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

NEWS RELEASE

Resources Prima revenue decreases 17.0% to USD30.7m on lower coal sales price during first half ended 30 June 2016

- Coal sales quantity up 9.3% to 814,473 tonnes in 6MFYE12/16 while the average selling price of coal decreased by 21.7% year on year, leading to lower coal sales for the Group
- Secured second "borrow-use" permit ("**IPPKH2**") on 14 July 2016 which covers an area of 897.56 ha, more than double current operating area of 308.54 ha
- Exploration work and forestry land clearance commenced in IPPKH2 from which coal production expected to commence in the current quarter ending 30 September 2016
- IPPKH2 is expected to produce coal with higher calorific value than IPPKH1 and may lead to higher average unit price

This news release should be read in conjunction with the results announcement dated 12 August 2016.

Financial Highlights

USD '000	3 months ended 30.06.16	3 months ended 30.06.15	change	6 months ended 30.06.16	6 months ended 30.06.15	Change
Revenue	12,047	18,600	(35.2)%	30,723	36,995	(17.0)%
Cost of goods sold	(10,802)	(13,766)	(21.5)%	(25,142)	(26,626)	(5.6)%
Gross profit	1,245	4,834	(74.2)%	5,581	10,369	(46.2)%
Gross profit margin *	10.3%	26.0%	(15.7)ppt	18.2%	28.0%	(9.8)ppt
Net profit / (loss) attributable to equity holders	(654)	1,564	N.M.	17	6,730	(99.7)%

N.M. means not meaningful
*ppt means percentage point

SINGAPORE – 12 August 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 in Indonesia, today reported a lower net profit attributable to equity holders of the Company of USD17k for the six months ended 30 June 2016 ("**6MFYE12/16**") as compared to USD6.7 million for the same period last year ("**6MFYE15**").

For the three months ended 30 June 2016 ("**2QFYE12/16**"), the Group reported a net loss attributable to equity holders of the Company of USD0.7 million as compared to a net profit of USD1.6 million in the corresponding period a year ago. The Group's earnings in

6MFYE12/16 and 2QFYE12/16 were mainly impacted by lower gross profit margins and weaker coal sales revenue as a result of a lower average selling price of coal.

Executive Chairman and Chief Executive Officer, Mr. Agus Sugiono said, "Our earnings during the first half were mainly impacted by weak coal sales prices. Further, our ability to ramp up production volume was hindered by the delay in getting the second borrow-use permit ("**IPPKH2**"). Nonetheless, I believe the outlook for our company is improving, especially in light of securing IPPKH2 in July 2016. I am also glad to see the gradual improvement of coal prices in the past two months. Since hitting a multi-year low of USD50.92 in February 2016, the Indonesia Coal Reference Price ("**HBA**") has rebounded to above USD58.00 in August 2016; a six month high." (source: www.coalspot.com).

"In the near term, we will continue to focus on managing our cash-flows, operating costs and stripping ratios as well as to intensify our efforts to commence coal production from IPPKH2 in the current quarter ending 30 September 2016."

In 6MFYE12/16, revenue for the Group decreased by 17.0% to USD30.7 million from USD37.0 million in 6MFYE15 as a result of lower coal sales revenue and lower facility usage income. Revenue from coal sales decreased by 14.6% to USD30.6 million in 6MFYE12/16 from USD35.9 million in 6MFYE15 due to lower average coal sales price. In 6MFYE12/16, coal sales volume increased by 9.3% to 814,473 tonnes from 745,368 tonnes in 6MFYE15, while the average coal sales price decreased by 21.7% to USD37.2/MT from USD47.5/MT over the same period. In 6MFYE16, facility usage income decreased by 92.7% to USD80,000 million due to lower throughput of coal from a third party mine owner.

The Group's gross profit in 6MFYE12/16 decreased by 46.2% to USD5.6 million from USD10.4 million in 6MFYE15 mainly due to the decrease in Group revenue. In 6MFYE12/16, the Group's gross profit margin decreased to 18.2% from 28.0% in 6MFYE15 largely due to lower average sales price of coal.

Cost of goods sold for 6MFYE12/16 comprised mainly waste mining costs, which accounted for 51.0% of the total cost of goods sold. The other main costs included coal hauling costs as well as depreciation and amortisation. Cost of goods sold in 6MFYE12/16 decreased 5.6% to USD25.1 million from USD26.6 million in 6MFYE15 mainly attributable to lower coal production volume which in turn resulted in decreases in waste mining costs, coal hauling costs and fuel. These lower costs were partly offset by increases in other costs and staff costs. The costs of goods sold per tonne decreased by 0.9% to USD32.9 per tonne in 6MFYE12/16 from USD33.2 per tonne in 6MFYE15.

In 6MFYE12/16, net cash generated from operating activities amounted to USD1.5 million. Net cash used in investing activities of USD1.3 million was mainly used to secure licences and permits of IPPKH2. Net cash used in financing activities of USD1.8 million for 6MFYE12/16 was mainly in relation to the repayment of loans from related and third parties and finance leases.

The Group's cash and cash equivalents as at 30 June 2016 was USD3.2 million compared to USD4.7 million as at 31 December 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. Indonesia coal export prices are expected to remain under pressure for the foreseeable future, although favourable pricing trends have been evident recently.

Cost maintenance 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 depressed market prices to minimise the impact on its profitability.

Stripping ratio maintenance

With the on-going depressed coal prices, the Group continuously reviews and manages its stripping ratio through a dynamic mine plan. The stripping ratio will be closely managed during the next 12 months to efficiently manage the stripping cost and maintain positive margins for the Group.

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, held a “borrow-use” permit, IPPKH1, in respect of an area covering 308.54 ha of the total mining concession area of 1,933 ha. Approval for a second “borrow-use” permit, IPPKH2, in respect of an area covering 897.56 ha of the remaining mining concession area was received by the Group on 14 July 2016.

With IPPKH2 now approved, the Company shall commence further exploration which is expected to lead to an increase in the Group’s coal reserves and resources as well as production from the additional area. Coal production from IPPKH2 is expected to commence in the current quarter ended 30 September 2016.

Based on outcrop data, and barring unforeseen circumstances, IPPKH2 is expected to produce coal with higher calorific value than IPPKH1 and consequently lead to an improvement in average unit price received for the Group’s coal.

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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 ("**IPPKH1**") of the mining concession area. The Group, through PT Rinjani, commenced mining operations in June 2012 in IPPKH1 with first sales in November 2012. Approval for a second "borrow-use" permit ("**IPPKH2**), in respect of an area covering 897.56 ha of the mining concession area was received by the Group on 14 July 2016.

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 (the "**Sponsor**"), SAC Advisors Private Limited (formerly known as 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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