

NEWS RELEASE
GOLDEN ENERGY AND RESOURCES DELIVERS STRONG PROFIT RECORD OF US\$33.7 MILLION IN NET PROFIT FOR FY2016

- *Revenue rose 9.3% to US\$393.3 million, driven by broad-based growth in revenue contribution across business divisions*
- *Revenue growth from Coal Mining Division bolstered by higher sales volume and average realised selling price*
- *On track to achieve 14 MT production target for FY2017*
- *Well-poised for potential strategic acquisitions with net cash position stemming from robust balance sheet, low gearing and strong cashflow from operations*

Financial Highlights:

US\$'000	FY2016	FY2015 (Restated)	% Change
Revenue	393,272	359,771	9.3
Gross Profit	144,105	111,729	29.0
Net Profit	33,664	(8,657)	n.m
EPS (US cents)	0.42	(0.22)	n.m

SINGAPORE, 28 February 2017 — Golden Energy and Resources Limited (“**GEAR**” or the “**Group**”), an international coal mining and trading company listed on the Singapore Stock Exchange and backed by Indonesian conglomerate Sinar Mas Group, swung back to record a net profit of US\$33.7 million in the financial year ended 31 December 2016 (“**FY2016**”), compared to a net loss of US\$8.7 million in the previous financial year (“**FY2015**”).

FY2016 is the first year in which GEAR had accounted for the complete year’s financial performance of PT Golden Energy Mines Tbk (“**GEMS**”), which it had acquired in April 2015.

The surge in GEAR's profitability in FY2016 was driven by broad-based growth in revenue contribution across the Group's business divisions, particularly within the Coal Mining Division, which recorded higher sales volume compared to FY2015 on the back of an increase in the average realised selling price from US\$32.89 per metric ton in 4Q2015 to US\$38.68 per metric ton in 4Q2016.

Mr. Fuganto Widjaja, Executive Director and Group CEO of GEAR, said, "We are heartened by the strength of revenue growth in the Coal Mining Division, our Group's key revenue contributor. This serves as an affirmation of our operational strategy to ramp up our coal production in view of the persisting strong demand for coal in Indonesia and abroad, and this has culminated in a robust set of results for GEAR in FY2016."

"With GEAR in a net cash position, we are poised for strong organic growth in production from our coal mines, as well as to look at additional strategic acquisitions which would be earnings accretive to the Group", Mr. Widjaja added.

Financial Performance and Position Review

For FY2016, GEAR achieved revenue of US\$393.3 million, up 9.3% from US\$359.8 million a year ago. The increase in revenue was backed by higher sales volume in the Group's Coal Mining Division, which recorded a 9.7% increase in revenue for the segment to US\$329.5 million from US\$300.4 million in FY2015.

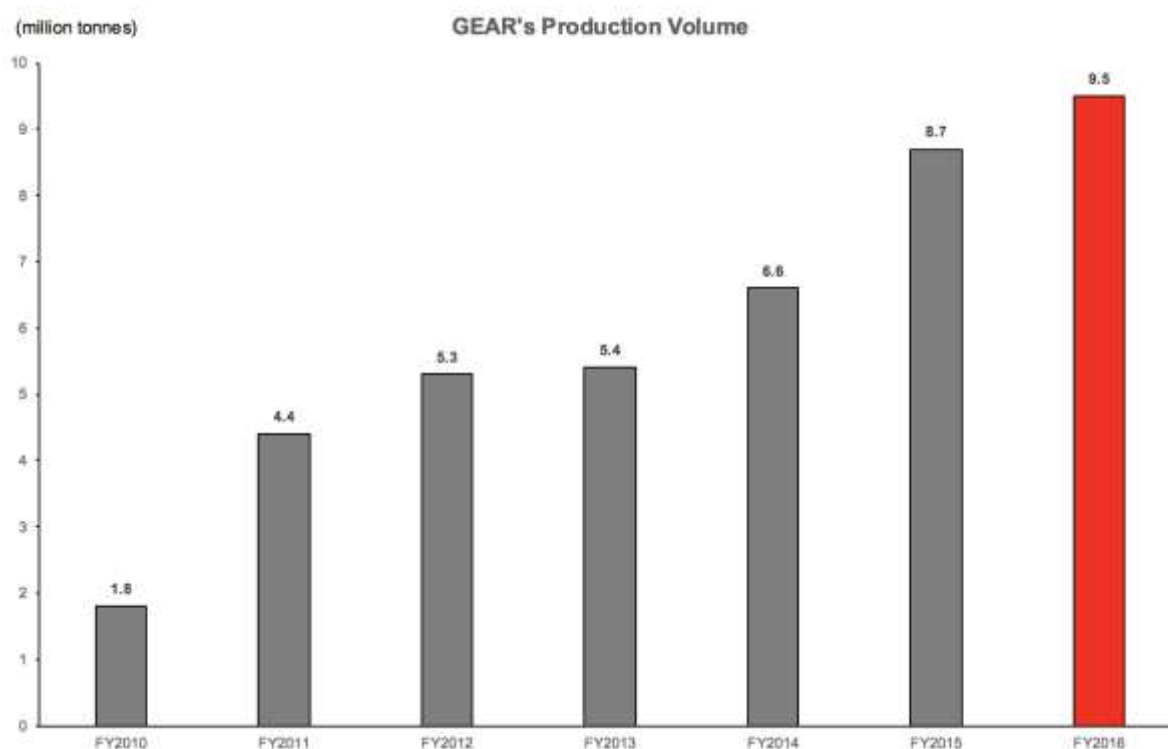
Correspondingly, gross profit grew 29.0% to US\$144.1 million in FY2016 from US\$111.7 million in the previous corresponding period.

In the year under review, GEAR's finance cost remained relatively stable and the Group ended the year with a healthy cash position of US\$79.0 million, resulting GEAR to be in a net cash position with only US\$49.7 million of outstanding bank loans.

As at 31 August 2016, GEAR's coal business, which is held by the GEMS, is valued at US\$3.1 billion in an independent business valuation report by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, taking into account the Group's coal resources estimates¹ of 2,154 million tonnes ("MT"). GEAR holds a 66.9998% equity interest in GEMS, which is listed on the Jakarta Stock Exchange.

As at 31 December 2016, the Group has aggregate coal resources estimates of 2,331 MT across its concessions.

Corporate Developments – Coal Mining Division



In FY2016, GEAR achieved a total coal production volume of 9.5 MT. Of which, approximately 7.5 MT were mined from the Group's largest concession PT Borneo Indobara ("**BIB**"), successfully reaching the maximum output limit approved by the Indonesian Government in September 2016.

¹ Coal resources estimates are inclusive of coal reserves estimates

GEAR has sought approval from the Indonesian Government to raise BIB's coal production output to 12 MT per annum for 2017. Presently, the Group is optimistic in its ability to obtain the approval, which will place it on track in achieving its target coal production volume of 14 MT for FY2017.

The increase in production output in BIB will be supported by GEAR's wholly-owned transport infrastructure, which includes conveyor belts that enable direct loading onto large barges in the Java Sea, a dedicated port and BIB-controlled hauling roads.

In September 2016, GEAR further increased its coal reserves with the acquisition of the entire share capital of PT Era Mitra Seleras ("**EMS**") with concession rights to PT Wahana Rimba Lestari ("**WRL**"), which has a JORC probable and proven coal reserves of 68 MT and coal resources of 183 MT².

Outlook

Looking ahead, GEAR continues to maintain a positive outlook for its coal business in view of expectations of a supply shortfall due to strong demand growth for thermal coal among Asia's emerging markets, such as India, which is reliant on coal-fired power to meet soaring domestic energy demand. India's power generation is expected to increase to around 1,750 terawatt hours ("**TWh**") by 2020, with coal accounting for more than 1,230 TWh.

Additionally, China's coal imports, which has surged 64% to 24.91 MT in January this year, is also projected to increase further as a result of restrictions on local productions as part of its long-term plans to manage its smog and greenhouse gas emissions. The country's demand for thermal coal from other sources could also increase further as a result of its recent ban on North Korean coal import.

² based on independent JORC Report as at 16 May 2016

Domestically, the Indonesian government under President Jokowi's administration has implemented an electrification programme to add 35,000 megawatts ("MW") in power generation capacity across the country by 2019. Of which, almost 20,000 MW will come from coal-fired plants, and this is expected to drive up domestic demand for coal.

GEAR's BIB 4,000 – 4,200 GAR coal, which has an established branding in the market, is currently highly sought after due to its suitability for both major export markets as well as domestic power producers. Due to its low sulphur specifications, BIB's coal is also good for blending with higher sulphur coal.

Against this backdrop, GEAR remains committed in its program in maximising the Group's production capacity to meet growing demand for coal in both its domestic and overseas markets.

ABOUT GOLDEN ENERGY AND RESOURCES LIMITED

Golden Energy and Resources Limited ("GEAR") was formed through the completion of the Reverse Takeover of SGX Mainboard-listed United Fiber System Limited in 2015. The Group is principally engaged in the exploration, mining, and marketing of thermal coal sourced from its coal mining concession areas, covering an aggregate of approximately 42,904 hectares in South Kalimantan, Central Kalimantan, Jambi (a province in Sumatra) and South Sumatra, Indonesia.

Backed by the Sinar Mas Group, one of Indonesia's largest conglomerates, GEAR collectively owns the rights to mine more than 2.0 billion tonnes of thermal coal resources, with coal reserves of approximately 780 million tonnes, as at 31 December 2016.

GEAR has reserves of primarily thermal coal with an average calorific value range of between 3,900 kcal/kg (arb) to 6,600 kcal/kg (arb).

Aside from coal mining and trading, GEAR is also engaged in the forestry business, owning forestry concession rights of 265,095 hectares in four regents located in South Kalimantan.

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