

NEWS RELEASE
GOLDEN ENERGY AND RESOURCES' NET PROFIT INCREASED ALMOST 14-TIMES TO US\$29.6 MILLION FOR 1Q2017

- *Revenue surged 47.9% to US\$143.2 million, up from US\$96.8 million previously*
- *Group's average selling price of coal in latest financial quarter rose 29.6% on a year-on-year basis*
- *Group's production increased 50% from 2.0 million tonnes in 1Q2016 to 3.0 million tonnes in 1Q2017, well positioned to achieve 14 MT production target for FY2017*
- *Healthy cash position in excess of US\$100 million enables GEAR to capitalise on strategic acquisitions should opportunities arise*

Financial Highlights:

US\$'000	1Q2017	1Q2016 (Restated)	% Change
Revenue	143,186	96,840	47.9
Gross Profit	72,134	25,535	182.5
Net Profit	29,587	2,190	n.m.
EPS (US cents)¹	0.35	0.03	n.m.
EPS (US cents)²	0.81	0.08	n.m.

SINGAPORE, 15 May 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, continued its sturdy showing for the quarter ended 31 March 2017 (“**1Q2017**”).

¹ In accordance with the relevant Financial Reporting Standards

² Based on the weighted average number of shares in issue of GEAR at 2,353,100,380 ordinary shares and 2,170,120,082 ordinary shares on 31 March 2017 and 31 March 2016, respectively.

For the quarter under review, GEAR turned in a revenue of US\$143.2 million, an increase of 47.9% compared to a revenue of US\$96.8 million for the quarter ended 31 March 2016 (“**1Q2016**”). Correspondingly, the Group’s gross profit grew 182.5% to US\$72.1 million in 1Q2017 from US\$25.5 million in the previous corresponding period.

In line with the increased profitability, the Group posted a net profit of US\$29.6 million, a 13.5-times increase from a net profit of US\$2.2 million in the year ago period and a profit attributable to owners of the Company at US\$19.0 million, a 10.3-times increase from a profit attributable to owners of the Company of US\$1.7 million in the year ago period.

The Group’s latest set of quarterly financial results demonstrated a trend of strong financial performance. Net profit of US\$29.6 million for 1Q2017 had nearly matched the full-year results where GEAR swung back to a record net profit of US\$33.7 million in the financial year ended 31 December 2016 (“**FY2016**”).

In the period under review, GEAR’s finance cost was halved from US\$4.5 million in 1Q2016 to US\$2.2 million, as a result of loan settlements in December 2016. The Group ended the quarter with a healthy cash position of US\$103.8 million.

The surge in GEAR’s profitability in 1Q2017 was driven by its Coal Mining Division, which reported a doubling in revenue, up from US\$63.8 million in 1Q2016 to US\$129.4 million in 1Q2017. This was underpinned by an increase in the average realised selling price of the Group’s coal from US\$31.53 per metric tonne in 1Q2016 to US\$40.86 per metric tonne in 1Q2017.

Mr Fuganto Widjaja, Executive Director and Group CEO of GEAR, said, “We are highly encouraged by the Group’s continued strength in its operational and financial performance, buoyed by strong demand for coal and an increased average selling price. The Group anticipates that the outlook for coal will continue to be positive, given an expectation of a supply shortfall, arising from strong demand for thermal coal.”

“Industrialisation and electrification in Asian economies are expected to drive coal demand in both the domestic and export markets. Backed by a healthy net cash position and increased production from our coal mines, GEAR is primed to capitalise on strategic acquisition opportunities should these arise,” Mr Widjaja added.

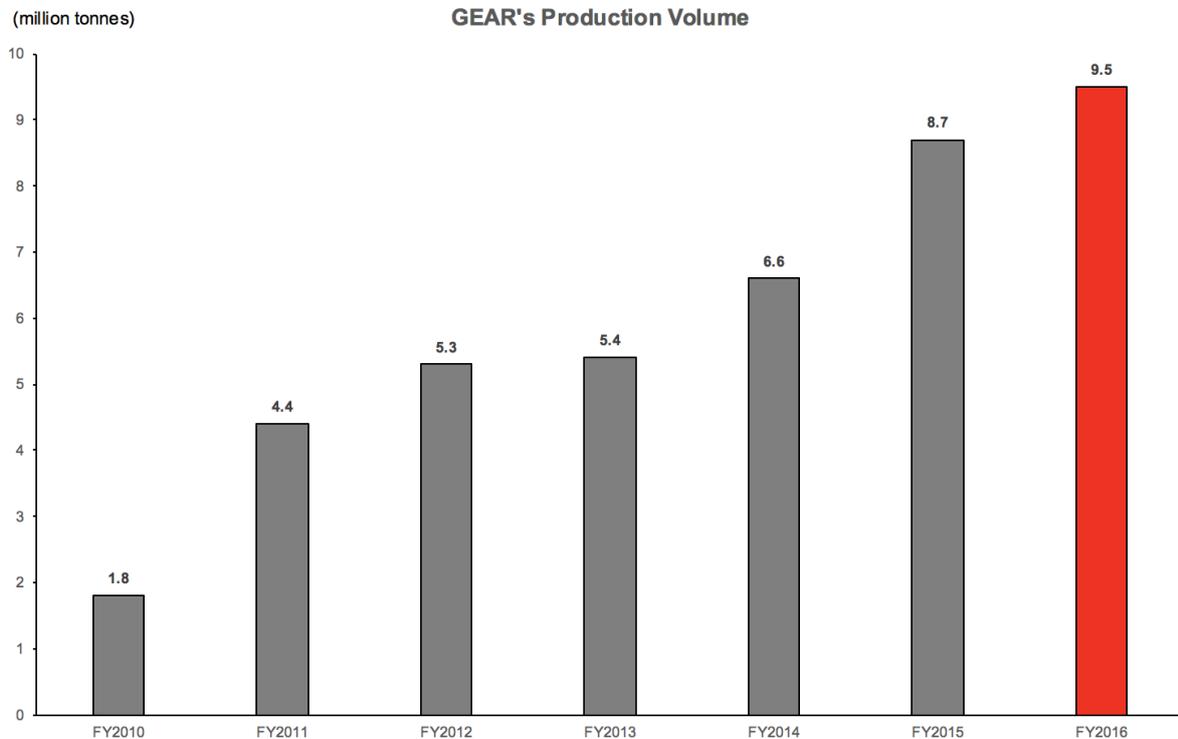
Valuation of GEAR’s Coal Business

As at 31 August 2016, GEAR’s coal business, which is held by 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 estimates³ 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.

³ Coal resources estimates are inclusive of coal reserves estimates

GEAR's Coal Mining Division – Production Volume



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.

GEAR has sought approval from the Indonesian Government to raise BIB's coal production output to 12 MT per annum for 2017. With the Group's ramp-up in coal production by 50% from 2.0 million tonnes in 1Q2016 to 3.0 million tonnes from its BIB and KIM concessions in 1Q2017, 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 MT⁴.

Outlook

The outlook of the coal industry globally is expected to remain positive for the next 12 months as stronger power demand and slower-than-expected supply additions lend support to thermal coal prices this year.

Correspondingly, GEAR continues to see robust thermal coal demand among its key export markets, particularly China and India, where the reliance on coal-fired power remains elevated as the domestic energy demands of both countries continue to be on an uptrend. China’s coal-fired power generation had stayed at a raised level after reaching a high of 423.6 billion kWh in December 2016⁵, while India’s power generation is expected to increase to around 1,750 terawatts hour (“**TWh**”) by 2020⁶, with coal accounting for more than 1,230 TWh.

Domestically, Indonesia’s own power consumption is expected to reach 334 TWh in 2020, up from about 174 TWh in 2012, which is likely to drive demand for coal in the coming decades⁷.

Looking ahead, GEAR intends to continue ramping up its coal production capacity, amid the firm demand and pricing for thermal coal.

⁴ Based on independent JORC Report as at 16 May 2016

⁵ Platts

⁶ Argus Media

⁷ Coalasia

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.

ISSUED ON BEHALF OF	:	Golden Energy and Resources Limited
BY	:	Citigate Dewe Rogerson, i.MAGE Pte Ltd 55 Market Street #02-01 SINGAPORE 048941
CONTACT	:	Mr Winston Choo at telephone
DURING OFFICE HOURS	:	6534-5122
EMAIL	:	winston.choo@citigatedrimage.com

15 May 2017