

18 October 2016

Ms Lux Wigneswaran
Principal Adviser, Listings Compliance (Sydney)
ASX Compliance Pty Ltd
20 Bridge Street Sydney, NSW, 2000

Dear Ms Wigneswaran,

Re Yancoal Australia Ltd Price Query

We refer to your letter dated 18 October 2016, in respect of the change of the price of Yancoal Australia Ltd's ("Yancoal") securities.

We respond as follows, adopting the numbering set out in your letter.

- 1) As discussed with the ASX today, Yancoal notes recent media speculation in relation to its potential interest in Rio Tinto's Australian thermal coal assets.

As one of Australia's largest and leading coal miners, Yancoal continues to review and explore a number of development and acquisition opportunities.

There can be no certainty that any of these opportunities will proceed.

Yancoal will keep the market updated as required in accordance with its disclosure obligations.

- 2) Refer to answer to question above.
- 3) Recent YAL share improvements continue to be positively influenced by the recent strengthening of global coal prices, as demonstrated by the settlement of the coal industry's quarterly benchmark for semi-soft coking coal at a new market high on Friday 14 October 2016 and significantly improved thermal prices on Monday 17 October 2016.
- 4) We confirm we believe Yancoal is in compliance with the Listing rules including Listing Rule 3.1.
- 5) We confirm Yancoal's response has been duly authorised and approved.

Yours sincerely,

[Sent electronically without signature]

Laura Zhang

Company Secretary



18 October 2016

Ms Laura Zhang
Company Secretary
Yancoal Australia Limited
Level 26, 363 George Street
Sydney NSW 2000

By Email

Dear Ms Zhang,

Yancoal Australia Limited (the “Entity”): Price Query

We note the change in the price of the Entity’s securities from a close of \$0.24 on Thursday 13 October 2016 to a high of \$0.46 at the time of writing today, Tuesday 18 October 2016.

We also note an increase in the volume of the Entity’s securities traded during this period.

In light of this, ASX asks the Entity to respond separately to each of the following questions and requests for information:

1. Is the Entity aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
2. If the answer to question 1 is “yes”:
 - a) Is the Entity relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1?

Please note that the recent trading in the Entity’s securities would suggest to ASX that such information may have ceased to be confidential and therefore the Entity may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is “yes”, you need to contact us immediately to discuss the situation.
 - b) Can an announcement be made immediately?

Please note, if the answer to this question is “no”, you need to contact us immediately to discuss requesting a trading halt (see below).
 - c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. If the answer to question 1 is “no”, is there any other explanation that the Entity may have for the recent trading in its securities?
4. Please confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

5. Please confirm that the Entity's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of the Entity with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than 3.30pm AEDT today, Tuesday 18 October 2016. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Entity's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Entity's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

In responding to this letter, you should have regard to the Entity's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that the Entity's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in the Entity's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.



You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely,

[Sent electronically without signature]

Lux Wigneswaran

Principal Adviser, Listings Compliance (Sydney)