

ASX ANNOUNCEMENT

Official Re-Opening of Isaac Plains Coal Mine

Re-released to include expanded Competent Person Statement and Production Target Note

Stanmore Coal Limited (**Stanmore** or the **Company**) (**ASX:SMR**) is pleased to announce that Premier Anastacia Palaszczuk has officially opened the company's Isaac Plains Mine in the Bowen Basin today.

A press release is attached.

Yours faithfully

Andrew Roach
Company Secretary

FOR FURTHER INFORMATION, PLEASE CONTACT:

Mr Nick Jorss
Managing Director
07 3238 1000

Mr Andrew Roach
Chief Financial Officer & Company Secretary
07 3238 1000

COMPETENT PERSON STATEMENT

The information in this report relating to coal reserves for Isaac Plains and Isaac Plains East was announced on 6 April 2016, titled “Significant JORC Reserve Increase for Isaac Plains Complex”, and is based on information compiled by Mr Ken Hill who is a full-time employee of Xenith Consulting Pty Ltd. Mr Hill is the Managing Director of Xenith Consulting Pty Ltd, is a qualified civil engineer, a member of the Australian Institute of Mining and Metallurgy (AusIMM) and has the relevant experience (30+ years) in relation to the mineralisation being reported to qualify as a Competent Person as defined in the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code 2012 Edition)”.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the announcement made on 6 April 2016 and that all material assumptions and technical parameters underpinning the estimates in the announcement made on 6 April 2016 continue to apply and have not materially changed.

The information in this report relating to coal resources for Isaac Plains and Isaac Plains East was announced on 6 April 2016, titled “Significant JORC Resource Increase for Isaac Plains Coking Coal Complex”, and is based on information compiled by Mr Troy Turner who is a full-time employee of Xenith Consulting Pty Ltd. Mr Turner is a qualified geologist and a member of the Australian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience in relation to the style of mineralisation and type of deposit being reported to qualify as a Competent Person as defined in the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code 2012 Edition)”.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the announcement made on 6 April 2016 and that all material assumptions and technical parameters underpinning the estimates in the announcement made on 6 April 2016 continue to apply and have not materially changed.

PRODUCTION TARGET

The production target of 1.1 Mtpa for 10 years (equivalent to 1.5Mtpa run of mine production) is underpinned solely by total Marketable Reserves of 11.9Mt (10.8 years equivalent) within Isaac Plains and Isaac Plains East, as announced on 6 April 2016, titled “Significant JORC Reserves Increase for Isaac Plains Complex”.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the announcement made on 6 April 2016 and that all material assumptions and technical parameters underpinning the estimates in the announcement made on 6 April 2016 continue to apply and have not materially changed.

JORC RESERVES NOTE – ISAAC PLAINS

The Isaac Plains Marketable Coal Reserve of 3.7 Mt is derived from a run of mine (ROM) Coal Reserve of 5.0 Mt that is JORC compliant based with a predicted yield of 73%. The 3.7 Mt Marketable Reserve is included in the 48.2 Mt JORC Resource (15.2 Mt Measured + 23.0 Mt Indicated + 10.0 Mt Inferred Resource).

JORC RESERVES NOTE – ISAAC PLAINS EAST

The Isaac Plains East Marketable Coal Reserve of 8.3 Mt is derived from a run of mine (ROM) Coal Reserve of 10.3 Mt that is JORC compliant based with a predicted yield of 81%. The 8.3 Mt Marketable Reserve is included in the 28.7 Mt JORC Resource for Isaac Plains East (18.7 Mt Indicated + 10.0 Mt Inferred Resource).

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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Media release

18 May 2016

Stanmore Coal re-opens Isaac Plains mine

Stanmore Coal Limited has defied the downturn in the coal sector to become Australia's newest coking coal producer, with Premier Anastacia Palaszczuk officially opening the company's Isaac Plains Mine in the Bowen Basin today.

Since taking formal ownership of the mothballed mine for \$1 in November 2015, Stanmore has re-started operations and produced first coal in April 2016, creating more than 150 direct jobs.

The mine will produce 1.1 million tonnes per annum¹ of coking coal for export to Asian steel mills, generating yearly royalties of more than \$7 million to the State Government. With expansion plans, royalty payments from the mine are expected to grow in coming years.

As part of the acquisition, Stanmore also took ownership of more than \$350 million of operating assets including a dragline, coal handling plant and train loading facilities that will support both the Isaac Plains mine and the company's neighbouring Isaac Plains East deposit.

The mine life has recently been extended from three to more than ten years, with upgrades to JORC compliant coal Resources (Total 76.9Mt, comprised of Measured 15.2Mt, Indicated 41.7Mt and Inferred 20.0Mt) and Reserves (Total 15.3Mt, comprised of Proved 3.7Mt and Probable 11.6Mt) at Isaac Plains and Isaac Plains East².

Managing Director, Nick Jorss said, "We have gone against the tide in the coal sector to create value for our investors and the central Queensland community. We believe we've picked the right point in the cycle to shift from explorer to exporter with operating costs reduced by 35%.

"Our board and management have more than 200 years of combined coal industry experience, and we have both the capital and the long-term confidence in the sector to seize the opportunity.

"We are proud to be the newest producer in one of the world's premier coal basins, and only six months after completing the acquisition of Isaac Plains we are shipping our first exports to some of the leading steel mills in Asia.

"Demand for steel in almost every aspect of modern life gives us the long-term confidence in the coking coal market to invest and develop Isaac Plains."

The Isaac Plains mine is located outside Moranbah, and its coal production will be transported on the Goonyella Rail Line approximately 172kms to Dalrymple Bay Coal Terminal for export.

Stanmore Coal acquired the Isaac Plains East deposit from Peabody in July 2015 and Isaac Plains mine and associated operating assets from Vale and Sumitomo in August 2015. The company also holds numerous exploration and development assets located in the Surat and Bowen basins.

For further information, please contact:

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07 3238 1000

Mr Alasdair Jeffrey
0404 92 67 68

¹ Refer JORC Reserves Note and ASX announcement dated 6 April 2016

² Refer JORC Reserves and Resources Note and ASX announcement dated 6 April 2016