

CLARIFYING STATEMENT – SEPTEMBER QUARTERLY REPORT

REPORTED STRIP RATIO

Stanmore Coal Limited (**Stanmore**, the **Company**) refers to the announcement released on 27 October 2016 titled “September 2016 Quarterly Report”. In response to a number enquiries from shareholders and other stakeholders since the release of the September Quarterly Report to the ASX, the Company provides the below clarifying information.

The Company stated in September Quarterly Report that the run of mine (**ROM**) strip ratio (bcm waste / ROM t) for the Isaac Plains mine during the quarter was 23.8:1. The Company confirms that the strip ratio for completed mining strips since re-commencement of mining is 14:1 and that this measure is more reflective of the nature of the coal resource. The Company clarifies that the strip ratio of 23.8:1 therefore includes all pre-stripping in advance activities which are typical during the ramp-up phase of an open cut mine.

The September quarter strip ratio is higher than the three year average strip ratio of 13:1 for the Isaac Plains open cut area. This is typical for operational ramp-up where overburden is advanced to allow steady state coal mining to occur. The ROM strip ratio for the 2017 Financial Year is anticipated to trend towards, but remain higher, than the forecast 3 year life of mine strip ratio of circa 13:1.

Yours faithfully

Andrew Roach
Company Secretary

FOR FURTHER INFORMATION, PLEASE CONTACT:

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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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