



18 January 2019

STANMORE COAL DECLARES INTERIM DIVIDEND AND INITIATES ON-MARKET SHARE BUY-BACK

The Board of Stanmore Coal Limited (“Stanmore” or the Company”) (ASX: SMR) is pleased to announce as part of its capital management strategy that it is declaring a fully franked interim Dividend of 3 cps and intends to implement an on-market share buy-back (“buy-back”) for up to 10% of the Company’s fully paid ordinary shares (25.3 million shares.)

Highlights

- Declaration of 3 cents per share fully franked dividend payable 30 April 2019
- Intention to commence on-market share buy-back for up to 10% of fully paid ordinary shares (25.3 million shares)

CAPITAL MANAGEMENT

The Board of Stanmore Coal Limited is pleased to announce as part of its capital management strategy that it has declared a fully franked interim Dividend of 3 cps and intends to implement an on-market share buy-back (“buy-back”) for up to 10% of the Company’s fully paid ordinary shares (25.3 million shares). The buy-back demonstrates the Board’s strong belief in the underlying value of the Company’s assets and strong cash generation from the Isaac Plains Complex.

INTERIM DIVIDEND

Following the release of Stanmore Coal’s Updated FY19 Earnings Guidance¹ and based on strong operational performances to date, the Board of Stanmore Coal has resolved to declare a fully franked interim dividend of \$0.03 per share.

All shareholders on the register at 5pm on 2 April 2019 (“Record Date”) will be entitled to receive the dividend payment which the Company expects to pay on 30 April 2019. The ex-dividend date will be 1 April 2019.

As approved by shareholders at the 2018 AGM, shareholders will have the ability to participate in the Dividend Reinvestment Program (DRP). The DRP provides a convenient way for shareholders to invest their dividends in new fully paid shares in Stanmore Coal, without paying brokerage and other associated costs. At each dividend payment date, dividends on shares nominated by shareholders to be subject of the DRP are automatically invested in Stanmore Coal ordinary shares.

With a focus on generating strong cash flows and maintaining balance sheet strength, Stanmore Coal aims to deliver returns to shareholders through improving returns on invested capital. As well as share price appreciation, Stanmore Coal seeks to pay dividends over time commensurate with performance in

¹ ASX announcement on 14 January 2019, “Fourth Supplementary Target’s Statement”

earnings, cash flow, the cyclical nature of our industry and any capital management decisions from time to time. In declaring the interim dividend, the Board is confident that the strong operational performance and positive outlook for the business will continue to generate adequate funding for operations development and growth investments.

ON-MARKET SHARE BUY-BACK

Stanmore Coal is pleased to announce its intention to implement an on-market share buy-back of up to 10% of the Company's fully paid ordinary shares (approximately 25.3 million shares). The buy-back period will commence on or about the 4 February 2019 and end no later than 12 months from commencement. In accordance with ASX listing rules, the price paid for the shares purchased under the buy-back will be no more than 5% above the volume weighted average share price of Stanmore shares over the 5 days of prior trading before the purchase is made.

The Company reserves the right to suspend or terminate the buy back at any time and there is no commitment or guarantee the Company will purchase the full 25.3 million shares mentioned above. The timing and actual number of shares purchased will depend on the prevailing share price and other considerations, and all shares purchased under the buy-back will be cancelled. Appendix 3C in respect of the buy-back is attached to this announcement.

Petra Capital will act as the transaction broker in relation to the buy-back.

Yours faithfully,

Ian Poole
Company Secretary

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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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