First Supplementary Bidder's Statement

1 Introduction

1.1 Supplementary Bidder's Statement

This document is a supplementary bidder's statement given pursuant to Division 4 of Part 6.5 of the *Corporations Act 2001* (Cth) (**Corporations Act**) in compliance with the requirements of section 643 of the Corporations Act by Golden Investments (Australia) Pte. Ltd. (**Golden Investments**), a company owned by Golden Energy and Resources Limited and Ascend Global Investment Fund SPC, in relation to its off-market takeover offer to acquire all of the ordinary shares in Stanmore Coal Limited ABN 27 131 920 968 (**Stanmore Coal**).

It is the first supplementary bidder's statement (**First Supplementary Bidder's Statement**) issued by Golden Investments to the bidder's statement dated 19 November 2018 issued by Golden Investments (**Original Bidder's Statement**). This First Supplementary Bidder's Statement supplements and is to be read together with the Original Bidder's Statement. This document prevails in the event of any inconsistency with the Original Bidder's Statement.

1.2 Important notices

This First Supplementary Bidder's Statement is dated 14 December 2018 which is the date on which it was lodged with the Australian Securities and Investments Commission (**ASIC**).

Neither ASIC nor its officers take any responsibility for the contents of this First Supplementary Bidder's Statement.

1.3 Defined terms and interpretation

Unless the context otherwise requires, capitalised terms in this First Supplementary Bidder's Statement have the same meaning given to them in Section 13.1 of the Original Bidder's Statement. The rules of interpretation set out in Section 13.2 of the Original Bidder's Statement also apply to this First Supplementary Bidder's Statement, unless the context otherwise requires.

2 Appointment of Australian Financial Advisor

Golden Investments advises that it has appointed CLSA Australia Pty Ltd as their Australian financial advisor in respect of the Offer.

3 Update and additional information on Golden Investments Funding

3.1 Cash consideration

As noted in Section 10.1 of the Original Bidders Statement, Golden Investments calculated the maximum consideration payable under the Offer as $201,134,070. This was on the assumption that all DRP Shares would be taken up and issued and all Performance Rights vest.

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According to the Appendix 3B released to the ASX on 23 November 2018, Stanmore Coal issued 1,026,540 DRP Shares. This resulted in the maximum consideration payable under the Offer decreasing to a total of $196,843,180.

3.2 Update on GEAR and Ascends respective funding arrangements

As outlined in the Original Bidders Statement at Section 10.2, Golden Investments will fund the Offer through cash to be provided by GEAR and Ascend Global pursuant to the Subscription Agreement and that GEAR and Ascend Global would fund their respective subscriptions in Golden Investments through a combination of existing cash reserves, GEAR's Finance Facility of an amount of up to A$150 million for the purposes of the Offer and through Ascend Global's undrawn capital commitments of US$100 million from investors in ADSP.

Golden Investments provides the following update in respect of GEAR and Ascend Global's financing of their respective subscriptions in Golden Investments:

(1) GEAR proposes to fund $70 million of its approximate $79 million maximum commitment through drawing down on the first tranche of the Finance Facility (as more fully described below), with the remaining $9 million to be funded through its cash reserves. As noted in the Original Bidder's Statement, as at 30 September 2018 (being the date of GEAR's most recent published financial statements), GEAR had an aggregate cash balance of $231 million held in cash and bank deposits; and

(2) Ascend Global proposes to fund its maximum commitment by calling on its undrawn capital commitments from investors in ADSP as disclosed in Section 10.2 of the Bidder's Statement and which are more fully described below.

3.3 Update on the Finance Facility

As outlined in Section 10.3 of the Original Bidder's Statement, on 16 November 2018, GEAR accepted the terms of a binding Commitment Letter for a A$150 million Finance Facility with Credit Suisse AG, Singapore Branch (**Credit Suisse**), which had received credit committee approval. The commitment letter was subject to definitive documentation for the Finance Facility being entered into and other customary conditions.

GEAR and Credit Suisse continue to work towards finalising the Finance Facility and Golden Investments anticipates that final definitive documentation for the Finance Facility will be executed during the week commencing 24 December 2018.

Golden Investments is not aware of any circumstance, which may materially delay the anticipated execution.

The Finance Facility and Credit Suisse's commitment under the Finance Facility remains subject to the following conditions:

(1) the final and definitive documents being executed;

(2) GEAR providing accurate and complete information and representations to Credit Suisse;

(3) compliance with Credit Suisse's account opening and client identification requirements;

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(4) there must be no:

(a) public offer of shares in GEAR;

(b) announcement of a merger by GEAR; or

(c) change of control of GEAR,

Note that (a) and (b) are within the control of GEAR and (c) is within the control of the GEAR via its ultimate controlling shareholder, the Widjaja family;

(5) obtaining requisite regulatory approvals in connection with the Finance Facility; and

(6) satisfaction of the conditions precedent in the definitive facility documentation, which will include the following:

(a) GEAR and Credit Suisse agreeing to a financial model;

(b) Credit Suisse having security over collateral, including but not limited to a minimum 51% equity interest in GEAR's subsidiary PT Golden Energy Mines Tbk (**GEMS**);

(c) receipt of satisfactory legal opinions, including the enforceability of the security over GEMS' shares;

(d) regulatory and third party approvals; and

(e) a funds flow statement and confirmation to Credit Suisse of sufficient funds to complete the Offer.

The Finance Facility will be capable of draw-down in two tranches of $70 million and $80 million, respectively. As noted above in Section 2.1 of this First Supplementary Bidder's Statement, only the funds from the first tranche of the Finance Facility are anticipated to be used to fund GEAR's total funding obligations in respect of the Offer.

There are additional conditions in respect of draw-down of the second tranche of $80 million, which primarily address additional security arrangements and a confirmation that GEAR has applied at least US$40m of its own funds towards the acquisition of Stanmore Coal Shares, including the acquisition of the 19.9% pre-bid stake from Greatgroup. It is also noted that Credit Suisse may syndicate the second tranche of the Finance Facility. As noted above, GEAR does not intend to rely on the second tranche to fund the Offer consideration.

Subject to satisfaction of the relevant conditions including those described above, draw-down of funds under the Facility Agreement will be available from the date of the Facility Agreement to 28 February 2019 and the term of the loan is 3 years from the date of first draw-down.

The definitive facility documentation is also expected to contain standard representations, covenants and warranties for a facility of this type.

3.4 Further information on Ascend Global

As noted in Section 5.3 of the Original Bidders Statement, Ascend Global is an investment fund managed by Ascend Capital.

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Ascend Capital holds a Registered Fund Management Company (**RFMC**) license issued by the Monetary Authority of Singapore (**MAS**), which is the primary financial and financial services regulatory body in Singapore. Pursuant to this RFMC license, and in accordance with Singapore laws and MAS rules and regulations, Ascend Capital provides fund management services to Ascend Global.

As an RFMC license holder, Ascend Capital is required to perform due diligence on its potential investors, and is only able to manage funds from "Accredited Investors". The term "Accredited Investor" is defined in the Securities and Futures Act (cap. 289) of Singapore and includes:

(1) individuals with a personal net asset in excess of S$2 million;

(2) individuals with an income of not less than S$300,000 in the past 12 months;

(3) corporations with net assets exceeding S$10 million in value, in their most recent balance sheet;

(4) trustees of trusts that the MAS approves; and

(5) other persons that the MAS approves.

As noted in Section 5.3 of the Original Bidders Statement, there are 7 investors in Ascend Global and all are corporations and Accredited Investors. Of these 7 investors, there are 3 investors in ADSP (being the sub-fund of Ascend Global through which the investment into Golden Investments will be made).

Investors in Ascend Global's funds, including ADSP, do not have any voting control over Ascend Global or its business. Investment decisions are delegated to, and made by, Ascend Capital, as is customary in such fund structures, and the investors are not entitled to any other material voting rights in connection with their investments or the securities held by them.

The undrawn capital commitments of US$100 million from investors in ADSP are unconditional commitments that are expressed to be legally binding and governed in accordance with the laws of Singapore, and can be drawn down by Ascend Global as and when required.

4 Institutional Acceptance Facility

4.1 Establishment of IAF

Golden Investments has established an institutional acceptance facility (**IAF**) open to professional and/or sophisticated investors (as those terms are defined in sections 9 and 708 of the Corporations Act) that hold or beneficially own at least A$500,000 worth of Stanmore Coal Shares based on the consideration payable under the Offer (**Eligible Shareholders**) in order to facilitate receipt of acceptances of the Offer. Investors who are not Eligible Shareholders cannot participate in the IAF.

The IAF has been established to enable Eligible Shareholders to indicate their intentions to accept the Offer before the Offer is or becomes unconditional, as Golden Investments understands that some of these shareholders may be unwilling or unable to accept the Offer until the Offer becomes or is declared unconditional.

The operator of the IAF is Computershare Clearing Pty Limited (**IAF Operator**).

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Before making a decision whether or not to participate in the IAF, Eligible Shareholders are encouraged to consult with their financial or other professional adviser.

4.2 **Operation of the IAF**

Eligible Shareholders may demonstrate their intention to accept the Offer by lodging with the IAF Operator a duly completed and executed documentation appointing the IAF Operator as the collection agent (**Appointment of Facility Operator Form**), and either:

(1) where the Eligible Shareholder is recorded as the holder of Stanmore Coal Shares, lodging with the IAF Operator an executed Transfer and Acceptance Form (**Acceptance Form**); or

(2) where the Eligible Institutional Shareholder holds Stanmore Coal Shares through a custodian as a beneficial holder, directing their custodian to lodge with the IAF Operator an executed Custodian Direction Form (**Custodian Direction**),

to accept the Offer in respect of some or all of their Stanmore Coal Shares (provided the acceptance is for at least $500,000 worth of Stanmore Coal Shares).

By submitting the Acceptance Form or Custodian Direction, an Eligible Shareholder appoints the IAF Operator to hold the Acceptance Form or Custodian Direction as collection agent only and subject to a bare trust.

Pursuant to ASIC Class Order CO13/520 and pursuant to the terms of appointment of the IAF Operator contained in the Acceptance Form and Custodian Direction, Golden Investments will not acquire a Relevant Interest in any Stanmore Coal Shares through the receipt by the IAF Operator of an Acceptance Form or Custodian Direction, because the IAF has been established on the basis that it fulfils the requirements of subsection 609(9A) as inserted by CO13/520.

When the IAF Operator receives written confirmation from Golden Investments (**Confirmation Notice**) stating that:

(1) the Offer is free from all the Conditions; or

(2) the Offer will be, or Golden Investments will declare the Offer, free from all Conditions no later than the time that all Acceptance Forms or Custodian Directions lodged with the IAF Operator are processed,

each Eligible Shareholder who has accepted the Offer by submitting an Acceptance Form or Custodian Direction is deemed to have directed the IAF Operator to deliver and the IAF Operator must deliver:

(1) the Acceptance Forms to Computershare Investor Services Pty Ltd (**Golden Investment's share registrar**); or

(2) the Custodian Directions to the relevant custodian.

Golden Investments reserves the right to free the Offer from all Conditions and deliver the Confirmation Notice to the IAF Operator at any time before the end of the Offer Period (subject to the Corporations Act or in the case of the Prescribed Occurrences Condition, until the end of the third business day after the end of the Offer Period), irrespective of the number of acceptances held by Golden Investments or the number of Acceptance Forms or Custodian Directions held by the IAF Operator.

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Eligible Shareholders may withdraw their Acceptance Form or Custodian Directions at any time prior to the IAF Operator receiving the Confirmation Notice from Golden Investments. Until the IAF Operator receives the Confirmation Notice, Eligible Shareholders will retain all rights in relation to their Stanmore Coal Shares. Upon receipt of written notification from an Eligible Shareholder, the IAF Operator must return the Acceptance Form or Custodian Direction submitted by the Eligible Shareholder.

A copy of the Appointment of Facility Operator Form setting out the terms of appointment of the IAF Operator, together with the Acceptance Form or Custodian Directions will be provided to each Eligible Shareholder by the IAF Operator. Eligible Shareholders who require further information may contact the IAF Operator by email to custodians@computershare.com.au, or phone on 1800 095 862 (callers within Australia) and +61 3 9415 4186 (callers outside Australia).

4.3 Disclosure of acceptances through the IAF

Pursuant to ASIC class order CO13/520, for every movement of at least 1% in the aggregate level of Golden Investments' Voting Power during the Offer Period, Golden Investments will announce to the ASX by 9.30am (Sydney time) on the next trading day after the movement a notice setting out the aggregate number and percentage of Stanmore Coal Shares:

(1) in which Golden Investments has a Relevant Interest; and

(2) which are the subject of Acceptance Forms and Custodian Directions,

and a breakdown between the two categories (1) and (2).

5 Consent

Computershare Clearing Pty Limited has given and has not withdrawn before the lodgement of this First Supplementary Bidder's Statement with ASIC, its written consent to be named in this First Supplementary Bidder's Statement as the acceptance facility collection agent for the IAF Facility to the Offer, in the form and context in which it is so named.

CLSA Australia Pty Ltd has given and has not withdrawn before the lodgement of this First Supplementary Bidder's Statement with ASIC, its written consent to be named in this First Supplementary Bidder's Statement as the Australian financial advisor to the Offer, in the form and context in which it is so named.

Computershare Clearing Pty Limited and CLSA Australia Pty Ltd have not caused or authorised the issue of this First Supplementary Bidder's Statement, do not make or purport to make any statement in this First Supplementary Bidder's Statement or any statement on which a statement in this First Supplementary Bidder's Statement is based and take no responsibility for any part of this First Supplementary Bidder's Statement other than any reference to their names.

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6 Authorisation

This First Supplemental Bidder's Statement has been approved by a resolution passed by the directors of Golden Investments.

Signed for and on behalf of Golden Investments:



Mark Zhou
Director
Golden Investments



Mulyadi Tjandra
Director
Golden Investments

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