

NEWS RELEASE
GOLDEN ENERGY AND RESOURCES REPORTS RECORD QUARTERLY NET PROFIT OF US\$43.5 MILLION ON THE BACK OF US\$273.0 MILLION IN REVENUE

- *Group's revenue surged 90.7% mainly due to increased revenue from Coal Mining and Coal Trading Divisions*
- *Net profit jumped 47.1%, underpinned by a robust average selling price of the Group's coal*
- *Successful delivery of 4.7 million tonnes ("MT") in coal production for the first quarter puts GEAR on track to produce over 20 MT of coal for FY2018*
- *Robust balance sheet with sturdy cash position of US\$304.8 million as of 31 March 2018*

Financial Highlights:

US\$'000	1Q FY2018	1Q FY2017	% Change
Revenue	272,999	143,186	90.7
Gross Profit	115,928	72,134	60.7
Net Profit After Tax	43,529	29,587	47.1
Net Profit attributable to Owners of GEAR	26,784	19,040	40.7
EPS (US cents)	1.14	0.81	40.7

SINGAPORE, 14 May 2018 — Golden Energy and Resources Limited ("**GEAR**" or the "**Group**"), an international coal mining and trading company, today announced that it has posted a record quarterly revenue of US\$273.0 million for the first quarter ended 31 March 2018 ("**1Q FY2018**"), representing an 90.7% upsurge from US\$143.2 million recorded in the previous corresponding period ("**1Q FY2017**").

The increase in revenue underscored a 47.1% increase in profit for the period ("**net profit**") to US\$43.5 million, up from US\$29.6 million recorded in 1Q FY2017.

The Group's robust financial performance was mainly bolstered by the continued strong showing from its coal business, which benefitted from the higher sales volume and higher average selling price achieved as compared to the corresponding reporting period. Average selling price for the Coal Mining Division increased from US\$40.86 per metric ton in 1Q FY2017 to US\$47.35 per metric ton in 1Q FY2018, which translates to an average cash profit of US\$21.79 per metric ton for the Division.

Consequently, revenue from GEAR's Coal Mining Division nearly doubled from US\$129.4 million in 1Q FY2017 to US\$237.3 million in 1Q FY2018, while revenue generated by the Group's Coal Trading Division increased from US\$12.6 million to US\$35.3 million in the same period under review.

For the first quarter of FY2018, GEAR achieved a coal production output of 4.7 million tonnes ("MT"), which places the Group well on track to achieving over 20 MT in coal production for FY2018. This will be a 28% increase from the Group's record coal production output of 15.6 MT in FY2017.

As of 31 March 2018, the Group's balance sheet remains robust with a sturdy cash and cash equivalents position of US\$304.8 million and a low gearing ratio of 0.16 times.

In February 2018, GEAR raised US\$150 million through a successful issuance of its maiden bonds and was given first time credit ratings of B+ with Positive Outlook and B1 with Stable Outlook by Fitch Ratings and Moody's Investor Services, respectively. Part of these proceeds are to be used for general corporate purposes including potential acquisitions.

Mr. Fuganto Widjaja, Executive Director and Group CEO of GEAR, said, "GEAR has consistently achieved excellent sets of financial results since the resumption of trading in our Group's shares in December 2016. The growth momentum of our topline is a clear reflection of the success of our production ramp-up and the operational efficiency of our coal mining operations, which enabled us to benefit from the current coal price environment. We look forward to delivering on yet another increased

production output in the coming year and are pleased to note that our plan to expand PT Borneo Indobara's processing capacity is well underway to support this."

Outlook

Strong Chinese demand and weather-related supply disruptions continued to lend support to thermal coal prices in the first quarter of this year. Price of FOB Kalimantan 4,200kcal/kg GAR coal surged to a high of US\$51.50/mt in February this year before correcting to US\$43.50/mt in April.

GEAR expects demand to be firm at current levels for the rest of the year, driven by robust coal use in Asia, which accounts for over 70% of global thermal coal consumption.

The Group continues to see strong demand for our BIB coal from key Asian markets, such as China, India and South Korea, where coal consumption has held up despite national programmes to boost the use of gas and renewable energy.

On 9 and 12 March 2018, Indonesia's Ministry of Energy and Mineral Resources issued a new decree relating to the pricing for coal sold under the Domestic Market Obligations ("**DMO**"). The DMO stipulates that coal mining companies are required to sell at least 25% of their total production within the domestic market. Under the new decree which would be in effect from 12 March 2018 to 31 December 2019, coal mining companies which sell coal to domestic power plants have a maximum price cap of US\$70.00/mt for calorific value coal of 6,322 kcal/kg GAR or its equivalent. In the event that the government's benchmark coal price ("**HBA**") falls below this level, then the selling price will conform to the HBA.

Domestically, Indonesia's 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.

We look forward to expanding the processing capacity at our BIB mine to support our continued production ramp up to take advantage of the current coal price environment.

End

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.

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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 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.