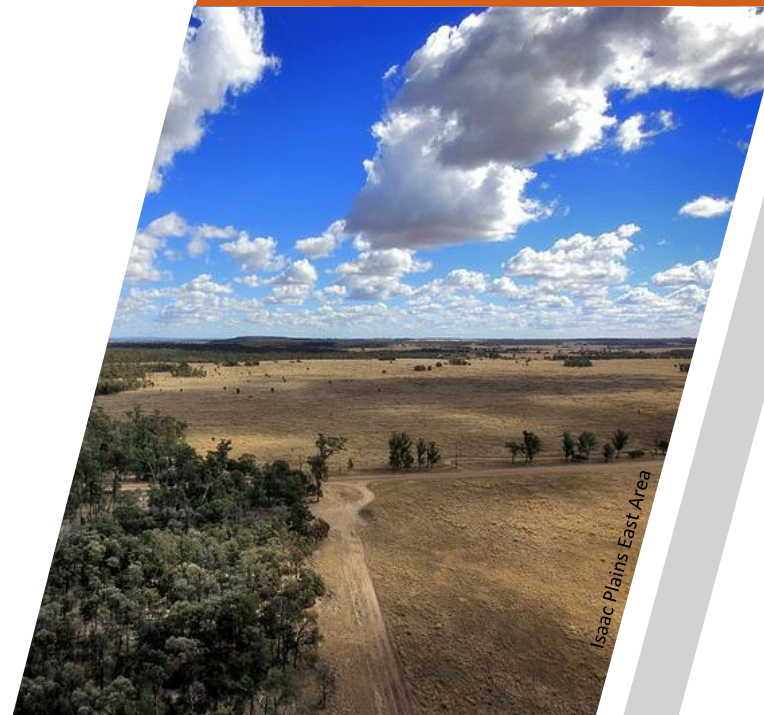


stanmorecoal

FY2018 RESULTS PRESENTATION



Isaac Plains East Area

IMPORTANT INFORMATION

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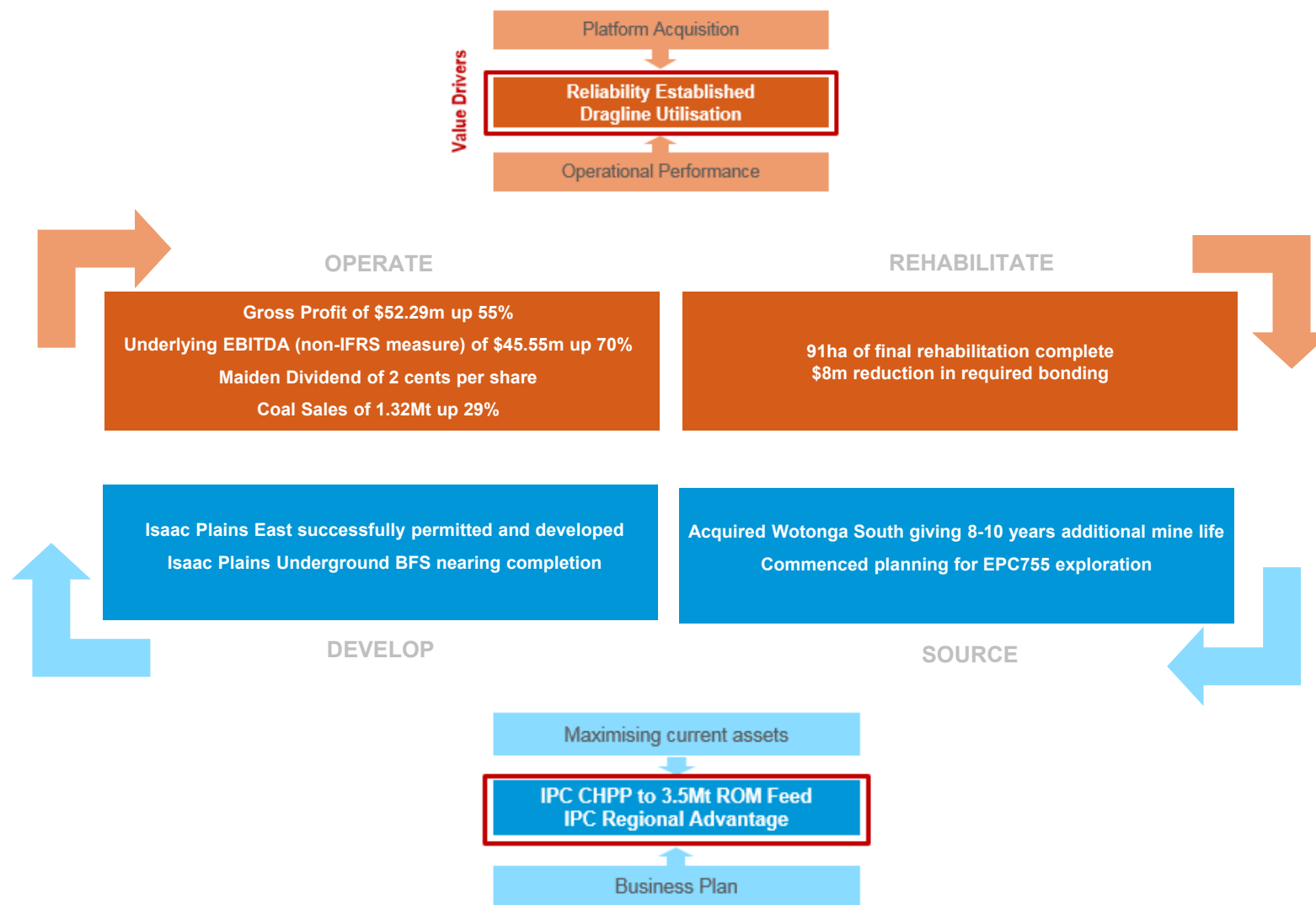
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HIGHLIGHTS

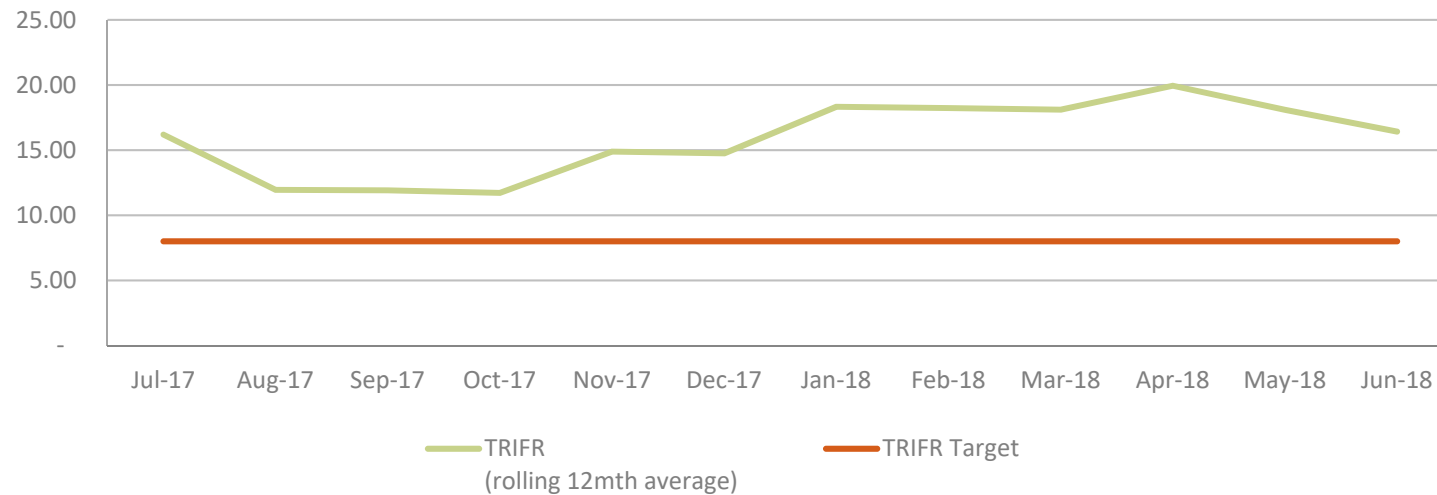
INITIAL STAGES OF THE STRATEGY SUCCESSFULLY EXECUTED LEADING TO STRONG RESULTS AND A MAIDEN DIVIDEND



HEALTH AND SAFETY

MANY POSITIVE STEPS FORWARD AND THERE REMAINS MUCH WORK TO BE DONE

Stanmore Coal TRIFR



- Stanmore Coal has committed significant management and governance resources to the current and future performance of the business for the health, safety and wellbeing of our people, the environment and the communities in which we operate.
- The Group undertook or managed 547,970 hours of coal mining, drilling, exploration, and mine development activities directly and through its contractors during the period and reported one lost time injury.
- The Total Reportable Injury Frequency Rate for the year was 16.4 per million hours, with a Lost Time Injury Frequency Rate of 1.8 per million hours.
- During the year, Stanmore worked closely with our contract partners to develop and improve a number of systems targeting the management of fatal risk, personal safety and leadership to drive for certainty in an improved performance.

FINANCIAL HIGHLIGHTS

RECORD FULL YEAR EARNINGS AND RECORD CASH GENERATION FROM OPERATIONS

\$M	FY2018	FY2017	Comments
Key financial measures			
Underlying EBITDA	45.5	26.8	Record earnings with 70% increase on prior year. Refer adjustments on following page
Net profit /(loss) after tax for the year	6.0	12.0	Impacted by Fair Value movement of contingent consideration, reflecting an increase in long term forecast coal prices
Cash generated from operations	21.9	(17.8)	Record cash generation from Isaac Plains operations
Net cash / (debt)	19.8	11.9	Debt fully repaid
Margins & Unit Costs			
Average sales price (A\$/t)	144.8	135.1	Strong coal price environment expected to remain for at least the medium term
Unit cost per tonne (A\$/t)	110.0	104.5	Increase in costs reflects production acceleration plan, increase in State royalties and increased demurrage at port
Margin (A\$/t)	34.8	30.6	14% improvement in margins, expected to improve in FY19 with lower mining costs at Isaac Plains East and a stronger coal price outlook

FINANCIAL HIGHLIGHTS

RECORD FULL YEAR EARNINGS

\$M	FY2018	FY2017	Comments
Revenue	208.1	137.9	Record revenue, 51% higher than prior year
Cost of sales	(155.8)	(104.1)	Increase in costs reflects production acceleration plan, increase in State royalties, increased demurrage at port and higher sales volumes
Gross Profit/(loss)	52.3	33.8	55% increase on prior year
Other income and expenses	(33.5)	(18.1)	Increase largely relates to Fair Value movement on contingent consideration
Profit/(loss) before income tax and net finance expenses	18.8	15.7	20% increase on prior year
Finance income	0.3	0.2	
Financial expenses	(9.1)	(9.5)	
Profit/(loss) before income tax benefit/(expense)	10.0	6.4	Record pre-tax profit, 56% increase on prior year
Income tax benefit / (expense)	(4.0)	5.6	
Profit/(loss) after income tax expense	6.0	12.0	

Reconciliation to Underlying EBITDA (non – IFRS measure)

Profit/(loss) before income tax & net finance expenses	18.8	15.7
Depreciation and amortisation	5.2	3.3
Movement in impairment of The Range	-	(8.5)
Exploration & evaluation costs written off	0.0	0.9
Fair Value movement of contingent consideration	25.8	14.5
Remeasurement of onerous contracts	(4.0)	(0.5)
Remeasurement of rehabilitation provision	(0.3)	1.4
Underlying EBITDA (non – IFRS measure)	45.5	26.8

FINANCIAL HIGHLIGHTS

BUILDING THE BALANCE SHEET

\$M	FY2018	FY2017	Comments
Cash on hand	19.8	27.5	Cash invested in the development of Isaac Plains East (\$7.3m)
Interest bearing liabilities	-	(15.6)	Debt fully repaid. US\$22m working capital facility undrawn
Net cash / (debt)	19.8	11.9	66% increase in net cash position to fund capital light future growth projects with a fully undrawn working capital facility available
Current assets	65.8	73.9	
Current liabilities	38.9	44.5	
Current ratio	1.69x	1.66x	

OPERATIONAL PERFORMANCE

ISAAC PLAINS AND ISAAC PLAINS EAST

PHYSICALS	FY2018	FY2017
Prime Overburden (bcm)	23,382	22,345
ROM coal produced – Open cut (kt)	1,643	1,521
ROM strip ratio (prime)	14.2	13.4
ROM coal produced - Highwall mining (kt)	-	217
CHPP feed (kt)	1,602	1,617
ROM stockpile (kt)	85	62
Saleable coal produced (kt)	1,128	1,204
Saleable coal purchased (kt)	10	-
Coal sales		
- Metallurgical (kt)	835	832
- Thermal (kt)	483	188
Total coal sales (kt)	1,318	1,020

Isaac Plains

- Production was accelerated at Isaac Plains with a small increase in costs to maximise the financial performance of the operation.
- In the second half of the year, this resulted in the mine operating at an annualised rate of 1.9Mt ROM coal.
- Planned maintenance shutdowns of the Coal Handling and Preparation Plant and the Dragline were successfully completed

Isaac Plains East

- Isaac Plains East commenced pre-mining operations in June 2018.
- Due to the lower depth of cover and improved coal quality and yield, the company expects a reduction to operating costs and an improvement in margins during FY19.
- The operation commenced using a truck and excavator fleet for initial production and dragline set up.



Isaac Plains Operations



Isaac Plains East (IPE) Operations

ENVIRONMENT

COMMITTED TO REHABILITATION



- Rehabilitation increased during the year with 128ha recontoured and 91ha top-soiled and seeded.
- Additionally, a number of improvement projects were undertaken to improve water management infrastructure and integrity across the Isaac Plains Complex.
- The rehabilitation performance during the year has resulted in a \$7.8m reduction in the levels of required bonding

COMMUNITY

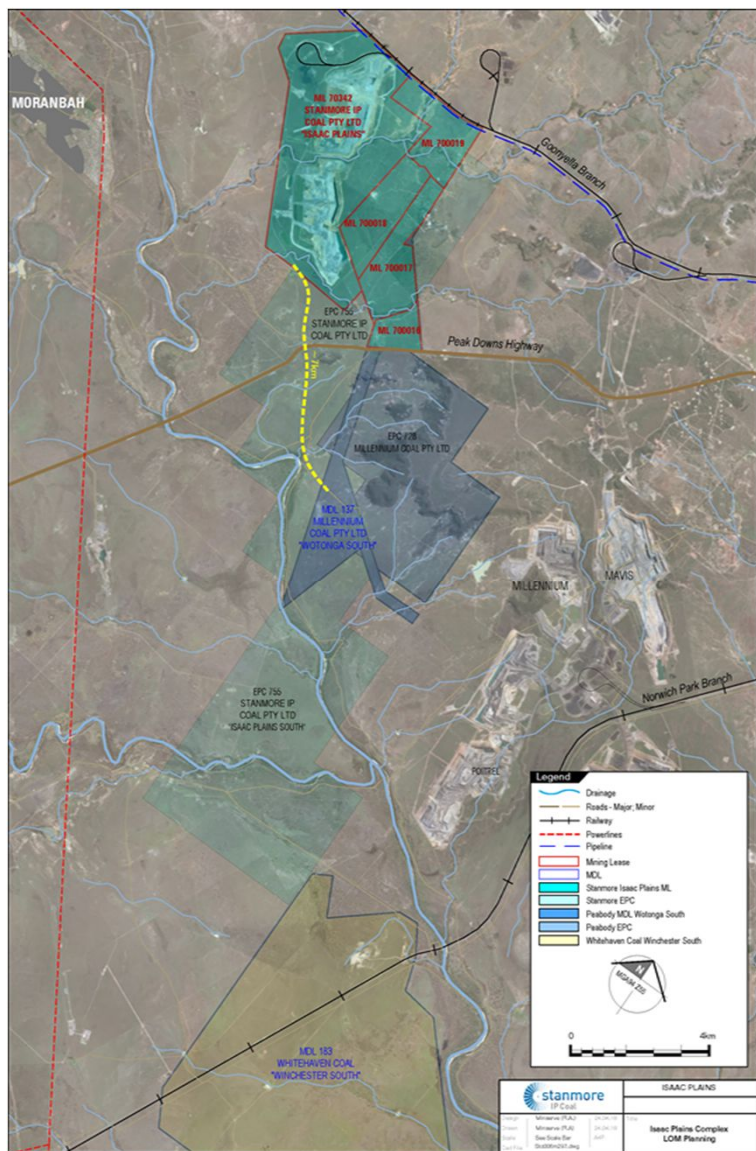
COMMUNITY RESPONSIBILITY



- Stanmore's presence in the community in which our operations are predominantly positioned was supported by a number of grants, sponsorships and important community initiatives and events.
- Significant 'in-kind' time was also dedicated to regional industry bodies and professional groups to enhance local industry and services in the region.

THE OUTLOOK

TRANSITIONING TO ISAAC PLAINS EAST AND FAST TRACKING ISAAC DOWNS ARE MAJOR STEPS FORWARD IN BRINGING THE INFRASTRUCTURE TO 3.5MT



Isaac Downs (previously Wotonga South)

- 10 kilometres south of the existing coal handling and processing plant (CHPP) at Isaac Plains.
- The deposit will support a mine life of at least 8-10 years
- Capability to produce semi-hard coking coal, a mid-vol PCI product, as well as a range of semi-soft/weak coking coals.

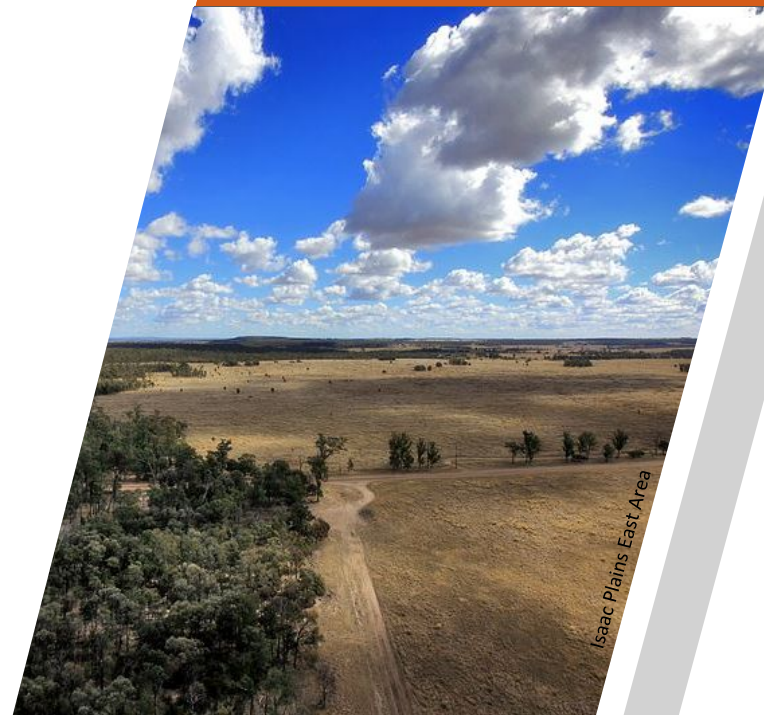
Isaac Plains Underground

- The project progressed from PFS to BFS during FY18
- It is expected the BFS will be finalised in September 2018, allowing the Company to make an investment decision during FY19.
- Maiden JORC reserves were declared on 28 May 2018, with 12.9Mt (Probable) and Marketable reserves of 9.4Mt.

FY19 Guidance

- 1.8Mt Product
- Underlying FOB Costs of \$86/t (excluding State royalty – estimated at \$14/t)

SUPPORTING INFORMATION



Isaac Plains East Area

STANMORE COAL OVERVIEW

SIGNIFICANT STEPS TAKEN ON THE RIGHT PATH TO VALUE



INDEPENDENT COAL COMPANY

Positioned in right commodity in the right time of the cycle.



ISAAC PLAINS AND ISAAC PLAINS EAST OPERATIONAL WITH DEMONSTRATED PERFORMANCE

Validation that the resource, equipment and plan is right



ISAAC PLAINS COMPLEX REPRESENTS THE COMPANY'S PLATFORM ASSET

Q1-2 Cost structures targeted with the right CHPP feed volumes from capital 'light' open cut and underground expansions



MULTIPLE ACQUISITION TARGETS AND INTERNAL PROJECTS ON WHICH STANMORE CAN CAPITALISE

Replicate the 'hub' approach focusing on reliability and creating value where others can't or won't.

ASX code

SMR

Share price

A\$0.82¹

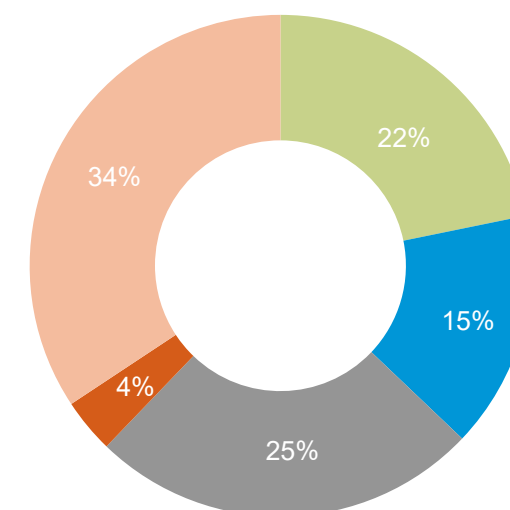
Shares

251,800,978

Market cap

\$206.5m¹

SHARE OWNERSHIP



- Sprint Capital HK (Greatgroup)
- Institutions
- Corporates
- Employees and Directors
- Other

BOARD OF DIRECTORS

WEALTH OF EXPERIENCE CREATING THE BUILDING BLOCKS FOR A GROWING ORGANISATION



STEWART BUTEL
NON-EXECUTIVE
CHAIRMAN

- More than 40 years of experience in operational management and board roles in the resources industry in New South Wales, Queensland and Western Australia.
 - Stewart joined Wesfarmers Limited in 2000 as Managing Director of the Curragh mine, and was Managing Director of Wesfarmers Resources.
 - He has held several directorships and was President of the Queensland Resources Council.
-



DAN CLIFFORD
MANAGING DIRECTOR

- More than 20 years' experience in the coal mining industry
 - Has worked in Australia, South Africa and New Zealand
 - Substantial open cut and underground coal mining experience
 - Previously roles were with Solid Energy, Glencore, Anglo Coal and BHP Billiton.
-



STEPHEN BIZZELL
NON-EXECUTIVE
DIRECTOR

- Chairman of boutique corporate advisory and funds management group Bizzell Capital Partners Pty Ltd.
 - Stephen was Executive Director of Arrow Energy Ltd until its acquisition by Shell and PetroChina for \$3.5 billion. He was instrumental in Arrow's corporate and commercial success and its growth from a junior explorer to a large integrated energy company.
 - Stephen has considerable experience in the resources and energy sectors in Australia and Canada with various public companies.
-

BOARD OF DIRECTORS

WEALTH OF EXPERIENCE CREATING THE BUILDING BLOCKS FOR A GROWING ORGANISATION



CHRIS MCAULIFFE
NON-EXECUTIVE
DIRECTOR

- Co-founder and Managing Director of Sprint Capital, a Hong Kong based private equity investment management group.
- Chris has more than 20 years' experience in private equity and investment banking with significant relationships across Asia.
- Chris was Managing Director and co-head of Asia Pacific Industrials group at Citibank in Hong Kong, prior to which he was a Managing Director and head of Asia Industrials and Services Group at Credit Suisse in Singapore.



NEAL O'CONNOR
NON-EXECUTIVE
DIRECTOR

- 30 years of legal experience in private practice in Australia and the United Kingdom, and within the resources industry.
- He was Company Secretary and General Counsel of the global copper business unit of Xstrata plc, prior to which he was the General Manager Legal at MIM Holdings.
- He is currently a non-executive director of Mitchell Services (ASX: MSV) and Dingo Software.
- Mr O'Connor is admitted to practice as a solicitor in Queensland and England and Wales. He is also a Member of the Australian Institute of Company Directors.



PATRICK O'CONNOR
NON-EXECUTIVE
DIRECTOR

- An experienced non-executive director in a wide range of industries including mining, oil and gas exploration, forestry, biotechnology and government utilities.
- Mr O'Connor has undertaken a number of executive director roles, either as Executive Chairman or Chief Executive Officer, to strategically reposition predominantly resource companies to allow them to improve performance

THE LEADERSHIP TEAM



DAN CLIFFORD
MANAGING DIRECTOR

- More than 20 years' experience in the coal mining industry
- Has worked in Australia, South Africa and New Zealand
- Substantial open cut and underground coal mining experience
- Previously roles were with Solid Energy, Glencore, Anglo Coal and BHP Billiton.



IAN POOLE
**CHIEF FINANCIAL
OFFICER**

- Almost 30 years' experience in financial and commercial roles in the resources industry in Australia and the United States
- Previously CFO of ASX-listed minerals processing and infrastructure company, Sedgman Limited
- Formally with Rio Tinto Coal Australia Pty Ltd and Pasminco Resources.



BERNIE O'NEILL
**GENERAL MANAGER
OPERATIONS**

- More than 30 years' experience in the coal sector in New South Wales and Queensland.
- Previously General Manager of Newlands/Collinsville Coal for Glencore Coal Australia, responsible for open-cut and underground operations across the Newlands and Collinsville complex in the northern Bowen Basin.
- As Group Manager, Business Development for Glencore Coal Australia Mr O'Neill was responsibility for feasibility studies and financial evaluation of new projects and brownfield expansions.

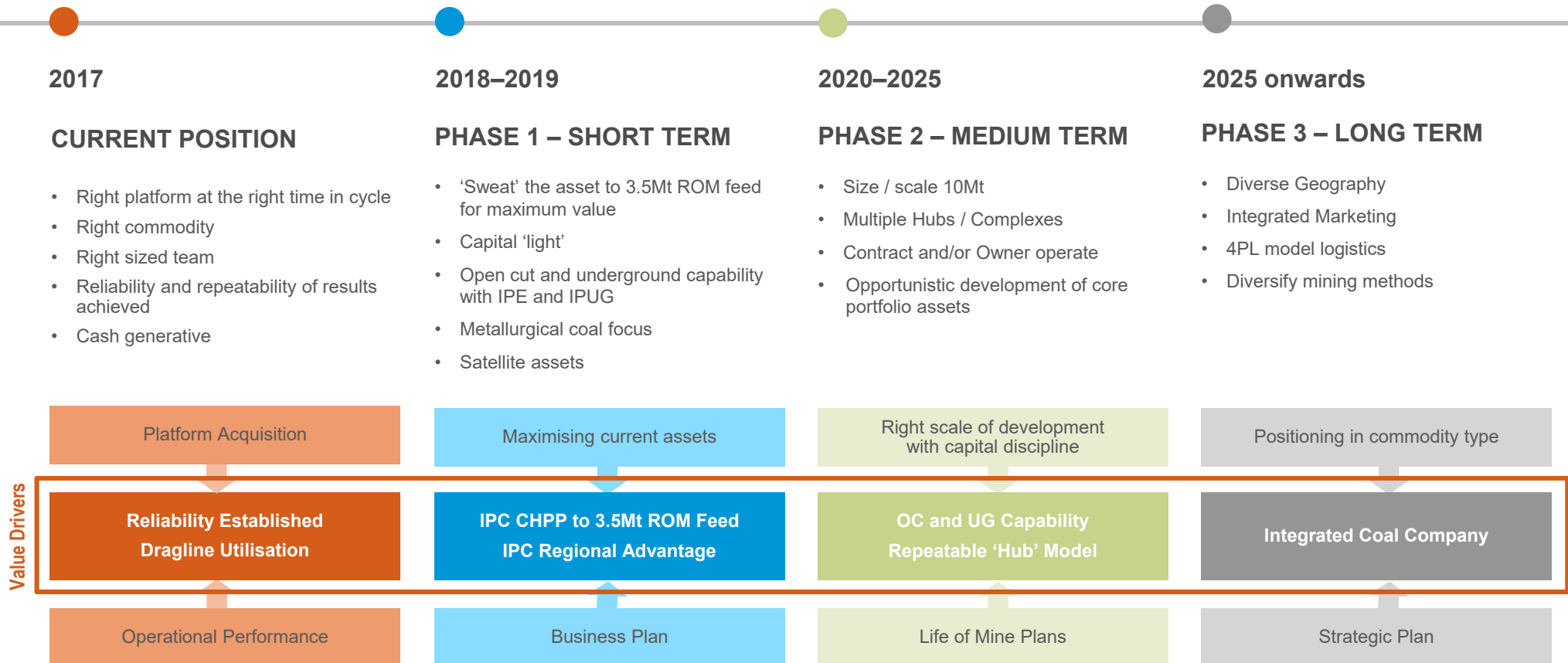


JON ROMCKE
**GENERAL MANAGER
DEVELOPMENT**

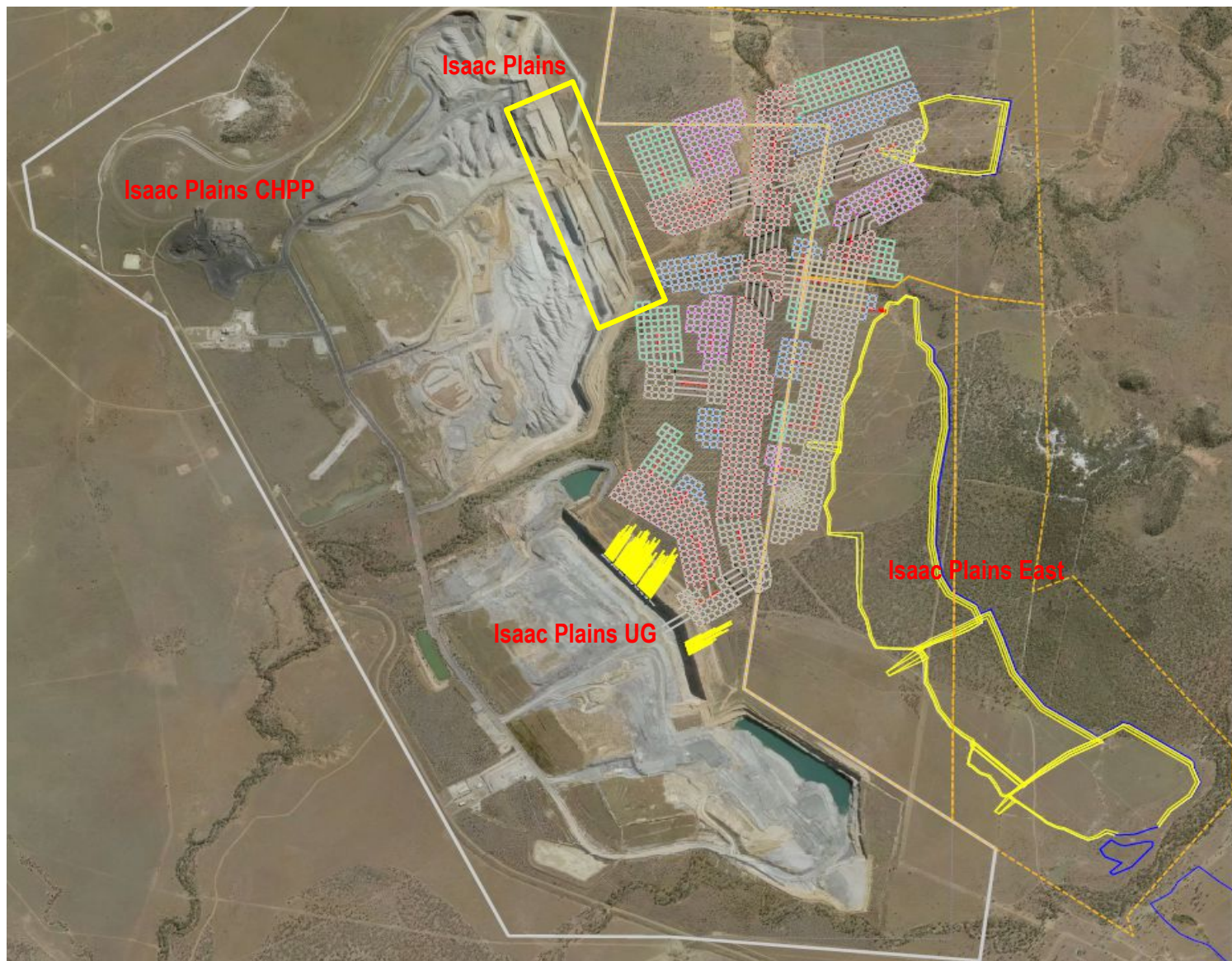
- Previously Head of Iron Ore Assets with Glencore International. Jon also worked for Xstrata Iron Ore in Switzerland and Xstrata Coal in Queensland.
- Identification, targeting and the development of new business opportunities is underpinned by his technical, financial and commercial skills.
- Provides the step change required to successfully develop our business and provide our shareholders with great sustainable and cost effective returns.

THE STRATEGY

CASH GENERATION, CAPITAL LIGHT APPROACH AND FUNDING ALL IN PLACE
DRIVING CERTAINTY IN STRATEGIC OUTCOMES



ISAAC PLAINS COMPLEX



RESOURCES

Coal Resources, June 2018

Project Name	Tenement	Coal Type *	Measured Resources	Indicated Resources	Inferred Resources	Total Resources	Competent Person	Report Date
Isaac Plains	ML 70342, ML 700018, ML 700019	C,T	22.2	21.3	9	52	A	May-18
Isaac Plains East	ML 700016, ML 700017, ML 700018, ML 700019	C	12.9	8.8	8	30	A	May-18
Isaac Downs (Wotonga South)	MDL 137, EPC 728	C, PCI	18.7	3.6	1	23	B	Mar-18
Isaac South	EPC 755	C, T	11.9	14.5	25	52	C	May-18
Isaac Plains Complex	Sub Total		65.7	48.2	43	157		
Clifford	EPC 1274, EPC 1276	T	0.0	200.0	430	630	D	Aug-16
The Range	EPC 1112, EPC 2030	T	18.1	187.0	81	286	A	Oct-12
Surat Basin Complex	Sub Total		18.1	387.0	511	916		
Mackenzie	EPC 2081	C, T	0.0	25.7	117	143	A	Nov-11
Belview	EPC 1114, EPC 1186, EPC 1798	C, PCI	0.0	50.0	280	330	A	Mar-15
Tennyson	EPC 1168, EPC 1580	T	0.0	0.0	161	161	A	Dec-12
Lilyvale	EPC 1687, EPC 2157	C	0.0	0.0	33	33	A	Feb-14
Total Coal Resources	Sub Total		83.8	510.9	1145	1740		

* Coal Types Potential Legend

C - Coking Coal, semi-soft or greater potential

PCI - Pulverised Coal Injection

T - Export Thermal grade

Competent Person

A - Troy Turner - Xenith

B - Kane Maxwell - Peabody Australia

C - Mal Blaik - JB Mining

D - Oystein Naess - Xenith

Note 1: All Coal Resources are reported under The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ('the JORC Code') applicable at the time each report was published. Reports dated 2012, and earlier, used the JORC 2004 version, reports dated after 2012 reported against the requirements of the 2012 JORC code.

Note 2: Rounding to the nearest significant figure is applied to Total Resource Tonnes in the Inferred Category. This is deemed conservative and reflective of the Inferred Resource category confidence level and accounts for the minor differences in the overall total reported resources.

Note 3: All Coal Resources are reported on a 100% basis; Stanmore Coal's economic interest in Clifford is 60%, Mackenzie is 95%, and Lilyvale is 85%, all other tenure is 100% owned by Stanmore Coal.

RESERVES

Coal Reserves, June 2018

Project Name	Tenement	Coal Reserves			Marketable Reserves			Competent Person	Report Date
		Proved	Probable	Total	Proved	Probable	Total		
Isaac Plains Open-cut	ML 70342	1.8	0.9	2.7	1.3	0.7	2.0	E	Aug-18
Isaac Plains East Open-cut	ML 700016, ML 700017, ML 700018, ML 700019	10.3	1.9	12.2	8.0	1.5	9.5	E	Aug-18
Isaac Plains Underground	ML 70342, ML 700018, ML 700019	0.0	12.9	12.9	0.0	9.4	9.4	F	Apr-18
Isaac Plains Complex	Sub Total	12.1	15.7	27.8	9.3	11.6	20.9		
The Range	EPC 1112, EPC 2030	0.0	116.6	116.6	0.0	94.2	94.2	G	Jul-11
Total Coal Reserves	Sub Total	12.1	132.3	144.4	9.3	105.8	115.1		

Coal Type Ratio - Coking:Thermal (% of Marketable Coal Reserve)	Competent Person
Isaac Plains OC	76%:24%
Isaac Plains East OC	98%:2%
Isaac Plains Underground	88%:12%
The Range	100% Thermal

Note 1: All Coal Resources are reported under The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ('the JORC Code') applicable at the time each report was published. Reports dated 2012, and earlier, used the JORC 2004 version, reports dated after 2012 reported against the requirements of the 2012 JORC code.

Note 2: Totals may not be exact due to significant figure rounding.

Note 3: The Reserves quoted for The Range project were established in 2011 under the relevant JORC Code at the time and used a coal price of A\$120/tonne for benchmark NEWC thermal coal equivalent. These Reserves were supported by a Feasibility Study that assumed the completion of the Surat Basin rail to connect the mine to the Port of Gladstone.

Note 4: All Coal Reserves are reported on a 100% basis, and Stanmore Coal's economic interest in the tenure above is 100%.