

NEWS RELEASE
GOLDEN ENERGY AND RESOURCES ON TRACK TOWARDS PRODUCTION TARGET OF 25 MILLION TONNES

- *Record quarterly coal production volume of 8.1 million tonnes and revenue of US\$265.2 million in 3Q 2019*
- *As at 30 September 2019, GEAR has achieved over 80% of its production target of 25 million tonnes for FY 2019*
- *Receives dividend of US\$4.0 million from Stanmore Coal investment*
- *Balance sheet remains stable with cash position of US\$168.4 million*

Financial Highlights:

US\$'000	3Q 2019	3Q 2018	% Change	9M 2019	9M 2018	% Change
Revenue	265,188	286,669	(7.5)	765,565	768,304	(0.4)
Gross Profit	81,860	96,070	(14.8)	254,610	290,955	(12.5)
Net Profit After Tax	7,783	24,784	(68.6)	32,720	83,302	(60.7)
Net Profit attributable to Owners of GEAR	4,183	14,895	(71.9)	16,641	49,726	(66.5)
EPS (US cents)	0.18	0.63	(71.4)	0.71	2.11	(66.4)

SINGAPORE, 12 November 2019 — Golden Energy and Resources Limited (“**GEAR**” or together with its subsidiaries, the “**Group**”), a leading energy and resources producer in the Asia Pacific, today announced that it has achieved a revenue of US\$265.2 million for the third quarter ended 30 September 2019 (“**3Q 2019**”), and record quarterly coal production volume of 8.1 million tonnes. The Group turned in a net profit of US\$4.2 million in 3Q 2019, a year-on-year decrease of 71.9%, mainly attributable to lower average selling price of the coal sold by the Coal Mining Division.

The Coal Mining Division reported a revenue of US\$248.2 million in 3Q 2019, largely unchanged from US\$248.9 million in 3Q 2018. This was despite the average selling price, which tracks the Indonesia Coal Index 4 closely, decreasing by 15.9% from US\$40.80 per tonne in 3Q 2018 to US\$34.30 per tonne in 3Q 2019. The decrease in average selling price was offset by an increase in sales volume from 6.1 million tonnes in 3Q 2018 to 7.2 million tonnes in 3Q 2019.

GEAR's production volume for 3Q 2019 increased by 1.2 million tonnes or 17.7% to 8.1 million tonnes from 6.9 million tonnes in 3Q 2018. For 9M 2019, the Group has produced a total of 20.7 million tonnes, making up over 80% of its production target of 25 million tonnes for FY 2019.

The Coal Trading division reported a decrease in revenue by US\$25.0 million or 66.9% from US\$37.4 million in 3Q 2018 to US\$12.4 million in 3Q 2019. The lower revenue during the quarter came on the back of lower average selling price and sales volume as compared to 3Q 2018.

The Group's Non-Coal Business reported an increase in revenue to US\$4.7 million in 3Q 2019 from US\$0.3 million in 3Q 2018, mainly due to dividend income from the Group's investment in Stanmore Coal and a slight increase in plywood sales as compared to corresponding period.

GEAR recorded a net profit of US\$4.2 million in 3Q 2019 compared to US\$14.9 million in 3Q 2018, mainly due to the lower average selling price and decrease in revenue contribution from the Coal Trading division. 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 3Q 2019 was US\$24.46 per tonne as compared to US\$26.82 per tonne in 3Q 2018, representing an improvement of 8.8%.

As at 30 September 2019, the Group's balance sheet remains stable with cash and cash equivalents of US\$168.4 million.

Mr. Fuganto Widjaja, Executive Director and Group CEO of GEAR, said: “While the global decline in coal prices during the year has affected the coal mining industry as a whole, thermal coal is still expected to remain as the dominant energy source in the South Asia region, supported by strong demand from developing countries. Notwithstanding the current challenging environment for coal prices, we are well-positioned to navigate through the headwinds, given our relatively lower strip ratio in the coal mining industry. As part of our business strategy to enhance our overall portfolio and geographical presence, we will continue to explore strategic investments to expand our coal mining operations and diversify our product suite. We will focus on managing our operating costs as we strive forward to maintain our competitiveness in the industry.”

Outlook

While the trend for global coal demand is expected to stay flat, Southeast Asian demand for coal remains robust, doubling to nearly 400 million tonnes of coal equivalent by 2040 at an annual average growth rate of 3%. With a strong presence in the region, GEAR continues to support the thermal coal demand from its key export markets in Southeast Asia.

In China, coal-fired power generation is projected to peak in 2025, but slowing demand growth and the goal of limiting CO₂ emissions growth by 2030 will halt coal generation.

Southeast Asia remains a key demand driver for coal, which will continue to be the region’s dominant fuel source in power generation. Demand in the region will also be supported by the construction of new coal-fired power plants, including a new 2-GW coal-fired power capacity in Malaysia in the second half of 2019.

In May 2019, the Indonesian Coal Mining Association and China National Coal Association have signed a memorandum of understanding to strengthen cooperation in the coal mining sector. The collaboration framework, which reflects the Indonesian government's efforts to develop trade exports of both countries and also investment in developing value-added coal, could provide certainty on China’s import policy.

In India, power utilities imported 28.7 million tonnes of thermal coal over April – August 2019, representing an increase of 28% year-on-year. Going forward, India is projected to increase its annual coal production by 2.7% per year till 2050 in order to meet growing domestic demand, while consumption will grow by an average of 3.1% per year over the same period. By 2050, India is expected to be the world's largest importer, with imports growing on average 4.1% per year.

Looking ahead, GEAR remains optimistic on the near to medium term outlook for thermal coal in its key markets and believes that demand will continue to be supported by the growing energy requirements of developing countries. GEAR will continue to focus on maintaining profitability at current prices while staying 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.