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8 December 2023

ASX Release:

HKEX - Continuing Connected Transactions

Authorised for lodgement by the Board of Yancoal Australia

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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)

**CONTINUING CONNECTED TRANSACTIONS
IN RELATION TO THE 2024 DIESEL FUEL SUPPLY AGREEMENT**

On 13 October 2022, HV Operations Pty Ltd (“**HV Operations**”), a subsidiary of the Company, agreed to purchase diesel fuel from Glencore Australia Oil Pty Ltd (“**GAO**”) during the period from 1 November 2022 to 31 October 2023 (the “**2022 Diesel Fuel Supply Agreement**”). On 30 October 2023, HV Operations and GAO agreed to extend the term of the 2022 Diesel Fuel Supply Agreement by two months to 31 December 2023.

On 8 December 2023, HV Operations and GAO agreed to enter into a new diesel fuel supply agreement, pursuant to which HV Operations has agreed to purchase diesel fuel from GAO during the period from 1 January 2024 to 31 December 2026 (the “**2024 Diesel Fuel Supply Agreement**”).

As GAO is a subsidiary of Glencore plc, which is the holding company of Anotero Pty Ltd, a substantial shareholder of HV Operations, GAO is a connected person of the Company by virtue of being an associate of a substantial shareholder of the Company’s subsidiary.

The highest applicable percentage ratio (as defined under Rules 14.07 of the Listing Rules) in respect of the maximum annual transaction amounts to be paid by HV Operations to GAO for the purchase of diesel fuel pursuant to the 2024 Diesel Fuel Supply Agreement exceeds 5%. However, as the continuing connected transactions under the 2024 Diesel Fuel Supply Agreement (i) are between the Group and a connected person at the subsidiary level, (ii) are on normal commercial terms or better, and (iii) have been approved by the Board and the independent non-executive Directors have confirmed the matters set out in Rule 14A.101 of the Listing Rules, such continuing connected transactions are only subject to the reporting, announcement and annual review requirements, and are exempt from the independent shareholders’ approval requirement under Chapter 14A of the Listing Rules.

**For identification purposes only*

INTRODUCTION

Reference is made to the announcements issued by the Company on 13 October 2022 and 30 October 2023 in relation to the 2022 Diesel Fuel Supply Agreement.

As the 2022 Diesel Fuel Supply Agreement is about to expire, on 8 December 2023, HV Operations and GAO agreed to enter into a new diesel fuel supply agreement, pursuant to which HV Operations has agreed to purchase diesel fuel from GAO during the period from 1 January 2024 to 31 December 2026.

THE 2024 DIESEL FUEL SUPPLY AGREEMENT

Material Terms

The 2024 Diesel Fuel Supply Agreement will become effective on 1 January 2024 and will expire on 31 December 2026.

Pursuant to the 2024 Diesel Fuel Supply Agreement, HV Operations has agreed to purchase, and GAO has agreed to sell at a price agreed and applicable to the monthly quantity delivered as measured in accordance with the agreement. HV Operations will generate a purchase order prior to the month of delivery. GAO will deliver the volume of fuel in the purchase order by the date specified in that purchase order and HV Operations will make the payments after the delivery of the fuel. The basis for calculating the payments to be made is based on the volume delivered and the price determined with reference to the price assessment published in the S&P Global Platts Oilgram Price Report for 10ppm Sulphur Gasoil FOB Singapore, and in accordance with the 2024 Diesel Fuel Supply Agreement.

Historical Transaction Amounts

The aggregate annual transaction amounts between HV Operations and GAO for the purchase of diesel fuel for the period from 1 January 2022 to 31 December 2022 and the period from 1 January 2023 to 31 October 2023 were approximately A\$177.0 million and A\$184.5 million, respectively.

Annual Caps

The maximum annual transaction amounts to be paid by HV Operations to GAO for the purchase of diesel fuel pursuant to the 2024 Diesel Fuel Supply Agreement are set out below:

Period	1 January 2024 to 31 December 2024	1 January 2025 to 31 December 2025	1 January 2026 to 31 December 2026
Caps	US\$220 million	US\$220 million	US\$245 million

The annual caps were calculated by reference to (i) the purchase price as determined in accordance with the 2024 Diesel Fuel Supply Agreement as described above, (ii) the historical transaction amounts, in particular, the actual transaction amounts for the ten months ended 31 October 2023 and (iii) the expected demand for diesel fuel from the Group during the term of the 2024 Diesel Fuel Supply Agreement.

REASONS FOR, AND BENEFITS OF, THE 2024 DIESEL FUEL SUPPLY AGREEMENT

The Company's principal business activity is the production of thermal and metallurgical coal for use in the power generation and steel industries in Asian markets. The 2024 Diesel Fuel Supply Agreement will provide certainty in the supply to HV Operations' production and operations and will generate revenue for the Company.

DIRECTORS' CONFIRMATION

The Directors (including the independent non-executive Directors) are of the view that the terms of the 2024 Diesel Fuel Supply Agreement (including the annual caps) are fair and reasonable, and the transactions are in the ordinary and usual course of business of the Group, on normal commercial terms or better and in the interests of the Company and its shareholders as a whole.

None of the Directors has a material interest in the 2024 Diesel Fuel Supply Agreement and the transactions contemplated thereunder, and therefore no Director abstained from voting on the relevant resolution of the Board in respect of the 2024 Diesel Fuel Supply Agreement and the annual caps.

LISTING RULES IMPLICATIONS

As at the date of this announcement, HV Operations was 51% indirectly owned by the Company and 49% owned by Anotero Pty Ltd. Accordingly, HV Operations is a subsidiary of the Company under the Listing Rules.

As GAO is a subsidiary of Glencore plc, which is the holding company of Anotero Pty Ltd, a substantial shareholder of HV Operations, GAO is a connected person of the Company by virtue of being an associate of a substantial shareholder of the Company's subsidiary.

The highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the maximum annual transaction amounts to be paid by HV Operations to GAO for the purchase of diesel fuel pursuant to the 2024 Diesel Fuel Supply Agreement exceeds 5%. However, as the continuing connected transactions under the 2024 Diesel Fuel Supply Agreement (i) are between the Group and a connected person at the subsidiary level, (ii) are on normal commercial terms or better, and (iii) have been approved by the Board and the independent non-executive Directors have confirmed the matters set out in Rule 14A.101 of the Listing Rules, such continuing connected transactions are only subject to the reporting, announcement and annual review requirements, and are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

INFORMATION IN RELATION TO THE COMPANY AND GAO

The Company's principal business activity is the production of thermal and metallurgical coal for use in the power generation and steel industries in Asian markets. The shares of the Company have been listed on the Australian Securities Exchange and the Stock Exchange since 2012 and 2018, respectively.

GAO's principal business activity is the supply of fuel needs of mining, agricultural and other customers. Its business extends into the wholesale fuel market of supplying oil majors where required, as well as being a large supplier to independents and large volume end users. GAO is a member of Glencore plc, the shares of which are listed on the London Stock Exchange and the Johannesburg Stock Exchange. Glencore plc is one of the largest global diversified natural resources companies in the world.

DEFINITIONS

“Board”	the board of Directors of the Company
“Company”	Yancoal Australia Ltd, a company incorporated under the laws of Australia with limited liability, whose ordinary shares are listed on The Australian Stock Exchange and The Stock Exchange of Hong Kong Limited
“Director”	a director of the Company
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
“Stock Exchange”	the Stock Exchange of Hong Kong Limited

By order of the Board
Yancoal Australia Ltd
Gang RU
Chairman

Hong Kong, 8 December 2023

As of the date of this announcement, the executive Director is Mr. Ning Yue, the non-executive Directors are Mr. Gang Ru, Mr. Yaomeng Xiao, Mr. Xiaolong Huang and Mr. Changyi Zhang and the independent non-executive Directors are Mr. Gregory James Fletcher, Dr. Geoffrey William Raby and Ms. Helen Jane Gillies.