

GOLDEN ENERGY AND RESOURCES LIMITED

(Incorporated in the Republic of Singapore)
Company Registration Number: 199508589E

THE PROPOSED ISSUE OF 1,980,298 NEW ORDINARY SHARES IN THE CAPITAL OF GOLDEN ENERGY AND RESOURCES LIMITED

RHB Securities Singapore Pte. Ltd. (formerly known as DMG & Partners Securities Pte Ltd) was the financial adviser to the Company for the acquisition of 66.9998% of the issued and paid-up share capital of PT Golden Energy Mines Tbk (the “Financial Adviser”). The Financial Adviser has not reviewed this announcement and assumes no responsibility for the contents of this announcement.

1. INTRODUCTION

The Board of Directors (the “Board”) of Golden Energy and Resources Limited (the “Company”) wishes to announce that the Company intends to allot and issue new ordinary shares (“Shares”) in the capital of the Company to Deloitte & Touche Financial Advisory Services Pte Ltd (“Deloitte”) in full satisfaction of the professional fees owing to Deloitte in the amount of S\$1,326,800 (“Total Indebtedness”) by way of a private placement (the “Proposed Settlement”).

2. INFORMATION ON DELOITTE

Messrs Tam Chee Chong and Andrew Grimmett (collectively, the “Liquidators”), both of Deloitte, were appointed as the judicial manager and subsequently, the liquidators of Poh Lian Construction (Pte.) Ltd (In Liquidation) (“PLC”) (the “Services”). Pursuant to an indemnity provided by the Company for any unpaid remuneration due from PLC to the Liquidators (the “Indemnity”), Deloitte had issued invoices amounting to an aggregate amount of S\$1,326,800 to the Company for the Services rendered by the Liquidators to PLC.

Deloitte is not a person to whom the Company is prohibited from issuing shares to, as provided for by Rule 812 of the listing manual of the SGX-ST and the Proposed Settlement would not result in any transfer of controlling interest in the Company. As at the date of this Announcement, Deloitte does not hold any Shares in the Company.

3. PROPOSED SETTLEMENT

3.1 Principal Terms of the Proposed Settlement

(a) Proposed Settlement

The Company has on 7 October 2015 entered into a settlement agreement (“Settlement Agreement”) with Deloitte, pursuant to which the Company has agreed to allot and issue to Deloitte 1,980,298 new ordinary shares (“Settlement Shares”) in the capital of the Company, at an issue price of S\$0.67 per Share (“Issue Price”) which shall constitute full and final settlement of the Indemnity (including the Total Indebtedness), subject to the terms and conditions of the Settlement Agreement.

(b) Issue Price

The Issue Price of S\$0.67 represents a discount of approximately 9.68% to the volume weighted average price for trades done on the Shares on the SGX-ST on 22 April 2015 (being the full market date prior to the suspension of trading in the Shares).

In the event the Company undertakes a share consolidation which takes effect prior to the date of completion of the Proposed Settlement (“**Repayment Date**”), the Issue Price shall be adjusted (“**Adjusted Issue Price**”) and such number of consolidated Shares shall be allotted and issued to Deloitte at the Adjusted Issue Price, the aggregate value of which shall represent the Total Indebtedness. For illustrative purposes only, in the event the Company undertakes to consolidate every two (2) Shares into one (1) consolidated Share which takes effect prior to the Repayment Date, the Company shall allot and issue 990,149 consolidated Shares to Deloitte at the Adjusted Issue Price of S\$1.34.

(c) Conditions Precedent

The Proposed Settlement is conditional upon, *inter alia*, the following being fulfilled (or waived) (“**Conditions Precedent**”):

- (i) the approval by the SGX-ST of an application made by the Company for the listing and quotation of the Settlement Shares on the official list of the SGX-ST; and
- (ii) Raiffeisen Bank International AG having received sums as partial settlement of the loan owing from the Company.

(d) Repayment Date

Subject to the fulfillment of the Conditions Precedent, the Settlement Shares shall be allotted and issued to Deloitte on the date of completion of the compliance placement undertaken by the Company for the purposes of satisfying the minimum shareholding spread and distribution requirements under the Listing Manual by way of allotment and issue of Shares.

(e) Status of the Settlement Shares.

Each Settlement Share shall be credited as fully paid on allotment, shall be free from all claims, charges, liens and other encumbrances whatsoever and shall rank *pari passu* in all respects with Shares then in issue.

The allotment and issue of the Settlement Shares in accordance with the Settlement Agreement, represents approximately 0.09% of the existing issued and paid-up share capital of the Company as at the date of this announcement and approximately 0.09% of the enlarged issued and paid-up share capital of the Company after taking into consideration the Proposed Settlement.

(f) Representations, Warranties and Undertakings

Each of the Company and Deloitte have, in the Settlement Agreement, provided such undertakings, representations and warranties as are customary for transactions of the nature of the Proposed Settlement or other similar transactions.

(g) Events of Default and Termination

Deloitte may, by notice in writing to the Company, declare that an event of default has occurred, if any of the following events ("**Events of Default**") shall occur:

- (i) any representations and warranties by the Company as set out in the Settlement Agreement proves to have been incorrect or misleading in any material respect, and if the circumstance resulting in such incorrect representation or warranty is capable of remedy, it is not remedied within the time set out in the Settlement Agreement;
- (ii) any or all of the Company's payment or other material obligations under the Settlement Agreement becoming unlawful, illegal, invalid or non-binding; or
- (iii) any insolvency event occurring in respect of the Company, including, *inter alia*, the Company being adjudicated insolvent, the Company entering into a scheme of arrangement, or the appointment of a receiver, liquidator, trustee or similar officer over the whole or any part of the assets of the Company.

Upon the occurrence of an Event of Default, Deloitte may terminate the Settlement Agreement.

3.2 Long-Stop Date

In the event certain Conditions Precedent have not been fulfilled (or waived in accordance with the Settlement Agreement) on or before sixty (60) calendar days after the date of the Settlement Agreement (or any such later date as may be notified by the Company to Deloitte in the Company's sole discretion) ("**Long-Stop Date**"), the Settlement Agreement shall automatically terminate on the Long-Stop Date.

3.3 Shareholders' Mandate for the Issue of the Settlement Shares

The Settlement Shares are intended to be issued pursuant to the authority given to the Directors under the general mandate obtained at the annual general meeting of the Company held on 10 April 2015 ("**Share Issue Mandate**").

Pursuant to the Share Issue Mandate, the Directors are authorised and empowered to issue Shares in the Company not exceeding 50% of the total number of issued share capital (excluding treasury shares) of the Company as at the time of passing of the Share Issue Mandate, of which the aggregate number of Shares to be issued other than on a pro-rata basis shall not exceed 20% of the total number of issued shares (excluding treasury shares) in the Company. Pursuant to such thresholds, the Company is authorised to issue up to 15,457,001 Shares other than on a pro-rata basis.

As of the date of this Announcement, the Company has not issued any Shares under the Share Issue Mandate.

4. APPLICATION TO THE SGX-ST

The Company will be making an application to the SGX-ST for the listing and quotation of the Settlement Shares to the Official List of the SGX-ST. The Company will make the necessary announcement(s) once the approval-in-principle for the listing and quotation of the Settlement Shares has been obtained from the SGX-ST.

5. FINANCIAL EFFECTS OF THE PROPOSED SETTLEMENT

For illustrative purposes only, based on the audited full year results of the Company for the year ended 31 December 2014, the financial effects of the Proposed Settlement are calculated based on the following assumptions:

- (a) the consolidation of every fifty (50) shares into one consolidated share and the issuance of an aggregate 2,092,835,076 shares in connection with the conversion of mandatory convertible bonds and the acquisition of 66.9998% of PT Golden Energy Mines Tbk took place on 31 December 2014 (“**RTO/Share Consolidation Completion**”);
- (b) for the purpose of computing the loss per Share (“**LPS**”) of the Group after the completion of the Proposed Settlement, it is assumed that the Proposed Settlement was completed on 1 January 2014;
- (c) for the purpose of computing the net tangible assets (“**NTA**”) or net tangible loss (“**NTL**”) per Share, it is assumed that the Proposed Settlement was completed on 31 December 2014; and
- (d) allotment and issuance of 1,980,298 Shares at an Issue Price of S\$0.67.

5.1 Share Capital

Issued and Paid-up Share Capital	As at 31 December 2014	As at 31 December 2014 assuming the RTO/Share Consolidation Completion	Immediately after completion of the Proposed Settlement
Number of Shares	3,864,251,008	2,170,120,082	2,172,100,380
Share Capital (US\$'000)⁽¹⁾	257,956	1,546,171	1,547,104

Note

(1) Based on the exchange rate of S\$1.4218: US\$1.00

5.2 Net Tangible Assets

	As at 31 December 2014	As at 31 December 2014 assuming the RTO/Share Consolidation Completion	Immediately after completion of the Proposed Settlement
NTA of the Group (US\$'000)	(93,894)	11,021	12,414
Number of Shares	3,864,251,008	2,170,120,082	2,172,100,380
NTA Per Share (US cents)	(2.430)	0.5079	0.5715

Note

(1) Please see Note (1) in Section 5.1 above.

5.3 Loss Per Share (“LPS”)

	FY2014	FY2014 assuming the RTO/Share Consolidation Completion	Immediately after completion of the Proposed Settlement ⁽¹⁾
Loss of the Group (US\$'000)	27,514	17,407	18,340
Weighted average number of Shares ('000)	3,864,252,008	2,170,120,082	2,172,100,380
Loss Per Share (US cents)	0.7120	0.8021	0.8443

Notes

(1) Please see Note (1) in Section 5.1 above.

6. INTERESTS OF THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save in their respective roles as directors and/ or shareholders of the Company, none of the Directors nor the substantial shareholders of the Company or their respective associates have any interest, direct or indirect, in the Proposed Settlement as set out above.

7. RESPONSIBILITY STATEMENT

The Directors (including any Director who may have delegated detailed supervision of the preparation of this announcement) collectively and individually accept full responsibility for the accuracy of the information given in this Announcement and confirm, after making all reasonable enquiries that to the best of their knowledge and belief, the facts stated and opinions expressed herein are fair and accurate in all material respects as at the date hereof, and that there are no material facts the omission of which would make this Announcement misleading. Where any information has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the Directors has been to ensure that such information is accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this Announcement.

8. CAUTIONARY NOTE

Shareholders should note that there is no certainty or assurance as at the date of this Announcement that the Conditions Precedent will be fulfilled (or waived, as the case may be) or that the Proposed Settlement will be completed. The Company will make the necessary announcements when there are further developments. Shareholders are advised to read this Announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

**PAULINE LEE
COMPANY SECRETARY**

7 October 2015