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Yancoal Australia Ltd

ACN 111 859 119

兗煤澳大利亞有限公司*

(Incorporated in Victoria, Australia with limited liability)

(stock code: 3668)

FURTHER UPDATE ON THE WATAGAN BONDS

This announcement is made by Yancoal Australia Ltd (the “**Company**”) on a voluntary basis.

Introduction

The Company refers to the Company’s announcement dated 4 January 2019 (the “**Announcement**”) in relation to the exercise by BOCIF of its right to put its Watagan Bonds to Yankuang Group Company Limited (“**Yankuang**”). Unless the context otherwise requires, terms defined in the Announcement shall have the same meanings when used in this announcement.

Put Option in relation to the Watagan Bonds

As stated in the Announcement, the Bondholders each have a put option allowing them to transfer issued Watagan Bonds at face value to Yankuang during specified exercise windows during the first week of January in 2019, 2021, 2023 and 2025 and on 4 January 2019, BOCIF gave notice to Yankuang and Watagan that it had exercised its right to put its Watagan Bonds to Yankuang.

IBC and UNE have notified Yankuang and Watagan that neither of them intend to exercise their rights to put their Watagan Bonds to Yankuang at this time.

Implications for the Company

The non-exercise by IBC and UNE of their respective rights to put their Watagan Bonds to Yankuang is not expected to have any implications for the Company.

By order of the Board
Yancoal Australia Ltd
Baocai ZHANG
Chairman

Hong Kong, 7 January 2019

As of the date of this announcement, the executive Director is Mr. Fucun Wang, the non-executive Directors are Mr. Baocai Zhang, Mr. Cunliang Lai, Mr. Xiangqian Wu, Mr. Fuqi Wang, Mr. Qingchun Zhao and Mr. Xing Feng and the independent non-executive Directors are Mr. Gregory James Fletcher, Dr. Geoffrey William Raby, Mr. David James Moulton and Ms. Helen Jane Gillies.

**For identification purposes only*