RESOURCES PRIMA GROUP LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 198602949M)

NEWS RELEASE

Resources Prima turnarounds with net profit of USD0.6m in 9MFYE15 as compared to a loss of USD70.0m in 9MFYE14

- Gross margin improved significantly to 20.0% in 9MFYE15 from 1.2% in 9MFYE14 as a result of improved cost efficiency of operations and deferred stripping cost being fully amortized in November 2014
- Improved cost efficiency achieved through lowering waste mining rate from August 2015
- Received in-principle approval for second borrow-use permit ("IPPKH2") in January 2016 covering 899.49ha, more than doubling the existing operating area of IPPKH1
- Procedures for issuance of IPPKH2 to be completed by end of March 2016
- IPPKH2 is expected to produce coal with higher calorific value than IPPKH1 and may lead to higher average sale price

Financial Highlights

USD '000	9 months ended 31.12.15 (9MFYE15)#	9 months ended 31.12.14 (9MFYE14)#	Change
Revenue	50,964	68,473	(25.6)%
Cost of goods sold	(40,768)	(67,656)	(39.7)%
Gross profit / (loss)	10,196	817	>100%
Gross margin	20.0%	1.2%	+18.8ppt*
Other expenses**	(637)	(61,617)*	(99.0)%
Income / (Loss) for the period	597	(70,013)	N.M.

N.M. means not meaningful.

With the change of financial year ended from 31 March to 31 December as announced on 2 September 2015, in order to make a meaningful comparison to the previous year's performance of the Group, the review of the unaudited results for the nine months ended 31 December 2015 is compared with the unaudited results for the nine months ended 31 December 2014.

*ppt means percentage point
**Other expenses for 9MFYE14 included non-recurring charges such as goodwill written off and cost of arranger shares issued in payment for consultancy services related to the reverse takeover of Sky One Holdings Limited which was completed in November 2014.

SINGAPORE – 29 February 2016 - Resources Prima Group Limited ("**Resources Prima**" or the "**Company**", and together with its subsidiaries, the "**Group**") (stock code: 5MM), a coal mining company with integrated operations including coal mining facilities in Indonesia, is pleased to report a turnaround in its bottom-line for the nine months ended 31 December 2015 ("**9MFYE15**") with a net profit of USD0.6 million as compared to a loss of USD70.0 million for the same period last year ("**9MFYE14**").

The improvement in the bottom-line for 9MFYE15 was primarily due to a sharp increase in gross profit margin for the Group as well as lower administrative expenses, finance costs and other expenses incurred during the period. The loss in 9MFYE14 was largely due to non-recurring charges such as goodwill written off and cost of arranger shares issued in payment for consultancy services in relation to its reverse takeover of Sky One Holdings Limited.

Commenting on the results, **Executive Chairman and Chief Executive Officer, Mr. Agus Sugiono said**, "We are pleased to see that, despite weaker coal sales prices in 2015, our gross profit and gross margin have improved sharply in 9MFYE15 partly due to the implementation of our various cost management initiatives. For example, since August 2015, we have started to enjoy a lower waste mining rate through a cost reduction of USD0.31/bcm following commencement of blasting activities rather than using heavy equipment. Although the outlook for the coal industry remains challenging due to prevailing market conditions and the continued weakening of export prices from Indonesia, we will continue to focus on operational efficiencies including cost discipline and the continuous review and management of our stripping ratio through a dynamic mine plan."

Revenue for the Group in 9MFYE15 decreased by 25.6% to USD51.0 million from USD68.5 million in 9MFYE14, primarily due to lower coal sales and weaker coal sales prices. Coal sales in 9MFYE15 decreased by 26.0% to USD49.5 million from USD66.8 million in 9MFYE14. In addition, facilities usage income decreased by 9.6% to USD1.5 million in 9MFYE15 from USD1.7 million in 9MFYE14 due to lower throughput of coal from a third party mine owner.

The Group's gross profit improved significantly to USD10.2 million in 9MFYE15 from USD0.8 million in 9MFYE14 due to a reduction in costs of goods sold resulting in a better gross profit margin for the Group. In 9MFYE15, the Group's gross profit margin improved significantly to 20.0% from 1.2% in 9MFYE14 due to a lower cost of goods sold arising mainly from decreases in: (i) waste mining costs; (ii) heavy equipment rental costs; (iii) coal hauling costs; and (iv) depreciation and amortization. The decrease in depreciation and amortization was due to deferred stripping cost being fully amortized in November 2014 while the lower waste mining cost was achieved through a reduction in the waste mining rate from USD2.56/bcm to USD2.25/bcm in August 2015. The decrease in coal hauling cost was in-line with lower coal sales quantities while the reduction in heavy equipment rental cost was due to the purchase of certain heavy equipment in February 2015 which was previously rented.

In 9MFYE15, net cash generated from operating activities amounted to USD13.1 million. Net cash used in investing activities of USD12.6 million was primarily for the purchase of land (to increase the capacity of the stockpile facility for future use by the Group and third party mine owners), additional coal hauling trucks and heavy equipment, partially offset by proceeds from the disposal of available-for-sale investment. Net cash used in financing activities of USD1.2 million for 9MFYE15 was mainly in relation to repayment of finance lease. The Group's cash and cash equivalents as at 31 December 2015 was USD4.7 million as compared to USD5.5 million as at 31 March 2015.

Outlook
The Group will continue to focus on cost management initiatives and improving its operational efficiency to mitigate the impact of the ongoing challenging market conditions and the weakening of export prices for coal.

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 declining market prices to minimise the impact on its profitability.

Stripping ratio maintenance
With the on-going decline in market prices, the Group will continuously 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 the Group to further reduce its waste mining cost and maintain positive margins.

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.

Application for the second "borrow-use" permit which could lead to an increase in coal reserves and resources
The Company's subsidiary, PT Rinjani Kartanegara, had secured a "borrow-use" permit in respect of an area covering 308.54 ha of the total mining concession area of 1,933 ha ("**IPPKH1**"). The Group previously announced that it had commenced the process to secure a second "borrow-use" permit ("**IPPKH2**") for the remaining area of the mining concession. Approval in principle for 899.49 ha was received by the Group in January 2016. Procedures for issuance of IPPKH2 are expected to be completed by end of March 2016. Once IPPKH2 is secured, the Company shall commence further drilling and evaluation work, which could lead to an increase in the Group's coal reserves and resources and to potential future production from the additional area of 899.49ha.

Higher coal quality produced (increase in GAR)
Based on outcrop data, IPPKH2 is expected to produce coal with higher calorific value than IPPKH1 and, consequently, lead to an improvement in average unit prices received for the Group's coal as and when production from IPPKH2 commences.

--END--

About Resources Prima Group Limited

Resources Prima Group Limited ("**Resources Prima**", and together with its subsidiaries, the "**Group**") is a mine owner and primarily engages in the business of coal exploration and coal mining, currently, in East Kalimantan, Indonesia.

The Group, through its Indonesia-incorporated subsidiary PT Rinjani Kartanegara ("**PT Rinjani**"), has been granted a Production Operation IUP which is valid for an initial term of 12 years until 24 November 2021 (extendable for up to two (2) additional ten (10)-year tenures) to carry out coal mining operations in the mining concession area (with an area of 1,933 ha). The Group has been issued with a "borrow-use" permit by the Indonesian Minister of Forestry in respect of an area covering 308.54 ha of the mining concession area. The Group, through PT Rinjani, commenced mining operations in June 2012 with first sales in November 2012. Currently, the Group has submitted an application for a "borrow-use" permit for the remaining 1,624.46 ha of the mining concession area.

The Group also derives additional income through the provision of coal mining facilities (such as coal stockpile, coal crushers, coal conveyor system and jetty facilities) to third party mine owners as the Group may from time to time have excess capacity in respect of such coal mining facilities.

The Group's competitive strengths, including the location of the mine, supply chain advantages, supportive vendors, strong relationships with local government and a committed management team, will allow it to fulfil its economic potential. This potential is expected to be achieved through both organic growth via an expansion to the existing mining area and future M&A transactions.

Note:
This news release may contain predictions, estimates or other information that may be considered forward-looking statements. Actual results may differ materially from those currently expected because of a number of factors. These factors include (without limitation) changes in general industry and economic conditions, interest rate movements, cost of capital and capital availability, competition from other companies and venues for sale/manufacture/distribution of goods and services, shift in customer demands, changes in operating expenses, including employee wages and raw material prices, governmental and public policy changes, social and political turmoil and major health concerns. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management of future events. The Company undertakes no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events or otherwise, except as required by law.

For enquiries:

Mr. Agus Sugiono
Executive Chairman and CEO
Tel: +62-21-29347912
Email: info@resourcesprima.com.sg

---

*This news release has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("**Sponsor**"), Canaccord Genuity Singapore Pte. Ltd., 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 news release.*

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

The contact person for the Sponsor is Ms. Lam Siew Hwa, Director, Corporate Finance, Canaccord Genuity Singapore Pte. Ltd., at 77 Robinson Road #21-02 Singapore 068896, telephone (65) 6854-6160.