

GOLDEN ENERGY AND RESOURCES LIMITED

(Incorporated in the Republic of Singapore)
Company Registration Number: 199508589E

ACQUISITION OF ADDITIONAL 2.93% STAKE IN STANMORE COAL LIMITED

1. INTRODUCTION

- 1.1 Acquisition.** The board of directors (the “**Board**”) of Golden Energy and Resources Limited (“**GEAR**” and together with its subsidiaries, the “**GEAR Group**”) wishes to announce that its subsidiary, Golden Investments (Australia) Pte. Ltd. (“**Golden Investments**”), had on 17 March 2020 purchased 7.5 million shares (the “**Specified Shares**”) in the capital of Stanmore Coal Limited (“**Stanmore Coal**” and such shares, “**Stanmore Coal Shares**”), a company listed on the Australian Securities Exchange (“**ASX**”), in an on-market block transaction (the “**Transaction**”). The Specified Shares represent approximately 2.93 per cent. of the total number of Stanmore Coal Shares.

In connection with the Transaction, Golden Investments has today filed with ASX a Substantial Shareholder Notice (the “**ASX Notice**”). A copy of the ASX Notice is set out in the Schedule to this Announcement, and is also available on the website of the ASX at <https://www.asx.com.au/>.

- 1.2 Resultant Shareholding.** As set out in the ASX Notice, as a result of the Transaction, Golden Investments’ aggregate shareholding in Stanmore Coal has increased from approximately 28.42 per cent. to approximately 31.35 per cent.

2. INFORMATION ON STANMORE COAL

- 2.1 Stanmore Coal and its Principal Activities.** Stanmore Coal is a company incorporated in Australia and listed on the ASX. Based on publicly available information, the principal activities of Stanmore Coal and its subsidiaries (collectively, the “**Stanmore Coal Group**”) are the exploration, development, production and sale of metallurgical and thermal coal. The Stanmore Coal Group has an interest in the following coal mines and projects in Queensland, Australia: (i) Isaac Plains; (ii) Isaac Plains East Open Cut; (iii) Isaac Downs (Wotonga); (iv) Isaac South; (v) Clifford; (vi) The Range; (vii) Mackenzie; (viii) Belview; (ix) Tennyson; and (x) Lilyvale.

Based on the latest audited consolidated financial statements of Stanmore Coal for the financial year ended 30 June 2019 (the “**Stanmore Coal FY2019 Results**”), Stanmore Coal has an issued and paid-up ordinary share capital of A\$120.96 million, comprising 256,094,238 Stanmore Coal Shares.

- 2.2 Value of the Assets Being Acquired.** The unaudited net asset value (“**NAV**”) and net tangible asset (“**NTA**”) value of the Specified Shares is approximately A\$4.76 million and A\$2.61 million respectively as at 31 December 2019, and the market value of the Specified Shares is approximately A\$5.74 million as at 16 March 2020 (being the market day preceding the date of purchase of the Specified Shares).

- 2.3 Net Profit.** Based on the Stanmore Coal FY2019 Results, the net profit before income tax, minority interests and extraordinary items attributable to the Specified Shares is approximately A\$3.76 million.

3. PRINCIPAL TERMS OF THE TRANSACTION

- 3.1 Consideration.** The aggregate consideration for the Transaction (the “**Consideration**”) is A\$6 million and was arrived at on a willing buyer willing seller basis.
- 3.2 Source of Funding.** The Consideration will be satisfied in cash and funded by GEAR’s internal resources.

4. RATIONALE FOR THE TRANSACTION

- 4.1 Rationale.** By increasing its interest in Stanmore Coal (through its subsidiary, Golden Investments), GEAR is of the view that the Transaction will allow GEAR to be in a position to better optimize the operations and resources of Golden Investments and Stanmore Coal.

This strategy is also consistent with GEAR’s strategic and long-term investment in Stanmore Coal. Prior to the Transaction, Golden Investments had increased its shareholding in Stanmore Coal over the past 12 months through the following transactions:

- 4.1.1** Pursuant to the Dividend Reinvestment Plan of Stanmore Coal in respect of the dividend paid by Stanmore Coal on 30 April 2019, Golden Investments had also acquired an additional approximately 1.79 million Stanmore Coal Shares, representing approximately 0.70 per cent. of the total number of Stanmore Coal Shares at that time, for an aggregate consideration of A\$1.93 million (the “**Scrip Dividend**”).
- 4.1.2** As announced by GEAR on 21 August 2019, Golden Investments had on 19 August 2019 purchased 6.60 million Stanmore Coal Shares, representing approximately 2.58 per cent. of the total number of Stanmore Coal Shares at that time, for an aggregate consideration of A\$9.70 million (the “**Previous Acquisition**”).

5. DISCLOSEABLE TRANSACTION

- 5.1 Rule 1005.** Rule 1005 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (the “**Listing Manual**”) states that, in determining whether a transaction is a non-discloseable transaction, discloseable transaction, major transaction, very substantial acquisition or reverse takeover, the SGX-ST may aggregate separate transactions completed within the last 12 months and treat them as if they were one transaction.

As the Scrip Dividend, the Previous Acquisition and the Transaction (collectively, the “**Relevant Transactions**”) all involve acquisitions of Stanmore Coal Shares by Golden Investments and were completed within the past 12 months prior to the date of the Transaction, the Transaction has been aggregated with the Scrip Dividend and the Previous Acquisition in determining whether the Transaction falls within Rule 1006 of the Listing Manual (“**Rule 1006**”).

5.2 Rule 1006 Relative Figures. The relative figures for the Transaction aggregated with the Scrip Dividend and the Previous Acquisition (*i.e.*, the Relevant Transactions) computed on the bases set out in Rule 1006 are as follows:

Rule 1006	Bases	Relevant Transactions	GEAR Group	Relative Figures (%)
(a)	NAV of assets to be disposed of, compared with the NAV of the GEAR Group		Not applicable.	
(b)	Net profits/(losses) attributable to the Stanmore Coal Shares acquired pursuant to the Relevant Transactions (collectively, the “ Relevant Shares ”), compared with the GEAR Group’s net profits ⁽¹⁾ (US\$ million)	5.84	70.32	8.30%
(c)	Aggregate consideration payable by Golden Investments in respect of the Relevant Transactions ⁽²⁾ compared with GEAR’s market capitalization ⁽³⁾ (S\$ million)	15.33	248.02	6.18%
(d)	Number of equity securities issued by GEAR as consideration for the Relevant Transactions, compared with the number of equity securities previously in issue		Not applicable.	
(e)	Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the GEAR Group’s proved and probable reserves		Not applicable.	

Notes:

- (1) The net profits or losses before income tax, minority interests and exceptional items attributable to the Relevant Shares based on the Stanmore Coal results for the trailing 12-month period ended 31 December 2019, have been compared with the GEAR Group’s net profits or losses before income tax, minority interests and exceptional items for its financial year ended 31 December 2019 (“**FY2019**”) (which are based on the latest unaudited consolidated financial statements of the GEAR Group for the financial year ended 31 December 2019 (the “**GEAR FY2019 Results**”)). The figures for Stanmore Coal Group are expressed in US\$ based on an exchange rate of A\$1:US\$0.7021 being the A\$:US\$ exchange rate on 31 December 2019 (Source: BloombergLP).
- (2) Calculated based on the aggregate of the consideration for the Relevant Transactions of A\$17.63 million and expressed in S\$ based on an exchange rate of A\$1: S\$0.8694, being the A\$:S\$ exchange rate on 16 March 2020 (Source: BloombergLP).
- (3) GEAR’s market capitalisation is based upon 2,353,100,380 ordinary shares in the capital of GEAR in issue (excluding treasury shares) (“**GEAR Shares**”) as at 16 March 2020, being the last market day preceding the date of the Transaction on which GEAR Shares were traded

on the SGX-ST, at a VWAP of S\$0.1054 for each GEAR Share (Source: BloombergLP).

- 5.3 Discloseable Transaction.** As each of the relative figures under Rule 1006(b) and 1006(c) exceeds 5% but is not more than 20%, the Transaction (aggregated with the Scrip Dividend and the Previous Acquisition) constitute a discloseable transaction for GEAR as defined in Chapter 10 of the Listing Manual.

6. PRO FORMA FINANCIAL EFFECTS OF THE RELEVANT TRANSACTIONS

- 6.1 Bases and Assumptions.** The pro forma financial effects of the Relevant Transactions set out below are for illustrative purposes only, and are neither indicative of the actual financial effects of the Relevant Transactions on the consolidated NTA, the consolidated earnings, the net gearing and/or the share capital of the GEAR Group, nor represent the actual or future financial position and/or results of the GEAR Group immediately after the completion of the Relevant Transactions.

The pro forma financial effects of the Relevant Transactions set out below have been prepared based on the Stanmore Coal FY2019 Results and the GEAR FY2019 Results, and considering investment in Stanmore Coal as a long-term investment in GEAR Group financial statements.

- 6.2 Effect on NTA per GEAR Share.** For illustrative purposes only and assuming that the Relevant Transactions had been completed on 31 December 2019, being the end of FY2019, the pro forma financial effects of the Relevant Transactions on the consolidated NTA of the GEAR Group are set out below:

	Before completion of the Relevant Transactions	After completion of the Relevant Transactions
NTA (US\$ million)	199.73	201.05
Number of issued GEAR Shares	2,353,100,380	2,353,100,380
NTA per GEAR Share (United States cents)	8.49	8.54

- 6.3 Effect on Earnings per Share.** For illustrative purposes only and assuming that the Relevant Transactions had been completed on 1 January 2019, being the beginning of FY2019, the pro forma financial effects of the Relevant Transactions on the consolidated earnings of the GEAR Group are set out below:

	Before completion of the Relevant Transactions	After completion of the Relevant Transactions
Profit after tax and minority interests (US\$ million)	9.95	10.71
Number of issued GEAR Shares	2,353,100,380	2,353,100,380
Earnings per GEAR Share (United States cents)	0.423	0.455

- 6.4 Effect on Net Gearing.** For illustrative purposes only and assuming that the Relevant Transactions had been completed on 31 December 2019, being the end of FY2019, the pro forma financial effects of the Relevant Transactions on the net gearing of the GEAR Group are set out below:

	Before completion of the Relevant Transactions	After completion of the Relevant Transactions
Net Gearing Ratio ⁽¹⁾	0.54	0.54

Note:

(1) The Net Gearing Ratio is computed as (total liabilities excluding taxes - cash and cash equivalents) / (equity attributable to owners of GEAR + total liabilities excluding taxes - cash and cash equivalents).

- 6.5 Effect on Share Capital.** The Relevant Transactions will not have any impact on the issued and paid-up share capital of the Company.

7. FURTHER INFORMATION

- 7.1 Interests of Directors and Controlling Shareholders.** None of the directors and controlling shareholders of GEAR has any interest, direct or indirect, in the Transaction.
- 7.2 No Directors' Service Contracts.** No person is proposed to be appointed to the Board as part of the Transaction, and no director's service contract is proposed to be entered into by GEAR with any person in connection with the Transaction.

8. RESPONSIBILITY STATEMENT

The directors of GEAR (including those who may have delegated detailed supervision of the preparation of this Announcement) collectively and individually accept full responsibility for the accuracy of the information given in this Announcement (other than information relating to Stanmore Coal) and confirm, after making all reasonable enquiries that to the best of their knowledge and belief, the facts stated and opinions expressed herein (other than information relating to Stanmore Coal) are fair and accurate in all material respects as at the date hereof, and that there are no material facts the omission of which would make this Announcement misleading.

Where any information has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the directors of GEAR has been to ensure that such information is accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this Announcement.

By Order of the Board

GOLDEN ENERGY AND RESOURCES LIMITED

Pauline Lee
Group Company Secretary
18 March 2020

Forward Looking Statements

This Announcement may include certain statements that are in the nature of forward looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties which could cause actual values, results, performance or achievements to differ materially from those expressed, implied or projected in any forward looking statement.

The forward looking statements in this Announcement reflect the views held only as at the date of this Announcement. While GEAR believes that the expectations reflected in the forward looking statements in this Announcement are reasonable, no assurance can be given that such expectations will prove to be correct. You are cautioned not to place undue reliance on any forward looking statement.

Schedule
ASX Notice

(see attached pages)