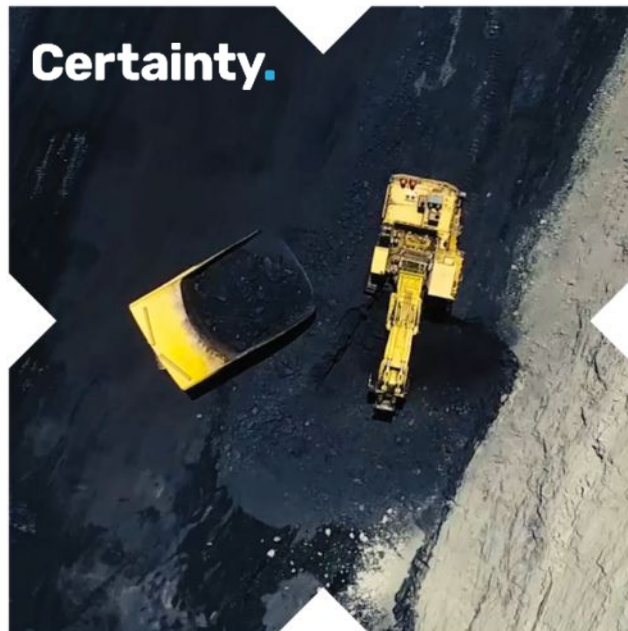


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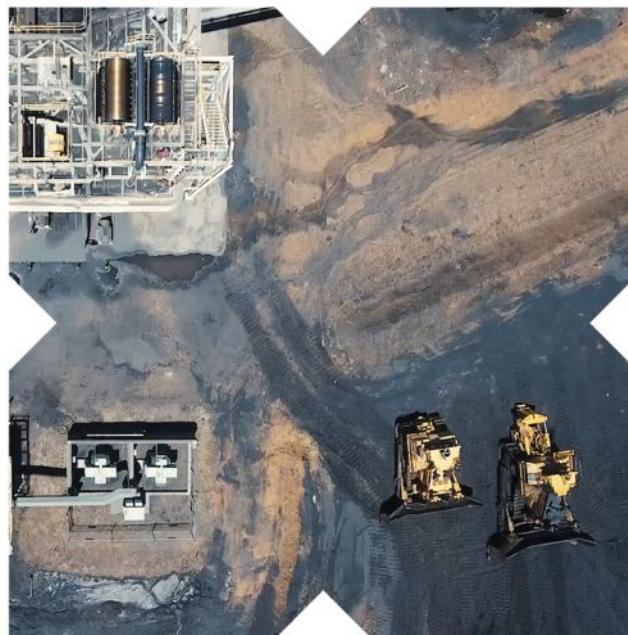
Certainty.



ANNUAL GENERAL MEETING

**Earnings Growth Delivering
Shareholder Returns**

26 OCTOBER 2018



Important information

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Stanmore Coal Overview The right path to value

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Independent coal company

Positioned in right commodity at the right time of the cycle



Isaac Plains expansion operational with demonstrated performance

Validation that the resource, the equipment and the plan is right



Isaac Plains Complex represents the company's platform asset

Cost structures targeted with the right CHPP feed volumes from capital 'light' open cut and underground expansions



Multiple acquisition targets and internal projects on which Stanmore can capitalise

Replicate the 'hub' approach focusing on reliability and creating value where others can't or won't

ASX CODE

SMR

SHARE PRICE

A\$0.845¹

SHARES

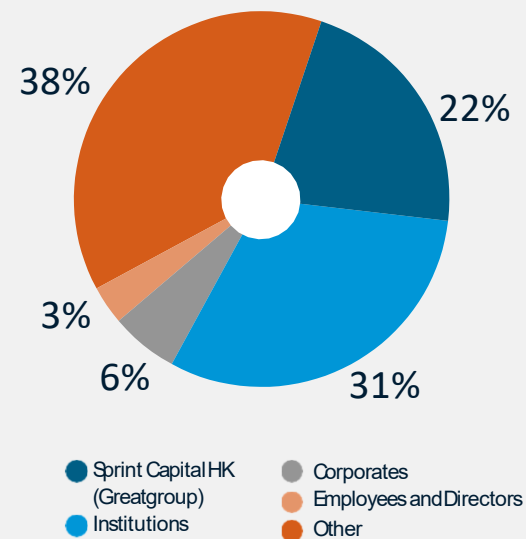
251,800,978

MARKET CAP

\$213m¹

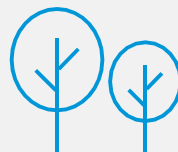
1. AS AT 25 Oct '18

SHARE OWNERSHIP





Full year **production** from Isaac Plains within target range



Record levels of environmental rehabilitation completed



Development of Isaac Plains East with mining commencing August 2018



Operations recording an underlying EBITDA of \$45.6M



Purchase of Wotonga South, providing Stanmore with an extra 10 years of production

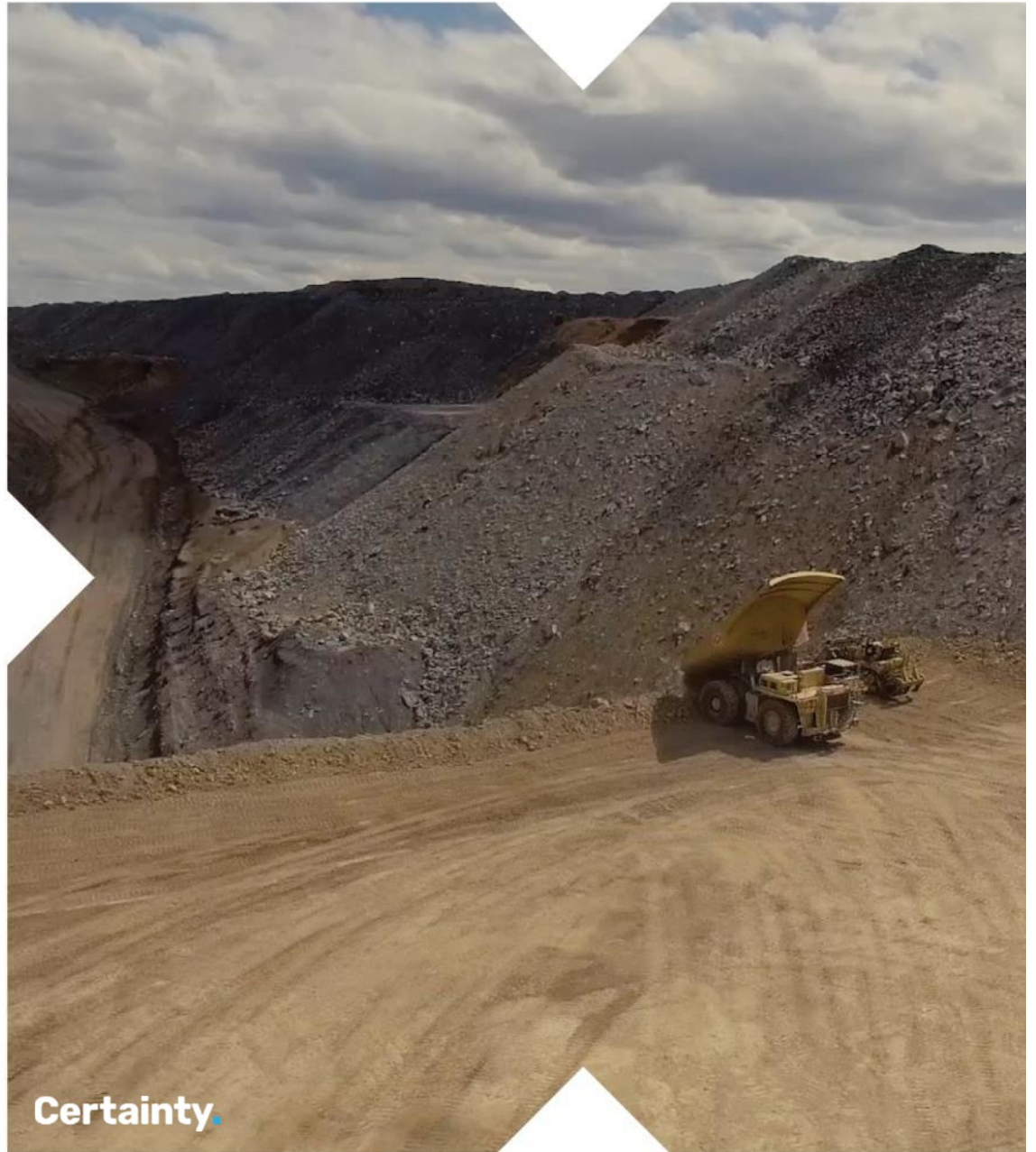


Maiden dividend declared of 2 cents per share

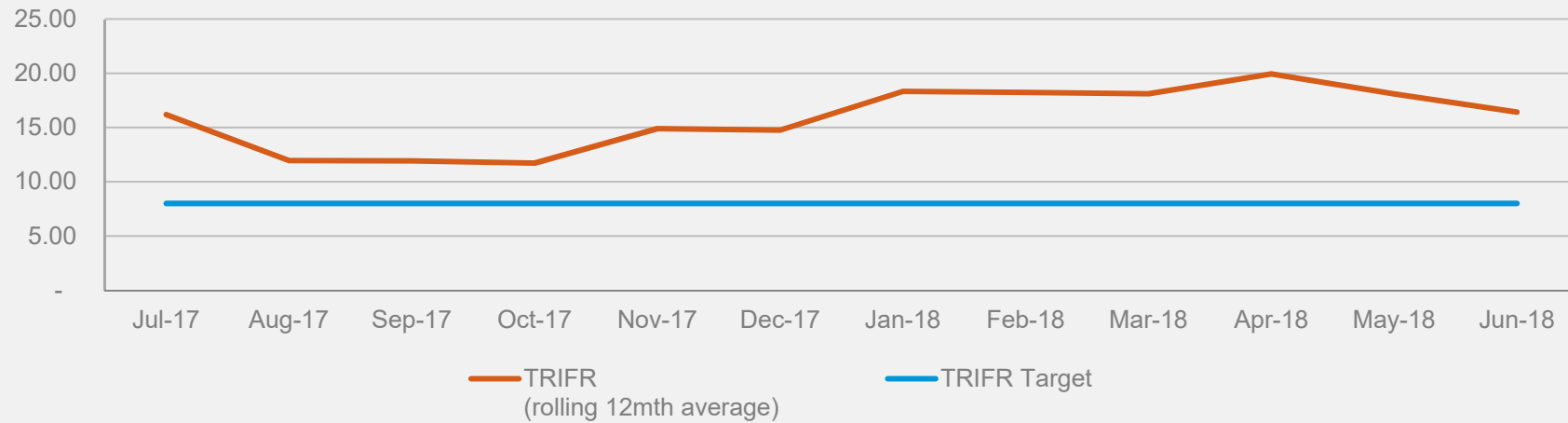
Safety

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Certainty.



Driving for certainty of no fatalities and individual safety performance



- Significant resources committed to both fatal risk systems, personal safety and leadership
- Lost Time Injury Frequency Rate (LTIFR) of 1.8 was below the Queensland Coal Industry (Surface Coal) LTIFR of 2.7
- Total Recordable Injury Frequency Rate (TRIFR) of 16.4 was above the Queensland Coal Industry (Surface Coal) TRIFR of 11

Driving for certainty of no fatalities and individual safety performance

Life Saving Rules

Never	enter into areas of unsupported strata
Never	enter under suspended loads
Never	enter an exclusion zone without authorisation
Never	operate equipment unless authorised
Never	consume illicit drugs or alcohol at work or be under the influence of non-approved medication
Never	work above 2m without appropriate fall protection
Never	tamper with, modify or remove safety devices without authorisation
Always	apply positive radio communication requirements
Always	ensure isolation and test for dead
Always	check for buried or concealed services before digging or penetrating a surface
Always	use risk tools for planning and when preparing to work

Principal Hazard Mandatory Controls

	Roads and other vehicle operating areas
	Control of energy
	Ground and strata
	Fire and explosion (hot work)
	Emergency preparedness
	Work at height
	Cranage and lifting
	Contractor management
	Tyre management

Operations

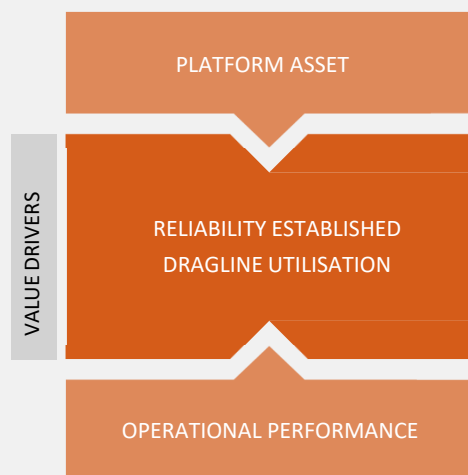
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Implementation of the strategy
'on the ground'

■ 2018

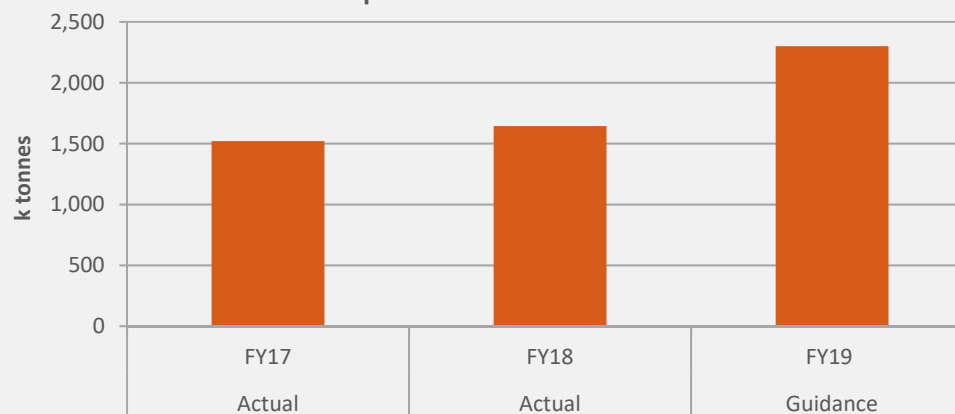


CURRENT POSITION - SCORECARD

RIGHT PLATFORM AT THE RIGHT TIME IN CYCLE	✓
RIGHT COMMODITY	✓
RIGHT SIZED TEAM	✓
RELIABILITY AND REPEATABILITY OF RESULTS ACHIEVED	✓
CASH GENERATIVE	✓

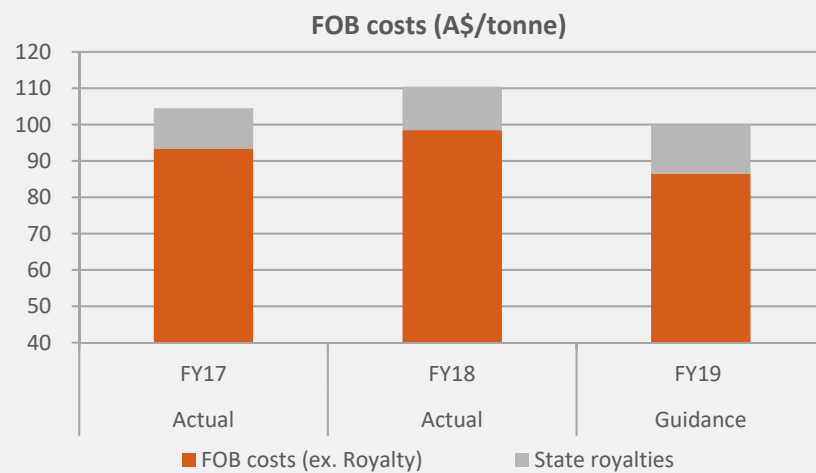
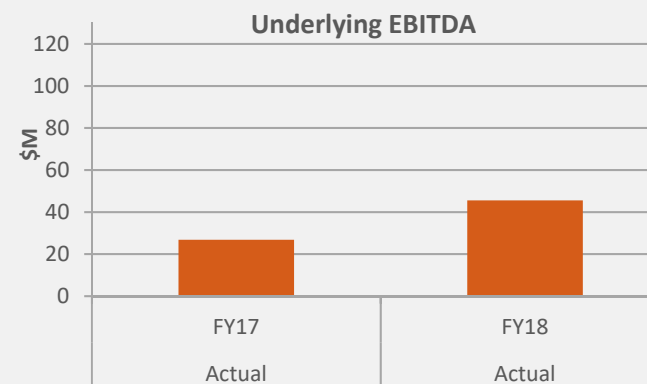
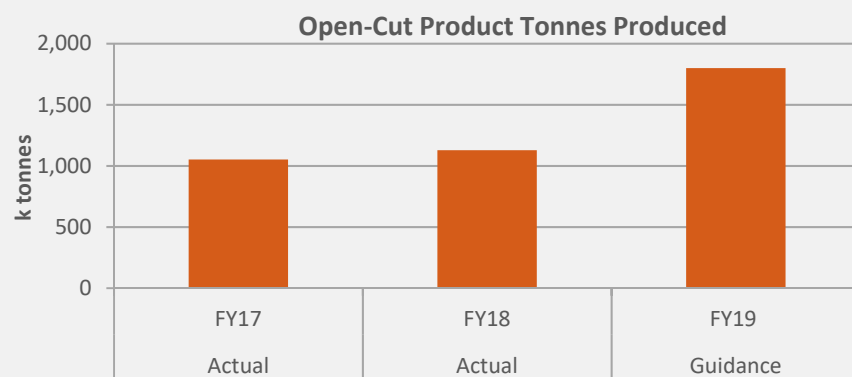
✓ ACHIEVED ... ON TRACK ! REQUIRED

Open-cut ROM tonnes mined



- Operational performance improved with a 5% increase in overburden removal and an 8% increase in open cut ROM coal mining
- Planned shutdowns on the Coal Handling and Preparation Plant and Dragline successfully completed
- Acceleration plan implemented in H2 FY18 to take advantage of strong coal prices, fleet capacity and infrastructure. As a result, costs rose by 5% to \$98/t (excluding State Royalty)
- Sales volumes increase by 29% with production increases and stocks unwinding from the prior year

With the FY2018 Performance, Stanmore is very well positioned with a reducing cost structure and increased production profile





- Rehabilitation increased during the year with 128ha recontoured and 91ha top-soiled and seeded.
- Additionally, a number of improvement projects were undertaken to improve water management infrastructure and integrity across the Isaac Plains Complex.
- The rehabilitation performance during the year has resulted in a \$7.8m reduction in the levels of required bonding

Financial

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Certainty.



Debt free and invested for a 50% increase in production over the next year

\$M	FY2018	FY2017	Comments
Key financial measures			
Underlying EBITDA	45.5	26.8	Record earnings with 70% increase on prior year. Refer adjustments on Appendix A
Net profit /(loss) after tax for the year	6.0	12.0	Impacted by Fair Value movement of contingent consideration, reflecting an increase in long term forecast coal prices
Cash generated from operations	21.9	(17.8)	Record cash generation from Isaac Plains operations
Net cash / (debt)	19.8	11.9	Debt fully repaid
Margins & Unit Costs			
Average sales price (A\$/t)	144.8	135.1	Strong coal price environment expected to remain for at least the medium term
Unit cost per tonne (A\$/t)	110.0	104.5	Increase in costs reflects production acceleration plan, increase in State royalties and increased demurrage at port
Margin (A\$/t)	34.8	30.6	14% improvement in margins, expected to improve in FY19 with lower mining costs at Isaac Plains East and a stronger coal price outlook

Development and Outlook

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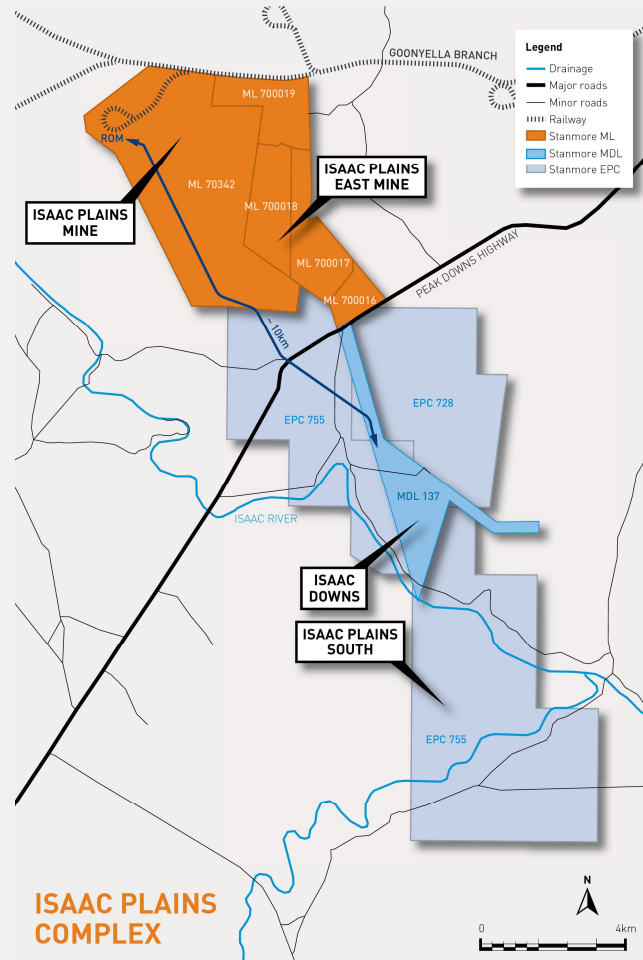


The strategy into action during 2018

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Cycle proofed and capital light

2018



- Toll Loading through Isaac Plains infrastructure successfully completed
- Isaac Plains East fully approved with Environmental Authority and Mining Lease granted
- Mining fully operational and 1st sales of IPE coal made in September 2018
- Acquisition of Wotonga South (now Isaac Downs) completed giving significant boost to mine life, an improvement in cost structure and improving coal quality
- Isaac Plains Underground BFS fully commissioned and investment decision expected in FY19
- Exploration planning commenced for Isaac Plains South

With Isaac Plains maximized, further opportunity exists

2018

VALUE DRIVERS

RIGHT SCALE OF DEVELOPMENT
WITH CAPITAL DISCIPLINE

OC AND UG CAPABILITY
REPEATABLE 'HUB' MODEL

LIFE OF MINE PLANS

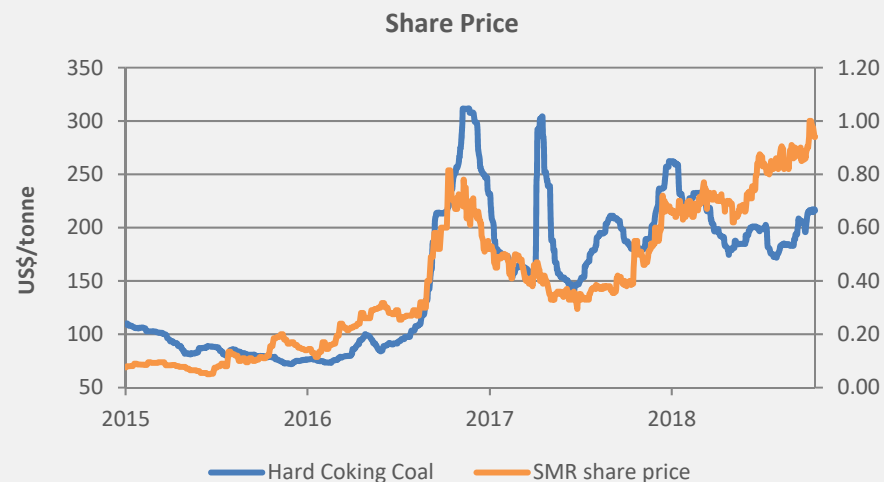
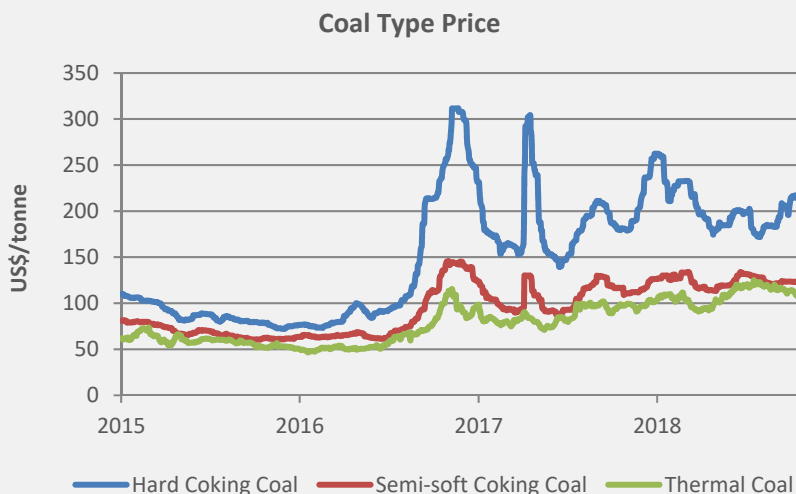
PHASE 2 – MEDIUM TERM

- SIZE/SCALE 10MT
- 3 HUBS/COMPLEXES
- CONTRACT AND/OR OWNER OPERATE
- OPPORTUNISTIC DEVELOPMENT OF CORE PORTFOLIO ASSETS



- The Range Project is progressing to Environmental Authority Application off the base of the existing Mining Lease Application (MLA).
- Stanmore involvement in developing further lower capital infrastructure solutions to port
- Belview concept study being integrated into a broader region plan for additional value
- Lillyvale exploration planned
- Focussing on multiple producer areas, underutilised capacity and stranded assets

From creating certainty in outcomes and returns to sourcing further ROM coal and preparing the company for the next stage



- Metallurgical coal pricing has remained very well supported and our view is it will remain that way over the long term as there is no replacement technology for this product in the steel making process
- In the short term, China's environmental and safety reform measures have been generally successful. These movements in combination with economic growth in south east Asia and India are resulting in upward pressure on the Australian FOB price

APPENDIX A

\$M	FY2018	FY2017	Comments
Revenue	208.1	137.9	Record revenue, 51% higher than prior year
Cost of sales	(155.8)	(104.1)	Increase in costs reflects production acceleration plan, increase in State royalties, increased demurrage at port and higher sales volumes
Gross Profit/(loss)	52.3	33.8	55% increase on prior year
Other income and expenses	(33.5)	(18.1)	Largely relates to Fair Value movement on contingent consideration
Profit/(loss) before income tax and net finance expenses	18.8	15.7	20% increase on prior year
Finance income	0.3	0.2	
Financial expenses	(9.1)	(9.5)	
Profit/(loss) before income tax benefit/(expense)	10.0	6.4	Record pre-tax profit, 56% increase on prior year
Income tax benefit / (expense)	(4.0)	5.6	
Profit/(loss) after income tax expense	6.0	12.0	
Reconciliation to Underlying EBITDA (non – IFRS measure)			
Profit/(loss) before income tax & net finance expenses	18.8	15.7	
Depreciation and amortisation	5.2	3.3	
Movement in impairment of The Range	-	(8.5)	
Exploration & evaluation costs written off	0.0	0.9	
Fair Value movement of contingent consideration	25.8	14.5	
Remeasurement of onerous contracts	(4.0)	(0.5)	
Remeasurement of rehabilitation provision	(0.3)	1.4	
Underlying EBITDA (non – IFRS measure)	45.5	26.8	