

For Immediate Release

BLACKGOLD AND CHINA HUADIAN TAKE NEXT STEP TOWARDS THE JOINT DEVELOPMENT OF A 2 X 300 MW POWER PLANT IN RIAU

- **Entry into a conditional term sheet for the potential joint development of the Riau 1 Project**
- **BlackGold to be appointed as the long-term exclusive coal supplier for 30 years upon successful awarding of the Project**

Singapore, 12 June 2017 – BlackGold Natural Resources Limited (the “**Company**”, and together with its subsidiaries, the “**Group**” or “**BlackGold**”), is pleased to announce that it has, through its subsidiary, PT Samantaka Batubara (“**PT SB**”), entered into a conditional term sheet (the “**Term Sheet**”) with China Huadian Engineering Co., Ltd. (“**China Huadian**”) for the joint development, construction, operation and maintenance of a 2 x 300 MW coal-fired power plant in Riau province, Indonesia (the “**Project**” or “**Riau-1 Project**”).

This follows an earlier announcement by the Company on 28 December 2015 regarding BlackGold’s entry into a consortium agreement with China Huadian for participation in a bid (the “**Bid**”) to provide electric power to PT PLN (Persero) (“**PLN**”).

Under the Term Sheet for the proposed joint venture, it is anticipated that BlackGold, its potential third party affiliate(s) and/or working partner(s), if any, and China Huadian (the “**NewCo Shareholders**”) will hold equity interests of 44%, 5% and 51%, respectively in the proposed joint venture company. The NewCo Shareholders shall make capital contributions to the proposed joint venture company in proportion to their respective shareholdings in it, amounting to a total capital contribution that is equivalent to a maximum of 25% of the total cost of the Project. The consummation of the proposed joint venture is subject to, amongst others, the successful award of the Bid by PLN to the consortium of PT SB and China Huadian.

Pursuant to the Term Sheet, amongst others, PT SB shall negotiate the power purchase agreement with PLN and shall be appointed as the long-term exclusive supplier of coal to the Project for 30 years. China Huadian shall be appointed as the EPC (engineering, procurement and construction) and O&M (operations and maintenance) contractor, and shall secure the debt financing required for the Project.

Mr Philip Cecil Rickard, Chief Executive Officer of the Group, commented: “The signing of this Term Sheet marks the next step forward for both parties as it irons out the salient terms of the proposed joint venture between the parties. Leveraging on the capabilities of China Huadian in power engineering and BlackGold’s expertise in coal mining, we look towards securing the award of the Bid for development of the Riau-1 Project.”

Information on PLN, China Huadian and the Riau 1 Project

PT PLN (Persero) is Indonesia's state-run power distribution company.

China Huadian is a state-owned power engineering company in China. China Huadian's core businesses encompass high tech product research and development, engineering design, general contracting, as well as energy technology research and services. China Huadian is currently involved in project construction, investment, operation and maintenance of various power projects located in Indonesia.

The Riau-1 Project is listed as one of the planned mine-mouth power plants in the 2017 National Electricity Supply Business Plan (the "2017 RUPTL"), with commercial operation date expected to start in 2020.

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ABOUT BLACKGOLD (Bloomberg Ticker: BHR:SP)

The Group is an Indonesia-focused coal mining company targeting Indonesia's rapidly-growing power plant industry. Through long term, fixed offtake agreements with its principal customers, the Group has a customer portfolio consisting of state-owned and independent power plants and factories.

The Group, through its local subsidiaries, has the rights to three coal concessions in Riau, Indonesia.

Currently, the Group, through its subsidiary PT Samantaka Batubara, has a coal concession for an area of 15,000 hectares, and has over 200 million tonnes of Coal Resources (JORC Code compliant).

For more information, please visit www.blackgold-group.com.

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

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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.

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