

2 April 2020

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Our reference:

4024698

Dear Sir/Madam

On-market takeover offer by Golden Investments (Australia) Pte. Ltd. (Golden Investments) for all ordinary shares in Stanmore Coal Limited (ABN 27 131 920 968) (ASX: SMR) (Stanmore Coal)

We act for Golden Investments.

We enclose:

- (1) pursuant to Item 2 of section 635(1) of the *Corporations Act 2001* (Cth) (**Corporations Act**), a copy of our client's announcement of its on-market takeover offer for all of the ordinary shares in Stanmore Coal (**Offer**); and
- (2) pursuant to Item 3 of section 635(1) of the *Corporations Act*, a copy of our client's bidder's statement (**Bidder's Statement**) in relation to the Offer.

In accordance with Items 4 and 5 of section 635(1) of the *Corporations Act*, the Bidder's Statement and our client's announcement are today being served on Stanmore Coal and lodged with the Australian Securities and Investments Commission.

Yours faithfully



Adam Edelman
Partner
Norton Rose Fulbright Australia



David Jewkes
Partner
Norton Rose Fulbright Australia

Encl.



ASX ANNOUNCEMENT

GOLDEN INVESTMENTS ANNOUNCES UNCONDITIONAL ON-MARKET CASH OFFER FOR STANMORE COAL SHARES

Golden Investments (Australia) Pte. Ltd. (**Golden Investments**) announces an unconditional, on-market cash offer of \$1.00 per share (**Offer Price**) for all of the ordinary shares in Stanmore Coal Limited (**Stanmore Coal**) that it does not already own or control (**Offer**).

Golden Investments is currently Stanmore Coal's largest shareholder with voting power of 31.35%.

The Offer allows Stanmore Coal shareholders to realise certain and immediate value for their Stanmore Coal shares at an attractive premium in a challenging economic environment with an uncertain time horizon for recovery.

Stanmore Coal's share price has been steadily declining since July 2019 as its operational and financial performance and position continues to deteriorate. This share price fall has accelerated recently as a result of the impact of the coronavirus pandemic on local and global economies. The extent of the effect of the coronavirus pandemic on internal trade, consumption, production and the movement of people is currently unquantifiable.

This Offer represents a compelling opportunity for you to realise immediate, certain and attractive value for your Stanmore Coal shares in the face of an uncertain future.

The Offer Price represents an attractive 22.0% premium to the closing price of \$0.82 per Stanmore Coal share on the ASX on the last trading day before this announcement and a 27.3% premium to the 30-day volume weighted average price of Stanmore Coal shares to 1 April 2020.

Golden Investments has appointed its broker, Petra Capital Pty Ltd (**Petra Capital**), to purchase Stanmore Coal shares at the Offer Price from today in reliance on item 2 of section 611 of the Corporations Act. Stanmore Coal shareholders may sell some or all of their Stanmore Coal shares at the Offer Price immediately on-market and be paid cash two trading days after acceptance of the offer has been made.

Petra Capital will stand in the market on behalf of Golden Investments and accept up to 50,316,100 Stanmore Coal shares offered to it at the Offer Price from the date and time of this announcement. However, the Offer will officially be made during the period commencing 17 April 2020 and ending at the close of trading (4.00pm Sydney time) on 18 May 2020, unless extended or withdrawn in accordance with the Corporations Act.

The Offer is an unconditional cash offer and details of the Offer are set out in the bidder's statement, a full copy of which is attached to this announcement (**Bidder's Statement**). In accordance with the Corporations Act, the Bidder's Statement will be lodged with the Australian Securities and Investments Commission and sent to Stanmore Coal today. It is expected that the Bidder's Statement will be dispatched to Stanmore Coal shareholders as soon as possible following the date of this announcement.

Golden Investments may vary the Offer in accordance with the Corporations Act.

Petra Capital is acting as equity capital markets adviser and broker and Norton Rose Fulbright is acting as legal adviser to Golden Investments in relation to the Offer.

If you have any questions about the Offer, please contact the Offer Information Line during business hours on 1300 383 875 (from within Australia) or +61 3 9415 4192 (from outside Australia).

ENDS.

Golden Investments (Australia) Pte. Ltd

(Company Registration No : 201837382H)
20 Cecil Street #05-05 PLUS Singapore 049705
Tel : (+65) 68387500 • Fax : (+65) 62840074

Bidder's Statement

In relation to an unconditional on-market cash offer by

Golden Investments (Australia) Pte. Ltd.

to purchase all of your ordinary shares in

Stanmore Coal Limited

ABN 27 131 920 968

for \$1.00 per share

ACCEPT

If you sell your Stanmore Coal Shares to Golden Investments you will still receive in full the dividend announced on 26 February 2020 in respect of the Stanmore Coal Shares you held on 1 April 2020.

Information Hotline:

If you have any queries in relation to the Offer, please call the Offer Information Line on: 1300 383 875 (callers in Australia) or +61 3 9415 4192 (callers outside Australia) between 8:30am and 5:00pm (Sydney time) on Business Days.

This is an important document that requires your immediate attention. If you are in any doubt as to how to deal with this document, you should consult your financial or other professional adviser as soon as possible.

Australian Legal Adviser

 **NORTON ROSE FULBRIGHT**

Foreign Legal Adviser

 **Mehigan** LLP

Equity Capital Markets Adviser

 **PETRA**
CAPITAL

Important notices

This Bidder's Statement is dated 2 April 2020 and is given by Golden Investments (Australia) Pte. Ltd., a company owned by Golden Energy and Resources Limited and Ascend Global Investment Fund SPC, to Stanmore Coal under Part 6.5 of the Corporations Act in relation to the Takeover Bid for all of the Stanmore Coal Shares. This Bidder's Statement was lodged with ASIC and ASX on 2 April 2020. Neither ASIC, ASX or any of their respective officers takes any responsibility for the content of this Bidder's Statement.

This Bidder's Statement does not take into account your individual investment objectives, financial situation or particular needs. Before deciding whether to accept the Offer under this Bidder's Statement, you should consider the contents of this Bidder's Statement in light of your personal circumstances (including financial and taxation issues) and seek professional advice from an accountant, stockbroker, lawyer or other professional adviser.

Key Dates

Date of announcement of Takeover Bid	2 April 2020
Date of Bidder's Statement and lodgement with ASIC	2 April 2020
Opening date of Offer	17 April 2020
Closing date of Offer (unless extended or withdrawn)	4:00pm (Sydney time) on 18 May 2020

Key Contacts

Share Registrar	Offer Information Line
Computershare Investor Services Pty Limited GPO Box 52 Melbourne, Victoria 3001	(within Australia) 1300 383 875 (outside Australia) +61 3 9415 4192

How to accept the Offer

You may sell some or all of your Stanmore Coal Shares on ASX at the Offer Price on and from the Announcement Date until the end of the Offer Period.

Petra will stand in the market to acquire, on behalf of Golden Investments, up to 50,316,100 Stanmore Coal Shares offered at the Offer Price during normal trading on ASX on and from the Announcement Date. Once the Offer Period is open, Petra will stand in the market to acquire, on behalf of Golden Investments, all Stanmore Coal Shares issued or to be issued at the Offer Price.

- **If your Stanmore Coal Shares are in an Issuer Sponsored Holding (your SRN begins with an "I"):**

To sell your Stanmore Coal Shares, you must instruct your Broker to accept the Offer before the end of the Offer Period.

- **If your Stanmore Coal Shares are in a CHES Holding (your HIN begins with an "X"):**

To sell your Stanmore Coal Shares, you must instruct your Controlling Participant (usually your Broker) to accept the Offer on your behalf before the end of the Offer Period.

- **If you are Broker or a Participant**

Acceptance of the Offer must be initiated in accordance with the requirements of the ASX Settlement Operating Rules before the end of the Offer Period.

You are not required to complete any forms to accept the Offer.

Disclaimer as to forward looking statements

This Bidder's Statement may include certain statements that are in the nature of forward looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties which could cause actual values, results, performance or achievements to differ materially from those expressed, implied or projected in any forward looking statement.

The forward looking statements in this Bidder's Statement reflect the views held only as at the date of this Bidder's Statement. While Golden Investments believes that the expectations reflected in the forward looking statements in this document are reasonable, no assurance can be given that such expectations will prove to be correct. You are cautioned not to place undue reliance on any forward looking statement.

Defined terms

A number of defined terms are used in this Bidder's Statement. These terms are explained in Section 13 of this Bidder's Statement.

Time

All references to time in this Bidder's Statement are to Sydney time.

Information on Stanmore Coal

The information on Stanmore Coal contained in this Bidder's Statement is based on publicly available information. None of the information in the Bidder's Statement concerning Stanmore Coal's business has been verified by Golden Investments for the purpose of this Bidder's Statement. Accordingly, subject to the Corporations Act, Golden Investments does not make any representation or warranty, express or implied, as to the accuracy or completeness of the information. The information on Stanmore Coal in this Bidder's Statement should not be deemed to be comprehensive. Further information on Stanmore Coal's business will likely be included in the Target's Statement.

Foreign Shareholders

The Offer is being proposed and will be conducted in accordance with the laws in force in Australia and the ASX Listing Rules. The disclosure requirements in relation to the Offer in Australia will differ from those applying in other jurisdictions.

The distribution of this Bidder's Statement in countries outside of Australia may be restricted by law or regulation. If you are a foreign Shareholder and in possession of this Bidder's Statement, please ensure that you are aware of and observe any restrictions imposed in your jurisdiction.

Privacy

Golden Investments has collected your information from the register of Shareholders for the purpose of making this Offer. The Corporations Act requires the name and address of Shareholders to be held in a public register. Your information may be disclosed on a confidential basis to Golden Investments and its Related Bodies Corporate and external service providers, and may be required to be disclosed to regulators such as ASIC.

Reserves and resources

Unless otherwise indicated, all reserves and resources information in this document in respect of Stanmore Coal has been extracted from information included in public documents filed by Stanmore Coal. This information has not been verified by Golden Investments.

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Section 1 – Directors' Letter

2 April 2020

Dear Shareholder,

Cash Offer of \$1.00 per Stanmore Coal Share

On behalf of Golden Investments, a company owned by GEAR and Ascend Global, we are pleased to present you with our Offer to acquire all of your Stanmore Coal Shares for \$1.00 in cash per Stanmore Coal Share. The Offer provides the opportunity for Shareholders to receive certain and immediate value in a challenging global economic environment.

Golden Investments is Stanmore Coal's largest shareholder with an interest of 31.35%. Golden Investments is now offering to acquire the remaining Stanmore Coal Shares it does not already own or control.

The global financial crisis (**GFC**) created significant market turmoil and uncertainty. Unlike the current coronavirus pandemic, the primary causes of the GFC could be assessed allowing development of a pathway to recovery. However, coronavirus is not yet controlled and continues to spread rapidly in various countries. Coronavirus is affecting all aspects of life including amongst others closing down of offices and factories as companies move to remote work and travel curtailments. Most recently, cities and parts of countries are in or moving toward lockdowns. All of these events have a knock-on effect on global demand and industrial production. Global ratings agencies have highlighted that the sudden and severe curtailment of economic activities caused by coronavirus may lead to a contraction of the global economy and are forecasting a global recession this year. The path forward for the global economy remains uncertain and will do for some time.

The extent of the effect of the coronavirus pandemic on internal trade, consumption, production and the movement of people is currently not fully quantifiable. China's first macroeconomic data capturing the effects of coronavirus was much worse than expected. Industrial production in China fell a staggering 12.3% in January-February compared with the same period last year, four times the consensus forecast decline. The virus is likely to continue to have a severe impact on global equity markets.

Golden Investments believes that its Offer represents a compelling opportunity for Shareholders to realise immediate and certain liquidity at an attractive cash value for Stanmore Coal Shares in the face of an uncertain future.

Reasons to accept the Offer include:

- Stanmore Coal's operational and financial performance and financial position continues to deteriorate;
- the unconditional cash Offer provides all Shareholders with a full liquidity opportunity providing immediate value for your Stanmore Coal Shares at an attractive 22.0% premium to the trading price of Stanmore Coal shares immediately prior to the Announcement Date and a 27.3% premium to the 30 trading day VWAP, which is particularly valuable in light of the global coronavirus pandemic and consequent market turmoil;
- the Offer allows Shareholders to eliminate further exposure to the risks associated with current market conditions as well as the challenges inherent in the future development of Stanmore Coal's full asset portfolio;
- Stanmore Coal's share price has fallen significantly and may fall further if Golden Investments' Offer is unsuccessful; and
- the likelihood of a counter bidder emerging with a superior successful proposal is low. The unsolicited non-binding indicative approach by Winfield Energy in August 2019 was unsuccessful.

Stanmore Coal is a single operating asset company, and largely dependent on the Isaac Plains complex as its sole producing mining operation. Stanmore Coal's production capacity has remained stagnant due to constraints of its Coal Handling and Preparation Plant.

Stanmore Coal's financial performance and position has deteriorated significantly and in addition to being subject to the general market risks described, the exploitation of Stanmore Coal's other development assets remains highly uncertain in light of a more stringent permitting environment, and requires investment of substantial resources whilst facing significant infrastructure, project and financing risks. Further details of these risks are outlined in Section 3.3.

GEAR and Ascend Global own Golden Investments. GEAR is one of the largest and fastest growing coal producers in Indonesia. Since its last offer in 2018 for Stanmore Coal Shares, GEAR has increased its coal production from 22.7 million tonnes in 2018 to 30.8 million tonnes in 2019, an increase of almost 40%. Ascend Global is an investment fund and will complement GEAR in this Offer with provision of capital from its fund investors.

The Offer is unconditional so you may sell your Stanmore Coal Shares immediately, and realise cash proceeds within two Trading Days after your acceptance (that is, on a T+2 basis).

To accept the Offer, please follow the instructions as set out in this Bidder's Statement. The Offer is scheduled to close at the end of trading (4:00pm Sydney time) on 18 May 2020, unless extended in accordance with the Corporations Act.

If you have any questions about the Offer, please contact the Offer Information Line during business hours on 1300 383 875 (from within Australia) or +61 3 9415 4192 (from outside Australia).

We strongly encourage you to accept the Offer as soon as possible for the reasons set out in this Bidder's Statement.

Yours faithfully



Mr. Mark Zhou
Director, Golden Investments



Mr. Mulyadi Tjandra
Director, Golden Investments

Section 2 – Terms of the Offer and how to accept

2.1 Offer

Golden Investments offers to buy all of your Stanmore Coal Shares on issue and listed for quotation on ASX or to be issued and listed during the Offer Period on the terms and conditions set out in this Bidder's Statement.

The Offer extends to Stanmore Coal Shares that come into existence (or become unrestricted and quoted on ASX under the Stanmore Coal General Employee Share Plan Rules) at any time between the Announcement Date and during the Offer Period, including any Stanmore Coal Shares issued under Stanmore Coal's Dividend Reinvestment Plan in connection with the dividend announced on 26 February 2020, and as a result of the vesting of Performance Rights. However, Golden Investments is not offering to acquire the Performance Rights themselves (or any other securities that confer rights to be issued Stanmore Coal Shares).

You have the option of accepting this Offer for all or some of your Stanmore Coal Shares.

Petra has been appointed to act as broker and accept Stanmore Coal Shares offered on behalf of Golden Investments at the Offer Price until the end of the Offer Period (see Petra's announcement dated 2 April 2020, a copy of which is attached to this Bidder's Statement at Annexure A).

2.2 Offer Price

\$1.00 per Stanmore Coal Share in cash.

2.3 No conditions

The Offer is not subject to any conditions.

2.4 How to accept the Offer

See the inside cover of this Bidder's Statement and Section 4 for details on how to accept the Offer, which depends on the nature of your holding. You are not required to complete any forms to accept the Offer.

2.5 Offer Period

The Offer is open for acceptance between Friday, 17 April 2020 and the end of trading (4:00pm Sydney time) on Monday, 18 May 2020, unless it is extended or withdrawn by Golden Investments.

From the time trading in Stanmore Coal Shares commences on the Announcement Date, Petra will stand in the market to acquire on behalf of Golden Investments up to 50,316,100 Stanmore Coal Shares offered to it at the Offer Price, prior to the commencement of the Offer Period. Once the Offer Period is open, Petra will stand in the market to acquire, on behalf of Golden Investments, all Stanmore Coal Shares issued or to be issued at the Offer Price.

2.6 Extension of the Offer Period

Golden Investments may extend the Offer Period in accordance with the Corporations Act. If such extension is made, it will be announced to ASX.

If, within the last 7 days of the Offer Period, either of the following events occur:

- a) the Offer Price is increased; or
- b) Golden Investments' Voting Power in Stanmore Coal increases to more than 50%,

then the Offer Period will automatically extend so that it ends 14 days after the relevant event, subject to any further extensions in accordance with the Corporations Act.

Golden Investments may extend the Offer Period in its discretion at any time prior to the last five Trading Days of the Offer Period or in certain limited circumstances at any time prior to the end of the Offer Period (subject to compliance with the law).

2.7 Expected date of payment to Shareholders who accept the Offer

The usual rules for settlement of transactions which occur on-market on ASX will apply in respect of Golden Investments' purchase of Stanmore Coal Shares pursuant to the Offer.

If you accept the Offer, you will be paid in accordance with normal on-market trading timeframes on a T+2 basis (being two Trading Days after your acceptance).

2.8 Brokerage and other costs

As the Offer is being made pursuant to an on-market takeover bid, Offers will be made during normal trading on ASX. Accepting Stanmore Coal Shareholders may only accept the Offer through Brokers who are members of ASX. Any brokerage or other fees charged by such Brokers will be the sole responsibility of the accepting Shareholder.

There will be no stamp duty or GST payable by you on the transfer of your Stanmore Coal Shares to Golden Investments (other than GST payable to your Broker in respect of brokerage fees charged to you).

All costs and expenses of the preparation, dispatch and circulation of the Bidder's Statement and this Offer will be paid by Golden Investments.

2.9 Withdrawal

Golden Investments may withdraw the Offer in respect of any Offers that are unaccepted at any time:

- with the written consent of ASIC, which consent may be subject to conditions;
- where a Prescribed Occurrence occurs, if at the time of the Prescribed Occurrence Golden Investment's Voting Power in Stanmore Coal is at or below 50%; or
- upon the occurrence of an Insolvency Event in relation to Stanmore Coal (regardless of Golden Investments Voting Power in Stanmore Coal).

Notice of withdrawal must be given by Golden Investments to ASX.

Any withdrawal will not unwind or otherwise impact Stanmore Coal Shares acquired under the Offer before any notice of withdrawal.

2.10 Variation of the Offer

Golden Investments reserves the right to vary the Offer in accordance with the Corporations Act. If you have sold your Stanmore Coal Shares prior to any such variation, you will not receive any benefit from the variation.

2.11 Jurisdiction

This Offer and any contract that results from your acceptance of the Offer are governed by the laws in force in Queensland, Australia.

This Offer is not registered in any jurisdiction outside Australia (unless an applicable foreign law treats it as registered as a result of the Bidder's Statement being lodged with ASIC). It is your sole responsibility to satisfy yourself that you are permitted to accept the Offer in accordance with any applicable foreign law.

Section 3 – Reasons to accept the Offer

- ✓ Stanmore Coal's operational and financial performance and financial position continues to deteriorate.
- ✓ The Offer provides Shareholders with a full cash liquidity opportunity, particularly valuable in light of global pandemic and consequent market turmoil.
- ✓ The Offer is an unconditional cash offer, provides assured value for Stanmore Coal Shares on-market and timely basis, eliminating exposure to significant risks that could negatively affect the value of your Stanmore Coal Shares.
- ✓ The Offer represents an attractive premium to the current trading price of Stanmore Coal Shares.
- ✓ The likelihood of a counter bidder emerging with a superior successful proposal is low. The unsolicited non-binding indicative approach by Winfield Energy in August 2019 was unsuccessful.
- ✓ Stanmore Coal share price has fallen significantly since the termination of discussions with Winfield Energy in October 2019 and may fall further if Golden Investments' Offer is unsuccessful.

3.1 Stanmore Coal's operational and financial performance and financial position continues to deteriorate

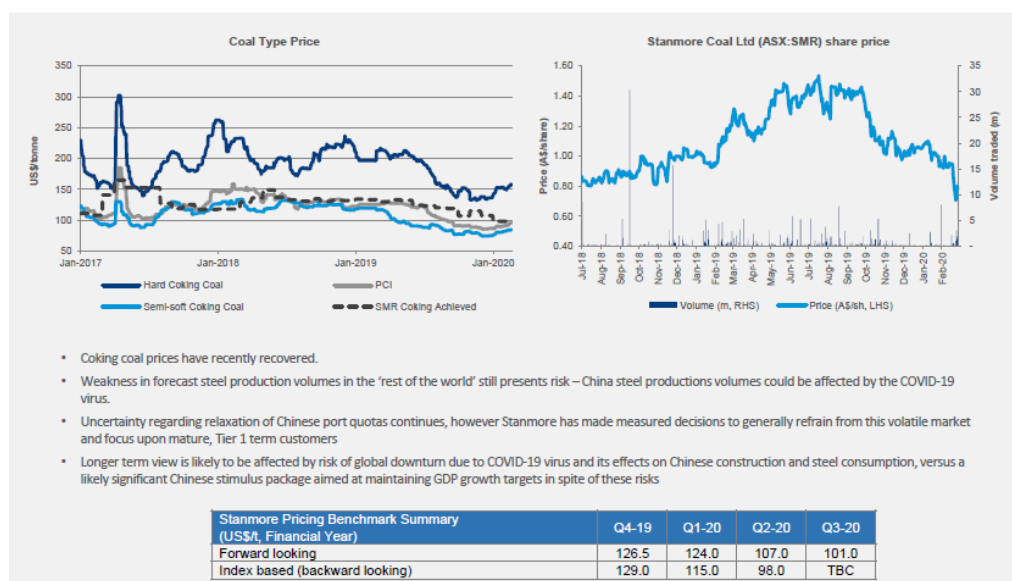
Stanmore Coal's operational performance has deteriorated with increased FOB cash costs (ex. royalty) from \$88.8/tonne in respect of FY2019 to a guidance of \$100/tonne (ex. royalty) in respect of FY2020 as announced on 17 October 2019, which was subsequently revised to \$107/tonne (ex. royalty) on 14 January 2020.

Stanmore Coal's financial performance and position has deteriorated significantly. Stanmore Coal's net cash position fell by almost 40% from \$90.7 million as at 30 September 2019 to \$57.9 million as at 31 December 2019. The net cash position of \$57.9 million is before tax payable to the Australian Tax Office in respect of FY2019's earnings and the interim dividend payable in respect of 1H 2020.

As mentioned in Stanmore Coal's investor presentation dated 2-3 March 2020 (relevant extract below), outlook remains uncertain due to (i) weak forecasted steel production volumes in the rest of the world and potential negative impact on Chinese steel productions volumes due to the impact of the coronavirus and (ii) Stanmore Coal's benchmarking pricing indexes trending downwards on a quarterly basis.

Outlook and Guidance

stanmorecoal



3.2 The Offer provides all Shareholders a full liquidity opportunity, particularly valuable in light of global pandemic and consequent market turmoil

The Offer provides all Shareholders with access to full cash liquidity for their Stanmore Coal Shares.

Stanmore Coal Shares have historically traded at modest volumes on the ASX, where on average, trading value in the Stanmore Coal Shares assessed over a 180 trading day period does not exceed \$822,000 on a daily basis, and only 52.1% of total shares on issue are turned-over, during the same period (a full calendar year has approximately 260 trading days).

Historical share trading turnover/liquidity of Stanmore Coal Shares (\$)

	Average Daily Turnover (Trading Value) \$'000	Average Daily Volume (Shares Traded) '000	Total Turnover (Trading Value) \$' million	Total Volume (Shares Traded) million	Total Volume as % of Shares Issued
30 Trading Days	774	985	23.2	29.6	11.5%
60 Trading Days	682	798	40.9	47.9	18.7%
90 Trading Days	536	611	48.2	55.0	21.5%
180 Trading Days	822	741	148.0	133.4	52.1%
360 Trading Days	890	781	320.5	281.2	109.8%

Source: IRESS as at 1 April 2020. Based on 256,094,238 current Stanmore Coal Shares on issue, as per Appendix 3B dated 24 October 2019. Based on ASX Trading Days.

If Stanmore Coal remains listed on the ASX following the Closing Date, the market for your Stanmore Coal Shares may become more illiquid than the market for Stanmore Coal Shares before the Announcement Date. A reduction in liquidity for Stanmore Coal Shares may result in difficulty in realising your investment in Stanmore Coal on market following completion of the Offer Period.

3.3 The Offer is an unconditional cash offer and provides you with assured value for your Stanmore Coal Shares on-market and on timely basis, eliminating significant risks that could negatively affect the value of your Stanmore Coal Shares

The Offer provides certainty of value in cash on a timely basis. By accepting the Offer, you will receive \$1.00 in cash per Stanmore Coal Share two business days after your acceptance. The usual rules for settlement of transactions will apply, meaning that you should be paid cash on a T+2 basis (being 2 Trading Days after your acceptance).

The Offer provides certainty for Shareholders in that it is unconditional. Golden Investments has already obtained approval from the Australian Foreign Investment Review Board.

The certainty of the cash received under the Offer should be compared to the risks and uncertainties of remaining a Shareholder. These risks include, but are not limited to:

- (1) Stanmore Coal's operational and financial performance and financial position continues to deteriorate due to increased costs and a significant reduction in cash balance (see Section 3.1 for additional information);
- (2) Stanmore Coal remains a single operating asset company with the Isaac Plains complex being Stanmore's only asset in production. Stanmore's production capacity has remained stagnant as it is constrained by the current capacity of its Coal Handling and Preparation Plant;

-
- (3) operationally, FOB cash costs for Isaac Plains East have not stabilised. The exploitation and development of the Isaac Plains complex has been undertaken for years and plans to exploit its residual potential are already well progressed. However, further expansion of production in the Isaac Plains Complex and the exploitation of Stanmore Coal's other development assets remains highly uncertain, would require the investment of substantial capital, and would be subject to significant risks, including those outlined below;
 - (4) fluctuations in commodity prices, especially in coking coal prices as seen in 2019 due to import restrictions and policy uncertainty in China. Commodity prices may fluctuate materially in the future as a result of changing supply and demand dynamics, technological advancements, forward selling activities and other macro-economic factors;
 - (5) seaborne coal prices are highly dependent on the outlook for coal consumption amongst the major Asian economies such as China, Japan, India and South Korea. China in particular has been a major driver of global demand and pricing for commodities. China's economy has slowed and is also facing headwinds from trade tensions with the United States and the coronavirus outbreak, which has led to disruptions in industrial activity and even slower GDP growth. This may negatively impact the demand for coal, in particular, coking coal. Demand from other key coking coal importers such as India, Japan and South Korea have also remained subdued in 2019, and a weaker trend may continue in 2020;
 - (6) exploration and development risk factors, including environment permitting, unforeseen geological and geotechnical difficulties, risks that development may not be completed on schedule, risk of overruns in construction costs and potential for significant problems in mine commissioning. With the exception of the Isaac Plains complex (which is in production) and the Range Thermal Coal project, all of Stanmore Coal's other projects are in exploration stage and have neither completed a pre-feasibility study nor a definitive feasibility study;
 - (7) financing uncertainty, including difficulties in securing funding for projects because of fluctuations in capital market conditions, changing government policies or adverse changes in economic environment. The global capital markets have recently witnessed significant volatility as a result of the end of quantitative easing by reserve banks around the world which, coupled with the current pandemic, has led to reduced availability of finance and increased cost of finance;
 - (8) operational and technical risk factors, including unexpected operational and technical difficulties encountered in production, labour and equipment shortages, mine safety, industrial and environmental disputes, insufficient or unreliable infrastructure (such as power, water and transport), adverse weather conditions (local storms or heavy rains) and natural disasters, such as Cyclone Debbie in Queensland in 2017 and the very recent Australian bushfires;
 - (9) adverse movement of foreign exchange and equity market conditions may affect the market value of Stanmore Coal Shares;
 - (10) the outlook for international and local economies will affect the value of your Stanmore Coal Shares including the outlook for commodities, inflation, interest rates, economic policies, and other general economic conditions. In conjunction with the United States trade tensions with China, uncertainties related to BREXIT and the recent headwinds from coronavirus affecting economies of China and other countries have led to significant volatility in the global capital markets, including the Australian markets;
 - (11) mining, by nature, has the potential to impact our environment, including our land, water resources and related ecosystems. Environmental legislation has, and may continue to become more stringent requiring compliance with additional standards and a heightened degree of responsibilities for companies and their shareholders, directors and employees. This may prevent or delay project approvals and result in increased costs of mining operations, rehabilitation costs, offsets or compensatory actions; and
 - (12) emissions from coal consumption (both the use of thermal coal in power generation and through the end use of coal by customers in coking plants and in the steelmaking process), emissions from coal production and transportation (predominantly from the combustion of fuel) and emissions from coal mining itself (which can release methane directly into the atmosphere) are

subject to pending and proposed regulation as part of initiatives to address global climate changes. A number of national governments have already introduced, or are contemplating the introduction of, regulatory responses to greenhouse gas emissions, including from the extraction and combustion of fossil fuels, to address the impacts of climate change. This includes Australia, as well as customer markets such as China, India and Europe. Increased climate change regulation (such as carbon taxes or other charges) may adversely affect coal miners – either directly or indirectly, through suppliers and customers.

3.4 The offer represents an attractive premium to the current trading price of Stanmore Coal Shares

The Offer represents a premium of:

- (1) 22.0% to the last traded price of Stanmore Coal Shares on 1 April 2020, being the Business Day prior to the Announcement Date;
- (2) 27.3% to the 15-day VWAP of Stanmore Coal Shares prior to the Announcement Date; and
- (3) 27.3% to the 30-day VWAP of Stanmore Coal Shares prior to the Announcement Date; and
- (4) 14.1% to the 90-day VWAP of Stanmore Coal Shares prior to the Announcement Date.



Source: IRESS as at 1 April 2020.

3.5 Likelihood of a counter bidder emerging with a superior successful proposal is low

On 7 August 2019, Stanmore Coal announced that it had received an unsolicited, non-binding, indicative proposal to acquire 100% of Stanmore Coal Shares from Winfield Energy. However, after two months of due diligence and entering into a process deed with Stanmore Coal, Winfield Energy terminated the discussions on 17 October 2019. No other proposals for all of the Stanmore Coal Shares have been made since the Winfield Energy proposal.

In addition, as Golden Investments holds Voting Power of 31.35% in Stanmore Coal, in order for any alternate proposal to be successful it would likely require Golden Investments' support. In light of this, Golden Investments is of the view that a counter bidder emerging with a superior successful proposal is low.

On 29 March 2020, the Australian Treasurer announced changes to Australia's foreign investment approval process, lowering the investment approval threshold to \$0 and extending the decision timeframe from 30 days to 6 months. In light of these changes, Golden Investments considers it unlikely that any other foreign person would obtain approval from the Foreign Investment Review Board in order to make a superior successful proposal within the next 6 months. Golden Investments received written advice from the Treasurer on 26 February 2020 that the Commonwealth Government has no objections to the acquisition by Golden Investments of Stanmore Coal Shares.

As at the date of this Bidder's Statement, Golden Investments is not aware of any other available offer to Shareholders.

3.6 Stanmore Coal share price has fallen significantly since October 2019 and may fall further if Golden Investments' Offer is unsuccessful

On 17 October 2019 Stanmore Coal announced that a process deed in relation to the non-binding indicative proposal with Winfield Energy had terminated. Stanmore Coal's share price has reduced significantly since the termination of the Winfield Energy offer.

The 30 Trading Days' VWAP of Stanmore Coal Shares ending:

- (1) 16 October 2019 (the date before the announcement of the termination of the Winfield Energy offer) was \$1.31 per Stanmore Coal Share;
- (2) 31 December 2019, \$1.03 per Stanmore Coal Share; and
- (3) on the Announcement Date, \$0.79 per Stanmore Coal Share.

The last closing price before the Announcement Date was \$0.82 per Stanmore Coal Share.

This represents a reduction in the 30 Trading Day VWAP value of Stanmore Coal Shares of approximately 21% over an approximately a 3 month period between 16 October 2019 and 31 December 2019, and a reduction of approximately 40% over an approximately 6 month period between 16 October 2019 and the Announcement Date.

The price of Stanmore Coal Shares has also fallen approximately 47% from its last 12 months high (on 18 July 2019).

Acknowledging other factors may influence the Stanmore Coal share price, there is a real risk that the Stanmore Coal share price will fall (as it previously has), if the Offer is not successful and no alternative offer or proposal emerges. In this event, Shareholders will lose the opportunity to realise their Stanmore Coal Shares for the value available under the Offer, with little certainty of a subsequent opportunity.

Section 4 – Frequently Asked Questions

What is the Offer?	<p>Golden Investments is making an on-market, unconditional cash offer to acquire all of your Stanmore Coal Shares. If you accept the Offer, you will receive \$1.00 for each of your Stanmore Coal Shares accepted under the Offer.</p> <p>You may accept the Offer in respect of all or some of the Stanmore Coal Shares held by you.</p>
Who is Golden Investments?	<p>Golden Investments is a private company incorporated in Singapore.</p> <p>Golden Investments was incorporated for the sole purpose of acquiring Stanmore Coal Shares. As a special purpose vehicle, Golden Investments has no material assets other than its existing holding of 31.35% in Stanmore Coal Shares and no material liabilities other than its share capital and loans from shareholders.</p> <p>Golden Investments is owned 99.9999% by GEAR and 0.0001% by Ascend Global. The ownership proportions may vary depending on the level of acceptances received under the Offer as GEAR and Ascend Global have committed to provide equity funding to Golden Investments to pay the Offer consideration and GEAR will provide the funding to acquire the first 60% of Stanmore Coal Shares (including Golden Investments' current holding in Stanmore Coal Shares) (see Section 10.2 for details of this arrangement).</p> <p>GEAR is a Singaporean company which is principally engaged in the exploration, mining, processing and marketing of thermal coal sourced from its coal mining concession areas covering an aggregate area of approximately 66,204 hectares in South Kalimantan, Central Kalimantan, Jambi and South Sumatra in Indonesia. GEAR is listed on the SGX Mainboard, with a market capitalisation as at 1 April 2020 of SGD\$463.6 million and is approximately 87% owned by entities affiliated with the Widjaja family of Indonesia. For the year ended 31 December 2019, GEAR reported consolidated revenues, EBITDA and net profit of US\$1,121.2 million, US\$128.7 million and US\$32.9 million, respectively.</p> <p>Ascend Global is an investment fund with assets under management of US\$52.6 million as on 31 December 2019. Ascend Global is managed by Ascend Capital, a Singapore incorporated company registered with the Monetary Authority of Singapore as a Registered Fund Management Company. Ascend Global has five sub funds namely Asian Distressed SP, Strategic SP, Asia Opportunity SP, Technology 1 SP and Technology 2 SP with a total net assets of US\$52.6 million as on 31 December 2019 (of which Asian Distressed SP, Strategic SP and Asia Opportunity SP have total net assets of US\$17.1 million, US\$34 million and US\$1.5 million respectively as on 31 December 2019).</p> <p>Ascend Global will invest in Golden Investments through ADSP.</p> <p>Refer to Section 5 for further information about Golden Investments and its shareholders.</p>
What is the Offer Price?	<p>The Offer Price is \$1.00 cash for each Stanmore Coal Share held.</p>
Why should I accept the Offer?	<p>You should accept the Offer for the following reasons:</p> <ul style="list-style-type: none">✓ Stanmore Coal's operational and financial performance and financial position continues to deteriorate.✓ The Offer provides Shareholders with a full cash liquidity opportunity, particularly valuable in light of global pandemic and consequent market turmoil.✓ The Offer is an unconditional cash offer, provides assured value for Stanmore Coal Shares on-market and timely basis, eliminating exposure to significant risks that could negatively affect the value of your Stanmore Coal Shares.

	<ul style="list-style-type: none"> ✓ The Offer represents an attractive premium to the current trading price of Stanmore Coal Shares. ✓ The likelihood of a counter bidder emerging with a superior successful proposal is low. The unsolicited non-binding indicative proposal by Winfield Energy in August 2019 was unsuccessful. ✓ Stanmore Coal share price has fallen significantly since the termination of discussions with Winfield Energy in October 2019 and may fall further if Golden Investments' Offer is unsuccessful. <p>Refer to Section 1 for a full explanation as to why you should accept the Offer.</p>
When does the Offer open?	<p>The Offer opens on 17 April 2020.</p> <p>However, you can sell your Stanmore Coal Shares on-market to Golden Investment immediately.</p>
When does the Offer close?	<p>Unless the Offer is extended or withdrawn, acceptances for the Offer close at the end of trading (4:00 pm Sydney time) on 18 May 2020.</p>
Is there any possibility that the Offer Period will be extended?	<p>The Offer Period can be extended at Golden Investments' election, subject to the Corporations Act. Any extension to the Offer Period will be announced to ASX and, if you have not accepted, you will be sent written notice of the extension.</p>
What is the Bidder's Statement?	<p>This document is the Bidder's Statement and describes the terms of the Offer for your Stanmore Coal Shares and sets out information relevant to your decision as to whether to accept the Offer for all or some of your Stanmore Coal Shares.</p>
Which securities does the Offer relate to?	<p>The Offer relates to Stanmore Coal Shares which exist or will exist and are listed for quotation on the ASX. It also extends to Stanmore Coal Shares that are issued during the period from the Announcement Date to the end of the Offer Period including any Stanmore Coal Shares issued under Stanmore Coal's Dividend Reinvestment Plan in connection with the dividend announced on 26 February 2020, due to vesting of Performance Rights which are on issue at the Announcement Date and any person who becomes registered as the holder of your Stanmore Coal Shares during the Offer Period.</p>
Can I accept the Offer in respect of some, but not all, of my Stanmore Coal Shares?	<p>Yes, you can accept the Offer in respect of some but not necessarily all of your Stanmore Coal Shares, or accept the Offer in respect of all of your Stanmore Coal Shares.</p> <p>If you accept the Offer only in respect of some of your Stanmore Coal Shares you should be mindful of the risks of being a minority Shareholder, as well as the other risks of an investment in Stanmore Coal.</p>
What is the expected date of payment to Shareholders who accept the Offer?	<p>The usual rules for settlement of transactions which occur on-market on ASX will apply. This means that, if you accept the Offer, settlement will occur in accordance with normal on-market trading timeframes on a T+2 basis (being 2 Trading Days after your acceptance).</p>
Are there conditions to the Offer?	<p>The Offer is not subject to any conditions.</p>
Is foreign investment approval required?	<p>On 26 February 2020, Golden Investments received written advice from the Treasurer of the Commonwealth of Australia (or his delegate) that the Commonwealth Government has no objections to the acquisition by Golden Investments of Stanmore Coal Shares.</p>

Does Golden Investments currently have a Relevant Interest in Stanmore Coal?	<p>Golden Investments currently holds 80,291,962 Stanmore Coal Shares, representing a Voting Power of 31.35%.</p> <p>Refer to Section 9.1 for more information.</p>
If I accept the Offer will I still be paid my dividend?	<p>Yes. You will receive in full the dividend announced on 26 February 2020 in respect of the Stanmore Coal Shares you held on the dividend record date (being 1 April 2020) even if you accept the Offer.</p>
What if I accept the Offer and Golden Investments increases the Offer Price?	<p>You accept the Offer Price at the time you accept the Offer.</p> <p>If Golden Investments increases the Offer Price, you will not receive any benefit from the variation in relation to an acceptance of the Offer prior to the increase in the Offer Price.</p>
What will happen if I do not accept the Offer?	<p>If you do not accept the Offer, you will remain a Shareholder and you will not be paid the Offer Price.</p> <p>If Golden Investments, together with its Associates, has a Relevant Interest in 90% or more of the Stanmore Coal Shares at the end of the Offer Period, it will seek to exercise its right to compulsorily acquire your Stanmore Coal Shares. If it exercises this right, you will be paid the Offer Price for your Stanmore Coal Shares. However, you will receive the Offer Price for your Stanmore Coal Shares earlier if you accept the Offer during the Offer Period rather than through the compulsory acquisition process.</p> <p>If Golden Investments does not, together with its Associates, have a Relevant Interest in 90% of the Stanmore Coal Shares at the end of the Offer Period, it will not be able to acquire your Stanmore Coal Shares through compulsory acquisition and you will remain a Shareholder.</p> <p>Refer to Section 7 for more information on Golden Investments' intentions for Stanmore Coal.</p>
What are the tax implications if I accept the Offer?	<p>Tax implications for accepting the Offer for your Stanmore Coal Shares will vary for each individual and you are advised to consult your financial, tax or other professional adviser on the tax implications of acceptance.</p> <p>A general summary of the likely Australian taxation implications of accepting the Offer is provided in Section 11 of this Bidder's Statement.</p>
How do I accept the Offer?	<p>You may sell some or all of your Stanmore Coal Shares on ASX at the Offer Price on and from the Announcement Date until the end of the Offer Period.</p> <p>Petra will stand in the market to acquire on behalf of Golden Investments (Australia) Pte. Ltd up to 50,316,100 Stanmore Coal Shares offered at the Offer Price during normal trading on ASX on and from the Announcement Date. If Golden Investments acquires all of those Stanmore Coal Shares it will increase Golden Investments' Voting Power to approximately 51%. Once the Offer Period is open, Petra will stand in the market to acquire, on behalf of Golden Investments, all Stanmore Coal Shares issued or to be issued at the Offer Price.</p> <p>Depending on the nature of your holding, you may accept the Offer in the following ways:</p> <ul style="list-style-type: none"> • If your Stanmore Coal Shares are in an Issuer Sponsored Holding (SRN beginning with "I"): Instruct any broker to accept the Offer before the end of the Offer period. • If your Stanmore Coal Shares are in a CHESS Holding (HIN beginning with "X"): Instruct your Controlling Participant (usually your broker) to accept the Offer on

	<p>your behalf before the end of the Offer Period.</p> <ul style="list-style-type: none"> If you are a Broker or an ASX Settlement Participant: <p>Acceptance of the Offer must be initiated in accordance with the requirements of the ASX Settlement Operating Rules <u>before</u> the end of the Offer Period.</p> Beneficial owners of Stanmore Coal Shares: <p>If you are a beneficial owner of Stanmore Coal Shares registered in the name of a broker, investment dealer, bank, trust company or other nominee, you should contact that nominee for assistance in accepting the Offer.</p> <p>You are not required to complete any forms to accept the Offer.</p>
Can I withdraw my acceptance?	<p>Once you accept the Offer, you will be unable to revoke your acceptance. The contract resulting from your acceptance will be binding on you and you will be unable to withdraw your acceptance, or otherwise dispose of your Stanmore Coal Shares to which the acceptance relates unless a withdrawal right arises under the Corporations Act or the ASX Settlement Operating Rules.</p>
Where do I go for further information about the Offer?	<p>If you have any queries in relation to the Offer, please call the Offer Information Line on: 1300 383 875 (callers in Australia) or +61 3 9415 4192 (callers outside Australia) between 8:30am and 5:00pm (Sydney time) on Business Days.</p> <p>Alternatively, you may contact your legal, financial or other professional adviser.</p> <p>Any further material information relating to the Offer from Golden Investments will be lodged with ASX. Further material information may also be the subject of a supplementary bidder's statement from Golden Investments. Stanmore Coal will also issue a Target's Statement which includes further information in relation to the Offer.</p>
Do I have to pay brokerage or stamp duty if I accept the Offer?	<p>No stamp duty or GST will be payable by you on the transfer of your Stanmore Coal Shares pursuant to the Offer (other than GST payable to your Broker in respect of brokerage fees charged to you).</p> <p>As the Offer is being made pursuant to an on-market takeover bid, Offers will be made during normal trading on ASX. Accepting Stanmore Coal Shareholders may only accept the Offer through Brokers who are members of ASX. Any brokerage or other fees charged by such Brokers will be the sole responsibility of the accepting Shareholder.</p> <p>All costs and expenses of the preparation, dispatch and circulation of the Bidder's Statement and this Offer will be paid by Golden Investments.</p>
Following the Offer, will Stanmore Coal remain a company listed on the ASX?	<p>This depends on the proportion of Stanmore Coal Shares acquired by Golden Investments under the Offer and the number of remaining Shareholders.</p> <p>If Golden Investments acquires a Relevant Interest in 90% or more of Stanmore Coal Shares, Golden Investments will compulsorily acquire the remaining Stanmore Coal Shares and Stanmore Coal will be delisted from the ASX.</p> <p>Refer to Section 7 for further information on Golden Investments' intentions for Stanmore Coal.</p>

Section 5 – About Golden Investments

5.1 Golden Investments

Golden Investments is a private limited company incorporated in Singapore on 1 November 2018. Golden Investments was established to acquire Stanmore Coal Shares and to make this Offer. Golden Investments has not undertaken any business other than activities associated with acquiring securities in Stanmore Coal.

At the date of this Bidder's Statement, Golden Investments is 99.9999% owned by GEAR, which is ultimately controlled by the Widjaja family of Indonesia and 0.0001% by Ascend Global. The proportionate interests of GEAR and Ascend Global may change as a result of them contributing equity funding to Golden Investments to fund the Offer consideration because GEAR will provide the funds to increase Golden Investments' Voting Power to 60%, after this Ascend Global will contribute to the funding requirements (see Section 10 for more information on the funding arrangements).

Golden Investments has no material assets other than its existing holding of 31.35% in Stanmore Coal Shares and no material liabilities other than its share capital and loans from shareholders. The operation and governance of Golden Investments is subject to Singaporean law.

Mark Zhou and Mulyadi Tjandra are directors of Golden Investments and their profiles are set out below.

Mark Zhou You Chuan, Director

Mr. Zhou is the Senior Head of Investments at GEAR. He is responsible for overseeing and managing GEAR's assets, fund raising and merger and acquisition activities as well as investor relations. Mr. Zhou has completed various equity and debt fund raisings as well as coal mine acquisitions for companies listed on the Singapore Stock Exchange and possesses over a decade of investment banking experience.

Mr. Zhou graduated from Nanyang Technological University with a Bachelor of Business Degree with double specialisation in banking, finance and business law.

Mulyadi Tjandra, Director

Mr. Tjandra is a director of Ascend Global and Ascend Capital, where he is a senior investment professional focused on investment origination and execution. Mr. Tjandra has been working in the financial industry for more than 20 years, specifically in corporate and private banking, where he was involved in the development and implementation of tailored investment solutions, estate planning, and asset allocation.

5.2 GEAR

Summary of Business

GEAR is a leading coal producer in Indonesia. It is principally engaged in the exploration, mining, processing and marketing of thermal coal sourced from its coal mining concession areas, covering an aggregate of approximately 66,204 hectares in South Kalimantan, Central Kalimantan, Jambi and South Sumatra in Indonesia.

GEAR is listed on the SGX Mainboard with a market capitalisation as at 1 April 2020 of SGD463.6 million and owns rights to mine more than 2.8 billion tonnes of thermal coal resources with coal reserves estimates of more than 1 billion tonnes as at 31 December 2019.

For the year ended 31 December 2019, GEAR reported consolidated revenues, EBITDA and net profit of US\$1,121.2 million, US\$128.7 million and US\$32.9 million, respectively.

In 2017, GEAR completed a strategic investment for approximately 10% of Westgold Resources Limited, an Australian gold producer listed on the ASX, to diversify its portfolio to include counter cyclical precious metals and to diversify its geographical scope of operations to include Australia.

On 14 January 2020, GEAR, through wholly-owned subsidiary Golden Investments (Australia) II Pte. Ltd, entered into an incorporated joint venture with Raven Gold Nominee Pty Ltd (as trustee on behalf of investors managed or advised by EMR Capital) to acquire the Ravenswood gold mine from Carpentaria Gold Pty Ltd and its parent company, Resolute Mining Limited. GEAR currently holds a 50% interest in the joint venture. This acquisition completed on 31 March 2020.

Shareholders

GEAR is 86.9% owned by PT Dian Swastatika Sentosa, a company listed on the Indonesian Stock Exchange and through its subsidiaries engaged in the business of power generation, coal mining and trading, wholesale trading, multimedia, and infrastructure in Indonesia. PT Dian Swastatika Sentosa's ultimate controlling shareholders are Mr. Franky Oesman Widjaja, Mr. Indra Widjaja and Mr. Muktar Widjaja. The remaining shares in GEAR are owned by public institutional and retail shareholders.

The Widjaja family controls the Sinar Mas group, one of the largest and established conglomerates in Indonesia, with business interests in diverse industries including, *inter alia*, mining, power generation, real estate, agriculture, telecommunications, as well as banking and financial services.

Registered Office and Principal Place of Business

The registered office and principal place of business of GEAR is at 20 Cecil Street, #05-05 PLUS, Singapore 049705.

Directors of GEAR

The directors of GEAR and a brief profile of each of them (unless they are a Director of Golden Investments) is set out below.

Lay Krisnan Cahya, Non-Executive Chairman

Mr. Cahya has over 30 years of working experience in banking and corporate and is currently the president director of PT Dian Swastatika Sentosa and president commissioner of Golden Energy Mines, a majority-owned subsidiary of GEAR which is listed on the Indonesian Stock Exchange. Mr. Cahya graduated from Tarumanagara University in 1986 majoring in Accounting and is a Fellow Member of the Institute of Public Accountants, Australia.

Fuganto Widjaja, Executive Director and Group Chief Executive Officer

As Group Chief Executive Officer, Mr. Widjaja is responsible for the day-to-day management of the affairs of GEAR. Mr. Widjaja has more than 15 years of experience in general management and supervisory responsibilities in the coal industry. Mr. Widjaja holds a Bachelor of Arts (Computer Science and Economics) from Cornell University and a Master's Degree in Philosophy (Finance) from the University of Cambridge.

Dwi Prasetyo Suseno, Executive Director and Deputy Group Chief Executive Officer

Mr. Suseno is responsible for managing operations for GEAR, including mining, logistics and coal marketing, as well as leading strategic initiatives and partnerships. Mr. Suseno began his career in Australia, where he was raised and educated. He was also previously an executive director and the chief financial officer at Straits Corporation Group, then was part of coal mining SGX-listed Straits Asia Resources Limited, and has over 20 years of general management, commercial and financial experience in mining, commodities and oil & gas related industries in both Australia and internationally. Mr. Suseno has also previously worked with Baker Hughes Inc. (a Fortune 500 NYSE listed oilfield services company), Arthur Andersen Australia and Ernst & Young LLP Australia. Mr. Suseno, a certified public accountant in both Australia and Singapore, graduated with a Bachelor of Commerce degree from the University of Western Australia, obtained a Postgraduate Diploma in Business from Curtin University, Western Australia and an Executive Masters in Business Administration from Kellogg School of Management & Hong Kong University of Science and Technology. He also holds a Graduate Diploma degree in Taxation Law Masters from the University of Melbourne, Australia.

Mochtar Suhadi, Executive Director

Mr. Suhadi has experience in general management of operations, mergers & acquisitions, exploration, joint ventures and joint operations of coal mines in Indonesia. Mr. Suhadi holds a Bachelor of Science from the University of Michigan.

Lim Yu Neng Paul, Non-Executive Director

Mr. Lim is an independent director. Mr. Lim has over 25 years of banking experience with international investment banks. Mr. Lim graduated with a Bachelor of Science in Computer Science and obtained his Master of Business Administration in Finance from the University of Wisconsin, Madison, United States of America. He is also a Chartered Financial Analyst.

Lew Syn Pau, Non-Executive Director

Mr. Lew is an independent director. Mr. Lew was a member of the Singapore Parliament from 1988 to 2001. Mr. Lew was a Singapore Government scholar and holds a Bachelor and Masters in Engineering from Cambridge University, United Kingdom and a Master of Business Administration from Stanford University.

Irwandy Arif, Non-Executive Director

Mr. Arif is an independent director. Mr. Arif has over 40 years of experience in the mining industry. Mr. Arif is an Independent Commissioner of Golden Energy Mines and PT Vale Indonesia Tbk and a member of the audit committee of the Board of Commissioners Golden Energy Mines, PT Adaro Energy Tbk and PT Tobabara Sejahtera Tbk. Mr. Arif graduated with a Bachelor of Engineering in Mining Engineering from the Bandung Institute of Technology, holds a Master's of Science in Industrial Engineering from the Bandung Institute of Technology and was conferred a Doctoral Degree from the Ecole des Mines de Nancy, France.

Djuangga Mangasi Mangunsong, Non-Executive Director

Mr. Mangunsong is an independent director. Mr. Mangunsong serves on the board of various companies and also as a member of the Working Group on Energy and Mineral Resources of Indonesia's National Committee for Economy and Industry. Mr. Mangunsong holds a Bachelor of Engineering degree in Mining Engineering from the Bandung Institute of Technology.

Publicly available information

The shares of GEAR are listed on the SGX Mainboard (Stock Code: AUE). As a result, GEAR is subject to disclosure obligations under the listing rules of SGX. These include obligations to disclose material information which may affect shareholders' rights, share price or investors decisions whether to invest in GEAR.

Further details of GEAR can be found at <http://www.gear.com.sg/>.

5.3 Ascend Global

Summary of Business

Ascend Global is an investment fund with assets under management of US\$52.6 million and is managed by Ascend Capital, a Singapore incorporated company registered with the Monetary Authority of Singapore (MAS) as a Licensed Fund Management Company (LFMC).

Ascend Capital holds a Capital Markets Services (CMS) license issued by the MAS, which is the primary financial and financial services regulatory body in Singapore. Pursuant to this CMS license, and in accordance with Singapore laws and MAS rules and regulations, Ascend Capital provides fund management services to Ascend Global.

Ascend Capital draws its investment expertise and professional strength from the vast experience and successful track record of its investment professionals. Ascend Capital's multi-disciplinary team of

professionals holds close to 100 years of collective experience in high-level investment management. The team possesses deep knowledge and understanding of the dynamics of the financial markets spanning across various assets classes including public and private equities, fixed income, derivatives and real estate, having successfully handled more than US\$5 billion worth of transactions over the last 10 years.

Ascend Global will invest in Golden Investments through its sub fund named ADSP. The investment objective of ADSP is long term capital appreciation via investment in various asset classes and across capital structures such as public and private equity, mezzanine loan, secured and unsecured debt such as fixed income bonds and loans, and hybrid debt with equity kickers such as options and warrants, amongst other financial instruments. The undrawn capital commitments of US\$75 million from investors in ADSP for this transaction are unconditional commitments that are expressed to be legally binding and governed in accordance with the laws in Singapore, and can be drawn down by Ascend Global as and when required.

Ownership

ADSP is a sub fund of Ascend Global which is managed by Ascend Capital.

Both Ascend Global and Ascend Capital were founded by and ultimately controlled by Mr. Halim Susanto.

Mr. Susanto is a highly regarded banker with deep experience in fixed income investment, structured financing, equity investment (public and private) and foreign exchange trading that spans over 20 years in the financial industry.

He was formerly the Commissioner (2005-2008) and Chief Executive Officer (2008-2013) of PT RHB OSK Securities Indonesia, where he was responsible for the overall management of the company and its asset management, debt and equity markets and corporate finance subsidiaries. He was also involved in providing investment direction to the CIO and portfolio teams, during his time at OSK Nusadana Asset Management. Prior to his appointments at PT RHB OSK Securities Indonesia, he was the Managing Director at Bank of International Indonesia (2000-2003), the Head of Treasury (1998-2000) and Head of Derivatives Marketing (1996-1998) at Standard Chartered Bank Indonesia. In the early seven years of his career since graduation from university, he was a Money Market Dealer and FX trader with Citibank, Rabobank, and American Express Bank.

Mr. Susanto graduated from University of Houston with Bachelors in Finance and Accounting.

Registered Office

Ascend Global is an exempted company incorporated with limited liability and registered as a segregated portfolio company in Cayman Islands. The registered address of Ascend Global is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

Section 6 – About Stanmore Coal

6.1 Disclaimer

The information set out in this Bidder's Statement in relation to Stanmore Coal has been prepared by Golden Investments using publicly available information, which has not been independently verified. Accordingly, Golden Investments does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of such information.

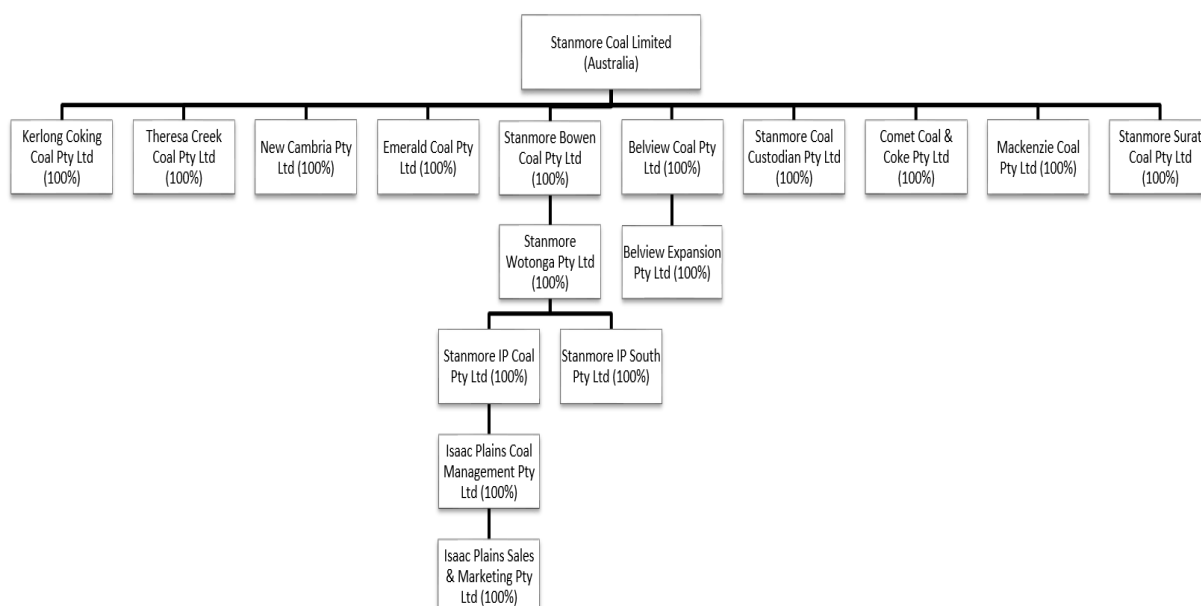
Further information relating to Stanmore Coal's business may be included in Stanmore Coal's Target's Statement.

6.2 Overview of Stanmore Coal

The principal activities of the Stanmore Coal Group is the exploration, development, production and sale of metallurgical and thermal coal.

Stanmore Coal Group

The entities which are part of the Stanmore Coal Group are set out below.



6.3 Projects

The Stanmore Coal Group has an interest in the following coal projects in Queensland:

Project Name	Tenement Stanmore Coal Resources	Coal Type	Measured Resources	Indicated Resources	Inferred Resources	Total Resources
Isaac Plains	ML 70342	C, T	22.2	21.3	9	52
	ML 700018 ML 700019					
Isaac Plains East Open Cut	ML 700016	C	12.9	8.8	8	30
	ML700017 ML700018 ML700019					

Project Name	Tenement Stanmore Coal Resources	Coal Type	Measured Resources	Indicated Resources	Inferred Resources	Total Resources
Isaac Downs (Wotonga)	MDL 137 EPC 728	C, PCI	17	12	4	33
Isaac South	EPC 755	C, T	11.9	14.5	25	52
Isaac Plains Complex	Sub Total		64	56.6	46	167
Clifford	EPC 1274 EPC 1276	T	0	200	430	630
The Range	EPC 1112 EPC 2030	T	18.1	187	81	286
Surat Basin Complex	Sub Total		18.1	387	511	916
Mackenzie	EPC 2081	C, T	0	25.7	117	143
Belview	EPC 1114 EPC 1186 EPC 1798	C, PCI	0	50	280	330
Tennyson	EPC 1168 EPC 1580	T	0	0.0	139	139
Lilyvale	EPC 1687 EPC 2157	C	0	0	33	33
Total Coal Resources			82.1	519.3	1,126	1,728

Source: Stanmore Coal 2019 Annual Report announced to ASX on 9 October 2019. See pages 14 and 106 of the Annual Report for the relevant Competent Person's statements. This information has been included without Stanmore Coal's consent.

Note: Tonnes in millions. All Coal Resources are reported on a 100% basis, and 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.

Coal Types Potential Legend:

C – Coking Coal, semi-soft or greater potential

PCI – Pulverised Coal Injection

T – Export Thermal grade

6.4 Stanmore Coal Reserves

Project Name	Tenement	Coal Reserves			Marketable Coal Reserves		
		Proved	Probable	Total	Proved	Probable	Total
Isaac Plains Open-cut	ML 70342	1.0	0.1	1.1	0.7	0.0	0.7
Isaac Plains East Open Cut	ML 700016 ML700017 ML700018 ML700019	9.4	2.6	11.9	7.2	2.0	9.2
Isaac Plains Underground	ML 70342 ML 700018 ML 700019	0.0	12.9	12.9	0.0	9.4	9.4
Isaac Downs	MDL 137 EPC 728	17.0	7.5	24.5	11.2	4.6	15.8
Isaac Plains Complex		27.3	23.1	50.4	19.1	16.0	35.1
The Range	EPC 1112	0.0	116.6	116.6	0.0	94.2	94.2

Project Name	Tenement	Coal Reserves			Marketable Coal Reserves		
		Proved	Probable	Total	Proved	Probable	Total
	EPC 2030 MLA 55001						
Total Coal Reserves		27.3	139.7	167.0	19.1	110.2	129.3

Source: Stanmore Coal 2019 Annual Report announced to ASX on 9 October 2019. See pages 14 and 50 of the Annual Report for the relevant Competent Person's statement. This information has been included without Stanmore Coal's consent.

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

Further details of Stanmore Group's projects, the tenements comprising those projects and details of joint venture arrangements in respect of the projects can be found in Stanmore Coal's 2019 Annual Report announced to ASX on 9 October 2019 and quarterly production reports announced to ASX on 17 October 2019 and 14 January 2020 (refer to Section 6.6).

6.5 Directors

As at the date of this Bidder's Statement, the directors of Stanmore Coal are as follows:

- (1) Stewart Butel: Non-Executive Chairman;
- (2) Stephen Bizzell: Non-Executive Director;
- (3) Neal O'Connor: Non-Executive Director;
- (4) Jimmy Sen Ming Lim, Non-Executive Director and nominee of Golden Investments; and
- (5) Marcelo Matos, Non-Executive Director.

6.6 Stanmore Coal finance facility

On 28 June 2019, Stanmore Coal completed a debt refinance in relation to its working capital and bonding facility with Taurus Mining Finance Fund L.P. and Taurus Mining Finance Annex Fund L.P. (**Taurus Facilities**) and established a new bonding facility with Liberty Specialty Markets (**Liberty Facility**). The key terms of the Taurus Facilities and the Liberty Facility are contained in Stanmore Coal's announcement dated 1 July 2019.

Stanmore Coal's Target's Statement in response to Golden Investments' previous bid noted that, under the terms of the Taurus Facilities (before they were refinanced), the acquisition of more than 50% of Stanmore Coal Shares would trigger a change of control and a 'review event' under the facility, which would allow the lender to terminate the Taurus Facilities and require repayment of any outstanding amounts under the Taurus Facilities and associated documents within 90 days.

Shareholders should be aware that if Stanmore Coal has drawn amounts under either the Taurus Facilities or the Liberty Facility, to the extent the change of control of Stanmore as a result of the Offer triggers a 'review event', this could require the repayment of the borrowed amounts on an accelerated basis.

6.7 Publicly Available Information

Stanmore Coal is listed on ASX and is obliged to comply with the continuous and periodic disclosure requirements of the ASX Listing Rules and Corporations Act, including the requirement to disclose any information Stanmore Coal has that a reasonable person would expect to have a material effect on the price or value of Stanmore Coal Shares (subject to certain exceptions). Stanmore Coal Group's annual report for the year ended 30 June 2019 was lodged with ASIC and given to ASX on 9 October 2019. Since releasing its annual report on 9 October 2019 Stanmore Coal has announced the following:

- (1) 17 October 2019: Process Deed with Winfield Energy terminated;

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- (2) 17 October 2019: September 2019 Quarterly Production Report;
 - (3) 18 October 2019: Managing Director resignation, interim CEO appointed;
 - (4) 18 October 2019: Final Director's Interest Notice – Dan Clifford;
 - (5) 23 October 2019: Director Appointment – Jimmy Lim;
 - (6) 23 October 2019: Initial Director's Interest Notice – Jimmy Lim;
 - (7) 24 October 2019: Notice of Annual General Meeting / Proxy Form;
 - (8) 24 October 2019: Annual General Meeting Proxy Form Revised;
 - (9) 24 October 2019: Appendix 3B – Issue FY20 Rights;
 - (10) 24 October 2019: Ceasing to be a substantial holder – Paradise Investment Management Pty Ltd;
 - (11) 7 November 2019: Investor Roadshow Presentation;
 - (12) 8 November 2019: Investor Roadshow Presentation;
 - (13) 18 November 2019: Director Appointment – Marcelo Matos;
 - (14) 21 November 2019: Wilsons Rapid Insight Conference Presentation;
 - (15) 25 November 2019: 2019 Chairman's Address to Shareholders, Interim CEO – 2019 AGM Address and Presentation, and results of annual general meeting including approval of employee incentive scheme and election of Darren Yeates and Jimmy Lim as directors;
 - (16) 28 November 2019: Initial Director's Interest Notice – Marcelo Matos;
 - (17) 29 November 2019: Appendix 3D - Changes relating to buy-back;
 - (18) 14 January 2020: December 2019 Quarterly Production Report;
 - (19) 6 February 2020: Director Resignation – Darren Yeates, Final Director's Interest Notice – Darren Yeates;
 - (20) 14 February 2020: Appendix 3G;
 - (21) 26 February 2020: Appendix 4D & Interim Financial Report December 2019, December 2019 Half Year Results Announcements, Dividend/Distribution – SMR;
 - (22) 2 March 2020: Investor Presentation 2 & 3 March 2020;
 - (23) 16 March 2020: Appointment of new CEO – Craig McCabe;
 - (24) 18 March 2020: Change in substantial holding;
 - (25) 20 March 2020: Change in substantial holding;
 - (26) 23 March 2020: Cancellation of shares (Apr 2019); and
 - (27) 2 April 2020: Petra Capital Announcement.

Further publicly available information about Stanmore Coal is available on Stanmore Coal's website at <https://www.stanmorecoal.com.au/>.

Section 7 – Golden Investments’ intentions for Stanmore Coal

7.1 Introduction

This Section sets out Golden Investments’ (including GEAR’s and Ascend Global’s) intentions for Stanmore Coal, which are based on the information concerning Stanmore Coal and its business known to Golden Investments at the time of preparation of this Bidder’s Statement.

Given the Bidder has not had the benefit of a due diligence investigation into Stanmore Coal, Golden Investments does not currently have full knowledge of all material information, facts and circumstances that are necessary to assess the operational, commercial, tax and financial implications of its current intentions.

Golden Investments will only make final decisions in light of the material information available to it and circumstances at the relevant time. The statements set out in this Section are therefore statements of current intentions only, which may vary as new information becomes available or circumstances change.

7.2 Rationale for the Offer

GEAR is a significant thermal coal producer in Indonesia. Through increasing its interest in Stanmore Coal, a primarily coking coal focused company, GEAR hopes to enhance its overall asset portfolio in the current commodity price environment by diversifying and expanding its coal product suite and geographical presence into Australia.

As an investment fund, Ascend Global aims to enhance its investment exposure to the commodity sector through increasing its interest in Stanmore Coal. The partnership with GEAR to hold an interest in Stanmore Coal enables Ascend Global to gain access and exposure to the Australian coal industry which it currently does not possess.

GEAR and Ascend Global now aim to further capitalise on this investment by gaining a controlling interest in Stanmore Coal.

7.3 Continuation of operations

Whether Stanmore Coal becomes wholly owned or majority owned by Golden Investments, other than as set out elsewhere in this Section, it is Golden Investments’ present intention to:

- (1) continue the business of Stanmore Coal;
- (2) not make any major changes to the business of Stanmore Coal or redeploy any of the fixed assets of Stanmore Coal; and
- (3) maintain the employment of Stanmore Coal’s existing employees in the same capacity and on the same or substantially the same terms and conditions.

7.4 Intentions upon becoming entitled to proceed with compulsory acquisition

If Golden Investments becomes entitled to compulsorily acquire all of the Stanmore Coal Shares in accordance with the Corporations Act, its intentions for Stanmore Coal would be as set out in this Section 7.4.

(1) Corporate matters

Golden Investments intends to:

- (a) proceed with compulsory acquisition of all the:
 - o Stanmore Coal Shares, including those which are issued after the Closing Date and as a result of the vesting of Performance Rights; and

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- Performance Rights, which have not been cancelled by Stanmore Coal, or acquired by Golden Investments prior to the Closing Date;
 - (b) procure that Stanmore Coal is removed from the official list of ASX; and
 - (c) replace all of the directors of Stanmore Coal, other than Mr Jimmy Lim, with its own nominees. The replacement directors have not yet been identified by Golden Investments and their identity will depend upon the relevant circumstances at the time.

(2) Head office and head office employees

Golden Investments does not intend to centralise corporate head office functions of GEAR and Stanmore Coal.

(3) Review of Stanmore Coal

Golden Investments intends to conduct a review of the business, assets and operations of Stanmore Coal to identify:

- (a) business opportunities generated by the acquisition, areas of cost saving and businesses which may provide overall strategic and operational benefits; and
- (b) any business or businesses that do not fit into the strategic plan for Golden Investments, and evaluate the best and most appropriate way of organising such business or businesses.

As a result of the review, some Stanmore Coal employees may be made redundant, in which case employees will in the first instance be redeployed where possible and otherwise an appropriate redundancy package would be made available to any relevant employees. However, Golden Investments will not be in a position to determine the full nature, timing, extent or incidence of any such redundancies until it has completed its review.

The review may or may not lead to changes in the business, assets or operations of Stanmore Coal contrary to the statements of intention referred to in this Section 7. However, Golden Investments does not currently have any intention to make any such changes.

(4) Capital management and distributions

If Golden Investments acquires Voting Power of greater than 50% of Stanmore Coal, it will use reasonable endeavours to procure that Stanmore Coal's dividend policy is maintained so that Stanmore Coal continues to declare and pay dividends in an amount not less than 20% of cash surplus of the Stanmore Coal Group on an annual or more frequent basis, taking into account the expected operating expenses and capital expenditure needs of the Stanmore Coal Group. This is consistent with Stanmore's target dividend payout ratio of between 20% - 30% of net profit after tax as announced on 26 February 2020.

(5) Specific operational intentions

Other than as noted above, Golden Investments does not currently have any specific operational intentions until such time as it has completed a review of the business.

(6) Divestment policy

Golden Investments does not currently intend to dispose of any assets of Stanmore Coal.

7.5 Intentions for Stanmore Coal as a partly owned company

If Golden Investments obtains control of Stanmore Coal but is not entitled to compulsorily acquire the outstanding Stanmore Coal Shares, its intentions for Stanmore Coal would be as set out in this Section 7.5.

-
- (1) Subject to the Corporations Act and the constitution of Stanmore Coal, replace some or all of the directors of Stanmore Coal (other than Mr Jimmy Lim) and restructure the board so that it comprises a majority of Golden Investments' nominees. Golden Investments' representation on the board will depend on the extent of Golden Investments' Relevant Interest in Stanmore Coal following the Offer. Any such replacement and nominee directors have not yet been determined by Golden Investments and Golden Investments has not yet determined which, if any, of the existing directors of Stanmore Coal it would retain.
 - (2) Subject to the ASX Listing Rules, ask the directors of Stanmore Coal to review whether Stanmore Coal should remain listed on ASX or removed from the official list of ASX, having regard to considerations such as the costs associated with maintaining that listing, Golden Investments final level of ownership, the number of remaining Shareholders in Stanmore Coal and the level of trading in Stanmore Coal's securities. Golden Investments expects that a final decision as to Stanmore Coal's removal from the Official List of ASX will ultimately be made by ASX in accordance with published ASX guidance.
 - (3) Propose to the board of directors of Stanmore Coal that they conduct a review of all of Stanmore Coal's operations and, subject to the approval of Stanmore Coal's board, allow Golden Investments to participate in that review.
 - (4) Golden Investments will use reasonable endeavours to procure that Stanmore Coal's dividend policy is maintained in accordance with the intention outlined in Section 7.4(4) above.
 - (5) Implement the intentions outlined in Section 7.3 above, which are consistent with Golden Investments obtaining control of Stanmore Coal.

Golden Investments may acquire additional Stanmore Coal Shares, including under the "3% creep" provisions in item 9 of section 611 of the Corporations Act and by other means. It is possible that, even if Golden Investments is not entitled to proceed to compulsory acquisition of minority holdings after the end of the Offer Period under Part 6A.1 of the Corporations Act, it may subsequently become entitled to exercise rights of general compulsory acquisition under Part 6A.2 of the Corporations Act. Golden Investments will make an assessment at the relevant time based on the then current circumstances as to whether or not it will exercise those compulsory acquisition rights in respect of any Golden Investment Shares that it does not hold.

Golden Investments would only make a decision on these courses of action following receipt of appropriate legal, taxation and financial advice, and in light of the material circumstances at the relevant time, including Stanmore Coal's directors' obligations to have regard to the interests of Stanmore Coal and all Shareholders. Golden Investments' intentions must also be read subject to the requirements of the Corporations Act and the ASX Listing Rules (if Stanmore Coal remains listed) in relation to related party transactions.

7.6 Intentions if Golden Investments does not acquire control of Stanmore Coal

Golden Investments' intentions, if it does not acquire control of Stanmore Coal, are to seek to obtain additional representation on the board of Stanmore Coal.

Golden Investments may acquire additional Stanmore Coal Shares, including under the "creep" provisions of the Corporations Act and by other means. Golden Investments has not decided whether it will acquire further Stanmore Coal Shares, as that will be dependent upon (among other things) the extent of the Voting Power of Golden Investments in Stanmore Coal and market conditions at the time.

7.7 Obligations in connection with GEAR Finance Facilities

GEAR has financing facilities with Credit Suisse AG, Singapore Branch and PT Bank Mandiri (Persero) Tbk, Singapore Branch, which allow GEAR to access capital, up to a total of \$114,000,000 in connection with its business activities (**Finance Facilities**).

While GEAR (and Golden Investments) do not require any access to funds under the Finance Facilities for the purposes of the Offer (see Section 10 for more detail), the Finance Facilities contain certain

undertakings with respect to GEAR and its subsidiaries, which will relevantly include Stanmore Coal and its subsidiaries once Golden Investments has Voting Power in Stanmore Coal of greater than 50%.

These undertakings are customary for finance facilities of this nature. The material undertakings require that GEAR procure that each of its subsidiaries, which will include Stanmore Coal and its subsidiaries once Golden Investments has Voting Power in Stanmore Coal of greater than 50%:

- (1) comply with anti-corruption and anti-money laundering laws applicable to it;
- (2) does not enter into any material transaction, except on arm's length terms and for full market value;
- (3) does not make any substantial change to the general nature of the business of GEAR and its subsidiaries;
- (4) in respect of certain subsidiaries of GEAR (including Stanmore Coal) maintains a distribution policy (see Section 7.4(4) above as it applies to Stanmore Coal);
- (5) without the lenders' consent, does not acquire any company, business, assets or undertaking, other than in certain specified circumstances;
- (6) in respect of Stanmore Coal and its subsidiaries only, does not sell, lease, transfer or otherwise dispose of any of its material assets other than in the ordinary course of business;
- (7) does not incur or have outstanding any financial indebtedness other than in circumstances permitted under the Finance Facilities;
- (8) in respect of certain subsidiaries of GEAR (including Stanmore Coal), does not enter into any amalgamation, demerger, merger or corporate reconstruction;
- (9) does not enter into any derivative transaction, other than for the hedging of actual or projected real exposures arising in the ordinary course of business; and
- (10) preserves its assets that are necessary or desirable for the business in good working order and condition.

In respect of Stanmore Coal and its subsidiaries, GEAR will only be required to use reasonable endeavours to procure compliance with such undertakings. GEAR's obligations in respect of the undertakings are also subject to applicable statutory and fiduciary directors' duties, and the requirements of the Corporations Act and the ASX Listing Rules, in particular restrictions applicable to related party transactions.

7.8 Conflict Management and limitations on giving effect to intentions

To the extent that Stanmore Coal is not wholly owned by Golden Investments and there are minority shareholders of Stanmore Coal, Golden Investments intends that any directors it nominates to the board of Stanmore Coal will at all times act in accordance with their duties as directors, as required by law and that all legal requirements are complied with in pursuing the intentions outlined in this Bidder's Statement. Those requirements may, in some circumstances, require the approval of minority Shareholders in order to effect the implementation of any particular objective.

For example, the ability of Golden Investments to implement the intentions set out in this Section may be subject to the requirements of the Corporations Act and the ASX Listing Rules relating to transactions between related parties. Those and other applicable requirements may require the approval of minority Shareholders to the implementation of any particular objective.

The requirement to have regard to those fiduciary duties in the context of Stanmore Coal as a partially owned subsidiary and the possible requirement of approval by minority Stanmore Coal Shareholders may prevent the achievement of any particular objective in this Section.

Section 8 – Securities in Stanmore Coal

8.1 Stanmore Coal securities on Issue

According to documents provided by Stanmore Coal to ASX, as at the date of this Bidder's Statement, Stanmore Coal has the following securities on issue:

- (1) 256,094,238 Stanmore Coal Shares;
- (2) 14,994 Stanmore Coal Shares subject to dealing restrictions under the Stanmore Coal General Employee Share Plan Rules; and
- (3) 4,472,197 Performance Rights.

It is expected that additional Stanmore Coal Shares will be issued during the Offer Period under Stanmore Coal's Dividend Reinvestment Plan in connection with the Stanmore Coal dividend announced on 26 February 2020. Any Stanmore Coal Shares issued under the Dividend Reinvestment Plan will also be subject to the Offer, other than those Stanmore Coal Shares issued to Golden Investments. Golden Investments intends to participate in the Dividend Reinvestment Plan to the full extent of its entitlement.

8.2 Stanmore Coal Shares

The Stanmore Coal Shares are quoted on ASX and are freely transferable (except for those Stanmore Coal Shares which are currently unquoted and/or subject to dealing restrictions under the Stanmore Coal General Employee Share Plan Rules).

8.3 Recent share price performance of Stanmore Coal Shares

The graph below shows the price of Stanmore Coal Shares traded on ASX over the twelve months to the Announcement Date.

Share price performance of Stanmore Coal Shares over 12 months ending 1 April 2020 (\$)



Source: IRESS as at 1 April 2020.

8.4 Stanmore Coal Performance Rights

The Stanmore Coal Performance Rights are not quoted on the ASX. The Performance Rights were granted to senior management of Stanmore Coal under the Stanmore Coal Rights Plan.

According to documents provided by Stanmore Coal to ASX:

- (1) the Performance Rights vest on performance of certain conditions at a nil exercise price;
- (2) none of the Performance Rights have vested;
- (3) Performance Rights are not transferable;
- (4) on a change of control transaction, the unvested Performance Rights will vest in the same proportion as the Stanmore Coal Share price increase from the date the Performance Rights were issued to the vesting date. Any remaining Performance Rights will either lapse or subject to the Stanmore Coal directors' discretion vest; and
- (5) on a change of control any dealing restrictions on the shares on conversion of the Performance Rights would be lifted.

If Stanmore Coal is to be delisted from ASX, Golden Investments will consider, subject to any approvals and modifications required by the Corporations Act and the ASX Listing Rules being obtained, seeking to have the Stanmore Coal Performance Rights that have not vested cancelled for the payment of a cancellation fee.

It is likely that Golden Investments will seek a modification of the Corporations Act from ASIC so that the Stanmore Coal Performance Rights are deemed to comprise one class of security notwithstanding their different vesting conditions if it seeks to compulsorily acquire them.

If Stanmore Coal is not de-listed from ASX after completion of the Offer, Golden Investments will likely not seek to acquire or cancel any of the Stanmore Coal Performance Rights that do not vest for any reason.

The Offer extends to any Stanmore Coal Shares issued upon vesting of Stanmore Coal Performance Rights to the end of the Offer Period.

Section 9 – Interests in Stanmore Coal Shares

9.1 Golden Investments' Relevant Interest in Stanmore Coal Shares and Voting Power in Stanmore Coal

As at the date of this Bidder's Statement:

- (1) Golden Investments has a Relevant Interest in 80,291,962 Stanmore Coal Shares; and
- (2) Golden Investments Voting Power in Stanmore Coal is 31.35%.

Neither Golden Investments nor any of its Associates has any interest in any other Stanmore Coal securities other than as noted above.

9.2 Dealings in Stanmore Coal Shares in previous 4 months

Neither Golden Investments nor any Associate of Golden Investments has provided, or agreed to provide, consideration for Shares under a purchase or agreement during the four months before the date of this Bidder's Statement other than the on-market acquisition by Golden Investments of 7,500,000 Stanmore Coal Shares which settled on 19 March 2020 at a purchase price of \$0.80 per Stanmore Coal Share.

9.3 Escalation Agreements

Neither Golden Investments nor its Associates have entered into any escalation agreement that is prohibited by section 622 of the Corporations Act.

9.4 Collateral Benefits

During the 4 months before the date of this Bidder's Statement, neither Golden Investments nor its Associates gave, or offered to give, or agreed to give a benefit to another person which was likely to induce the other person, or an associate of the other person, to:

- (1) accept the Offer; or
- (2) dispose of Stanmore Coal Shares,

and which is not offered to all Shareholders under the Offer.

Section 10 – Sources of consideration

10.1 Cash Consideration

The consideration for the acquisition of the Stanmore Coal Shares under the Offer will be satisfied by the payment of cash (in Australian dollars).

As at the Announcement Date, Stanmore Coal has 256,094,238 Stanmore Coal Shares on issue and quoted on the ASX. If acceptances are received for all Stanmore Coal Shares on issue as at the Announcement Date (which Golden Investments does not already own or control), the amount of cash consideration that Golden Investments will need to pay is \$175.80 million.

In addition:

- (1) Stanmore Coal has 14,994 unquoted shares issued under the General Employee Share Plan Rules which, if they become listed Stanmore Coal Shares during the Offer Period, and the holders of those shares accept the Offer in respect of all of those shares, an additional \$14,994 would be payable by Golden Investments under the Offer;
- (2) Stanmore Coal has 4,472,197 Performance Rights on issue which, if all of the Performance Rights vest and convert into the same number of Stanmore Coal Shares during the Offer Period, and the holders of those Performance Rights accept the Offer in respect of all of the Stanmore Coal Shares issued to them on vesting of their Performance Rights, an additional \$4.47 million would be payable by Golden Investments under the Offer; and
- (3) Stanmore Coal may issue Stanmore Coal Shares under Stanmore Coal's Dividend Reinvestment Plan in connection with the Stanmore Coal dividend announced on 26 February 2020. Any Stanmore Coal Shares issued under the Dividend Reinvestment Plan will also be subject to the Offer. Golden Investments has calculated that a maximum additional 5,551,651 Stanmore Coal Shares would be issued to Shareholders other than Golden Investments under the Dividend Reinvestment Plan on the following assumptions:
 - a theoretical Dividend Reinvestment Plan issue price of \$0.95 per Stanmore Coal Share (assumed to be 5% discount to the Offer Price); and
 - a 100% take-up of the Dividend Reinvestment Plan by Shareholders based on a total declared dividend of \$7,682,827.

If the holders of all of those Stanmore Coal Shares issued under the Dividend Reinvestment Plan accept the Offer in respect of all Stanmore Coal Shares issued to them under the Dividend Reinvestment Plan, an additional \$5.55 million would be payable by Golden Investments under the Offer (note this excludes any Stanmore Coal Shares issued to Golden Investments under the Dividend Reinvestment Plan).

Accordingly, the maximum amount of cash consideration which would be payable by Golden Investments under the Offer if acceptances for all the Stanmore Coal Shares existing at the date of this Bidder's Statement are received (less those Stanmore Coal Shares which are already held by Golden Investments and its Associates) plus any Stanmore Coal Shares which are issued and become listed during the Offer Period (based on the assumptions above), is \$185.84 million (**Aggregate Cash Consideration**). Golden Investments will fund the Aggregate Cash Consideration through the funding arrangements set out in Section 10.2 below.

10.2 Golden Investments' Source of Funds

Golden Investments will fund the Offer through cash to be provided by GEAR and Ascend Global.

Golden Investments, GEAR and Ascend Global have entered into a share subscription agreement (**Subscription Agreement**) pursuant to which each of GEAR and Ascend Global have agreed to subscribe for shares in Golden Investments for an aggregate share subscription amount equal to the

Aggregate Cash Consideration payable under the Offer, plus all transaction costs, expenses and fees incurred by Golden Investments under or in connection with the Offer.

Pursuant to the terms of the Subscription Agreement:

- (1) GEAR has agreed to subscribe for shares in Golden Investments for an aggregate cash consideration of up to approximately \$78.37 million; and
- (2) Ascend Global is only obliged to subscribe for shares in Golden Investments for an aggregate cash consideration of up to approximately \$107.47 million, if the Offer is accepted by such number of shareholders of Stanmore Coal so as to result in Golden Investments holding at least 60% of Stanmore Coal Shares (including Golden Investments' current shareholding in Stanmore Coal).

Golden Investments' shareholders will fund their respective subscriptions in Golden Investments as follows:

- (1) GEAR proposes to fund its maximum commitment of \$78.37 million through its cash reserves. As at 31 December 2019 (being the date of GEAR's most recent published financial statements), GEAR and its subsidiaries had an aggregate of US\$177 million (\$289 million) held in cash and bank deposits, with GEAR holding a sufficient proportion of that amount to fund its maximum commitment under the Offer, with no restriction on GEAR's ability to call on those funds.
- (2) Ascend Global proposes to fund its maximum commitment of \$107.47 million through calling on undrawn capital commitments of US\$75 million (\$122 million) from investors in ADSP.

The above figures have applied a conversion rate of \$1 to US\$0.6124 being the rate published on 1 April 2020 by the Reserve Bank of Australia at <https://www.rba.gov.au/statistics/frequency/exchange-rates.html>. The Reserve Bank of Australia has not consented to the use and/or reference of the data in the Bidder's Statement.

10.3 Provision of consideration by Golden Investments

On the basis of the arrangements described above, Golden Investments believes that it has reasonable grounds for holding the view, and it does hold the view, that Golden Investments will be able to provide the consideration offered in respect of the Offer.

10.4 Offer not subject to financing conditions

The Offer is not subject to any financing conditions.

Section 11 – Taxation considerations

11.1 Introduction

The Information in this section is intended to provide a general overview of the Australian income and capital gains tax implications for Australian residents who accept the Offer.

This summary is not intended to be comprehensive and is based upon Golden Investments' interpretation of Australian income tax legislation currently in force at the date of this Bidder's Statement. Shareholders should not rely on the information in this section as advice in relation to their own affairs. The taxation laws are complex and there could be implications in additions to those described in this section. Shareholders should seek independent professional advice in relation to their own particular circumstances.

The information in this section does not apply to non-resident Shareholders and Shareholders who have received their Stanmore Coal Shares in their capacity as employees of Stanmore Coal. Non-resident and employee Shareholders should also obtain their own independent advice.

This summary does not apply in relation to Stanmore Coal Performance Rights.

11.2 Stanmore Coal Shares held as a capital investment

Shareholders who accept the Offer will dispose of their Stanmore Coal Shares by way of transfer to Golden Investments. This disposal will constitute a capital gains tax event for Australian capital gains tax purposes.

Shareholders whose cost base for the acquisition of their Stanmore Coal Shares is less than the Offer Price, will make a capital gain on the disposal of their Stanmore Coal Shares to Golden Investments. The cost base will generally be the cost of acquisition of the Stanmore Coal Shares.

If an individual makes a capital gain from the disposal of their Stanmore Coal Shares which have been held for at least 12 months before disposal, the individual will be taxed on only 50% of the gain. If the Stanmore Coal Shares have been held for less than 12 months, the individual will be taxed on 100% of the gain. If a trustee of a superannuation fund makes a capital gain from the disposal of Stanmore Coal Shares which have been held for at least 12 months before disposal, the trustee will be taxed on only $\frac{1}{3}$ of the gain.

Shareholders whose cost base of acquiring their Stanmore Coal Shares is greater than the Offer Price will make a capital loss if they accept the Offer. In calculating the capital loss, the reduced cost base is not indexed for inflation irrespective of how long the Stanmore Coal Shares have been held.

Capital losses may be offset against capital gains arising in the same year of income to determine the net capital gain. Any net capital gain is included in the Shareholder's assessable income and is subject to income tax. Capital losses may not be offset against other income for income tax purposes, but may be carried forward to offset against future capital gains.

11.3 Stanmore Coal Shares held as revenue assets

Australian resident Shareholders may be subject to the general income tax provisions (rather than the capital gains tax provisions) in respect of the profit or loss made from the disposal of their Stanmore Coal Shares to Golden Investments in some circumstances. For example, this will occur if a Shareholder is in the business of trading in securities or their Stanmore Coal Shares were acquired with a dominant purpose of making a profit from a subsequent sale.

In these circumstances a taxable gain will arise if the Offer Price exceeds a Shareholder's cost of acquiring its Stanmore Coal Shares. A loss will arise if the Offer Price is less than the price paid for the Stanmore Coal Shares by the Shareholder. This loss may be offset against profits or capital gains made by the Shareholder.

Section 12 – Other material information

12.1 Introduction

There is no other information that is material to the making of the decision by a holder of Stanmore Coal Shares whether to accept the Offer, which is known to Golden Investments, other than the following information.

12.2 ASIC or ASX modifications or exemptions

Golden Investments has not obtained from ASIC or ASX any modifications to the Corporations Act or ASX listing rules to facilitate the Offer. Golden Investments may, however, rely on various “Class Order” instruments published by ASIC which provide for certain modifications and exemptions that apply generally for all bidders, including Golden Investments.

12.3 Consents

The persons listed in the table below have given and have not, before the lodgement of this Bidder's Statement with ASIC, withdrawn their written consent to:

- (1) be named in this Bidder's Statement in the form and context in which they are named;
- (2) the inclusion of their respective statements noted next to their names and the references to those reports or statements in the form and context in which they are included in the Bidder's Statement; and
- (3) the inclusion of other statements in this Bidder's Statement which are based on or refer to statements made in those reports or statements in the form and context in which they are included in the Bidder's Statement.

Consenting Party	Role	Statement
Norton Rose Fulbright	Australian legal adviser	-
Mehigan LLP	Foreign legal adviser	-
Computershare Investor Services Pty Limited	Share registrar for the Offer	-
Petra Capital Pty Ltd	Equity Capital Markets Adviser and Broker	-
GEAR	Itself	See GEAR's intentions in Section 7
Ascend Global	Itself	See Ascend Global's intentions in Section 7

None of these persons have caused or authorised the issue of this Bidder's Statement or has in any way been involved in the making of the Offer. The Offer is made by Golden Investments.

Each of the above persons:

- (1) other than a statement included in this Bidder's Statement with consent as specified above, does not make, or purport to make, any statement in this Bidder's Statement, or any statement on which a statement in this Bidder's Statement is based; and
- (2) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this document, any statements or omissions from the Bidder's Statement, other than a reference to its name or a statement or report included in the Bidder's Statement with the consent of that person as specified above.

In addition, this Bidder's Statement contains statements made or based on statements made in documents lodged with ASIC or ASX namely, the announcements made by Stanmore Coal to ASX. Under the terms of ASIC Class Order 13/521, the persons making those statements are not required to consent, and have not consented, to the inclusion of those statements or of statements based on those statements, in this Bidder's Statement.

A list of the announcements made by Stanmore Coal to the ASX since releasing its annual report on 9 October 2019 is provided in Section 6.6.

Shareholders may obtain copies of these documents (free of charge) during the Offer Period by calling the Offer Information Line on 1300 383 875 (callers in Australia) or +61 3 9415 4192 (Callers outside Australia).

Shareholders should note that Golden Investments has assumed, for the purpose of preparing this Bidder's Statement, that the information contained in the documents lodged with ASIC or ASX are accurate. However, neither Golden Investments nor its directors take responsibility for the content of these documents and are not to be taken as endorsing, in any way, any or all statements contained in such documents, except to the extent required by law.

Section 13 – Definitions and interpretation

13.1 Definitions

In this Bidder's Statement:

ADSP means Asian Distressed Segregated Portfolio, a sub fund of Ascend Global which is managed by Ascend Capital;

Aggregate Cash Consideration has the meaning in Section 10.2;

Announcement Date means 2 April 2020, being the date of announcement of the Offer;

Ascend Capital means Ascend Capital Advisors (S) Pte. Ltd, a company incorporated in Singapore of 1 Kim Seng Promenade # 10-01 Great World City East Tower Singapore 237994;

Ascend Global means Ascend Global Investment Fund SPC, a segregated portfolio company incorporated in the Cayman Islands of Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands;

ASIC means the Australian Securities and Investments Commission;

Associate has the meaning given in section 12 of the Corporations Act;

ASX means ASX Limited ACN 008 624 691 or, where the context requires, the financial market operated by it;

ASX Listing Rules means the listing rules of ASX;

ASX Settlement means ASX Settlement Pty Ltd ACN 008 504 532;

ASX Settlement Operating Rules means the settlement rules of the ASX;

ASX Settlement Participant means a participant under the ASX Settlement Operating Rules;

Bidder's Statement means this document plus any annexure or schedule to it;

Business Day means a day that is not a Saturday, Sunday or public holiday or bank holiday in the place concerned;

Broker means a member organisation admitted to participate in the CHESS;

CHESS means the Clearing House Electronic Sub-register System, defined in the ASX Settlement Operating Rules;

CHESS Holding means a holding of Stanmore Coal shares on the CHESS Subregister of Stanmore Coal;

CHESS Subregister has the meaning given in the ASX Settlement Operating Rules;

Closing Date means 18 May 2020, unless the Offer is extended;

Controlling Participant has the meaning given in the ASX Settlement Operating Rules. Usually your Controlling Participant is a person, such as a Broker, with whom you have a sponsorship agreement (within the meaning of the ASX Settlement Operating Rules);

Corporations Act means the *Corporations Act* 2001 (Cth);

EBITDA means earnings before interest, taxes, depreciation and amortization;

GEAR means Golden Energy and Resources Limited, a company incorporated in Singapore with company number 199508589E of 20 Cecil Street, #05-05 PLUS, Singapore 049705;

Golden Investments means Golden Investments (Australia) Pte. Ltd., a company with limited liability incorporated in Singapore with company number 201837382H of 20 Cecil Street, #05-05 PLUS, Singapore 049705;

Golden Energy Mines means PT Golden Energy Mines Tbk, a company incorporated in Indonesia of Sinar Mas Land Plaza Tower II, 6th Floor, Jl. MH Thamrin No. 51, Jakarta Pusat 10350, Indonesia;

HIN means a Holder Identification Number for the purposes of a CHESS Holding;

Insolvency Event means the occurrence of any of the following events set out in section 652C(2) of the Corporations Act being:

- (1) the appointment of a liquidator or provisional liquidator of Stanmore Coal or any of its Subsidiaries;
- (2) the making of an order by a court for the winding up of Stanmore Coal or any of its Subsidiaries;
- (3) an administrator of Stanmore Coal or any of its Subsidiaries being appointed under sections 436A, 436B or 436C of the Corporations Act;
- (4) Stanmore Coal or any of its Subsidiaries executing a deed of company arrangement; or
- (5) the appointment of a receiver or a receiver and manager in relation to the whole, or a substantial part, of the property of Stanmore Coal or any of its Subsidiaries.

Issuer Sponsored Holding means a holding of Stanmore Coal Shares on Stanmore Coal's issuer sponsored subregister;

Non-Broker Participant means an entity admitted to participate in the CHESS under rule 2.3.1, 2.3.2 or 2.4.1 of the SCH Business Rules;

Offer means Golden Investments' offer to acquire Stanmore Coal Shares set out in this Bidder's Statement and with the terms set out in Section 2;

Offer Information Line means 1300 383 875 (callers in Australia) or +61 3 9415 4192 (Callers outside Australia);

Offer Period means the period during which the Offer will remain open for acceptance in accordance with Section 2;

Offer Price means \$1.00 in cash per Stanmore Coal Share;

Participant means an entity admitted to participate in CHESS under Rules 4.3.1 and 4.4.1 of the ASX Settlement Operating Rules;

Performance Rights means performance rights issued to senior managers under and on the terms of the Stanmore Coal Rights Plan, approved by Shareholders in 2016;

Petra means Petra Capital Pty Ltd ACN 110 952 782, a company incorporated in Australia of Level 17, 14 Martin Place, Sydney NSW 2000;

Pre Bid Stake means the 80,291,962 Stanmore Coal Shares held by Golden Investments as at the date of this Bidder's Statement;

Prescribed Occurrence means the occurrence of any of the following events set out in section 652C(1) of the Corporations Act being:

- (1) Stanmore Coal converting all or any of the Stanmore Coal Shares into larger or smaller numbers of shares under section 254H of the Corporations Act;
- (2) Stanmore Coal or any of its Subsidiaries resolving to reduce its share capital in any way;

-
- (3) Stanmore Coal or any of its Subsidiaries entering into a buy-back agreement or resolving to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
 - (4) Stanmore Coal or any of its Subsidiaries:
 - (a) issues shares (other than the issue of shares upon the vesting of Stanmore Coal Performance Rights, the existence of which had been notified to ASX before the Announcement Date);
 - (b) grants an option over its shares; or
 - (c) agrees to make such an issue or grant such an option;
 - (5) Stanmore Coal or any of its Subsidiaries issuing, or agreeing to issue, convertible notes;
 - (6) Stanmore Coal or any of its Subsidiaries disposing or agreeing to dispose of the whole, or a substantial part, of its business or property;
 - (7) Stanmore Coal or any of its Subsidiaries granting, or agreeing to grant, a Security Interest in the whole, or a substantial part, of its business or property; and
 - (8) Stanmore Coal or any of its Subsidiaries resolving to be wound up.

Projects means Stanmore Coal's projects as set out in Section 6.3;

PT Dian Swastatika Sentosa means PT Dian Swastatika Sentosa Tbk, a company listed on the Indonesian Stock Exchange and of Sinar Mas Land Plaza Tower II, 6th Floor, Jl. MH Thamrin No. 51, Jakarta Pusat 10350, Indonesia;

Related Bodies Corporate has the meaning given in section 9 of the Corporations Act;

Relevant Interest has the meaning given in sections 608 and 609 of the Corporations Act;

Right means all accreditations, rights or benefits of whatever kind attaching or arising from Stanmore Coal Shares directly or indirectly on or after the date of this Bidder's Statement (including, but not limited to, all dividends and all rights to receive them or receive or subscribe for shares, notes, bonds, options or other securities declared, paid or issued by Stanmore Coal or any of its Subsidiaries);

SCH Business Rules means the Business Rules of the securities clearing house which governs the administration of the CHES;

Section means a section of this Bidder's Statement;

Security Interest has the meaning given in section 51A of the Corporations Act;

SGD means Singapore Dollar;

SGX means Singapore Exchange Limited Registration No. 199904940D;

Shareholders means holders of Stanmore Coal Shares;

SRN means a Security Holder Reference Number for the purposes of an Issuer Sponsored Holding;

SSP means Strategic Segregated Portfolio, a sub fund of Ascend Global which is managed by Ascend Capital;

Stanmore Coal means Stanmore Coal Limited ABN 27 131 920 968;

Stanmore Coal Group means Stanmore Coal and its subsidiaries as set out in Section 6.2;

Stanmore Coal Shares means fully paid ordinary shares in Stanmore Coal;

Stanmore Coal Rights Plan mean the Stanmore Coal Limited Rights Plan adopted by the board of directors on 30 October 2016 and approved by Shareholders on 30 November 2016;

Subscription Agreement has the meaning in Section 10.2;

Subsidiary has the meaning given in section 9 of the Corporations Act;

Takeover Bid means the on-market takeover bid under Chapter 6 of the Corporations Act and pursuant to which Golden Investments makes the Offer;

Target's Statement means the target's statement to be issued by Stanmore Coal in response to this Bidder's Statement in accordance with section 635(1) of the Corporations Act;

Trading Day has the meaning given in the ASX Listing Rules;

Voting Power has the meaning given in section 610 of the Corporations Act;

VWAP means the volume weighted average price; and

Winfield Energy means Winfield Group Investments Pty Ltd.

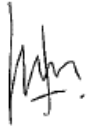
13.2 Interpretation

- (1) Reference to:
 - (a) words and phrases given a particular meaning in Chapter 6 of the Corporations Act have the same meaning in this Bidder's Statement, unless the context otherwise requires;
 - (b) one gender includes the others;
 - (c) the singular includes the plural and the plural includes the singular;
 - (d) a person includes a body corporate;
 - (e) a party includes the party's executors, administrators, successors and permitted assigns;
 - (f) a statute, regulation or provision of a statute or regulation (**Statutory Provision**) includes:
 - (i) that Statutory Provision as amended or re-enacted;
 - (ii) a statute, regulation or provision enacted in replacement of that Statutory Provision; and
 - (iii) another regulation or other statutory instrument made or issued under that Statutory Provision; and
 - (g) money is to Australian dollars, unless otherwise stated.
- (2) Where a word or expression is given a particular meaning, other parts of speech and grammatical forms of that word or expression have a corresponding meaning.
- (3) **Including** and similar expressions are not words of limitation.
- (4) Headings and any table of contents or index are for convenience only and do not affect the interpretation of this Bidder's Statement.

Section 14 – Approval of Bidder’s Statement

This Bidder’s Statement has been approved by a unanimous resolution passed by the directors of Golden Investments.

Dated: 2 April 2020



Mr. Mark Zhou
Director
Golden Investments



Mr. Mulyadi Tjandra
Director
Golden Investments

Annexure

Petra Broker Announcement

Company Announcements Platform
ASX Limited
20 Bridge Street
Sydney NSW 2000

ASX Announcement
For immediate release to the market

Golden Investments (Australia) Pte. Ltd (**Golden Investments** or the **Bidder**) on-market takeover offer for Stanmore Coal Limited (ABN 27 131 920 968) (**Stanmore Coal**) at \$1.00 cash per share.

Petra Capital Pty Limited ACN 110 952 782 / AFSL 317 944 (**Petra**) announces that Petra will, on behalf of Golden Investments, offer to acquire on-market all fully paid ordinary shares in Stanmore Coal (**SMR Shares**) which are listed for quotation on the official list of the Australian Securities Exchange (**ASX**) that exist or will exist at any time during the Offer Period (as defined below) and are not already owned or controlled by the Bidder for \$1.00 cash per SMR Share (**Offer Price**).

Petra (on behalf of the Bidder) will purchase at the Offer Price up to a maximum of 50,316,100 SMR Shares on-market from the date and time of this announcement (and up to before the Offer is open). Once the Offer Period commences, Petra (on behalf of the Bidder) will purchase at the Offer Price all issued and to be issued SMR Shares on-market (being all of the SMR Shares not already owned or controlled by the Bidder) until close of trading on ASX on 18 May 2020 (unless the Offer is withdrawn or extended in accordance with the *Corporations Act 2001* (Cth) (**Corporations Act**))

Terms of the Offer

The Offer is an on-market bid and therefore is unconditional with payment of cash in consideration. The key features of the Offer are:

- It is an on-market, unconditional offer of \$1.00 per SMR Share, a 22.0% premium to the closing price and a 27.3% premium to the 30 day VWAP of SMR shares to 1 April 2020;
- Petra will purchase SMR Shares offered to it on market from today, at the Offer Price until the conclusion of the Offer Period (defined below);
- Petra will purchase up to 50,316,100 SMR Shares prior to the commencement of the Offer Period;
- Once the Offer Period commences (on 17 April 2020) Petra will offer to purchase all remaining issued and to be issued SMR Shares on-market that are not already owned or controlled by the Bidder; and
- The Offer Period may be extended and the Offer Price may be increased in accordance with the Corporations Act.

Broker

The Bidder has appointed Petra as its agent for the purchase of the SMR Shares on-market.

Offer Period

Petra will stand in the market on behalf of the Bidder and accept SMR Shares offered to it at the Offer Price. The Offer will officially be made during the period commencing 17 April 2020 (being the first trading

date after the end of the 14 days after the date of this announcement) and ending on 18 May 2020 (**Offer Period**), unless extended or withdrawn under the Corporations Act. Petra will buy SMR Shares, on behalf of the Bidder, from the date and time of this announcement (before the Offer opens).

The Bidder reserves the right to withdraw unaccepted Offer in the limited circumstances permitted by, and in accordance with, Part 6.7 of the Corporations Act, at any time before the end of the Offer Period.

Acceptance

As the Offer will be an on-market offer, accepting shareholders may only accept the Offer on-market through brokers which are members of the ASX. All SMR Shares to be purchased by the Bidder under the Offer will be purchased on-market only during trading days.

Variation of the Offer

The Bidder may vary the Offer Period, in accordance with the Corporations Act. The Offer may also be varied in law by the operation of the Corporations Act.

Payment of Consideration for SMR Shares

The usual rules for settlement of transactions which occur on-market with ASX will apply in respect of acceptance of the Offer and purchase of SMR Shares. This means that if a holder of SMR Shares accepts the Offer, settlement will occur for the \$1.00 cash consideration for each SMR Share on a T + 2 basis (being the second trading day after the date of the transaction) in accordance with the ASX Settlement Operating Rules.

Any brokerage charged by the brokers acting for SMR shareholders selling their SMR Shares will be the sole responsibility of those SMR shareholders.

Bidder's Statement

In accordance with section 635 of the Corporations Act, a bidder's statement will be served on SMR and lodged with each of the ASX and the Australian Securities and Investments Commission today. A copy of the bidder's statement will also be sent to SMR shareholders before commencement of the Offer Period.

SMR Shares

The SMR Shares the subject of the Offer are fully paid ordinary shares in the capital of SMR, which are on issue on the date of the bidder's statement and any other SMR Shares that are issued before the end of the Offer Period.

Immediately before making this announcement:

- So far as the Bidder is aware, there are 256,094,238 SMR Shares on issue, all of which are quoted on ASX;
- The Bidder has a relevant interest in 80,291,962 SMR Shares, which represents approximately 31.35% of the current issued share capital of SMR; and
- The Bidder has voting power in approximately 31.35% of the current issued share capital of SMR.

Ends