

stanmorecoal



14 January 2019

The Manager
Companies Announcement Office
Australian Securities Exchange
Level 4, 20 Bridge Street
Sydney, NSW 2000

Dear Sir / Madam

STANMORE COAL LIMITED TAKEOVER OFFER BY GOLDEN INVESTMENTS (AUSTRALIA) PTE. LTD

As required by s647(3) of the Corporations Act 2001 (Cth), we enclose a copy of the fourth Supplementary Target's Statement dated 14 January 2019 and served today by Stanmore Coal Limited (**Stanmore**) on Golden Investments (Australia) Pte. Ltd (**Golden Investments**), supplementing Stanmore's Target's Statement dated 12 December 2018, Stanmore's first and second Supplementary Target's Statement dated 21 December 2018 and third Supplementary Target's Statement dated 14 January 2019 in response to Golden Investments' Bidder's Statement dated 19 November 2018 as supplemented by the Supplementary Bidder's Statement dated 14 December 2018 and second Supplementary Bidder's Statement dated 27 December 2018.

Yours faithfully,

Ian Poole
Company Secretary

For further information, please contact:

Dan Clifford
Managing Director
07 3238 1000

Ian Poole
Chief Financial Officer & Company Secretary
07 3238 1000

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.

Stanmore Coal Limited ACN 131 920 968

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FOURTH SUPPLEMENTARY TARGET'S STATEMENT BY STANMORE COAL LIMITED (ACN 131 920 968)

1 Introduction

This document is a supplementary target's statement under section 644 of the Corporations Act 2001 (Cth) (**Fourth Supplementary Target's Statement**). It is the fourth Supplementary Target's Statement to the Target's Statement issued by Stanmore Coal Limited (**Stanmore**), dated 12 December 2018 (**Original Target's Statement**), the Supplementary Target's Statement issued by Stanmore dated 21 December 2018, the second Supplementary Target's Statement issued by Stanmore dated 21 December 2018 and third Supplementary Target's Statement issued by Stanmore dated 14 January 2019 (together, the **Supplementary Target's Statements**) in relation to Golden Investments (Australia) Pte. Ltd's (**Golden Investments**) unsolicited, conditional off-market takeover offer for all the ordinary shares in Stanmore, made pursuant to the Bidder's Statement dated 19 November 2018 as supplemented by the first Supplementary Bidder's Statement dated 14 December 2018 and second Supplementary Bidder's Statement dated 27 December 2018 .

This Fourth Supplementary Target's Statement supplements, and should be read together with, the Original Target's Statement, and the Supplementary Target's Statements. This Fourth Supplementary Target's Statement will prevail to the extent of any inconsistency with the Original Target's Statement and Supplementary Target's Statements. Unless the context requires otherwise, terms defined in section 9 of the Original Target's Statement have the same meaning where used in this Fourth Supplementary Target's Statement.

This Fourth Supplementary Target's Statement is dated and was lodged with ASIC and ASX on 14 January 2019. Neither ASIC or ASX, nor any of their respective officers, takes any responsibility for the contents of this Fourth Supplementary Target's Statement.

The Fourth Supplementary Target's Statement is an important document and requires your immediate attention.

The Fourth Supplementary Target's Statement does not take into account the individual investment objectives, tax position, financial or particular needs of any person. It does not contain financial product advice. You should seek independent legal, investment, financial or taxation advice before making a decision as to whether or not to accept the Offer.

If you have recently sold all of your Stanmore Shares, please disregard this document.

2 FY19 Earnings Guidance Update

Please see the announcement regarding the FY19 Earnings Guidance Update attached to this Fourth Supplementary Target's Statement.

3 No change to your Director's recommendation

Your Directors continue to unanimously recommend that Stanmore Shareholders **REJECT** the Offer, by **TAKING NO ACTION**, for the reasons set out in Section 1 of the Original Target's Statement as supplemented by the Supplementary Target's Statements and this Fourth Supplementary Target's Statement.

4 Shareholder Information Line

Stanmore Shareholders can call the Shareholder Information Line on 1300 970 086 (within Australia) or +61 1300 970 086 (outside Australia), between 8.30am and 5.30pm (AEDT) Monday to Friday if they have any queries in relation to the Offer.

5 Authorisation

This Fourth Supplementary Target's Statement has been approved by a resolution passed by the Directors of Stanmore.

Dated 14 January 2019

Signed for and on behalf of Stanmore Coal Limited by:

A handwritten signature in black ink, appearing to read "Stewart Butel".

Stewart Butel

Chairman

Annexure - FY19 Earnings Guidance Update

stanmorecoal

14 January 2019



FY19 EARNING GUIDANCE UPDATE

Stanmore Coal (ASX: SMR) has provided updated guidance for FY19 with forecast Underlying EBITDA expected to be between \$140 million and \$155 million, based on upgraded forecast production of 2.15Mtpa.

Highlights

- Full year saleable production guidance revised to 2.15Mt, from 2.0Mt
- Full year Underlying EBITDA guidance range of \$140m to \$155m

FY19 EARNINGS GUIDANCE

The Company's Isaac Plains Complex continues to perform well above expectations and the operations have been de-risked with the dragline transitioning to the low strip ratio pits at Isaac Plains East during December 2018. This will enable production to increase while lowering unit costs. FY19 saleable coal production has been revised from 2.0Mt to 2.15Mt with an expected 90:10 product split between semi-soft coking coal and thermal coal.

The company is well positioned to deliver this increased production based on its Q2 operational performance.

Stanmore reconfirms full year cost guidance at underlying FOB \$86/t (ex. state royalty) resulting in a full year 2019 Underlying EBITDA¹ range of \$140 million to \$155 million.

For the half year to December 2018 the Company expects to deliver an Underlying EBITDA of between \$41 million to \$43 million (subject to audit review).

FUTURE DIVIDENDS

The Company, with its focus on generating strong cash flows and maintaining balance sheet strength, aims to deliver returns to shareholders through improving returns on invested capital. Stanmore has positioned the business with a view to generating value through share price appreciation and the

¹ Stanmore's financial results are reported under International Financial Reporting Standards (IFRS). References to underlying EBITDA is "non-IFRS financial information" under ASIC Regulatory Guide 230 Disclosing non-IFRS information published by the Australian Securities and Investments Commission. Because non-IFRS financial measures are not based on Australian Accounting Standards or any other recognised body of accounting standards, they do not have a prescribed meaning and the way that Stanmore calculates them may be different from the way other companies calculate similarly-titled measures. Stanmore Shareholders should therefore not place undue reliance on these non-IFRS financial measures. Underlying EBITDA reflects statutory EBITDA as adjusted to reflect the Directors' assessment of the result for the ongoing business activities of Stanmore. Non-IFRS measures have not been audited

payment of dividends over time commensurate with performance in earnings, cash flow, and the cyclicity of the industry.

The Underlying FY19 EBITDA guidance of A\$140m to A\$155m supports the Board's consideration of interim and full year dividends.

Yours faithfully,

Ian Poole
Company Secretary

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