineral resource) in compliance with JORC 2004 or JORC 2012 from operating mine sites only and as summarised in the following table:

Equity Basis	Austar	Ashton	Moolarben	Yarrabee	Stratford & Duralie	Donaldson	Middlemount	Total
JORC 2004								
Proved ore reserve			43.6	14.7	9.3	12.1	12.8	92.5
Probable ore reserve			0.9	4.4	0.6	1.2	0.1	7.2
Measured resource			0.8	0.0	0.0	0.0	0.0	0.8
JORC 2012								
Proved ore reserve	9.5	10.1						19.6
Probable ore reserve	0.0	4.1						4.1
Measured resource	0.0	0.0						0.0
Total	9.5	14.2	45.3	19.1	9.9	13.3	12.9	124.2

* The Resources and Reserves estimates above which underpin Yancoal's forecast ROM have been prepared by a Competent Person in accordance with JORC 2004 or JORC 2012 (as applicable). Refer to Appendix A for further information regarding the Competent Person responsible for Resource and Reserve estimates which are used or referenced in this Presentation

Appendix B: Growth Strategy cont'd...

Yancoal Forecast Saleable Production (Equity Basis, including Middlemount)¹

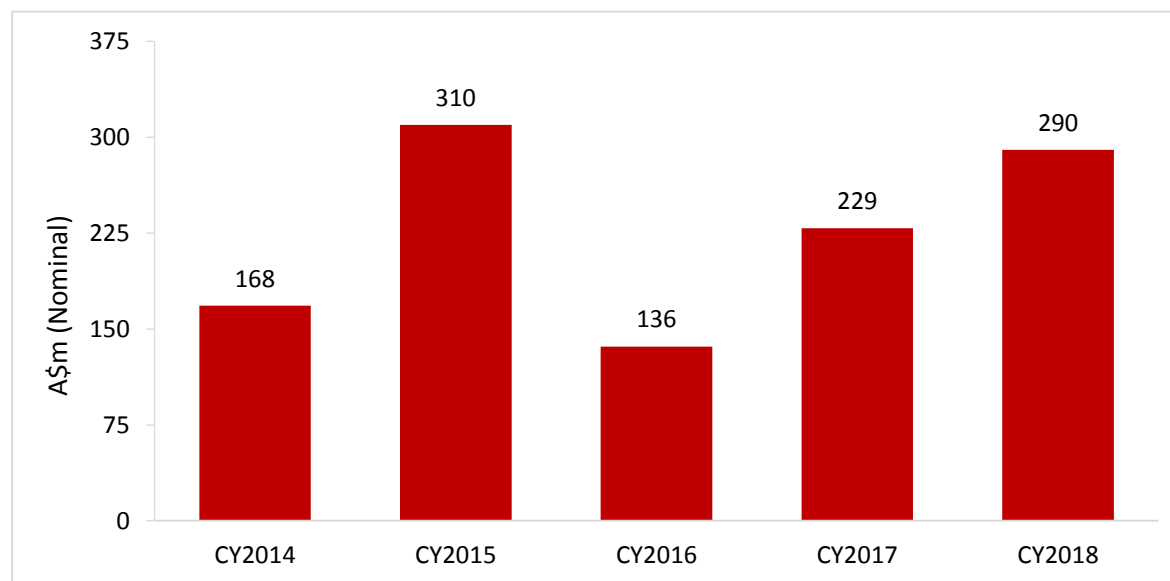


1. Notes: Data shown for year ending 31 December. These estimates relate to future expectations and therefore are subject to the risk factors set out in Section 7 of the Prospectus, and involve known and unknown risks and uncertainties. The actual production is likely to vary on an annual basis as a function of supply, demand, other market conditions and, potentially, the impact of one or more of the risks described in Section 7 of the Prospectus. Forward looking statements are not a guarantee of future performance which may be outside the control of the Yancoal. If Yancoal is unable to (i) acquire from relevant third party owners the land over which projected expansion projects are intended to take place; (ii) otherwise reach commercial agreement with relevant land owners regarding the extraction of coal (including as to terms which are commercially acceptable to Yancoal); or (iii) obtain planning permission for the expansion projects (including as to terms which are commercially acceptable to Yancoal) or if Yancoal is otherwise adversely affected by one or more of the applicable risks described in Section 7 of the Prospectus, there is a risk that such projects will not be able to proceed in their current form. This may have a material adverse effect on the projected production figures.

Appendix B: Growth Strategy cont'd...

The chart below shows YAL's forecast capital expenditure profile on an equity basis (excluding Middlemount)¹. The Moolarben Stage 2 open cut expansion represents the majority of forecast capital expenditure during 2014-2016, with capital expenditure for the underground expansion beginning in 2017 and underground development commencing in 2H 2018.

Forecast Capital Expenditure (Equity Basis, excluding Middlemount)²



1. Middlemount is accounted for in Yancoal's financial statements using the Equity Method.

2. Notes: Data shown for year ending 31 December. These estimates relate to future expectations and therefore are subject to the risk factors set out in Section 7 of the Prospectus, 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 7 of the Prospectus. Forward looking statements are not a guarantee of future performance which may be outside the control of the Yancoal. If Yancoal is unable to (i) acquire from relevant third party owners the land over which projected expansion projects are intended to take place; (ii) otherwise reach commercial agreement with relevant land owners regarding the extraction of coal (including as to terms which are commercially acceptable to Yancoal); or (iii) obtain planning permission for the expansion projects (including as to terms which are commercially acceptable to Yancoal) or if Yancoal is otherwise adversely affected by one or more of the applicable risks described in Section 7 of the Prospectus, there is a risk that such projects will not be able to proceed in their current form. This may have a material adverse effect on the projected capital expenditure.