

BLACKGOLD NATURAL RESOURCES LIMITED

(Company Registration Number: 199704544C)

(Incorporated in the Republic of Singapore)

RESPONSE ANNOUNCEMENT TO SGX-ST QUERIES

The Board of Directors (the “**Board**” or “**Directors**”) of BlackGold Natural Resources Limited (the “**Company**” or “**BlackGold**” and, together with its subsidiaries, the “**Group**”) would like to clarify the queries raised by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) in relation to the Company’s announcement on 16 July 2018 entitled “Clarification Announcement” (the “**Announcement**”). The queries from the SGX-ST and the Company’s responses are as follows:

SGX Query 1:

What were the bribery allegations about?

Company’s Response to Query 1:

There were allegations of bribes given to Ms Eni Maulani Saragih, a member of the Indonesian House of Representatives, by Mr Johanes Budisutrisno Kotjo (“**Mr Kotjo**”) in the amount of approximately Indonesian Rupiah 4.8 billion.

SGX Query 2:

What is the role of Mr Kotjo when he was a consultant of the Group? For which period was he the consultant? What projects were he handling then?

Company’s Response to Query 2:

Role of the Consultant:

The roles of Mr Kotjo included the following:

- a. To assist the Group in maintaining contact with working parties such as customers, suppliers, partner and agents etc;
- b. Assisting the Group on its negotiations with working parties in relation to the Group’s business dealings;
- c. Providing the Group with strategic advice, guidance and industry insights on issues relating to operations, development, growth and business direction;
- d. Sourcing and identifying potential assets and/or businesses for acquisition and expansion, as well as providing advice and guidance on such potential acquisitions; and
- e. Identify and source for potential investors for fund-raising purposes, including providing advice and guidance on these investments.

Period where Mr Kotjo was consultant:

Mr Kotjo was formally appointed as the consultant from March 2016.

Projects handled:

Mr Kotjo was involved only in the Riau-1 Project.

SGX Query 3:

What was the reason for Mr Kotjo ceasing to be a consultant of the Group in June 2018?

Company's Response to Query 3:

The Company has been given to understand from Mr Kotjo that he wanted to allocate time to his other personal projects.

SGX Query 4:

Who is responsible and driving for the Riau-1 Project? What is Mr Kotjo's role in this project?

Company's Response to Query 4:

Responsibility for driving the Riau-1 Project:

Rudy Herlambang, President Director of PT Samantaka Batubara

Role of Mr Kotjo in the project

Mr Kotjo's role was limited, his role in the project were as follow:

- a. Attending meetings with consortium partners during which he does not participate in the discussion but provides advice to the Group depending on the outcome of the negotiations with the consortium partners to the Riau-1 Project
- b. Introducing suitably experienced professional parties to assist in the Group in its negotiations on the Riau-1 Project, including legal counsels in Indonesia
- c. Provide advice on the shareholding structure for the Riau-1 Project

SGX Query 5:

Noted that Mr Kotjo is the uncle of Mr James Rijanto Kotjo (Executive Director of BlackGold). Is Mr James Kotjo or any member of the Board of BlackGold aware of the bribery allegations?

Company's Response to Query 5:

To clarify, Mr James Rijanto's name is "James Rijanto" only.

Mr James Rijanto and the Board were not aware of the bribery allegations. They were only made aware after release of the press statement by Komisi Pemberantasan Korupsi ("**KPK**"), which was subsequently made available to the Board.

SGX Query 6:

Has the Company sought legal opinion on the impact and implications of the bribery allegations on the BlackGold Group?

Please provide the preliminary assessment on the impact and implications of the bribery allegations on the BlackGold Group based on the legal opinion obtained.

Company's Response to Query 6:

Yes.

Based on current facts obtained and the circumstances surrounding the allegations, our solicitor's preliminary assessment is that the contents of the specific allegations are extraneous to the BlackGold Group.

No formal opinion can be obtained yet as no further details of the allegations have been disclosed by KPK to date.

SGX Query 7:

What would be the impact on the Group's financials and operations in the event the Riau-1 project is revoked?

Company's Response to Query 7:

The Group's operations have been, and are currently focused on production of coal for sale to its existing customers only and not for the Riau-1 Project. As a result, there will be no impact on operations if the Riau-1 Project is revoked.

In respect of the financials, it is also not expected that revocation of the Riau-1 Project will have any impact on the Group's consolidated financials.

SGX Query 8:

Would this event result in adverse impact on the Group's existing mining operations?

Company's Response to Query 8:

No. It is not expected to have any impact on the Group's existing mining operations.

As mentioned in the response to Query 7, the Group's current mining operations are focused on production of coal for sale to its existing customers only, and will not be impacted by the Riau-1 Project.

SGX Query 9:

What is Mr Kotjo's existing shareholding in the Company?

Please provide the percentage of Mr Kotjo's shareholding in the Company.

Company's Response to Query 9:

Based on the latest information known by the Company, Mr Kotjo holds 40,045,552 shares of the Company's shares as of 17 August 2017.

Mr Kotjo currently has a 4.28% shareholding in the Company. This is based on the current number of shares issued of 936,610,437.

SGX Query 10:

We refer to an article published in The Jakarta Post on 17 July 2018, “PLN suspends power plant project over graft case”. The president director of state-owned electricity company PLN was quoted that the company has suspended the coal fired power plant project in Riau (“Riau-1 project”) in view of the corruption Eradication Commission (KPK)’s arrest of a lawmaker for “accepting a bribe from the owner of Blackgold Natural Resources”.

<http://www.thejakartapost.com/news/2018/07/17/pln-suspends-power-plant-project-over-graft-case.html>

PLN owns 51% of shares in the Riau-1 project, with the remaining 49% owned by a consortium formed by China Huadian Engineering and Blackgold Natural Resources subsidiary.

- 1. What is the status of the Riau 1 project?***
- 2. Has the project been suspended pending the outcome of the bribery case? If so, when?***
- 3. Will the company be releasing an announcement on the status of the Riau-1 project?***
- 4. Why was the announcement on suspension of the project not made earlier?***

Company’s Response to Query 10:

1. It is currently pending finalization of the Power Purchase Agreement (“PPA”), following the award of the Letter of Intent which was announced on 24 January 2018.

Negotiations have been ongoing with the consortium members for finalization of the PPA and the shareholders’ agreement up to July 2018.

There have been no further updates as to the progress since the abovementioned announcement in January 2018 was made.

2. The Company is not aware of any suspension of the project. To date, the Company has not received any notifications from either PLN or PJB concerning any suspension of the Riau-1 Project.

Moreover, in a subsequent section of the article, Sofyan Basir, president director of PLN, was also quoted as saying that *“It is PJB that processed the PPA and it is PJB that will decide whether it will continue or end.”*

The article had also mentioned in the same paragraph that *“PLN did not automatically withdraw from the negotiations as the company [PLN] said it needed to first study the case”*

3. As there have been no further project milestones attained, the Company will not be making any announcements on the status of the project.

Nonetheless, the Company will make the necessary announcements when the next milestone has been obtained.

4. The Company is not aware of any suspension of the project as there have been no notifications from PLN or PJB on the matter.

By Order of the Board

Philip Cecil Rickard
Executive Chairman and Chief Executive Officer
27 August 2018

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement.*

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

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