



NEWS RELEASE

RESOURCES PRIMA TO ENJOY COST SAVINGS THROUGH REDUCED WASTE MINING RATE

- Lower waste mining rate expected to result in potential cost reductions of between US\$2.70 per metric tonne (“**mt**”) to US\$3.40 per mt from May 2015 onwards
- Competitive edge will be strengthened further in the coming quarters as the full impact of the cost reduction programme kicks in

SINGAPORE – 6 April 2015 - 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 inform that it has entered into an agreement with its waste mining contractor, PT Cipta Kridatama, which provides for a revision of the waste mining rate charged by the waste mining contractor. Both parties have agreed on a revised waste mining rate which will result in a cost reduction of US\$0.31 per bank cubic metre (“**bcm**”). The revised waste mining rate will be implemented upon the receipt by the Group of its explosives permits which the management expects in May 2015. The impact will be a potential cost saving (including value-added tax) of between US\$2.70 per mt to US\$3.40 per mt of coal. Actual savings to be enjoyed by the Group will depend on the monthly stripping ratio of the Group’s mine.

Waste mining costs is the single largest component of the Group’s cost of goods sold (“**COGS**”), accounting for approximately 45% of the Group’s COGS during the first nine months ended 31 December 2014 (“**9M2015**”), based on the Group’s unaudited financial statements for 9M2015. As such, any reduction in the waste mining rate will have a positive impact on the Group’s gross profit margin. During 9M2015, total overburden removed amounted to approximately 10,876,000 bcm. Purely for illustration purposes, assuming all things being equal, a reduction in the waste mining rate of US\$0.31 per bcm would have yielded cost savings of approximately US\$3.7 million during 9M2015.

Executive Chairman and Chief Executive Officer, Mr. Agus Sugiono says, “We previously announced in February 2015 that our Group has commenced a cost reduction programme covering a number of areas, including (i) a review of the waste mining rate; (ii) a review of heavy equipment requirements and management of related costs; and (iii) a review of fuel supply arrangements to ensure fuel costs are minimised. I am pleased to report that not only have we managed to lower our waste mining rate, we have also successfully implemented cost reduction measures involving heavy equipment and fuels. Barring unforeseen circumstances, I believe our competitive edge will be strengthened further in the coming quarters as the full impact of the cost reduction programme kicks in.”

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RESOURCES PRIMA GROUP LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 198602949M)



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.

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*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.*

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