

Merger Proposal update: allocation of Yancoal Australia Ordinary Shares and CVR Shares

Reference is made to the scheme of arrangement between Gloucester Coal Ltd ACN 008 881 712 (**Gloucester**) and the holders of its ordinary shares, in the form set out in Appendix 3 to the Explanatory Booklet dated 27 April 2012, which became legally effective under section 411(10) of the Corporations Act 2001 (Cth) on 27 June 2012 (**Scheme**). Terms beginning in upper case in this announcement have the meanings given to them in the Explanatory Booklet dated 27 April 2012 issued by Gloucester in connection with the Scheme, unless otherwise defined in this announcement.

Gloucester is pleased to confirm that the basis on which Yancoal Australia Ordinary Shares and CVR Shares will be allocated under the Scheme is as follows.

All persons registered as holders of Gloucester Shares as at the Scheme Record Date (being 7.00pm Sydney time on Wednesday, 4 July 2012) (**Scheme Shareholders**) will receive one Yancoal Australia Ordinary Share and one CVR Share for each Gloucester Share they hold as at the Scheme Record Date, subject to the qualifications noted below. Accordingly, there will be no scale back of entitlements to CVR Shares.

No CVR Shares will be issued to any of the following Scheme Shareholders:

- (a) those who have made a valid 'All Ordinary Shares' Election;
- (b) those who have made a valid Small Shareholder Cash Election; or
- (c) those who qualify as a Foreign Scheme Shareholder.

The Yancoal Australia Ordinary Shares and CVR Shares attributable to Foreign Scheme Shareholders and Electing Small Shareholders will be issued to the Sale Agent and otherwise dealt with in accordance with the Scheme.

Scheme Shareholders may call the Gloucester Shareholder Information Line on 1300 368 646 (within Australia) or on +61 3 9415 4161 (outside Australia) between 9.00am and 5.00pm (Sydney time) to confirm their allocations.

For Further Information

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