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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)

(Hong Kong stock code: 3668)

(Australian stock code: YAL)

OVERSEAS REGULATORY ANNOUNCEMENT

This announcement is issued pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Please refer to the attached announcement which has been published by Yancoal Australia Ltd on the website of the Australian Securities Exchange on 27 March 2020.

By order of the Board

Yancoal Australia Ltd

Baocai ZHANG

Chairman

Hong Kong, 27 March 2020

As of the date of this announcement, the executive Director is Mr. Ning Zhang, 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 and Ms. Helen Jane Gillies.

**For identification purposes only*

27 March 2020

ASX Release:

Acquiring an additional 10% stake in Moolarben

Transaction overview

Yancoal Australia Ltd (**Yancoal**)'s wholly owned subsidiary, Yancoal Moolarben Pty Ltd, has entered into a binding agreement to purchase 10% stake in the Moolarben Coal Joint Venture (**Moolarben JV**) - currently owned by Sojitz Corporation for A\$300 million in completion and deferred cash payments.

Yancoal views the proposed acquisition as an attractive opportunity to increase its participating interest in the Moolarben JV from 85% to 95%. The immediate benefit will be the increase in attributable revenue, which Yancoal will consolidate into its financial results from this low cost, tier-1 asset; and with potential for the Moolarben JV to increase its production profile in the future, subject to ongoing work with external stakeholders.

The A\$300 million cash consideration is payable in four instalments, with the first instalment of A\$50 million to be paid on the completion date (being on or before 31 March 2020), the second instalment of A\$50 million, to be paid on 30 June 2020, the third instalment of A\$100 million, to be paid on 31 December 2020 and the final instalment of A\$100 million, to be paid on the date 12 months after the completion date. Part of the net proceeds which the Company received from the global offering and listing of the Company's shares on the Stock Exchange which were allocated for potential acquisitions will be used in the acquisition. Cash holdings and future operating cash flow will fund the balance of the purchase.

Subject to completion, the effective time for the beneficial transfer of ownership will be 1 January 2020. The conditions to the transaction, being Australian Foreign Investment Review Board approvals and the waiver or expiry of the parties' pre-emptive rights under the Moolarben Coal Joint Venture Agreement, have been satisfied.

The Stock Exchange of Hong Kong (**HKEx**) listing rules requires a more detailed level of transaction disclosure. For detailed transaction information see the separate announcement released to the ASX today with the HKEx disclosure.

END

Authorised for lodgement by Yancoal Disclosure Committee
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Additional information about the company is available at www.yancoal.com.au