

ASX ANNOUNCEMENT

Stanmore completes debt refinance

HIGHLIGHTS

- Extension of Taurus financing arrangement term to 15 November 2019
- Increase in Bonding Facility to US\$29.0 million to meet Isaac Plains East Project requirements
- Working Capital Facility of US\$22.0 million

Stanmore is pleased to announce it has extended its bonding and working capital facilities arrangements between its operating subsidiary Stanmore IP Coal Pty Ltd and Taurus¹. These new arrangements are an important part of Stanmore's preparations for the execution of the Isaac Plains East Project.

Stanmore is progressing the Bankable Feasibility Study of the Isaac Plains East Project, targeting first production from Isaac Plains East in Q4 FY18, subject to progressing and receiving the relevant approvals.

The key terms of the finance agreements are:

- Extension of the term of the facilities by 2 years to 15 November 2019
- Bonding Facility increased to US\$29.0m
- Working Capital Facility of US\$22.0m²
- Establishment fee of 3%
- Interest rate on drawn funds of 10.0% (unchanged)
- Interest rate on undrawn funds of 2.0% (unchanged)
- Increase in royalty payable from 0.8% to 1.0% on proceeds from Isaac Plains Complex

The Taurus facilities allow Stanmore to progress the Isaac Plains East Project through the usual study and approvals phase. The renewal of the facilities on terms similar to the existing terms for a further 2 years addresses any uncertainty around Stanmore's funding profile through this important

¹ Taurus Mining Finance Fund LP and Taurus Mining Finance Annex Fund LP.

² During FY17 the Working Capital Facility was converted into a revolving facility and the limit increased by US\$10.0m to US\$22.0m.

phase and provides clarity through to production. In addition, the facilities offer a high degree of flexibility, allowing Stanmore to refinance at any time prior to the maturity date.

Stanmore expects to be able to either retire the facility fully within the term from the cashflows of the Isaac Plains East project or refinance at any time subject to meeting the required criteria of traditional banks as an alternative source of funds to lower the cost of its finance.

Stanmore thanks Taurus for its ongoing support and continued collaboration in the execution of Stanmore's strategic and operational plan.

Yours faithfully

Ian Poole
Company Secretary

FOR FURTHER INFORMATION, PLEASE CONTACT:

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ABOUT STANMORE COAL LIMITED (ASX CODE: SMR)

Stanmore Coal operates the Isaac Plains coking coal mine in Queensland's prime Bowen Basin region. Stanmore Coal owns 100% of the Isaac Plains mine and the adjoining Isaac Plains East Project. The company is focused on the creation of shareholder value via the efficient operation of Isaac Plains, timely development of Isaac Plains East Project and identification of further development opportunities within the region. In addition, Stanmore Coal holds a number of high quality development assets in both coking and thermal coal located in the Queensland's Bowen and Surat Basins.

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