

NEWS RELEASE
GOLDEN ENERGY AND RESOURCES TURNS IN SOLID NET PROFIT OF OVER US\$18 MILLION FOR 3Q 2017

- *Revenue increases 83.7% to US\$179.3 million in 3Q 2017 on strong performance from Coal Mining and Coal Trading divisions*
- *Reports fourth consecutive quarter of growth since trading resumed on SGX in December 2016*
- *Declares 2nd interim dividend of 0.21 Singapore cents, bringing year-to-date dividend payout to 1.01 Singapore cents*

Financial Highlights:

US\$'000	3Q 2017	3Q 2016	% Change	9M 2017	9M 2016	% Change
Revenue	179,316	97,631	83.7	462,142	284,608	62.4
Gross Profit	73,752	39,438	87.0	211,123	93,485	125.8
Net Profit	18,758	11,620	61.4	67,448	13,351	405.2
Net Profit attributable to Owners of GEAR	9,916	6,766	46.6	40,719	7,278	459.5
EPS (US cents)	0.42*	0.31	35.5	1.73	0.34	408.8

**Based on weighted average number of ordinary shares of 2,353.1 million in 3Q 2017, compared to 2,170.1 million in 3Q 2016*

SINGAPORE, 13 November 2017 — Golden Energy and Resources Limited (“**GEAR**” or the “**Group**”), an international coal mining and trading company, recorded net profit after tax (“**net profit**”) of US\$18.8 million for the quarter ended 30 September 2017 (“**3Q 2017**”), a 61.4% increase from US\$11.6 million achieved in the previous corresponding period (“**3Q 2016**”). Overall, the Group turned in net profit of US\$67.4 million for the nine-month ended 30 September 2017 (“**9M 2017**”), which surpassed US\$33.7 million recorded in the full financial year ended 2016 (“**FY2016**”).

Strong performance from GEAR's Coal Mining and Coal Trading Divisions bolstered overall revenue, which increased 83.7% to reach US\$179.3 million in 3Q 2017. The latest set of results marks four consecutive quarters of growth in the Group's top line and bottom line since its trading resumed on the Singapore Exchange ("SGX") in December 2016.

GEAR's Coal Mining Division reported an increase in revenue from US\$87.1 million in 3Q 2016 to US\$154.8 million in 3Q 2017, mainly due to higher sales volume and higher weighted average selling price achieved in the period under review. Weighted average selling price increased from US\$33.08 per metric ton in 3Q 2016 to US\$41.41 per metric ton in 3Q 2017.

Revenue generated by the Group's Coal Trading Division increased from US\$8.22 million in 3Q 2016 to US\$23.61 million in 3Q 2017, mainly due to higher weighted average selling price and an increase in sales volume.

The Others segment turned in a revenue of US\$0.9 million in 3Q 2017, compared to US\$2.3 million in the previous corresponding period, due to lower forestry income arising from lower log sales volume and a decrease in management fee income.

As at 30 September 2017, the Group's balance sheet remains robust with a cash and cash equivalents position of US\$98.1 million and a low gearing ratio¹ of 0.17 times.

To reward shareholders for their support, GEAR is declaring a second interim dividend of 0.21 Singapore cents, which brings year-to-date dividend payout to 1.01 Singapore cents.

¹ Gearing ratio is calculated as total liabilities (excluding taxes) net of cash and cash equivalents divided by shareholders funds plus total liabilities (excluding taxes) net of cash and cash equivalents.

Mr. Fuganto Widjaja, Executive Director and Group CEO of GEAR, said, “GEAR’s year-on-year double-digit growth in its top line and bottom line for the latest financial quarter is highly encouraging. We are heartened by the consistency in GEAR’s performance since its trading resumed on the SGX and pleased to recommend yet another dividend payout to our shareholders within a short span of three months.”

“Operationally, we have achieved 10.1 million tonnes in coal production in the first nine months of 2017 and remain well on track to reach our Group production target of 14 million tonnes by the end of the year. In this regard, GEAR is pleased to announce that it has received approval from the Indonesian Government to raise coal production for BIB from 12 MT to 14.4 MT in 2017. GEAR intends to leverage its low coal production costs, its long life coal resources, and the versatility of its coal grade to drive growth. We believe that our Group’s low gearing ratio also helps position us to seize expansion opportunities in the marketplace as they present themselves,” Mr. Widjaja added.

Recent Corporate Developments

In May 2017, GEAR’s subsidiary, PT Golden Energy Mines Tbk (“**GEMS**”) entered into a conditional sales and purchase agreement with GMR Energy (Netherlands) B.V. and GMR Infrastructure (Overseas) Limited (together, the “**GMR Vendors**”) to acquire (1) the entire effective shareholding interest PT Barasentosa Lestari (“**BSL**”), which holds a coal concession in South Sumatra, Indonesia and (2) all the mandatory convertible bonds issued by PT Dwikarya Sejati Utama, an indirect substantial shareholder of BSL, held by the GMR Vendors for an aggregate consideration of US\$65.6 million. The total assets and total liabilities of the target group at 31 December 2016 was US\$81,219,000 and US\$79,359,000, respectively.

The BSL concession had estimated coal resources of 393 million tonnes (“**MT**”) and reserves of 195 MT and was valued at US\$258.5 million as at 1 April 2017, based on an independent qualified person’s report by Salva Mining Pty Ltd. 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.

In October 2017, GEAR embarked on a capital reduction exercise to restructure its finances, rationalise its balance sheet for it to be an accurate reflection of the value of GEAR's underlying assets and financial position of the Company, as well as to facilitate future equity-related fundraising exercises. In connection with the capital reduction exercise, GEAR will reduce its share capital by US\$401.2 million and cancel an equal amount of accumulated losses. There will be no change in the total number of issued and outstanding ordinary shares of GEAR. The capital reduction exercise is expected to complete by 31 December 2017.

On 2 November 2017, the Group entered into a facility agreement with Credit Suisse AG, Singapore Branch for a term loan facility of up to US\$50 million.

Outlook

GEAR continues to witness strong demand for coal both domestically and in its key export markets, China and India, which both recorded healthy gains in coal exports. Total coal imports in China rose 11% year-on-year to reach 27.08 MT in September 2017. In the same period, India's total coal imports recorded a 9.5% increase to 18.33 MT driven in part by power plant fuel shortages.

This persisting buoyancy of the coal market has supported coal prices. FOB Kalimantan 4,200kcal/kg GAR thermal coal averaged US\$45.00 per metric ton as at 30 September 2017, an increase of 7% month-on-month.

Looking ahead, the long-term outlook of the coal industry remains bright as the need for cheap electricity in Southeast Asia is expected to drive global demand for coal for power generation through 2040.

According to an October 2017 report by Wood Mackenzie, thermal coal imports by Southeast Asia will more than double to 226 MT by 2035, up from 85 MT in 2017. The report also notes that imports into Pakistan, Bangladesh, India, and other parts of South Asia are expected to jump to 284 MT during that period, a 72% increase from 2017's levels.

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 shorter term, GEAR holds an optimistic outlook for thermal coal demand in Asia, in light of the upcoming peak demand heating season as utilities start stocking up on the commodity. Whilst coal is currently enjoying a good run in terms of pricing and demand, GEAR is also looking out for value accretive acquisitions, including interest in counter cyclical precious metals operations to diversify its coal-centric business.

ABOUT GOLDEN ENERGY AND RESOURCES LIMITED

Golden Energy and Resources Limited ("**GEAR**") is a leading coal producer in Indonesia. Since the completion of the Reverse Takeover of SGX Mainboard-listed United Fiber System Limited in 2015, GEAR has 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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This release contains forward-looking statements, including quotes from management and statements concerning GEAR's future growth, operating and financial results and prospects. Statements using words such as "believe" and "expect" and similar words and expressions are intended to identify forward-looking statements. Forward-looking statements are neither historical facts nor assurances of future performance. Forward-looking statements are based only on current beliefs, assumptions and expectations of management regarding the Company's future growth, coal production volume, coal selling price and operating and financial results and potential acquisitions. Because forward-looking statements relate to the future, they are inherently subject to significant known and unknown business, economic and competitive uncertainties, risks and contingencies, many of which are beyond the Group's control and difficult to predict, which could cause actual results to differ materially from those suggested by the forward-looking statements. These include fluctuations in demand for coal and coal prices, competition, changes to arrangements with customers, the availability and performance of third-party mining contractors, execution of GEAR's growth strategy, fuel prices, changes in governmental policies and regulations, unauthorized mining operations, public opposition to mining and other risks, uncertainties and factors. Readers of this release are cautioned not to place undue reliance on forward-looking



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