

## BLACKGOLD NATURAL RESOURCES LIMITED

(Company Registration Number: 199704544C)

(Incorporated in the Republic of Singapore)

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### LETTER OF INTENT FOR AWARD OF A POWER PURCHASE AGREEMENT IN RELATION TO THE RIAU-1 PROJECT

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#### 1. INTRODUCTION

The Board of Directors (the “**Board**” or “**Directors**”) of BlackGold Natural Resources Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) refers to its announcements dated 28 December 2015, 12 June 2017 and 18 September 2017 (the “**Announcements**”).

In the announcement dated 18 September 2017, the Group announced that it has entered into a Heads of Agreement (“**HOA**”) with its partners, comprising PT Pembangkitan Jawa-Bali (“**PJB**”), PT PLN Batubara (“**PLN BB**”) and China Huadian Engineering Co., Ltd. (“**CHEC**”), to form a new consortium (the “**Consortium**”) in relation to an ongoing cooperation project for the development, construction, operation and maintenance of a 2 x 300 MW coal-fired power plant in Riau province, Sumatra, Indonesia (the “**Riau-1 Project**”).

The Company wishes to announce that, on 23 January 2018, the Consortium has formally received a Letter of Intent (“**LOI**”) from PT Perusahaan Listrik Negara (“**PLN**”) for the award of a Power Purchase Agreement (“**PPA**”). This PPA relates to sale of electricity from the Riau-1 Project to PLN.

PLN is Indonesia’s state-owned power distribution company.

#### 2. HIGHLIGHTS OF THE LOI

Further to the terms of the LOI, the Consortium and PLN shall enter into a definitive PPA on certain terms and conditions which have been set out in the LOI, including but not limited to:

- (a) Unit sales price of electricity;
- (b) Duration of the PPA;
- (c) Commencement date for construction of the Riau-1 Project

All other terms of the LOI, including the unit sales price of electricity, are commercially sensitive and, consequently, the Company is unable to disclose such terms.

#### 3. FINANCIAL EFFECTS

The receipt of LOI by the Consortium is not expected to have a material financial impact on the net tangible assets per share and earnings per share of the Company and the Group for the financial year ending 31 December 2018.

#### **4. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

None of the Directors, controlling shareholders or substantial shareholders of the Company or their respective associates has any interest, direct or indirect, in the LOI, save for their respective shareholdings in the Company, if any.

#### **5. CAUTIONARY STATEMENT**

Shareholders and potential investors of the Company are hereby reminded to exercise caution when dealing in the securities of the Company. In particular, shareholders and potential investors of the Company are reminded that there is no assurance that any business activities or transactions mentioned in this announcement will materialise. Persons who are in doubt as to the action they should take should consult their legal, financial, tax or other professional advisers.

#### **6. FURTHER ANNOUNCEMENTS**

The Company will make further announcements when there are material updates to the Riau-1 Project and related matters contained in this announcement.

#### **By Order of the Board**

Philip Cecil Rickard  
Executive Director and Chief Executive Officer  
24 January 2018

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*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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