



6 September 2019

EGM CALLED FOLLOWING GOLDEN INVESTMENTS' NOTICE UNDER SECTION 249D OF THE CORPORATIONS ACT

The Company has arranged to hold an Extraordinary General Meeting of Shareholders at 10:00am on Monday 14 October 2019 in Brisbane in response to the request from Golden Investments (Australia) Pte Ltd (**Golden Investments**) under section 249D of the Corporations Act 2001 (Cth) on 16 August 2019¹.

The purpose of the Meeting is to put Golden Investments' proposed Resolutions to Shareholders to consider:

- the removal of Stewart Butel (current Chairman) and Dan Clifford (current Managing Director) as Directors; and
- the appointment of Cameron Vorias and Jimmy Sen Ming Lim as Directors.

The Directors recommend that Shareholders vote against each of the Resolutions as they consider that the proposed Resolutions are not in the best interests of the Company or its Shareholders.

Golden Investments claims to have concerns around the performance, strategy and operations of the Company, in particular around the Company's coal sales prices and financing costs. We believe these concerns are unfounded and disingenuous. As evidenced by the Company's recent results, including record financial and operating performance for FY19, the current Board has a strong track record of delivering results and value for the Company and its Shareholders. In fact, the Company has generated a Total Shareholder Return of 69.5% for FY19. This is the best return on investment of any ASX listed coal producer for FY19.

In response to Golden Investments' purported concerns around the Company's coal sales prices, Golden Investments does not have access to, or detailed knowledge of, the key components of Stanmore's production and sales strategy in order to make this claim. The Board and management are confident that the Company's strategy maximises the margins available for the resource and this is evidenced by the premiums we are achieving.

In response to Golden Investments' purported concerns around the Company's financing costs, the Directors note that the Company's cost of debt is materially lower than other small and mid-cap ASX listed coal producers and is significantly lower than the majority of the debt facilities of GEAR, which is Golden Investments' largest shareholder.

Golden Investments also claims that by replacing Stewart Butel and Dan Clifford with its proposed nominees it will improve governance and provide the board with additional skills and expertise. We do not see how Golden Investments' proposed nominees will add any additional expertise or skills to the Board. Stewart Butel and Dan Clifford each possess a wealth of industry experience gained through operational and management roles in major resources companies and have demonstrated their ability to lead a Board and management team that has delivered record results and value for the Company and its Shareholders.

All of the performance issues raised by Golden Investments are irrelevant, ill-informed or immaterial. In light of this, the Board can only conclude that the true purpose for the Resolutions proposed by Golden

¹ASX Release 16 August 2019 "New Notice from Golden Investments under s249D received"

Investments is for Golden Investments to attempt to gain control of the Company without paying any premium to their fellow Shareholders.

The Company has sent a Notice of Extraordinary General Meeting and Explanatory Memorandum (including Proxy forms) to all Shareholders today.

Yours faithfully,

Ian Poole
Company Secretary

For further information, please contact:

Dan Clifford
Managing Director
07 3238 1000

Ian Poole
Chief Financial Officer & Company Secretary
07 3238 1000

About Stanmore Coal Limited (ASX: SMR)

Stanmore Coal operates the Isaac Plains coking coal mine in Queensland's prime Bowen Basin region. Stanmore Coal owns 100% of the Isaac Plains Complex which includes the original Isaac Plains Mine, the adjoining Isaac Plains East (operational), Isaac Downs (open cut mine project) and the Isaac Plains Underground Project. The Company is focused on the creation of shareholder value via the efficient operation of the Isaac Plains Complex and the identification of further development opportunities within the region. In addition, Stanmore Coal holds a number of high-quality development assets (both coking and thermal coal resources) located in Queensland Bowen and Surat basins.

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