Webcast notes:

Operator: Good day and thank you for standing by, and welcome to the Yancoal first half 2024 financial results. Please be advised that today's conference is being recorded. I would now like to hand the conference over to your speaker today, our Chief Executive Officer, David Moult, please go ahead.

David Moult: Thank you, Victor, and thank you to everyone for joining this briefing on Yancoal's 2024 first half financial results.

I will provide an overview of Yancoal's first-half performance, then we will open the webcast to questions.

The commentary provided is based on the First-half 2024 Financial Results and associated materials published on the ASX and Hong Kong Stock Exchange yesterday.

[Slide 1 & 2 – Disclaimers]

Slides one and two contain notices and disclaimers relevant to today's presentation, and the forward-looking statements it contains. Please make yourself familiar with the content on these two slides.

[Slide 3 – 1H 2024 Highlights]

This first slide gives an overview of our operational and financial results for the first six months of the year.

The first aspect I want to highlight is our safety performance. Our primary reporting statistic, the Total Recordable Injury Frequency Rate, remains below our industry benchmark. That said, we need to improve our performance if we are to return to the level achieved last year.

The programs we implemented proved successful and we are committed to sustaining a workplace with a positive safety mindset.

Our ROM production volumes and saleable production volumes were 7% and 18% higher than the first half of 2023. Like last year, we aim to deliver increased coal production during the second half of the year.

Although our realised coal prices are lower than they were in the first half of last year, an average realised price of A$176 per tonne generated a strong operating margin. After cash operating costs of A$101 per tonne and royalties of A$15 per tonne, we had an implied cash operating margin of A$60 per tonne.

Our per tonne cash operating costs are expected to decrease in the second half, primarily due to the expected increased production profile.

For the first half of 2024, we are pleased to report:

- $3.14 billion in Revenue
- $990 million of Operating EBITDA at a 32% margin, and
- $420 million in After Tax Profit.

We delivered $851 million net cash from our operating activities. After distributing $429 million in April for the 2023 fully franked final dividend we held over $1.5 billion in cash at the end of June.

On the topic of shareholder returns, the Board has not declared an interim dividend in respect of the six months ended 30 June 2024. The retained cash gives us flexibility to consider potential corporate initiatives and may be distributed in the future if not utilised.

We have a proven history of growth through judicious acquisition and expansion, and we are again in a position to pursue various initiatives to the benefit of our shareholders. If such an opportunity transpires, we will inform the market.

[Slide 4 – Safety]

Moving to slide four, our safety performance. As I have mentioned, we intend to focus on re-invigorating the programs that delivered the sharp improvement in 2023 and re-establish that performance profile in 2024.

Keeping our workforce safe is always our first consideration. We are keen to see both metrics return to the levels achieved twelve months ago.

[Slide 5 – Sustainability]

Our focus on Sustainability, as with Safety, is continual and ongoing. This year we moved beyond the 'Environment, Social and Governance Report' published in past years. In April, we replaced it with our first Sustainability Report, which integrates previous disclosures and begins our transition to align with international sustainability disclosures.

We will align with the Australian Sustainability Reporting Standards as they develop, as well as the requirements of the ASX and Hong Kong Stock Exchange.

[Slide 6 - Operational performance]

Slide six summarises the operational drivers behind Yancoal's first-half performance.

The production volumes reflect a consolidation of our production recovery plans.

Compared to last year, our attributable saleable production increased by 18% to 17 million tonnes.

International coal market conditions were relatively stable during the past six months. In all market settings, we continually seek to maximise our operational performance and product mix to meet our customers' needs.

[Slide 7 - Thermal Coal market]

Turning to the coal markets. We observed various factors at work on both supply and demand sides. There were good levels of demand, but also relatively high end-user stockpiles in Japan and South Korea, as well as higher exports from Australia compared to last year. Rainfall and hydro power generation, or the lack of it, influenced coal demand in both China and India in recent months.

For the past year, we consider that thermal coal markets have remained relatively balanced, but subject to short-term factors, such as seasonal demand drivers and supply disruptions. This remains our view.

Thermal coal indices have been range bound for the past twelve months, and price differentials between coal indices reflect the inherent value of different coal types.

[Slide 8 - Met coal market]

In the metallurgical coal markets, reduced supply was countered by reduced demand typically observed during the northern hemisphere summer.

Although our met coal sales volumes are the lesser component of our sales profile, they are a meaningful contributor to revenue.

As a result of various factors affecting delivery schedules, our realised price during the past six months captured pricing from further back in time than is usually the case. The realised price also benefits from our product blending and optimisation strategies.

[Slide 9 - Product mix]

During the first half, 88% of our sales were thermal coal, with the balance being lower grade metallurgical coal. This product split varies period to period, depending on which coal seams are in production at each mine and how we can maximise the market opportunities.

[Slide 10 – Customer split]

Turning to slide ten, we show our customer split. China is once again a significant offtake partner, both on a volume and revenue basis.

Our Japanese customers purchase a significant portion of our high value coal, resulting in this market being our second highest revenue generator.

As coal markets stabilised, the relative dominance of customers in our four major markets recovered and sales to other destinations reduced.

[Slide 11 – Thermal coal market demand]

There are various groups providing forecasts for international thermal coal markets. A common theme we see in recent forecasts is the ongoing revision of when coal demand will peak and at what level.

Delays to projected closure dates for existing coal fired power generation, combined with new facilities coming on-line, are behind the evolving demand profile.

In relatively balanced coal markets, a 5% shift in supply or demand can have notable influence on price indices.

[Slide 12 – Thermal coal market supply]

On slide twelve, we look at projections for net changes in supply.

The components in this chart present a year-on-year change from the prior period - these are not cumulative changes.

These projections suggest a gradual supply reduction each year to 2027, then a much sharper deterioration in supply beyond 2027. A time horizon that aligns with the current demand peak depicted on the previous slide. This could support a more robust market in the coming years.

Over time, global demand for coal will diminish as the energy market transitions. That said, there is a growing appreciation that coal has a meaningful role to play during the transition and large-scale low-cost mines, such as ours, are a key piece of the energy market.

[Slide 13 – ROM Coal production]

Total ROM coal on a 100% basis was almost 28 million tonnes.
Our mines are much better placed to handle rainfall events after investing in additional water storage capacity; however, we still curtail activity during rainfall events to ensure safety and avoid asset damage. This was the case during the first half.

At Moolarben and MTW we adjusted the mining schedules to offset some of the impact, but there is a limit to what we can achieve without comprising future output. At HVO, additional operational factors constrained its capacity to respond to rain disruptions.

The output we achieved in the second half of 2023 demonstrated what can be achieved when the mines are operating at near optimal levels.

[Slide 14 - Saleable coal production]

Attributable saleable coal production was up 18% compared to the first half of 2023. At the start of last year, we were focused on overburden removal and re-establishing mining inventory. The relative increase in the saleable production is a result of last year's successful mine recovery plans.

Like last year we are aiming for significantly higher output during the second half. Our three large open-cut mines drive the overall profile, but all the mines make an important contribution.

[Slide 15 - Australian Thermal Coal Mines]

We included this slide to put our three largest mines in context compared to other Australian thermal coal mines.

The total cash costs are on an energy adjusted basis. This counters the influence of coal quality on the operating margin. While there may be some aspects of the comparison not fully captured, the key takeaway is clear - our three largest mines are some of the best thermal coal mines in Australia. We also consider the people we have operating these assets as some of the best in the country.

[Slide 16 - Cash operating costs]

Cash operating costs were $101 per tonne. This is above the level we are targeting for the year and, like last year, the expected production uplift in the second half should result in the per tonne costs falling.

As we have explained previously, cost inflation factors from recent years, including labour, explosives, electricity and spare parts, are now largely embedded in our cost base.

Operating costs also escalate naturally as mines mature, typically resulting in higher strip ratios and increased haul distances.

Given this is the case, production volumes are the key to lowering our cash operating costs per tonne. That said, our current cost profile has us positioned at the low end of the operating cost curve.

[Slide 17 - Operating cash margin]

Turning to slide 17, we demonstrate why keeping cash operating costs low is crucial. Our implied operating cash margin for the half was $60 per tonne.

Keeping costs under control during periods of elevated coal prices is often more challenging than when prices are low and there is less activity in the sector. We believe we did a good job in this regard over recent years.

From the first of July this year, the New South Wales state government royalty rates increase by 2.6%. Coal sales from our New South Wales mines, which include Moolarben, MTW and HVO, will be charged royalties of 10.8% on open-cut sales and 9.8% on underground sales.

Operating our large-scale mines at the low end of the cost curve is essential to our ability to generate margins at all points in the coal price cycle.

[Slide 18 – Financial performance]

Slide 18 provides an overview of Yancoal's financial performance. Lower realised coal prices were the main factor behind revenue dropping by more than $800 million.

When looking at the cash flow statement, the 856% increase in the operating cash flow stands out. However, as you may remember, we made a $1.4 billion tax payment in 2023 on our record earnings from 2022. This greatly reduced our operating cashflow in the comparable period from last year. From 2023 onwards, we have made monthly tax payments on our earnings and this provides a smoother cash flow profile.

As noted at the start of the call, we held over $1.5 billion in cash at the end of June, and other than some finance lease liabilities, we are debt free.

[Slide 19 - Prices, Revenue and EBITDA]

The two charts on this slide show the correlation between realised price, revenue, Operating EBITDA and the Operating EBITDA margin.

As noted on prior calls, realised coal prices will almost always be the primary driver of our financial results given our production and cost profiles.

$990 million of operating EBITDA and a 32% EBITDA margin from a six-month period, in which we produced below our full year target rate, is a good outcome.

Annualising the first half EBITDA and taking the share price at the end of June, gives Yancoal an EV to EBITDA ratio of less than four times.

[Slide 20 – Profit and Operating cashflow]

The Profit After Tax and Operating cashflow tend to replicate the Revenue and EBITDA profiles.

The step down in the operating cash flow incorporates tax payments, hence the first half 2023 profile I mentioned earlier.

[Slide 21 – Debt and Gearing]

It is over a year since we repaid the last of our interest-bearing loans. In less than three years we repaid more than US$3.0 billion of loans; transforming the capital structure of the Company.

These loan repayments saved us almost $300 million in finance costs last year and should save a similar amount this year.

The small difference between the cash position of over $1.5 billion and the net cash position of $1.4 billion primarily relates to lease liabilities recognised on mining equipment.

[Slide 22 – Dividend]

Yancoal has rewarded its shareholders well over the past six years.

We have distributed to shareholders $2.5 billion of unfranked and $1.8 billion of franked dividends; a total of $4.3 billion. This total is approximately 50% of our $8.7 billion market cap at the end of June, or closer to 60% if you add back the franking credits.

As I mentioned at the start of this webcast; the Board has not declared an interim dividend in respect of the six months ended 30 June 2024. The retained cash gives us flexibility to consider potential corporate initiatives and may be distributed in the future if not utilised.

Over the past twenty years we have grown through acquisition and expansion. The most notable event in recent years was the acquisition of MTW and HVO in 2017; a transaction that transformed the company.

We have a very capable team that continually looks at growth opportunities for the business. At this time, we will not be drawn on speculation about specific scenarios. If events warrant disclosure, then we will inform the market in accordance with our regulatory obligations.

[Slide 23 – 2024 Operational expectations]

Slide 23 has our operational guidance for 2024. These remain unchanged.

At the start of the year, we noted the 35 to 39 million tonne attributable saleable production guidance allows for some downside disruption events, unfortunately this proved to be the case during the first half.

However, like last year, our production is skewed to the second half, and we aim to operate at higher output levels similar over the rest of the year.

We aim to bring cash operating costs per tonne down and are aiming for $89 to $97 per tonne for the full year. Delivering the production uplift in the second half is necessary for our full year costs to fall within guidance.

Our capital expenditure guidance is $650 to $800 million.

Some 2024 expenditure appears likely to slip into 2025. Accordingly, capital expenditure in 2024 is expected to land at the low end of guidance.

Each year we will continually balance volume, product quality, efficiency metrics, operating costs and capital expenditure to deliver the best possible outcome. This year is no different in that regard. Our executive team and people on site are focused on maximising Company performance.

The remainder of the slides contain appendices and additional information for reference, which I do not intend to speak to.

I will now hand back to Victor so that we can commence question and answer session.

Operator: Thank you. Our first question will come from the line of Peter Lingzhi Wang from China International Capital Corporation. You may begin.

Peter Lin Xiaoji Wang: I have two questions for the Company. The first one is, has Yancoal ever set up production guidance for each specific mine? If that’s so, what would be the production profile for MTW this year.

David Moult: Thanks Peter. We don't normally break out our mine-by-mine production data. We look at the Group as a whole, and we report on the performance of mines but not by breaking down to individual mine data.

Brendan: One of the reasons we aggregate is we do often take the opportunity to combine and blend products from across multiple mine sites. That's why we look at the collective production from the group as opposed to individual production at the mine site level.

Peter Lin Xiaoji Wang: (China International Capital Corporation, Analyst) My second question is, in terms of your cost of production, A$101 cash operating costs, it's a bit higher than your full-year guidance. So, with the production ramping up in the second half of the year, do you suggest that it's more likely that we should see the full-year cash operating cost in the high-end of the cost guidance? Is that achievable?

David Moult: We are confident that the second half is going to be a very strong half, and as you are aware, our unit costs are driven very much by volume. At this moment, we would expect to be within our guidance range. So yes, we are expecting a very strong second half, as we had last year, to deliver that further cost reduction.

Operator: Our next question comes from the line of Jun Liu from Huatai Securities.

Jun Liu: (Huatai Securities, Analyst) The first question is about the volume. You have guidance of 35 million to 39 million tonnes target for the full year. I also believe that to achieve cost reduction it also depends on our volume increase, which means we have to achieve a half-on-half increase of our production volume in the second half, right?

But we also see in the second quarter report above average rainfall in Australia. So, can you share some colour on how to achieve the production volume?

David Moult: I'll talk about the weather impacts first. Last year we invested significantly in water storage, as well as also pumping and facilities for dealing with higher than average rainfall events. That has helped us in this early part of this year; yes, we've had rain but there's been no significant issues with the rain. We're confident now, going forward, that we have the facilities to deal with what we classify as more the last few years' average rather than looking at the longer-term average. So, I think we're now very confident that we are dealing with rain a lot better.

As I said on the cost - and it's the same comment on the volume – we're comfortable that we're in the range of our guidance. We expect an extremely strong second half of year, and it is all about where we start in our mining sequences at the beginning of the year as to how the coal flows. So, over the full 12 months we expect to have a strong year and we expect to have a strong end to the year in this second half from a production and cost point of view.

Jun Liu: (Huatai Securities, Analyst) My second question is about the price, yes, we are seeing the thermal coal price has slightly rebounded partly driven by the natural gas price globally. But we are seeing the metallurgical coal price has been under a lot of pressure. So, could you please share some colour on your views on the thermal coal and metallurgical coal price during the second half, and what do we expect to see regarding price changes?

David Moult: I'll give a general comment, then hand over to Mark Salem, our EGM of Marketing, to give you more detail. We've been talking now for quite a while about – certainly in the thermal coal market – the coal markets being far more balanced. Yes, we're getting variations in price, but they're not huge variations. They are moving within a range, and we think that's all to do with the fact that the market, from a supply and demand point of view, is far more balanced than it has been in previous years.

I'll hand over to Mark and let him to provide more details.

Mark Salem: Slide 7 in the presentation pack demonstrates the thermal coal market. You can see that in both the main indices, the API5 and the GC NEWC, there's been relatively very little volatility over the last 18 months. So that supports the comment that David made in relation to being a very balanced market.

In terms of moving forward, again we're not seeing any significant changes in the marketplace from a demand and supply point of view. So, it's the external factors, such as the spike in the GC NEWC price as a result of geopolitical conflict impacting gas prices. These are the issues we just have to keep a very watchful eye on, but they are hard to predict.

In relation to the met coal market, the met coal market is still under a little pressure in terms of the steel prices, but it's holding up and it's maintaining its position. So, moving forward, again we're expecting a relatively balanced position moving forward.

Jun Liu: (Huatai Securities, Analyst) I will follow-up with one question on the met coal. In the slide pack you have mentioned demand was lower during the second quarter and the Japan imports are weakening. We're seeing that in China, the steel market is quite soft in the second quarter. So, could you please share some colour on what we are seeing in the third quarter for Japan or India and what we can expect from those demand changes?

Mark Salem: We follow the activity in the steel industry. Clearly steel prices have softened and that will have flow-on effects, but in terms of our met coal business, we're not expecting that to have a significant impact on our met coal pricing structures.

Brendan Fitzpatrick (Manager Investor Relations): I'll move onto the questions submitted via the webcast. We see several questions coming through, some of them are similar in nature, or touch on similar topics. I'll amalgamate some of the questions so that we can effectively answer the topics being raised. I'll start with the topics of dividend as there are several questions coming through on that front.

Could we start with a reiteration of the decision made for the interim period and put that in context of past activities, and perhaps extend to a comment on the existing policy that we have in our Company Constitution.

Kevin Su (CFO)**:** First I will talk about the Company's dividend policy which is unchanged. We still have the policy in our Constitution regarding 50% of free cash flow or 50% of NPAT, whichever is higher. Then referring to what we just announced last night, with a decision to have no interim dividend distribution, I just want to make the point here is that this is a strategic decision from the Board for the Company. As David mentioned earlier this is to prepare for possible corporate activities.

Then now it's very much about us just balancing between the dividend returns and the Company's strategic growth. Also, we want to re-enforce the position, our dividend policy is about maximising shareholders' returns. So, once again, this is about balancing a short-term dividend return with the long-term shareholders' value potential growth.

Then finally I just want to make this point, the cash clearly is still there, as you can see there is close to $1.6 billion cash. So, the cash will be available potentially for future distribution if not utilised.

Brendan Fitzpatrick: Continuing on the topic of dividends, with regards to the policy, could we clarify the policy does not specifically refer to interim periods or final periods, it's applies on an annual basis and therefore there is flexibility within any discreet period.

Kevin Su: Yes, we can confirm that.

Brendan Fitzpatrick To the ability that you can speak to forward events and matters subject to Board decision, is there any forward-looking comment on dividends for the full year?

Kevin Su: The policy, as we just mentioned, stays the same – it's unchanged. But this is a Board decision, as we just mentioned, and the Board will make a strategic view on the priorities regarding our capital management. Thanks.

Brendan Fitzpatrick: The discussion around dividends leads into a secondary discussion around the alternative use of the cash. We've made some commentary through the presentation and the announcements released overnight and again in the webcast today, what capacity do we have to comment on the potential use of cash and strategic initiatives that might be pursued?

David Moult: It's really being in a strong position to take advantage of whatever opportunities might present themselves to us. It's not for me to comment on specific situations that may arise. However, we're very conscious that if there are opportunities, we want to be in a strong position, we want to be in a position where we can respond, and we want to be in a position where we can respond in a way where we can acquire, if they become available, assets that will add further value to shareholders' investments.

Brendan Fitzpatrick There's a question here which relates to past activities. The Company has grown through acquisitions in the past; is it pursuing similar styles of initiatives going forwards, or is it looking for broader scenarios to consider?

David Moult: Well in answer to that question, we look at all opportunities that might present themselves. The last one, as we talked about earlier, was the acquisition of Mount Thorley Warkworth and Hunter Valley Operations, a very successful acquisition of two low-cost Tier 1 operations. Of course, if such opportunities presented themselves again, we'd be very interested to look at them. We have a broad view and look around to assess what potential opportunities there are in the way of value add for shareholders.

Brendan Fitzpatrick: On the concept of strategic initiatives, is there any capacity to comment on the magnitude or scope that the Company possesses for strategic initiatives – I suspect the question is relating to a dollar value that the Company could contemplate?

David Moult: It's not appropriate for us to put a dollar value on what we think we can and can't do. However, I think by looking at the strength of our balance sheet, and looking at our position where we are debt free with net cash, then most analysts will be able to work out that we're in a very strong position to finance any opportunities which present themselves.

Brendan Fitzpatrick A similar question on this topic, but from a slightly different angle. With the cash retained, if it's not utilised for corporate initiatives, would there be alternate activities that might be considered, such as a share buyback, which is something we have touched on in previous conversations.

Kevin Su: Right now, a share buyback is not being considered due to the free float and liquidity considerations.

Brendan Fitzpatrick Interestingly that the topic of free float and liquidity draws us into the next area of conversation. The observation coming through that Yancoal is close to a 30% free float and has the potential for index inclusion. What are we able to say about that topic of free float and potential index inclusion?

Kevin Su: We also note the free float is very close to 30%. Whether the Company will be incorporated into the ASX200 or 300 is subject to S&P's assessment. The Company would like to see this happen and we will be observing the market and hopefully will see more free float.

Brendan Fitzpatrick: Turning away from growth through opportunities outside the Company, to those within the Company; what observations can we provide on expansions or potential expansions that might exist within the existing portfolio of assets?

David Moult: As you will note from some of our reporting, we have organic opportunities. We do have at a couple of our big operations. At Moolarben we are applying for the approvals to increase the reserve base of that mine. At our Mount Thorley Warkworth operation, we're in the final stages of a pre-feasibility value engineering exercise, looking at an underground operations, and we hope to have that completed by the end of this year. That could be a good opportunity for Mount Thorley Warkworth as it's good quality thermal coal but also semi-soft coking coal and would increase the life of that mining complex. So, we do have a few opportunities internally, and of course potentially we have an energy hub project at the Stratford mine where coal extraction has ceased and we are looking at re-purposing the site.

Brendan Fitzpatrick: One question coming through is on the topic of coal markets. The question says compared to our forecasts from one to two years ago, has more thermal or met supply come into the market than we might have expected? Does this change the way we think about coal markets going forwards? I'm mindful that we don't have specific coal market forecasts that we share publicly. For our views on the coal markets, I'll turn to Mark Salem for comments on what we've seen evolve over the last one to two years.

Mark Salem: In terms of our production profile over the last one or two years, it's naturally been impinged by COVID and heavy rains, and therefore has suppressed the production profile. Coming out of the rains, we were prepared for the growth in our production. In terms of our marketing strategy, we did have a plan to ensure that our sales are well placed into the marketplace in terms of accommodating that change in production profiles.

Brendan Fitzpatrick: On the topic of coal markets, and particularly coal prices that we realised – there's an observation that we reported a realised coal price of $180 per tonne in our Second Quarter Production Report. Then, in the First Half result, the average realised price is revised to $176 a tonne. Could I turn to Mike Wells (EGM Finance) for a comment on the provisional pricing impact please?

Mike Wells: I think as most people understand, many of our contracts include provisional pricing. Where the price is linked to an index or subject to a price negotiation, a final agreed price may be settled on some time after the coal is shipped. At the time of the Q2 Report, we reported the revenue based on invoiced sales at that point in time, but as part of our 30 June half-year accounts, we're required to include an estimate of what we think the difference between the provisional and that final estimate will be. That $4 price difference takes account of that expected differential.

Brendan: To clarify, this is a regular and ongoing event, perhaps more noticeable in this particular period than has been at other times, is that correct?

Mike Wells: Yes.

Brendan Fitzpatrick: One of the advantages of having a real-time webcast and shareholder interactions, is observations coming through on the initial share price reaction to the announcements overnight. Our observation is all the cash is retained, it still sits within the Company, but perhaps we could reiterate and re-visit the commentary around the utilisation of the cash, the flexibility it provides us going forwards and what we have achieved in past years through corporate initiatives.

David Moult: I've touched on this once, but I think it's well worth reiterating it. I think most shareholders, like to see growth in the Company, but we only grow in a way that adds value to our shareholders. If you look back to 2017, you can see how that transaction transformed Yancoal, and the value that's brought to shareholders over the last few years. We've got a strong balance sheet, we've got no debt, we are retaining cash, there are many opportunities at the moment that may or may not present themselves, and we may or may not be involved in. But we need to be in a strong position to act because we think they could add significant value to shareholders going forward.

If nothing eventuates, then the cash is still in the business – it is still shareholder's cash and of course we will look at that going forward. There is the potential it can be returned to shareholders through dividends at the end of this year. However, our focus at the moment is keeping ourselves in a strong position because we need to be able to respond and be competitive in any market opportunities that arise.

Brendan Fitzpatrick: In regards to possible market opportunities, earlier in the presentation we highlighted the strength of our existing asset portfolio, particularly our position in the thermal coal market with those large-scale, low-cost assets which drive the business through all stages of the coal price cycle. The question coming through is do we have any preference with regards to metallurgical or thermal coal opportunities going forward?

David Moult: I think we've made it quite clear, over recent times, that our preference would be for metallurgical assets if they became available. We do look at thermal assets, but at the end of the day we've got, in my opinion, the three best thermal coal mines in Australia. These three Tier 1 operations that account for around 80% of everything we do.

What we would like to do is balance that portfolio – we've had quite a few questions about thermal and met coal markets this morning, and I think one of the things we'd like to do is balance our exposure with increased exposure to met coal.

Brendan Fitzpatrick: On that concept of potential opportunities, with regards to funding scenarios, is there any comment we can make on the level of support we anticipate from the existing shareholder base and whether we would have an appetite for debt finance, having recently removed all our corporate debt save for those finance lease liabilities?

Kevin Su: From a shareholder support perspective, if we look at Yancoal's history, there is very consistent shareholder support for the Company. Such support would, I believe, be there all the time. Then from the funding perspective, the Company currently is debt free, which means there's debt capacity available to the Company. We may or may not use it, but it really depends on the potential opportunities. As a Company, and as a Management team, we will explore different possibilities.

Brendan Fitzpatrick: A question in relation to a timeline horizon. Do we have any capacity to make an observation on whether we would have resolution on various scenarios ahead of the full year results due next February, and the Board decisions that would be made at that time with regards to the utilisation of existing cash?

David Moult: It's too early for us to discuss what's going to be happening in the next six months and how that's going to impact our full-year reporting. If there's anything that we are required to disclose to shareholders, then we would certainly make the disclosure. Depending on what happens in that period, the Board will make a decision on future dividends and capital management.

Brendan Fitzpatrick: I've worked through all the questions on the webcast, having amalgamated and bundled them up as appropriate. David, closing remarks please?

David Moult: Thank you to everyone attending this morning's teleconference and listening to Yancoal's first half results. I believe we've had a very strong performance in this first half. We have had a few challenges and we've talked quite a bit about the coal market, and yes it has softened. But if you look at the coal market, it's still very strong, if you compare it to historic averages. So even though it's softened year-on-year, it's still a supportive market.

I think the other point to note out of this morning, is the strength of our three Tier 1 operations, and those mines are three of the most efficient mines in Australia. The slide that is included in the pack gives a good indication of where they sit. They drive our low-cost base, and I think what you'll see is that cost base will continue to come down over this second half of the year, as we've forecasted. I think if you do your comparisons across the industry, you'll see that we're sitting at the bottom end of the cost curve, which is the only place to be, because no matter what happens to the market, if you're at the bottom, at the lowest point of the cost curve then you're in the strongest position.

So, I want to thank everybody again for coming this morning. Yancoal is in a strong financial position, we've talked about our balance sheet, we've talked about the cash that we're carrying. It puts us in that very strong position to take advantage of whatever opportunities might present to us during this next six month. So, thank you again, and I hope you all have a good day.

End of Notes