

Notice in relation to the Recent Development of the Guarantor

To: The holders of the Bonds referred to below

ISIN: XS2199572111

Common Code: 219957211

20 August 2020

SHANDONG ENERGY AUSTRALIA PTY LTD

(ABN 88 159 928 640)

(incorporated in New South Wales, Australia with limited liability)

U.S.\$100,000,000 4.20 per cent. Guaranteed Bonds due 2023

Unconditionally and Irrevocably Guaranteed by

SHANDONG ENERGY GROUP CO., LTD.

(山東能源集團有限公司)

(incorporated in the People's Republic of China with limited liability)

NOTICE IN RELATION TO THE RECENT DEVELOPMENT OF THE GUARANTOR

This Notice is given to you regarding the attached announcement in Schedule 1 issued by the Issuer on 20 August 2020 in relation to the strategic reorganisation (the “**Merger**”) being contemplated by the Guarantor and Yankuang Group Company Limited (兗礦集團有限公司) (“**Yankuang Group**”). Unless otherwise indicated, words and expressions used in this Notice shall have the same meanings given to them in the Terms and Conditions of the Bonds.

On 14 August 2020, Shandong Provincial State-owned Assets Supervision and Administration Commission (山東省人民政府國有資產監督管理委員會) (the “**Shandong SASAC**”) informed the Guarantor that Shandong SASAC, Shandong Guohui Investment Co., Ltd. (山東國惠投資有限公司) and Shandong Provincial Council for Social Security Fund (山東省社會保障基金理事會) approved the Merger, among other matters. Yankuang Group and the Guarantor entered into the Agreement on the Merger of Shandong Energy Group Co., Ltd. and Yankuang Group Company Limited (the “**Agreement**”) on the same date, pursuant to which the Yankuang Group was renamed as Shandong Energy Group Co., Ltd. (山東能源集團有限公司) and would become part of the Guarantor, with the consolidated group of the Guarantor and Yankuang Group being the surviving company (the “**Surviving Company**”) after the Merger. From the completion date of the Merger, all of the assets, liabilities, business, employees, contracts, qualifications and other rights and obligations of the Guarantor and Yankuang Group will be enjoyed, assumed or taken over by the Surviving Company; all of the subsidiaries, associated entities and equity interest held the Guarantor will be transferred to the Surviving Company.

The Merger is subject to antitrust and other required review and approval procedures in and outside the PRC under applicable laws and regulations.

As of the date of this Notice, the aforesaid events do not have any material adverse effect towards

the capability of the Issuer and/or the Guarantor to fulfill their respective obligations under the Bonds, the Trust Deed or the Deed of Guarantee, as applicable. The Issuer and the Guarantor will endeavour to monitor the potential and actual impacts of the aforesaid events on their respective results of operation, financial conditions and abilities to fulfill their respective obligations under the Bonds, the Trust Deed and the Deed of Guarantee, as applicable, and will disclose any material information in relation to the progress of the aforesaid events in accordance with applicable laws and regulations.

For and on behalf of

SHANDONG ENERGY AUSTRALIA PTY LTD

Schedule 1

[Copies of the Issuer's statement]