For personal use only

stanmorecoal

1 July 2019

STANMORE COMPLETES DEBT REFINANCE

The Board of Stanmore Coal Limited (Stanmore or the Company) (ASX: SMR) is pleased to announce it has refinanced its bonding and working capital facility with its existing financier, Taurus, and established a new bonding facility with Liberty Speciality Markets (Liberty).

Highlights

- Extension of Taurus facilities term to 30 June 2022 (previously maturing 15 November 2019)
- Interest rate reduction on drawn funds to 8.0% (previously 10.0%)
- Reduction in total facility to US $40 million (previously US $51 million)
- Established a new bonding facility with Liberty for A$20 million at a premium rate of 4.7% p.a.

These new arrangements form an important part of Stanmore's overall business strategy and reflect the increasing financial strength of the Company as the changes will reduce the overall cost of finance for the Company. The key terms of the facility extension are:

- Extension of the existing facility to 30 June 2022 (previously maturing 15 November 2019)
- Increase in working capital facility to US $28 million (previously US $22 million) matching Stanmore's larger business scale following the increase in production from 1.2mpta in FY18 to 2.3mpta in FY19.
- Reduction of bonding facility to US $12 million (previously US $29 million)
- Interest rate on drawn funds of 8.0% (previously 10.0%)
- Interest rate on undrawn funds 2.0% (unchanged)
- Royalty payable on proceeds of sales from Isaac Plains Complex 1.0% (unchanged)
- Security arrangements unchanged – 1st or 2nd ranking security interests over Stanmore and a number of subsidiaries including Stanmore IP Coal Pty Ltd (Isaac Plains & Isaac Plains East) and Stanmore IP South Pty Ltd (Isaac Downs) (**Security Group**) which securities also include 2nd ranking tenement mortgages over tenements held by those subsidiaries.

Stanmore has also secured a A$20 million bonding facility with Liberty. The purpose of this facility is to provide Financial Assurance to the Queensland Government as part of Company's future rehabilitation obligations. This Financial Assurance was originally provided as part of the Taurus bonding facility. Key terms of the A $20 million Liberty facility are;

- Premium charge of 4.7% on drawn sureties
- No fee on undrawn facilities
- No cash backing
- No financial covenants
- Review date/facility expiry 30 June 2020
- Security - 2nd or 3rd ranking security interests over the Security Group which securities also include 3rd ranking tenement mortgages over tenements held by those subsidiaries and 1st ranking security interest over all other subsidiaries of Stanmore.

The establishment of the Liberty bonding facility will generate annual finance cost savings of A$580k for the Company.

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

p: +61 7 3238 1000
f: +61 7 3238 1098

e: info@stanmorecoal.com.au
w: www.stanmorecoal.com.au

Level 8, 100 Edward Street, Brisbane QLD 4000
GPO Box 2602, Brisbane QLD 4001

For personal use only