

NEWS RELEASE
GOLDEN ENERGY AND RESOURCES ACHIEVES RECORD REVENUE OF US\$1.1 BILLION ON THE BACK OF STRONG PRODUCTION GROWTH

- *Record coal production volume of 30.8 million tonnes exceeds Group's target of 25 million tonnes in FY2019 and translates to 36.1% growth in production year-on-year*
- *Cash cost from Coal Mining division decreases to US\$24.11 per tonne in FY2019 from US\$27.42 per tonne in FY2018*
- *Balance sheet remains robust with cash position of US\$177.8 million*

Financial Highlights:

US\$'000	FY2019	FY2018	% Change
Revenue	1,121,208	1,048,478	6.9
Gross Profit	369,884	361,788	2.2
Net Profit After Tax ("Net Profit")	32,899	73,680	(55.3)
Net Profit attributable to Owners of GEAR	9,954	39,318	(74.7)
EPS (US cents)	0.42	1.67	(74.9)

SINGAPORE, 28 February 2020 — Golden Energy and Resources Limited ("**GEAR**" or together with its subsidiaries, the "**Group**"), an SGX-listed leading energy and mining company in the Asia-Pacific, which is part of Indonesian conglomerate Sinar Mas, today announced that it has achieved a record revenue of US\$1.1 billion for the financial year ended 31 December 2019 ("**FY2019**"), and coal production volume of 30.8 million tonnes.

The Coal Mining division reported a revenue of US\$1.1 billion in FY2019, an increase of 11.4% from US\$943.2 million in FY2018. During the year, the average selling price, which tracks the Indonesia Coal Index 4 closely, decreased by 15.5% from US\$41.39 per tonne in FY2018 to US\$34.99 per tonne in FY2019. The decrease in average selling price was offset by an increase in sales volume from 22.8 million tonnes in FY2018 to 30.0 million tonnes in FY2019. GEAR's coal production volume for FY2019 increased by 8.2 million tonnes or 36.1% to 30.8 million tonnes from 22.6 million tonnes in FY2018.

The Group continues to focus on controlling its production cost to mitigate the impact of the challenging coal price environment. Supported by lower fuel rates, lower strip ratios and contractor rates, cash cost (excluding royalty) from Coal Mining division decreased from US\$27.42 per tonne in FY2018 to US\$24.11 per tonne in FY2019.

The Coal Trading division reported a decrease in revenue by US\$40.3 million or 38.9% from US\$103.6 million in FY2018 to US\$63.3 million in FY2019, mainly due to lower sales volume and average selling price as compared to FY2018.

The Group's Non-coal business reported an increase in revenue by US\$5.3 million to US\$6.9 million in FY2019, mainly due to dividend income from the Group's investment in Stanmore Coal.

In line with the increase in coal sales volume from the Coal Mining division, the Group's selling and distribution expenses increased by US\$34.1 million or 22.5% from US\$151.3 million in FY2018 to US\$185.4 million in FY2019 mainly due to increase in freight and stockpile expenses.

Overall, the Group turned in a net profit of US\$32.9 million in FY2019, a year-on-year decrease of 55.3%, mainly attributable to higher selling and distribution expenses arising from the higher coal sales volume from the Coal Mining division and increase in finance costs.

Mr. Fuganto Widjaja, Executive Director and Group CEO of GEAR, said: “While we continue to be impacted by the weaker coal prices, we remain focused on keeping our cash cost under control and ramping up production to maintain our profitability. Despite the shift towards renewable energy, thermal coal remains an important source of fuel for developing countries in Asia, and we remain well-positioned to benefit from the growing demand.

“To create additional value for our shareholders, we recently made our second investment in gold in Australia, together with our strategic partner, EMR Capital, with the acquisition of the Ravenswood Gold Mine. The acquisition provides us with an opportunity to own an established gold producing asset with great potential in scalability, exploration and aggregation upside. 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.”

Corporate Developments

In January 2020, GEAR, together with EMR Capital, entered into an agreement to acquire the Ravenswood Gold Mine (“**Ravenswood**”), located approximately 130 kilometres south of Townsville in Queensland, Australia.

Ravenswood is an existing operation with significant expansion potential to become a large scale, low cost and long-life producer. The mine produced approximately 54,000 ounces of gold for the year ended 31 December 2019 and has a total gold resource of 5.9 million ounces and total gold reserve of 2.7 million ounces as at 30 June 2019. The transaction is expected to be completed by 31 March 2020.

Outlook

According to the International Energy Agency (“**IEA**”), global coal demand is expected to remain broadly steady through to 2024, as rising appetite in India and other Asian countries offset the declines in the US and Europe. The IEA expects India to see the highest growth in coal demand of any country, with the nation's growing economy and focus on developing its infrastructure, potentially supporting a 4.6% annual growth in coal demand through to 2024. Meanwhile, Vietnam and Indonesia are forecast to drive a 5.0% annual increase in coal demand from Southeast Asia.

With key coal mining concession areas in the region, GEAR remains well-positioned to support the growing demand for thermal coal from its key export markets in Southeast Asia.

In China, the rate of decline in coal consumption is relatively slow despite the country's effort to move towards renewable energy. While installed renewable capacity has been on the rise, the country faces challenges connecting them to the grid, coupled with concerns about intermittency. In addition, according to S&P Global Platts, Chinese power producers are looking to develop between 300 and 500 new coal power plants by 2030, suggesting that coal-power capacity should expand to 1,300 GW by 2030, 290 GW higher than the current capacity. Looking ahead, while coal's share of China's energy mix is estimated to fall to 35% in 2040 from 60% in 2017, the country is expected to remain the world's largest consumer of coal and account for 39% of global coal demand in 2040.

Indonesia's Ministry of Energy and Mineral Resources has set its February 2020 thermal coal reference price at US\$66.89 per tonne, representing a 27.1% year-on-year decrease from US\$91.80 per tonne for February 2019. The third consecutive year of decrease comes on the back of a global economic slowdown coupled with record production and exports during the year. Seeking to bolster prices, Indonesia has cut its production target for 2020 to 550 million tonnes, almost 10% from 610 million tonnes in 2019. Indonesia also plans to further support the utilisation of coal for domestic needs and has set a domestic coal utilisation target of 115 million tonnes.

Looking ahead, GEAR remains optimistic on the near to medium term outlook for thermal coal in its key markets as demand continues to be supported by the economic development of countries in South Asia and the ASEAN region. GEAR will continue to focus on maintaining profitability at current prices while staying on track to achieve 31 million tonnes of production in 2020 subject to approval of GEAR's production quotas by the government. GEAR will continue to monitor the effects of the current COVID-19 outbreak and play its part towards ensuring the well-being of its employees, by adopting business continuity plans with employees working from separate sites and from home, as well as providing employees with surgical masks and hand sanitizers.

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 2019.

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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28 February 2020

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.