

24th January 2016

ASX Release:

Coal Resources and Coal Reserves statement for year ending 31 December 2016

The Coal Resources and Coal Reserves statement presented in this report was produced in accordance with the Australasian Code for reporting of Mineral Resources and Ore Reserves 2012 Edition (the JORC Code). Commodity prices and exchange rates used to estimate the economic viability of Coal Reserves are based on the Yancoal long-term forecasts unless otherwise stated. The Coal Reserves tabulated are all held within existing, fully permitted mining leases, are within areas under applications to become mining leases or are within areas of exploration tenements detailed in the 2016 Life of Mine Plans to become mining leases in future applications.

Yancoal's leases are of sufficient duration (or convey a legal right to renew for sufficient duration) to enable all Coal Reserves on the leases to be mined in accordance with current production schedules.

The information in this report relating to Coal Resources and Coal Reserves are based on information compiled by Competent Persons (as defined by the JORC Code). All Competent Persons have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity they are undertaking to qualify as a Competent Person as defined by the JORC Code. The majority of the Competent Persons listed in this report are independent consultants. The Competent Persons who prepared the Coal Resource and Coal Reserve reports for Yarrabee and the Coal Reserve reports for Austar, Ashton and Donaldson, are fulltime employees of Yancoal Australia.

Each Competent Person consents to the inclusion of the matters based on their information in the form and context in which it appears in this report.

Yancoal Australia is not aware of any new information or data that materially affects the information included in this report and at the time of this report all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

Coal Resources and Coal Reserves are reported in 100 per cent terms (unless otherwise stated). Coal Resources are reported inclusive of the Coal Resources that have been converted to Coal Reserves (i.e. Coal Resources are **not** additional to Coal Reserves).

The tabulated information is reported by Project; for details of the tenements and leases comprising each of these projects please refer to the following table.

YANCOAL AUSTRALIA TENEMENTS

PROJECT	TITLE TENEMENT	TENEMENT TYPE
ASHTON	ML1529	Mining Lease
	ML1623	Mining Lease
	ML1533	Mining Lease
	EL4918	Exploration License
	EL5860	Exploration License
	ML1696	Mining Lease
AUSTAR	CCL728	Mining Lease
	CCL752	Mining Lease
	CML2	Mining Lease
	ML1388	Mining Lease
	ML1550	Mining Lease
	ML1661	Mining Lease
	ML1666	Mining Lease
	ML1677	Mining Lease
	EL6598	Exploration License
MOOLARBEN	ML1605	Mining Lease
	ML1606	Mining Lease
	ML1628	Mining Lease
	ML1691	Mining Lease
	ML1715	Mining Lease
	EL6288	Exploration License
	EL7073	Exploration License
	EL7074	Exploration License
	MPL0315	Mining Purpose Lease
DONALDSON	ML1461	Mining Lease
	ML1555	Mining Lease
	ML1618	Mining Lease
	ML1653	Mining Lease
	ML1703	Mining Lease
	MLA0416	Mining Lease Application
	EL6964	Exploration License
	EL5337	Exploration License
	EL5497	Exploration License
	EL5498	Exploration License

PROJECT	TITLE TENEMENT	TENEMENT TYPE
YARRABEE	MDL160	Mineral Development License
	ML1770	Mining Lease
	ML80049	Mining Lease
	ML80050	Mining Lease
	ML80096	Mining Lease
	ML80104	Mining Lease
	ML80172	Mining Lease
	ML80195	Mining Lease
	ML80196	Mining Lease
	ML80197	Mining Lease
	ML80198	Mining Lease
	EPC1429	Exploration Permit for Coal
	EPC1684	Exploration Permit for Coal
	EPC621	Exploration Permit for Coal
EPC717	Exploration Permit for Coal	
GLOUCESTER BASIN	A311	Exploration License
	A315	Exploration License
	EL6904	Exploration License
	ML1360	Mining Lease
	ML1409	Mining Lease
	ML1427	Mining Lease
	ML1447	Mining Lease
	ML1521	Mining Lease
	ML1528	Mining Lease
	ML1538	Mining Lease
	ML1577	Mining Lease
	ML1646	Mining Lease
	ML1733	Mining Lease
	MIDDLEMOUNT	ML70379
ML70417		Mining Lease
MDL282		Mineral Development License
EPC1225		Exploration Permit for Coal
MONASH	EL6123	Exploration License
	EL7579	Exploration License

On an attributable basis Yancoal's group total year end 31 December 2016 position is as follows:

- Measured, Indicated and Inferred Coal Resources are 2,879Mt ⁽²⁾.
- Recoverable Proved and Probable Coal Reserves are 555Mt ^{(1) (2)}.
- Marketable Proved and Probable Coal Reserves are 402Mt ^{(1) (2)}.

- (1) Where required the component Coal Reserve numbers for each site making up this total have been depleted by production from the JORC report date to 31 December 2016.
- (2) 2016 Coal Resources and Coal Reserves have been rounded (significant figure) by the Competent Persons in line with the JORC Code and the Yancoal Coal Resource and Reserve reporting standards to reflect the relative uncertainty of the estimates.

The following abbreviations are used throughout this report;

AusIMM	Australasian Institute of Mining and Metallurgy
JORC	Joint Ore Reserves Committee
Met	Metallurgical Coal
Semi	Semi-soft coking coal
PCI	Pulverised Coal Injection
Mt	Million tonnes
OC	Open Cut
UG	Underground

COAL RESOURCES FOR YEAR ENDING 31 DECEMBER 2016

Project	Yancoal Ownership %	Coal Type	Moisture	Measured		Indicated		Inferred		Total	Competent	
			Basis	Coal Resources		Coal Resources		Coal Resources		Coal Resources	Person*	
			%	(Mt)		(Mt)		(Mt)		(Mt)	Person*	
			2016	2016	2015	2016	2015	2016	2015	2016	2016	
Moolarben (OC & UG)	81%	Thermal	6.0%	820	830	240	230	200	200	1260	KP	
⁽³⁾ Astar (UG)	100%	Met	5.0%	75	78	80	80	70	70	225	RD	
⁽³⁾ Ashton (OC & UG)	100%	Semi/Thermal	6.5%	80	85	75	65	110	110	265	PH	
Yarrabee (OC)	100%	PCI/Thermal	5.5%	100	100	80	80	20	20	200	SW	
⁽²⁾ Gloucester (OC & UG)	100%	Met/Thermal	6.0%	11	13	195	190	110	130	316	JMB	
⁽¹⁾ Middlemount (OC)	50%	Met/Thermal	5.0%	93	93	34	34	3	3	130	GJ	
⁽³⁾ Donaldson (OC & UG)	100%	Met/Thermal	4.0%	190	190	400	400	100	100	690	RD	
Monash (UG)	100%	Met/Thermal	6.0%	0	0	17	17	80	80	97	RD	
Total Coal Resources (100% Basis)					1369	1389	1121	1096	693	713	3183	
Yancoal Attributable Share										2879		

* Refer to the Competent Person list at the end of the document.

Notes:

- 2016 Coal Resources have been rounded in line with the JORC Code and the Yancoal Coal Resource and Reserve reporting standards to reflect the relative uncertainty of the estimates.

- Tonnages are quoted as million metric tonnes.

- All Coal Resources are inclusive of Coal Reserves and are reported on a 100% basis with Yancoal's ownership percent reported for each deposit.

- The attributable share total is the total Coal Resources when the Yancoal ownership percent is applied.

- (1) The Middlemount JORC Coal Resource report was generated in March 2013, no production or other depletions have been applied to the reported Coal Resources since this report date. The reported Coal Resources are unchanged to those reported in the Yancoal Australia Ltd Annual Report 2015.
- (2) Gloucester comprises the Stratford, Duralie and Grant & Chainey deposits.
- (3) On 17 February 2016, Yancoal announced a new financing arrangement to secure up to US\$950 million in debt-funding via the issuing of nine-year secured debt bonds by a newly established Yancoal subsidiary, Watagan Mining Company Pty Ltd ("Watagan"), to Industrial Bank Co. Ltd, BOCI Financial Products Limited and United NSW Energy Limited. Under the arrangement, Yancoal's interests in the assets of Ashton, Astar and Donaldson were transferred to and held by Watagan.

COAL RESOURCES RECONCILIATION OF 2016 TO 2015 YEAR END REPORTING

Measured Coal Resources (Mt)								
Reconciliation period 1 January 2016 to 31 December 2016								
Project	Moolarben (OC & UG)	Austar (UG)	Ashton (OC & UG)	Yarrabee (OC)	Gloucester (OC & UG)	Middlemount (OC)	Donaldson (OC & UG)	Monash (UG)
Production Changes	-	-	-	-	-	-	-	-
Production (since previous JORC Report)	-12.3	-1.23	-2.69	-3.3	-0.54	-	-0.31	-
Non - Production Changes	-	-	-	-	-	-	-	-
Coal sterilised within the mine plan	-	-1.66	-0.8	-0.5	-	-	-	-
Dilution/Loss change	-	-	+1.09	-	-0.22	-	-	-
Resource reclassification	-0.6	-	-0.07	-	-	-	-	-
Geology model change	+7.7	-	-	-	-0.66	-	-	-
⁽¹⁾ Significant figure rounding	-4.8	-0.11	-2.53	+3.8	-0.58	-	+0.31	-
Total	-10	-3	-5	0	-2	0	0	0

Indicated Coal Resources (Mt)								
Reconciliation period 1 January 2016 to 31 December 2016								
Project	Moolarben (OC & UG)	Austar (UG)	Ashton (OC & UG)	Yarrabee (OC)	Gloucester (OC & UG)	Middlemount (OC)	Donaldson (UG)	Monash (UG)
Production Changes	-	-	-	-	-	-	-	-
Production (since previous JORC Report)	-	-	-	-	-0.49	-	-	-
Non - Production Changes	-	-	-	-	-	-	-	-
Coal sterilised within the mine plan (includes loss)	-	-	-	-	-0.03	-	-	-
Dilution/Loss change	-	-	-	-	-	-	-	-
Resource reclassification	+1.8	-	+7.55	-	+7.9	-	-	-
Geology model change	+1.9	-	-	-	+0.21	-	-	-
⁽¹⁾ Significant figure rounding	+6.3	-	+2.45	-	-2.59	-	-	-
Total	+10	0	+10	0	+5	0	0	0

Inferred Coal Resources (Mt)								
Reconciliation period 1 January 2016 to 31 December 2016								
Project	Moolarben (OC & UG)	Austar (UG)	Ashton (OC & UG)	Yarrabee (OC)	Gloucester (OC & UG)	Middlemount (OC)	Donaldson (UG)	Monash (UG)
Non - Production Changes	-	-	-	-	-	-	-	-
Coal sterilised within the mine plan (includes loss)	-	-	-	-	-0.32	-	-	-
Dilution/Loss change	-	-	-	-	-	-	-	-
Resource reclassification	-16	-	-6.83	-	-13.04	-	-	-
Geology model change	-13	-	-	-	+0.03	-	-	-
⁽¹⁾ Significant figure rounding	+29	-	+6.83	-	-6.67	-	-	-
Total	0	0	0	0	-20	0	0	0

Total Coal Resources (Mt)								
Reconciliation period 1 January 2016 to 31 December 2016								
Project	Moolarben (OC & UG)	Austar (UG)	Ashton (OC & UG)	Yarrabee (OC)	Gloucester (OC & UG)	Middlemount (OC)	Donaldson (UG)	Monash (UG)
Yancoal Ownership %	81%	100%	100%	100%	100%	50%	100%	100%
Coal Type	Thermal	Met	Met/Thermal	PCI/Thermal	Met/Thermal	Met/Thermal	Met/Thermal	Met/Thermal
Production Changes								
Measured Resources (Mt)	-12.3	-1.2	-2.7	-3.3	-0.5	-	-0.3	-
Indicated Resources (Mt)	-	-	-	-	-0.5	-	-	-
Non - Production Changes								
Measured Resources (Mt)	+2.3	-1.8	-2.3	3.3	-1.5	-	+0.3	-
Indicated Resources (Mt)	+10.0	-	+10.0	-	+5.5	-	-	-
Inferred Resources (Mt)	-	-	-	-	-20	-	-	-
Total	0	-3	+5	0	-17	0	0	0

Total Coal Resource Changes (100% Basis)	-15
Yancoal Attributable Share	-15

Note: +ve = increase in reported Coal Resources, -ve = decrease in reported Coal Resources

(1) The reported Coal Resources within the JORC Resource Reports used for public reporting are rounded (significant figure), whereas the Coal Resource reconciliations are based on unrounded numbers this adjustment is required to align the reconciliations with the rounded totals of the 2015 and 2016 JORC Coal Resources and Reserves Reports.

COAL RESERVES FOR YEAR ENDING 31 DECEMBER 2016

Project	Yancoal Ownership %	Coal Type	Recoverable Coal Reserve					Marketable Coal Reserve					Competent Person *		
			Proved Coal Reserves (Mt)		Probable Coal Reserves (Mt)		Total Coal Reserves (Mt)	Moisture Basis %	Proved Coal Reserves (Mt)		Probable Coal Reserves (Mt)			Total Coal Reserves (Mt)	Ash %
			2016	2015	2016	2015	2016	2016	2016	2015	2016	2015		2016	2016
			2016	2015	2016	2015	2016	2016	2016	2015	2016	2015		2016	2016
Moolarben (OC)	81%	Thermal	190	200	15	23	205	10%	148	157	11	16	159	23%	JB
Moolarben (UG)	81%	Thermal	60	60	13	14	73	9%	60	60	13	14	73	16%	JB
⁽³⁾ Austar (UG)	100%	Met	4	5	42	44	46	5%	4	4.6	34	36	38	8.0%	REH
⁽³⁾ Ashton (OC)	100%	Met/Thermal	0	0	15	15	15	8%	0	0	7.8	7.8	7.8	9.5%	REH
⁽³⁾ Ashton (UG)	100%	Semi/Thermal	25	25	11	13	36	8.5%	14	13	5.7	6.3	20	9.5%	REH
Yarrabee (OC)	100%	PCI/Thermal	32	36	9	8	41	5.5%	26	28	7	6	33	10%	AL
⁽²⁾ Gloucester (OC)	100%	Met/Thermal	0.5	3.3	45	47	45	8%	0.4	2.3	26	27	26	14%	BS
⁽¹⁾ Middlemount (OC)	50%	Met/PCI	55	61	18	18	73	10.5% Coking 9% PCI	42	46	13	13	55	9.8% Coking 10.8% PCI	MB
⁽³⁾ Donaldson (UG)	100%	Met/Thermal	0	3.9	110	120	110	8%	0	2.9	62	68	62	17%	REH
Total Recoverable Coal Reserves (100% Basis) - Rounded			367	394	278	302	644		294	314	179	195	474		
Yancoal Attributable Share							555	Yancoal Attributable Share					402		
<p>* Refer to the Competent Person list at the end of the document.</p> <p>Note:</p> <ul style="list-style-type: none"> - 2016 Coal Resources have been rounded in line with the JORC Code and the Yancoal Coal Resource and Reserve reporting standards to reflect the relative uncertainty of the estimates. - Tonnages are quoted as million metric tonnes. - All Coal Resources are inclusive of Coal Reserves, Coal Reserves are reported on a 100% basis with Yancoal's ownership percent reported for each deposit. - The attributable share total is the total Coal Reserves when the Yancoal ownership percent is applied. 															

- (1) The Middlemount JORC Coal Reserves report was generated 1 January 2015, depletions have been applied to the reported Coal Reserves. The project has two product types for Marketable Coal Reserves each with a different Moisture basis, Coking of 10.5% & 9% for PCI and Ash% of 9.8% for Coking & 10.8% for PCI.
- (2) Gloucester comprises the Stratford, Duralie and Grant & Chainey deposits.
- (3) On 17 February 2016, Yancoal announced a new financing arrangement to secure up to US\$950 million in debt-funding via the issuing of nine-year secured debt bonds by a newly established Yancoal subsidiary, Watagan Mining Company Pty Ltd ("Watagan"), to Industrial Bank Co. Ltd, BOCI Financial Products Limited and United NSW Energy Limited. Under the arrangement, Yancoal's interests in the assets of Ashton, Austar and Donaldson were transferred to and held by Watagan.

COAL RESERVES RECONCILIATION OF 2016 TO 2015 YEAR END REPORTING

Recoverable Coal Reserves (Mt)										
Reconciliation period 1 January 2016 to 31 December 2016										
Project	Moolarben (OC)	Moolarben (UG)	Austar (UG)	Ashton (OC)	Ashton (UG)	Yarrabee (OC)	Gloucester (OC)	Middlemount (OC)	Donaldson (UG)	Monash (UG)
Production Changes										
Production (Since previous JORC report)	-11.9	-0.4	-1.2	-	-2.6	-3.3	-1.1	-5.3	-0.5	-
Non - Production Changes										
Coal sterilised or increased recovery in the mine plan	-	-	-	-	-1.0	-	-	-	-	-
Geology model changes	+1.5	-0.2	-	-	-	-0.1	-	-	-	-
Coal Resource reclassification	-	+0.3	-	-	-	-	-	-	-8.8	-
Coal Reserve reclassification	+1.0	-	-1.7	-	-	-	-	-	-	-
Changes to the Mine plan / Optimisation	-7.2	-1.0	-0.2	-	+1.6	-0.6	-4.9	-	-4.7	-
Change due to significant figure rounding	+0.3	-0.2	+0.1	-	-0.1	+0.1	+0.8	+0.1	-	-
Total	-16.3	-1.5	-3.0	0	-2.1	-3.9	-5.2	-5.2	-14.0	0

Marketable Coal Reserves (Mt)										
Reconciliation period 1 January 2016 to 31 December 2016										
Project	Moolarben (OC)	Moolarben (UG)	Austar (UG)	Ashton (OC)	Ashton (UG)	Yarrabee (OC)	Gloucester (OC)	Middlemount (OC)	Donaldson (UG)	Monash (UG)
Production Changes										
Production (Since previous JORC report)	-9.1	-0.4	-1.2	-	-1.2	-2.7	-0.8	-4.0	-0.4	-
Product Yield adjustments	-	-	-	-	+1.8	+1.7	-	-	-	-
Moisture adjustment	-	-	-	-	+0.1	-	-	-	-	-
Non - Production Changes										
Coal sterilised or increased recovery in the mine plan	-	-	-	-	-	-	-	-	-	-
Geology model changes	+1.0	-0.2	-	-	-	-0.1	-	-	-	-
Coal Resource reclassification	-	+0.3	-	-	-	-	-	-	-4.7	-
Coal Reserve reclassification	+0.6	-	-1.6	-	-0.5	-	-	-	-	-
Changes to the Mine plan / Optimisation	-6.4	-1.0	-0.2	-	+0.4	-0.5	-3.2	-	-3.3	-
Change due to significant figure rounding	-0.4	-0.2	-	-	+0.1	-	+0.4	-0.2	+0.1	-
Total	-14.3	-1.5	-3.0	0	+0.6	-1.7	-3.6	-4.2	-8.3	0

Total Coal Reserves (Mt)										
Reconciliation period 1 January 2016 to 31 December 2016										
Project	Moolarben (OC)	Moolarben (UG)	Austar (UG)	Ashton (OC)	Ashton (UG)	Yarrabee (OC)	Gloucester (OC)	Middlemount (OC)	Donaldson (UG)	Monash (UG)
Yancoal Ownership %	81%	81%	100%	100%	100%	100%	100%	50%	100%	100%
Coal Type	Thermal	Thermal	Met	Met/Thermal	Met/Thermal	PCI/Thermal	Met/Thermal	Met/Thermal	Met/Thermal	Met/Thermal
Production Changes										
Recoverable Coal Reserves (Mt)	-11.9	-0.4	-1.2	-	-2.6	-3.3	-1.1	-5.3	-0.5	-
Marketable Coal Reserves (Mt)	-9.1	-0.4	-1.2	-	+0.7	-1.0	-0.8	-4.0	-0.4	-
Non - Production Changes										
Recoverable Coal Reserves (Mt)	-4.4	-1.1	-1.8	-	+0.5	-0.6	-4.1	+0.1	-13.5	-
Marketable Coal Reserves (Mt)	-5.2	-1.1	-1.8	-	-0.1	-0.7	-2.8	-0.2	-7.9	-
Total Changes										
Recoverable Coal Reserves (Mt)	-16.3	-1.5	-3.0	-	-2.1	-3.9	-5.2	-5.2	-14.0	-
Marketable Coal Reserves (Mt)	-14.3	-1.5	-3.0	0	+0.6	-1.7	-3.6	-4.2	-8.3	0
Total Recoverable Coal Reserve Changes (100% Basis)				-51.1	Total Marketable Coal Reserve Changes (100% Basis)			-35.9		
Yancoal Attributable Share				-45.1	Yancoal Attributable Share			-30.8		

Note: +ve = increase in reported Coal Reserves, -ve = decrease in reported Coal Reserves

The following table provides details of the Competent Persons for each project.

COMPETENT PERSON		TITLE	COMPANY
INITIALS	NAME		
JB	Jon Barber	Principal Consultant	Jon Barber Mining Consultants
JMB	Janet Bartolo	Manager Geological Modelling	McElroy Bryan Geological Services Pty Ltd
MB	Mark Bryant	Principal Mining Consultant	The Minserve Group Pty Ltd
RD	Rob Dyson	General Manager Operations	McElroy Bryan Geological Services Pty Ltd
PH	Paul Harrison	Senior Geologist	McElroy Bryan Geological Services Pty Ltd
REH	Raymond Howard	Principal Mining Engineer	Yancoal Australia Ltd
GJ	Greg Jones	Principal Consultant	JB Mining Services Pty Ltd
AL	Andrew Lau	Regional Technical Services Manager - Open Cut Operations Eastern Region	Yancoal Australia Ltd
KP	Karol Patino	Senior Geologist	McElroy Bryan Geological Services Pty Ltd
BS	Ben Smedley	Principal Mining Engineer	Xenith Consulting Pty Ltd
SW	Stuart Whyte	Superintendent Geology and Exploration	Yarrabee Coal Company Pty Ltd

Additional information about the company can be found at www.yancoal.com.au

INVESTOR RELATIONS CONTACT: James Rickards