

NEWS RELEASE
GOLDEN ENERGY AND RESOURCES SUCCESSFULLY DELIVERED 7.1 MILLION TONNES IN 1Q 2019

- *Production of 7.1 million tonnes in first quarter puts GEAR on track for achieving its production target of 25 million tonnes in FY2019*
- *Lower average selling price led to decline in net profit to US\$14.7 million*
- *Balance sheet remains stable with cash position of US\$119.3 million*

Financial Highlights:

US\$'000	1Q 2019	1Q 2018	% Change
Revenue	276,236	272,999	1.2
Gross Profit	91,455	115,928	(21.1)
Net Profit After Tax	14,663	43,529	(66.3)
Net Profit Attributable to Owners of GEAR	7,209	26,784	(73.1)
EPS (US cents)	0.31	1.14	(72.8)

SINGAPORE, 15 May 2019 — Golden Energy and Resources Limited (“**GEAR**” or the “**Group**”), an international energy and resources company, today announced that it has achieved a coal production of 7.1 million tonnes for the first quarter ended 31 March 2019 (“**1Q 2019**”), an increase of 52.9% compared to the previous corresponding period (“**1Q 2018**”). Ramp-up in production was mainly contributed by Group’s key mine BIB and places the Group well on track for achieving its production target of 25 million tonnes in FY2019.

The Group posted a quarterly revenue of US\$276.2 million, representing a 1.2% increase from US\$273.0 million recorded in 1Q 2018. The modest increase was on account of higher sales volume which was largely offset by lower average selling price compared to 1Q 2018.

Average selling price for the Coal Mining Division decreased by 26.8% from US\$47.35 per tonne in 1Q 2018 to US\$34.68 per tonne in 1Q 2019.

Decline in average selling price also led to lower net profit of US\$14.7 million recorded in 1Q 2019. The Group controlled its production cost in light of the challenging coal price environment. Cash cost (excluding royalty) decreased to US\$23.29 per tonne in 1Q 2019 from US\$25.56 per tonne in 1Q 2018 and US\$27.42 per tonne in FY2018, a decline of 8.9% and 15.1% respectively.

As at 31 March 2019, the Group's balance sheet remains stable with a cash and cash equivalents of US\$119.3 million.

Mr. Fuganto Widjaja, Executive Director and Group CEO of GEAR, said: "The coal mining industry has been faced with challenges over the past year, most notably due to the higher fuel costs and lower average selling prices. While these market forces are not within our control, GEAR consistently strives to adapt to these market conditions by managing areas that are within our control such as operating costs. In April 2019, GEAR launched an innovation centre in Singapore, with the aim of transforming our capital-intensive industries through the use of digital technologies. Over the longer term, we hope to apply the solutions developed by our innovation centre to our operations in order to deliver cost savings and return greater shareholder value."

Outlook

GEAR continues to experience thermal coal demand from its key export markets, such as China, India and South Korea, where coal remains an important source of primary energy despite the ongoing efforts to promote the use of gas and renewable energy.

China's total coal imports surged in January 2019 as the tight import restrictions imposed in December last year were lifted. Supported by Chinese tenders seeking lower grade coal, the price of FOB Kalimantan 4,200 kcal/kg GAR coal gained 4% to date, reaching US\$38 per tonne in April 2019. Notwithstanding China's shift towards natural gas, coal consumption increased by 1% while the nation's coal-fired power generation increased by 5.3% in 2018.

Indonesian coal prices are expected to remain firm due to tightened supply as the government upped its stance on domestic market obligations ("**DMO**"). DMO sales for 2018 was estimated to reach only 21.7% of domestic production, indicating that several coal miners could not meet their DMO requirement of 25%. This could lead to sanctions on non-compliant companies, resulting in a reduction of their production quota in 2019. GEAR exceeded the DMO in FY2018 with domestic customers accounting for 32.4% of total sales.

For 2019, the Indonesian government has set a coal production target of 480 million tonnes, compared to a target of 485 million tonnes in 2018. The government also requires coal miners to allocate about 26% of the production for the domestic market in 2019. Indonesia's coal consumption is expected to be driven by the commencement of operations of newly constructed coal-fired power plants under the 35,000-megawatt program.

GEAR looks forward to expanding the processing capacity at its key mine BIB to support the continued production ramp-up to remain ahead of the competition while harnessing economies of scale.

End

ABOUT GOLDEN ENERGY AND RESOURCES LIMITED

Golden Energy and Resources Limited is a leading energy and resources company in the Asia-Pacific. 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 Indonesia.

GEAR collectively owns the rights to mine more than 2.8 billion tonnes of thermal coal resources, with coal reserves of more than 1 billion tonnes, as at 31 December 2018.

In addition, GEAR also has strategic investments in leading gold and coking coal producers in Australia, via Westgold Resources Limited and Stanmore Coal Limited, both of which are listed on the Australian Stock Exchange.

ISSUED ON BEHALF OF	:	Golden Energy and Resources Limited
BY	:	Citigate Dewe Rogerson Singapore Pte Ltd 105 Cecil Street #09-01 The Octagon SINGAPORE 069534
CONTACT	:	Mr Winston Choo at telephone
DURING OFFICE HOURS	:	6534-5122
EMAIL	:	winston.choo@citigatedewerogerson.com

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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.