

NEWS RELEASE
GOLDEN ENERGY AND RESOURCES REPORTS RECORD REVENUE AND NET PROFIT FOR FY2017

- *Revenue surged 94.2% to US\$763.8 million on higher coal sales volume and favourable average selling price*
- *Net profit more than tripled to US\$104.4 million, marks fourth consecutive quarter of steady growth since resumption of trading in December 2016*
- *Coal production volume hits record 15.6 MT, surpassing Group's target of 14.4 MT for 2017*
- *Robust cash position of US\$188.7 million as at 31 December 2017 places GEAR in good stead for expansion production capacity as well as inorganic acquisitions*
- *Proposed final dividend of 1.00 Singapore cent per share, brings total dividend payout to 2.01 Singapore cents per share for FY2017*

Financial Highlights:

US\$'000	FY2017	FY2016 (restated)	% Change
Revenue	763,806	393,272	94.2
Gross Profit	315,908	144,105	119.2
Net Profit After Tax	104,435	33,664	210.2
Net Profit attributable to Owners of GEAR	62,950	22,006	186.1
EPS (US cents)	2.68*	1.01	N.A.

*Based on weighted average number of ordinary shares of 2,353.1 million in FY2017, compared to 2,181.7 million in FY2016

SINGAPORE, 9 March 2018 — Golden Energy and Resources Limited (“**GEAR**” or the “**Group**”), an international coal mining and trading company, today announced its financial results for the twelve months ended 31 December 2017 (“**FY2017**”).

Financial Performance and Position Review

GEAR delivered a strong financial showing in FY2017, recording over US\$104.4 million in profit for the year (“**net profit**”), compared to US\$33.7 million recorded in the previous corresponding period (“**FY2016**”).

The net profit underlies a record revenue of US\$763.8 million, which represents a 94.2% upsurge from US\$393.3 million recorded in FY2016. This was achieved on the back of robust sales momentum from the Group’s Coal Mining and Coal Trading Divisions.

Coal production output from GEAR’s Coal Mining Division reached a record level of 15.6 million tonnes (“**MT**”) for FY2017. This surpassed the Group’s target of 14.4 MT for 2017. Revenue generated from this division rose from US\$329.5 million in FY2016 to US\$645.4 million in FY2017, mainly due to higher sales volume and higher weighted average selling price achieved during the period. The weighted average selling price increased from US\$33.80 per metric tonne in FY2016 to US\$42.91 per metric tonne in FY2017.

Meanwhile, higher coal sales volume and favourable weighted average selling price also bolstered revenue from the Group’s Coal Trading Division, which more than doubled from US\$54.8 million in FY2016 to US\$114.0 million in FY2017.

The Others segment turned in a revenue of US\$4.4 million in FY2017, halved from US\$8.9 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 31 December 2017, GEAR’s cash and cash equivalents position stood at US\$188.7 million, more than doubling from US\$79.1 million recorded at end-2016.

With its robust financial position, coupled with a low gearing ratio¹ of 0.17 times, GEAR stands well-poised for the continued expansion of its production capacity and inorganic

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.*

expansion via potential acquisition of coal assets as well as other strategic investments.

To reward shareholders for their support, GEAR is declaring a final dividend of 1.00 Singapore cent, which brings the total dividend payout for FY2017 to 2.01 Singapore cents. This represents a dividend yield of 5.09% based on current share price of S\$0.395 as at 9 March 2018.

Mr. Fuganto Widjaja, Executive Director and Group CEO of GEAR, said, “GEAR has continued to deliver another year of record profitability for our coal mining operations in FY2017, where net profit increased more than three times to US\$104.4 million on the back of an all-time high of US\$763.8 million in revenue. This underscores our consistent ability to capitalise on the extensive scale of GEAR’s operations and our relatively low cash cost of production. This enabled us to be nimble in ramping up our production output to take advantage of the buoyant coal price environment.”

“Additionally, we ended the year on firmer financial footing, with a robust cash position of US\$188.7 million. This puts us in a strong position for earnings accretive acquisitions as well as strategic investments that can enhance our competitiveness and underpin our long-term profitable growth.”

Corporate Developments – Year in Review

In FY2017, GEAR continued to explore strategic investments to build up its coal reserves and extend its mining business to include interest in gold production. This is in line with its strategic plans to raise coal production levels and expand its mining operations to counter cyclical commodities that can potentially bring additional value to shareholders.

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 the

entire effective shareholding interest of PT Barasentosa Lestari (“**BSL**”), which holds a coal concession in South Sumatra, Indonesia, for a consideration of US\$65.6 million. The total assets and total liabilities of the target group at 31 December 2016 was US\$81.2 million and US\$79.4 million, respectively.

The BSL concession had estimated coal resources of 393 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.

In November 2017, the Group entered into a subscription agreement with Westgold Resources Limited (“**Westgold**”) for up to 36,000,000 fully paid new ordinary shares in the capital of Westgold.

Westgold is an Australian-incorporated gold miner listed on the Australian Stock Exchange with substantial mining tenure positions and numerous gold production assets in two provinces in Western Australia, namely the Eastern Goldfields (Kalgoorlie Region) and the Murchison Goldfields (Cue – Meekatharra Regions).

The investment was completed in January 2018 with a total consideration of A\$67.9 million (approximately US\$51.4 million), representing approximately 10% of the enlarged share capital of Westgold. This places GEAR as one of the largest shareholders in Westgold with a board seat and offers the Group access and insight to the gold mining sector in Australia.

Outlook

GEAR remains positive on the long-term outlook for the coal sector in Indonesia and the region as the expansion of the global economy is expected to spur manufacturing activities in Asia, which will in turn drive demand for thermal coal.

Southeast Asia, in particular, is expected to be a key driver for this demand regionally, given its plans to more than double its current coal-fired capacity by 2040. Indonesia's domestic coal consumption is expected to exceed 100 MT this year in support of the Indonesian government's ongoing electrification programme to add 35,000 megawatts in power generation capacity across the country by 2019.

Meanwhile, global supply has remained tight due to heavy congestion at ports in Australia and domestic production shortages in both China and India, particularly during the winter months.

Reflecting this, FOB Kalimantan 4,200 kcal/kg GAR coal price in January 2018 surged 34% since the start of 2017 to reach US\$49.60/MT. The ongoing supply disruptions are likely to keep coal prices at relatively stable levels going forward.

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 2.4 billion tonnes of thermal coal resources, with coal reserves of more than 828 million tonnes, as at 31 December 2017.

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.

ISSUED ON BEHALF OF : Golden Energy and Resources Limited
BY : Citigate Dewe Rogerson Singapore Pte Ltd
55 Market Street
#02-01
SINGAPORE 048941
CONTACT : Mr Winston Choo /
Ms Melissa Chia
at telephone
DURING OFFICE HOURS : 6534-5122 (Office)
EMAIL : winston.choo@citigatedewerogerson.com /
melissa.chia@citigatedewerogerson.com

9 March 2018

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 statements herein, which speak only as of the date hereof. GEAR undertakes no obligation to publicly update or release any revisions to these forward-looking statements, except as required by law.