GOLDEN ENERGY AND RESOURCES LIMITED

(Incorporated in the Republic of Singapore)

Company Registration Number: 199508589E

PROPOSED SUBSCRIPTION OF SHARES IN THE CAPITAL OF WESTGOLD RESOURCES LIMITED

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1. INTRODUCTION

Proposed Subscription. The Board of Directors (the "**Board**" or "**Directors**") of Golden Energy and Resources Limited (the "**Company**", together with its subsidiaries, the "**Group**") wishes to announce that the Company has on 30 November 2017 entered into a subscription agreement (the "**Subscription Agreement**") with Westgold Resources Limited ("**Westgold**"). Under the terms of the Subscription Agreement, the Company will subscribe for up to 36,000,000 fully paid new ordinary shares in the capital of Westgold (the "**Subscription Shares**") in three tranches (the "**Proposed Subscription**"). The Subscription Shares will represent approximately 10% of Westgold's enlarged share capital immediately after completion of the Proposed Subscription in full, based on the existing share capital of Westgold.

2. RATIONALE

The Proposed Subscription is in line with the Group's strategic plans to extend its business operations to include counter cyclical precious metals, thereby bringing additional value to the Company and its Shareholders. The Proposed Subscription will enable the Company to gain access and exposure to the gold mining sector in Australia through its strategic partnership with Westgold and provide opportunities to leverage on future potential collaborations and partnerships with Westgold, which is one of Australia's most prominent gold mining companies. The Proposed Subscription marks the Company's first extension of its mining business to include interest in a gold producing company. The Proposed Subscription will allow the Group and Westgold to explore potential synergies between the Group's expertise in the Indonesian coal mining market and Westgold's expertise in the Australian gold mining market.

3. KEY TERMS OF THE PROPOSED SUBSCRIPTION

3.1 **Information on Westgold.**

3.2 Westgold is a company incorporated in Australia and listed on the Australian Stock Exchange ("ASX") (ASX: WGX, WGXO). Westgold is principally engaged in gold mining in Australia. Westgold demerged from Metals X Limited into a separately listed gold miner in 2016 and began trading on the ASX on 6 December 2016. Westgold holds substantial mining tenure positions in two provinces in Western Australia, namely the Eastern Goldfields (Kalgoorlie Region) and the Murchison Goldfields (Cue – Meekatharra Regions), and holds numerous gold production assets in these regions.

3.3 **Consideration.** The aggregate consideration payable by the Company to Westgold for the Subscription Shares is A$67,860,000 ("**Consideration**"). The Consideration will be satisfied in the following manner:

(a) an amount of A$31,856,500 in cash, to be paid by the Company to Westgold on or before December 5, 2017 in consideration for the issuance of the first tranche of the Subscription Shares, comprising 16,900,000 fully paid ordinary shares in Westgold;

(b) an amount of A$20,735,000 in cash, to be paid by the Company to Westgold on or before January 12, 2018 in consideration for the issuance of the second tranche of the

Subscription Shares, comprising 11,000,000 fully paid ordinary shares in Westgold; and

(c) an amount of A$15,268,500 in cash, to be paid by the Company to Westgold on or before January 31, 2018, subject to the Company receiving FIRB Approval (as defined in paragraph 3.3 below), in consideration for the issuance of the third tranche of the Subscription Shares, comprising 8,100,000 fully paid ordinary shares in Westgold,

with each of the Subscription Shares to be issued to the Company at an issue price of A$1.885 ("**Issue Price**").

The Consideration was arrived at on a willing-buyer and willing-seller basis and represents a premium of 3.30% to the volume-weighted average price of approximately A$1.8248 for each ordinary share in the capital of Westgold, based on trade done on ASX on 29 November 2017, the market day preceding signing of the Subscription Agreement. Based on the audited consolidated financial statements of Westgold for the financial year ended 30 June 2017, the book value and the net tangible asset value of each Subscription Share is A$0.98 and A$0.14, respectively, as at 30 June 2017.

3.4 **Conditions Precedent.** The Company's obligation to subscribe for the third tranche of Subscription Shares is conditional upon the Company obtaining written notice issued under the *Foreign Acquisitions and Takeovers Act 1975* (Cth) by or on behalf of the Treasurer of the Commonwealth of Australia stating that, or to the effect that, the Commonwealth Government does not object to the issuance of the third tranche of Subscription Shares ("**FIRB Approval**").

4. RIGHT TO NOMINATE A DIRECTOR

With effect from the date the first tranche of Subscription Shares are issued to the Company, and for so long as the Company continues to own Westgold shares on the terms set out in the Subscription Agreement, the Company shall have the right to nominate a person to be appointed as a director of Westgold ("**Nominee Director**"). No service contract is proposed to be entered into between the Nominee Director and Westgold.

5. LISTING MANUAL COMPUTATIONS

5.1 **Relative Figures.** The relative figures of the Proposed Subscription computed on the bases set out in Rule 1006(a) to (e) of the Listing Manual are as follows:

Rule 1006(a): Net asset value of assets to be disposed of, compared with the Group's net asset value	Not applicable
Rule 1006(b): Net profits attributable to the assets acquired, compared with the Group's net asset value	3.93%(1)
Rule 1006(c): Aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	7.30% (2)
Rule 1006(d): Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable
Rule 1006(e): Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves	Not applicable

Notes:

(1) The net profits of Westgold for the 12 months ended 30 June 2017 was approximately A$24,619,000. The net profits of the Group for the financial year ended 31 December 2016 was US$47,630,000. Under Rule 1002(3) of the Listing

Manual, net profits means "profit or loss before income tax, minority interests and extraordinary items". The average exchange rate used in computing the relative figure is US$0.7541 to A$1.00.

(2) Based on the Consideration for the Proposed Subscription converted at rate of SG$1.0198 to A$1.00 and the Company's market capitalisation as at 29 November 2017, being the market day immediately preceding the date of the Subscription Agreement. The market capitalisation of the Company is derived by multiplying 2,353,100,380 ordinary shares in issue by the volume-weighted average traded price of S$0.4028 on 29 November 2017. ***(Source: Bloomberg LP***)

5.2 **Discloseable Transaction.** As the relative figures computed under Rules 1006(c) of the Listing Manual exceeds 5% but does not exceed 20%, the Proposed Subscription therefore constitutes a "Discloseable Transaction" as defined under Chapter 10 of the Listing Manual.

6. FINANCIAL EFFECTS

The financial effects of the Proposed Subscription are set out in Appendix A.

7. SOURCE OF FUNDS

The Proposed Subscription will be funded using the Company's existing loan facility and internal resources.

8. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the directors (other than in his capacity as director or shareholder of the Company, as the case may be) of the Company has any interest, direct or indirect in the Proposed Subscription. To the best of the knowledge of the Board, there are no substantial shareholders in the Company who have any interest, direct or indirect, in relation to the Proposed Subscription.

9. RESPONSIBILITY STATEMENT

The Directors (including those who may have delegated detailed supervision of the preparation of this Announcement) collectively and individually accept full responsibility for the accuracy of the information given in this Announcement (other than information relating to Westgold) and confirm, after making all reasonable enquiries that to the best of their knowledge and belief, the facts stated and opinions expressed herein (other than information relating to Westgold) are fair and accurate in all material respects as at the date hereof, and that there are no material facts the omission of which would make this Announcement misleading.

Where any information has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the Directors has been to ensure that such information is accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this Announcement.

By Order of the Board
GOLDEN ENERGY AND RESOURCES LIMITED

Pauline Lee
Company Secretary
30 November 2017

APPENDIX A

COMBINED PROFORMA FINANCIAL EFFECTS

1. BASES AND ASSUMPTIONS

1.1. **Bases.** The combined proforma financials effects of the Proposed Subscription on the Group as set out in this Appendix A are based on:

(a) the audited consolidated financial statements of the Group for the financial year ended 31 December 2016 ("**FY2016**"); and

(b) the unaudited consolidated financial statements of Westgold for the 12 month financial period ended 31 December 2016 ("**FP2016**").

1.2. **Assumptions.** For the purposes of illustrating the financial effects of the Proposed Subscription, the financial effects have been prepared based on, *inter alia*, the above bases and the following assumptions:

(a) the financial effects of the Proposed Subscription on the Group's net tangible assets ("**NTA**") is computed assuming that the Proposed Subscription is completed on 31 December 2016;

(b) the financial effects of the Proposed Subscription on the Group's earnings per share ("**EPS**") is computed assuming that the Proposed Subscription is completed on 1 January 2016; and

(c) costs and expenses in connection with the Proposed Subscription are disregarded for the purposes of calculating the financial effects.

1.3. **Proforma Financial Effects.** The proforma financial effects of the Proposed Subscription as set out below are strictly for illustrative purposes and do not necessarily reflect the actual financial position and performance of the Company or the Group, prepared according to the relevant accounting standards, following the Proposed Subscription.

2. COMBINED PROFORMA FINANCIAL EFFECTS

2.1. **NTA**

	Restated As at 31 December 2016	**Immediately following completion of the Proposed Subscription in full**
NTA of the Group (US$'000)	230,249	228,749
Number of Shares	2,353,100,380	2,353,100,380
NTA Per Share (US cents)	9.78	9.72

2.2. **EPS**

	Restated FY2016	**Immediately following completion of the Proposed Subscription in full**
Net profit of the Group (US$'000)	22,006	15,642[(1)]
Weighted average number of Shares in issue[(2)]	2,181,650,347	2,181,650,347
Net profit per Share (US cents) - Basic and diluted	1.01	0.72

Notes:

(1) Applying US$5.830 million for fees and interest payable in connection with Company's existing loan facility; and the Company's share of unaudited losses of Westgold amounted to A$717,502 for the 12-month financial period ended 31 December 2016 converted at the average exchange rate of US$0.7442 to A$1.

(2) The weighted average number of ordinary shares for the year is calculated based on:-
   (a) 2,170,120,082 ordinary shares in issue on 1 January 2016; and
   (b) 11,530,265 of weighted average number of shares issued on 9 December 2016 in connection with the Company's statutory placement exercise.

2.3. **Share Capital**

The Proposed Subscription will not have any impact on the share capital and the shareholding structure of the Company as the Proposed Subscription does not involve the allotment and issuance of any new shares in the Company and the Consideration is to be satisfied in cash only.