Term Sheet – Memorandum of Understanding

Yancoal Australia Sales Pty Ltd

Shandong Energy Group Theme International Trading Co.,Ltd

Details

Date 23 October 2026

Parties

Name (Seller)	Yancoal Australia Sales Pty Ltd
ACN	167 884 460
Notice details	Darling Park - Tower 2, Level 18, 201 Sussex Street, Sydney NSW 2000 Australia, notices@yancoal.com.au
Short Form Seller	**(YAS)**
Name (Buyer)	Shandong Energy Group Theme International Trading Co.,Ltd
Address:	HANYU FINANCIAL BUSINESS CENTER, NO.7000 JINGSHI ROAD, JINAN CITY, CHINA
BRN	
Notice details	liunaigong@shandong-energy.com
Short Form Buyer	**(SEG)**

Background

A The Seller (or its Related Bodies Corporate) is a major coal producing company primarily engaged in coal mining with operating mines in Australia.

B The Parties desire to enter into various export coal sale agreements pursuant to which the Seller will sell and deliver; and the Buyer or its nominee/permitted assignee will purchase and receive coal, from the Seller's mines located in Australia, or third party mines ("**Export Supply Contracts**").

C The purpose of this Memorandum of Understanding ("**MOU**") is to set out the general understanding of the parties as to the terms and conditions that will govern those Export Supply Contracts during the term of this MOU.

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Signed:

by **Yancoal Australia Sales Pty Ltd** by its authorised representative



Signature of authorised representative

SHARIF BURRA

Name of Authorised representative (print)

by **Shandong Energy Group Theme International Trading Co.,Ltd**

Signature of director

Name of director (print)

Signed:

by **Yancoal Australia Sales Pty Ltd** by its authorised representative

_____ ←
Signature of authorised representative

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Name of Authorised representative (print)

by **Shandong Energy Group Theme International Trading Co.,Ltd**

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Signature of director

_____ JIAPING MA,Chief Financial Officer
Name of director (print)

Memorandum of Understanding

1.	**TERM**	
1.1.	Term	This MOU shall come into force on 1 January 2027 and continue to be in force for a period of three (3) years (**Term**). This MOU will automatically renew for a new period of three (3) years unless one party provides the other party with written notice at least 3 months before the end of the current term that it does not wish to renew.
2.	**CONDITIONS PRECEDENT**	
2.1.	Conditions	The obligation of Parties provided at clause 3 of this MOU are subject to the satisfaction, or waiver of the following: (1) receipt of all regulatory approvals required by Yancoal Australia Limited to enter into the Framework Agreement For Coal Sales, and to set the Annual Caps, and to enter into this MOU, including, but not limited to, receipt of approval from the ASX and HKEX (as may be required); (2) receipt of shareholder approval by Yancoal Australia Limited to enter into the Framework Agreement For Coal Sales, and to set the Annual Caps, and to enter into this MOU (as may be required); and (3) receipt of all approvals required by YIT to enter into the Framework Agreement For Coal Sales (as may be required). (together "**Conditions**")
2.2.	Status of Conditions	The Seller and the Buyer (as applicable) must promptly notify the other within 3 days if they become aware that any Condition is satisfied, is no longer required or becomes incapable of being satisfied.
2.3.	Failure to Conditions	Either party may terminate this MOU by notice to the other party if any Condition: (1) has become incapable of being satisfied; or (2) has not been satisfied on or before 31st December 2026.
2.4.	Definitions	For the purpose of this clause 2, the following capitalised terms are defined as: **Annual Caps** means Annual caps on coal sales under the Framework Agreement For Coal Sales proposed by Yancoal Australia Ltd, in its absolute discretion. **Framework Agreement For Coal Sales** means the framework agreement for coal sales in relation to the sale of coal by Yancoal Australia Limited and/or its subsidiaries to YIT and/or its associates (excluding the Yankuang Energy Group) commencing on 1 January 2027. **Yancoal Australia Limited** means a company registered in Australia listed on the Australian Stock Exchange (ASX) and Hong Kong Stock Exchange (HKEX) , ACN 111 859 119 of Darling Park - Tower 2, Level 18, 201 Sussex Street, Sydney NSW 2000 Australia and sole shareholder of the Seller.

		Yankuang Energy Group means Yankuang Energy Group Co. Limited its subsidiaries (excluding the Yancoal Group) **YIT** means Yancoal International Trading Co., Ltd., a company limited by shares incorporated under the laws of Hong Kong, which is a subsidiary of Shandong Energy Group Company Limited
3.	**Obligations of the parties**	
3.1.		During the Term: (1) The Seller shall sell and deliver to the Buyer and the Buyer shall receive and pay for coal (which could be various quality sourced from the Seller's mines in Australia, including Kestrel, or coal which has been sourced from a third party, (hereafter "**Coal**")) under spot and short term delivery periods which over an annual basis will accumulate to up to 2.0 million tonnes, pro-rata to time allowed under the Annual Caps. (2) The price of Coal will be negotiated at arm's length and agreed between the parties in accordance with the conditions of the coal market. (3) The Contract for each delivery will be in accordance with Yancoal standard terms and conditions or in line with third party coal purchase contracts.
4.	**Governing Law**	
4.1.		This Term Sheet, and any dispute relating to it, is governed by, and construed in accordance with, the law of New South Wales, Australia, and each Party submits to the non-exclusive jurisdiction of the courts of Australia.
5.	**Confidentiality**	
5.1.	Definition	For the purposes of this Article, "Confidential Information" shall mean: (1) All discussions and/or communications related to the proposed arrangements between the Parties; (2) The terms of this MOU and the Term Sheet; (3) The terms of all drafts and the final version of the Export Supply Contracts; (4) Any information provided by a Party to the other Party under this MOU (including price, market information, etc.) and/or during the course of the negotiations of the Export Supply Contracts.
5.2.	Non-disclosure	Each Party shall, and shall cause its affiliates and its respective directors, officers, employees and agents to: (5) Keep all Confidential Information strictly confidential; and (6) Shall not, subject to Article-5.3, disclose or permit the disclosure of Confidential Information or any part of it to any third party.
5.3.	Permitted disclosure	A Party may disclose the Confidential Information, or a part of it, in the following circumstances: (1) With a prior written consent of the other Party under this MOU;

		(2) Confidential Information that, at the time of its disclosure, is in the public domain as evidenced by printed publication or otherwise; (3) After its disclosure becomes part of the public domain by publication or otherwise except through common fault of any Party or its directors, affiliates, employees or agents; (4) Confidential Information that is required to be produced by law or by the order of any Government, State Government or governmental agency or any court or judicial authority of competent jurisdiction or the rules of the stock exchanges on which the shares and other securities of a Party or its affiliates are listed (including for the purposes of clause 2 of this MOU); (5) Confidential Information that is obtained by any Party from a third party who is lawfully in possession of such Confidential Information and not subject to any contractual or fiduciary relationship which would preclude its disclosure; (6) To bona fide consultants of the Party provided that such consultants have entered into a written undertaking with the disclosing Party agreeing to keep the Confidential Information disclosed to it confidential.
6.	**General Provisions**	
6.1.	Notices	All notices and communications required or permitted by this MOU shall be in writing and in English language and may be delivered personally or by pre-paid air-mail post, facsimile or email addressed to the Parties as follows: **For the Seller** **Attention:** Mark Salem, EGM Marketing & Logistics **Email:** mark.salem@yancoal.com.au **Address:** Darling Park - Tower 2, Level 18, 201 Sussex Street, Sydney NSW 2000 Australia **For the Buyer** **Attention:** Liu Naigong, Marketing Department **Email:** liunaigong@shandong-energy.com **Address:** HANYU FINANCIAL BUSINESS CENTER, NO.7000 JINGSHI ROAD, JINAN CITY, CHINA
6.2.	Entire Agreement	This MOU contains the entire agreement between the Parties hereto and supersedes any previous understandings, commitments, agreements or representations whatsoever, oral or written, pertaining to the subject-matter hereof.
6.3.	Amendment	No modification, amendment, waiver or variation of this MOU shall be valid, unless it is in writing and signed by an authorized representative of each Party.
6.4.	Costs	Each Party shall pay its own costs and expenses relating to the preparation, execution and performance by it of this MOU and each document referred to in this MOU.
6.5.	No obligation	Nothing in this Agreement shall create, or be deemed to create, any binding obligations between the Parties to enter into any Export Supply Contracts.

6.6.	Counter parts	This MOU will be executed in any number of copies as necessary and all such copies taken together will constitute one and the same document.