Resources Prima Group Limited
(Company Registration No: 198602949M)

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, SAC Advisors Private Limited, for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement.*

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.

The contact person for the Sponsor is Mr Sebastian Jones, Director at 1 Robinson Road #21-02, AIA Tower, Singapore 048542, telephone (65) 6532-3829. SAC Advisors Private Limited is a wholly owned subsidiary of SAC Capital Private Limited.

Unaudited Third Quarter and Nine Months Financial Statements for the Financial Period Ended 30 September 2016

INTRODUCTION

On 12 November 2014, Sky One Holdings Limited announced the completion of the reverse takeover ("**RTO**") pursuant to which its name was changed to Resources Prima Group Limited (the "**Company**", and together with its subsidiaries, the "**Group**").

The Group engages in the business of coal mining and the provision of coal mining facilities to third party mine owners. On 31 March 2015, the Company announced the acquisition of RPG Trading Pte. Ltd., with the intention of trading and marketing of coal.

On 2 September 2015, the Company announced the change of its financial year end from 31 March to 31 December. This change was effected to align the financial year of the Company with that of its Indonesian subsidiaries following completion of the RTO. With this change, the financial year of the Company will end on 31 December of each year.

For ease of reference, the following abbreviations are used in this announcement:

- "**9MFYE12/16**": The 9-month period ended 30 September 2016 of the financial year ending 31 December 2016;
- "**9MFYE15**": The 3-month period ended 31 March 2015 of the financial year ended 31 March 2015 (**4QFYE03/15**) plus the 6-month period ended 30 September 2015 of the financial year ended 31 December 2015 (**6MFYE12/15)** which consisted of 9 months due to the change of financial year end;
- "**3QFYE12/16**": The 3-month period ended 30 September 2016 of the financial year ending 31 December 2016;
- "**2QFYE12/15**": The 3-month period ended 30 September 2015 of the financial year ended 31 December 2015; and
- "**3QFYE12/15**": The 3-month period ended 31 December 2015 of the financial year ending 31 December 2015.

[This section is intentionally left blank]

PART 1 – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) Income statement and statement of comprehensive income, or a statement of comprehensive income for the group together with a comparative statement for the – corresponding period of immediately preceding year

INCOME STATEMENT

	Group						
	3 months ended 30.09.16 US$'000	3 months ended 30.09.15 US$'000	Inc/ (Dec) %	9 months ended 30.09.16 US$'000	9 months ended 30.09.15 US$'000	Inc/ (Dec) %	Ref
Revenue	**12,863**	**16,446**	**(21.8)**	**43,586**	**53,441**	**(18.4)**	**8.1.1**
Cost of goods sold	(10,690)	(13,123)	(18.5)	(35,832)	(39,749)	(9.9)	**8.1.2**
Gross profit	**2,173**	**3,323**	**(34.6)**	**7,754**	**13,692**	**(43.4)**	**8.1.3**
Other income	19	986	(98.1)	67	5,696	(98.8)	**8.1.4**
Selling and distribution expenses	(916)	(847)	8.1	(3,097)	(3,460)	(10.5)	**8.1.5**
Administrative expenses	(829)	(972)	(14.7)	(2,778)	(2,105)	32.0	**8.1.6**
Finance costs	(405)	(522)	(22.4)	(1,138)	(82)	>100.0	**8.1.7**
Other credit/(expenses)	50	368	(86.4)	(751)	(2,483)	(69.8)	**8.1.8**
Income before tax	**92**	**2,336**	**(96.1)**	**57**	**11,258**	**(99.5)**	
Tax expense	(155)	(975)	(84.1)	(413)	(2,334)	(82.3)	**8.1.9**
(LOSS)/INCOME FOR THE PERIOD	**(63)**	**1,361**	**N.M.**	**(356)**	**8,924**	**N.M.**	
(LOSS)/INCOME ATTRIBUTABLE TO							
- Equity holders of the Company	6	1,071	(99.4)	23	7,801	(99.7)	
- Non-controlling interests	(69)	290	N.M.	(379)	1,123	N.M.	
	(63)	**1,361**	**N.M.**	**(356)**	**8,924**	**N.M.**	
Other comprehensive (loss)/income							
Item that may not be reclassified subsequently to profit or loss							
-Remeasurement of post-employment benefits, net of tax	-	-	N.M.	-	(10)	N.M.	
Items that may be reclassified subsequently to profit or loss							
-Currency translation differences arising on consolidation	(149)	(753)	(80.2)	436	(1,579)	N.M.	
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD	**(212)**	**608**	**N.M.**	**80**	**7,335**	**(98.9)**	
TOTAL COMPREHENSIVE (LOSS)/INCOME ATTRIBUTABLE TO							
- Equity holders of the Company	(143)	318	N.M.	459	6,212	(92.6)	
- Non-controlling interests	(69)	290	N.M.	(379)	1,123	N.M.	
	(212)	**608**	**N.M.**	**80**	**7,335**	**(98.9)**	

N.M. – Not Meaningful

1(a)(ii) Income/(loss) before tax is stated after charging/(crediting) the following:-

	Group					
	3 months ended 30.09.16 US$'000	3 months ended 30.09.15 US$'000	Inc/ (Dec) %	9 months ended 30.09.16 US$'000	9 months ended 30.09.15 US$'000	Inc/ (Dec) %
Unrealised foreign currency exchange loss/(gain)	507	17	>100.0	478	(856)	N.M
Depreciation of property, plant and equipment	755	710	6.3	2,163	1,962	10.2
Amortisation of mining properties	496	653	(24.0)	1,933	1,870	3.4
Amortisation of intangible assets	10	10	-	30	31	(3.2)
Post-employment benefits	62	36	72.2	181	276	(34.4)
Provision for mine reclamation and rehabilitation	101	24	>100.0	207	98	>100.0
Operating lease expenses	332	410	(19.0)	1,099	1,534	(28.4)
Inventories written down	-	-	-	-	43	N.M
Interest income	(6)	(413)	(98.5)	(20)	(424)	(95.3)
Interest expense	405	522	(22.4)	1,138	82	>100.0
Waiver of interest payable on convertible bonds	-	-	-	-	(1,504)	N.M.
Gain on waiver on amount due to Sky One Network (Holding) Ltd	-	-	-	-	(2,428)	N.M.

N.M. – Not Meaningful

[This section is intentionally left blank]

(b)(i) Statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Ref	Company	
	As at 30.09.16 US$'000 (Unaudited)	As at 31.12.15 US$'000 (Audited)		As at 30.09.16 US$'000 (Unaudited)	As at 31.12.15 US$'000 (Audited)
Non-current assets					
Property, plant and equipment	22,496	23,727	**8.2.1**	-	-
Investment in subsidiaries	-	-	**8.2.2**	52,406	50,615
Intangible assets	180	210	**8.2.3**	-	-
Mining properties	6,777	5,892	**8.2.4**	-	-
Other receivables	727	727		-	-
Deferred tax assets	1,072	856	**8.2.5**	-	-
	31,252	31,412		52,406	50,615
Current assets					
Inventories	1,799	2,375	**8.2.6**	-	-
Trade and other receivables	16,308	16,052	**8.2.7**	12,084	12,595
Cash and cash equivalents	1,498	4,714	**8.2.8**	51	76
	19,605	23,141	**8.2.15**	12,135	12,671
Total assets	**50,857**	**54,553**		**64,541**	**63,286**
Equity					
Share capital	100,480	100,480		236,508	236,508
Currency translation reserve	(719)	(1,155)	**8.2.9**	(14,533)	(16,759)
Accumulated losses	(82,133)	(82,156)		(157,534)	(156,686)
Equity attributable to equity holders of the Company	17,628	17,169		64,441	63,063
Non-controlling interests	(4,200)	(3,821)	**8.2.10**	-	-
Total equity	**13,428**	**13,348**		**64,441**	**63,063**
Non-current liabilities					
Trade and other payables	12,384	40	**8.2.11**	-	-
Post-employment benefits	730	549	**8.2.12**	-	-
Finance lease liabilities	402	696	**8.2.13**	-	-
Provisions	1,180	973		-	-
	14,696	2,258		-	-
Current liabilities					
Trade and other payables	21,266	37,679	**8.2.11**	100	223
Finance lease liabilities	628	797	**8.2.13**	-	-
Tax payable	839	471	**8.2.14**	-	-
	22,733	38,947	**8.2.15**	100	223
Total liabilities	**37,429**	**41,205**		**100**	**223**
Net assets	**13,428**	**13,348**		**64,441**	**63,063**
Total equity and liabilities	**50,857**	**54,553**		**64,541**	**63,286**

[This section is intentionally left blank]

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

(a) Amount repayable in one year or less, or on demand

As at 30.09.16		As at 31.12.2015	
US$'000	US$'000	US$'000	US$'000
Secured	Unsecured	Secured	Unsecured
628	152	797	1,427

(b) Amount repayable after one year

As at 30.09.16		As at 31.12.2015	
US$'000	US$'000	US$'000	US$'000
Secured	Unsecured	Secured	Unsecured
402	-	696	-

(c) Details of any collateral

Certain vehicles and machinery (such as coal hauling trucks and heavy equipment) with an aggregate carrying amount of US$2.3 million as at 30 September 2016 (31 December 2015: US$3.1 million) are pledged under existing finance lease arrangements.

Fiduciary security over coal inventory of PT Rinjani Kartanegara ("**Rinjani**") (a subsidiary of the Company held through PT Pilar Mas Utama Perkasa ("**Pilar Mas**")) and corporate guarantee by Pilar Mas have been provided to secure the debt of Rinjani to a main supplier, included in trade payables of the Group as at 30 September 2016 and 31 December 2015.

[This section is intentionally left blank]

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group			
	3 months ended 30.09.16 US$'000	3 months ended 30.09.15 US$'000	9 months ended 30.09.16 US$'000	9 months ended 30.09.15 US$'000
Cash flows from operating activities				
Income before tax	92	2,336	57	11,258
Adjustments for:-				
Depreciation of property, plant and equipment	755	710	2,163	1,962
Amortisation of mining properties	496	653	1,933	1,870
Amortisation of intangible assets	10	10	30	31
Post-employment benefits	62	36	181	276
Provision for mine reclamation and rehabilitation	101	24	207	98
Finance costs (interest expense)	405	522	1,138	82
Interest income	(6)	(413)	(20)	(424)
Inventories written down	-	-	-	43
Unrealised foreign currency exchange loss/(gain)	507	17	478	(856)
Operating profit before working capital changes	**2,422**	**3,895**	**6,167**	**14,340**
Inventories	(1,073)	(923)	576	(1,796)
Trade and other receivables	(1,737)	(2,076)	(500)	(2,876)
Trade and other payables	176	(377)	(5,522)	(2,040)
Currency translation adjustments	(149)	(753)	436	(1,032)
Cash (used in)/generated from operations	**(361)**	**(234)**	**1,157**	**6,596**
Interest received	6	55	20	66
Taxes paid	-	-	-	-
Net cash (used in)/generated from operating activities	**(355)**	**(179)**	**1,177**	**6,662**
Cash flows from investing activities				
Additions to mining properties	(413)	-	(1,366)	-
Purchase of property, plant and equipment	(464)	(385)	(774)	(9,147)
Additions to deferred exploration and evaluation costs	-	(95)	-	(114)
Net cash used in investing activities	**(877)**	**(480)**	**(2,140)**	**(9,261)**
Cash flows from financing activities				
Interest paid	(43)	(48)	(150)	(384)
Repayment of finance lease	(391)	(218)	(805)	(599)
Repayment of loan from related party	-	-	(42)	-
Repayment of loan from third party	-	-	(1,256)	-
Proceeds from disposal of available-for-sale investment	-	-	-	2,929
Net cash (used in)/generated from financing activities	**(434)**	**(266)**	**(2,253)**	**1,946**
Net decrease in cash and cash equivalents	(1,666)	(925)	(3,216)	(653)
Cash and cash equivalents at beginning of period	3,164	1,565	4,714	1,293
Cash and cash equivalents at end of period	**1,498**	**640**	**1,498**	**640**

1(d)(i) **A statement (for the issuer and group) showing either (I) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Statements of Changes in Equity

Group	Share capital US$'000	Currency translation reserve US$'000	Accumulated losses US$'000	Equity attributable to equity holders of the Company US$'000	Non-controlling interests US$'000	Total equity US$'000
At 1 January 2015	**100,480**	**292**	**(87,844)**	**12,928**	**(4,446)**	**8,482**
Profit for the 3 months ended 31 March 2015	-	-	5,166	5,166	664	5,830
Other comprehensive loss:						
- Remeasurement of post-employment benefits, net of tax	-	-	(10)	(10)	-	(10)
- Currency translation differences	-	(1,095)	-	(1,095)	-	(1,095)
Profit/(loss) and total comprehensive income/(loss) for the 3 months ended 31 March 2015 before audit adjustment	-	(1,095)	5,156	4,061	664	4,725
Audit adjustments[1]	-	-	(100)	(100)	(8)	(108)
Profit/(loss) and total comprehensive income/(loss) for the 3 months ended 31 March 2015 after audit adjustment	-	(1,095)	5,056	3,961	656	4,617
At 31 March 2015	**100,480**	**(803)**	**(82,788)**	**16,889**	**(3,790)**	**13,099**
Contributions and distributions to owners:						
- Acquisition of non-controlling interest	-	-	13	13	(13)	-
Profit for the 3 months ended 30 June 2015	-	-	1,564	1,564	169	1,733
Other comprehensive loss:						
- Currency translation differences	-	269	-	269	-	269
Profit and total comprehensive income for the 3 months ended 30 June 2015	-	269	1,577	1,846	156	2,002
At 30 June 2015	**100,480**	**(534)**	**(81,211)**	**18,735**	**(3,634)**	**15,101**

[1]Adjustment to the 4QFYE03/15 profit following finalisation of audit.

Statements of Changes in Equity (continued)

Group (continued)	Share capital US$'000	Currency translation reserve US$'000	Accumulated losses US$'000	Equity attributable to equity holders of the Company US$'000	Non-controlling interests US$'000	Total equity US$'000
At 30 June 2015	**100,480**	**(534)**	**(81,211)**	**18,735**	**(3,634)**	**15,101**
Profit for the 3 months ended 30 September 2015	-	-	1,071	1,071	290	1,361
Other comprehensive loss:						
- Currency translation differences	-	(753)	-	(753)	-	(753)
Profit and total comprehensive (loss)/income for the 3 months ended 30 September 2015	-	(753)	1,071	318	290	608
At 30 September 2015	**100,480**	**(1,287)**	**(80,140)**	**19,053**	**(3,344)**	**(15,709)**
At 1 January 2016	**100,480**	**(1,155)**	**(82,156)**	**17,169**	**(3,821)**	**13,348**
Profit/(loss) for the 3 months ended 31 March 2016	-	-	671	671	(29)	642
Other comprehensive income:						
- Currency translation differences	-	567	-	567	-	567
Profit/(loss) and total comprehensive income/(loss) for the 3 months ended 31 March 2016	-	567	671	1,238	(29)	1,209
At 31 March 2016	**100,480**	**(588)**	**(81,485)**	**18,407**	**(3,850)**	**14,557**
Loss for the 3 months ended 30 June 2016	-	-	(654)	(654)	(281)	(935)
Other comprehensive income:						
- Currency translation differences	-	18	-	18	-	18
Profit/(loss) and total comprehensive income/(loss) for the 3 months ended 30 June 2016	-	18	(654)	(636)	(281)	(917)
At 30 June 2016	**100,480**	**(570)**	**(82,139)**	**17,771**	**(4,131)**	**13,640**
Profit/(loss) for the 3 months ended 30 September 2016	-	-	6	6	(69)	(63)
Other comprehensive loss:						
- Currency translation differences	-	(149)	-	(149)	-	(149)
Profit/(loss) and total comprehensive income/(loss) for the 3 months ended 30 September 2016	-	(149)	6	(143)	(69)	(212)
At 30 September 2016	**100,480**	**(719)**	**(82,133)**	**17,628**	**(4,200)**	**13,428**

Statements of Changes in Equity (continued)

Company	Share capital US$'000	Currency translation reserve US$'000	Accumulated losses US$'000	Total equity US$'000
At 1 January 2015	**236,508**	**(2,467)**	**(26,282)**	**207,759**
Profit for the 3 months ended 31 March 2015	-	-	2,507	2,507
Other comprehensive loss:				
- Currency translation differences	-	(8,979)	-	(8,979)
Profit/(loss) and total comprehensive income/(loss) for the 3 months ended 31 March 2015	-	(8,979)	2,507	(6,472)
At 31 March 2015	**236,508**	**(11,446)**	**(23,775)**	**201,287**
Loss for the 3 months ended 30 June 2015	-	-	(78)	(78)
Other comprehensive income:				
- Currency translation differences	-	4,321	-	4,321
Profit/(loss) and total comprehensive income/(loss) for the 3 months ended 30 June 2015	-	4,321	(78)	4,243
At 30 June 2015	**236,508**	**(7,125)**	**(23,853)**	**205,530**
Loss for the 3 months ended 30 September 2015	-	-	(420)	(420)
Other comprehensive loss:				
- Currency translation differences	-	(11,226)	-	(11,226)
Loss and total comprehensive loss for the 3 months ended 30 September 2015	-	(11,226)	(420)	(11,646)
At 30 September 2015	**236,508**	**(18,351)**	**(24,273)**	**193,884**

Statements of Changes in Equity (continued)

Company (continued)	Share capital US$'000	Currency translation reserve US$'000	Accumulated losses US$'000	Total equity US$'000
At 1 January 2016	**236,508**	**(16,759)**	**(156,686)**	**63,063**
Loss for the 3 months ended 31 March 2016	-	-	(285)	(285)
Other comprehensive income:				
- Currency translation differences	-	2,920	-	2,920
Profit /(loss) and total comprehensive income/(loss) for the 3 months ended 31 March 2016	-	2,920	(285)	2,635
At 31 March 2016	**236,508**	**(13,839)**	**(156,971)**	**65,698**
Loss for the 3 months ended 30 June 2016	-	-	(296)	(296)
Other comprehensive income:				
- Currency translation differences	-	100	-	100
Profit /(loss) and total comprehensive income/(loss) for the 3 months ended 30 June 2016	-	100	(296)	(196)
At 30 June 2016	**236,508**	**(13,739)**	**(157,267)**	**65,502**
Loss for the 3 months ended 30 September 2016	-	-	(267)	(267)
Other comprehensive loss:				
- Currency translation differences	-	(794)	-	(794)
Loss and total comprehensive loss for the 3 months ended 30 September 2016	-	(794)	(267)	(1,061)
At 30 September 2016	**236,508**	**(14,533)**	**(157,534)**	**64,441**

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There were no changes in the Company's issued and paid-up share capital from 30 June 2016 to 30 September 2016

	No. of Ordinary Shares	Issued Share Capital (S$)
At 30 September 2016 and 30 June 2016	**1,832,999,998**	**307,306,455**

As at 30 September 2016 and 30 September 2015, the Company had no outstanding share options, convertibles or treasury shares.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at 30.09.16	As at 31.12.15
Total number of issued shares (excluding treasury shares)	**1,832,999,998**	**1,832,999,998**

The Company did not have any treasury shares as at 30 September 2016 and 31 December 2015.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. The Company does not have any treasury shares.

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard or practice.

The figures have not been audited or reviewed by the Company’s auditors.

3. Where the figures have been audited or reviewed, the auditors’ report (including any qualifications or emphasis of matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer’s most recently audited annual financial statements have been applied.

Except as disclosed in item 5 below, the Group and the Company have applied the same accounting policies and methods of computation for the current reporting period as compared with the most recently audited financial statements of the Group and the Company for the financial year ended 31 December 2015.

[This section is intentionally left blank]

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group and the Company have adopted all the new and revised standards and interpretations of the Singapore Financial Reporting Standards, which are effective for financial periods beginning on or after 1 January 2016. The adoption of these standards and interpretations had no significant effect on the financial performance or position of the Group and the Company for the 3-month and 9-month financial periods ended 30 September 2016.

6. **Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

	Group			
	3 months ended 30.09.16	**3 months ended 30.09.15**	**9 months ended 30.09.16**	**9 months ended 30.09.15**
(Loss)/earnings per ordinary share:-				
Basic (US$ cents)	0.00	0.06	0.00	0.43
Diluted (US$ cents)	0.00	0.06	0.00	0.43
Weighted average number of ordinary shares for basic earnings per share	1,832,999,998	1,832,999,998	1,832,999,998	1,832,999,998

Diluted earnings per share is the same as basic earnings per share for both the financial periods ended 30 September 2016 and 30 September 2015 as there were no outstanding dilutive instruments.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year.**

	Group	
	As at 30.09.16	**As at 31.12.15**
Net asset value per ordinary share (US$ cents)	0.96	0.94
Number of ordinary shares in issue (excluding treasury shares)	1,832,999,998	1,832,999,998

	Company	
	As at 30.09.16	**As at 31.12.15**
Net asset value per ordinary share (US$ cents)	3.52	3.44
Number of ordinary shares in issue (excluding treasury shares)	1,832,999,998	1,832,999,998

[This section is intentionally left blank]

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

INTRODUCTION

The main factors affecting the Group's financial performance are:

(a) **Coal production and sales**. Coal production decreased by 94,360 tonnes or 7.8%, to 1,110,274 tonnes for 9MFYE12/16 from 1,204,634 tonnes for 9MFYE15 and decreased by 55,927 tonnes or 13.9%, to 345,880 tonnes for 3QFYE12/16 from 401,807 tonnes for 2QFYE12/15. The main determinant of coal production is the mine plan and related stripping ratio. Mining activity and the stripping ratio for 9MFYE12/16 and 3QFYE12/16 were in accordance with the Group's mine plan. Coal production during 3QFYE12/16 was however adversely impacted by the unusually heavy rainfall in September 2016. Coal sales increased by 2,734 tonnes or 0.2%, to 1,112,341 tonnes for 9MFYE12/16 from 1,109,607 tonnes for 9MFYE15 but decreased by 66,371 tonnes or 18.2%, to 297,868 tonnes for 3QFYE12/16 from 364,239 tonnes for 2QFYE12/15. Coal sales during 3QFYE12/16 were adversely impacted by lower production due to the unusually heavy rainfall as noted above.

(b) **Cost of waste mining operations.** Waste mining is contracted out to a third party waste mining contractor. Although waste mining costs are set by long-term contract, the Group has been able to renegotiate rates downwards to reflect changes in market conditions.

(c) **Coal sales price**. The average selling price (FOB Barge) of the Group's coal decreased by US$8.4 per tonne or 18.2%, to US$37.8 per tonne for 9MFYE12/16 from US$46.2 per tonne for 9MFYE15 and a decrease from US$43.6per tonne or 10.5% in 2QFYE12/15 to US$39.0per tonne in 3QFYE12/16. This was in line with the fall of Indonesian Coal Index ("**ICI**") from US$50.3 per tonne as at end of September 2015 to US$47.9 per tonne as end of June 2016. The price since July 2016 showed an upward trend, increasing to US$59.5 per tonne as at the end of September 2016.

(d) **Stripping ratio**. The stripping ratio, which is the key determinant of operating cost, and the mine plan is continually reviewed and updated based on current and future market considerations. In accordance with the mine plan, the average stripping ratio increased by 0.7 bank cubic metres of overburden per tonne of coal ("**bcm/t**") or 8.8% to 8.7 bcm/t in 9MFYE12/16 from 8.0 bcm/t in 9MFYE15. The increase in the stripping ratio was due to ongoing depletion of the Group's first "borrow-use" permit ("**IPPKH1**") and commencement of mining of the second "borrow-use" permit ("**IPPKH2**").

(e) **Efficient operation cost**. The Group is cost competitive as a result of its own fully integrated coal mining facilities such as the coal stockpile, coal crushers, coal conveyor system and jetty facilities. This cost competitiveness when coupled with cost and operational efficiencies from having its own coal hauling road and trucks provides a competitive advantage for the Group in the current low coal pricing environment. Costs are controlled through competitive bidding and the introduction of new suppliers when appropriate. The cost of goods sold per tonne decreased by 2.1% to US$32.3 per tonne in 9MFYE12/16 from US$33.0 per tonne in 9MFYE15 and by 5.4% to US$30.9 per tonne in 3QFYE12/16 from US$32.7 per tonne in 2QFYE12/15.

(f) **Additional recurring income**. The Group generates additional income and cash flow through provision of its coal mining facilities to a third party mine owner. For 9MFYE12/16, 3QFYE12/16, 9MFYE15 and 2QFYE12/15, this recurring income contributed 2.8%, 9.0%, 3.2% and 3.6% of revenue, respectively.

(g) **Working capital (to be read in conjunction with item 8.2.15)**. Sufficient cash flow for operations under the current low coal pricing environment is a priority for the Group. The Group has focused on maintaining sufficient cash for operations and the development of IPPKH2 through the restructuring of the outstanding debt owed to its waste mining contractor by extending the repayment deadline from 31 December 2016 to 31 December 2018 (as previously announced), the application of a conservative approach to fixed asset acquisitions and asset development as well as management of available cash from working capital.

8.1 INCOME STATEMENT

8.1.1 Revenue

Revenue is generated primarily by Rinjani, through the sale of coal from its coal mining activities. Rinjani sells its coal through an offtake agreement with a sole trader. Since November 2015 such sales were transacted through a subsidiary, RPG Trading Pte. Ltd. ("**RPG Trading**"). The price of such coal sales is based on international prices. Additional revenue is generated from the use of Rinjani's coal facilities by a third party mine owner.

	3 months ended 30.09.16 US$'000	3 months ended 30.09.15 US$'000	Inc/ (Dec) %	9 months ended 30.09.16 US$'000	9 months ended 30.09.15 US$'000	Inc/ (Dec) %
Revenue by division						
Coal sales	11,701	15,847	(26.2)	42,344	51,744	(18.2)
Facility usage income	1,162	599	94.0	1,242	1,697	(26.8)
Total	**12,863**	**16,446**	**(21.8)**	**43,586**	**53,441**	**(18.4)**

In 9MFYE12/16, revenue decreased by 18.4% (US$9.8 million) to US$43.6 million from US$53.4 million in 9MFYE15 and by 21.8% (US$3.5 million) in 3QFYE12/16 to US$12.9 million from US$16.4 million in 2QFYE12/15.

Revenue from coal sales decreased by 18.2% (US$9.4 million) to US$42.3 million from US$51.7 million mainly due to a decrease in average sales price of 18.2% in 9MFYE12/16. In 3QFYE12/16, revenue from coal sales decreased by 26.2% (US$4.1 million) to US$11.7 million from US$15.8 million in 2QFYE12/15 due to a decrease in both the sales quantity of 18.2% and sales price of 10.5%.

Revenue from facility usage decreased by 26.8% (US$0.5 million) to US$1.2 million in 9MFYE12/16 from US$1.7 million in 9MFYE15 but increased by 94.0% (US$0.6 million) to US$1.2 million in 3QFYE12/16 from US$0.6 million in 2QFYE12/15 as a result of changes in the quantity of coal throughput from a third party mine owner.

8.1.2 Cost of Goods Sold

	3 months ended 30.09.16 US$'000	3 months ended 30.09.15 US$'000	Inc/ (Dec) %	9 months ended 30.09.16 US$'000	9 months ended 30.09.15 US$'000	Inc/ (Dec) %
Waste mining costs	6,916	8,784	(21.3)	19,741	24,416	(19.1)
Coal hauling costs	1,228	2,191	(44.0)	3,265	6,628	(50.7)
Heavy equipment rental cost	332	410	(19.0)	1,099	1,415	(22.3)
Fuel	321	523	(38.6)	936	1,608	(41.8)
Staff costs	797	817	(2.4)	2,647	2,391	10.7
Depreciation and amortisation	1,200	1,298	(7.6)	4,008	4,075	(1.6)
Other	(104)	(900)	(88.4)	4,136	(784)	>100.0
Total	**10,690**	**13,123**	**(18.5)**	**35,832**	**39,749**	**(9.9)**

Cost of goods sold for 9MFYE12/16 and 3QFYE12/16 comprised mainly waste mining costs, which accounted for 55.1% and 64.7% of the total cost of goods sold, respectively. The other main costs included coal hauling costs as well as depreciation and amortisation, which in total accounted for 9.1% and 11.2% respectively in 9MFYE12/16 and 11.5% and 11.2% respectively in 3QFYE12/16 of the total cost of goods sold, respectively. Waste mining and coal hauling costs are contracted through specific agreements.

8.1.2 Cost of Goods Sold (continued)

In 9MFYE12/16, cost of goods sold decreased by 9.9% (US$3.9 million) to US$35.8 million from US$39.7 million in 9MFYE15. The decrease in cost of goods sold was mainly attributable to decreases in: (i) waste mining costs of US$4.7 million; (ii) coal hauling costs of US$3.4 million; and (iii) fuel of US$0.7 million. The decrease was partially offset by increases in other costs of US$4.9 million.

In 3QFYE12/16, cost of goods sold decreased by 18.5% (US$2.4 million) to US$10.7 million from US$13.1 million in 2QFYE12/15 due primarily to lower coal production. The decrease in cost of goods sold was mainly attributable to decreases in: (i) waste mining costs of US$1.9 million; and (ii) coal hauling costs of US$1.0 million. The decrease was partially offset by an increase in other costs of US$0.8 million.

In 9MFYE12/16, waste mining cost decreased in line with a reduction in both the waste mining rate and coal production quantity. Coal hauling costs decreased due to a decrease in coal production quantity as well as the addition of certain costs in the comparative balance, which was credited to other costs in 9MFYE15. Other costs increased due to changes in the inventory value at period end and the inclusion of a credit balance in the comparative as noted above.

In 3QFYE12/16, the decrease in waste mining cost was in line with both the decrease in the waste mining rate and the decrease in coal production quantity. Coal hauling costs decreased in line with the decrease in the coal production quantity. Other costs increased due to changes in inventory value at period end and the inclusion of a credit balance in the comparative period.

8.1.3 Gross Profit

	3 months ended 30.09.16	3 months ended 30.09.15	Inc/ (Dec) %	9 months ended 30.09.16	9 months ended 30.09.15	Inc/ (Dec) %
Gross profit (US$'000)	2,173	3,323	(34.6)	7,754	13,692	(43.4)
Gross profit margin (%)	16.9	20.2		17.8	25.6	

In 9MFYE12/16 and 3QFYE12/16, the gross profit decreased by US$5.9 million and US$1.2 million respectively, mainly due to a decrease in revenues in both periods. The decrease in revenue in 9MFYE12/16 resulted from a decline in the average selling price of coal (refer to item 8(b) above) while the decline in 3QFYE12/16 resulted from decreases in both the average selling price of coal and the sales quantity (refer to item 8.1.1).

In 9MFYE12/16 the gross profit margin decreased to 17.8% from 25.6%. In 3QFYE12/16 the gross profit margin decreased to 16.9% from 20.2%. Both decreases were due primarily to a decrease in the average selling price of coal.

8.1.4 Other income

In 9MFYE12/16, other income decreased by 98.8% (US$5.6 million) to approximately US$0.1 million from US$5.7 million in 9MFYE15 due to: (i) a non-recurring gain on waiver of amount due to a former subsidiary of Sky One Network (Holding) Ltd and waiver of interest payable on convertible bonds both of which occurred during 9MFYE15 amounting to US$2.4 million and US$1.5 million respectively; and (ii) a foreign exchange loss for 9MFYE12/16 (reported as Other expense - item 8.1.8 below) whereas a foreign exchange gain was reported in 9MFYE15.

In 3QFYE12/16, other income decreased by 98.1% (US$1.0 million) to approximately US$19,000 from US$1.0 million in 2QFYE12/15 due to: (i) interest income on Rinjani's receivable from its customer in the comparative period which was reversed in 3QFYE12/16; and (ii) a foreign exchange loss for 3QFYE12/16 (reported as Other expense - item 8.1.8 below) whereas a foreign exchange gain was reported in 2QFYE12/15.

8.1.5 Selling and distribution expenses

Selling and distribution expenses comprise mainly royalties calculated at 5% to 7% of coal sales revenue. Such royalties are payable to the Indonesian government. Other selling and distribution expenses include freight charges, coal analysis fees as well as port and clearance charges.

Selling and distribution expenses decreased by 10.5% (US$0.4 million) to US$3.1 million from US$3.5 million for 9MFYE12/16, which was in line with the decrease in revenue. In 3QFYE12/16, despite a decrease in revenue, selling and distribution expenses increased by 8.1% (US$0.1 million) to US$0.9 million from US$0.8 million due to a credit adjustment for a change of freight rate in the comparative period.

8.1.6 Administrative expenses

Administrative expenses comprise mainly staff costs, professional fees, travelling and transportation, office rental, listing fees, sponsorship fees and investor relation costs.

In 9MFYE12/16, administrative expenses increased by 32.0% (US$0.7 million) to US$2.8 million from US$2.1 million and were primarily due to increases in: (i) depreciation and amortisation expenses, (ii) professional fees and (iii) repairs and maintenance. The increase in depreciation in 9MFYE12/16 was due to a credit from the reclassification of depreciation expense to cost of goods sold in the comparative period.

In 3QFYE12/16, administrative expenses decreased by 14.7% (US$0.2 million) to US$0.8 million from US$1.0 million due to a reduction in employee cost arising from payment of the religious festive allowance in the previous quarter.

8.1.7 Finance costs

Finance costs comprise interest expenses incurred mainly in relation to: (i) the debt due to Rinjani's waste mining contractor; (ii) amortised interest on the loan from a related party, Forrest Point Enterprises Limited; and (iii) interest from leasing.

In 9MFYE12/16, finance costs increased to US$1.1 million from US$0.1 million as there was a credit from the reclassification of amortised interest from convertible bonds to other expenses in the comparative period.

In 3QFYE12/16, finance costs decreased to US$0.4 million from US$0.5 million in line with the decrease of the SIBOR rate based on the amendment to the loan with Rinjani's waste mining contractor by 1.1% to 7.9% from 9.0%, as agreed in 29 March 2016.

8.1.8 Other credit/(expenses)

In 9MFYE12/16 and 3QFYE12/16, other expenses decreased by 69.8% (US$1.7 million) to US$0.8 million from US$2.5 million and by 86.4% (US$0.3 million) to US$50,000 from US$0.4 million respectively. Despite incurring a foreign exchange loss, other expenses decreased as there was no fair value loss incurred on the derivative financial liability relating to the Group's convertible bonds in 9MFYE12/16 and 3QFYE12/16 as the convertible bonds were fully converted on 11 November 2014.

8.1.9 Tax expense

The tax expense is calculated based on the current statutory income tax rates in Singapore and Indonesia. During 9MFYE12/16 and 9MFYE15, the applicable tax rates in Singapore and Indonesia were 17% and 25% respectively. The tax expense in 9MFYE12/16 and 3QFYE12/16 arose from the generation of taxable income in subsidiaries.

8.2 ASSETS, LIABILITES AND EQUITY

8.2.1 Property, plant and equipment

Property, plant and equipment ("**PP&E**") decreased by US$1.2 million to US$22.5 million as at 30 September 2016 from US$23.7 million as at 31 December 2015. The decrease was mainly due to current period depreciation offset by the addition of PP&E.

8.2.2 Investment in subsidiaries (Company Only)

Investment in subsidiaries increased by US$1.8 million to US$52.4 million as at 30 September 2016 from US$50.6 million as at 31 December 2015 due to the weakening of the United States Dollar against the Singapore Dollar as the investment was converted to the reporting currency (United States Dollar) as at 30 September 2016.

8.2.3 Intangible assets

Intangible assets decreased by US$0.03 million to US$0.18 million as at 30 September 2016 from US$0.21 million as at 31 December 2015 due to current period amortization.

8.2.4 Mining properties

Mining properties include costs transferred from deferred exploration and evaluation following the completion of technical feasibility and commercial viability of the Group's IPPKH1 as well as mine development costs and certain costs related to IPPKH2. As at 30 September 2016, the balance increased by US$0.9 million to US$6.8 million from US$5.9 million at 31 December 2015. This was due to additional mining properties expenditure for exploration and evaluation activities, technical services, licenses and permits related to IPPKH2 during 9MFYE12/16 offset with normal amortisation charges of US$1.9 million. Amortisation of mining properties uses the units-of-production method based on estimated Coal Reserves as at 31 December 2015.

8.2.5 Deferred tax assets

A deferred tax asset is an item that may be used to reduce taxable income. A deferred tax asset is recognised on carried forward tax losses to the extent there are sufficient estimated future taxable profits and/or taxable temporary differences against which the tax losses can be utilised. At 31 December 2015 the Group through its subsidiaries had utilised the balance of its carry forward tax losses. The increase in the deferred tax assets balance by US$0.2 million to US$1.1 million as at 30 September 2016 from US$0.9 million as at 31 December 2015 was mainly due to an increase in taxable temporary differences, which have the potential to reduce taxable income in a future period.

8.2.6 Inventories

Inventories include coal on hand, fuel and spare parts and are stated at the lower of cost and net realisable value. Inventories decreased by US$0.6 million to US$1.8 million as at 30 September 2016 from US$2.4 million as at 31 December 2015, due to a decrease in the quantity of coal on hand by 45,023 tonnes to 32,055 tonnes as at 30 September 2016 from 77,078 tonnes as at 31 December 2015 as the sales volume exceeded the production volume for the 9 months ended 30 September 2016.

8.2.7 Trade and other receivables

Trade and other receivables comprised primarily of receivables from coal sales and facility usage income. Trade and other receivables increased by US$0.2 million to US$16.3 million as at 30 September 2016 from US$16.1 million as at 31 December 2015.

8.2.8 Cash and cash equivalents

	Group	
	3 months ended 30.09.16 US$'000	**9 months ended 30.09.16 US$'000**
Cash and cash equivalents at beginning of period	3,164	4,714
Cash flows (used in)/generated from Operating Activities	(355)	1,177
Cash flows used in Investing Activities	(877)	(2,140)
Cash flows used in Financing Activities	(434)	(2,253)
Net decrease in cash and cash equivalents	(1,666)	(3,216)
Cash and cash equivalents at 30 September 2016	**1,498**	**1,498**

Cash flows from operating activities

Cash flows generated from operating activities before working capital changes amounted to US$6.2 million and US$2.4 million for 9MFYE12/16 and 3QFYE12/16, respectively. After working capital changes, cash flows decreased by US$5.0 million to US$1.2 million for 9MFYE12/16 primarily due to payment to vendors. In 3QFYE12/16, after working capital changes, cash flows decreased by US$2.8 million to negative US$0.4 million due to lower revenue from operations.

Cash flows from investing activities

Net cash flows used in investing activities amounted to US$2.1 million and US$0.9 million for 9MFYE12/16 and 3QFYE12/16, respectively. The cash was mainly used for additions to mining properties and purchase of PP&E.

Cash flows from financing activities

Net cash used in financing activities was US$2.3 million and US$0.4 million for 9MFYE12/16 and 3QFYE12/16, respectively. In 9MFYE12/16, the cash was mainly used in relation to the repayment of loans from related, third parties and finance leases while for 3QFYE12/16, the cash was mainly used in relation to the repayment of finance lease

8.2.9 Currency translation reserve

The currency translation reserve represents the balance of translation from the Company's functional currency (in SGD) to its presentation currency (in USD) as at 30 September 2016.

8.2.10 Non-controlling interests

The negative balance for non-controlling interests increased due to the loss attributable to non-controlling interests of US$0.4 million in Rinjani.

8.2.11 Trade and other payables (current and non-current)

Trade and other payables (current portion) decreased by US$16.4 million to US$21.3 million as at 30 September 2016 from US$37.7 million as at 31 December 2015 mainly due to reclassification of Rinjani's payable to its waste mining contractor to non-current and the repayment of loans to related and third parties. The latest amendment to the debt settlement agreement dated 29 March 2016 with Rinjani's waste mining contractor requires Rinjani to make installments based on sales quantities over a 3-year period. The instalments commenced on 1 January 2016 with payment conditional on a selling floor price of no less than US$38.0 per tonne (after adjusting to a Free On Board Barge basis and to account for Rinjani's coal quality) and an average stripping ratio of no greater than 9.0 bcm of overburden per tonne.

The trade and other payables (non-current) increased by US$12.4 million to US$12.4 million as at 30 September 2016 from approximately US$40,000 mainly due to the abovementioned reasons.

8.2.12 Post-employment benefits

Post-employment benefits increased by US$0.2 million to US$0.7 million as at 30 September 2016 from US$0.5 million as at 31 December 2015 due to additional provisions for the 9-months period for Rinjani's employees.

8.2.13 Finance lease liabilities

Finance lease liabilities represent the outstanding obligation for the lease of light vehicles and motor vehicles of Rinjani and hire purchase of coal hauling trucks by PT Energy Indonesia Resources (a subsidiary of the Company). Finance lease liabilities (both current and non-current) decreased by US$0.5 million to US$1.0 million as at 30 September 2016 from US$1.5 million as at 31 December 2015 primarily due to lease payments during the period which were partially offset by additional finance leases for the purchase of heavy equipment.

8.2.14 Tax payable

Tax payable increased by US$0.4 million as at 30 September 2016 based on estimated tax payable for the current period by the Group's subsidiaries.

8.2.15 Working Capital (30 September 2016)

The Group recorded negative working capital of US$3.1 million as at 30 September 2016, due primarily to land acquisition compensation for the development of IPPKH2. In line with item 8(g) above, the Group expects to meet its obligations as and when due and continue to operate as a going concern. Barring unforeseen circumstances, the Directors believe that the Group's negative working capital position will be overcome over the longer-term as the Group realises the benefits of the development of IPPKH2 and the recent upward trend in the market price of coal.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement has been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

During 9MFYE12/16, the coal industry remained challenging due to the prevailing market conditions and the continued depressed export prices for coal. Although the Group will benefit from the recent rally in thermal coal prices, it remains to be seen whether the rise is sustainable. As noted in 8(b) above, waste mining is contracted out to a third party waste mining contractor. Although the Group has been able to renegotiate rates downwards to reflect changes in market conditions, should market conditions improve as reflected by the Argus Coalindo ICI2 coal price index ("ICI2"), the waste mining contractor is entitled to an increase in the waste mining rate. Pursuant to the agreement with the waste mining contractor, the waste mining rate shall be increased by US$0.04 per bcm per US$1.00 increment in ICI2 above US$64.00 per tonne. Such increase is up to a maximum of US$0.40 per bcm or when the ICI2 reaches US$74.00 per tonne.

Other factors that may impact the Group in the next 12 months include:

1) **Cost maintenance and reduction programme**

The Group is continuously monitoring all costs. Management is confident that its existing cost advantage enjoyed through the usage of its own fully integrated coal mining facilities such as the coal stockpile, coal crushers, coal conveyor system and jetty facilities as well as control over its coal hauling road and trucks, will allow the Group to continue to maintain tight control of its operating costs in view of the uncertainty of market prices to minimise any impact on its profitability.

2) **Stripping ratio maintenance**

With continuing uncertainty surrounding future coal prices, the Group will continue to review and manage its stripping ratio through a dynamic mine plan. The stripping ratio will be closely managed during the next 12 months to enable Rinjani to efficiently manage its stripping cost and maintain positive margins.

3) **Diversification and additional source of income**

The Group continues to explore all possibilities to diversify its recurring income through the provision of its coal mining facilities to additional third party mine owners.

4) **Exploration and development of IPPKH2 which could lead to an increase in coal reserves and resources**

With the granting of IPPKH2, the Group is able to continue its exploration plan which is expected to lead to an increase in the Group's coal reserves and resources as well as production from IPPKH2 to supplement the reduction in coal production from IPPKH1. Exploration and development shall be concentrated in the West Block of IPPKH2 with further exploration of the South Block dependent on available cash flows.

5) **Production of higher quality coal**

Based on outcrop data, IPPKH2-South Block is expected to produce coal with a higher calorific value than IPPKH1 and, consequently, lead to an improvement in the average unit price received for the Group's coal when it is eventually exploited.

6) Letter of Demand ("LoD")

On 21 July 2016, the Company announced that its subsidiary, Rinjani, had received a letter demanding from Rinjani the payment of fees and expenses allegedly owed in respect of fund raising and other services rendered to Rinjani. Since receipt, Rinjani's legal counsel has sent an "open" response on 24 August 2016 to the complainant's lawyers outlining the known events with regards to the LoD. Save for this, there have been no significant developments in respect of the LoD. No provision for claims has been included in the financial statements for 3QFYE12/16 as no formal litigation proceedings have commenced as at the date of this announcement. The Company will make further announcements on the matter as necessary.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period/year reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period/year of the immediately preceding financial year?

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared or recommended for 9MFYE12/16.

13. Interested Person Transactions

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920(1)(a)(ii) of the Listing Manual Section B: Rules of Catalist of the SGX-ST (the "**Catalist Rules**").

There were no interested person transactions of S$100,000 or more entered into by the Group during 9MFYE12/16.

14. Use of Funds

In accordance with the use of proceeds as stated in the Company's offer document dated 30 September 2014 ("**Offer Document**"), the net proceeds ("**Net Proceeds**") have been utilised as follows

Purpose	**Allocation of proceeds to each purpose as announced on 24 November 2014 (S$'000)**	**Proceeds utilised at the date of this announcement (S$'000)**	**Balance (S$'000)**
Carrying Out Civil Works	500	500	-
Upgrading Coal Mining Facilities	900	862	38
Partial repayment of existing debt to CK	10,000	10,000	-
General Working Capital (2)	1,961	1,961	-
Outstanding Expense (1)	2,658	2,658	-
Underwriting and placement commission (1)	581	581	-
Total	**16,600**	**16,562**	**38**

Note:

(1) Excluding applicable goods and service tax

(2) General Working Capital consists mainly of operating expenses of the Group

The utilisation of the Net Proceeds is consistent with the intended uses as stated in the Offer Document.

Additional Information Required for Mineral, Oil and Gas Companies

15. Rule 705(6)(a) of the Catalist Rules

1) Use of funds/cash for the third quarter ended 30 September 2016:

The forecast use of funds for exploration, evaluation and development activities for the quarter ended 30 September 2016 and actual usage are as follows:

#	Activity	Remarks	Forecast use of funds (US$'000)	Actual use of funds (US$'000)
1	Land acquisition compensation	Land acquisition for drilling, pit and waste dumps	425	170
2	Commencement of drilling and logging	Drilling rigs and logging equipment (mobilisation)	478	230
3	Exploration and development support	Camp facilities, manpower, technical consultants and coal core analysis and geotechnical laboratory analysis	85	13
	Total		**988**	**413**

Actual use of funds for exploration, evaluation and development activities in 3QFYE12/16 amounted to approximately US$0.4 million (excluding payable for land compensation) which was US$0.6 million lower than the forecast use of funds. This was due to the management of available cash through the rescheduling of work schedules and payment milestones.

The expenditure incurred in 3QFYE12/16 was primarily for: (i) mobilisation to site and outcrop drilling and logging; and (ii) land compensation for the West Block to allow immediate access to commence exploration, evaluation and development activities.

2) Projection on the use of funds/cash for the next immediate quarter, including principal assumptions:

The Group will continue with its existing mine operations in IPPKH1. Following receipt of IPPKH2 on 14 July 2016, Rinjani commenced its exploration, evaluation and development activities within the new permit area during 3QFYE12/16. The principal assumptions for such activities in the quarter ending 31 December 2016 (4QFYE12/16) include:

- Land acquisition to allow further access to carry out additional exploration, evaluation and development activities in respect of IPPKH2;
- Drilling (including coring and non-coring) and logging; and
- Manpower, technical consultants, coal core analysis and geotechnical laboratory analysis

The anticipated use of funds/cash for the above activities is as follows:

#	Activity	Forecast use of funds in the quarter ending 31 December 2016 (US$'000)
1	Land acquisition for drilling, pit and waste dumps	515
2	Drilling and logging (exploration and evaluation activities)	73
3	Manpower, technical consultants, coal core analysis and geotechnical laboratory analysis	63
	Total	**651**

16. Rule 705(6)(b) of the Catalist Rules

The Board confirms that to the best of its knowledge, nothing has come to its attention which may render the above information provided to be false or misleading in any material aspect.

17. Rule 705(7)(a) of the Catalist Rules

Details of exploration (including geophysical surveys), mining development and/or production activities undertaken by the issuer and a summary of the expenditure incurred on those activities, including explanations for any material variances with previous projections, for the period under review. If there has been no exploration, development and/or production activity respectively, that fact must be stated.

There were no exploration (including geophysical studies) and/or development activities during 9MFYE12/16 other than as noted in item 15.1 above.

In relation to production activities, the Group continued with its existing mine operations in IPPKH1 and further development in IPPKH2. These activities included an update to its mine plan in response to the ongoing difficult market conditions in order to manage its costs, profit margins and cash flows. All production costs incurred during 9MFYE12/16 are described in item 8.1.2 above.

18. Rule 705(7)(b) of the Catalist Rules

An update on its reserves and resources, where applicable, in accordance with the requirements as set out in Practice Note 4C including a summary of reserves and resources as set out in Appendix 7D.

On 11 April 2016, the Company announced and published an updated independent qualified person's report ("**IQPR**") prepared by the Company's independent consultant, SMG Consultants ("**SMGC**"), which included an estimate of Coal Reserves and Coal Resources for the 308.54 ha mining concession area of Rinjani ("**PT Rinjani Mining Concession Area**") as at 31 December 2015.

Table 1: Coal Reserves and Coal Resources Estimates for the PT Rinjani Mining Concession Area as at 31 December 2015

Category	Mineral Type	Gross Attributable to Licence[(1)]		Net Attributable to the Company[(4)]		
		Tonnes (millions)	Grade	Tonnes (millions)	Grade	Change from previous update[(2)] (%)
RESERVES[(5)]						
Proved	Coal	1.4	Sub-bituminous B	1.1	Sub-bituminous B	-57%
Probable	Coal	1.3	Sub-bituminous B	1.0	Sub-bituminous B	15%
Total	**Coal**	**2.7**	**Sub-bituminous B**	**2.2**	**Sub-bituminous B**	**-38%**
RESOURCES[(3&5)]						
Measured	Coal	11.3	Sub-bituminous B	9.0	Sub-bituminous B	-19%
Indicated	Coal	3.6	Sub-bituminous B	2.9	Sub-bituminous B	-10%
Inferred	Coal	4.7	Sub-bituminous B	3.8	Sub-bituminous B	-1%
Total	**Coal**	**19.6**	**Sub-bituminous B**	**15.6**	**Sub-bituminous B**	**-14%**

Notes:
(1) Licence refers to Rinjani's Production Operation IUP.
(2) Previous Coal Reserves and Coal Resources estimates were reported as at 31 March 2015.
(3) Coal Resources are inclusive of Coal Reserves.
(4) The results presented are rounded to reflect the accuracy of the estimates. Minor discrepancies are due to rounding and are not considered material by SMGC.
(5) Resources and Reserves reported in the IQPR are in accordance with SMGC's interpretation of the JORC Code 2012 Edition. This announcement and included table represent normal practice for the SGX listing rules.

Name of Qualified Person: Keith Whitchurch

Date: 31 December 2015

Professional Society Affiliation/Membership: BE(Hons) MengSci MAusIMM CP(min) RPEQ. PERHAPI

Save for the normal depletion in the Coal Reserves and Coal Resources as a result of production since 31 December 2015, the Group confirms that all material assumptions and technical parameters underpinning the estimates in the IQPR continue to apply and have not materially changed.

19. Confirmation by the Company pursuant to Rule 720(1) of the Catalist Rules

The Company confirms that it has procured all the required undertakings (in the format set out in Appendix 7H of the Catalist Rules) from all its Directors and Executive Officers pursuant to Rule 720(1) of the Catalist Rules.

20. Confirmation by the Board of Directors pursuant to Rule 705(5) and Rule 705(6)(b) of the Catalist Rules

We, Agus Sugiono and Gabriel Giovani Sugiono, the undersigned, being Directors of the Company, do hereby confirm on behalf of the Board of Directors of the Company (the "**Board**"), that, to the best of our knowledge, nothing has come to the attention of the Board which may render:

- the interim financial statements, and
- the additional information provided for mineral, oil and gas companies to be false or misleading in any material aspect.

On behalf of the Board

Agus Sugiono
Executive Chairman and Chief Executive Officer

Gabriel Giovani Sugiono
Director

11 November 2016