



12 December 2018

RELEASE OF TARGET'S STATEMENT

INDEPENDENT EXPERT CONCLUDES OFFER IS NOT FAIR AND NOT REASONABLE

Stanmore Coal (ASX: SMR) has released a Target's Statement in response to the unsolicited, conditional off-market takeover offer from Golden Investments (Australia) Pte. Ltd.

The Independent Expert, BDO Corporate Finance (QLD) Ltd estimates the controlling interest value for Stanmore shares is between \$1.48 and \$1.90 and has concluded that the Offer is not fair and not reasonable to Stanmore shareholders. The Stanmore Directors recommend that shareholders reject the Offer, on the basis it significantly undervalues the Company's shares.

Highlights

- Stanmore Directors unanimously recommend shareholders **REJECT THE OFFER**.
- Offer Price is materially inadequate and does not provide an appropriate control premium.
- The Independent Expert, BDO Corporate Finance (QLD) Ltd, estimates the controlling interest value for Stanmore shares is between \$1.48 and \$1.90.
- The Independent Expert concludes the Offer is not fair and not reasonable to Stanmore shareholders.

Stanmore Chairman, Stewart Butel, said, "The Offer is clearly inadequate against a range of comparisons and does not account for the positive outlook for Stanmore and the Company's pursuit of strategies and initiatives to maximise shareholder value".

"Stanmore is positioned to deliver its forecast FY19 underlying EBITDA guidance of \$130 million to \$150 million and enhanced operating margins over time. Our capital light strategy provides the Company with the flexibility to rapidly respond to cyclical movements in coal prices".

"The Directors believe that accepting Golden Investments' Offer will deprive Stanmore shareholders of the opportunity to consider any subsequent superior offers and to participate in any potential future growth in the Stanmore business".

To reject the Offer, shareholders should take no action in relation to the Golden Investments Offer.

If Stanmore Shareholders have any questions in relation to the Offer, they can contact the Stanmore Coal Information Line on 1300 970 086 (within Australia) or +61 1300 970 086 (outside Australia). The Information Line will operate Monday to Friday between 8.30am and 5.30pm (Australian Eastern Daylight Time).

Yours faithfully,

Ian Poole
Company Secretary

stanmorecoal



For further information, please contact:

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About Stanmore Coal Limited (ASX: 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 Complex which includes the original Isaac Plains Mine, the adjoining Isaac Plains East (operational), Isaac Downs (open cut mine project) and the Isaac Plains Underground Mine (currently being assessed in a Bankable Feasibility Study). The Company is focused on the creation of shareholder value via the efficient operation of the Isaac Plains Complex and the identification of further development opportunities within the region. In addition, Stanmore Coal holds a number of high-quality development assets (both coking and thermal coal resources) located in Queensland Bowen and Surat basins.

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