

## **Media release**

25 January 2017

### **Business as usual for Premier Coal**

Premier Coal is not expected to be impacted directly by yesterday's announcement that its manager, Yancoal, has entered into a major acquisition agreement.

Premier Coal General Manager Glenn Burlinson said while the planned acquisition was aimed at improving the sustainability of Yancoal, Premier Coal needed to be a successful and sustainable business in its own right.

"While the proposed acquisition is good news for our manager, nothing changes for us at Premier Coal," Mr Burlinson said. "We need to continue to strive for improved efficiencies to ensure the long-term future of our operation in the South West of Western Australia."

Mr Burlinson said recent improvements in the spot price for export thermal coal were not assisting Premier Coal, which was bound by long-term domestic pricing contracts.

Yancoal manages Premier on behalf of Yanzhou Coal Mining Company Limited. Yanzhou has a 100% stake in Premier Coal and a 78% stake in Yancoal.

Yancoal's planned US\$2.45 billion (A\$3.27 billion) acquisition of Coal & Allied - which owns interests in three large-scale export coal mines as well as export infrastructure in NSW - is subject to completion of a capital raising and pro rata entitlement offer as well as extensive government approvals.

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