golden energy and resources

NEWS RELEASE

GEAR SETS UP INNOVATION CENTRE IN SINGAPORE TO FOCUS ON TRANSFORMATIONAL DIGITAL TECHNOLOGIES FOR HEAVY INDUSTRIES IN SOUTHEAST ASIA

- ***The innovation centre reinforces the growing interest in ASEAN enterprises seeking to transform their businesses in various sectors out of Singapore***
- ***GEAR seeks to achieve cost savings through such transformation to generate greater shareholder value***

Singapore, 29 April 2019 – Golden Energy and Resources Limited ("**GEAR**"), part of Indonesian conglomerate Sinar Mas, announced today the launch of its inaugural innovation centre, GEAR Innovation Network ("**GIN**") in Singapore. The innovation centre, supported by the Singapore Economic Development Board ("**EDB**"), will focus on digital technologies that seeks to transform capital-intensive activities at the core of GEAR's business, which include mining, development of mining infrastructure and logistics chain to deliver cost savings and return greater shareholder value.

The establishment of GIN marks an important milestone, as this is the first innovation initiative launched in Singapore by GEAR. Sharing the same location as GEAR's corporate headquarters, GIN will leverage GEAR's extensive assets as one of Southeast Asia's largest miners to test drive new concepts, with the vision of co-creating technology-driven solutions that can dramatically reduce the financial and operational risks inherent in capital expenditure-intensive industries. This is aligned with GEAR's relentless pursuit of excellence guided by its corporate culture that values quality, productivity and passion.

GIN's strategy is to consider new opportunities that would optimise the capital expenditures of GEAR's mining businesses. It employs a unique strategic (Know-Use-Partner-Invest) framework to identify relevant ecosystem players, which include top tier venture capitalists, universities, technology companies, construction players as well as regulators. These synergistic partnerships would serve to build long-term value for the industry and the mining group while capitalising on opportunities to scale innovative solutions across Southeast Asia's built-environment.

The solutions are also expected to be applicable across other industries such as construction, which is expected to register steady growth in the years ahead. According to research company Global Data, the construction industry is projected to rise to US$12.9 trillion in global value by 2022. The forecasted growth rate of 3.6% annually over the next four years would be largely driven by infrastructure and property spending in the Asia-Pacific region across China, India and Southeast Asia.

GIN also benefits from the progressiveness of Singapore's agencies such as the Building and Construction Authority ("**BCA**"), which actively connects GIN to the ecosystem of innovators and stakeholders in the construction sector. Singapore's know-how in sustainable development, digital and modular construction and smart facility management can help value-add to the region's capability.

GEAR's Group CEO Fuganto Widjaja said, "We recognise that no one can tackle these challenges alone. This is why we actively seek to build an ecosystem of like-minded partners to co-create solutions for GEAR's operations that can also, in parallel, scale regionally."

Widjaja added, “Singapore was a clear choice to be the centre of GEAR’s innovation efforts. The vibrant startup scene, combined with the presence of dozens of R&D centres by leading global companies and some of the best research institutes and universities in the world makes it much easier for collaboration among innovators and cross-pollination across industries. We are pleased to be launching this initiative with the support of EDB, which will enable us to connect to the ecosystem of startups, educational institutions, technology companies and venture capitalists, as we reach out to other companies with a shared vision to harness the benefits of digital technologies, especially those in capital-intensive industries.”

Mukund Sridhar, Partner, McKinsey & Company, shared that technology adoption in capital expenditure-intensive industries such as mining and construction ranks the second lowest, only after agriculture. “This chronic under-investment is the result of the cyclical nature of these sectors, coupled with the low profit margins for contractors. However, many have yet to appreciate that technology can play a significant role in improving profitability and decreasing business risk,” noted Sridhar.

To this end, GIN will focus on applying technologies such as collaboration software, Augmented Reality/Virtual Reality, advanced fabrication, Artificial Intelligence, and connected sensors to tackle problems faced by these industries.

Lim Kok Kiang, Assistant Managing Director, EDB, noted, “ASEAN enterprises, many of which are family owned, are seeking to transform their businesses in response to technological disruption. EDB recently established a Family Businesses Team to engage these enterprises on their business and partnership interests in Singapore. As such, EDB is excited that GEAR is anchoring its innovation centre here. We look forward to strengthening our partnership as GEAR develops and expands their innovation capabilities to address regional problem statements, from Singapore.”

Over the next three years, GEAR is looking to grow the innovation team to include innovation scouts, product managers, research scientists and engineers.

ABOUT GOLDEN ENERGY AND RESOURCES LIMITED

Golden Energy and Resources Limited ("GEAR") is a leading energy and mining company in the Asia-Pacific. Since the completion of the Reverse Takeover of SGX Mainboard-listed United Fiber System Limited in 2015, GEAR has principally engaged in the exploration, mining, and marketing of thermal coal sourced from its coal mining concession areas, covering an aggregate of approximately 66,204 hectares in Indonesia.

GEAR collectively owns the rights to mine more than 2.8 billion tonnes of thermal coal resources, with coal reserves of more than 1 billion tonnes, as at 31 December 2018.

In addition, GEAR also has strategic investments in leading gold and coking coal producers in Australia, via Westgold Resources Limited and Stanmore Coal Limited, both of which are listed on the Australian Stock Exchange.

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29 April 2019

This release contains forward-looking statements, including quotes from management and statements concerning GEAR's future growth, operating and financial results and prospects. Statements using words such as "believe" and "expect" and similar words and expressions are intended to identify forward-looking statements. Forward-looking statements are neither historical facts nor assurances of future performance. Forward-looking statements are based only on current beliefs, assumptions and expectations of management regarding the Company's future growth, coal production volume, coal selling price and operating and financial results and potential acquisitions. Because forward-looking statements relate to the future, they are inherently subject to significant known and unknown business, economic and competitive uncertainties, risks and contingencies, many of which are beyond the Group's control and difficult to predict, which could cause actual results to differ materially from those suggested by the forward-looking statements. These include fluctuations in demand for coal and coal prices, competition, changes to arrangements with customers, the availability and performance of third-party mining contractors, execution of GEAR's growth strategy, fuel prices, changes in governmental policies and regulations, unauthorized mining operations, public opposition to mining and other risks, uncertainties and factors. Readers of this release are cautioned not to place undue reliance on forward-looking statements herein, which speak only as of the date hereof. GEAR undertakes no obligation to publicly update or release any revisions to these forward-looking statements, except as required by law.