



OPERATIONAL UPDATE

Operational improvements continued at Isaac Plains in May, with Stanmore Coal delivering a second consecutive record month for coal mined and coal processing. The Company remains on track for a strong June production quarter and 1.15Mt coal production for FY2017, in line with prior guidance. Forecast sales volumes have increased to 305kt for the June quarter, and are expected to remain strong over the September and December quarters.

HIGHLIGHTS

- Continuation of the Health and Safety performance with 7 months injury free
- Record coal production month with 210kt Run of Mine in May. Forecast ROM production increased to approximately 500kt for June quarter
- On target to achieve June quarter prime overburden plan and 1.15Mt coal produced for FY2017, in line with previous guidance
- Forecast June quarter sales volumes increased to 305kt from previous guidance of 180kt

Managing Director, Dan Clifford said, “Another strong monthly performance demonstrates a continuation of the company’s ability to deliver reliable operational results.”

“Impacts from Tropical Cyclone Debbie were dealt with and this combined with focused operational and functional management and a recent successful marketing visit to customers in Asia during May have resulted in an increase in June quarter forecast sales.”

Mine performance

Isaac Plains delivered a strong operational result in May, recording open-cut ROM production of 210kt and 2.1Mbcm of prime overburden movement. The strong performance positions the mine for an increase in forecast June quarter production to approximately 500kt ROM, a 41% increase over the March 2017 quarter (355kt).

The overall operational performance has enabled the company to bring forward planned maintenance for the CHPP into June and have adequate stocks to compensate for planned maintenance on the dragline in the quarter ending September.

The Goonyella network was fully restored in the second week of May, as anticipated by the rail operator, with minor speed restrictions remaining.

Coal contracts

The June quarterly 4Q17 benchmark negotiations for semi-soft coking coal price are continuing between the major suppliers and consumers. The company will update the market when these negotiations are concluded.

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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