【For immediate release】

Yanzhou Coal Mining Company Limited

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Announced Annual Results 2008 and First Quarter Results 2009

(April 26, 2009, Hong Kong) Yanzhou Coal Mining Company Limited ('Yanzhou Coal' or the 'Company'; together with its subsidiaries collectively known as the 'Group'; stock code: 1171) today announced its annual results for the year ended December 31, 2008 (the 'Year') and its first quarter results for the three months ended March 31, 2009.

During the Year, net sales were RMB24.39 billion, representing a year-on-year increase of 67.5%. Net income grew over 100% from that of 2007 to RMB6.49 billion. Earnings per share were RMB1.32. The Board of directors proposes to declare a cash dividend of RMB0.4 per share for the year ended December 31, 2008.

The Group's total sales volume of coal was 37.56 million tonnes, posting an increase of 7.0% as compared to that of 2007. In terms of business unit, sales volume of the headquarters was 32.40 million tonnes. Sales volume of Shanxi Nenghua and Yancoal Australia were 1.1 million tonnes and 1.48 million tonnes respectively. In order to fully realize its competitive edge in sales network, the Group expanded its business of externally purchased coal in 2008. Sales of externally purchased coal amounted to 2.58 million tones. In terms of market, domestic sales increased by 11.9% to 35.76 million tonnes, while export sales declined 43.0% to 1.8 million tonnes. The growth in domestic sales was attributable to the upward adjustment of sales volume in domestic market with higher gross profit according to the market condition.

Despite a significant decrease of average coal price in the fourth quarter of 2008, the Group recorded a substantial growth of 56.6% in the average coal price for the Year to RMB640.24 tonne, which was mainly due to a surge in market coal price and the implementation of optimized sales strategy. The average coal price of the Company in the headquarters was RMB627.67/ tonne, a surge of 51.6% over that of the previous year. Apart from the Company's headquarters, the average coal price of Yancoal Australia increased drastically by more than one fold to RMB1,029.25/tonne, and the average coal price of Shanxi Nenghua was RMB267.64/ tonne, up 31.1%.

In 2009, the impact of the global financial crisis on domestic and international economies will prevail. Both domestic and international coal markets will face tremendous pressure. For the first quarter ended March 31, 2009, according to the Chinese Accounting Standards, the Group recorded a revenue of RMB4,443 million and net profit of RMB831 million, a decline of 21.04% and 48.5% respectively as compared to those of 2008. The decline in the first quarter results was primarily due to demand setback resulting from the international financial crisis, which also led to a slowdown in sales and a drop in coal price. The sales volume was 7.92 million tonnes, down 11.9% as compared with the same period last year. The average coal price for the first quarter was RMB492.66/ tonne, representing a year-on-year decrease of 15.1%.

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As for new projects construction, the 100,000-tonne methanol project in Shanxi Nenghua commenced commercial operation in July 2008. The 600,000-tonne methanol project in Yulin Nenghua commenced trial operation in December 2008. In February 2009, the Group completed the acquisition of 74% equity interest in Hua Ju Energy, and Zhaolou Coal Mine has also commenced trial production in March 2009. Wanfu Coal Mine is also under the process of obtaining approval from National Development and Reform Commission.

The Group plans to sell 35.05 million tonnes of coal in 2009, of which, the headquarters will account for 31.60 million tonnes, and Shanxi Nenghua, Yancoal Australia and Heze Nenghua will account for 1.1 million tonnes, 1.55 million tonnes and 0.8 million tonnes respectively. Currently, the Company has signed domestic coal sales letters of intent amounting to 32.30 million tonnes and the price of which will be adjusted in accordance with market changes. Coal to be exported is estimated to be 0.5 million tonnes.

Although the international financial crisis still affects the economic development of China, the central government promulgated of a series of measures to stimulate the growth of the marco-economy. Hence, the market has been rebounding, which is favourable to the increase in the domestic demand of coal. In addition, as coal resources in China are allocating in different regions, it will hinder the effective transportation of coal supply and restrain coal price from decreasing rapidly.

Commenting on the Group's future development, Mr. Wang Xin, Chairman of Yanzhou Coal, said, 'In view of the challenges ahead, we will speed up the construction of current projects and keep looking for new investment opportunities in both domestic and overseas markets, as well as coal-related industries, so as to expand our coal mine assets and increase our sustainable development capability. We will also actively improve our operational management to stabilize the productivity and sales of our existing coal mines, further improve the marketing and sales system to achieve effective cost control and enhance our profitability. While enhancing the internal control system and improving management competence, we are dedicated to creating satisfactory returns to shareholders.'

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Company Background

Yanzhou Coal is located in Shandong Province, PRC and is principally engaged in the underground mining, preparation and processing, sales and railway transportation of prime quality low sulphur coal for its customers located in Eastern and Southern China and for export to customers located in Asia. The Company expanded its business scale by acquiring Austar Coalmine in Australia in 2004. The Company also acquired Heze Nenghua and Shanxi Nenghua in 2004 and 2005 respectively, commenced its methanol production in 2008, and acquired Shandong Hua Ju Energy in early 2009. Yanzhou Coal is listed in Hong Kong, New York and Shanghai.

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