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# ASX Release:

## Yancoal exercises call option to acquire Mitsubishi's interest in Warkworth

Yancoal Australia Ltd (ASX:YAL) ("**Yancoal**") has exercised its call option to purchase Mitsubishi Development Pty Ltd's ("**MDP**") 28.9% interest in the Warkworth joint venture for US\$230 million.

The acquisition is expected to complete by early March 2018 and is subject to FIRB approval and waiver (or non-exercise) of existing pre-emptive rights held by the other minority Warkworth joint venture participants.

At completion, the Yancoal group will own approximately 84.5% of the Warkworth joint venture, which will increase the Yancoal group's share of coal production from the integrated Mount Thorley Warkworth ("**MTW**") operations from 64.1% to 82.9%. MTW's total saleable coal production in 2016 was 12.3 million tonnes (100% basis).

Yancoal Australia Chief Executive Officer, Reinhold Schmidt, said, "By exercising the call option, we are strengthening our position within the Hunter Valley and progressing our long term strategy for continued growth and investment into tier one assets."

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