

**NEWS RELEASE**
**GOLDEN ENERGY AND RESOURCES ACHIEVES 32% YOY NET PROFIT GROWTH TO US\$24.8 MILLION IN 3Q 2018**

- *Revenue jumped 60% to US\$286.7 million on the back of continued growth in Coal Mining and Trading divisions; net profit rose 32% to US\$24.8 million*
- *Declared interim dividend of 1.39 Singapore cents, translating to dividend yield of 5.7%<sup>1</sup>*
- *Expects export demand to continue in seasonally strong fourth quarter*
- *On track to achieve 20 million tonnes (“MT”) of target production in 2018, with 2P coal reserves exceeding 1 billion tonnes with successful completion of BSL acquisition*

**Financial Highlights:**

US\$'000	3Q 2018	3Q 2017	% Change
Revenue	286,669	179,316	59.9%
Gross Profit	96,070	73,752	30.3%
Net Profit After Tax (“Net Profit”)	24,784	18,758	32.1%
Net Profit attributable to Owners of GEAR	14,895	9,916	50.2%
EPS (US cents)	0.63	0.42	50.0%

**SINGAPORE, 13 November 2018** – Golden Energy and Resources Limited (“GEAR” or the “Group”), an international coal mining and trading company, today announced that it has posted a 32.1% increase in net profit to US\$24.8 million in the period ended 30 September 2018 (“**3Q 2018**”), compared to US\$18.8 million in the year ago period (“**3Q 2017**”), on the back of a 59.9% increase in revenue over the same period.

<sup>1</sup> Based on share price of S\$0.245 as at 13 November 2018 (closing price)

GEAR achieved total revenue of US\$286.7 million in 3Q 2018, an increase of 59.9% from US\$179.3 million in 3Q 2017, mainly due to an increase in revenue contribution from the Coal Mining and Coal Trading divisions.

The Coal Mining division reported a revenue of US\$248.9 million, an increase of US\$94.1 million, or 60.8% from US\$154.8 million in 3Q 2017, as higher sales volumes were achieved and prices remained stable. Average selling prices remained relatively steady at US\$40.80 per metric ton in 3Q 2018, compared with US\$41.41 per metric ton in 3Q 2017.

Similarly, the Coal Trading division reported a jump of 58.5% in revenue from US\$23.6 million in 3Q 2017 to US\$37.4 million in 3Q 2018, also on higher sales volumes and higher average selling price from a year ago. GEAR's non-coal business, which comprises plywood sales, reported revenue of US\$0.35 million.

For the 3Q 2018, GEAR's cost of sales increased by US\$85.0 million from US\$105.6 million in 3Q 2017 to US\$190.6 million mainly as a result of higher volumes. The cost of sales comprises mainly mining services, overheads, freight and fuel. The cost of sales was impacted by higher fuel cost and overburden as compared to the corresponding reporting period.

As at 30 September 2018, the Group's balance sheet has grown significantly, with cash and cash equivalents up 71.3% from US\$98.1 million in 3Q 2017 to US\$168.1 million in 3Q 2018, while maintaining a low gearing of 0.49 times.

Mr Fuganto Widjaja, Executive Director and Group CEO of GEAR, said, "We are glad to have posted strong revenue and profit growth amidst a seasonally weak quarter, which was exacerbated by the ongoing US-China trade tensions. The fundamentals for long-term demand remain robust and we continued to remain profitable," added Mr Fuganto.

"The successful completion of BSL acquisition marks a significant milestone for us in the current climate. With this acquisition, the Group's 2P<sup>(2)</sup> reserves increased to more than 1 billion tonnes, enabling GEAR to be the fourth largest coal reserve player in Indonesia. Our strong operating cashflows is testament to the fundamentals of our business and we will continue to focus on capitalising our leading position in the industry to maximise value for all our stakeholders."

The PT Barasentosa Lestari ("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. With the successful completion of BSL acquisition, GEAR's increased quantity of higher calorific value coal will provide an opportunity for GEAR to service domestic demand as BSL mines are in close proximity to the Perusahaan Listrik Negara's (PLN) planned coal power plants in the South Sumatra region.

Overall, the Group remains on track to achieve 20 MT of production in 2018. For 1Q 2018, 1H 2018 and 9M 2018 (nine months ended 30 September 2018), GEAR achieved coal production of 4.7 MT, 9.1 MT and 15.9 MT respectively, which represents an increase of 56%, 51% and 58% year-on-year, respectively.

To reward shareholders for their support, GEAR is declaring a record interim dividend of 1.39 Singapore cents, translating to a dividend yield of 5.7% based on the closing share price of S\$0.245 as at 13 November 2018. This interim dividend is higher than the dividend paid over the same corresponding period for the nine months ended September 2017 of 1.01 Singapore cents.

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<sup>(2)</sup> 2P reserves refers to the proven and probable reserves

## Outlook

Indonesia's coal industry continued to be supported domestically, driven by government efforts to increase investment spending in the coal and minerals sector to US\$6.2 billion. In September 2018, the Indonesian Energy Ministry raised the 2018 coal production target from 485 MT to 507 MT, while domestic coal consumption is expected to reach 114.5 MT in 2018, up 6% from 2017.

Indonesia thermal coal exports have been higher so far in 2018, from a year ago. Year-to-date exports were 173.57 MT, 45 MT higher than the year-ago period and the highest volume since 2014, according to latest customs data which covers the period from January to July 2018.

China remains key to the seaborne coal market, with imports of over 228 MT in the first 9 months of this year, up 11% year-on-year. According to a report by Citi Research, the country might see a 140 MT increase in 2018 in raw coal demand should the current rate of growth in thermal power continue.

Export demand is expected to continue to be strong in the fourth quarter with the increase in export target announced, and with anticipated robust demand from China, the world's largest coal importer. The Group remains on track to achieve 20 MT of production in 2018, and following the completion of BSL acquisition, GEAR's total 2P reserves stand at more than 1 billion tonnes.

- 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 66,204 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, and following the successful acquisition of BSL, GEAR collectively owns the rights to mine more than 2.7 billion tonnes of thermal coal resources, with coal reserves of more than 1,022 MT, 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 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.*