



# ASX ANNOUNCEMENT

## Material increase to quarterly coking coal benchmark

Stanmore Coal Limited (**Stanmore** or the **Company**) (**ASX:SMR**) notes that the December 2016 quarterly benchmark price for semi-soft coking coal has been settled between leading Australian producers and steel mill customers. The settlement has been published by the Platts Coal service and other providers today. The semi soft coking coal benchmark determines the pricing for existing 900,000t per annum of term contracts (volume currently contracted to 31 March 2017) between the Isaac Plains Coking Coal Mine (100% owned by Stanmore) and major North Asian steel mills.

The December quarterly benchmark price has been set as USD 130 per tonne, a rise of USD 56 per tonne or 75% above the September 2016 quarterly benchmark price of USD 74 per tonne. Under Stanmore's term contracts with major steel mills each new quarterly price applies after any carry over tonnes from the previous quarter are delivered. On this basis it is currently anticipated that the higher December quarterly price will apply coal delivered by Stanmore from around November 2016 through February 2017.

Mr Nick Jorss, Managing Director, said "The rapid rebound in coking coal prices is a timely reminder of the tightness of the market for this key ingredient for steel making. The coking coal market has been significantly underinvested over recent years in response to low price signals and lacks a pipeline of advanced projects to address the depleting supply of what is essentially a scarce resource.

With Isaac Plains now at steady state following the restart of operations this year, we are shipping in excess of 1.1Mtpa of coal on an annualised basis to our major customers in Asia. We are mining additional coal via the highwall mining method and assessing further incremental expansion opportunities. As such Stanmore is positioned strongly to benefit from the recent upside in pricing."

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Yours faithfully

**Andrew Roach**  
Company Secretary

**FOR FURTHER INFORMATION, PLEASE CONTACT:**

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**ABOUT STANMORE COAL LIMITED (ASX CODE: SMR)**

Stanmore Coal is an operating coal mining company with a number of additional prospective coal projects and mining assets within Queensland's Bowen and Surat Basins. Stanmore Coal owns 100% of the Isaac Plains Coal Mine and the adjoining Isaac Plains East Project and is focused on the creation of shareholder value via the efficient operation of Isaac Plains and identification of further local development opportunities. Stanmore continues to progress its prospective high quality thermal coal assets in the Northern Surat Basin which will prove to be valuable as the demand for high quality, low impurity thermal coal grows at a global level. Stanmore's focus is on the prime coal bearing regions of the east coast of Australia.

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