GOLDEN ENERGY AND RESOURCES LIMITED

(Incorporated in the Republic of Singapore)
Company Registration Number: 199508589E

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(1) PROPOSED ACQUISITION OF APPROXIMATELY 19.9% OF THE SHARES OF STANMORE COAL LIMITED;
(2) OFF-MARKET TAKEOVER BID FOR STANMORE COAL LIMITED; AND
(3) ACQUISITION OF A SUBSIDIARY

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1. INTRODUCTION

1.1 Proposed Acquisition. The board of directors (the "**Board**") of Golden Energy and Resources Limited ("**GEAR**") wishes to announce that GEAR has on 16 November 2018 entered into a share sale agreement ("**Share Sale Agreement**") with Greatgroup Investments Limited ("**Greatgroup Investments**") to acquire 50,108,395 fully paid ordinary shares ("**Sale Shares**"), representing approximately 19.9% of the total issued share capital, of Stanmore Coal Limited ("**Stanmore Coal**" and such shares, "**Stanmore Coal Shares**"), a company listed on the Australian Securities Exchange ("**ASX**") (the "**Proposed Acquisition**").

1.2 Offer. The Board further wishes to announce that Golden Investments (Australia) Pte. Ltd. ("**Golden Investments**"), a company owned by GEAR and Ascend Global Investment Fund SPC ("**Ascend Global**"), has today made an off-market takeover bid under Chapter 6 of the *Corporations Act* 2001 (Cth) ("**Corporations Act**") to acquire all the fully paid ordinary shares in Stanmore Coal, for A$0.95 in cash per Stanmore Coal Share (the "**Offer**").

1.3 Bidder's Statement. Further details of the Offer (including its terms and conditions) are contained in the bidder's statement given by Golden Investments under Part 6.5 of the Corporations Act in relation to the Offer and lodged with the Australian Securities & Investments Commission and the ASX today ("**Bidder's Statement**"). Copies of the Offer announcement and the Bidder's Statement are set out in **Schedules 1 and 2** to this Announcement respectively, and are also available on the website of the ASX at https://www.asx.com.au/. References to the Offer and its terms and conditions in this Announcement should be read together with, and are subject to, the Bidder's Statement.

2. INFORMATION ON GOLDEN INVESTMENTS

2.1 Golden Investments. On 16 November 2018, GEAR acquired a 51% interest in Golden Investments, a private limited company incorporated in Singapore on 1 November 2018, for a total cash consideration of S$51.00, (the "**Golden Investments Acquisition**") for the purpose of making the Offer and acquiring the Sale Shares from GEAR after the close of the Offer.

As at the date of this Announcement, Golden Investments has an initial paid-up share capital of S$100.00 comprising 100 ordinary shares, 51% of which are owned by GEAR and 49% of which are owned by Ascend Global (further details on which are set out in paragraph 2.2 below).

As at the date of this Announcement, other than its nominal share capital and its obligation to acquire the Sale Shares from GEAR after the close of the Offer pursuant to a transfer agreement (the "**Transfer Agreement**"), Golden Investments has no other assets or liabilities.

The Golden Investments Acquisition was funded by internal resources and is not expected to have any material impact on the net tangible assets per share or earnings per share of GEAR for the current financial year ending 31 December 2018.

None of the directors or controlling shareholders of GEAR has any interest, directly or indirectly, in the Golden Investments Acquisition, save through their shareholding (if any) in GEAR.

2.2 **Ascend Global and its Principal Activities.** Ascend Global is an exempted company incorporated with limited liability and registered as a segregated portfolio company in Cayman Islands. It is an investment fund with assets under management of US$93 million and is managed by Ascend Capital Advisors (S) Pte. Ltd. ("**Ascend Capital**"), a Singapore-incorporated company registered with the Monetary Authority of Singapore as a Registered Fund Management Company.

Ascend Global has two sub funds, Asian Distressed Segregated Portfolio ("**ADSP**") and Strategic Segregated Portfolio, having total net assets of US$85.5 million and US$7.2 million respectively as at 31 December 2017.

2.3 **Subscription in Golden Investments.** Golden Investments, GEAR and Ascend Global have entered into a share subscription agreement ("**Subscription Agreement**"), pursuant to which each of GEAR and Ascend Global has agreed to subscribe for additional shares in Golden Investments, for the purpose of funding the total consideration payable under the Offer and all transaction costs, expenses and fees incurred by Golden Investments under or in connection with the Offer.

2.4 Pursuant to the terms of the Subscription Agreement,

2.4.1 GEAR has agreed to subscribe for shares in Golden Investments for an aggregate cash consideration of up to A$79,252,918 (the "**Assumed GEAR Offer Contribution**"); and

2.4.2 Ascend Global is only obliged to subscribe for shares in Golden Investments for an aggregate cash consideration of up to A$121,881,152, if the Offer is accepted by such number of shareholders of Stanmore Coal so as to result in Golden Investments holding (after aggregating GEAR's Sale Shares), at least 51% of Stanmore Coal Shares ("**Ascend Subscription Condition**").

2.5 Following the close of the Offer, GEAR expects to transfer the Sale Shares to Golden Investments for A$47,602,975.25, being the aggregate price paid by GEAR for the Sale Shares, with such amount being satisfied by Golden Investments by issuing such number of shares (with a value equal to such amount) in Golden Investments to GEAR.

2.6 If the Ascend Subscription Condition is satisfied and assuming that Golden Investments owns all of the shares of Stanmore Coal (including after the completion of the transfer of the Sale Shares to Golden Investments), GEAR will own approximately 51%, and Ascend Global will own approximately 49%, of all of the shares of Golden Investments.

If the Ascend Subscription Condition is satisfied but Golden Investments owns less than all of the shares in Stanmore Coal, GEAR's ownership of shares in Golden Investments will be greater than 51% and will depend upon the number of shares in Stanmore Coal owned by Golden Investments after the close of the Offer.

If the Ascend Subscription Condition is not satisfied, Ascend Global will not be obliged to subscribe for any additional shares in Golden Investments and GEAR will hold approximately all of the shares in Golden Investments.

3. INFORMATION ON STANMORE COAL

3.1 **Stanmore Coal and its Principal Activities.** Stanmore Coal is a company incorporated in Australia and listed on the ASX. Based on publicly available information, the principal activities of Stanmore Coal and its subsidiaries (collectively, the "**Stanmore Coal Group**") are the exploration, development, production and sale of metallurgical and thermal coal. The Stanmore Coal Group has an interest in the following coal mines and projects in Queensland, Australia: (i) Isaac Plains; (ii) Isaac Plains East Open Cut; (iii) Isaac Downs (Wotonga); (iv) Isaac South; (v) Clifford; (vi) The Range; (vii) Mackenzie; (viii) Belview; (ix) Tennyson; and (x) Lilyvale.

Based on the latest announced audited consolidated financial statements of the Stanmore Coal Group for the financial year ended 30 June 2018 (the "**Stanmore Coal FY2018 Results**"), Stanmore Coal has an issued and paid-up ordinary share capital of A$113,200,000, comprising 251,800,978 Stanmore Coal Shares.

3.2 **Value of the Assets Being Acquired.** The market value of the Sale Shares and the market value of the Maximum Offer Shares (as defined in paragraph 6.1.1 below) (attributable to GEAR's 31.9% ownership in Golden Investments) (prior to the transfer of the Sale Shares to Golden Investments)), is approximately A$43.08 million and approximately A$57.99 million, respectively. The market values referred to in this paragraph were calculated based on the volume weighted average price ("**VWAP**") of approximately A$0.8597 per Stanmore Coal Share for all the trades done on 16 November 2018 (being the last full day of trading in the Stanmore Coal Shares on the ASX immediately prior to the date of this Announcement).

Based on the Stanmore Coal FY2018 Results:

3.2.1 the net asset value ("**NAV**") and the net tangible assets ("**NTA**")[1] of the Sale Shares as at 30 June 2018 are approximately A$14.56 million and approximately A$13.81 million, respectively; and

[1] Excluding intangible assets of A$3.78 million.

3.2.2 the NAV and the NTA of the Maximum Offer Shares (attributable to GEAR's 31.9% ownership in Golden Investments (prior to the transfer of the Sale Shares to Golden Investments)) as at 30 June 2018 are approximately A$23.31 million and approximately A$22.11 million, respectively.

3.3 Net Profit. Based on the Stanmore Coal FY2018 Results:

3.3.1 the net profit before income tax, minority interests and extraordinary items attributable to the Sale Shares is approximately A$2.00 million; and

3.3.2 the net profit before income tax, minority interests and extraordinary items attributable to the Maximum Offer Shares (attributable to GEAR's 31.9% ownership in Golden Investments (prior to the transfer of the Sale Shares to Golden Investments)) is approximately A$3.20 million.

4. THE PROPOSED ACQUISITION

4.1 Closing Date. Pursuant to the terms of the Share Sale Agreement, completion of the sale and purchase of the Sale Shares ("**Completion**") will take place five (5) business days from the date of the Share Sale Agreement (or such other later date as may be agreed by the parties in writing but with no less than two (2) business days' notice).

4.2 Consideration. The aggregate consideration for the purchase of the Sale Shares shall be an amount in cash equal to A$47,602,975.25 (the "**Proposed Acquisition Consideration**"), at a purchase price of A$0.95 per Sale Share.

The Proposed Acquisition Consideration was arrived at on a willing-buyer and willing-seller basis and after negotiations between the parties taking into account the financial performance of Stanmore Coal and the historical trading prices of the Stanmore Coal Shares.

4.3 Source of Funding. The Proposed Acquisition Consideration will be funded using GEAR's internal resources and will be paid on Completion.

5. THE OFFER

5.1 Terms and Conditions. Please refer to Annexure A of the Bidder's Statement for information on the terms and conditions of the Offer. The completion of the Offer is subject to various conditions, including:

5.1.1 either (i) the Treasurer of the Commonwealth of Australia (the "**Treasurer**") providing written advice that the Commonwealth Government has no objections to the acquisition of the Stanmore Coal Shares under the Offer by Golden Investments or (ii) the period in which the Treasurer is empowered to make such orders lapses without the Treasurer having done so; and

5.1.2 Golden Investments having a Relevant Interest (as defined in the Corporations Act) of more than 50 per cent. of the Stanmore Coal Shares at the end of the Offer period.

5.2 Rationale for the Offer. GEAR is a significant thermal coal producer in Indonesia. By acquiring an interest in Stanmore Coal, a primarily coking coal focused company, GEAR hopes to enhance its overall asset portfolio in the current commodity price environment by diversifying and expanding its coal product suite and geographical presence.

6. CONSIDERATION FOR THE OFFER

6.1 Consideration. As stated in section 2.1 of the Bidder's Statement, the consideration offered to each holder of Stanmore Coal Shares ("**Shareholder**") will be A$0.95 in cash for each Stanmore Coal Share ("**Offer Price**"). The Offer Price has been arrived at after taking into account, among other things, the financial performance of Stanmore Coal and the historical trading prices of the Stanmore Coal Shares.

Assuming that:

6.1.1 the total number of Stanmore Coal Shares[2] that are the subject of the Offer (excluding the Sale Shares) as at the date hereof, is 211,720,073 Stanmore Coal Shares (the "**Maximum Offer Shares**"); and

6.1.2 there is full acceptance of the Offer in respect of the Maximum Offer Shares,

the maximum aggregate consideration payable by Golden Investments for the acquisition of the Maximum Offer Shares pursuant to the Offer would be A$201,134,070.

6.2 Source of Funding for the Offer. The Offer will be funded through cash to be provided by GEAR and Ascend Global. See paragraph 2.4 above for further details on the respective amounts to be contributed by GEAR and Ascend Global to Golden Investments.

The shareholders of Golden Investments will fund their respective subscriptions in Golden Investments through a combination of:

(i) existing cash reserves;

(ii) GEAR's finance facility of an amount of up to A$150 million for the purposes of the Offer (the "**Finance Facility**"). In connection with the Finance Facility, GEAR has on 16 November 2018 accepted the terms of a binding commitment letter with Credit Suisse AG, Singapore Branch, which has received credit committee approval and is subject to definitive documentation for the Finance Facility being entered into and other customary conditions. GEAR and Credit Suisse AG, Singapore Branch are presently working towards finalising the Finance Facility documentation; and

[2] Includes the Stanmore Coal Shares which would be in issue if all performance rights issued to senior managers under and on the terms of the Stanmore Coal Rights Plan are vested and the Stanmore Coal Shares to be issued under the Dividend Reinvestment Plan of Stanmore Coal in respect of the dividend announced by Stanmore Coal on 27 August 2018.

(iii) Ascend Global's undrawn capital commitments of US$100 million from investors in ADSP.

7. DISCLOSEABLE TRANSACTION

7.1 Rule 1006 Relative Figures. Assuming:

7.1.1 GEAR holds 19.9 per cent. of the Stanmore Coal Shares as a result of the Proposed Acquisition;

7.1.2 all holders of the Maximum Offer Shares validly accept the Offer;

7.1.3 Golden Investments holds the remaining 80.1 per cent. of the Stanmore Coal Shares as a result of the Offer and GEAR holds approximately 31.9% of all of the shares of Golden Investments (prior to the transfer of the Sale Shares to Golden Investments),

the relative figures computed on the bases set out in Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") (the "**Listing Manual**") in respect of the Proposed Acquisition and the Offer, computed on an aggregate basis, are as follows:

Rule 1006	Bases	Proposed Acquisition and Offer	GEAR Group	Relative Figures (%)
(a)	NAV of assets to be disposed of, compared with the NAV of GEAR and its subsidiaries (collectively, the "**GEAR Group**")		Not applicable.	
(b)	Net profits/(losses) attributable to the Sale Shares and Maximum Offer Shares to be acquired, compared with the GEAR Group's net profits[(1)] (US$ million)	3.79	174.01	2.18
(c)	Aggregate consideration payable by GEAR and Golden Investments in respect of the Proposed Acquisition and the Offer[(2)] compared with GEAR's market capitalization[(3)] (S$ million)	126.88	635.11	19.98%
(d)	Number of equity securities issued by GEAR as consideration for the Proposed Acquisition and the Offer, compared with the number of equity securities previously in issue		Not applicable.	
(e)	Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the		Not applicable.	

GEAR Group's proved and probable reserves

Notes:

(1) The net profits or losses before income tax, minority interests and exceptional items attributable to the Sale Shares and the Maximum Offer Shares (attributable to GEAR's 31.9% ownership in Golden Investments (prior to the transfer of the Sale Shares to Golden Investments)) based on the Stanmore Coal FY2018 Results, have been compared with the GEAR Group's net profits or losses before income tax, minority interests and exceptional items for its twelve months period ended 30 September 2018 (which are based on the latest unaudited consolidated financial statements of the GEAR Group for the third quarter ended 30 September 2018 and after including the unaudited consolidated financial statements of the GEAR Group for the fourth quarter ended 31 December 2017). The figures for Stanmore Coal Group are expressed in US$ based on an exchange rate of A$1.00:US$0.7405 being the A$:US$ exchange rate on 30 June 2018 (Source: BloombergLP).

(2) Calculated based on the aggregate of the Proposed Acquisition Consideration of A$47,602,975.25 and Assumed GEAR Offer Contribution of A$79,252,918 and expressed in S$ based on an exchange rate of A$1.00:S$1.0002, being the A$:S$ exchange rate on 16 November 2018 (Source: Monetary Authority of Singapore (MAS) website).

(3) GEAR's market capitalisation is based upon 2,353,100,380 ordinary shares in the capital of GEAR in issue (excluding treasury shares) ("**GEAR Shares**") as at 16 November 2018, being the last market day preceding the date of this Announcement on which GEAR Shares were traded on the SGX-ST, at a VWAP of S$0.2699 for each GEAR Share (Source: BloombergLP).

7.2 Discloseable Transaction. As the relative figure under Rule 1006(c) exceeds 5% but is not more than 20%, the Proposed Acquisition and the Offer constitute a discloseable transaction for GEAR as defined in Chapter 10 of the Listing Manual.

8. PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION AND THE OFFER

8.1 Bases and Assumptions. The pro forma financial effects of the Proposed Acquisition and the Offer set out below are for illustrative purposes only, and are neither indicative of the actual financial effects of the Proposed Acquisition and the Offer on the consolidated NTA, the consolidated earnings, the net gearing and/or the share capital of the GEAR Group, nor represent the actual or future financial position and/or results of the GEAR Group immediately after the completion of the Proposed Acquisition and the close of the Offer. The pro forma financial effects of the Proposed Acquisition and the Offer set out below have been prepared based on the Stanmore Coal FY2018 Results and the audited consolidated financial statements of the GEAR Group for its financial year ended 31 December 2017 ("**FY2017**" and such financial statements, the "**GEAR FY2017 Results**"), and on the following bases and assumptions:

8.1.1 GEAR holds 19.9 per cent. of the Stanmore Coal Shares as a result of the Proposed Acquisition;

8.1.2 all holders of the Maximum Offer Shares validly accept the Offer; and

8.1.3 Golden Investments holds 100 per cent. of the Stanmore Coal Shares as a result of the Offer and after the completion of the transfer of the Sale Shares to Golden Investments, GEAR owns approximately 51% of Golden Investments.

8.2 **Effect on NTA per GEAR Share.** For illustrative purposes only and assuming that the Proposed Acquisition had been completed and the Offer had been closed on 31 December 2017, being the end of FY2017, the pro forma financial effects of the Proposed Acquisition and the Offer on the consolidated NTA of the GEAR Group are set out below:

	Before completion of the Proposed Acquisition and close of the Offer	**After completion of the Proposed Acquisition**	**After close of the Offer**
NTA (US$ million)	284.89	284.89	269.05[(1)]
Number of issued GEAR Shares	2,353,100,380	2,353,100,380	2,353,100,380
NTA per GEAR Share (United States cents)	12.11	12.11	11.43

Note:

(1) The NTA figure after the close of the Offer is calculated considering Stanmore Coal's NTA of US$51.38 million (approximately A$69.38 million, based on an exchange rate of A$1:US$0.7405, being the A$:US$ exchange rate on 30 June 2018 (Source: BloombergLP), payment of an upfront fee under GEAR's financing facility of US$1.27 million and a goodwill on acquisition of Stanmore Coal of US$65.94 million.

8.3 **Effect on Earnings per Share.** For illustrative purposes only and assuming that the Proposed Acquisition had been completed and the Offer had been closed on 1 January 2017, being the beginning of FY2017, the pro forma financial effects of the Proposed Acquisition and the Offer on the consolidated earnings of the GEAR Group are set out below:

	Before completion of the Proposed Acquisition and close of the Offer	**After completion of the Proposed Acquisition**	**After close of the Offer**
Profit after tax and minority interests (US$ million)	62.95	62.95	60.42[(1)]
Number of issued GEAR Shares	2,353,100,380	2,353,100,380	2,353,100,380
Earnings per GEAR	2.68	2.68	2.57

Share (United States cents)	

Note:

(1) The profit after tax and minority interests figure after the close of the Offer is calculated considering GEAR's share of profit after tax and minority interest from Stanmore Coal of US$2.25 million and payment of interest and an upfront fee under GEAR's financing facility totaling US$4.78 million.

8.4 **Effect on Net Gearing.** For illustrative purposes only and assuming that the Proposed Acquisition had been completed and the Offer had been closed on 31 December 2017, being the end of FY2017, the pro forma financial effects of the Proposed Acquisition and the Offer on the net gearing of the GEAR Group are set out below:

	Before completion of the Proposed Acquisition and close of the Offer	After completion of the Proposed Acquisition	After close of the Offer
Net Gearing Ratio[(1)]	0.23	0.29	0.37

Note:

(1) The Net Gearing Ratio is computed as (total liabilities excluding taxes - cash and cash equivalents) / (equity attributable to owners of GEAR + total liabilities excluding taxes - cash and cash equivalents).

8.5 **Effect on Share Capital.** The Proposed Acquisition and the Offer will not have any impact on the issued and paid-up share capital of the Company.

9. FURTHER INFORMATION

9.1 **Interests of Directors and Controlling Shareholders.** None of the directors and controlling shareholders of GEAR has any interest, direct or indirect, in the Proposed Acquisition or the Offer.

9.2 **No Directors' Service Contracts.** No person is proposed to be appointed to the Board as part of the Proposed Acquisition or the Offer, and no director's service contract is proposed to be entered into by GEAR with any person in connection with the Proposed Acquisition or the Offer.

9.3 **Documents for Inspection.** Copies of the Share Sale Agreement and the Transfer Agreement are available for inspection during normal business hours at the registered office of GEAR at 20 Cecil Street, #05-05, PLUS, Singapore 049705, for a period of three months commencing from the date of this Announcement.

10. RESPONSIBILITY STATEMENT

The directors of GEAR (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 Ascend Global and Stanmore Coal) 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 Ascend Global and Stanmore Coal) 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 of GEAR 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
19 November 2018

Forward Looking Statements

This Announcement may include certain statements that are in the nature of forward looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties which could cause actual values, results, performance or achievements to differ materially from those expressed, implied or projected in any forward looking statement.

The forward looking statements in this Announcement reflect the views held only as at the date of this Announcement. While GEAR believes that the expectations reflected in the forward looking statements in this Announcement are reasonable, no assurance can be given that such expectations will prove to be correct. You are cautioned not to place undue reliance on any forward looking statement.

Schedule 1
Offer Announcement

Schedule 2
Bidder's Statement