

NEWS RELEASE
GOLDEN ENERGY AND RESOURCES DELIVERS RECORD INTERIM REVENUE OF US\$500.4 MILLION IN 1H 2019

- *Production of 12.6 million tonnes in 1H 2019 puts GEAR on track to achieve its production target of 25 million tonnes in FY 2019*
- *Lower average selling price led to a decline in net profit to US\$24.9 million*
- *Balance sheet remains stable with cash position of US\$124.5 million*
- *First interim dividend of FY 2019 of 0.29 Singapore cent*

Financial Highlights:

US\$'000	2Q 2019	2Q 2018	% Change	1H 2019	1H 2018	% Change
Revenue	224,141	208,636	7.4	500,377	481,635	3.9
Gross Profit	81,295	77,867	4.4	172,750	194,885	(11.4)
Net Profit After Tax	10,274	14,989	(31.5)	24,937	58,518	(57.4)
Net Profit attributable to Owners of GEAR	5,249	8,047	(34.8)	12,458	34,831	(64.2)
EPS (US cents)	0.22	0.34	(35.3)	0.53	1.48	(64.2)

SINGAPORE, 13 August 2019 — Golden Energy and Resources Limited (“**GEAR**” or the “**Group**”), an international energy and resources company, today announced that it has achieved a revenue of US\$500.4 million for the six-month period ended 30 June 2019 (“**1H 2019**”), an increase of 3.9% compared to the previous corresponding period (“**1H 2018**”). The Group turned in a net profit of US\$24.9 million in 1H 2019, a year-on-year decrease of 57.4%.

For the quarter ended 30 June 2019 (“**2Q 2019**”), the Group posted revenue of US\$224.1 million, up 7.4% from US\$208.6 million in the three months ended 30 June 2018 (“**2Q 2018**”), mainly due to higher sales volume across the Group’s Coal Mining Businesses.

The Coal Mining Division reported a revenue of US\$203.4 million in 2Q 2019, an increase of US\$14.6 million or 7.7% from US\$188.8 million in 2Q 2018, on the back of higher sales volume partially offset by lower average selling price. Average selling price

decreased by 11.7% from US\$42.17 per tonne in 2Q 2018 to US\$37.25 per tonne in 2Q 2019.

GEAR's production volume for 2Q 2019 increased by 1.0 million tonnes or 22.5% to 5.4 million tonnes from 4.4 million tonnes in 2Q 2018. For 1H 2019, the Group has produced a total of 12.6 million tonnes and is well on track to achieve its production target of 25 million tonnes for FY 2019.

The Coal Trading Division reported a marginal decrease in revenue by US\$0.2 million or 1.0% from US\$19.3 million in 2Q 2018 to US\$19.1 million in 2Q 2019.

The Group's Non-coal Business reported an increase in revenue to US\$1.6 million in 2Q 2019 from US\$0.5 million in 2Q 2018, mainly due to dividend income on investment securities, partially offset by a decrease in plywood sales and the absence of management fee income.

GEAR recorded a net profit of US\$10.3 million in 2Q 2019 compared to US\$15.0 million in 2Q 2018, mainly due to the lower average selling price. The Group continues to focus on controlling its production cost to mitigate the impact of the challenging coal price environment. Cash cost (excluding royalty) for 2Q 2019 was US\$23.92 per tonne as compared to US\$26.46 per tonne in 2Q 2018, representing an improvement of 9.6%.

As at 30 June 2019, the Group's balance sheet remains stable with cash and cash equivalents of US\$124.5 million.

Mr. Fuganto Widjaja, Executive Director and Group CEO of GEAR, said: “The coal mining industry is expected to remain challenging as the global effort to phase out coal consumption picks up. Nonetheless, demand for coal continues to be supported by developing countries in the South Asia region. In line with our business strategy, we will also keep a lookout for accretive acquisitions to enhance our overall asset portfolio. As we strive ahead, we will continue to manage our operating costs to achieve the best possible results to deliver greater value to our shareholders.”

Outlook

Global demand for thermal coal has come under pressure, primarily due to the slowing economic growth in China. Notwithstanding the global headwinds, GEAR continues to experience robust thermal coal demand from its key export markets in Asia.

According to data by China's National Bureau of Statistics, the country generated a total of 544 TWh of electricity in April 2019, which represents a 3.8% increase year-on-year. However, the power generation was down 4.5% from 569.8 TWh in March 2019. The weaker power demand reflects the lower level of industrial production, which may turnaround if the country's policy stimulus accelerates.

Further to the declining demand from China, the country has launched a 3,324-kilometre long power transmission line that connects the coal-rich Xinjiang province in western China to Anhui province in the east. Upon completion, the transmission line is expected to reduce China's coal usage by about 30 million tonnes per year.

In South Asia, coal's share in the power mix continues to increase, with coal generation growing faster than power generation. Significant increases in coal consumption has been observed in countries such as Indonesia, Vietnam, the Philippines and Malaysia.

For instance, Vietnam, one of GEAR's new export markets, imported 3.9 million tonnes of coal in May 2019, surging 57.1% year-on-year, according to preliminary data released by Vietnam Customs. Between January 2019 and May 2019, Vietnam imported 17.2

million tonnes of coal, rising 103.8% from the same period in 2018, with imports mostly from Indonesia, Australia and Russia. The massive imports on the back of sharp declines in exports came as the state utility Vietnam Electricity announced that it will continue to buy as much electricity from coal-fired power plants as possible to feed rising electricity demand in the country.

In India, another key market, thermal coal imports are expected to grow by 12 million tonnes year-on-year to 184 million tonnes in 2019, while an additional 6.5 million tonnes is projected for 2020. The growing demand from India comes amid increased coal imports and upbeat views on the country's economic development driven by the expanding manufacturing sector and growing demand for grid power.

Indonesia's Ministry of Energy and Mineral Resources has set its July coal reference price at US\$71.92 per metric tonne, representing a 31.3% decrease from US\$104.65 per metric tonne in July 2018. July's price marks the 11th consecutive monthly drop for the benchmark price and the lowest price since July 2017.

Last year, the Indonesian government announced plans to phase out the older licenses, Coal Contracts of Works ("**CCoW**"), and to replace it with a special mining permit. Recently, the regulatory changes have resulted in uncertainties to the coal mining sector after a mining contract for one of the miners was revoked, raising concerns about upcoming contract renewals.

GEAR's key mining asset PT Borneo Indobara currently operates on a second generation CCoW which is valid until 2036, and is thus not subject to such uncertainties in the near future.

GEAR remains optimistic on the near to medium term outlook for thermal coal in the South Asian and South East Asian markets and believes that demand will continue to be supported by the growing energy requirements of developing countries in these regions. GEAR will continue to focus on maintaining profitability at current prices while keeping on track to achieve 25 million tonnes of production in 2019.

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.

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.

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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.