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兗州煤業股份有限公司

YANZHOU COAL MINING COMPANY LIMITED

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1171)

UPDATE ON THE PROGRESS OF ACQUISITION OF FELIX RESOURCES LIMITED

On 23 October 2009, Yanzhou Coal obtained the conditional approval from the Assistant Treasurer of Australia in relation to its acquisition of 100% of the issued share capital in Felix Resources Limited.

On 23 October 2009, Yanzhou Coal Mining Company Limited (“**Yanzhou Coal**” or the “**Company**”) obtained the conditional approval from the Assistant Treasurer of Australia in relation to the Company’s acquisition of 100% of the issued share capital in Felix Resources Limited (“**Felix**”) (the “**Transaction**”). In order to obtain the official approval regarding the Transaction, the Company is required to undertake to:

1. operate its Australian mines through Yancoal Australia Pty Limited (“**Yancoal Australia**”), which is incorporated and headquartered in Australia and is managed in Australia using a predominately Australian management and sales team;
2. ensure Yancoal Australia, and any of its operating subsidiaries, have at least two directors whose principal place of residence is in Australia, one of whom will be independent of Yanzhou Coal and its related entities;
3. ensure that the Chief Executive Officer and Chief Financial Officer of Yancoal Australia have their principal place of residence in Australia;
4. hold the majority of Yancoal Australia’s board meetings in Australia in any calendar year;
5. list Yancoal Australia on the Australian Securities Exchange no more than the ending of 2012 and, by that time, reduce the Company’s ownership of Yancoal Australia to no more than a 70% holding. In addition, as several of the mines operated by Felix are owned by joint ventures with third party companies, following the listing and shareholding reduction in Yancoal Australia, the Company’s economic ownership of the underlying mining assets must stand at no more than 50%. In the event of potential non-performance by Yanzhou Coal as a result of economic conditions or other factors, Yanzhou Coal is required to seek the approval of the Assistant Treasurer of Australia for amending the aforesaid undertakings.

6. market coal produced at all of its Australian mines on arms-length terms with reference to international benchmarks and in line with market practices.

In view of the above, the Acquisition has been approved by the Treasury (Foreign Investment Review Board) of Australia. The Company will continue to communicate with the relevant regulatory authorities of the PRC Government and the Australian Government about the Transaction and will prepare and submit relevant materials according to the regulatory requirements in the PRC and Australia.

By order of the Board of Directors of
Yanzhou Coal Mining Company Limited
Wang Xin
Chairman of the Board

Zoucheng, Shandong Province, the PRC
23 October 2009

As at the date of this announcement, the Directors are Mr. Wang Xin, Mr. Geng Jiahuai, Mr. Yang Deyu, Mr. Shi Xuerang, Mr. Chen Changchun, Mr. Wu Yuxiang, Mr. Wang Xinkun, Mr. Zhang Baocai and Mr. Dong Yunqing, and the independent non-executive Directors of the Company are Mr. Pu Hongjiu, Mr. Zhai Xigui, Mr. Li Weian and Mr. Wang Junyan.