RESOURCES PRIMA GROUP LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 198602949M)

NEWS RELEASE

RESOURCES PRIMA NET PROFIT JUMPS 65.9% TO US$1.1M IN 1QFY2017 LIFTED BY HIGHER COAL SALES PRICES AND FACILITY USAGE INCOME

- Coal sales revenue down 24.5% to US$14.0m in 1QFY2017 from US$18.6m in 1QFY2016 on lower coal production and coal sales quantities
- Facility usage income increased to US$281,000 in 1QFY2017 from US$80,000 in 1QFY2016
- Gross profit margin rose to 32.6% in 1QFY2017 from 23.2% in 1QFY2016 as a result of sharp improvement in average selling price of coal, which surged 68.1% to US$63.2 per metric tonne ("tonne") in 1QFY2017 from US$37.6 per tonne in 1QFY2016
- Positive industry outlook as Indonesia Coal Reference Price ("**HBA**") jumped 58.7% from US$51.62 in March 2016 to US$81.90 in March 2017

Financial Highlights

US$ '000	3 months ended 31.03.17 (1QFY2017)	3 months ended 31.03.16 (1QFY2016)	Change
Revenue	14,313	18,676	(23.4)%
Cost of goods sold	(9,648)	(14,340)	(32.7)%
Gross profit	4,665	4,336	7.6%
Gross profit margin	32.6%	23.2%	9.4ppt
Net profit / (loss) attributable to equity holders	1,113	671	65.9%
Average selling price of coal per tonne (US$)	63.2	37.6	68.1%

ppt means percentage point

SINGAPORE – 12 May 2017 - Resources Prima Group Limited ("**Resources Prima**" or the "**Company**", and together with its subsidiaries, the "**Group**") (stock code: 5MM), a coal mining company with integrated operations in East Kalimantan, Indonesia, including coal mining facilities, today reported its financial results for the first three months ended 31 March 2017 ("**1QFY2017**"). The Group's net profit attributable to equity holders in 1QFY2017 surged 65.9% to US$1.1 million from US$0.7 million in the same period last year ("1**QFY2016**") as a result of the sharp improvement in average selling price of coal as well as higher facility usage income.

Executive Chairman and Chief Executive Officer, Mr. Agus Sugiono said, "Despite lower coal production and lower coal sales quantities as a result of the heavier than normal rainfall in recent months, the Group was able to report a strong improvement in our profitability. We are benefitting from the recovery in the coal industry globally and within Indonesia, which led to an improvement in our coal sales price as well as a rebound in

facility usage income from a third party mine owner. The near term outlook of the coal industry in Indonesia remains positive as evidenced by the upward movement of the domestic coal reference price. HBA has shown sustained recovery over the past 12 months, having rebounded 58.7% from US$51.62 per tonne in March 2016 to S$81.90 per tonne in March 2017." (HBA source: www.coalspot.com)

Revenue for the Group in 1QFY2017 decreased by 23.4% to US$14.3 million from US$18.7 million in 1QFY2016, primarily due to lower coal sales revenue partially offset by higher facility usage income. Coal sales revenue in 1QFY2017 decreased by 24.5% to US$14.0 million from US$18.6 million in 1QFY2016 as a result of lower coal sales quantities. Coal sales quantities fell by 54.8% to 221,272 tonnes in 1QFY2017 from 489,374 tonnes in 1QFY2016 as coal production was adversely affected by the heavier than normal rainfall. The decrease in coal sales was partially offset by an increase in average sales price of coal, which surged 68.1% to US$63.2 per tonne in 1QFY2017 from US$37.6 per tonne in 1QFY2016. Additionally, as a result of higher throughput of coal from a third party mine owner, facility usage income for the Group rebounded to US$281,000 in 1QFY2017 from US$80,000 in 1QFY2016.

The Group's gross profit in 1QFY2017 increased by 7.6% to US$4.7 million from US$4.3 million in 1QFY2016 as the decrease in cost of goods sold ("**COGS**") was greater than the decrease in Group revenue, resulting in a higher gross profit margin for the Group. In 1QFY2017, the Group's gross profit margin improved to 32.6% from 23.2% in 1QFY2016 mainly due to the higher average sales price of coal.

In 1QFY2017, COGS decreased by 32.7% to US$9.6 million from US$14.3 million in 1QFY2016 due to a decrease in coal sales quantity. The decrease in COGS was mainly attributable to decreases in waste mining costs, coal hauling costs and other costs. Despite the decrease in COGS, COGS per tonne increased by 24.9% to US$39.6 per tonne in 1QFY2017 from US$31.7 per tonne in 1QFY2016 mainly due to a higher waste mining rate, increase in stripping ratio and higher fixed costs per tonne due to lower coal production.

Waste mining costs, which is the single largest component and accounted for 57.3% of COGS in 1QFY2017, decreased by 27.5% to US$5.5 million from US$7.6 million in 1QFY2016. The other main costs included coal hauling costs as well as depreciation and amortisation, which in total accounted for 6.5% and 15.3% respectively of the total COGS in 1QFY2017.

In 1QFY2017, net cash generated from operating activities amounted to US$1.0 million. Net cash used in investing activities of US$0.2 million was primarily used for IPPKH2. Net cash used in financing activities of US$0.2 million for 1QFY2017 was mainly in relation to the repayment of finance leases. The Group's cash and cash equivalents as at 31 March 2017 increased to US$3.0 million from US$2.3 million as at 31 December 2016.

As at 31 March 2017 the Group recorded negative working capital of US$10.6 million an improvement of US$2.4 million from the balance at 31 December 2016. As noted in item 8(g) of the 1QFY2017 results announcement, the Group is able to meet its obligations as and when due and continue to operate as a going concern. Based on current assumptions, including expansion of IPPKH2 and associated production activities into the ITCI area (see item 18 of the 1QFY2017 results announcement for more information), the Directors expect that the Group's negative working capital position will be overcome over the longer-term.

"Looking ahead, we will continue to focus on managing our cash-flows, operating costs, stripping ratios and to increase production from IPPKH2-West Block in order to improve our financial performance in 2017," added Mr Sugiono.

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About Resources Prima Group Limited

Resources Prima Group Limited ("**Resources Prima**", and together with its subsidiaries, the "**Group**") is a mine owner and primarily engages in the business of coal exploration and coal mining, currently, in East Kalimantan, Indonesia.

The Group, through its Indonesia-incorporated subsidiary PT Rinjani Kartanegara ("**PT Rinjani**"), has been granted a Production Operation IUP which is valid for an initial term of 12 years until 24 November 2021 (extendable for up to two (2) additional ten (10)-year tenures) to carry out coal mining operations in the mining concession area (an area of 1,933 ha). The Group has been issued with two "borrow-use" permits by the Indonesian Minister of Forestry, the first in respect of an area covering 308.54 ha ("**IPPKH1**") and the second in respect of an area covering 897.56 ha ("**IPPKH2**") of the mining concession area. The Group, through PT Rinjani, has commenced mining operations in IPPKH1 since June 2012 and subsequently in IPPKH2-West Block since August 2016.

The Group also derives additional income through the provision of coal mining facilities (such as its coal stockpile, coal crushers, coal conveyor system and jetty facilities) to third party mine owners as the Group may from time to time have excess capacity in respect of such coal mining facilities.

The Group's competitive strengths, including the location of the mine, supply chain advantages, supportive vendors, strong relationships with local government and a committed management team, will allow it to fulfil its economic potential. This potential is expected to be achieved through both organic growth via an expansion to the existing mining concession area and future M&A transactions.

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