

**NEWS RELEASE**
**GOLDEN ENERGY AND RESOURCES 2Q 2017 NET PROFIT SURGES TO US\$19.1 MILLION**

- *Revenue rose 54.9% to US\$139.6 million boosted by broad-based growth in revenue contribution across business divisions*
- *Net profit surged to US\$19.1 million, markedly reversing from a net loss in previous corresponding period*
- *Maiden interim dividend of 0.8 Singapore cents declared since RTO completion*

**Financial Highlights:**

<b>US\$'000</b>	<b>2Q 2017</b>	<b>2Q 2016</b>	<b>% Change</b>	<b>1H 2017</b>	<b>1H 2016</b>	<b>% Change</b>
<b>Revenue</b>	<b>139,640</b>	90,137	54.9	<b>282,826</b>	186,977	51.3
<b>Gross Profit</b>	<b>65,237</b>	28,512	128.8	<b>137,371</b>	54,047	154.2
<b>Net Profit</b>	<b>19,103</b>	(459)	n.m.	<b>48,690</b>	1,731	n.m.
<b>EPS (US cents)</b>	<b>0.50</b>	(0.05)	n.m	<b>1.31</b>	0.02	n.m

**SINGAPORE, 14 August 2017** — Golden Energy and Resources Limited (“**GEAR**” or the “**Group**”), an international coal mining and trading company, today announced net profit of US\$19.1 million for the quarter ended 30 June 2017 (“**2Q 2017**”), a marked reversal from net loss of US\$0.5 million recorded in the previous corresponding period (“**2Q 2016**”). Overall, the Group turned in net profit of US\$48.7 million for the six-month ended 30 June 2017 (“**1H 2017**”), compared to US\$1.7 million in the previous year (“**1H 2016**”).

The improved profitability was achieved on the back of revenue of US\$139.6 million in 2Q 2017, up 54.9% from US\$90.1 million in 2Q 2016. For 1H 2017, the Group’s revenue was US\$282.8 million, a 51.3% increase from US\$187.0 million in 1H 2016. Growth was broad-based, with increased revenue contribution across the Group’s three business divisions, particularly the Coal Mining Division.

The Coal Mining Division reported an increase in revenue from US\$78.9 million in 2Q 2016 to US\$124.4 million in 2Q 2017, mainly due to higher sales volume and higher average selling price achieved in the period under review. Average realised selling price rose about 34.9% from US\$31.56 per metric ton in 2Q 2016 to US\$42.58 per metric ton in 2Q 2017.

Revenue generated by the Group's Coal Trading Division increased from US\$9.4 million in 2Q 2016 to US\$13.5 million in 2Q 2017, mainly due to higher average sales realisation price and an increase in sales volume.

The Group's Forestry Division turned in a revenue of US\$1.7 million in 2Q 2017, up 34.9% from US\$1.3 million in the previous corresponding period, due to higher average realised selling price partially offset by lower sales volume.

As at 30 June 2017, the Group's balance sheet remains robust with a cash and cash equivalents position of US\$122.1 million and a low gearing of 0.09 times.

**Mr. Fuganto Widjaja, Executive Director and Group CEO of GEAR**, said, "GEAR has delivered yet another set of solid results. Despite the extended monsoon season, we were still able to raise coal production volume to over 3 million tonnes in the most recent quarter. This bears clear testament to the Group's operational capabilities and best-in-class mining infrastructure that we currently have in place at our PT Borneo Indobara concession."

"Looking forward, we remain focused in ramping up our coal production to ride on the current buoyant coal price and we believe that our low gearing and strong cash position will keep us well-poised in pursuing value accretive acquisitions."

To thank shareholders for their support, GEAR is declaring its maiden interim dividend of 0.8 Singapore cents since the completion of its reverse takeover in April 2015.

### **Recent Corporate Developments**

GEAR has successfully obtained the Indonesian Government's approval to raise coal production from its largest concession PT Borneo Indobara ("**BIB**") to 12 million tonnes ("**MT**") per annum (*2016 production level: 7.5 MT*). GEAR is on track towards its production target of 14 MT in FY2017, with a coal production volume of 6.01 MT in the first half of FY2017, which is usually the monsoon season.

In May 2017, GEAR announced that it has entered into a conditional sales and purchase agreement with GMR Energy (Netherlands) B.V. through its subsidiary, PT Golden Energy Mines Tbk ("**GEMS**") to acquire (1) the entire effective shareholding interest in a coal concession held by PT Barasentosa Lestari ("**BSL**") and (2) all the mandatory convertible bonds issued by PT Dwikarya Sejati Utama held by the GMR vendors for an aggregate consideration of US\$65.6 million. The total assets and total liabilities of the target group as at 31 December 2016 is US\$81,219,000 and US\$79,359,000 respectively.

The BSL concession has estimated coal resources of 393 MT and reserves of 195 MT and is valued at US\$258.5 million as at 1 April 2017, based on IQPR reports. The acquisition is expected to increase GEAR's quantity of higher calorific value coal resources available for production and is in line with the Group's strategic plans to expand its business operations and increase its reserves and production levels.

### **Outlook**

Coal demand in GEAR's key export markets, China and India, remain robust in the first half of 2017. Short-term supply issues in China were exacerbated by weaker-than-expected hydropower brought about by the closure of up to two thirds of hydropower plants capacity to limit damage due to flooding as a result of higher rainfall. This continued to lend support to global import demand for thermal coal in the period under review. Reflecting this, the price of FOB Kalimantan 4,200 kcal/kg GAR coal rose 3.6% to US\$42.50/MT at end July.

The Group continues to maintain a positive outlook for its coal business as the global reliance on coal is set to remain for decades despite the growth in renewable energy sources.

New industry data on the world's biggest developers of coal-fired power plants showed that China's energy companies will make up nearly half of the new coal generation expected to go online in the next decade.

On the domestic front, the Indonesian Government's electrification programme to add 35,000 megawatts in power generation capacity across the country by 2019 continues to be a key driver for demand.

In the current operating landscape, GEAR believes that it is well-positioned to capture opportunities brought about by the increasing coal demand with its raised production capacity and established branding of its BIB 4,000 – 4,200 GAR coal.

## **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 and Central Kalimantan, Jambi (a province in Sumatra) and South Sumatra Basin, Indonesia.

Backed by the Sinar Mas Group, one of Indonesia's largest conglomerates, GEAR collectively owns the rights to mine more than 2.3 billion tonnes of thermal coal resources, with coal reserves of more than 770 million tonnes, as at 31 December 2016.

GEAR has reserves of primarily thermal coal with an average calorific value range of between 2,900 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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