

stanmorecoal



7 April 2020

Dear fellow shareholder

I am writing to update you on the unsolicited on-market takeover offer from Golden Investments.

On 2 April 2020, Golden Investments (Australia) Pte Ltd ("Golden Investments") announced an on-market offer of \$1.00 per share, for all of the ordinary shares of Stanmore Coal Limited ("Stanmore" or "the Company") that it did not already own or control (the "Offer"). The Offer will officially open on 17 April 2020 for the period until 18 May 2020. At the time of making the Offer, Golden Investments held just over 31% of the shares in Stanmore and has subsequently increased its shareholding to approximately 51% of Stanmore shares.

The Board has formed a committee of independent directors ("Independent Board Committee") to consider the Offer and provide recommendations to shareholders. This committee comprises Stephen Bizzell, Neal O'Connor and myself.

The Independent Board Committee recommends that Stanmore shareholders **take no action** at this stage in relation to the Offer. You should expect to receive a Bidder's Statement from Golden Investments in relation to its Offer shortly. As mentioned above, the Offer will open on 17 April 2020, and will continue until 18 May 2020 (note that the Offer is unconditional, and Golden Investments can only withdraw the Offer in exceptional circumstances prescribed by the Corporations Act).

After you receive the Bidder's Statement from Golden Investments, the Company will respond to the Offer with a Target's Statement that will include the recommendations of each of the directors with respect to the Offer. The Target's Statement will also include an Independent Expert's Report, which Stanmore is required to obtain under the Corporations Act because Golden Investments has voting power of greater than 30% in Stanmore.

Until the Target's Statement is distributed to shareholders, the Independent Board Committee recommends that you **take no action** in relation to the Offer. It is important to note that if you accept the Offer and sell your Stanmore shares to Golden Investments, you will not be able to participate in any subsequent increase in the Offer price, should such an increase in the Offer price be forthcoming.

The Independent Board Committee thanks you for your support of Stanmore as we continue to focus on our operations and delivering production in line with prior guidance of 2.35 million tonnes of metallurgical coal for the 2020 financial year. We will update you on any further developments as the Offer progresses.

Regards

A handwritten signature in black ink, appearing to read "Stewart Butel".

Stewart Butel

Chairman

Stanmore Coal Limited

For further information, please contact:

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07 3238 1000

About Stanmore Coal Limited (ASX: SMR)

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

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