



ASX announcement

4 November 2014

Belview Coking Coal Project – \$1.5m Exploration Support from Japan

Highlights

- Stanmore Coal has secured a second tranche of exploration funding for the Belview Coking Coal Project from Taiheiyo Kouhatsu and Japanese Government Owned Corporation, JOGMEC
- Further core-drilling will be carried out via a fully-funded A\$1,500,000 exploration plan actively managed and undertaken by Stanmore Coal
- Taiheiyo will provide additional offtake and marketing support for coal from the Belview Project into Japan
- This transaction represents a continuation of the Company's strategy to take advantage of soft market conditions and progress the Belview Project for low-cost development

Stanmore Coal Limited ("Stanmore Coal", or "the Company") and Taiheiyo Kouhatsu Inc. ("Taiheiyo") supported by the Japan Oil, Gas and Metals National Corporation ("JOGMEC") have signed a second Exploration Support Agreement ("ESA") which provides funding for resource drilling at Stanmore Coal's Belview Coking Coal Project ("Belview"). This exploration is in addition to the program conducted early in the 2014 calendar year which utilised funding from the first Belview ESA¹.

This ESA provides Stanmore Coal with A\$1,500,000 to undertake further drilling of core holes and associated coal quality analysis within the northern region of the Belview Project. Taiheiyo's combined rights, under this ESA and the first Belview ESA, include an entitlement to purchase up to 200,000 tonnes per annum over the first five years of production. Within this annual arrangement, the first 225,000 tonnes

¹ Refer ASX announcement dated 30 December 2013

(aggregated) of coal purchased will be priced at a A\$2 per tonne discount to the Japanese settlement price which prevails at that time. Any discounted tonnage amount that is not taken up in the first three years of production is foregone.

Drilling associated with this ESA will commence shortly with full laboratory analysis anticipated to be completed in the second quarter of 2015.

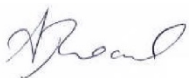
Commenting on the signing of the ESA, Mr Satoshi Takase, General Manager Fuel Department of Taiheiyo Kouhatsu Inc., said “We are very pleased to continue our strong relationship with Stanmore Coal and particularly the Belview Project. Our funding objective is to assist Stanmore Coal as the project heads towards the development phase. We value our working relationship with the Board and management team of Stanmore Coal and wish them success in the upcoming exploration program.”

Stanmore Coal’s Managing Director Mr Nick Jorss said, “We are highly appreciative of the support provided by Taiheiyo and JOGMEC in this second phase of funding for Belview. It further strengthens our relationship with our valued Japanese partners, being the third such funding arrangement for Belview and The Range since 2012, in addition to the \$4.5m JOGMEC Joint Exploration Agreement currently underway at the Clifford Project.

The funds will be used to complete an important phase of exploration which will drive our feasibility studies and further evaluation of this attractive coking coal asset. The project features strong coking coal quality characteristics and is located on existing rail infrastructure.

The funding allows us to deliver on our strategy of continuing to progress the Belview Project whilst preserving our cash reserves for project development as well as potential business development opportunities as they arise. The Company remains well positioned with a strong cash balance and no take or pay exposure in the current challenging market environment.”

On behalf of the Board



Andrew Roach

Joint Company Secretary

For further information, please contact:

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Note 1: Competent Persons Statement

The information in this report relating to the Belview Project exploration results and coal resources is based on information compiled by Mr Troy Turner who is a member of the Australian Institute of Mining and Metallurgy and is a full time employee of Xenith Consulting Pty Ltd. Mr Turner is a qualified geologist and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking, to qualify as Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Turner consents to the inclusion in the report of the matters based on the information, in the form and context in which it appears.

About Stanmore Coal Limited (ASX code: SMR)

Stanmore Coal is a growth focused, pure play coal exploration and development company with a number of prospective coal projects and exploration areas within Queensland's Bowen and Surat Basins. Stanmore Coal is focused on the creation of shareholder value via the identification and development of coal deposits, with a focus on the prime coal bearing regions of the east coast of Australia.

Stanmore Coal has been a previous recipient of exploration grants from Taiheiyo and the Japanese Government at Belview and The Range.

About the Taiheiyo Kouhatsu Inc. ("Taiheiyo")

Taiheiyo is a diversified Japanese investment company that has long stand relationships with Japanese energy utilities and industrial companies.

About the Japan Oil, Gas and Metals National Corporation ("JOGMEC")

JOGMEC is a Japanese government owned corporation which was established for the purpose of securing a stable supply of natural resources, including coal, to support Japan's industrial activities and improve the lives of its citizens. Further information on the Memorandum of Understanding between JOGMEC and the Queensland Government can be found at http://www.jogmec.go.jp/english/news/release/news_10_000006.html.

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