

stanmorecoal

**Managing Director
Presentation**

29 November 2012



Important information

This document has been prepared by Stanmore Coal Limited (“Stanmore Coal”) for the purpose of providing a company and technical overview to interested analysts/investors. None of Stanmore Coal, nor any of its related bodies corporate, their respective directors, partners, employees or advisers or any other person (“Relevant Parties”) makes any representations or warranty to, or takes responsibility for, the accuracy, reliability or completeness of the information contained in this document, to the recipient of this document (“Recipient”), and nothing contained in it is, or may be relied upon as, a promise or representation, whether as to the past or future.

The information in this document does not purport to be complete nor does it contain all the information that would be required in a disclosure statement or prospectus prepared in accordance with the Corporations Act 2001 (Commonwealth). It should be read in conjunction with Stanmore’s other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange, which are available at www.asx.com.au.

This document is not a recommendation to acquire Stanmore Coal shares and has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek appropriate advice, including financial, legal and taxation advice appropriate to their jurisdiction. Except to the extent prohibited by law, the Relevant Parties disclaim all liability that may otherwise arise due to any of this information being inaccurate or incomplete. By obtaining this document, the Recipient releases the Relevant Parties from liability to the Recipient for any loss or damage that it may suffer or incur arising directly or indirectly out of or in connection with any use of or reliance on any of this information, whether such liability arises in contract, tort (including negligence) or otherwise.

This document contains certain “forward-looking statements”. The words “forecast”, “estimate”, “like”, “anticipate”, “project”, “opinion”, “should”, “could”, “may”, “target” and other similar expressions are intended to identify forward looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. You are cautioned not to place undue reliance on forward looking statements. Although due care and attention has been used in the preparation of forward looking statements, such statements, opinions and estimates are based on assumptions and contingencies that are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance.

Recipients of the document must make their own independent investigations, consideration and evaluation. By accepting this document, the Recipient agrees that if it proceeds further with its investigations, consideration or evaluation of investing in the company it will make and rely solely upon its own investigations and inquiries and will not in any way rely upon this document.

This document is not and should not be considered to form any offer or an invitation to acquire Stanmore Coal shares or any other financial products, and neither this document nor any of its contents will form the basis of any contract or commitment. In particular, this document does not constitute any part of any offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of any “US person” as defined in Regulation S under the US Securities Act of 1993 (“Securities Act”). Stanmore Coal shares have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States or to any US person without being so registered or pursuant to an exemption from registration.

Exploration Target Note: All statements as to exploration targets of Stanmore Coal and statements as to potential quality and grade are conceptual in nature. There has been insufficient exploration undertaken to date to define a coal resource and identification of a resource will be totally dependent on the outcome of further exploration. Any statement contained in this document as to exploration results or exploration targets has been made consistent with the requirements of the Australasian code for reporting of exploration results, mineral resources and ore reserves (“JORC Code”).

Marketable Reserves Note: The Marketable Coal Reserves of 94Mt is derived from a JORC compliant run of mine (ROM) Probable Coal Reserve of 117.5Mt based on a 14.8% ash product and predicted yield of 80%. The 94Mt marketable reserve is included in the 287Mt total JORC Resource (18Mt Measured + 187Mt Indicated + 82Mt Inferred Resource)

Competent Persons Statement: The information in this report relating to exploration results and coal resources is based on information compiled by Mr Wes Nichols who is a member of the Australasian Institute of Geoscientists and is a full time employee of Stanmore Coal. Mr Nichols is a qualified geologist and has sufficient experience that 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 2004 Edition of the JORC Code. Mr Nichols consents to the inclusion in this document of the matters based on the information, in the form and context in which it appears. The information in this report relating to coal reserves is based on information compiled by Mr Richard Hoskings who is a member of Minserve Pty Ltd. Mr Hoskings is a mining engineer, a Fellow of the Australian Institute of Mining and Metallurgy (AusIMM) and has the relevant experience (30+ years) in relation to the mineralisation being reported to qualify as a Competent Person as defined in the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code 2004 Edition)”. Mr Hoskings consents to the inclusion in the report of the matters based on the information, in the form and context in which it appears.

Investment highlights

1 Attractive pipeline of Queensland coal projects at various stages of development

- The Range (Surat Basin) open-cut 5Mtpa (product) export thermal coal. BFS nearing completion
- Belview (Bowen Basin) underground 3Mtpa (product) coking coal. 6m seam with recent acquisition improving economics
- Other prospective thermal, PCI and coking deposits in the Bowen and Surat basins

2 On the path to becoming a significant coal producer

- First coal planned for 2016 from The Range and Belview from 2018
- Targeting 8Mtpa+ of saleable coking and export thermal coal production
- 94Mt Marketable Reserves, 686Mt JORC Resource¹ and 975Mt – 1,498Mt of additional Exploration Targets^{2,3}

3 Infrastructure development parallels proposed mine development

- Secured 5Mtpa of capacity in WEXP1 by executing a Capacity Commitment Deed in June 2012
- Continue to hold 2Mtpa of priority (FFFA) capacity rights for WEXP2
- Entered into an agreement with Adani for an additional 12Mtpa of capacity through Dudgeon Point
- All assets located within close proximity to existing or proposed rail lines

4 Strong Board and management team with proven track record of developing and operating coal mines

- Over 150 years of coal experience
- Significant expertise in developing and operating Queensland coal mines and infrastructure

5 Well funded with a strong, supportive cornerstone investor

- Cash position of A\$35.0M allows the Company to continue project development and company growth
- Co-Operation Agreement with Greatgroup indicates support for future growth opportunities

Year in Review

Company Highlights since the 2011 AGM

■ Continuation of our excellent safety record

- ✓ no lost time injuries across several extensive drilling programs

■ 47% increase in total JORC Resource to 686Mt

- ✓ Increase for The Range Project to a total JORC Resource of 287Mt
- ✓ Maiden JORC Resource for Tennyson (EPC 1168) of 161Mt¹

■ Substantial progress on key development projects

The Range

- ✓ Commenced Bankable Feasibility Study in early 2012. The Study is nearly completed
- ✓ Supplementary EIS well progressed, with Mining Lease anticipated to be granted 1H13
- ✓ Acquired Clifford Project (EPC 1274/1276) via asset swap – prospective for more open cut Surat coal

Belview Project

- ✓ Positive Conceptual Study for EPC 1114 released - indicates the potential for an underground hard coking coal operation of 3.4Mtpa ROM, producing a high quality product
- ✓ Completed the acquisition of EPC 1186 which is adjacent to EPC 1114 – provides substantially more coal at shallower entry point

■ Achieved several milestones in establishing a Surat Basin infrastructure solution

- ✓ Signed CCD for WEXP1 which provides Stanmore with 5Mtpa of capacity
- ✓ Satisfied diligence and invited to sign a foundation customer CCD with SBR

■ Introduced a new funding partner

- ✓ Greatgroup Investments (managed by Sprint Capital) introduced as a cornerstone shareholder
- ✓ Greatgroup continue to be supportive of Stanmore's growth aspirations through the Co-Operation Agreement

Stanmore Coal Overview

Investment Highlights

- Building a diversified portfolio of world class coal assets
- Well-funded with ongoing support from cornerstone shareholder Sprint
- Significant coal asset development and delivery experience

The Range (Surat Basin)

- 5 Mtpa (product) open cut export thermal coal
- BFS nearing completion

Belview (Bowen Basin)

- 2.9Mtpa (product) underground coking coal
- 6m seam of coking coal
- Recent acquisition improves economics and adds scale

Mackenzie (Bowen Basin)

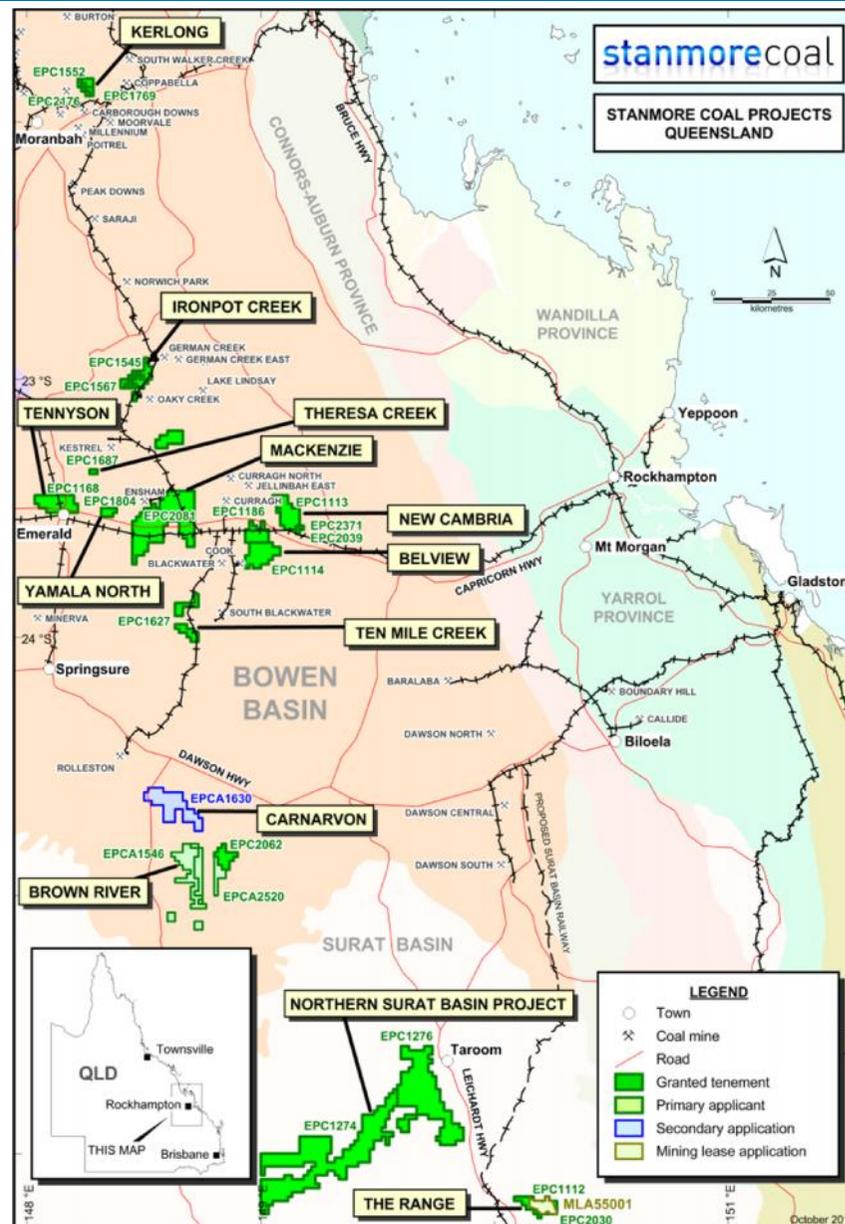
- Open cut coking coal
- Farm-in arrangement with Cape Coal

JORC Resource and Reserve Summary (million tonnes)

Reserves ⁽¹⁾	Marketable			
	94.2			
Resources	Measured	Indicated	Inferred	Total
	18	212.7	455.5	686.2
Targets ⁽²⁾	Low	High		
	975	1,498		

Notes:

- (1) Refer to Marketable Reserves Note (p. 1), JORC Probable Reserve (ROM) of 117.5Mt
 (2) Refer to Exploration Target Note (p.1)



Strong Partners and Shareholders

Key Metrics⁽¹⁾

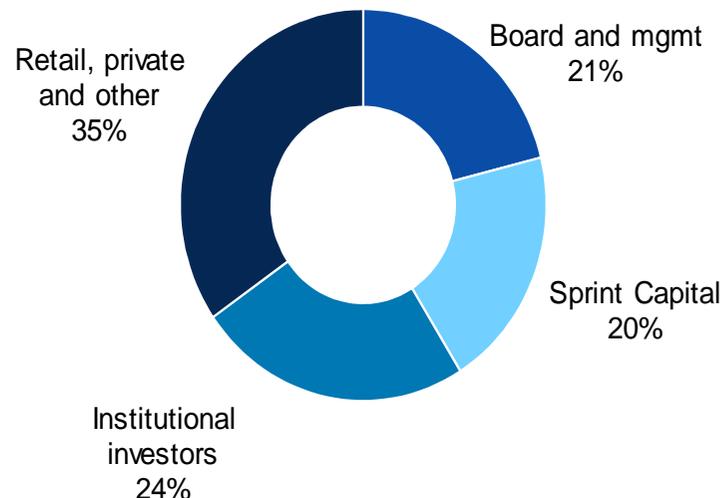
ASX Code	SMR
Shares on Issue	207.2M
Current share price	A\$0.205
Market Capitalisation	A\$42.5M
Cash Position	A\$35.0M
Debt	A\$4.0M

New cornerstone shareholder – Sprint Capital Partners

- Hong Kong based private equity manager
- Focussed on mining and natural resources sector
- Partners with strong management teams with proven track record
- Aim to facilitate high prospectivity exploration and development projects
- Cooperation agreement to include support for:
 - Funding of acquisitions
 - Development of infrastructure
 - Arrangement of take or pay guarantees

Share Ownership Structure

(as at 31 October 2012)



Notes:
(1) As at 28 November 2012

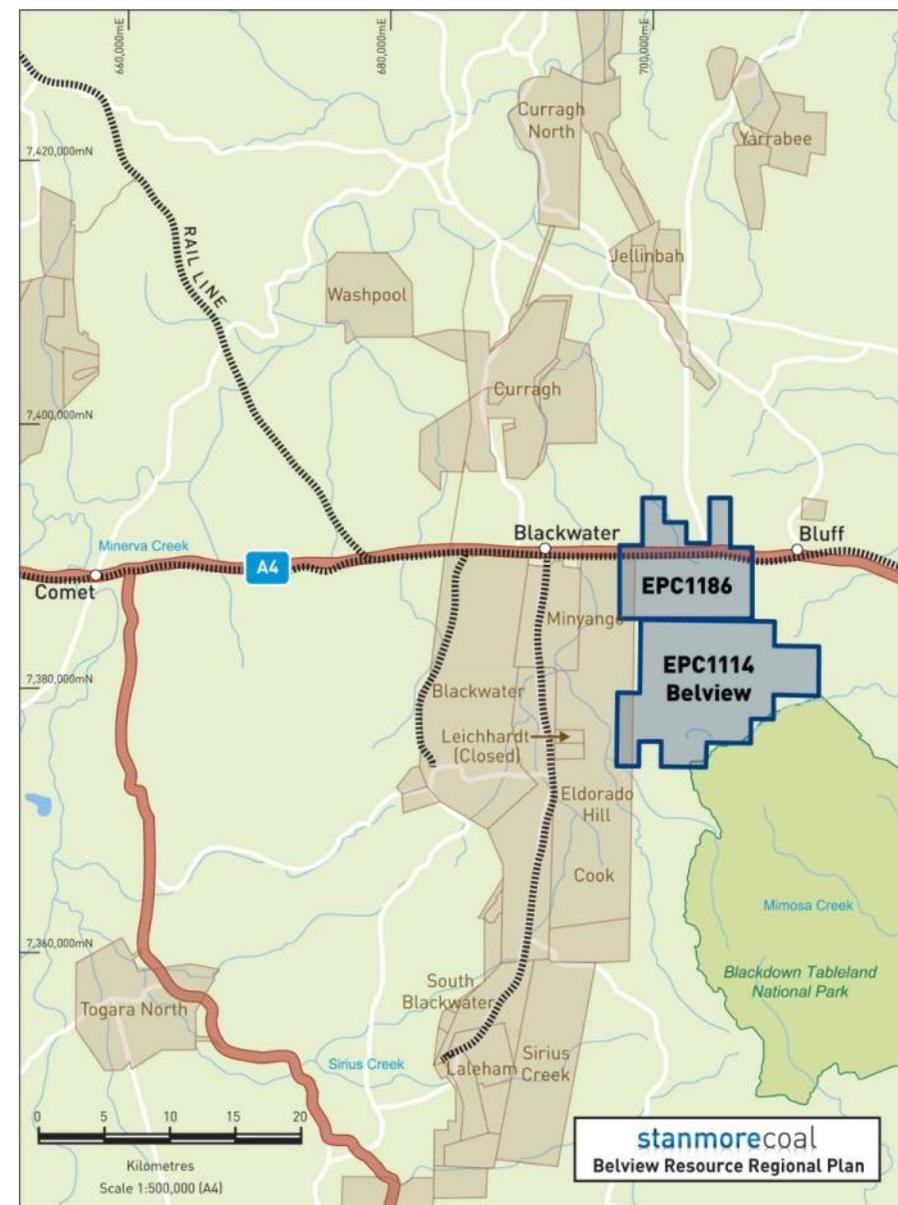
Development Projects

Belview – Acquisition of 1186 Creates Large Coking Coal Project

100% owned

- Substantial coking coal project in heart of the Bowen Basin
- Acquisition of EPC1186 provides access to shallower coking coal (circa 385m depth) and significant increase in Exploration Target
- EPC1186 deal introduces Waratah Coal as Stanmore shareholder

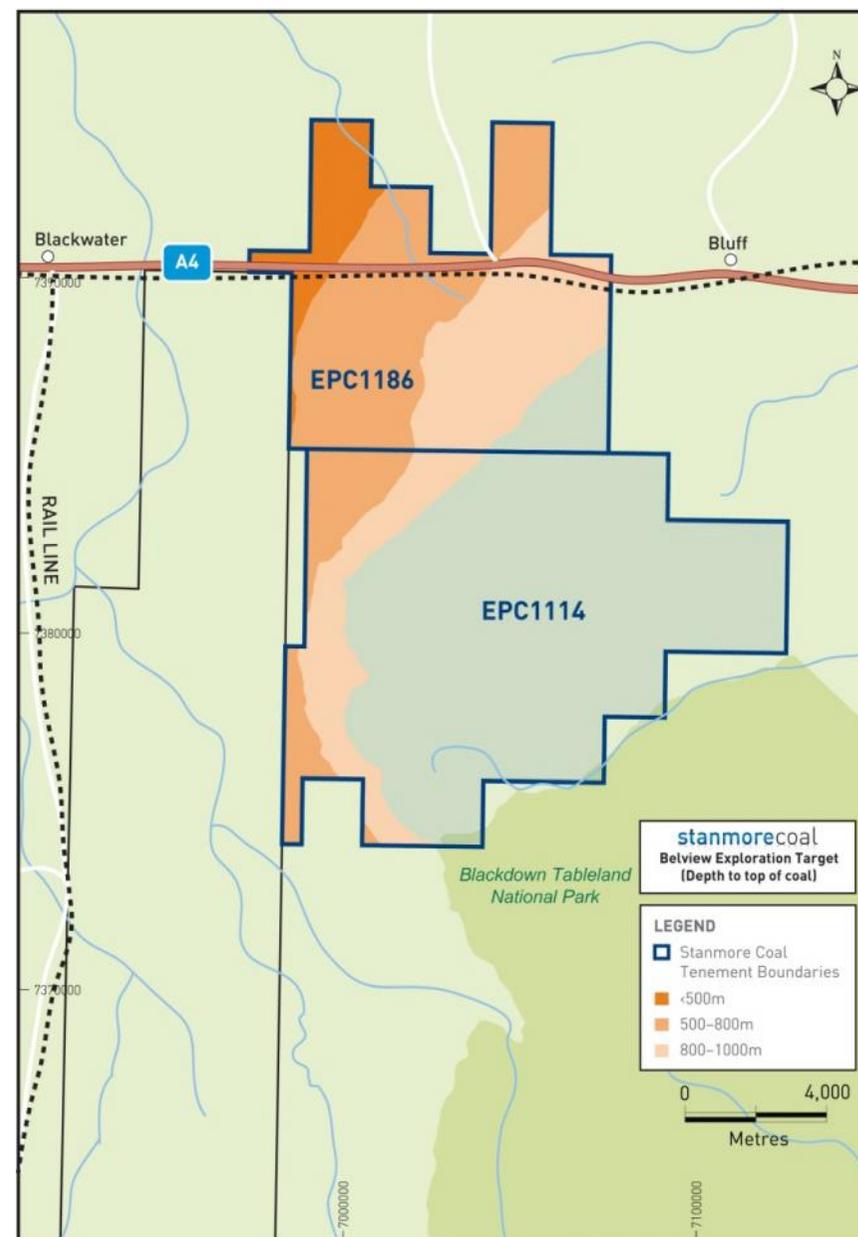
	EPC 1114 (Belview)	EPC 1186	Total
JORC Inferred Resource ²	95 Mt		
Exploration Target ¹ to 500m	-	118 – 178 Mt	118 – 178 Mt
Exploration Target ¹ 500m to 800m	76 – 114 Mt	541 – 811 Mt	617 – 925 Mt
Total Exploration Target (in addition to JORC Resource above)	76 – 114 Mt	659 - 989 Mt	735 – 1,103 Mt
Deal structure and price	Already owned	<ul style="list-style-type: none"> • \$5.1m cash on title transfer • SMR scrip of \$2m on title transfer Plus royalty	



Development Projects

Belview – Acquisition of 1186 Creates Large Coking Coal Project

- Increased exploration target⁽¹⁾ of 735 – 1103Mt across enlarged project area
- Belview (1114) contains 6m+ Gemini Seam
 - Primary high quality coking coal: average CSN of 7.5, ash of 6%, sulphur 0.35%
 - Secondary low vol PCI product
 - Aries samples also demonstrate attractive coking coal qualities (CSN up to 8)
- Previous Belview Conceptual Study (EPC 1114) indicated positive economics
 - multi-shaft access, 3Mtpa long-wall mine
 - FOB of A\$104/t (ex-royalties)
 - capex of A\$907m
- New drilling program planned – expand resource base, update Concept Mining Study and project economics for addition of the shallower EPC 1186 area
- Blackwater to Gladstone railway line runs through the combined EPCs

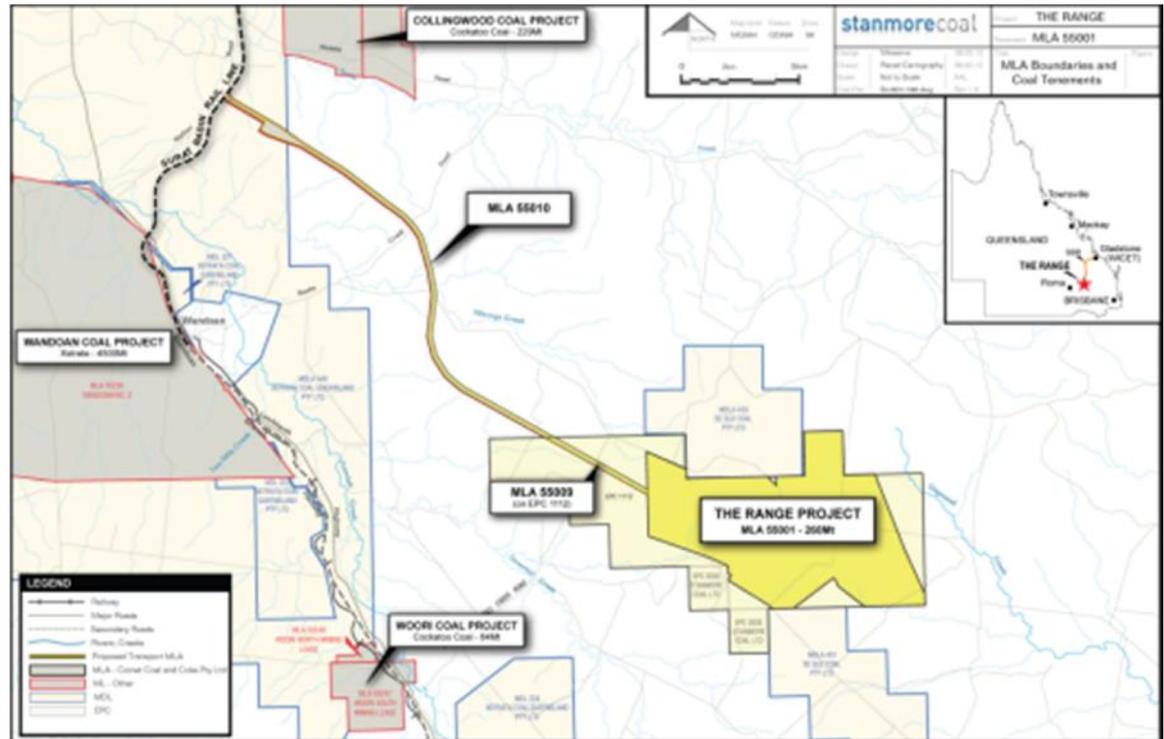


The Range Project – Surat Basin

Asset Overview

100% owned

- 5Mtpa open cut export thermal coal mine over 26 years
- Capital cost \$407M contract mining, \$505M owner mining
- Bankable feasibility study underway
- ML grant expected 1H, 2013
- Infrastructure solution defined
- Adjacent to Xstrata’s Wandoan project - *“World’s best undeveloped thermal coal mine”*³



Category	Reserve (Mt)	Resource (Mt)	Target (Mt)
JORC Marketable Reserve ¹	94		
JORC Measured Resource		18	
JORC Indicated Resource		187	
JORC Inferred Resource		82	
Exploration Target ²			45-80
Totals	94	287	45-80

Unlocking the world-class Surat Basin

Stanmore is strongly aligned with the infrastructure solution

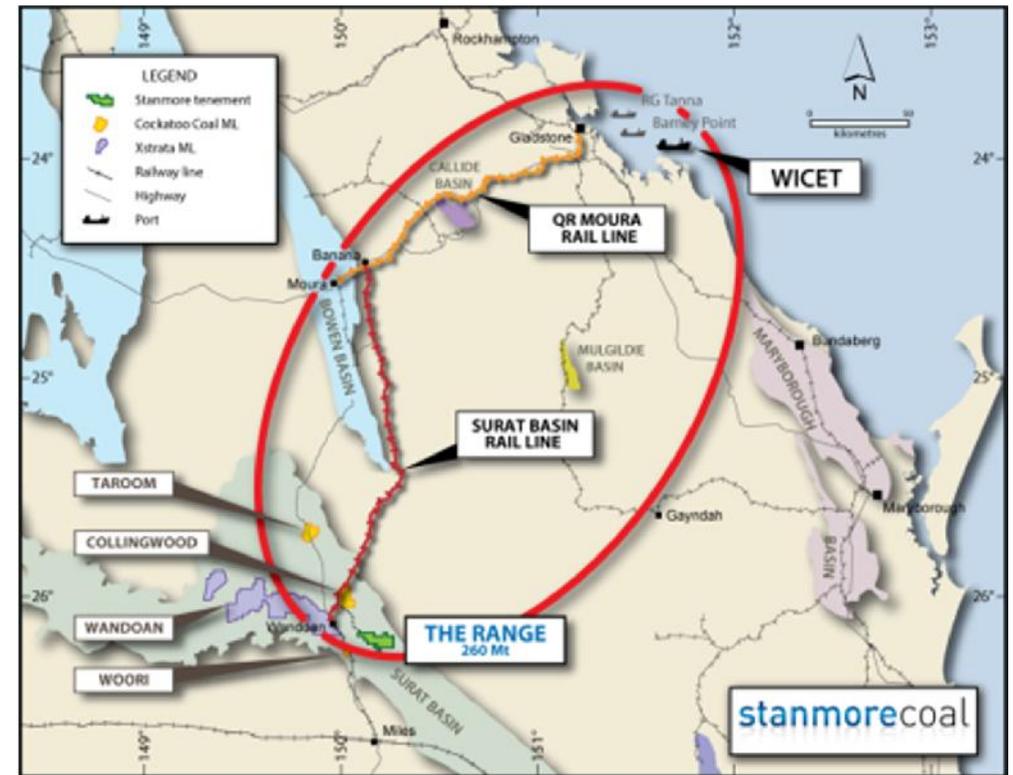
- Surat Basin has strong fundamentals which support industry efforts to provide a route to export markets
 - High quality export thermal coal with strong burnout properties
 - Relatively low cost of production

WICET Expansion Phase 1 (WEXP1)

- Capacity Commitment Deeds (CCD's) executed for 5Mtpa allocation in WEXP1
- SMR retains a further 2Mtpa of FFFA priority rights in WEXP2

Surat Basin Rail (ATEC, QR, Xstrata)

- The Range has satisfied due diligence requirements
- Stanmore Coal has been invited to sign an SBR Capacity Commitment Deed



QR – Moura line expansion

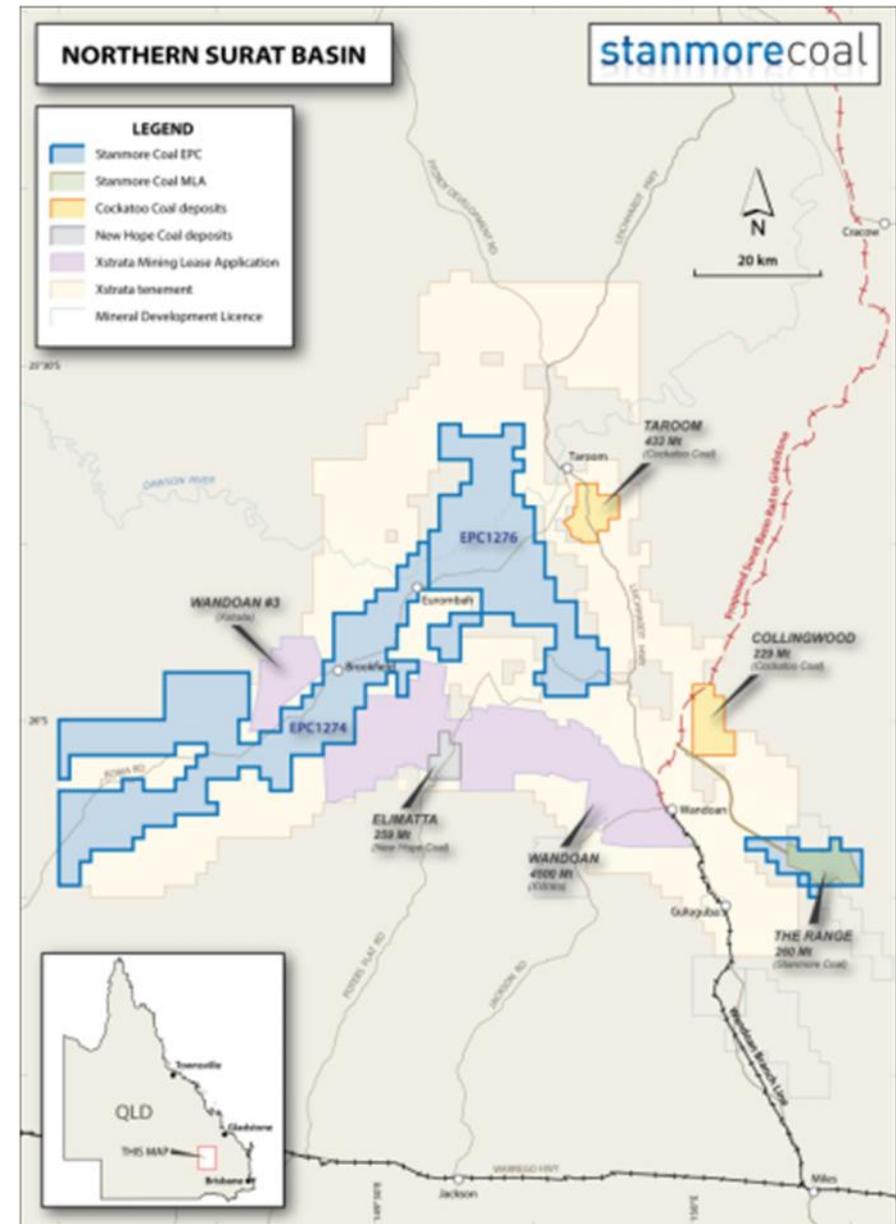
- Will link SBR to WICET port
- Due diligence requirements satisfied, invited to participate in final Feasibility phase

Building a Surat Basin Portfolio

EPC's 1274/76

100% owned

- Potential for export quality thermal coal within 1371km² tenements
- Adjacent to 4.5 billion tonne Wandoan project
- 130-195 Mt initial Exploration Target¹ defined at two locations
- Multiple additional prospective zones identified with existing drill intercepts
- Exploration program planned, aiming to define JORC Resource
- 35km from The Range project
- 15km from proposed Surat Basin Rail

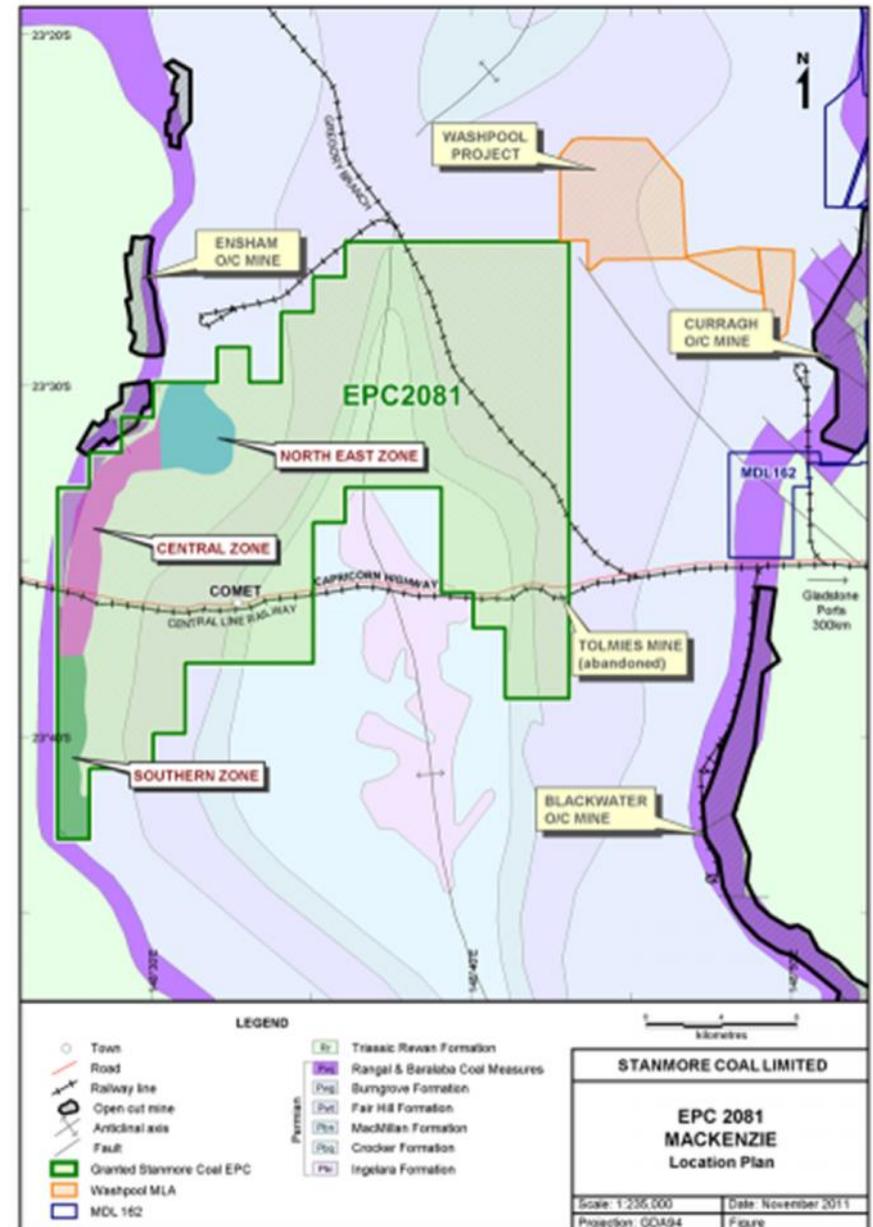


Development Projects

Mackenzie Overview

Bowen Basin – 98% Stanmore Coal, 2% Cape Coal (farm-in up to 9%)

- Joint Venture with Cape Coal to identify new treatment and beneficiation techniques
- Cape Coal bring +60 years experience including treatment of similar South African coals
- Initial technical review has identified opportunities to be investigated by Concept Study including:
 - ROM pre-treatment
 - Dual washing Option
 - Potential to develop multiple small pits
- 27km strike with coal from 10m depth
- 143Mt JORC Resource (25.7Mt Indicated, 117.5Mt Inferred)
- Concept study due Q1 2013

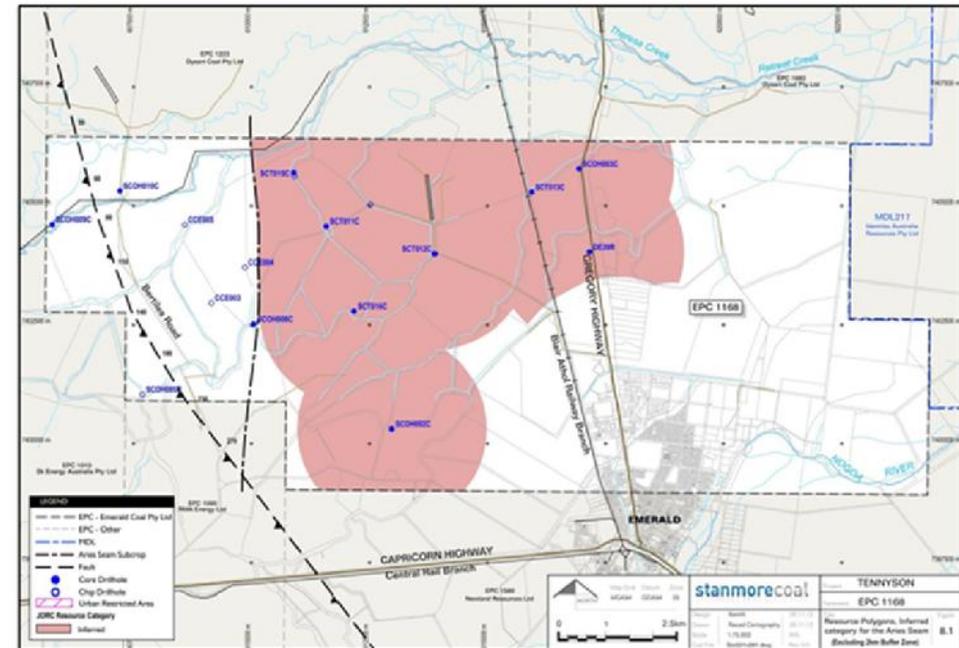


Exploration Projects

Tennyson Overview

100% owned

- Maiden JORC Inferred Resource of 161Mt² from within the 2.5m thick Aries seam at a depth of 150m to 480m
- Additional exploration Target¹ of 65 – 120Mt established
- High energy export thermal coal product³:
 - CV 6,210 kcal/kg
 - Ash 9.5%
 - Sulphur 0.26%
- Concept study planned for 1H 2013
- 14 seams were intersected across the project. Further evaluation will consider additional targets



Seam	Mean Thickness (m)	Maximum Thickness (m)	Minimum Thickness (m)	Number of Intersections	Minimum Depth (m)	Maximum Depth (m)	JORC Inferred (Mt)	Additional Exploration Target ¹ (Mt)
Aries	2.49	3.00	1.69	8	150m	480m	161 ²	65-120

(1) Refer to Exploration Target Note (p.1)
 (2) 10Mt has been excluded from the JORC Inferred Resource as a consequence of the buffer zone around the town of Emerald
 (3) Air dried basis

Asset Development Schedule

Next 12 months and beyond

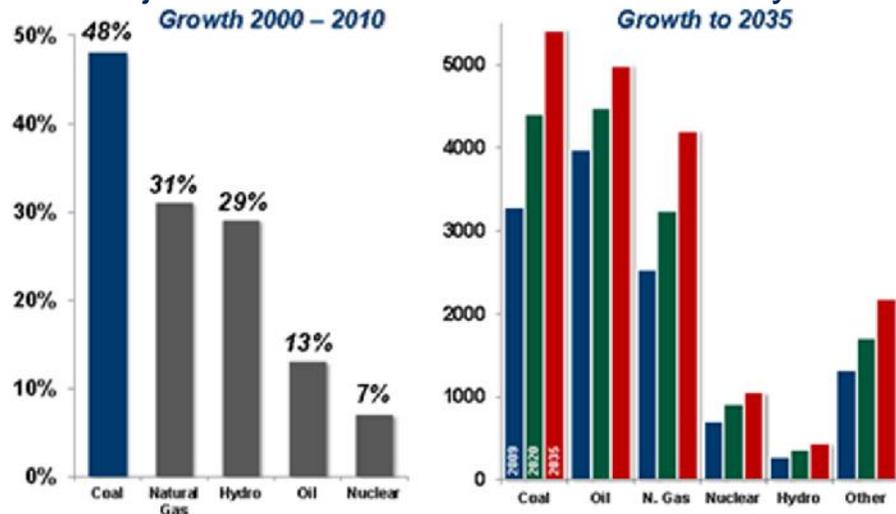
Asset	2H12	1H13	2H13	2014	Beyond
Belview	Drilling commences EPC 1186; update Conceptual Study		Undertake PFS	Undertake BFS	2014 - 2017: Construction 2018 - Production
The Range	BFS delivery	Complete Supplementary EIS; obtain ML grant		Mid 2014: Construction	2016: Production
Mackenzie	Conceptual Study	Undertake PFS (through Joint Venture partner CapeCoal)			
Tennyson	Maiden JORC Resource	Undertake Conceptual Study		Undertake PFS	
Other Exploration Assets	Continue exploration & assessment activities			Advance to Development	

KEY



Long Term Export Thermal Coal Fundamentals remain positive

IEA Projects Coal Demand to Grow 65% by 2035



Source: IEA World Energy Outlook 2011 'Current Policies' Scenario

Global seaborne thermal coal import demand by basin and rank (Mt)



Source: Wood Mackenzie Coal Market Service, November 2012

stanmorecoal

- Demand for energy coal, as a result of increased power-generation requirements, will be met by the seaborne market
- Thermal coal will also **increase its market share** as an energy supply source when compared to alternatives over the next 25 years (oil, natural gas, nuclear power, hydro & other)
- Wood Mackenzie forecasts that Australian thermal coal supply **will increase by 429Mt by 2030 (+235%)** to meet the Asian demand
- The Newcastle benchmark has increased by approximately 10% off the recent lows
- Global freight rates are a key leading indicator for demand – Capesize rates have increased by approximately 60% since June 2012

Reserves, Resources and Exploration Targets

Project		JORC Marketable Coal Reserve ⁽¹⁾ ₍₂₎	JORC Recoverable Coal Reserve ⁽¹⁾ ₍₂₎	JORC Measured Resource ⁽¹⁾	JORC Indicated Resource ⁽¹⁾	JORC Inferred Resource ⁽¹⁾	Total JORC Resource ⁽¹⁾	Additional Exploration Target ⁽³⁾	
								Low	High
The Range	Thermal	94.2	117.5	18.0	187.0	82.0	287.0	45	80
Mackenzie	Coking	-	-	-	25.7	117.5	143.2	-	-
Belview ⁽⁴⁾	Coking	-	-	-	-	95.0	95.0	735	1,103
Tennyson	Thermal/Coking	-	-	-	-	161.0	161.0	65	120
1274/76	Thermal	-	-	-	-	-	-	130	195
Totals		94.2	117.5	18.0	212.7	455.5	686.2	975	1,498

- (1) Refer to Competent Persons Statement (p. 1)
(2) Refer to Marketable Reserves Note (p. 1)
(3) Refer to Exploration Target Note (p. 1)
(4) Exploration Target within the Rangal Measures to 800m