

NEWS RELEASE
GOLDEN ENERGY AND RESOURCES DELIVERS 70.3% YOY REVENUE GROWTH IN 1H 2018

- *Revenue jumped 70.3% to US\$481.6 million on the back of robust growth in Coal Mining and Trading divisions*
- *Net profit rose 20.2% to US\$58.5 million, offset by higher costs and increase in finance expenses*
- *On track to surpass 20 million tonnes (“MT”) of target production in 2018, with 2P coal reserves exceeding 1 billion tonnes with successful acquisition of BSL in 2H 2018*
- *High consumption demand and strong coal price environment to drive continued business growth*

Financial Highlights:

US\$'000	2Q 2018	2Q 2017	% Change	1H 2018	1H 2017	% Change
Revenue	208,636	139,640	49.4%	481,635	282,826	70.3%
Gross Profit	77,867	65,237	19.4%	194,885	137,371	41.9%
Net Profit After Tax (“Net Profit”)	14,989	19,103	(21.5%)	58,518	48,690	20.2%
Net Profit attributable to Owners of GEAR	8,047	11,763	(31.6%)	34,831	30,803	13.1%
EPS (US cents)	0.34	0.50	(32.0%)	1.48	1.31	13.0%

SINGAPORE, 14 August 2018 – Golden Energy and Resources Limited (“**GEAR**” or the “**Group**”), an international coal mining and trading company, today announced that it has posted a 70.3% increase in revenue to US\$481.6 million in the six-month period ended 30 June 2018 (“**1H 2018**”), compared to US\$282.8 million in the year ago period (“**1H 2017**”). The Group turned in a net profit of US\$58.5 million in 1H 2018, a year-on-year increase of 20.2%.



For the quarter ended 30 June 2018, revenue was US\$208.6 million, up 49.4% from US\$139.6 million in the three months ending 30 June 2017 (“**2Q 2017**”), mainly due to increases in revenue across the Group’s Coal Mining and Coal Trading Divisions.

The Coal Mining Division reported a revenue of US\$188.8 million, an increase of US\$64.4 million, or 51.8% from US\$124.4 million in 2Q 2017, on the back of higher sales volume. Average selling price remained relatively stable at US\$42.17 per metric ton in 2Q 2018, compared to US\$42.58 per metric ton in 2Q 2017.

The Coal Trading Division reported a surge in revenue from higher sales volume and higher average selling price. The division posted revenues of US\$19.3 million, up 43.2% from US\$13.5 million in 2Q 2017.

The Group’s Non-coal Business reported a decrease in revenue, to US\$0.5 million in 2Q 2018 from US\$1.7 million previously, mainly due to the absence of log sales and a decrease in management fee income.

For the latest quarter under review, GEAR registered a net profit of US\$15.0 million compared to US\$19.1 million in 2Q 2017, mainly due to an increase in mining services and coal freight costs on account of higher stripping ratio, higher overburden distance and fuel cost and an increase in interest expenses compared to the corresponding reporting period.

As at 30 June 2018, the Group’s balance sheet remains stable and robust, with cash and cash equivalents of USD153.8 million. The Group also maintains a low gearing of 0.34 times.

Mr. Fuganto Widjaja, Executive Director and Group CEO of GEAR, said, “GEAR has continued to make significant progress in its top and bottom line in the first half of the year, and the Group’s strong coal trading and mining divisions are testament to its focus in delivering value and profitability through production growth and price realisation.”



"Today, we stand on the cusp of further ramping up production capacity on two fronts - by expanding our processing capacity at our key concession BIB and through the acquisition of a Sumatra-based coal concession BSL. With current coal prices at a six-year high, we intend to play to our strengths in a bid to further entrench our leadership position in the coal mining industry."

Corporate Developments

In line with the Group's strategic plans to expand its business operations and increase its coal reserves and production levels, GEAR's subsidiary, PT Golden Energy Mines Tbk had entered into a conditional sales and purchase agreement with GMR Energy (Netherlands) B.V. and GMR Infrastructure (Overseas) Limited in May 2017 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 as at 31 March 2018 is US\$98,544,000 and US\$97,137,000 respectively.

The BSL concession had estimated coal resources of 393 MT and reserves of 194.6 MT and was valued at US\$258.5 million as at 31 December 2017, based on independent reports.

The acquisition of BSL received GEAR's shareholder approval on 13 July 2018. GEAR looks forward to completing this acquisition in 2H 2018 which would ramp up its total 2P coal reserves to more than 1 billion tonnes, making it the fourth largest coal reserve player in Indonesia. The acquisition is also expected to increase GEAR's quantity of higher calorific value coal and provide an opportunity to service domestic demand as BSL mines are in close proximity to the PLN's planned coal power plants in South Sumatra region

The Group also remains well-positioned to focus on profitability at current prices and remains on track to achieve 20 MT of production in 2018. For 2Q FY2018 and 1H FY2018, GEAR achieved a coal production output of 4.4 MT and 9.1 MT, which represents an increase of 47% and 51% year-on-year, respectively.

Outlook

Demand for coal, which accounts for around half of the energy mix in Asia, will continue to be strong in the region. Coal plays a key role in Asia's energy security, and recent developments in the ASEAN region lend support to robust demand and pricing of the fossil fuel.

China's coal demand has remained high despite trade tensions between the US and China dampening investor confidence and the commodities sector.

Beyond China, countries in the ASEAN region are still relying on affordable energy and are expected to increase the share of coal in their energy mix as a result of increased industrialisation, growth and electrification. Domestically, coal consumption is expected to reach 114.51 MT in 2018, up 6% from 2017.

In Indonesia, the Ministry of Energy and Mineral Resources has set its June coal reference price at USD96.61/t, an increase of 7.9% from May 2018 and an increase of 28% compared to June 2017. Spot prices for FOB Kalimantan 4200 thermal coal averaged US\$49/t in June, up 8.9% from US\$45/t a month ago.

GEAR remains optimistic on the current supply-demand outlook for coal and believes that demand for the fossil fuel over time will be strongly supported by the energy requirements of developing countries in Asia.

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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).

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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



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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.