

Stanmore Coal Limited

ABN 27 131 920 968

Notice of annual general meeting & explanatory memorandum

Meeting information:

Date: Wednesday, 26 November 2014

Time: 10.00am (Brisbane time)

Place: The offices of Corrs Chambers Westgarth, Level 44, 111 Eagle Street, Brisbane, Queensland 4001

This document contains important information regarding the Annual General Meeting of Stanmore Coal Limited and should be read in its entirety. If you are in doubt as to how you should vote at the Annual General Meeting, you should seek advice from your accountant, solicitor or other professional adviser without delay.

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Notice of Annual General Meeting

Stanmore Coal Limited

Notice is given that the Annual General Meeting of Shareholders of Stanmore Coal Limited ABN 27 131 920 968 (**Company**) will be held at the offices of Corrs Chambers Westgarth, Level 44, 111 Eagle Street, Brisbane, Queensland, on Wednesday 26 November 2014 and will commence at 10.00am (Brisbane time).

ORDINARY BUSINESS

Financial Reports

To receive and consider the Company's Annual Report comprising the Directors' report and auditors' report, Directors' declaration, statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and notes to and forming part of the financial statements for the Company and its controlled entities for the financial year ended 30 June 2014.

Resolution 1: Re-election of Mr Chris McAuliffe as a Non-Executive Director

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

That Mr Chris McAuliffe, who retires in accordance with Rule 38.1 of the Company's constitution and, being eligible, offers himself for re-election, be re-elected as a Non-Executive Director.

Resolution 2: Re-election of Mr Viv Forbes as a Non-Executive Director

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

That Mr Viv Forbes, who retires in accordance with Rule 38.1 of the Company's constitution and, being eligible, offers himself for re-election, be re-elected as a Non-Executive Director.

Resolution 3: Election of Mr Patrick O'Connor as a Non-Executive Director

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

That Mr Patrick O'Connor, who was appointed by the Board as a Non-Executive Director of the Company on 1 October 2014, be elected as a Non-Executive Director in accordance with Rule 36.2 of the Company's constitution.

Resolution 4: Adoption of Remuneration Report

To consider and, if thought fit, pass the following advisory resolution:

That the Remuneration Report for the year ended 30 June 2014 (as set out in the Directors' Report) is adopted.

The vote on Resolution 4 is advisory only and does not bind the Directors of the Company.

Please note that the Company will disregard any votes cast on Resolution 4 by certain persons. Details of the voting exclusions applicable to Resolution 4 are set out in the "Voting Exclusion Statement" on page 4.

Resolution 5: Spill Resolution (contingent item)

Please note that the following resolution is a contingent item, and will only be put to the Annual General Meeting if at least 25% of the votes cast on Resolution 4 (Adoption of Remuneration Report) are against the adoption of the Remuneration Report.

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

That:

- a) an extraordinary general meeting of the Company (**Spill Meeting**) be held within 90 days after the passing of this resolution;
- b) all of the Directors of the Company in office at the time when the resolution to make the Directors' Report for the financial year ended 30 June 2014 was passed, and who remain in office at the time of the Spill Meeting (other than the Managing Director), cease to hold office immediately before the end of the Spill Meeting; and
- c) resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting be put to the vote of Shareholders at the Spill Meeting.

Please note that the Company will disregard any votes cast on Resolution 5 (if Resolution 5 is put to the Meeting) by certain persons. Details of the voting exclusions applicable to Resolution 5 are set out in the "Voting Exclusion Statement" below.

VOTING EXCLUSION STATEMENT – Resolutions 4 and 5

The Company will **disregard** any votes cast on Resolutions 4 and 5 (if Resolution 5 is put to the Meeting) by:

- any member of Key Management Personnel whose remuneration details are included in the Remuneration Report, and any Closely Related Party of such a member; or
- any member of Key Management Personnel, and any Closely Related Party of such a member, who is appointed as an undirected proxy for a person who is entitled to vote.

However, the Company will not disregard a vote if it is:

- cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Please refer below to the important information about the appointment of proxies in relation to Resolutions 4 and 5.

To consider any other business as may be lawfully put forward in accordance with the constitution of the Company.

Specific comments relating to the Resolutions are set out in the Explanatory Memorandum.

By order of the Board

Andrew Roach
Joint Company Secretary

Date: 24 October 2014

Shareholder information

How to vote

You may vote by:

- attending the Meeting and voting in person; or
- by appointing a proxy or authorised corporate representative to vote on your behalf at the Meeting.

Voting in person

To vote in person, attend the Meeting on the date and at the time set out in the Notice. The Meeting will commence at 10.00am (Brisbane time).

Voting by proxy

A Shareholder who is entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy. A form of appointment of proxy is enclosed with this Notice.

The proxy need not be a Shareholder of the Company. A Shareholder who is entitled to cast two or more votes may appoint two proxies and specify a proportion or number of votes each proxy is appointed to exercise. If the appointment does not specify a percentage or number and two proxies are appointed, each proxy may exercise half of the votes to which that Shareholder is entitled (in which case any fractional votes will be disregarded).

All proxy forms will need to be lodged with the Company's share registry no later than 48 hours before commencement of the Meeting (i.e. lodged by 10.00am (Brisbane time) on 24 November 2014). Any proxy form received after this time will not be valid for the Meeting.

If you wish to appoint a proxy and are entitled to do so, then complete the enclosed proxy form in accordance with the instructions on it and return it to the Company's share registry by the deadline for lodgement as follows:

- by using a replied paid envelope enclosed with this Notice

- by posting the proxy form to:

**Stanmore Coal Limited
C/- Link Market Services
Locked Bag A14
Sydney South, NSW 1235
Australia**

- by hand delivery to:

**Link Market Services
Rhodes Corporate Park
1A Homebush Bay Drive
Rhodes, NSW 2138**

or

**Link Market Services
Level 12, 680 George Street
Sydney, NSW 2000**

- by faxing the proxy form to:

**Link Market Services
+61 2 9287 0309**

Shareholders can also vote online at:

www.investorcentre.linkmarketservices.com.au

Shareholders can login to the Link Market Services website using the details as shown on the proxy form, select 'Voting' and follow the prompts to lodge their vote. To use the online voting facility, Shareholders will need their Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the proxy form.

Proxies given by corporate Shareholders must be executed in accordance with their constitutions, assigned by a duly authorised attorney.

A proxy may decide whether to vote on any motion or, except where the proxy is required by law or the company's constitution to vote, to abstain from voting, in their capacity as proxy. If a proxy is directed how to vote on an item of business, the proxy may vote on that item only in accordance with that direction. If a proxy is not directed how to vote on an item of business, a proxy may vote as they think fit.

If a Shareholder appoints the chair of the Meeting as that Shareholder's proxy and does not specify how the chair is to vote on an item

of business, the chair will vote as the proxy for that Shareholder either:

- **in favour of** the item, in the case of Resolutions 1, 2, 3 and 4; and
- **against** the item, in the case of Resolution 5.

Voting by corporate representatives

A corporate Shareholder wishing to appoint a person to act as its representative at the Meeting must provide that person with an authority executed in accordance with the company's constitution and the Corporations Act, authorising him or her to act as a corporate representative. The authority must either be sent to the Company or its share registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

Right to vote

The Board has determined that, for the purposes of the Meeting, Shares will be taken to be held by the persons who were the registered holders of those Shares at 7.00pm (Sydney time) on 24 November 2014. Accordingly, the Share transfers registered after the time will be disregarded in determining entitlements to attend and vote at the Meeting.

Shareholder questions and comments

The chair of the Meeting will provide Shareholders with an opportunity at the Meeting to ask questions and make comments.

Explanatory Memorandum

Stanmore Coal Limited

This Explanatory Memorandum has been prepared for the information of Shareholders of the Company in connection with the business to be conducted at the Annual General Meeting of the Company to be held at the offices of Corrs Chambers Westgarth, Level 44 111 Eagle Street, Brisbane, Queensland on Wednesday 26 November 2014 commencing at 10.00am (Brisbane time).

The purpose of this Explanatory Memorandum is to provide information that the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions set out in the Notice. The Directors recommend Shareholders read the accompanying Notice and this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

This Explanatory Memorandum forms part of and should be read in conjunction with the accompanying Notice. A number of words and terms used in this Explanatory Memorandum have defined meanings, which are set out in the glossary at the end of this document.

ORDINARY BUSINESS

Financial Reports

The Corporations Act requires the financial report, the Directors' report and the auditor's report to be laid before the Annual General Meeting. There is no requirement either in the Corporations Act or in the constitution of the Company for Shareholders to approve the financial report, the Directors' report or the auditor's report. The Company's Annual Report is placed before the Shareholders for discussion. No voting is required for this item.

Shareholders will be given a reasonable opportunity to ask questions of a representative of the Company's auditor, BDO Audit Pty Ltd, in relation to the conduct of the audit.

Resolution 1: Re-election of Mr Chris McAuliffe as a Non-Executive Director

In accordance with Rule 38.1 of the constitution, Mr Chris McAuliffe, a Non-Executive Director, will retire at the Annual General Meeting and being eligible, has offered himself for re-election.

Mr Chris McAuliffe commenced as a Non-Executive Director on 17 July 2012. He is a nominee director of Greatgroup Investments Limited, a shareholder of the Company. He is co-founder and Managing Director of Sprint Capital, the Hong Kong based private equity investment management group with whom the Company has a funding agreement. Mr McAuliffe has more than 20 years experience in private equity and investment banking and has significant relationships across Asia. Prior to co-founding Sprint Capital in 2008, Mr McAuliffe was a Managing Director and co-head of Asia Pacific Industrials Group at Citigroup in Hong Kong. Before this, he was a Managing Director and head of Asia Industrials and Services Group at Credit Suisse in Singapore.

During the past three years Mr McAuliffe has also served as a director of the following listed companies:

- Asian Bamboo AG* (Germany)
- Xplorer PLC* (London)
- Chaswood Resources Holdings Limited * (SGX)

* denotes current directorship.

Mr McAuliffe is a member of the Company's Remuneration Committee and the Audit & Risk Committee.

The Directors (other than Mr McAuliffe) unanimously recommend that you vote in favour of this ordinary Resolution. Mr McAuliffe makes no recommendation in relation to Resolution 1.

Resolution 2: Re-election of Mr Viv Forbes as a Non-Executive Director

In accordance with Rule 38.1 of the constitution, Mr Viv Forbes, a Non-Executive Director, will retire at the Annual General Meeting and being eligible, has offered himself for re-election.

Mr Viv Forbes commenced as a Non-Executive Director on 5 October 2009. Mr Forbes is a Bowen Basin pioneer with over 40 years of coal industry experience including in government service, field exploration, mine valuation and acquisition, financing, development, operations and successful asset sales. Mr Forbes has been involved in various capacities at Burton Coal, Dalrymple Bay Coal Terminal, South Blackwater Coal Mine, Tahmoor Coal Mine, Newlands/Collinsville Coal Mines, MIM, Utah Goonyella/Saraji and Gold Fields. Mr Forbes has a degree in Applied Science Geology and is a Fellow of the Australasian Institute of Mining and Metallurgy.

During the past three years, Mr Forbes has not served as a director of any other ASX listed company.

The Directors (other than Mr Viv Forbes) consider that Mr Viv Forbes will, if re-elected, qualify as an Independent Non-Executive Director and unanimously recommend that you vote in favour of this ordinary Resolution. Mr Viv Forbes makes no recommendation in relation to Resolution 2.

Resolution 3: Election of Mr Patrick O'Connor as a Non-Executive Director

In accordance with Rule 36.2 of the constitution, Mr Patrick O'Connor, who was appointed as a director by the Board on 1 October 2014, and being eligible, offers himself for election as a Non-Executive director.

Mr Patrick O'Connor has experience gained from a number of executive and non-executive roles for both listed and unlisted companies. His experience spans across mining (gold, lead, zinc and coal), oil & gas exploration, biotechnology, forestry and government utility sectors, as well as across multiple jurisdictions (Australia, Africa, United Kingdom and New Zealand). Mr O'Connor was recommended to the Company by the principal of 3rd Wave Investments Limited, a substantial shareholder of the Company.

Mr O'Connor currently holds the position of Chairman of TFS Corporation (ASX: TFC) and is a Non-Executive Director of Buccaneer Energy Limited (ASX: BCC).¹

Mr O'Connor has held the roles of Chairman and, for a period, Executive Chairman, of Perilya Limited, the operator of the Broken Hill mine in New South Wales Australia, leading up to the change of control by Shenzhen Zhongjin Lingnan Nonfemet Co. Ltd (China's third largest zinc producer). He also spent nine years as a director of the Water Corporation in Western Australia, including four years as its Chairman and was previously the Managing Director of Macraes Mining Company Limited. Mr O'Connor was also the Chief Executive Officer for Oceangold Limited at the time of its listing on the ASX and remained for a period as a non-executive director.

The Directors (other than Mr Patrick O'Connor) consider that Mr Patrick O'Connor will, if elected, qualify as an Independent Non-Executive Director and unanimously recommend that you vote in favour of this ordinary Resolution. Mr Patrick O'Connor makes no recommendation in relation to Resolution 3.

¹ The Directors have considered the circumstances of Mr O'Connor's involvement with Buccaneer Energy Limited (**Buccaneer**), noting that Buccaneer is currently under the protection of Chapter 11 of the United States Bankruptcy Code. Mr O'Connor was appointed in late 2013 as part of a Board restructure to steer Buccaneer through a challenging period given the increasing debt burden related to a key contract. After working through the proposed recapitalisation process, the Board of Buccaneer resolved to seek protection under Chapter 11 in the absence of an alternative funding solution. The Directors are of the view that Mr O'Connor's involvement with Buccaneer in no way negatively impacts on his appointment and contribution as a Director of the Company.

Resolution 4: Adoption of Remuneration Report

The Remuneration Report is set out in the Directors' report section of the Annual Report. The Annual Report is available for download on the Company's website, www.stanmorecoal.com.au.

In summary, the Remuneration Report:

- explains the Board's policy for determining the nature and amount of remuneration of executive directors and other Key Management Personnel;
- explains the relationship between the Board's remuneration policy and the Company's performance;
- sets out remuneration details for each Director and the other most highly remunerated Key Management Personnel; and
- details and explains any performance conditions applicable to the remuneration of executive Directors and other Key Management Personnel.

During the financial year ended 30 June 2013, the Board recognised that in light of current market conditions the Company's overhead costs (including remuneration) must be controlled and consequently has recently implemented the following measures:

- reduced headcount across the business, including within the executive team;
- refrained from further increasing employee base remuneration arrangements until market conditions substantially improve; and
- maintained a greater focus on the structure of at-risk compensation to ensure employee behaviour is appropriately aligned with enhancing shareholder value.

During the financial year ended 30 June 2014, the Company further reduced its overhead cost structure and employee head count in response to market conditions. The Company also generated cash inflows from a variety of sources during the year which significantly offset the Company's overhead cost base.

At the Company's 2013 Annual General Meeting, more than 25% of the votes cast by persons entitled to vote on the 2013 Remuneration Report were cast against the adoption of the 2013 Remuneration Report. Accordingly, the Company received a "first strike" against its Remuneration Report.

In response to its first strike, the Company provides the following commentary:

- there has been no increase to base remuneration levels in 2014 for Directors or Key Management Personnel;
- the Board suspended operation of the Company's short term and long term incentive schemes which had previously been approved by shareholders, resulting in no further shares or options being issued to employees in respect of the current financial year;
- Board fees have remained fixed since the IPO in 2009; and
- overheads have been reduced materially as a result of a reduction in staff numbers and substantial savings in other areas.

The Board considers the above outcomes to be an appropriate response to the first strike whilst enabling the Company to retain a small, highly skilled team, able to respond to opportunities when coal markets inevitably recover.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Meeting. Shareholders should be aware that any undirected proxies given to the Chairman will be cast by the Chairman and counted in favour of Resolution 4.

Noting that each Director has a personal interest in their own remuneration from the Company as set out in the Remuneration Report, the Board unanimously recommends that Shareholders vote in favour of adopting the Remuneration Report. Under section 250R(3) of the Corporations Act, the vote is advisory only and does not bind the Directors or the Company.

Resolution 5: Spill Resolution (contingent item)

The Corporations Act includes a “two strikes” rule in relation to Remuneration Reports. The two strikes rule provides that, if at least 25% of the votes cast on the resolution to adopt the Remuneration Report at two consecutive annual general meetings are against adopting the Remuneration Report, Shareholders will have the opportunity to vote on a spill resolution at the second annual general meeting.

As noted in this Explanatory Memorandum, last year more than 25% of the votes cast by persons entitled to vote on the Company’s 2013 Remuneration Report were cast against the adoption of that Remuneration Report. Accordingly, the Company received a “first strike” against its Remuneration Report.

Therefore, Resolution 5 will only be put to the Meeting if at least 25% of the votes cast on Resolution 4 (Adoption of Remuneration Report) are against the adoption of the Remuneration Report (i.e. the Company receives a “second strike”). If less than 25% of the votes cast on Resolution 4 are against adopting the Remuneration Report at the Meeting, the Company will not receive a “second strike” and Resolution 5 will not be put to the Meeting. In such circumstances, the current Board of Directors will remain in place.

Resolution 5 (Spill Resolution) will be considered as an ordinary resolution.

If this Resolution is passed and becomes effective, a special meeting of Shareholders must be held within 90 days after the Meeting (**Spill Meeting**). Immediately before the end of the Spill Meeting, each of the following Non-Executive Directors who were in office when the Board approved the last Directors’ Report will automatically cease to hold office, unless they are willing to stand for re-election and are re-elected at the Spill Meeting (and subject to the Company maintaining the minimum number of Directors required by the Corporations Act):

- Neville Sneddon
- Stephen Bizzell
- Viv Forbes
- Chris McAuliffe

Noting that each of the abovementioned Directors would have a personal interest in any such resolution, and that each of them (and their Closely Related Parties) would be excluded from voting on the Resolution, the Directors unanimously recommend that Shareholders **vote against** Resolution 5.

This is on the basis that the Board considers that a Spill Meeting would be extremely disruptive to the Company and it would be inappropriate to remove all of the Non-Executive Directors in the circumstances. However, the Board recognises that Shareholders can remove a Director by a majority Shareholder vote at any general meeting and for any reason.

Glossary of terms

In the Notice and Explanatory Memorandum the following words and expressions have the following meanings:

Annual General Meeting	the annual general meeting of the Shareholders convened pursuant to the Notice for the purposes of considering the resolutions set out in the Notice.
Annual Report	the annual report of the Company for the year ended 30 June 2014.
Board	the board of Directors of the Company.
Closely Related Party	has the meaning in section 9 of the Corporations Act.
Company	Stanmore Coal Limited ACN 131 920 968.
Corporations Act	<i>Corporations Act 2001 (Cth)</i> .
Directors	the directors of the Company from time to time (each a Director).
Explanatory Memorandum	the explanatory memorandum that accompanies the Notice.
Key Management Personnel	a person having authority and responsibility for planning, directing and controlling the activities of the Company and its subsidiaries, directly or indirectly, including any Director (whether executive or otherwise) of the Company or any of its subsidiaries.
Notice	the notice of meeting of Shareholders dated 24 October 2014.
Remuneration Report	the section of the Directors' report contained in the annual financial report of the Company for the year ended 30 June 2014 entitled "Remuneration Report".
Resolution	a resolution to be proposed at the Annual General Meeting.
Shares	fully paid ordinary shares in the capital of the Company (each a Share).
Shareholder	a registered holder of Shares.



By mail:
 Stanmore Coal Limited
 C/- Link Market Services Limited
 Locked Bag A14
 Sydney South NSW 1235 Australia



By fax: +61 2 9287 0309



All enquiries to: Telephone: +61 1300 554 474



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PROXY FORM

I/We being a member(s) of Stanmore Coal Limited and entitled to attend and vote hereby appoint:

STEP 1

APPOINT A PROXY

the **Chairman of the Meeting**
(mark box)

OR if you are NOT appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy.

Failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to vote on my/our behalf (including in accordance with the directions set out below or, if no directions have been given, to vote as the proxy sees fit, to the extent permitted by the law) at the Annual General Meeting of the Company to be held at **10:00am on Wednesday, 26 November 2014 at The offices of Corrs Chambers Westgarth, Level 44, 111 Eagle Street, Brisbane, Queensland 4001** (the Meeting) and at any postponement or adjournment of the Meeting.

I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel.

The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business, with the exception of Resolution 5, which the Chairman of the Meeting will be voting against.

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an

STEP 2

VOTING DIRECTIONS

Resolution 1

Re-election of Mr Chris McAuliffe as a Non-Executive Director

For	Against	Abstain*
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Resolution 5

Spill Resolution (contingent item)

For	Against	Abstain*
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Resolution 2

Re-election of Mr Viv Forbes as a Non-Executive Director

For	Against	Abstain*
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Resolution 3

Election of Mr Patrick O'Connor as a Non-Executive Director

For	Against	Abstain*
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Resolution 4

Adoption of Remuneration Report

For	Against	Abstain*
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

i * If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3

SIGNATURE OF SHAREHOLDERS - THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

SMR PRX401R



HOW TO COMPLETE THIS PROXY FORM

Your Name and Address

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you appoint someone other than the Chairman of the Meeting as your proxy, you will also be appointing the Chairman of the Meeting as your alternate proxy to act as your proxy in the event the named proxy does not attend the Meeting.

Votes on Items of Business - Proxy Appointment

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

Corporate Representatives

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am on Monday, 24 November 2014**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



by mail:

Stanmore Coal Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



by fax:

+61 2 9287 0309



by hand:

delivering it to Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138 or Level 12, 680 George Street, Sydney NSW 2000.

**If you would like to attend and vote at the Annual General Meeting, please bring this form with you.
This will assist in registering your attendance.**