



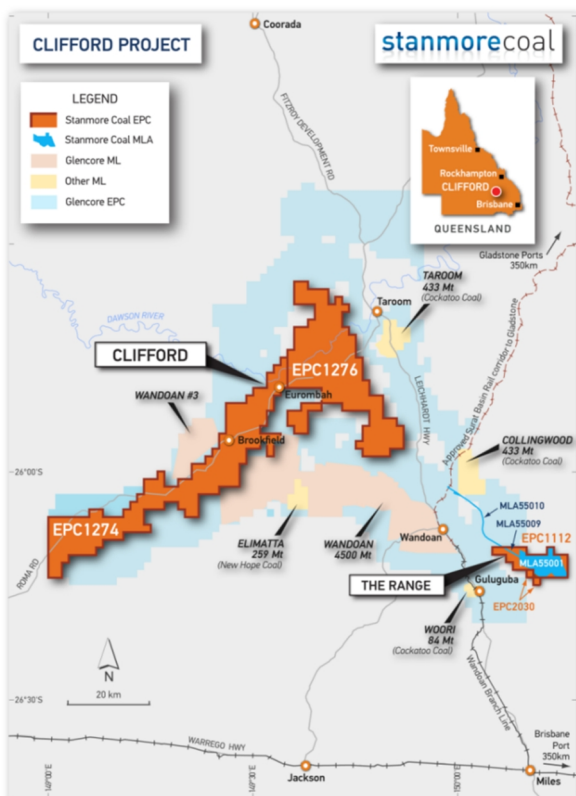
ASX announcement

23 September 2014

Clifford Thermal Coal Project– Coal Quality & Exploration Update

Highlights

- Initial coal quality results from recent drilling program indicate the potential for a high energy, low ash export thermal coal product
- Most drill sites produced over 10 m of cumulative coal thickness and best indicative in-situ strip ratios of between 2.5:1 and 10:1 at depths shallower than 100 m
- Recent proposed ash and sulphur limitations from China's National Development and Reform Commission (NDRC) reinforce the trend to cleaner, low emissions coals such as Surat Basin coals at Clifford and The Range
- An extensive follow-on exploration program is planned with funding partner JOGMEC in 2H 2014 and 1H 2015, utilising information from drilling results of the initial 2014 program
- The Company remains well positioned to deliver on its goals with significant cash reserves, funding partners and absence of any take or pay obligations



Stanmore Coal Limited ("Stanmore" or "the Company") has finalised geological modelling and coal quality analysis upon completion of one part-cored hole (CQCG00013) and 9 rotary holes drilled this calendar year within the Clifford Project area. Exploration activities were undertaken using funding provided by the Japan Oil, Gas and Metals National Corporation ("JOGMEC") under the Joint Exploration Agreement. The geological interpretations for the region, as a result of internal geological modelling, have provided the planning basis for the next phase

ASX code: SMR

of exploration within the project area to build on the results of this scout drilling program.

Cumulative coal intersections for each hole are outlined in the below table.

Table 1: Drilling summary of 2014 Clifford Project Scout Drilling

Hole ID	Sub-area	Total depth (m)	Total Cumulative coal thickness (m)	In-Situ strip ratio (all coal <150m)*	Best in-situ strip ratio*	Depth to best in-situ ratio (m)*
RSCG0010	Grange	152	14.8	6.5	6.5	150.0
RSCG0011	Grange	158	7.2	14.1	9.45	43.4
RSCG0012	Grange	158	11.0	8.5	8.99	68.7
CQCG0013	Grange	156	14.6	6.7	4.35	54.0
RSCH0008	Horseshoe	152	8.1	12.0	12.0	144.4
RSCH0009	Horseshoe	152	6.8	13.6	11.8	74.5
RSCH0014	Horseshoe	152	11.8	7.6	8.15	82.2
RSCH0015	Horseshoe	152	12.9	7.3	2.46	18.8
RSCH0016	Horseshoe	152	4.4	22.1	22.08	141.3
RSCH0017	Horseshoe	152	12.0	7.5	6.93	23.1

* In-situ strip ratios have been calculated assuming a relative density of 1.40.

The majority of holes recorded in-situ strip ratios lower than 10:1 at depths shallower than 100 m with several in the 2.5 – 6.5 strip ratio range. Follow up drilling will target extensions of these highly prospective areas. Based on this geological information the ‘Grange’ and ‘Horseshoe’ areas of the Clifford project, which were drilled in this program, appear to host similar coal seam packages to those contained within nearby coal deposits from the Taroom and Juandah Measures.

Encouraging Coal Quality Results

Clean coal composite testing was performed on a single 100mm core, utilising a -12mm+0.125mm sizing fraction and float sink parameter of 1.60. This testing produced very positive results, with yields ranging from 67% to 88%. Encouragingly, some composites produced an energy content higher than the Newcastle thermal coal benchmark of 6,700kcal (air dried basis) which is materially higher than typical Surat Basin coals. Whilst it is likely that energy content will vary across the very large deposit, this feature is likely to be attractive to end-users of thermal coal as the Company and JOGMEC continue to progress the project. Further analysis is planned in the next programme to estimate total moisture and thus ‘as received’ energy characteristics.

Table 2: Coal Composite Results from CQCG00013

Parameter*	Float 1.60 Composite			Average
	A	B	C	
Inherent Moisture (%)	6.6	7.0	6.9	6.8
Ash (%)	9.6	11.1	6.8	9.2
Volatile matter (%)	44.0	42.2	41.8	42.7
Fixed carbon (%)	39.8	39.7	44.5	41.3
Sulfur (%)	0.3	0.4	0.3	0.3
Yield (%)	88	79	67	78
Energy (kcal/kg)	6,720	6,490	6,830	6,680

* Adb unless specified otherwise

Follow-on Exploration Program

The Company, in conjunction with funding partner JOGMEC, has completed the majority of planning activities for the next phase of exploration. This will involve drilling up to 32 rotary holes and up to 8 part-cored holes located mainly within the Grange, Horseshoe and Liberty zones of the project area as well as some scout drilling in a number of other areas within the very large tenement. The program is anticipated to be completed early 2015 with an estimated cost of \$1.5m. This is the first full year of the Clifford Joint Venture wherein JOGMEC is funding up to \$4.5m in exploration and development over three years to earn up to 40% of the project.

* * *

Nick Jorss, Stanmore's Managing Director said, "These attractive coal intersections and promising coal quality results indicate the strong potential of the Clifford Project. Recent media coverage has focused on the proposed Chinese import regulations which seek to contain and control the pollution impact of burning low quality and high pollutant coal using inefficient technologies. These proposed restrictions will benefit the clean coals of the Surat Basin which feature low emissions and a favourable environmental profile. This reinforces our view that high quality, low emissions thermal coal projects such Clifford and The Range will play an important role in powering the regional economies which continue to undertake rapid development and are looking to do so whilst substantially reducing pollution impacts.

Through our next phase of exploration we aim to better understand the regional trends of the coal measures and define an initial JORC Inferred Resource in order to progress to the next level of studies on the project. We would like to thank JOGMEC for their ongoing funding support of the Clifford Project. Stanmore remains well positioned to deliver on its goals with our high quality projects, significant cash reserves, funding partners and absence of any take or pay obligations.”

On behalf of the Board



Andrew Roach

Joint Company Secretary

For further information, please contact:

Mr Nick Jorss
Managing Director
07 3238 1000

Mr Andrew Roach
Company Secretary
07 3238 1000

Competent Persons Statement

The information in this report relating to the Clifford Project exploration results and coal resources is based on information compiled by Mr Toby Prior who is a member of the Australian Institute of Mining and Metallurgy and is a full time employee of Measured Group Pty Ltd. Mr Prior 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 Prior consents to the inclusion in the report of the matters based on the information, in the form and context in which it appears.

About The Clifford Thermal Coal Project

The Clifford Project (EPC 1274 and 1276) covers a combined area of 1,161km², and are located adjacent to GlencoreXstrata’s 4.5 billion tonne Wandoan coal project and near the Elimatta, Collingwood and Taroom deposits. EPC 1276 is located 15 kilometres from the proposed Surat Basin Rail (SBR) line and approximately 35 kilometres from Stanmore Coal’s The Range project.

Under the terms of a Joint Exploration Agreement (“JEA”) announced in December 2013 between Stanmore Coal Limited (“Stanmore Coal”) and the Japan Oil, Gas and Metals National Corporation (“JOGMEC”), a Japanese Government owned corporation. JOGMEC will earn up to a 40% economic interest in the Clifford Project and has the right to assign that interest to a Japanese nominee company in the future, in order to progress the project to development.

About Stanmore Coal Limited (ASX code: SMR)

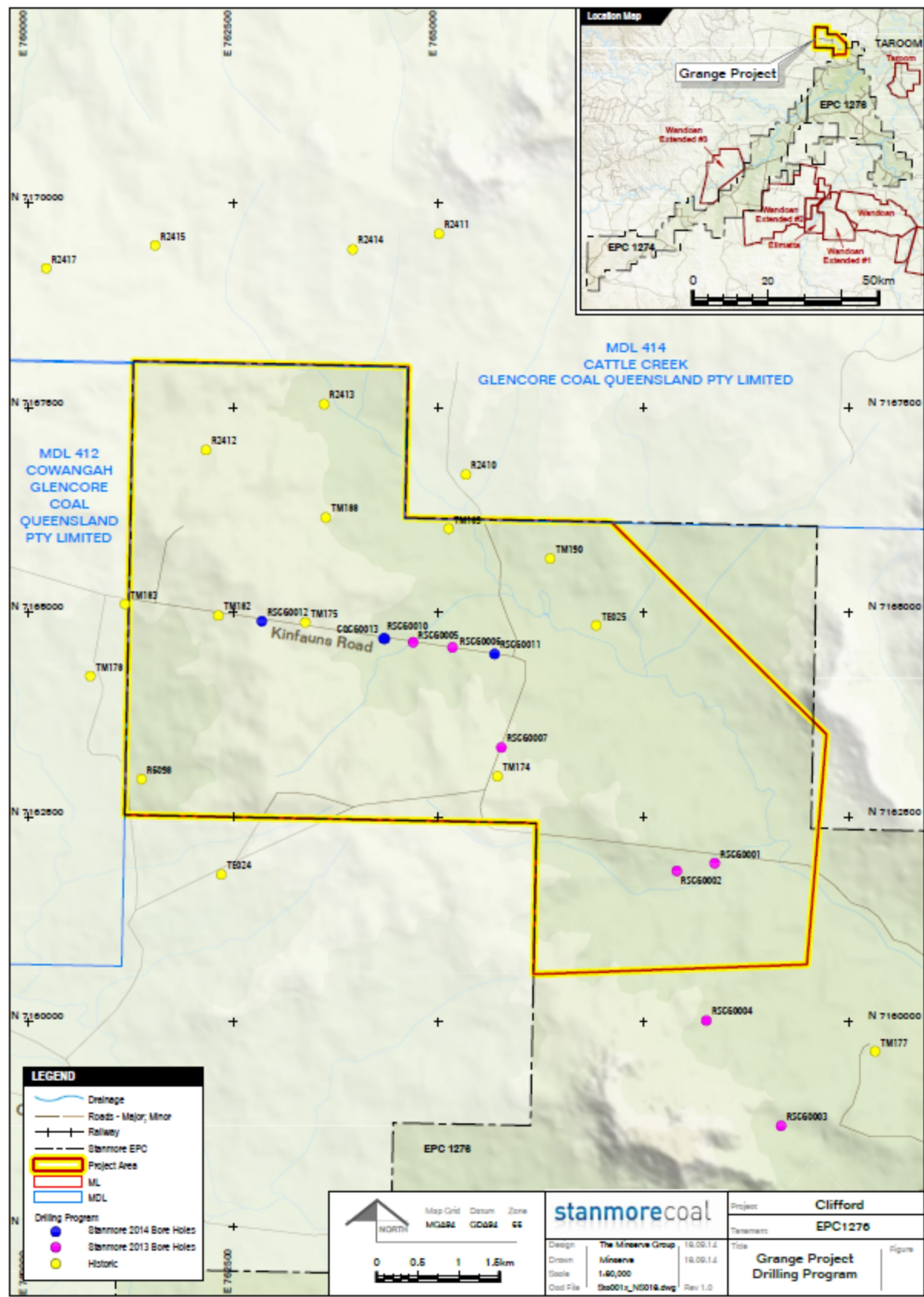
Stanmore Coal is a growth focused pure play coal exploration and development company with a number of prospective coal projects and exploration areas within Queensland’s Bowen and Surat Basins. Stanmore Coal is focused on the creation of shareholder value via the identification and development of coal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

Stanmore Coal Limited ACN 131 920 968

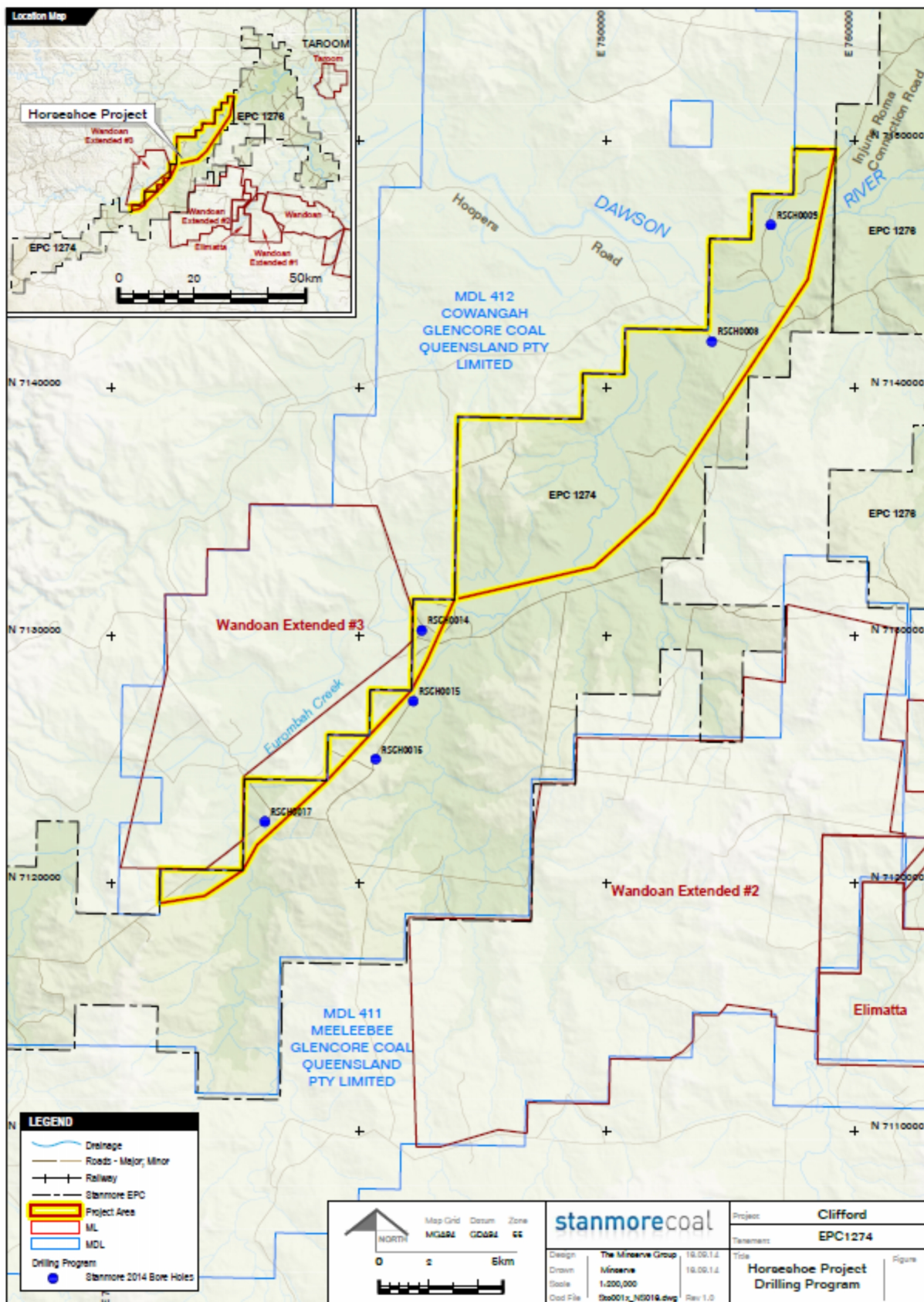
p: +61 (7) 3238 1000 | f: +61 (7) 3238 1098 | e: info@stanmorecoal.com.au | w: www.stanmorecoal.com.au

Street address: Level 8, 100 Edward Street, Brisbane QLD 4000 | Postal address: GPO Box 2602, Brisbane QLD 4001

Appendix – Map of Grange sub-area (EPC 1276)



Appendix – Map of Horseshoe sub-area (EPC 1274)



Appendix – Drill Hole Statistics

Hole ID	Sub-area	Easting	Northing	RL	Total depth of hole (m)	All Coal < 150 metres			Optimised by best strip ratio		
						Total Cumulative coal (m)	In-Situ strip ratio*	To depth (m)	Optimal cumulative coal (m)	Optimal in-situ strip ratio*	To depth (m)*
RSCG0010	Grange	764347.6	7164679.6	242.5	152	14.8	6.5	150.0	6.5	6.5	150.0
RSCG0011	Grange	765684.3	7164492.8	237.9	158	7.2	14.1	149.4	9.45	9.5	43.4
RSCG0012	Grange	762846.1	7164892.5	263.8	158	11.0	8.5	141.1	8.99	9.0	68.7
CQCG0013	Grange	764329.8	7164680.1	242.9	156	14.6	6.7	150.0	4.35	4.4	54.0
RSCH0008	Horseshoe	754239.9	7141878.3	218.7	152	8.1	12.0	144.4	12.0	12.0	144.4
RSCH0009	Horseshoe	756622.5	7146589.9	205.1	152	6.8	13.6	136.9	11.8	11.8	74.5
RSCH0014	Horseshoe	742527.8	7130215.8	247.5	152	11.8	7.6	137.3	8.15	8.2	82.2
RSCH0015	Horseshoe	742185.5	7127356.3	223.4	152	12.9	7.3	144.1	2.46	2.5	18.8
RSCH0016	Horseshoe	740665.6	7125019.1	248.7	152	4.4	22.1	141.3	22.08	22.1	141.3
RSCH0017	Horseshoe	736195.2	7122491.8	245.5	152	12.0	7.5	139.3	6.93	6.9	23.1

* In-situ strip ratios have been calculated assuming a relative density of 1.40.

Appendix - JORC Table 1 Checklist of Assessment and Reporting Criteria

Section 1 Sampling Techniques and Data (Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<p><i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i></p> <ul style="list-style-type: none"> <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> <p><i>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i></p>	<ul style="list-style-type: none"> Presently there is one core hole within the dataset, being Stanmore 2013 exploration program hole CQCG0013 In hole CQCG0013 all coal seams intersected greater than 0.10 m were sampled with a maximum sample length of 2.00 m of coal. Coal plies were sampled discretely on the basis of lithological characteristics and quality. All non-coal material and partings less than 0.10 m were included with the coal ply and noted in the lithological description. Non-coal interburden material greater than 0.10 m and up to a maximum of 0.5 m was sampled separately. All coal and non-coal inter-burden samples were double bagged at site and marked with sample number, date, hole and project. Geophysical corrections confirmed representative core recovery of the seam and samples. The qualified samples were then transported to the laboratory via courier. Coal Quality samples from the Stanmore 2013 Drilling program were sent to Bureau Veritas Laboratories in Brendale, Queensland. All coal quality samples were prepared and analysed using Australian Standard testing methodologies. <ul style="list-style-type: none"> All coal and roof and floor dilution samples were double bagged at site and marked with sample number, hole and project. The samples were then transported to laboratory via courier. All coal quality samples were prepared and analysed using Australian testing methodologies at the NATA accredited lab – Bureau Veritas at Brendale – Brisbane QLD.
Drilling techniques	<p><i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i></p>	<ul style="list-style-type: none"> Stanmore has completed 2 drilling campaigns within the area, firstly during 2012/13 & secondly during 2013/14. Partial core coal quality hole (CQCG0013) was completed using a 4C size core barrel producing a 100 mm core diameter. Non cored holes were drilled using 120mm blade or PCD drill bits. A list of 2014 drill holes and drilling methods is available at the end of Table 1 in Appendix B – Drill Hole Data.

<p><i>Drill sample recovery</i></p>	<p><i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></p> <p><i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></p> <p><i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i></p>	<ul style="list-style-type: none"> • An assessment of core recovery was completed by comparing the recovered thickness measured during geological logging and by the driller, to geophysical picked thicknesses from the geophysical logs • If there was less than 95% core recovery a redrill was required
<p><i>Logging</i></p>	<p><i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i></p> <p><i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i></p> <p><i>The total length and percentage of the relevant intersections logged.</i></p>	<ul style="list-style-type: none"> • All core was geologically logged, marked and photographed before sampling. Geological and geotechnical features were identified and logged. • All chip holes were geologically logged. • All drill holes from the 2013/14 Stanmore exploration campaign have been geophysically logged by Weatherford Wireline Services. The minimum tool suite consisted of caliper, short & long space density, natural gamma & verticality (deviation & azimuth). • All drill holes from the 2012/13 Stanmore exploration campaign were geophysically logged by Coalseam Wireline Services. In addition to the tool suite (above) selected drill holes from this campaign also had full waveform sonic and electrical resistivity tools run. • The calibration of the geophysical tools was conducted by the geophysical logging company. • A full list of the suite of geophysical logs that have been run on each drill hole can be found in Appendix B – Drill Hole Data. The following descriptions relate to the tool codes as noted in the Geophysical Logs column of Appendix B: <ul style="list-style-type: none"> ○ C, Caliper (borehole size) ○ D, Density (short & long space) ○ G, Natural gamma ○ V, Borehole Verticality (deviation & Azimuth)
<p><i>Sub-sampling techniques and sample preparation</i></p>	<p><i>If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></p> <p><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></p> <p><i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></p> <p><i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i></p> <p><i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></p>	<ul style="list-style-type: none"> • All core samples were double bagged on site and transported to the Bureau Veritas Laboratory in Brendale for testing. • Bureau Veritas Laboratories comply with Australian Standards for sample preparation and sub sampling. • Analysis on raw sample included proximate, total sulfur, relative density & calorific value. Raw procedure keeps ½ of the raw sample as reserve. • Float-sink composite samples were pre-treated and crushed to -12mm before sample splitting and analysis. Float-sink conducted on 5 density cut-points 1.4, 1.5, 1.6, 1.8, 2.0. • Clean coal testing applied on 3 “non-contiguous” composite sections. Testing included proximate, ash analysis, trace elements, ultimate analysis, ash fusion (reducing) and petrographics.

Quality of assay data and laboratory tests	<p>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</p> <p>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</p>	<ul style="list-style-type: none"> Bureau Veritas Laboratories comply with the Australian Standards for coal quality testing and are certified by the National Association of Testing Authorities Australia (NATA). The calibration of the geophysical tools was conducted by the geophysical logging company. The density measurement is calibrated to precise standards and where possible validated in a calibration hole.
Verification of sampling and assaying	<p>The verification of significant intersections by either independent or alternative company personnel.</p> <p>The use of twinned holes.</p> <p>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</p> <p>Discuss any adjustment to assay data.</p>	<ul style="list-style-type: none"> Bureau Veritas Laboratories comply with the Australian Standards for coal quality testing and as such conduct the verifications for coal quality analysis outlined in the standards. Product Coal assessment has undertaken by M Resources Pty Ltd for the 2014 exploration program. Coal quality results were verified by M Resources Pty Ltd personnel before inclusion into the geological model. No adjustments have been made to the coal quality data.
Location of data points	<p>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</p> <p>Specification of the grid system used.</p> <p>Quality and adequacy of topographic control.</p>	<ul style="list-style-type: none"> Professional Survey of all Stanmore boreholes for was completed by T.R. Baillie Consulting Surveyors (2012/13) and Murray & Associates (2013/14). Datum GDA 94 and projection MGAZ55 was used. The topography was downloaded using the “Global Mapper” software. The elevation data is from ASTER GDEM (Advanced Spaceborne Thermal Emission and Reflection Radiometer Global Digital Elevation Model), Worldwide Elevation Data (1.5 arc second Resolution ~ 45m)
Data spacing and distribution	<p>Data spacing for reporting of Exploration Results.</p> <p>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</p> <p>Whether sample compositing has been applied.</p>	<ul style="list-style-type: none"> There is only one location for coal quality samples located in the centre of the Grange region of EPC 1276. Other supporting borehole spacing range throughout the tenure area, but are generally in the vicinity of from 500 to 4000m. Historical boreholes from outside the tenement area have also been considered and given the model a reasonable amount of lateral continuity in all directions. Compositing of samples within was undertaken for float-sink and product estimations for the hole CQCG0013 only. With respect to in-situ strip ratio estimates made in the announcement, the following methodology has been utilised: <ul style="list-style-type: none"> Only coal plies of >10cm thickness have been included A relative density estimate of 1.4 has been assumed in the following calculation: <ul style="list-style-type: none"> In-situ Strip Ratio = A / B where: <ul style="list-style-type: none"> A = Depth – Total Cumulative Coal Thickness B = Total Cumulative Coal Thickness x 1.40

<i>Orientation of data in relation to geological structure</i>	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	<ul style="list-style-type: none"> • The region is known to be unremarkable in terms of structure, with little significant faulting known to exist. • The Grange area is known to sit within close proximity to the axis of a large regional syncline (the Mimosa Syncline). This syncline trends NNW to SSE and plunges SSE. On the western limb of the Mimosa Syncline the sediments dip gently south east and on the east they dip gently to the south south-west • No faults have been interpreted from the drilling data used to construct the model. However, this may change with further drilling as drill hole spacing becomes closer allowing finer resolution of structure between drill holes. • All drill holes are vertical to intersect the largely flat- lying coal bed stratigraphy.
<i>Sample security</i>	<i>The measures taken to ensure sample security.</i>	<ul style="list-style-type: none"> • Sample Security was ensured under a chain of custody between Stanmore Coal personnel on site and Bureau Veritas laboratory and East Coast Exploration (ECE) personnel on site and Bureau Veritas for the 2013/14 exploration program
<i>Audits or reviews</i>	<i>The results of any audits or reviews of sampling techniques and data.</i>	<ul style="list-style-type: none"> • Sampling was undertaken by ECE personnel under the supervision of Xenith Consulting Pty Ltd. • Bureau Veritas undertook internal audits and checks in line with the Australian standards and their NATA certification.

Section 2 Reporting of Exploration Results (Criteria listed in the preceding section also apply to this section)

Criteria	JORC Code explanation	Commentary																					
Mineral tenement and land tenure status	<ul style="list-style-type: none">Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. <p>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</p>	<ul style="list-style-type: none">EPC 1274 and EPC 1276 are wholly owned by Stanmore Surat Coal Pty Ltd.The area is currently under native title application by the Iman People #2 and Mandandanji People.Areas of the deposit are under strategic cropping (SCL) trigger area. Studies would be required to determine whether area actually qualifies as SCL.There are very small areas of environmentally sensitive areas, such as Endangered Regional Ecosystems (ERE) within the tenure area.There are no other known impediments to obtaining a licence to operate in the Clifford/Grange Project area <table><tr><th>Tenure Type</th><th>Tenure Number</th><th>Date Lodged</th><th>Date Granted</th><th>Date Expires</th><th>Principal Holder</th><th>Number of Sub blocks</th></tr><tr><td>EPC</td><td>1276</td><td>08 Apr2008</td><td>10 Sep2008</td><td>09 Sep2018</td><td>Stanmore (Surat) Coal Pty Ltd</td><td>170</td></tr><tr><td>EPC</td><td>1264</td><td>08 Apr2008</td><td>10 Sep2008</td><td>09 Sep 2018</td><td>Stanmore (Surat) Coal Pty Ltd</td><td>193</td></tr></table> <ul style="list-style-type: none">Overlapping tenements:<ul style="list-style-type: none">EPC 1276-<ul style="list-style-type: none">EPP 768 - BG International (AUS) Pty LimitedEPP 803 - Bronco Energy Pty LtdEPP 852 - BG International (AUS) Pty LimitedEPP 868 - Vamgas Pty LtdPL 397A – Pure Energy Resources Pty LtdPL 501A - BG International (AUS) Pty LimitedEPC 1274-<ul style="list-style-type: none">EPP 592 - Australia Pacific LNG Pty LtdEPP 767 – BNG (Surat) Pty LtdEPP 852 - BG International (AUS) Pty LimitedPL 200 - Australia Pacific LNG Pty LtdPL 203 - Australia Pacific LNG Pty LtdPL 409A – Australia Pacific LNG Pty LtdPL 417 - Australia Pacific LNG Pty LtdPL 507A - BG International (AUS) Pty Limited	Tenure Type	Tenure Number	Date Lodged	Date Granted	Date Expires	Principal Holder	Number of Sub blocks	EPC	1276	08 Apr2008	10 Sep2008	09 Sep2018	Stanmore (Surat) Coal Pty Ltd	170	EPC	1264	08 Apr2008	10 Sep2008	09 Sep 2018	Stanmore (Surat) Coal Pty Ltd	193
Tenure Type	Tenure Number	Date Lodged	Date Granted	Date Expires	Principal Holder	Number of Sub blocks																	
EPC	1276	08 Apr2008	10 Sep2008	09 Sep2018	Stanmore (Surat) Coal Pty Ltd	170																	
EPC	1264	08 Apr2008	10 Sep2008	09 Sep 2018	Stanmore (Surat) Coal Pty Ltd	193																	

Geology	<ul style="list-style-type: none"> • <i>Deposit type, geological setting and style of mineralisation.</i> • EPC 1274 & 1276 are situated in northern section of the Jurassic age Surat Basin, underlain by the southern part of the Permian-Triassic Bowen Basin. It lies within the Taroom Trough which is bounded to the west by the Comet Platform. The Surat Basin occupies an area of some 270,000 km² with a length of 800km and a width of 450km and contains sediment sequences up to 2,500 metres thick. It lies west of the Clarence-Moreton Basin and extends from southern Queensland into northern New South Wales. It forms an eastern lobe of the Mesozoic Great Artesian Basin and consists of Jurassic clastic continental sediments and Early Cretaceous marine beds. • The stratigraphy of the project area (to the base formation of interest) is as follows: • Quaternary alluvial deposits; restricted to and associated with present and historic riverine activity. These sediments are comprised of sand, silt, muds and gravel. • Jurassic aged (lower) Juandah Coal Measures; consisting of lithic, labile sandstone, inter-bedded with siltstone, mudstone and coal, with coal deposition more frequent towards the top of formation. • Jurassic aged Tangalooma Sandstone; a sandstone dominated marker formation that separates the Juandah & Taroom Coal sequences • Jurassic aged Taroom Coal Measures; consisting of sub-labile, medium grained sandstone grading upwards to interbedded sandstone, siltstone, mudstone and coals. • Coal seams of economic potential significance occur within the geological formation described as the Walloon Coal Measures, which are Jurassic in age. The Walloon Coal Measures can be further sub divided into an upper unit (Juandah Coal Measures) & lower unit (Taroom Coal Measures). In this area the seams dip gently at approximately 1 – 2 degrees. East of the Mimosa Syncline the general seam dip is to the south-east and west of the Mimosa Syncline the general seam dip is to the south-west. • The Dawson River, which bisects EPC 1276, has deposited alluvium across the middle of the tenement. Gamma ray logging of a Taroom town water bore indicated the Injune Creek unit being present from the surface to a depth of 246 metres. Stratigraphic borehole GSQ Taroom 1, 11km to the south of Taroom, started and finished in the Walloon Coal Measures intersecting a net 5.62m of coal. GSQ Taroom 15, 4km east of EPC 1276, indicates Hutton Sandstone from the surface. • Regional seams found within the Juandah Coal Measures are as follows: <ul style="list-style-type: none"> ○ Kogan Seam ○ Macalister Seam ○ Nangram Seam ○ Wambo Seam ○ Iona Seam ○ Argyle Seam • Regional seams found within the Taroom Coal Measures are as follows: <ul style="list-style-type: none"> ○ Auburn Seam ○ Bulwer Seam ○ Condamine Seam • Modelled seams and sub-plies thereof are not yet assigned to the regional nomenclature. However it is believed that only seams within the lower Juandah Coal Measures (Iona, Argyle) & Taroom Coal Measures (Auburn, Bulwer & Condamine) exist.
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Exploration done by other parties

- Acknowledgment and appraisal of exploration by other parties.

- Several phases of historic coal exploration have taken place within the area now covered by EPC 1274 & EPC 1276. This has also been supplemented with some departmental (GSQ) drilling and more recent exploration targeting coal seam gas (CSG). Within the combined tenure area in excess of 500 boreholes have been drilled, at varied spacings for varied purposes. Borehole spacing is generally in the region of between 2 – 4 kilometres.
- The quality and suitability of available historic data is highly variable. Historic data utilised by Stanmore has been reviewed and audited and any data utilised has the following minimum requirements:
 - a lithological log
 - a geophysical log (density, gamma, caliper)
 - borehole collar survey or suitably geo-referenced borehole location
- Historic Exploration Permits for Coal (EPC) that have underlain or partially underlain EPC 1276 are as follows:

PERMIT	DECADE	TENURE HOLDER
149	70's	Brigalow Mines Pty Limited
157	70's	Brigalow Mines Pty Limited
229	70's	Brigalow Mines Pty Limited
241	70's	Marathon Petroleum Australia
256	70's	Marathon Petroleum Australia
267	70's	Brigalow Mines Pty Limited
305	80's	Marathon Petroleum Australia
355	80's	Griffin Coal Mining Company Limited
393	80's	Mobil Energy Minerals Australia Inc.
404	80's	Mobil Energy Minerals Australia Inc.
406	80's	Marathon Petroleum Australia
419	80's	Mobil Energy Minerals Australia Inc.
422	80's	Mobil Energy Minerals Australia Inc.
432	80's	Surat Coal Joint Venture
787	00's	Xstrata Coal Queensland Pty Ltd
788	00's	Xstrata Coal Queensland Pty Ltd
790	00's	Xstrata Coal Queensland Pty Ltd

- Historic Exploration Permits for Coal (EPC) that have underlain or partially underlain EPC 1274 are as follows:

PERMIT	DECADE	TENURE HOLDER
124	70's	Exoil NL, Petromin NL and Transoil NL
126	70's	Exoil NL, Petromin NL and Transoil NL
139	70's	Brigalow Mines Pty Limited
149	70's	Brigalow Mines Pty Limited
174	70's	Mines Administration Pty Limited
178	70's	Shell Development (Australia) Pty Ltd
194	70's	Brigalow Mines Pty Limited
230	70's	Brigalow Mines Pty Limited
241	70's	Marathon Petroleum Australia
265	70's	Brigalow Mines Pty Limited
279	80's	Otter Exploration NL and Allstate Explorations NL
281	80's	Joint Venture Otter Exploration NL, Allstate Exploration NL and Marathon Petroleum Australia
305	80's	Marathon Petroleum Australia
345	80's	Marathon Petroleum Australia
348	80's	Agip Australia Pty Ltd
355	80's	Griffin Coal Mining Company Limited
399	80's	Marathon Petroleum Australia
410	80's	Marathon Petroleum Australia
432	80's	Surat Coal Joint Venture
789	00's	Xstrata Coal Queensland Pty Ltd
791	00's	Xstrata Coal Queensland Pty Ltd
790	00's	Xstrata Coal Queensland Pty Ltd
859	00's	Xstrata Coal Queensland Pty Ltd

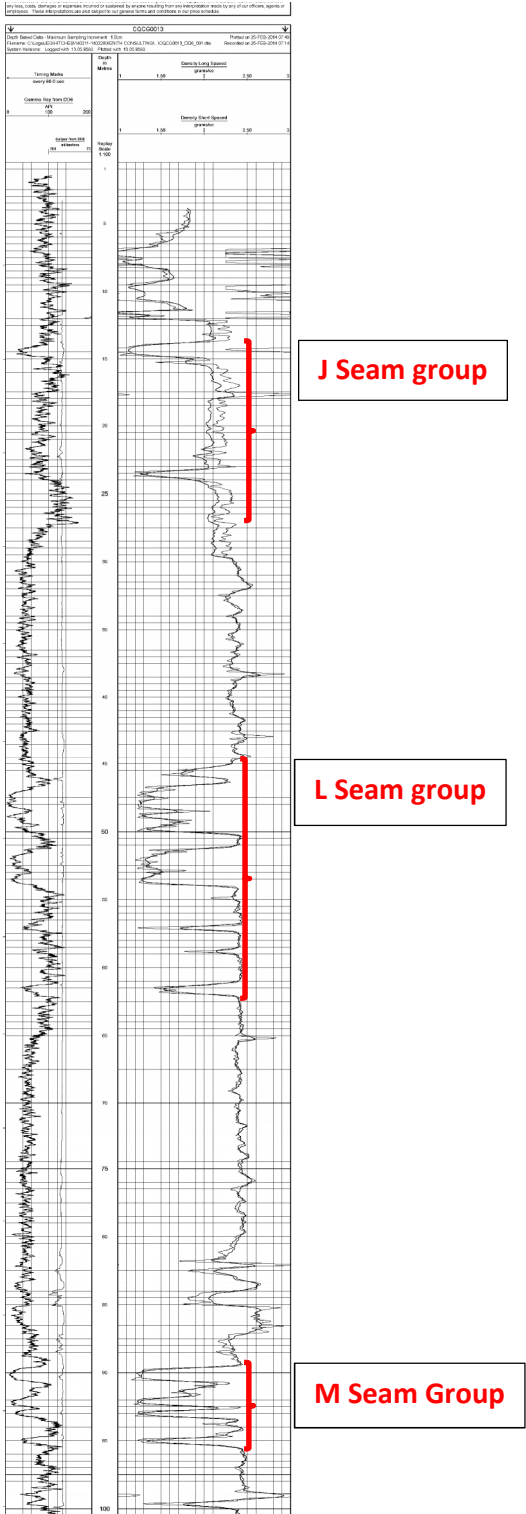
Drill hole Information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<ul style="list-style-type: none"> A list of 2014 Stanmore boreholes is attached in an Appendix. No relevant information has been excluded.
Data aggregation methods	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> All seams where multiple coal quality samples were taken were given a composite coal quality value. The composite value was generated manually, mass weighted on thickness and RD. For the single core hole 5 x mass weighted Float Sink Composites were made up on the basis of compilation of coal plies (although not necessarily contiguous). 3 of these float sink composites were then progressed for thermal clean coal composite testing at a cut-point of float 1.60.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). 	<ul style="list-style-type: none"> All drilling is conducted in vertical holes. All coal intersections and down-hole geophysics are vertical thickness, as the seam dips are sub-5 degrees this thickness is considered true thickness. Lateral coal seam continuity is demonstrated by seam intercepts within surrounding boreholes confirmed by geophysical logging.
Diagrams	<ul style="list-style-type: none"> Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> Appropriate Maps and diagrams are included in the ASX announcement presented.
Balanced reporting	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> All data from all holes has been collated and reported.
Other substantive exploration data	<ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock 	<ul style="list-style-type: none"> Nil

	<i>characteristics; potential deleterious or contaminating substances.</i>	
<i>Further work</i>	<ul style="list-style-type: none"> <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> It is expected that further drilling will commence in late 2014/ early 2015. Planned drilling includes up to 32 open holes and up to 8 cored, coal quality holes.

APPENDIX: 2014 STANMORE DRILL HOLE DATA

Company	Year	Borehole ID	Easting	Northing	Elevation	Total depth	Hole Type	Hole size (mm)	Core Diameter	Geophysical logs
Stanmore Coal	2014	RSCH0008	754239.9	7141878.4	218.7	152	Chip	119	-	C,D,G,V
Stanmore Coal	2014	RSCH0009	756622.5	7146589.9	205.1	152	Chip	119	-	C,D,G,V
Stanmore Coal	2014	RSCG0010	764347.6	7164679.6	242.5	152	Chip	119	-	C,D,G,V
Stanmore Coal	2014	RSCG0011	765684.3	7164492.8	237.9	158	Chip	119	-	C,D,G,V
Stanmore Coal	2014	RSCG0012	762846.1	7164892.6	263.8	158	Chip	119	-	C,D,G,V
Stanmore Coal	2014	CQCG0013	764329.8	7164680.1	242.9	156	Core	140	100	C,D,G,V
Stanmore Coal	2014	RSCH0014	742527.8	7130215.8	247.5	152	Chip	119	-	C,D,G,V
Stanmore Coal	2014	RSCH0015	742185.5	7127356.4	223.4	152	Chip	119	-	C,D,G,V
Stanmore Coal	2014	RSCH0016	740665.6	7125019.1	248.7	152	Chip	119	-	C,D,G,V
Stanmore Coal	2014	RSCH0017	736195.2	7122491.8	245.5	152	Chip	119	-	C,D,G,V

APPENDIX - REPRESENTATIVE GEOPHYSICS SIGNATURE CQCG0013





O Seam Group