

**CIRCULAR DATED 4 AUGUST 2017**

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.**

If you have sold or transferred all your shares in the capital of the Company, you should immediately forward this Circular, the Notice of Extraordinary General Meeting and the Proxy Form to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for onward transmission to the purchaser or transferee.

**If you are in any doubt as to the contents herein or as to the course of action that you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.**

The Singapore Exchange Securities Trading Limited assumes no responsibility for the accuracy of any of the statements made, reports contained or opinions expressed in this Circular.



**GOLDEN ENERGY AND RESOURCES LIMITED**

**(formerly known as United Fiber System Limited)**

(Incorporated in the Republic of Singapore)

(Company Registration No. 199508589E)

**CIRCULAR TO SHAREHOLDERS IN RELATION TO  
THE PROPOSED AMENDMENTS TO THE  
COAL SALES AGREEMENT**

**Independent Financial Adviser**

**in relation to the Proposed Amendments to the Coal Sales Agreement**



**KPMG Corporate Finance Pte Ltd**

(Incorporated in the Republic of Singapore)

(Company Registration No. 198500417D)

**IMPORTANT DATES AND TIMES**

Last date and time for lodgment of Proxy Form	:	18 August 2017 at 3.00 p.m.
Date and time of Extraordinary General Meeting	:	21 August 2017 at 3.00 p.m.
Place of Extraordinary General Meeting	:	STI Auditorium 168 Robinson Road Level 9, Capital Tower Singapore 068912

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## DEFINITIONS

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In this Circular, the following definitions apply throughout unless otherwise stated:

- “associate”** : (a) In relation to any Director, Chief Executive Officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:
- (i) his immediate family (that is, the person’s spouse, child, adopted child, step-child, sibling and parent);
  - (ii) the trustee of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
  - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more;
- (b) In relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- “Audit Committee”** : The audit committee of the Company which, as at the date of this Circular, comprises Mr. Lim Yu Neng Paul and Mr. Lew Syn Pau (both of whom are Independent Directors) and Mr. Lay Krisnan Cahya (who is a Non-Executive Chairman)
- “Base Price”** : A price that is determined with reference to the weighted average of the actual prices for the export sale of coal products agreed by the Primary Suppliers with third parties over a specified period (or such definition as may be set out in the Coal Sales Agreement)
- “Board”** : The Board of Directors of the Company
- “CDP”** : The Central Depository (Pte) Limited
- “Chief Executive Officer”** : The most senior executive officer of the Company who is responsible under the immediate authority of the Board for the conduct of the business of the Company, being Mr. Fuganto Widjaja as at the date of this Circular
- “Coal Product One”** : Has the meaning ascribed to it in paragraph 2.2 of the Letter to Shareholders
- “Coal Product Two”** : Has the meaning ascribed to it in paragraph 2.2 of the Letter to Shareholders
- “Coal Sales Agreement”** : The coal sales agreement dated 11 August 2011 (as amended, supplemented or otherwise modified) between GEMS and GMR

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## DEFINITIONS

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	setting out the terms and conditions for the sale of coal from GEMS to GMR
<b>“Coal Sales Support Agreement”</b>	: The coal sales support agreement dated 11 August 2011 (as amended, supplemented or otherwise modified) between GMR, GEMS and the Primary Suppliers
<b>“Companies Act”</b>	: The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
<b>“Company”</b>	: Golden Energy and Resources Limited
<b>“Control”</b>	: The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company
<b>“Controlling Shareholder”</b>	: A person who: <ul style="list-style-type: none"> <li>(a) holds directly or indirectly 15% or more of the total number of issued shares excluding treasury shares and subsidiary holdings in a company (unless the SGX-ST determines that a person who satisfies this is not a Controlling Shareholder of the company); or</li> <li>(b) in fact exercises Control over the company</li> </ul>
<b>“Directors”</b>	: The directors of the Company for the time being
<b>“DSS”</b>	: PT Dian Swastatika Sentosa Tbk
<b>“EGM”</b>	: The extraordinary general meeting of the Company to be held at STI Auditorium, 168 Robinson Road, Level 9, Capital Tower, Singapore 068912 on 21 August 2017 at 3.00 p.m., notice of which is set out on page C-1 of this Circular
<b>“Floor Price”</b>	: The reasonable actual costs incurred by the relevant Primary Supplier in producing, processing and transporting the relevant coal product from its mine to GEMS to the delivery point, plus an agreed margin on each tonne of coal
<b>“GEMS”</b>	: PT Golden Energy Mines Tbk
<b>“GEMS Group”</b>	: GEMS and its subsidiaries, and the term <b>“GEMS Group Company”</b> shall be construed accordingly
<b>“GEMS Operational Agreements”</b>	: Has the meaning ascribed to it in paragraph 2.1 of the Letter to Shareholders
<b>“GEMS Trading”</b>	GEMS Trading Resources Pte Ltd
<b>“GMR”</b>	: GMR Coal Resources Pte Ltd
<b>“Group”</b>	: The Company and its subsidiaries

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## DEFINITIONS

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<b>“Independent Directors”</b>	: The Directors who are considered independent for the purposes of the proposed amendments to the Coal Sales Agreement, being all the Directors
<b>“KPMG CF”</b>	: KPMG Corporate Finance Pte Ltd
<b>“Latest Practicable Date”</b>	: The latest practicable date prior to the printing of this Circular, being 24 July 2017
<b>“Letter to Shareholders”</b>	: The letter from the Board to the Shareholders in relation to the proposed amendments to the Coal Sales Agreement, as set out on pages 5 to 11 of this Circular
<b>“Listing Manual”</b>	: The listing manual of the SGX-ST, including any amendments made thereto up to the Latest Practicable Date
<b>“Management and Technical Support Agreement”</b>	: The management and technical support agreement dated 11 August 2011 (as amended, supplemented or otherwise modified) between GEMS and GMR in relation to certain management and technical support services provided by GMR to GEMS
<b>“Market Day”</b>	: A day on which the SGX-ST is open for trading in securities
<b>“Primary Suppliers”</b>	: Certain GEMS Group Companies in connection with the GEMS Operational Agreements
<b>“qualifying shipment”</b>	: Has the meaning ascribed to it in paragraph 2.3(c) of the Letter to Shareholders
<b>“Reduced Tonnage”</b>	: Has the meaning ascribed to it in paragraph 2.3(d) of the Letter to Shareholders
<b>“Registrar”</b>	: The Registrar of Companies
<b>“RTO”</b>	: The reverse take-over of the Company by DSS, as more fully described in the RTO Circular
<b>“RTO Circular”</b>	: The circular to Shareholders dated 30 January 2015 in relation to, among others, the acquisition of the Company by DSS, a copy of which is available at <a href="http://www.sgx.com">www.sgx.com</a>
<b>“Securities Account”</b>	: Securities accounts maintained by depositors with CDP, but not including securities accounts maintained with a depository agent
<b>“Securities and Futures Act”</b>	: The Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time
<b>“SGX-ST”</b>	: Singapore Exchange Securities Trading Limited
<b>“Shares”</b>	: Ordinary shares in the share capital of the Company
<b>“Shareholders”</b>	: Registered holders for the time being of Shares, except that where the registered holder is CDP, the term <b>“Shareholders”</b>

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## DEFINITIONS

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shall, where the context admits, mean the depositors whose Securities Accounts are credited with Shares

**“Shortfall Tonnage”** : Has the meaning ascribed to it in paragraph 2.3(e) of the Letter to Shareholders

**“Substantial Shareholder”** : A person (including a corporation) who has an interest in not less than five per cent. of the issued voting shares of the Company

**“%” or “per cent.”** : Per centum or percentage

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

The term **“Depositor”** and **“depository agent”** shall have the meanings ascribed to them in Section 81SF of the Securities and Futures Act.

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted.

Any reference to a time of day in this Circular is made by reference to Singapore time unless otherwise stated.

Any discrepancies in the tables between the listed amounts and totals thereof are due to rounding.

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## LETTER TO SHAREHOLDERS

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### GOLDEN ENERGY AND RESOURCES LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 199508589E)

**Directors:**

Mr. Lay Krisnan Cahya (Non-Executive Chairman)  
Mr. Fuganto Widjaja (Executive Director, Group CEO)  
Mr. Dwi Prasetyo Suseno (Executive Director, Deputy Group CEO)  
Mr. Mochtar Suhadi (Executive Director)  
Mr. Lim Yu Neng Paul (Lead Independent Director)  
Mr. Irwandy Arif (Independent Director)  
Mr. Lew Syn Pau (Independent Director)

**Registered Office:**

20 Cecil Street  
#05-05 GSH Plaza  
Singapore 049705

4 August 2017

**To: The Shareholders of Golden Energy and Resources Limited**

Dear Sir/Madam

#### 1. INTRODUCTION

The Directors refer to the Notice of the EGM of the Company to be held on 21 August 2017.

The purpose of this Circular is to provide Shareholders with information relating to the Ordinary Resolution relating to the proposed amendments to the Coal Sales Agreement.

#### 2. PROPOSED AMENDMENTS TO THE COAL SALES AGREEMENT

**2.1 Background to entry into Coal Sales Agreement.** On 11 August 2011, GEMS entered into the GEMS Operational Agreements with GMR and the Primary Suppliers, in connection with GMR's investment in GEMS. The GEMS Operational Agreements comprise:

- (a) the Coal Sales Agreement, which relates to the sale of coal by GEMS to GMR for a duration of 25 years; and
- (b) the Coal Sales Support Agreement, which relates to, *inter alia*, the guarantee by the Primary Suppliers of GEMS' obligations under the Coal Sales Agreement.

Details of the GEMS Operational Agreements were set out in Section B.4 of the RTO Circular. On 11 August 2011, GEMS and GMR entered into the Management and Technical Support Agreement, which relates to certain management and technical support services provided by GMR to GEMS for a period of eight years at an agreed monthly fee. On 30 November 2016, GEMS and GMR agreed to terminate the Management and Technical Support Agreement.

The Company holds 66.9998% of the equity interest in GEMS. GMR holds 30% of the equity interest in GEMS and the remaining 0.0002% is held by SMC, an affiliate of DSS. The remaining 3% equity interest in GEMS is owned by public shareholders. As stated in the RTO Circular, SGX ruled that GMR would be regarded as an "interested person" of the Company by virtue of its ownership of 30% of the issued share capital of GEMS (notwithstanding that GMR does not have any interest in the Company). Consequently, transactions between GMR or any of its associates and the Group are regarded as "interested person transactions" and

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## LETTER TO SHAREHOLDERS

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subject to the provisions of Chapter 9 of the Listing Manual. As such, any amendments to the GEMS Operational Agreements will be subject to Chapter 9 of the Listing Manual.

- 2.2 Coal Sales Agreement.** Under the Coal Sales Agreement, GEMS has agreed to supply GMR with two types of coal (one with lower calorific value ("**Coal Product One**"), and the other with higher calorific value ("**Coal Product Two**")) over a 25-year period at a certain agreed pricing formulae, which price is (a) at a 7% discount to the weighted average of the actual prices agreed by the subsidiaries with third parties for the export sale of coal products over a period of six months prior to the relevant delivery period (the "**Base Price**") for the first three delivery years, and (b) at a 6% discount to such weighted average price from the fourth delivery year onwards.

Although the licenses for the GEMS Group to produce Coal Product One will expire in 2036, GEMS is entitled under Indonesian law to extend the validity of such licenses twice, with each extension for a period of ten years, which would enable GEMS to fulfil its obligations under the Coal Sales Agreement.

### **Establishment of Base Price**

In order to establish the initial Base Price under the existing pricing formulae in the Coal Sales Agreement, the Primary Suppliers are required to sell a specified minimum number of third party shipments for export sale per month and per six-month period. It has been difficult for the Primary Suppliers to meet the specified minimum number of third party shipments in each month over the past few years because of the decline in demand for export coal from Indonesia which led to the decline in the coal price. This decrease in demand in turn resulted in the GEMS Group being unable to sell the required number of third party shipments of Coal Product One on an export basis in each month during the six-month periods over the last few years.

With respect to Coal Product Two, the GEMS Group has been unable to sell any third party shipments on an export basis because the price at which the GEMS Group would have to charge for Coal Product Two (after taking into account the transportation costs from the mines to the relevant ports) would be higher than the price that third party coal purchasers would be able to obtain in the international coal export market. Consequently, the parties have not been able to establish the Base Price with respect to Coal Product One and Coal Product Two under the Coal Sales Agreement.

Since the signing of the Coal Sales Agreement, the parties have been unable to establish the Base Price under the existing pricing formula for Coal Product One and Coal Product Two because of the requirement under the Coal Sales Agreement for the Primary Suppliers to sell a minimum number of third party shipments on an export basis.

### **Production and Sale of Coal Product Two**

Since the signing of the Coal Sales Agreement, GEMS' total coal reserves and coal resources of Coal Product Two have decreased, among other things, through the ordinary course of coal production and sales to domestic purchasers. Furthermore, the coal mining licenses issued to the Primary Suppliers have a fixed validity period. In addition, the continued coal production and domestic sales of Coal Product Two would generally be more beneficial to the GEMS Group as a whole as the profit margin of Coal Product Two to domestic purchasers would be higher than what the GEMS Group would be able to obtain if Coal Product Two were sold on an export basis. If the Primary Suppliers were to defer production of Coal



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## LETTER TO SHAREHOLDERS

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Product Two or store Coal Product Two in anticipation of satisfying the commitments under the Coal Sales Agreement, the Primary Suppliers would lose the opportunity to sell Coal Product Two to other third parties or related parties.

In view of the fixed validity period under the mining licence for the Primary Suppliers to produce Coal Product Two thereby giving GEMS a limited period of time to produce Coal Product Two, the Company is of the view that the Primary Suppliers should continue to produce Coal Product Two for sales to other parties (and not defer production until the parties establish the Base Price or reserve and store Coal Product Two for the commitments under the Coal Sales Agreement) where there is an opportunity for the Primary Suppliers to sell Coal Product Two to other parties which could yield higher profit margins.

### **Negotiations for the amendments to the Coal Sales Agreement**

Given that the parties were unable to establish the Base Price and in view of the limited reserves and production period for the Primary Suppliers, in late 2013, GEMS and GMR commenced negotiations to amend the Coal Sales Agreement. These negotiations were held on an arm's length basis and throughout these negotiations, GEMS took into account the following considerations:

- (i) the parties should agree on a pricing formula that would make it easier for the Base Price to be established;
- (ii) any revised pricing formula should continue to be benchmarked against an objective reference price; and
- (iii) any proposed amendments to the Coal Sales Agreement should provide the GEMS Group with the flexibility to reduce the commitment to supply Coal Product Two under the Coal Sales Agreement.

### **2.3 Proposed amendments to the Coal Sales Agreement.** The proposed amendments to the Coal Sales Agreement are as follows:

- (a) the definition of "Base Price" in the Coal Sales Agreement will be amended such that it will be determined primarily with reference to the Indonesian Coal Index with an adjustment based on the average relevant sales price of all qualifying shipments under the Coal Sales Agreement;
- (b) the requirement to have a minimum number of third party shipments per month for Coal Product One and Coal Product Two in order to establish the Base Price will be removed, and in respect of Coal Product Two, the minimum number of third party shipments in a six-month period to establish the Base Price for Coal Product Two has been lowered from 18 to 12;
- (c) a 35,000 metric ton third party shipment would be regarded as a single third party shipment (a "**qualifying shipment**"), and if a single third party shipment exceeds certain specified thresholds, such shipment will be regarded as two or three separate qualifying shipments (depending on the quantum of coal tonnage in such shipment) for the purposes of satisfying the requirement to have a minimum number of third party shipments in a six-month period;

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## LETTER TO SHAREHOLDERS

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- (d) the aggregate tonnage for Coal Product Two to be delivered by GEMS under the Coal Sales Agreement over its entire duration will be reduced. The extent of reduction (“**Reduced Tonnage**”) will depend on when the Base Price for Coal Product Two can be established.

For purposes of illustration only, in the event that Base Price is established and delivery of Coal Product Two commences only in the fifth delivery year:

- (i) the Reduced Tonnage will be 5,750,000 metric tonnes (derived from the aggregate of 500,000 metric tonnes (in respect of the first delivery year), 750,000 metric tonnes (in respect of the second delivery year), 1,500,000 metric tonnes (in respect of the third delivery year) and 3,000,000 metric tonnes (in respect of the fourth delivery year)); and
  - (ii) GEMS’ delivery obligations for Coal Product Two in the fifth delivery year will be 500,000 tonnes, and will continue to increase in the manner set out in the table in Appendix A of this Circular; and
- (e) other amendments which are clarificatory and administrative in nature will be made to the Coal Sales Agreement, for example:
  - (i) by clarifying the definition of “Floor Price” to mean the average of the production costs of a coal product in the relevant quarter of GEMS’ financial year, which would include the reasonable the actual costs of production, processing and transporting the relevant coal product; and
  - (ii) by specifying that if GMR fails to take delivery of at least 90.0% of the annual tonnage (such shortfall in quantity not taken by GMR, the “**Shortfall Tonnage**”) and GEMS sells the Shortfall Tonnage to a third party, GMR shall pay GEMS compensation based on the differential in the average sale price to the third party buyer, and the average Base Price or Floor Price in a delivery year, whichever is higher.

A summary of the existing key provisions in the Coal Sales Agreement and the proposed amendments thereto are set out in Appendix A of this Circular.

**2.4 Benefits of the proposed amendments to the Coal Sales Agreement.** The Company and GEMS are of the view that the proposed amendments to the Coal Sales Agreement are beneficial to GEMS for the following reasons:

- (a) it was, and continues to be, difficult for the GEMS Group to establish the Base Price under the existing pricing formula for Coal Product One and Coal Product Two because of the requirement under the Coal Sales Agreement for the Primary Suppliers to sell a minimum number of third party shipments. In addition, the existing pricing formula for determining the Base Price was also not commercially practical as it did not reflect the current market price for coal products given that the existing pricing formula under the existing Coal Sales Agreement sets the price of coal shipments in the prevailing six month period based on the weighted average price of the actual prices agreed by the Primary Suppliers with all third party buyers in the immediately preceding six month period;
- (b) under the proposed amendments to the definition of “Base Price”, removal of the requirement to have a minimum number of shipments in a single month, and the

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## LETTER TO SHAREHOLDERS

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introduction of the term “qualifying shipment” (referred to above in paragraph 2.3(c)), GEMS will be able to establish the Base Price at least for Coal Product One in the near future;

- (c) with regard to Coal Product Two, as almost all of Coal Product Two has been supplied to related parties and not third parties, the sale of coal shipments to related parties will not be regarded as a “qualifying shipment”. In view of this, the Base Price for Coal Product Two may not be established for at least the foreseeable next two years. Given that (i) the GEMS Group has a limited reserve base for Coal Product Two, (ii) the GEMS Group continues to produce and sell Coal Product Two to other parties and (iii) it could be some time before the Base Price for Coal Product Two can be established, it would be beneficial for GEMS to reduce its aggregate delivery commitment of Coal Product Two for the entire supply duration under the Coal Sales Agreement;
- (d) as the GEMS Group will require sufficient time to gradually ramp up its production of Coal Product Two, it would be beneficial for the GEMS Group to gradually increase its delivery obligations for Coal Product Two during the initial delivery years under the Coal Sales Agreement, and apply any reduction of the delivery obligations of the GEMS Group for Coal Product Two at the end of the term of the Coal Sales Agreement where the required tonnage for delivery of Coal Product Two is at its highest; and
- (e) amending the Coal Sales Agreement will provide the GEMS Group with the opportunity to sell coal to GMR on a long-term basis and provide certainty for the GEMS Group’s supply commitments.

The Audit Committee has not taken a different view from the independent financial advisor’s opinion with respect to the proposed amendments to the Coal Sales Agreement as set out in paragraph 3.1 of the Letter to Shareholders and in the independent financial advisor’s opinion as set out in Appendix B of this Circular.

### 3. ADVICE FROM KPMG CF TO THE INDEPENDENT DIRECTORS

#### 3.1 Independent Financial Adviser’s Opinion. KPMG CF has been appointed as the independent financial adviser in relation to proposed amendments to the Coal Sales Agreement.

Having regard to the considerations set out in its letter and the information available to KPMG CF as at the Latest Practicable Date, KPMG CF is of the opinion that the proposed amendments to the Coal Sales Agreement are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

The letter from KPMG CF to the Independent Directors dated 4 August 2017 with respect to the proposed amendments to the Coal Sales Agreement is in Appendix B of this Circular.

#### 3.2 Consent. KPMG CF has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, its letter to the Independent Directors dated 4 August 2017 and all references thereto, in the form and context in which they appear in this Circular.

## LETTER TO SHAREHOLDERS

### 4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

**4.1 Interests of Directors.** The interests of the Directors in the Shares as recorded in the Register of Directors' Shareholdings of the Company as at the Latest Practicable Date are set out below:

Director	Number of Shares			
	Direct interest	%	Deemed interest	% <sup>(1)</sup>
Mr. Lay Krisnan Cahya	—	—	—	—
Mr. Fuganto Widjaja <sup>(2)</sup>	—	—	—	—
Mr. Dwi Prasetyo Suseno	—	—	—	—
Mr. Mochtar Suhadi	—	—	—	—
Mr. Lim Yu Neng Paul <sup>(3)</sup>	—	—	320,000	0.0136
Mr. Lew Syn Pau	—	—	—	—
Mr. Irwandy Arif	—	—	—	—

**Notes:**

- (1) Based on an issued share capital of 2,353,100,380 Shares as at the Latest Practicable Date.
- (2) Mr. Fuganto Widjaja is the son of Mr. Indra Widjaja and the nephew of Messrs Franky Oesman Widjaja and Muktar Widjaja. Messrs Indra Widjaja, Franky Oesman Widjaja and Muktar Widjaja are the ultimate controlling shareholders of the Company.
- (3) Held through Citibank Nominees Singapore Pte Ltd and DBS Nominees Pte Ltd.

**4.2 Interests of Substantial Shareholders.** The interests of the Substantial Shareholders in the Shares as recorded in the Register of Substantial Shareholders of the Company as at the Latest Practicable Date are set out below:

Substantial Shareholders	Number of Shares			
	Direct interest	% <sup>(1)</sup>	Deemed interest	% <sup>(1)</sup>
DSS	2,044,145,469	86.87	—	—
PT Sinar Mas Tunggal <sup>(2)</sup>	—	—	2,044,145,469	86.87
PT Sinar Mas <sup>(2)</sup>	—	—	2,044,145,469	86.87
PT Sinar Mas Cakrawala <sup>(2)</sup>	—	—	2,044,145,469	86.87
PT Sinarindo Gerbangmas <sup>(2)</sup>	—	—	2,044,145,469	86.87
Franky Oesman Widjaja <sup>(3)</sup>	—	—	2,044,145,469	86.87
Muktar Widjaja <sup>(3)</sup>	—	—	2,044,145,469	86.87
Indra Widjaja <sup>(3)</sup>	—	—	2,044,145,469	86.87

**Notes:**

- (1) Based on an issued share capital of 2,353,100,380 Shares as at the Latest Practicable Date.
- (2) PT Sinar Mas Tunggal is deemed interested in 2,044,145,469 shares held by DSS by virtue of its shareholding of no less than 20% of the voting shares in DSS. PT Sinar Mas is deemed interested in 2,044,145,469 shares held by DSS by virtue of its shareholding of no less than 20% of the voting shares in PT Sinar Mas Tunggal. PT Sinar Mas Cakrawala is deemed interested in 2,044,145,469 shares held by DSS by virtue of its shareholding of no less than 20% of the voting shares in PT Sinar Mas. PT Sinarindo Gerbangmas is deemed interested in 2,044,145,469 shares held by DSS by virtue of its shareholding of no less than 20% of the voting shares in PT Sinar Mas Cakrawala.
- (3) Mr Franky Oesman Widjaja, Mr Muktar Widjaja and Mr Indra Widjaja are deemed interested in 2,044,145,469 shares held by DSS by virtue of their individual shareholdings of no less than 20% of the voting shares in PT Sinarindo Gerbangmas.

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## LETTER TO SHAREHOLDERS

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### 5. DIRECTORS' RECOMMENDATIONS

- 5.1 Proposed amendments to the Coal Sales Agreement.** The Directors, after taking into account the rationale and information relating to the amendments to the Coal Sales Agreement set out in paragraph 2 of the Letter to Shareholders and Appendix B to this Circular, are of the opinion that the proposed amendments to the Coal Sales Agreement are in the best interests of the Company. **Accordingly, the Directors recommend that Shareholders vote in favour of the Ordinary Resolution relating to the proposed amendments to the Coal Sales Agreement as set out in the Notice of EGM.**

### 6. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the proposed amendments to the Coal Sales Agreement and about the Company and its subsidiaries which are relevant to the proposed amendments to the Coal Sales Agreement, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

### 7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected by Shareholders at the registered office of the Company, during normal business hours from the date of this Circular up to the date of the EGM:

- (a) the Coal Sales Agreement dated 11 August 2011 and the draft amendment agreement to the Coal Sales Agreement;
- (b) the letter from KPMG CF to the Independent Directors dated 4 August 2017;
- (c) the letter of consent from KPMG CF referred to in paragraph 3.2 of the Letter to Shareholders; and
- (d) the annual report of the Company for the financial year ended 31 December 2016.

Yours faithfully,  
for and on behalf of the Board of  
Golden Energy and Resources Limited

Mr. Fuganto Widjaja  
Executive Director, Group CEO

# APPENDIX A

## PROPOSED AMENDMENTS TO THE COAL SALES AGREEMENT

No	Summary of Existing Provisions of the Coal Sales Agreement	Summary of Proposed Amendments to the Coal Sales Agreement																										
1.	<p><i>Quantity.</i> The Coal Sales Agreement provides that GEMS is to deliver the following quantities of coal (“the <b>Annual Tonnage</b>”) in each of the following delivery years, subject to a variation of up to plus or minus 10.0%:</p> <ul style="list-style-type: none"> <li>– 1 million tonnes in the first delivery year</li> <li>– 1.5 million tonnes in the second delivery year</li> <li>– 3 million tonnes in the third delivery year</li> <li>– 6 million tonnes in the fourth delivery year</li> <li>– 8 million tonnes in the fifth and sixth delivery years</li> <li>– 10 million tonnes for each year, starting from the seventh to the twenty-fifth delivery year</li> </ul> <p>The ratio of Coal Product One and Coal Product Two with respect to the Annual Tonnage to be delivered in each delivery year for the first six delivery years is 50:50.</p> <p>After the sixth delivery year, GEMS may reduce the ratio of Coal Product Two (but not the Annual Tonnage) to be delivered in each delivery year by up to 20%.</p> <p>GMR may, with three (3) months’ notice prior to the commencement of the delivery year, elect to reduce the Annual Tonnage by up to 50.0% in respect of each of the first five delivery years. Thereafter, at each quarter, GMR may by written notice reduce the amount of coal to be delivered in that quarter provided that the overall reduction in the Annual Tonnage of the delivery year may not be more than 50.0% of the Annual Tonnage of that delivery year. GEMS and GMR may also at any time agree in writing to adjust the Annual Tonnage for a delivery year.</p> <p>Deliveries of coal are subject to a variation of up to plus or minus 10.0%, unless otherwise agreed between GEMS and GMR.</p>	<p><i>Quantity.</i> The Coal Sales Agreement provides that GEMS is to deliver the following quantities of coal in each of the following delivery years, subject to a variation of up to plus or minus 10.0%:</p> <table border="1"> <thead> <tr> <th rowspan="2"></th><th colspan="2">Annual Tonnage Breakdown (metric tonnes)</th></tr> <tr> <th>Coal Product One Annual Tonnage</th><th>Coal Product Two Annual Tonnage</th></tr> </thead> <tbody> <tr> <td>1<sup>st</sup> Delivery Year</td><td>500,000</td><td>500,000</td></tr> <tr> <td>2<sup>nd</sup> Delivery Year</td><td>750,000</td><td>750,000</td></tr> <tr> <td>3<sup>rd</sup> Delivery Year</td><td>1,500,000</td><td>1,500,000</td></tr> <tr> <td>4<sup>th</sup> Delivery Year</td><td>3,000,000</td><td>3,000,000</td></tr> <tr> <td>5<sup>th</sup> Delivery Year</td><td>4,000,000</td><td>4,000,000</td></tr> <tr> <td>6<sup>th</sup> Delivery Year</td><td>4,000,000</td><td>4,000,000</td></tr> <tr> <td>7<sup>th</sup> Delivery Year to 25<sup>th</sup> Delivery Year</td><td>5,000,000</td><td>5,000,000</td></tr> </tbody> </table> <p>After the sixth delivery year, GEMS may reduce the ratio of Coal Product Two (but not the Annual Tonnage) to be delivered in each delivery year by up to 20%.</p> <p>GMR may, with three (3) months’ notice prior to the commencement of the delivery year, elect to reduce the Annual Tonnage by up to 50.0% in respect of each of the first five delivery years. Thereafter, at each quarter, GMR may by written notice reduce the amount of coal to be delivered in that quarter provided that the overall reduction in the Annual Tonnage of the delivery year may not be more than 50.0% of the Annual Tonnage of that delivery year. GEMS and GMR may also at any time agree in writing to adjust the Annual Tonnage for a delivery year.</p> <p>Deliveries of coal are subject to a variation of up to plus or minus 10.0%, unless otherwise agreed between GEMS and GMR.</p> <p>The aggregate tonnage for Coal Product Two will be reduced. The extent of reduction (the “<b>Reduced Tonnage</b>”) will depend on when the Base Price for Coal Product Two can be established and will be determined by reference to the tonnage that would otherwise have to be delivered during the period from the commencement of the Coal Sales Agreement to the time that the Base Price for Coal Product Two is established. <i>For purposes of illustration only, in the event that the Base Price is established and delivery of Coal Product Two commences only in the 5th Delivery Year:</i></p> <p>(i) <i>the Reduced Tonnage will be 5,750,000 metric tonnes (derived from the aggregate of 500,000</i></p>		Annual Tonnage Breakdown (metric tonnes)		Coal Product One Annual Tonnage	Coal Product Two Annual Tonnage	1 <sup>st</sup> Delivery Year	500,000	500,000	2 <sup>nd</sup> Delivery Year	750,000	750,000	3 <sup>rd</sup> Delivery Year	1,500,000	1,500,000	4 <sup>th</sup> Delivery Year	3,000,000	3,000,000	5 <sup>th</sup> Delivery Year	4,000,000	4,000,000	6 <sup>th</sup> Delivery Year	4,000,000	4,000,000	7 <sup>th</sup> Delivery Year to 25 <sup>th</sup> Delivery Year	5,000,000	5,000,000
	Annual Tonnage Breakdown (metric tonnes)																											
	Coal Product One Annual Tonnage	Coal Product Two Annual Tonnage																										
1 <sup>st</sup> Delivery Year	500,000	500,000																										
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6 <sup>th</sup> Delivery Year	4,000,000	4,000,000																										
7 <sup>th</sup> Delivery Year to 25 <sup>th</sup> Delivery Year	5,000,000	5,000,000																										



## APPENDIX A

### PROPOSED AMENDMENTS TO THE COAL SALES AGREEMENT

No	Summary of Existing Provisions of the Coal Sales Agreement	Summary of Proposed Amendments to the Coal Sales Agreement
		<p><i>metric tonnes (in respect of the 1st Delivery Year), 750,000 metric tonnes (in respect of the 2nd Delivery Year), 1,500,000 metric tonnes (in respect of the 3rd Delivery Year) and 3,000,000 metric tonnes (in respect of the 4th Delivery Year); and</i></p> <p><i>(ii) GEMS' delivery obligations for Coal Product Two in the fifth delivery year will be 500,000 tonnes, and will continue to increase in the manner set out in the table illustrated above.</i></p> <p>The Reduced Tonnage will be applied to reduce the quantity of Coal Product Two which is required to be delivered in the 25<sup>th</sup> delivery year and if the Reduced Tonnage exceeds the delivery tonnage for that year, such excess tonnage amount will be applied to each immediately preceding delivery year until such excess tonnage is fully off-set against the required delivery tonnage. <i>For purposes of illustration only, in the event that the Reduced Tonnage is 13,000,000 metric tonnes, GEMS will not be obliged to deliver Coal Product Two in the 25<sup>th</sup> Delivery Year and 24<sup>th</sup> Delivery Year, and GEMS will only be obliged to deliver 2,000,000 metric tonnes in the 23<sup>rd</sup> Delivery Year.</i></p>
2.	<p><i>Coal products.</i> The Coal Sales Agreement provides for two (2) types of coal products with differing specifications to be supplied at a fixed ratio (which may be varied) to meet the Annual Tonnage in each delivery year.</p> <p>GEMS is obliged to ensure that GEMS or the Primary Suppliers, through the acquisition of new mines or concessions or procurement or contractual entitlement to coal on a long-term basis, will at all times have access to mineable reserves of at least 120.0% of the undelivered quantities of the relevant coal product to be delivered under the Coal Sales Agreement.</p>	No change
3.	<p><i>Price.</i> The selling price of each tonne of coal is the Discounted Base Price (as described below) plus any adjustment to be determined based on an agreed formula (which takes into account variations to certain specification of the coal product supplied under the Coal Sales Agreement), on a FOB delivery point basis.</p> <p>The “<b>Discounted Base Price</b>” is determined by the Base Price (as described below) multiplied by (1 minus the Applicable Discount (as described below)).</p> <p>The “<b>Base Price</b>” is determined with reference to the weighted average of the actual prices for the export sale of coal products agreed by the Primary Suppliers with third parties over a specified 6 month-</p>	<p><i>Price.</i> The selling price of each tonne of coal is the Discounted Base Price (as described below) plus any adjustment to be determined based on an agreed formula (which takes into account variations to certain specification of the coal product supplied under the Coal Sales Agreement), on a FOB delivery point basis.</p> <p>The “<b>Discounted Base Price</b>” is determined by the Base Price (as described below) multiplied by (1 minus the Applicable Discount (as described below)).</p> <p>The “<b>Base Price</b>” is determined with reference to the Indonesian Coal Index for the immediately preceding month (if the shipment occurs between the 15<sup>th</sup> to the last day of the relevant month) or</p>

## APPENDIX A

### PROPOSED AMENDMENTS TO THE COAL SALES AGREEMENT

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	<p>period (the “<b>Pricing Period</b>”).</p>	<p>immediately preceding second previous month (if the shipment occurs between the 1<sup>st</sup> day to the 15<sup>th</sup> day of the relevant month) prior to the relevant shipment, multiplied by an Adjustment Factor.</p> <p>The “<b>Adjustment Factor</b>” is determined by the average relevant sales price of all qualifying shipments in a qualifying shipment period divided by the relevant average Indonesian Coal Index within a ICI Period.</p> <p>“<b>qualifying shipments</b>” means a 35,000 metric ton third party shipment, and if a single third party shipment exceeds certain specified thresholds, such shipment will be regarded as two or three separate qualifying shipments (depending on the quantum of coal tonnage in such shipment) for the purposes of satisfying the requirement to have a minimum number of third party shipments in a six-month period.</p> <p>“<b>qualifying shipment period</b>” means (i) the second half of the previous calendar year (if the shipment occurs in the first half of a calendar year), or (ii) the first half of a calendar year (if the shipment occurs in the second half of the same calendar year).</p> <p>“<b>ICI Period</b>” means (i) the period between June to November of the previous calendar year (if the shipment occurs between January and June in a calendar year), or (ii) the period between December of the previous calendar year to May of the prevailing calendar year (if the shipment occurs between July to December in a calendar year).</p>
	<p>In the event that the number of transactions concluded between the Primary Suppliers and third parties for the purposes of computing the Base Price is (i) less than 12 for a Pricing Period or (ii) less than 3 for each month in a Pricing Period (which also effectively meant that an aggregate of 18 shipments was required for each Coal Product in a Pricing Period), the Base Price will be determined by using the previous Pricing Period’s Base Price multiplied by an adjustment that is calculated based on a specified formula with reference to the Indonesian Benchmark Price of certain types of coal in Indonesia.</p> <p>The “<b>Applicable Discount</b>” is 7% for the first three (3) delivery years, and 6% for the fourth and subsequent delivery years.</p> <p>In the event that the Discounted Base Price is lower than a “Floor Price” for a particular coal product, the Discounted Base Price shall be deemed to be equal to the “Floor Price”.</p> <p>Under the Coal Sales Agreement, the “<b>Floor Price</b>” is defined as the reasonable actual costs incurred by</p>	<p>In the event that the number of qualifying shipments for the purposes of computing the Adjustment Factor for a coal product is less than 18 (with respect to Coal Product One) and 12 (with respect to Coal Product Two) in a six-month period, the Seller and Buyer shall agree on an alternative Adjustment Factor for the relevant coal product to be applied, failing which the last available Adjustment Factor will be applied to determine the Base Price for that coal product.</p> <p>The “<b>Applicable Discount</b>” is 7% for the first three (3) delivery years, and 6% for the fourth and subsequent delivery years.</p> <p>In the event that the Discounted Base Price is lower than a “Floor Price” for a particular coal product, the Discounted Base Price shall be deemed to be equal to the “Floor Price”.</p> <p>Under the Coal Sales Agreement, the “<b>Floor Price</b>” is defined as the average of the production costs of</p>



## APPENDIX A

### PROPOSED AMENDMENTS TO THE COAL SALES AGREEMENT

No	Summary of Existing Provisions of the Coal Sales Agreement	Summary of Proposed Amendments to the Coal Sales Agreement
	the relevant Primary Supplier in producing, processing and transporting the relevant coal product from its mine to GEMS to the delivery point, plus an agreed margin on each tonne of coal.	a coal product in the relevant quarter of GEMS' financial year, which shall include the reasonable actual costs incurred by the relevant Primary Supplier in producing, processing and transporting the relevant coal product from its mine to GEMS to the delivery point, plus an agreed margin on each tonne of coal.
4.	<p><i>Shortfall Tonnage.</i> In the event that GMR fails to take at least 90.0% of the Annual Tonnage (as may be reduced or adjusted in accordance with the terms of the Coal Sales Agreement) for a delivery year (such shortfall in quantity not taken by GMR, the "<b>Shortfall Tonnage</b>"), GMR will have a period of three (3) months to take delivery of the Shortfall Tonnage at GEMS's sole cost and expense, failing which GEMS may sell the Shortfall Tonnage, not taken on an arm's length basis, to any third party buyer who is not an affiliate of GEMS in any manner.</p> <p>In such an event, GMR shall pay GEMS compensation based on the differential in sale price to the third party buyer and the selling price that would otherwise have been payable by GMR under the Coal Sales Agreement for the Shortfall Tonnage.</p>	<p><i>Shortfall Tonnage.</i> In the event that GMR fails to take at least 90.0% of the Annual Tonnage (as may be reduced or adjusted in accordance with the terms of the Coal Sales Agreement) for a delivery year (such shortfall in quantity not taken by GMR, the "<b>Shortfall Tonnage</b>"), GMR will have a period of three (3) months to take delivery of the Shortfall Tonnage at GEMS's sole cost and expense, failing which GEMS may sell the Shortfall Tonnage, not taken on an arm's length basis, to any third party buyer who is not an affiliate of GEMS in any manner.</p> <p>In such an event, GMR shall pay GEMS compensation based on the differential in average sale price to the third party buyer, and the (i) average Base Price in a delivery year and (ii) average Floor Price in a delivery year, whichever is the higher.</p>
5.	<p><i>Delivery Shortfall.</i> In the event that GEMS fails to deliver at least 90.0% of the Annual Tonnage (as may be reduced or adjusted in accordance with the terms of the Coal Sales Agreement) for a delivery year (such shortfall in quantity not delivered by GEMS, the "<b>Delivery Shortfall</b>"), GEMS shall have a period of three (3) months to supply the required coal products at the agreed specification (or substantially similar to the agreed specification) to GMR at GEMS's sole cost and expense. If GEMS fails to supply the entire Delivery Shortfall within this period, GMR shall be entitled to source for an alternative supply and GEMS shall reimburse GMR all reasonable costs incurred in obtaining the relevant coal products from the alternate supply and compensation equivalent to the difference between the price paid by GMR for such alternative supply and the selling price that would otherwise have been payable by GMR for the Delivery Shortfall under the Coal Sales Agreement.</p> <p>In the event that GEMS is unable to supply the entire Delivery Shortfall and GMR is unable to source an alternate supply within sixty (60) days from the failure of GEMS to deliver the Delivery Shortfall, GMR may require GEMS to pay to GMR an aggregate amount equal to the "Applicable Discount Valuation" that would have applied had the relevant Delivery Shortfall quantity been delivered.</p>	No change

**APPENDIX A**  
**PROPOSED AMENDMENTS TO THE COAL SALES AGREEMENT**

No	Summary of Existing Provisions of the Coal Sales Agreement	Summary of Proposed Amendments to the Coal Sales Agreement
	<p>Under the Coal Sales Agreement, the “<b>Applicable Discount Valuation</b>” means, for a particular quantity of coal, an amount equal to the difference in value between the Base Price multiplied by such quantity, and the Discounted Base Price multiplied by such quantity.</p> <p>In addition, GEMS must also pay GMR any liquidated damages that are customary based on market practices that GMR directly incurs or had incurred under any contract of sale of coal that GMR has entered into on an arm’s length basis that GMR had intended to satisfy with such Delivery Shortfall.</p>	
6.	<p><i>Delivery failure by GEMS.</i> If a shipment is undelivered by GEMS for any reason, GEMS will be liable for dead freight (if any) and GEMS must procure a replacement shipment of coal to be delivered to GMR if GMR so requires. If GEMS is unable to procure a replacement shipment, GMR may source for an alternative supply of coal equivalent to the quantity of the requested replacement shipment in a reasonable manner and GEMS shall pay to GMR the excess of the actual costs incurred in obtaining such alternative supply of coal from an alternate source, over the selling price that would have been paid by GMR for the shipment that was undelivered by GEMS.</p>	No change
7.	<p><i>Buyer’s priority right to coal.</i> In the event that GEMS is unable to procure sufficient coal to meet all of its delivery obligations to GMR and all other buyers of the relevant coal product for whatever reason, GEMS will give GMR a priority right to the sale and delivery of such coal product as it has available for delivery over all other such buyers, subject always to applicable laws.</p>	No change
8.	<p><i>Supply Security Event.</i> In the event that a Supply Security Event (defined under the Coal Sales Agreement as covering insolvency events, exhaustion of reserves or early closure of coal mines by the Primary Suppliers) materially and adversely affects the ability of GEMS to obtain coal from the Primary Suppliers to fulfill GEMS’s obligations under the Coal Sales Agreement, GEMS shall submit a supply security remedial plan to GMR, for its approval, to remedy the effects of the Supply Security Event (“<b>Supply Security Remedial Plan</b>”). If (i) GEMS does not provide the Supply Security Remedial Plan; (ii) GEMS fails to implement the Supply Security Remedial Plan that is approved by GMR; or (iii) an expert (appointed under the Coal Sales Agreement) determines that the Supply Security Remedial Plan cannot address the Supply Security Event, GMR may require GEMS to pay to GMR the present value of all Applicable Discount</p>	No change

**APPENDIX A**  
**PROPOSED AMENDMENTS TO THE COAL SALES AGREEMENT**

No	Summary of Existing Provisions of the Coal Sales Agreement	Summary of Proposed Amendments to the Coal Sales Agreement
	<p>Valuations that would apply to all remaining quantities of coal to be delivered over the remainder of the term of the Coal Sales Agreement as determined by an expert appointed under the Coal Sales Agreement. Upon the payment of such amount by GEMS, GMR may at its option, (i) require the Primary Suppliers to step in and perform GEMS's obligations under the Coal Sales Agreement in accordance with the Coal Sales Support Agreement, and the price of coal sold under the Coal Sales Agreement shall be determined with reference to the Base Price (without any Applicable Discount), or (ii) terminate the Coal Sales Agreement.</p>	
9.	<p><i><b>Seller Event of Default.</b></i> In the event that a specified "Seller Event of Default" (as defined under the Coal Sales Agreement) occurs, GMR may issue a notice (the "<b>Notice of Default</b>") to GEMS requiring GEMS to submit a program within thirty (30) days from the date of the Notice of Default to remedy such default within sixty (60) days from the date of the Notice of Default. If GEMS (i) fails to submit the program; (ii) fails to implement the program with due diligence after it has been approved by GMR; or (iii) fails to remedy the default or its effects within sixty (60) days from the date of the Notice of Default, or GEMS is subject to liquidation or similar proceedings (which have not been dismissed or discharged for a period of one hundred and eighty (180) days), provided also that a Buyer Event of Default (as defined under the Coal Sales Agreement) has not occurred, GMR may terminate the Coal Sales Agreement or require GEMS to pay the present value of all Applicable Discount Valuations for all remaining quantities of coal to be delivered over the remainder of the term of the Coal Sales Agreement as determined by an expert appointed under the Coal Sales Agreement.</p> <p>Upon payment of such amount, GMR may (i) require the Primary Suppliers to perform all of GEMS's obligations under the Coal Sales Agreement, in accordance with the Coal Sales Support Agreement, and the price of the coal sold under the Coal Sales Agreement shall be determined with reference to the Base Price (without any Applicable Discount), or (ii) terminate the Coal Sales Agreement. Upon such termination, GEMS shall indemnify GMR for all losses, costs and expenses incurred by GMR in, and as a result of, termination of the Coal Sales Agreement.</p>	No change

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**APPENDIX A**  
**PROPOSED AMENDMENTS TO THE COAL SALES AGREEMENT**

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No	Summary of Existing Provisions of the Coal Sales Agreement	Summary of Proposed Amendments to the Coal Sales Agreement
10.	<i>Buyer Event of Default.</i> In the event that certain specified Buyer Event of Default (as defined under the Coal Sales Agreement) occurs, GEMS may immediately deliver a notice requiring GMR to remedy such default within thirty (30) days of such notice. If GMR fails to remedy such default within the thirty (30) day period, and provided that a Seller Event of Default has not occurred and remains unremedied at that time, GEMS may terminate the Coal Sales Agreement. During the thirty (30) day period, GEMS may suspend deliveries of coal. Upon such termination, GMR shall indemnify GEMS for all losses, costs and expenses incurred by GEMS in, and as a result of, termination of the Coal Sales Agreement.	No material change

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**APPENDIX B**  
**LETTER FROM KPMG CF TO THE INDEPENDENT DIRECTORS ON THE PROPOSED**  
**AMENDMENTS TO THE COAL SALES AGREEMENT**

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4 August 2017

**The Independent Directors**  
**Golden Energy and Resources Limited**  
20 Cecil Street  
#05-05 GSH Plaza  
Singapore 049705

Dear Sirs

**THE PROPOSED AMENDMENTS TO THE COAL SALES AGREEMENT**

*For the purpose of this letter, capitalised terms not otherwise defined herein shall have the same meaning as given in the circular dated 4 August 2017 (the “Circular”) to the Shareholders of Golden Energy and Resources Limited.*

**1. INTRODUCTION**

On 11 August 2011, PT Golden Energy Mines Tbk (“**GEMS**”), a subsidiary of Golden Energy and Resources Limited (“**GEAR**” or “**Company**”), in an effort to secure GMR as a long term purchaser and major anchor customer for its coal, entered into, *inter alia*, the following agreements with GMR Coal Resources Pte Ltd (“**GMR**”) and the primary suppliers (“**Primary Suppliers**”) in connection with GMR’s investment in GEMS:

- The Coal Sales Agreement (“**CSA**”), which relates to the sale of coal from GEMS to GMR for a duration of 25 years; and
- The Coal Sales Support Agreement (“**CSSA**”), which relates to, *inter alia*, the guarantee by the Primary Suppliers of GEMS’ obligations under the Coal Sales Agreement.

together with the management and technical support agreement, termed as the “**GEMS Operational Agreements**”. On 30 November 2016, GEMS and GMR agreed to terminate the management and technical support agreement.

GEAR and GMR now propose to amend certain terms of the CSA (the “**Proposed CSA Amendments**”) details of which are set out in section 2.3 and Appendix A of the Circular, and reproduced below:

- “(a) *the definition “Base Price” in the Coal Sales Agreement will be amended such that it will be determined primarily with reference to the Indonesian Coal Index with an adjustment based on the average relevant sales price of all qualifying shipments under the Coal Sales Agreement;*
- “(b) *the requirement to have a minimum number of third party shipments per month for Coal Product One and Coal Product Two in order to establish the Base Price will be removed, and in respect of Coal Product Two, the minimum number of third party shipments in a six-month period to establish the Base Price for Coal Product Two has been lowered from 18 to 12;*

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**APPENDIX B**

**LETTER FROM KPMG CF TO THE INDEPENDENT DIRECTORS ON THE PROPOSED AMENDMENTS TO THE COAL SALES AGREEMENT**

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- (c) *a 35,000 metric ton third party shipment would be regarded as a single third party shipment (a “qualifying shipment”), and if a single third party shipment exceeds certain specified thresholds, such shipment will be regarded as two or three separate qualifying shipments (depending on the quantum of coal tonnage in such shipment) for the purposes of satisfying the requirement to have a minimum number of third party shipments in a six-month period;*
- (d) *the aggregate tonnage for Coal Product Two to be delivered by GEMS under the Coal Sales Agreement over its entire duration will be reduced. The extent of reduction (“Reduced Tonnage”) will depend on when the Base Price for Coal Product Two can be established.*

*For purposes of illustration only, in the event that Base Price is established and delivery of Coal Product Two commences only in the fifth delivery year:*

- (i) *the Reduced Tonnage will be 5,750,000 metric tonnes (derived from the aggregate of 500,000 metric tonnes (in respect of the first delivery year), 750,000 metric tonnes (in respect of the second delivery year), 1,500,000 metric tonnes (in respect of the third delivery year) and 3,000,000 metric tonnes (in respect of the fourth delivery year)) and*
  - (ii) *GEMS’ delivery obligations for Coal Product Two in the fifth delivery year will be 500,000 tonnes, and will continue to increase in the manner set out in the table in Appendix A of this Circular; and*
- (e) *other amendments which are clarificatory and administrative in nature will be made to the Coal Sales Agreement, for example:*
  - (i) *by clarifying the definition of “Floor Price” to mean the average of the production costs of a coal product in the relevant quarter of GEMS’ financial year, which would include the reasonable the actual costs of production, processing and transporting the relevant coal product; and*
  - (ii) *by specifying that if GMR fails to take delivery of at least 90.0% of the annual tonnage (such shortfall in quantity not taken by GMR, the “Shortfall Tonnage”) and GEMS sells the Shortfall Tonnage to a third party, GMR shall pay GEMS compensation based on the differential in the average sale price to the third party buyer, and the average Base Price or Floor Price in a delivery year, whichever is higher.”*

GMR, by virtue of its ownership of 30.0% of the issued share capital of GEMS, (notwithstanding that GMR does not have any interest in GEAR), is regarded as an interested person of GEAR. Consequently, transactions between GMR or any of its associates and GEAR or any of its associates, are regarded interested person transactions (“IPT”) and subject to the provisions of Chapter 9 of the Listing Manual of the Singapore Stock Exchange (“SGX-ST”). As such, any amendments to the GEMS Operational Agreements will be subject to the provisions of Chapter 9 of the Listing Manual of SGX-ST.

To comply with requirements of Chapter 9 of the Listing Manual, KPMG Corporate Finance Pte Ltd (“**KPMG Corporate Finance**”) has been appointed as the independent financial adviser (“**Independent Financial Adviser**” or “**IFA**”) to provide an opinion to the independent

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## APPENDIX B

### LETTER FROM KPMG CF TO THE INDEPENDENT DIRECTORS ON THE PROPOSED AMENDMENTS TO THE COAL SALES AGREEMENT

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directors ("**Independent Directors**") of GEAR to advise as to whether the Proposed CSA Amendments are on normal commercial terms and not prejudicial to the interests of GEAR and its minority Shareholders.

#### 2. TERMS OF REFERENCE

KPMG Corporate Finance has been appointed by the Independent Directors to advise on the Proposed CSA Amendments. We were neither a party to any negotiations in relation to the Proposed CSA Amendments, nor were we involved in any deliberations leading up to the decision by the Independent Directors to approve the amendment and their subsequent actions relating thereof. This letter is addressed to the Independent Directors for their benefit in connection with and for the purposes of their consideration of the Proposed CSA Amendments, and any recommendations made by them to the Shareholders shall remain the responsibility of the Independent Directors.

Our terms of reference do not require us to evaluate or comment on the legal, commercial and financial risks and/or merits of the Proposed CSA Amendments. Such evaluations or comments, if any, remain the responsibility of the Directors and the management of the Company ("**Management**"), although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion as set out in this letter.

We are not obliged, and we have not solicited, any indications of interest from any third party with respect to any other proposal similar to or in lieu of the CSA and the Proposed CSA Amendments. We are therefore not addressing the relative merits of them as compared to any alternative transaction (if any) previously considered by the Company and/or which otherwise may be available to the Company in the future.

In rendering advice in relation to the Proposed CSA Amendments, we have not had regard to the specific investment objectives, financial situation, tax position, tax status, risk profiles or particular needs and constraints or circumstances of any individual Shareholder. As each Shareholder would have different investment objectives and profiles, we would advise the Independent Directors to recommend that any individual Shareholder who may require specific advice in the context of his specific investment objectives or portfolio to consult his/her stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

In arriving at our opinion, we have conducted discussions with the Directors and Management of the Company, and have relied to a considerable extent on the information set out in the Circular, other public information collated by us and the information, representations, opinions, facts and statements provided to us, whether written or verbal, by the Group and its other professional advisers. We have relied upon and assumed the accuracy without having independently verified such information provided or any representation or assurance made by them, whether written or verbal, and accordingly cannot and do not make any representation or warranty, expressly or impliedly, in respect of, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information, representation or assurance. However, we have made such reasonable enquiries and exercised our judgment on the reasonable use of such information, as we deemed necessary and have found no reason to doubt the accuracy or reliability of such information and representations made to us.

The information which we relied on was based upon market, economic, industry, monetary and other conditions prevailing as at 24 July 2017 (the "**Latest Practicable Date**"). The information



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## APPENDIX B

### LETTER FROM KPMG CF TO THE INDEPENDENT DIRECTORS ON THE PROPOSED AMENDMENTS TO THE COAL SALES AGREEMENT

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and circumstances may change significantly over a relatively short period of time. We assume no responsibility to update, revise, or affirm our opinion in light of any subsequent development after the Latest Practicable Date, even if such subsequent developments may affect our opinion contained herein.

We have relied upon the responsibility statement that the Circular has been reviewed and approved by the Directors (including those who may have delegated detailed supervision of the Circular) who have taken all reasonable care to ensure that the facts stated and all opinions expressed in the Circular are fair and accurate and that no material facts has been omitted, the omission of which would make any statement in the Circular (other than this letter) misleading, and they jointly and severally accept responsibility accordingly.

The Company has been separately advised by its own advisers in the preparation of the Circular (other than this IFA letter). We have had no role or involvement and have not provided any advice, financial or otherwise, whatsoever in the preparation, review and verification of the Circular (other than this letter). Accordingly, we take no responsibility for and express no views, whether expressed or implied, on the contents of the Circular (other than this letter).

Our opinion in relation to the Proposed CSA Amendments, should be considered in the context of the entirety of this IFA letter and the Circular.

### 3. ASSESSMENT OF THE PROPOSED CSA AMENDMENTS

In our assessment of the Proposed CSA Amendments, we have given due consideration to the following:

#### 3.1 Issues with the existing CSA

Under the CSA, GEMS has agreed to supply GMR with two types of coal (one with a lower calorific value ("**Coal Product One**"), and the other with a higher calorific value ("**Coal Product Two**")) over a 25-year period at a certain agreed pricing formulae, which price is:

- (a) at a 7% discount to the weighted average of the actual prices agreed by the subsidiaries with third parties for the export sale of coal products over a period of six months prior to the relevant delivery period (the "**Base Price**") for the first three delivery years; and
- (b) at a 6% discount to such weighted average price from the fourth delivery year onwards.

In order to establish the initial Base Price under the existing pricing formulae in the Coal Sales Agreement, the Primary Suppliers are required to sell a minimum number of 18 third party shipments for export sale in each six-month period, with no less than 3 third party shipments for export sale in each month. It has been difficult for the Primary Suppliers to meet the specified minimum number of third party shipments in each month over the past few years because of the decline in demand for export coal from Indonesia which led to the decline in the coal price.

The parties have not been able to establish the Base Price with respect to Coal Product One and Coal Product Two under the Coal Sales Agreement:

- With respect to Coal Product One, the decrease in demand in turn resulted in the GEMS Group being unable to sell the required number of third party shipments of Coal Product One on an export basis in each month during the six-month periods over the last few years; and



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- With respect to Coal Product Two, the GEMS Group has been unable to sell any third party shipments on an export basis because the price at which the GEMS Group would have to charge for Coal Product Two (after taking into account the transportation costs from the mines to the relevant ports) would be higher than the price that third party coal purchasers would be able to obtain in the international coal export market.

We note that the existing pricing formula for determining the Base Price is not commercially practical as the parties to the CSA have been unable to establish the Base Price since the signing of the CSA.

#### 3.2 Negotiation of the Proposed CSA Amendments

Given that the parties were unable to establish the Base Price and in view of the limited reserves and production period for the Primary Suppliers, in late 2013, GEMS and GMR commenced negotiations to amend the Coal Sales Agreement.

We understand that the following issues were considered by the Management of GEMS in undertaking negotiations:

- The parties should agree on a pricing formula that would make it easier for the Base Price to be established;
- Any revised pricing formula should continue to be benchmarked against an objective reference price; and
- Any proposed amendments to the Coal Sales Agreement should provide the GEMS Group with the flexibility to reduce the commitment to supply Coal Product Two under the Coal Sales Agreement.

We note that GEMS and GMR negotiated the Proposed CSA Amendments at arm's length. Incidental to this, we note that whilst SGX ruled that GMR would be regarded as an "interested person" of the Company by virtue of its ownership of 30% of the issued share capital of GEMS, GMR is not otherwise related to GEMS or the Substantial Shareholders of the Company set out in section 2.1 of the Circular.

A summary of the Proposed CSA Amendments agreed between the parties are as follows:

- The definition of "Base Price" in the Coal Sales Agreement will be amended such that it will be determined primarily with reference to the Indonesian Coal Index with an adjustment based on the average relevant sales price of all qualifying shipments under the Coal Sales Agreement;
- The requirement to have a minimum number of third party shipments per month for Coal Product One and Coal Product Two in order to establish the Base Price will be removed, and in respect of Coal Product Two, the minimum number of third party shipments in a six-month period to establish the Base Price for Coal Product Two has been lowered from 18 to 12;
- A 35,000 metric ton third party shipment would be regarded as a single third party shipment (a "**qualifying shipment**"), and if a single third party shipment exceeds certain specified thresholds, such shipment will be regarded as two or three separate qualifying shipments (depending on the quantum of coal tonnage in such shipment) for the

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purposes of satisfying the requirement to have a minimum number of third party shipments in a six-month period;

- The aggregate tonnage for Coal Product Two to be delivered by GEMS under the Coal Sales Agreement over its entire duration will be reduced. The extent of reduction (“**Reduced Tonnage**”) will depend on when the Base Price for Coal Product Two can be established.

For purposes of illustration only, in the event that Base Price is established and delivery of Coal Product Two commences only in the fifth delivery year:

- (i) the Reduced Tonnage will be 5,750,000 metric tonnes (derived from the aggregate of 500,000 metric tonnes (in respect of the first delivery year), 750,000 metric tonnes (in respect of the second delivery year), 1,500,000 metric tonnes (in respect of the third delivery year) and 3,000,000 metric tonnes (in respect of the fourth delivery year)); and
  - (ii) GEMS’ delivery obligations for Coal Product Two in the fifth delivery year will be 500,000 tonnes, and will continue to increase in the manner set out in the table in Appendix A of this Circular; and
- Other amendments which are clarificatory and administrative in nature will be made to the Coal Sales Agreement, for example:
    - (i) by clarifying the definition of “Floor Price” to mean the average of the production costs of a coal product in the relevant quarter of GEMS’ financial year, which would include the reasonable the actual costs of production, processing and transporting the relevant coal product; and
    - (ii) by specifying that if GMR fails to take delivery of at least 90.0% of the annual tonnage (such shortfall in quantity not taken by GMR, the “Shortfall Tonnage”) and GEMS sells the Shortfall Tonnage to a third party, GMR shall pay GEMS compensation based on the differential in the average sale price to the third party buyer, and the average Base Price or Floor Price in a delivery year, whichever is higher.

#### 3.3 Benefits of the Proposed CSA Amendments

The Company and GEMS have set out the benefits of the Proposed CSA Amendments, the following extracted from section 2.4 of the Circular:

- “(a) it was, and continues to be, difficult for the GEMS Group to establish the Base Price under the existing pricing formula for Coal Product One and Coal Product Two because of the requirement under the Coal Sales Agreement for the Primary Suppliers to sell a minimum number of third party shipments. In addition, the existing pricing formula for determining the Base Price was also not commercially practical as it did not reflect the current market price for coal products given that the existing pricing formula under the existing Coal Sales Agreement sets the price of coal shipments in the prevailing six month period based on the weighted average price of the actual prices agreed by the Primary Suppliers with all third party buyers in the immediately preceding six month period;*

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- (b) *under the proposed amendments to the definition of “Base Price”, removal of the requirement to have a minimum number of shipments in a single month, and the introduction of the term “qualifying shipment” (referred to above in paragraph 2.3(c)), GEMS will be able to establish the Base Price, at least for Coal Product One in the near future;*
- (c) *with regard to Coal Product Two, as almost all of Coal Product Two has been supplied to related parties and not third parties, the sale of coal shipments to related parties will not be regarded as a “qualifying shipment”. In view of this, the Base Price for Coal Product Two may not be established for at least the foreseeable next two years. Given that (i) the GEMS Group has a limited reserve base for Coal Product Two, (ii) the GEMS Group continues to produce and sell Coal Product Two to other parties and (iii) it could be some time before the Base Price for Coal Product Two can be established, it would be beneficial for GEMS to reduce its aggregate delivery commitment of Coal Product Two for the entire supply duration under the Coal Sales Agreement;*
- (d) *as the GEMS Group will require sufficient time to gradually ramp up its production of Coal Product Two, it would be beneficial for the GEMS Group to gradually increase its delivery obligations for Coal Product Two during the initial delivery years under the Coal Sales Agreement, and apply any reduction of the delivery obligations of the GEMS Group for Coal Product Two at the end of the term of the Coal Sales Agreement where the required tonnage for delivery of Coal Product Two is at its highest; and*
- (e) *amending the Coal Sales Agreement will provide the GEMS Group with the opportunity to sell coal to GMR on a long-term basis and provide certainty for the GEMS Group’s supply commitments.”*

**3.4 Amendment to definition of Base Price**

Under the existing provisions of the CSA, in order to establish the initial Base Price, the Primary Suppliers are required to sell a minimum number of 18 third party shipments for export sale in each six-month period, with no less than 3 third party shipments for export sale in each month.

Under the Proposed CSA Amendments, the “Base Price” is determined with reference to the Indonesian Coal Index for the immediately preceding month or immediately preceding second previous month prior to the relevant shipment, multiplied by an Adjustment Factor. The “Adjustment Factor” is determined by the average relevant sales price of all “qualifying shipments”, divided by the relevant average Indonesian Coal Index within a specified period. Qualifying shipments are set at a minimum shipment tonnage to third parties of at least 35,000 metric tonnes (“MT”), with a minimum of 18 third party shipments required in respect of Coal Product One and 12 third party shipments required in respect of Coal Product Two, in a six-month period. In the event that the number of qualifying shipments for the purposes of computing the Adjustment Factor is less than a specified threshold as set out in the Coal Sales Agreement, the Seller and Buyer shall agree on an alternative Adjustment Factor to be applied, failing which the last available Adjustment Factor will be applied to determine the Base Price.

The Proposed CSA Amendments remove the requirement to have a minimum number of third party export sales per month in order to establish the Base Price, and:

- in respect of Coal Product One, retain the need for a minimum number of 18 third party sales per six-month period; however

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### LETTER FROM KPMG CF TO THE INDEPENDENT DIRECTORS ON THE PROPOSED AMENDMENTS TO THE COAL SALES AGREEMENT

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- in respect of Coal Product Two, lowers the need for a minimum number of third party sales per six-month period to 12.

We note that whereas the existing provisions of the CSA do not define the quantity of a qualifying export sale, the Proposed CSA Amendments introduce minimum shipment quantities of at least 35,000 MT for Coal Product One and Coal Product Two. The Management of the Company has confirmed that shipment quantities in the industry are typically at least 35,000 MT and that this was the approximate minimum shipment quantity envisaged by the parties in determining minimum shipment numbers under the original terms of the CSA. Accordingly, whilst we note the introduction of explicit minimum quantity requirements for sales, we do not consider the requirements to be prejudicial as they do not depart from industry norms and the agreed understanding between the parties to the CSA.

We note the comments of the Management that with Proposed CSA Amendments, GEMS may be able to establish the Base Price for Coal Product One in the near future, although the Base Price for Coal Product Two may not be established for at least the foreseeable next two years.

With respect to the reference to the Indonesian Coal Index (“**ICI**”), we note that it is one of four Indonesian government approved indexes used to calculate the Coal Price Reference (“**Harga Batubara Acuan**” or “**HBA**”) which is used by the Director General of Minerals and Coal (“**DGMC**”) to determine the benchmark coal price in Indonesia. We further note that as per the Director General Regulation No. 515.K/32/DJB/2011 introduced on 22 September 2011, all coal producers in Indonesia are required to determine their prices for coals with reference to HBA. All coal sales agreements entered into prior to September 2011 would need to be amended in line with the above regulation.

We consider reference to the ICI to be acceptable.

#### 3.5 Reduced Tonnage for Coal Product Two

Pursuant to the Proposed CSA Amendments, the aggregate tonnage for Coal Product Two will be reduced. The extent of reduction (the “**Reduced Tonnage**”) will depend on when the Base Price for Coal Product Two can be established and will be determined by reference to the tonnage that would otherwise have to be delivered during the period from the commencement of the Coal Sales Agreement to the time that the Base Price for Coal Product Two is established.

The Reduced Tonnage will be applied to reduce the quantity of Coal Product Two which is required to be delivered in the 25th delivery year and if the Reduced Tonnage exceeds the delivery tonnage for that year, such excess tonnage amount will be applied to each immediately preceding delivery year until such excess tonnage is fully off-set against the required delivery tonnage.

The reduction of aggregate tonnage for Coal Product Two allows GEMS to continue its production, providing the following benefits to GEMS:

- Since signing of the Coal Sales Agreement, GEMS’ total coal reserves and resources of Coal Product Two have decreased, among other things, through the ordinary course of coal production and sales to domestic purchasers. The Reduced Tonnage provides GEMS with greater flexibility to sell Coal Product Two to other parties instead of reserving the produced quantities under its CSA commitments.

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**APPENDIX B**

**LETTER FROM KPMG CF TO THE INDEPENDENT DIRECTORS ON THE PROPOSED AMENDMENTS TO THE COAL SALES AGREEMENT**

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We have been provided with confidential information in relation to prices at which GEMS sold Coal Product Two to third parties in the domestic and export market. We observe as well note two comments in section 2.2 of the Circular that there were higher cost associated with export sales, particularly in relation to handling cost for transporting coal to the relevant ports, resulting in a higher profit margin on the sale of Coal Product Two to domestic purchasers.

We have not conducted any review of the coal industry or the coal price trends in Indonesia. Accordingly we do not express any opinion as to prices at which GEMS may transact with purchasers in the domestic and/or export market in the future.

- The coal mining licenses issued to the Primary Suppliers have a fixed validity period, thereby giving GEMS a limited period of time to produce Coal Product Two. Any attempts to either defer production until the parties establish the Base Price or store Coal Product Two pursuant to the CSA may not be commercially beneficial as it may jeopardise exploitation of established reserves and resources.

#### **4. CONCLUSION**

In arriving at our opinion in respect of the Proposed CSA Amendments, we reviewed and examined all factors which we consider pertinent in our assessment, including the following key considerations:

- Issues with the existing CSA;
- Negotiation of the Proposed CSA Amendments;
- Benefits of the Proposed CSA Amendments;
- Amendment to the definition of Base Price; and
- Reduced Tonnage for Coal Product Two.

The Proposed CSA Amendments are aimed at facilitating the original intentions of the parties to the CSA, from the perspective of GEMS, securing GMR as a long term purchaser and major anchor customer for its coal, while at the same time permitting GEMS greater flexibility in the sale of Coal Product Two.

**After carefully considering the information available to us as at the Latest Practicable Date, and based upon the monetary, industry, market, economic and other relevant conditions subsisting on the Latest Practicable Date, we are of the opinion that the Proposed CSA Amendments are on normal commercial terms and are not prejudicial to the interests of GEAR and its minority Shareholders.**

The opinion is addressed to the Independent Directors for their use and benefit, in connection with and for the purpose of their consideration of the Proposed CSA Amendments. The recommendations to be made by the Independent Directors to the Independent Shareholders and/or minority Shareholders shall remain their sole responsibility.

The opinion is governed by, and construed in accordance with, the laws of Singapore, and are strictly limited to the matters stated herein and do not apply by implication to any other matter.

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**APPENDIX B**  
**LETTER FROM KPMG CF TO THE INDEPENDENT DIRECTORS ON THE PROPOSED**  
**AMENDMENTS TO THE COAL SALES AGREEMENT**

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We have prepared this letter for the use of the Independent Directors in connection with and for the purpose of their consideration of the Proposed CSA Amendments and for inclusion in the Circular.

Yours faithfully

Vishal Sharma  
Executive Director

Jeremy Bogue  
Director

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### GOLDEN ENERGY AND RESOURCES LIMITED

(Company Registration No. 199508589E)

(Incorporated in the Republic of Singapore)

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting (“**EGM**”) of Golden Energy and Resources Limited (the “**Company**”) will be held at STI Auditorium, 168 Robinson Road, Level 9, Capital Tower, Singapore 068912 on 21 August 2017 at 3.00 p.m. for the purpose of considering and, if thought fit, passing with or without modifications, the following Ordinary Resolution:

#### **Proposed amendments to the Coal Sales Agreement**

That:

- (a) approval be and is hereby given for the proposed amendments to the Coal Sales Agreement, and the entry by PT Golden Energy Mines Tbk (“**GEMS**”) into the amendment agreement to the Coal Sales Agreement, as set out in the Circular to Shareholders dated 4 August 2017; and
- (b) the Directors be and are hereby authorised to complete and do all such acts and things (including, without limitation, executing all such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the amendment agreement to the Coal Sales Agreement and/or this Ordinary Resolution.

[See Explanatory Note 5]

By Order of the Board

Pauline Lee  
Company Secretary  
Singapore, 4 August 2017

#### **Notes:**

- 1. (a) A member who is not a relevant intermediary, is entitled to appoint not more than two proxies to attend and vote at the EGM.  
  
(b) A member who is a relevant intermediary, is entitled to appoint more than two proxies to attend and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member.  
  
“**relevant intermediary**” has the meaning ascribed to it in Section 181 of the Companies Act, Cap. 50.
- 2. A proxy need not be a member of the Company.
- 3. The Ordinary Resolution to be put to the vote of members at the EGM (and at any adjournment thereof) will be voted on by way of a poll.
- 4. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 20 Cecil Street, #05-05, GSH Plaza, Singapore 049705 not less than seventy-two (72) hours before the time appointed for the EGM.
- 5. The Ordinary Resolution is to approve the proposed amendments to the Coal Sales Agreement and to empower the Directors to do all acts necessary to give effect to the amendment agreement to the Coal Sales Agreement. Please refer to the Circular to Shareholders dated 4 August 2017 for further details on the proposed amendments to the Coal Sales Agreement.
- 6. **Personal data privacy:** By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “**Purposes**”), (ii) warrants that where the member discloses the personal data of the member’s proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member’s breach of warranty.

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## PROXY FORM

### GOLDEN ENERGY AND RESOURCES LIMITED

(Company Registration No. 199508589E)  
(Incorporated in the Republic of Singapore)

#### PROXY FORM

(Please see notes overleaf before completing this Form)

#### IMPORTANT:

1. A relevant intermediary may appoint more than two proxies to attend the EGM and vote (please see note 4 for the definition of "relevant intermediary").
2. For investors who have used their CPF monies to buy the Company's shares, this Circular is forwarded to them at the request of their CPF Approved Nominees and is sent solely **FOR INFORMATION ONLY**.
3. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We, \_\_\_\_\_

of \_\_\_\_\_

being a member/members of Golden Energy And Resources Limited (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		Number of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		Number of Shares	%
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Extraordinary General Meeting ("EGM") as my/our proxy/proxies to vote for me/us on my/our behalf at the EGM of the Company to be held at STI Auditorium, 168 Robinson Road, Level 9, Capital Tower, Singapore 068912 on 21 August 2017 at 3.00 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolution proposed at the EGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the EGM and at any adjournment thereof.

No	Ordinary Resolution	Number of Votes For*	Number of Votes Against*
1	Proposed amendments to the Coal Sales Agreement		

\*If you wish to exercise all your votes "For" or "Against", please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2017

	Total Number of Shares in:
(a) CDP Register	
(b) Register of Members	

\_\_\_\_\_  
Signature of Shareholder(s)  
or, Common Seal of Corporate Shareholder\*

\* Delete where inapplicable



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## PROXY FORM

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### Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289) ("**SFA**"), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company entitled to attend and vote at the EGM and who is not a relevant intermediary is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. A member who is a Relevant Intermediary entitled to attend and vote at the EGM is entitled to appoint more than two proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

"**Relevant Intermediary**" means:

- (a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
  - (b) a person holding a capital markets services licence to provide custodial services for securities under the SFA and who holds shares in that capacity; or
  - (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
5. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the EGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the EGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the EGM.
  6. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 20 Cecil Street, #05-05 GSH Plaza, Singapore 049705, not less than seventy-two (72) hours before the time appointed for the EGM.
  7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorized in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
  8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.
  9. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

### PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 4 August 2017.

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