Resources Prima Group Limited

(Company Registration No: 198602949M)

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, SAC Advisors Private Limited (formerly Canaccord Genuity Singapore Pte. Ltd.) ("**Sponsor**"), 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 announcement.*

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.

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Unaudited Second Quarter and Half Year Financial Statements for the Financial Period Ended 30 June 2016

INTRODUCTION

On 12 November 2014, Sky One Holdings Limited announced the completion of the reverse takeover ("**RTO**") pursuant to which its name was changed to Resources Prima Group Limited (the "**Company**", and together with its subsidiaries, the "**Group**").

Upon completion of the RTO, the Group engages in the business of coal mining and the provision of coal mining facilities to third party mine owners. On 31 March 2015, the Company announced the acquisition of RPG Trading Pte. Ltd., with the intention of trading and marketing of coal.

On 2 September 2015, the Company announced the change of its financial year end from 31 March to 31 December. This change was effected to align the financial year of the Company with that of its Indonesian subsidiaries following completion of the RTO. With this change, the financial year of the Company will end on 31 December of each year.

For ease of reference, the following abbreviations are used in this announcement:

- "**6MFYE12/16**": The 6-month period ended 30 June 2016 of the financial year ending 31 December 2016;
- "**6MFYE15**": The 3 months period ended 31 March 2015 of the financial year ended 31 March 2015 (**4QFYE03/15** plus the 3 months period ended 30 June 2015 of the financial year ended 31 December 2015 (**1QFYE12/15)** which consisted of 9 months due to the change of financial year end; and
- "**2QFYE12/16**": The 3 months period ended 30 June 2016 of the financial year ending 31 December 2016.

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PART 1 – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) Income statement and statement of comprehensive income, or a statement of comprehensive income for the group together with a comparative statement for the – corresponding period of immediately preceding year

INCOME STATEMENT

	Group						
	3 months ended 30.06.16 US$'000	3 months ended 30.06.15 US$'000	Inc/ (Dec) %	6 months ended 30.06.16 US$'000	6 months ended 30.06.15 US$'000	Inc/ (Dec) %	Ref
Revenue	**12,047**	**18,600**	**(35.2)**	**30,723**	**36,995**	**(17.0)**	**8.1.1**
Cost of goods sold	(10,802)	(13,766)	(21.5)	(25,142)	(26,626)	(5.6)	**8.1.2**
Gross profit	**1,245**	**4,834**	**(74.2)**	**5,581**	**10,369**	**(46.2)**	**8.1.3**
Other income	28	364	(92.3)	48	5,068	(99.1)	**8.1.4**
Selling and distribution expenses	(820)	(1,222)	(32.9)	(2,181)	(2,613)	(16.5)	**8.1.5**
Administrative expenses	(970)	(673)	44.1	(1,949)	(1,133)	72.0	**8.1.6**
Finance costs	(433)	(436)	(0.7)	(733)	82	N.M.	**8.1.7**
Other expenses	(4)	(399)	(99.0)	(801)	(2,851)	(71.9)	**8.1.8**
(Loss)/income before tax	**(954)**	**2,468**	**N.M.**	**(35)**	**8,922**	**N.M.**	
Tax benefit/(expense)	19	(735)	N.M.	(258)	(1,359)	(81.0)	**8.1.9**
(LOSS)/INCOME FOR THE PERIOD	**(935)**	**1,733**	**N.M.**	**(293)**	**7,563**	**N.M.**	
(LOSS)/INCOME ATTRIBUTABLE TO							
- Equity holders of the Company	(654)	1,564	N.M.	17	6,730	(99.7)	
- Non-controlling interests	(281)	169	N.M.	(310)	833	N.M.	
	(935)	**1,733**	**N.M.**	**(293)**	**7,563**	**N.M.**	
Other comprehensive loss							
Item that may not be reclassified subsequently to profit or loss							
Remeasurement of post-employment benefits, net of tax	-	-	N.M.	-	(10)	N.M.	
Items that may be reclassified subsequently to profit or loss							
Currency translation differences arising on consolidation	18	269	(93.3)	585	(826)	N.M.	
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD	**(917)**	**2,002**	**N.M.**	**292**	**6,727**	**(95.7)**	
TOTAL COMPREHENSIVE (LOSS)/INCOME ATTRIBUTABLE TO							
- Equity holders of the Company	(636)	1,833	N.M.	602	5,894	(89.8)	
- Non-controlling interests	(281)	169	N.M.	(310)	833	N.M.	
	(917)	**2,002**	**N.M.**	**292**	**6,727**	**(95.7)**	

N.M. – Not Meaningful

1(a)(ii) Income/(loss) before tax is stated after charging/(crediting) the following:-

	Group					
	3 months ended 30.06.16 US$'000	**3 months ended 30.06.15 US$'000**	**Inc/ (Dec) %**	**6 months ended 30.06.16 US$'000**	**6 months ended 30.06.15 US$'000**	**Inc/ (Dec) %**
Unrealised foreign currency exchange loss/(gain)	42	(138)	N.M.	(29)	(873)	(96.7)
Depreciation of property, plant and equipment	741	639	16.0	1,408	1,252	12.5
Amortisation of mining properties	704	709	(0.7)	1,437	1,217	18.1
Amortisation of intangible assets	10	11	(9.1)	20	21	(4.8)
Post-employment benefits	60	44	36.3	119	240	(50.4)
Provision for mine reclamation and rehabilitation	54	34	58.8	106	74	43.2
Operating lease expenses	330	540	(38.9)	767	1,124	(31.8)
Inventories written down	-	-	-	-	43	N.M
Interest income	(7)	(4)	75.0	(14)	(11)	27.3
Interest expense	433	436	(0.7)	733	(82)	N.M.
Waiver of interest payable on convertible bonds	-	-	-	-	(1,504)	N.M.
Gain on waiver on amount due to Sky One Network (Holding) Ltd	-	-	-	-	(2,428)	N.M.

N.M. – Not Meaningful

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(b)(i) Statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Ref	Company	
	As at 30.06.16 US$'000 (Unaudited)	As at 31.12.15 US$'000 (Audited)		As at 30.06.16 US$'000 (Unaudited)	As at 31.12.15 US$'000 (Audited)
Non-current assets					
Property, plant and equipment	22,788	23,727	**8.2.1**	-	-
Investment in subsidiaries	-	-	**8.2.2**	53,051	50,615
Intangible assets	190	210		-	-
Mining properties	5,408	5,892	**8.2.3**	-	-
Other receivables	727	727		-	-
Deferred tax assets	1,042	856	**8.2.4**	-	-
	30,155	31,412		53,051	50,615
Current assets					
Inventories	726	2,375	**8.2.5**	-	-
Trade and other receivables	14,815	16,052	**8.2.6**	12,542	12,595
Cash and cash equivalents	3,164	4,714	**8.2.7**	24	76
	18,705	23,141	**8.2.13**	12,566	12,671
Total assets	**48,860**	**54,553**		**65,617**	**63,286**
Equity					
Share capital	100,480	100,480		236,508	236,508
Currency translation reserve	(570)	(1,155)	**8.2.8**	(13,739)	(16,759)
Accumulated losses	(82,139)	(82,156)		(157,267)	(156,686)
Equity attributable to shareholders of the Company	17,771	17,169		65,502	63,063
Non-controlling interests	(4,131)	(3,821)	**8.2.9**	-	-
Total equity	**13,640**	**13,348**		**65,502**	**63,063**
Non-current liabilities					
Trade and other payables	14,012	40	**8.2.10**	-	-
Post-employment benefits	668	549		-	-
Finance lease liabilities	528	696	**8.2.11**	-	-
Provisions	1,079	973		-	-
	16,287	2,258		-	-
Current liabilities					
Trade and other payables	17,461	37,679	**8.2.10**	115	223
Finance lease liabilities	709	797	**8.2.11**	-	-
Tax payable	763	471	**8.2.12**	-	-
	18,933	38,947	**8.2.13**	115	223
Total liabilities	**35,220**	**41,205**		**115**	**223**
Net assets	**13,640**	**13,348**		**65,502**	**63,063**
Total equity and liabilities	**48,860**	**54,553**		**65,617**	**63,286**

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1(b)(ii) Aggregate amount of group's borrowings and debt securities.

(a) Amount repayable in one year or less, or on demand

As at 30.06.16		As at 31.12.2015	
US$'000	US$'000	US$'000	US$'000
Secured	Unsecured	Secured	Unsecured
709	153	797	1,427

(b) Amount repayable after one year

As at 30.06.16		As at 31.12.2015	
US$'000	US$'000	US$'000	US$'000
Secured	Unsecured	Secured	Unsecured
528	-	696	-

(c) Details of any collateral

Certain vehicles (such as coal hauling trucks) with an aggregate carrying amount of US$2.6 million as at 30 June 2016 (31 December 2015: US$3.1 million) are pledged under existing finance lease arrangements.

Fiduciary security over coal inventory of PT Rinjani Kartanegara ("**Rinjani**") (a subsidiary of the Company held through PT Pilar Mas Utama Perkasa ("**Pilar Mas**")) and corporate guarantee by Pilar Mas have been provided to secure the debt of Rinjani to a main supplier, included in the trade payables of the Group as at 30 June 2016 and 31 December 2015.

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1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group			
	3 months ended 30.06.16 US$'000	3 months ended 30.06.15 US$'000	6 months ended 30.06.16 US$'000	6 months ended 30.06.15 US$'000
Cash flows from operating activities				
(Loss)/income before tax	(954)	2,468	(35)	8,922
Adjustments for:-				
Depreciation of property, plant and equipment	741	639	1,408	1,252
Amortisation of mining properties	704	709	1,437	1,217
Amortisation of intangible assets	10	11	20	21
Post-employment benefits	60	44	119	240
Provision for mine reclamation and rehabilitation	54	34	106	74
Finance costs (interest expense)	433	436	733	(82)
Interest income	(7)	(4)	(14)	(11)
Inventories written down	-	-	-	43
Unrealised foreign currency exchange loss/(gain)	42	(138)	(29)	(873)
Operating profit before working capital changes	**1,083**	**4,199**	**3,745**	**10,803**
Inventories	426	(190)	1,649	(873)
Trade and other receivables	1,516	2,534	1,608	(800)
Trade and other payables	(4,608)	(3,159)	(5,698)	(2,021)
Currency translation adjustments	18	269	585	(279)
Cash (used in)/generated from operations	**(1,565)**	**3,653**	**1,889**	**6,830**
Interest received	7	4	14	11
Taxes paid	(178)	-	(371)	-
Net cash (used in)/generated from operating activities	**(1,736)**	**3,657**	**1,532**	**6,841**
Cash flows from investing activities				
Additions to mining properties	(740)	-	(953)	-
Purchase of property, plant and equipment	(162)	(8,424)	(310)	(8,762)
Additions to deferred exploration and evaluation costs	-	-	-	(19)
Net cash used in investing activities	**(902)**	**(8,424)**	**(1,263)**	**(8,781)**
Cash flows from financing activities				
Interest paid	(59)	(39)	(107)	(336)
Repayment of finance lease	(212)	(160)	(414)	(381)
Repayment of loan from related party	-	-	(42)	-
Repayment of loan from third party	(408)	-	(1,256)	-
Proceeds from disposal of available-for-sale investment	-	996	-	2,929
Net cash (used in)/generated from financing activities	**(679)**	**797**	**(1,819)**	**2,212**
Net (decrease)/increase in cash and cash equivalents	(3,317)	(3,970)	(1,550)	272
Cash and cash equivalents at beginning of period	6,481	5,535	4,714	1,293
Cash and cash equivalents at end of period	**3,164**	**1,565**	**3,164**	**1,565**

1(d)(i) **A statement (for the issuer and group) showing either (I) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Consolidated Statement of Changes in Equity

Group	Share capital US$'000	Currency translation reserve US$'000	Accumulated losses US$'000	Equity attributable to equity holders of the Company US$'000	Non-controlling interests US$'000	Total equity US$'000
At 1 January 2015	**100,480**	**292**	**(87,844)**	**12,928**	**(4,446)**	**8,482**
Profit for the 3 months ended 31 March 2015	-	-	5,166	5,166	664	5,830
Other comprehensive loss:						
- Remeasurement of post-employment benefits, net of tax	-	-	(10)	(10)	(0)	(10)
- Currency translation differences	-	(1,095)	-	(1,095)	-	(1,095)
Profit/(loss) and total comprehensive income/(loss) for the 3 months ended 31 March 2015 before audit adjustment	-	(1,095)	5,156	4,061	664	4,725
Audit adjustments[(1)]	-	-	(100)	(100)	(8)	(108)
Profit/(loss) and total comprehensive income/(loss) for the 3 months ended 31 March 2015 after audit adjustment	-	(1,095)	5,056	3,961	656	4,617
At 31 March 2015	**100,480**	**(803)**	**(82,788)**	**16,889**	**(3,790)**	**13,099**
Contributions and distributions to owners:						
- Acquisition of non-controlling interest	-	-	13	13	(13)	-
Profit for the 3 months ended 30 June 2015	-	-	1,564	1,564	169	1,733
Other comprehensive loss:						
- Currency translation differences	-	269	-	269	-	269
Profit and total comprehensive income for the 3 months ended 30 June 2015	-	269	1,577	1,846	156	2,002
At 30 June 2015	**100,480**	**(534)**	**(81,211)**	**18,735**	**(3,634)**	**15,101**

Statement of Changes in Equity (continued)

Group (continued)	Share capital US$'000	Currency translation reserve US$'000	Accumulated losses US$'000	Equity attributable to equity holders of the Company US$'000	Non-controlling interests US$'000	Total equity US$'000
At 1 January 2016	**100,480**	**(1,155)**	**(82,156)**	**17,169**	**(3,821)**	**13,348**
Profit/(loss) for the 3 months ended 31 March 2016	-	-	671	671	(29)	642
Other comprehensive income:						
- Currency translation differences	-	567	-	567	-	567
Profit/(loss) and total comprehensive income/(loss) for the 3 months ended 31 March 2016	-	567	671	1,238	(29)	1,209
At 31 March 2016	**100,480**	**(588)**	**(81,485)**	**18,407**	**(3,850)**	**14,557**
Loss for the 3 months ended 30 June 2016	-	-	(654)	(654)	(281)	(935)
Other comprehensive income:						
- Currency translation differences	-	18	-	18	-	18
Profit/(loss) and total comprehensive income/(loss) for the 3 months ended 30 June 2016	-	18	(654)	(636)	(281)	(917)
At 30 June 2016	**100,480**	**(570)**	**(82,139)**	**17,771**	**(4,131)**	**13,640**

[1] Adjustment to the 4QFYE03/15 profit following finalisation of audit.

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Statement of Changes in Equity (continued)

Company	Share capital US$'000	Currency translation reserve US$'000	Accumulated losses US$'000	Total equity US$'000
At 1 January 2015	**236,508**	**(2,467)**	**(26,282)**	**207,759**
Profit for the 3 months ended 31 March 2015	-	-	2,507	2,507
Other comprehensive loss:				
- Currency translation differences	-	(8,979)	-	(8,979)
Profit/(loss) and total comprehensive income/(loss) for the 3 months ended 31 March 2015	-	(8,979)	2,507	(6,472)
At 31 March 2015	**236,508**	**(11,446)**	**(23,775)**	**201,287**
Loss for the 3 months ended 30 June 2015	-	-	(78)	(78)
Other comprehensive loss:				
- Currency translation differences	-	4,321	-	4,321
Profit/(loss) and total comprehensive income/(loss) for the 3 months ended 30 June 2015	-	4,321	(78)	4,243
At 30 June 2015	**236,508**	**(7,125)**	**(23,853)**	**205,530**
At 1 January 2016	**236,508**	**(16,759)**	**(156,686)**	**63,063**
Loss for the 3 months ended 31 March 2016	-	-	(285)	(285)
Other comprehensive income:				
- Currency translation differences	-	2,920	-	2,920
Profit /(loss) and total comprehensive income/(loss) for the 3 months ended 31 March 2016	-	2,920	(285)	2,635
At 31 March 2016	**236,508**	**(13,839)**	**(156,971)**	**65,698**
Loss for the 3 months ended 30 June 2016	-	-	(296)	(296)
Other comprehensive income:				
- Currency translation differences	-	100	-	100
Profit /(loss) and total comprehensive income/(loss)for the 3 months ended 30 June 2016	-	100	(296)	(196)
At 30 June 2016	**236,508**	**(13,739)**	**(157,267)**	**65,502**

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There were no changes in the Company's issued and paid-up share capital from 31 March 2016 to 30 June 2016

	No. of Ordinary Shares	Issued Share Capital (S$)
At 30 June 2016 and 31 March 2016	**1,832,999,998**	**307,306,455**

As at 30 June 2016 and 30 June 2015, the Company had no outstanding share options, convertibles or treasury shares.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at 30.06.16	As at 31.12.15
Total number of issued shares (excluding treasury shares)	**1,832,999,998**	**1,832,999,998**

The Company did not have any treasury shares as at 30 June 2016 and 31 December 2015.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. The Company does not have any treasury shares.

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard or practice.

The figures have not been audited or reviewed by the Company’s auditors.

3. Where the figures have been audited or reviewed, the auditors’ report (including any qualifications or emphasis of matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer’s most recently audited annual financial statements have been applied.

Except as disclosed in item 5 below, the Group and the Company have applied the same accounting policies and methods of computation for the current reporting period as compared with the most recently audited financial statements of the Group and the Company for the financial year ended 31 December 2015

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5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group and the Company have adopted all the new and revised standards and interpretations of the Singapore Financial Reporting Standards, which are effective for financial periods beginning on or after 1 January 2016. The adoption of these standards and interpretations had no significant effect on the financial performance or position of the Group and the Company for the 3-month and 6-month financial period ended 30 June 2016.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Group			
	3 months ended 30.06.16	3 months ended 30.06.15	6 months ended 30.06.16	6 months ended 30.06.15
(Loss)/earnings per ordinary share:-				
Basic (US$ cents)	(0.04)	0.09	N.M.	0.37
Diluted (US$ cents)	(0.04)	0.09	N.M.	0.37
Weighted average number of ordinary shares for basic earnings per share	1,832,999,998	1,832,999,998	1,832,999,998	1,832,999,998

Diluted earnings per share is the same as basic earnings per share for both the financial periods ended 30 June 2016 and 30 June 2015 as there were no outstanding dilutive instruments.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year.

	Group	
	As at 30.06.16	As at 31.12.15
Net asset value per ordinary share (US$ cents)	0.97	0.94
Number of ordinary shares in issue (excluding treasury shares)	1,832,999,998	1,832,999,998

	Company	
	As at 30.06.16	As at 31.12.15
Net asset value per ordinary share (US$ cents)	3.57	3.44
Number of ordinary shares in issue (excluding treasury shares)	1,832,999,998	1,832,999,998

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8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

INTRODUCTION

The main factors affecting the Group's financial performance are:

(a) **Coal production**. Coal production decreased by 38,433 tonnes or 4.8%, to 764,394 tonnes for 6MFYE12/16 from 802,827 tonnes for 6MFYE15 and decreased by 126,463 tonnes or 28.9%, to 311,654 tonnes for 2QFYE12/16 from 438,117 tonnes for 1QFYE12/15. The main determinant of coal production is the mine plan and related stripping ratio. Mining activity and the stripping ratio for 6MFYE12/16 and 2QFYE12/16 were in accordance with the Group's mine plan. Coal sales increased by 69,105 tonnes or 9.3%, to 814,473 tonnes for 6MFYE12/16 from 745,368 tonnes for 6MFYE15 but decreased by 77,054 tonnes or 19.2%, to 325,099 tonnes for 2QFYE12/16 from 402,153 tonnes for 1QFYE12/15.

(b) **Coal sales price**. The Indonesian coal index (FOB Mother Vessel) for Indonesian 5,800 kcal/kg coal declined by US$5.7 per tonne or 10.6% to US$47.9 per tonne at the end of June 2016 from US$53.6 per tonne at the end of June 2015. The average selling price (FOB Barge) of the Group's coal decreased by US$10.3 per tonne or 21.7%, to US$37.2 per tonne for 6MFYE12/16 from US$47.5 per tonne for 6MFYE15.

(c) **Cost of waste mining operations**. Waste mining is contracted out to a third party waste mining contractor. Although waste mining costs, which represent the single largest component of the cost of goods sold, are set by long-term contract, the Group continues to have regular dialogue with its waste mining contractor to ensure rates are adjusted to reflect changes in market conditions.

(d) **Stripping ratio**. The stripping ratio, which is the key determinant of operating cost, and the mine plan are continually reviewed and updated based on current and future market considerations. In accordance with the mine plan, the average stripping ratio increased by 0.7 bank cubic metres of overburden per tonne of coal ("**bcm/t**") or 9.6% to 8.0 bcm/t in 6MFYE12/16 from 7.3 bcm/t in 6MFYE15. The increase in the stripping ratio was due to the depletion of IPPKH1. The stripping ratio will however continue to be managed through a dynamic mine plan.

(e) **Efficient operation cost**. The Company is cost competitive as a result of its own fully integrated coal mining facilities such as the coal stockpile, coal crushers, coal conveyor system and jetty facilities. This cost competitiveness when coupled with cost and operational efficiencies from having its own coal hauling road and trucks provides a competitive advantage for the Group in the current low coal pricing environment. Costs are controlled through competitive bidding and the introduction of new suppliers when appropriate. The cost of goods sold per tonne decreased by 0.9% to US$32.9 per tonne in 6MFYE12/16 from US$33.2 per tonne in 6MFYE15.

(f) **Additional recurring income**. The Group generates additional income and cash flow through provision of its coal mining facilities to a third party mine owner. For 6MFYE12/16 and 6MFYE15, this recurring income contributed 0.3% and 3.0% of revenue, respectively.

(g) **Working capital (to be read in conjunction with item 8.2.13)**. Sufficient cash flow for operations under the current low coal pricing environment is a priority for the Group. The Group has focused on maintaining sufficient cash for operations and the development of a second "borrow-use" permit ("**IPPKH2**") through the restructuring of the outstanding debt owed to its waste mining contractor by extending repayment deadline from 31 December 2016 to 31 December 2018, the application of a conservative approach to fixed asset acquisitions and asset development as well as management of available cash from working capital.

8.1 INCOME STATEMENT

8.1.1 Revenue

Revenue is generated primarily by Rinjani, through the sale of coal from its coal mining activities. Rinjani sells its coal through an offtake agreement with a sole trader. Since November 2015 such sales were transacted through a subsidiary, RPG Trading Pte. Ltd. ("**RPG Trading**"). The price of such coal sales is based on international prices. Additional revenue is generated from the use of Rinjani's coal facilities by a third party mine owner.

	3 months ended 30.06.16 US$'000	3 months ended 30.06.15 US$'000	Inc/ (Dec) %	6 months ended 30.06.16 US$'000	6 months ended 30.06.15 US$'000	Inc/ (Dec) %
Revenue by division						
Coal sales	12,047	18,081	(33.4)	30,643	35,897	(14.6)
Facility usage income	-	519	N.M,	80	1,098	(92.7)
Total	**12,047**	**18,600**	**(35.2)**	**30,723**	**36,995**	**(17.0)**

In 6MFYE12/16, revenue decreased by 17.0% (US$6.3 million) to US$30.7 million from US$37.0 million in 6MFYE15 and by 35.2% (US$6.6 million) in 2QFYE12/16 to US$12.0 million from US$18.6 million in 1QFYE12/15.

Revenue from coal sales decreased by 14.6% (US$5.3 million) to US$30.6 million from US$35.9 million due to a decrease in average sales price of 21.7% in 6MFYE12/16 which was offset by an increase in sales quantity of 9.3%. In 2QFYE12/16, coal sales decreased by 33.4% (US$6.1 million) to US$12.0 million from US$18.1 million due to a decrease in both the sales quantity by 19.2% and sales price of 18.2%.

Facility usage income decreased by 92.7% (US$1.0 million) to US$0.1 million in 6MFYE12/16 from US$1.1 million in 6MFYE15 and by 100% (US$0.5 million) to nil in 2QFYE12/16 from US$0.5 million in 1QFYE12/15 as a result of no throughput of coal from a third party mine owner.

8.1.2 Cost of Goods Sold

	3 months ended 30.06.16 US$'000	3 months ended 30.06.15 US$'000	Inc/ (Dec) %	6 months ended 30.06.16 US$'000	6 months ended 30.06.15 US$'000	Inc/ (Dec) %
Waste mining costs	5,204	8,138	(36.1)	12,825	15,632	(18.0)
Coal hauling costs	795	2,218	(64.2)	2,037	4,437	(54.1)
Heavy equipment rental cost	330	540	(38.9)	767	1,005	(23.7)
Fuel	314	548	(42.7)	615	1,085	(43.3)
Staff costs	1,081	761	42.0	1,850	1,574	17.5
Depreciation and amortization	1,393	1,361	2.4	2,808	2,777	1.1
Other	1,685	200	>100.0	4,240	116	>100.0
Total	**10,802**	**13,766**	**(21.5)**	**25,142**	**26,626**	**(5.6)**

Cost of goods sold for 6MFYE12/16 and 2QFYE12/16 comprised mainly waste mining costs, which accounted for 51.0% and 48.2% of the total cost of goods sold, respectively. The other main costs included coal hauling costs as well as depreciation and amortisation, which in total accounted for 8.1% and 11.2% in 6MFYE12/16 and 7.4% and 12.9% in 2QFYE12/16 of the total cost of goods sold, respectively. Waste mining and coal hauling costs are contracted through specific agreements.

8.1.2 Cost of Goods Sold (continued)

In 6MFYE12/16, cost of goods sold decreased by 5.6% (US$1.5 million) to US$25.1 million from US$26.6 million in 6MFYE15 mainly due to a decrease in the waste mining rate. The decrease in cost of goods sold was mainly attributable to decreases in: (i) waste mining costs of US$2.8 million; (ii) coal hauling costs of US$2.4 million; and (iii) fuel of US$0.5 million, each a result of lower coal production, which were partially offset by increases in: (i) other costs of US$4.1 million and (ii) staff costs of US$0.3 million

In 2QFYE12/16, cost of goods sold decreased by 21.5% (US$3.0 million) to US$10.8 million from US$13.8 million in 1QFYE03/15 in line with the decrease in the coal sales quantity. The decrease in cost of goods sold was mainly attributable to decreases in: (i) waste mining costs of US$2.9 million; and (ii) coal hauling costs of US$1.4 million, which were partially offset by an increase in other costs of US$1.5 million.

In 6MFYE12/16, the decrease in waste mining cost arose from the decrease in coal production quantity. Coal hauling costs decreased mainly due to (i) decrease in sales quantity and (ii) the addition of certain costs in the comparative balance which was credited to other costs in 6MFYE15. Other costs increased due to changes in inventory value at year end, i.e. lower balance of ending inventories compared to beginning inventory as well as a lower comparative balance due to the credit as noted above. The lower ending inventory was a result of higher sales compared to production in 6MFYE12/16**.**

In 2QFYE12/16, the decrease in waste mining cost and coal hauling costs was in line with the decrease in coal production quantity. Other costs increased due to changes in inventory value at year end, i.e. lower balance of ending inventories compared to beginning inventory. The lower ending inventory was a result of higher sales compared to production in 2QFYE12/16.

8.1.3 Gross Profit

	3 months ended 30.06.16	3 months ended 30.06.15	Inc/ (Dec) %	6 months ended 30.06.16	6 months ended 30.06.15	Inc/ (Dec) %
Gross profit (US$'000)	1,245	4,834	(74.2)	5,581	10,369	(46.2)
Gross profit margin (%)	10.3	26.0		18.2	28.0	

In 6MFYE12/16 and 2QFYE12/16, the gross profit decreased by US$4.8 million and US$3.6 million, respectively, mainly due to decrease in revenue. The decrease in revenue in 6MFYE12/16 resulted from a decline in the average selling price of coal (refer to item 8(b)) while in 2QFYE12/16 it resulted from a decrease in both sales quantity and average selling price of coal.

In 6MFYE12/16 the gross profit margin decreased to 18.2% from 28.0% in 6MFYE15 due to a decrease in the average selling price of coal (refer to item 8.1.1 above). For similar reasons, in 2QFYE12/16 the gross profit margin decreased to 10.3% from 26.0%.

8.1.4 Other income

In 6MFYE12/16, other income decreased by 99.1% (US$5.0 million) to approximately US$48,000 from US$5.1 million in 6MFYE15 due to: (i) a non-recurring gain on waiver of amount due to former subsidiary of Sky One Network (Holding) Ltd and waiver of interest payable on convertible bonds both of which occurred during 6MFYE15; and (ii) a foreign exchange loss for 6MFYE12/16 whereas a foreign exchange gain was reported in 6MFYE15.

In 2QFYE12/16, other income decreased by 92.3% (US$0.3 million) to approximately US$28,000 from US$0.3 million in 1QFYE12/15 due to reversal of over accrual of interest on Rinjani's payable to its waste mining contractor in the comparative period.

8.1.5 Selling and distribution expenses

Selling and distribution expenses comprise mainly royalties calculated at 5% to 7% of coal sales revenue. Such royalties are payable to the Indonesian government. Other selling and distribution expenses include freight charges, coal analysis fees as well as port and clearance charges.

Selling and distribution expenses decreased for both 6MFYE12/16 and 2QFYE12/16, which were in line with the decrease in revenue for the respective periods.

8.1.6 Administrative expenses

Administrative expenses comprise mainly staff costs, professional fees, travelling and transportation, office rental, listing fees, sponsorship fees and investor relation costs.

In 6MFYE12/16 and 2QFYE12/16, administrative expenses increased by 72.0% (US$0.8 million) to US$1.9 million from US$1.1 million and by 44.1% (US$0.3 million) to US$1.0 million from US$0.7 million, respectively. In 6MFYE12/16, the increase was primarily due to increase in: (i) depreciation and amortisation expenses; and (ii) legal expenses related to land compensation and royalty claims. The increase in depreciation in 6MFYE12/16 was due to a credit from the reclassification of depreciation expense to cost of goods sold in the comparative period.

The increase in 2QFYE12/16 was primarily due to: (i) employee costs; and (ii) investor relationship expenses.

8.1.7 Finance costs

Finance costs comprise interest expenses incurred mainly in relation to: (i) the debt due to Rinjani's waste mining contractor; and (ii) amortised interest on the loan from a related party, Forrest Point Enterprises Limited.

In 6MFYE12/16, finance costs increased to US$0.7 million from negative US$0.1 million as there was a credit from the reclassification of amortised interest from convertible bonds to other expenses in the comparative period.

8.1.8 Other expenses

In 6MFYE12/16 and 2QFYE12/16, other expenses decreased by 71.9% (US$2.1 million) to US$0.8 million from US$2.9 million and by 99.0% (US$0.4 million) to US$4,000 from US$0.4 million. Despite incurring a foreign exchange loss, other expenses decreased as there was no fair value loss incurred on the derivative financial liability relating to the Group's convertible bonds in 6MFYE12/16 and 2QFYE12/16.

8.1.9 Tax expense

The tax expense is calculated based on the current statutory income tax rates in Singapore and Indonesia. During 6MFYE12/16 and 6MFYE15, the applicable tax rates in Singapore and Indonesia were 17% and 25% respectively. The tax expense in 6MFYE12/16 arose from the generation of taxable income in subsidiaries while the tax benefit in 2QFYE12/16 arose from current period tax losses.

8.2 ASSETS, LIABILITES AND EQUITY

8.2.1 Property, plant and equipment

Property, plant and equipment ("**PP&E**") decreased by US$0.9 million to US$22.8 million as at 30 June 2016 from US$23.7 million as at 31 December 2015. The decrease was mainly due to current period depreciation.

8.2.2 Investment in subsidiaries (Company Only)

Investment in subsidiaries increased by US$2.5 million to US$53.1 million as at 30 June 2016 from US$50.6 million as at 31 December 2015 due to the weakening of the United States Dollar against the Singapore Dollar as the investment was converted to the reporting currency (United States Dollar) as at 30 June 2016.

8.2.3 Mining properties

Mining properties include costs transferred from deferred exploration and evaluation following the completion of technical feasibility and commercial viability of the Group's initial "borrow-use" permit ("**IPPKH1**") as well as mine development costs and certain costs related to IPPKH2. As at 30 June 2016, the balance decreased by US$0.5 million to US$5.4 million from US$5.9 million at 31 December 2015. This was due to normal amortisation charges of US$1.4 million offset with additional mining properties expenditure for technical services, licences and permits related to IPPKH2 during 6MFYE12/16 and 2QFYE12/16. Amortisation of mining properties uses the units-of-production method based on estimated Coal Reserves as at 31 December 2015.

8.2.4 Deferred tax assets

A deferred tax asset is an item that may be used to reduce taxable income. A deferred tax asset is recognised on carried forward tax losses to the extent there are sufficient estimated future taxable profits and/or taxable temporary differences against which the tax losses can be utilised. The Group through its subsidiaries had utilised the balance of its carry forward tax losses. The increase in the deferred tax assets balance by US$0.1 million to US$1.0 million as at 30 June 2016 from US$0.9 million as at 31 December 2015 was mainly due to an increase in taxable temporary differences, which have the potential to reduce taxable income in a future period.

8.2.5 Inventories

Inventories include coal on hand, fuel and spare parts and are stated at the lower of cost and net realisable value. Inventories decreased by US$1.7 million to US$0.7 million as at 30 June 2016 from US$2.4 million as at 31 December 2015, due to a decrease in the quantity of coal on hand by 75,656 tonnes to 1,422 tonnes as at 30 June 2016 from 77,078 tonnes as at 31 December 2015 as the sales volume exceeded the production volume for the 6 months ended 30 June 2016.

8.2.6 Trade and other receivables (current)

The current balance of trade and other receivables decreased by US$1.3 million to US$14.8 million as at 30 June 2016 from US$16.1 million as at 31 December 2015, which was in line with the reduction of sales.

8.2.7 Cash and cash equivalents

	Group	
	3 months ended 30 Jun 16 US$'000	**6 months ended 30 Jun 16 US$'000**
Cash and cash equivalents at beginning of period	6,481	4,714
Cash flows (used in)/generated from Operating Activities	(1,736)	1,532
Cash flows used in Investing Activities	(902)	(1,263)
Cash flows used in Financing Activities	(679)	(1,819)
Net decrease in cash and cash equivalents	(3,317)	(1,550)
Cash and cash equivalents at 30 June 2016	**3,164**	**3,164**

Cash flows from operating activities

Cash flows generated from operating activities before working capital amounted to US$3.7 million and US$1.1 million for 6MFYE12/16 and 2QFYE12/16, respectively. The cash generated after changes in working capital decreased by US$2.2 million and US$2.8 million for 6MFYE12/16 and 2QFYE12/16 respectively,as compared to cash before changes in working capital, due primarily to the payment to vendors. As a result, net cash generated from operating activities amounted to US$1.5 million for 6MFYE12/16 and net cash used in operating activities amounted to US$1.7 million for 2QFYE12/16.

Cash flows from investing activities

Net cash flows used in investing activities amounted to US$1.3 million and US$0.9 million for 6MFYE12/16 and 2QFYE12/16, respectively. The cash was mainly used to secure licences and permits of IPPKH2.

Cash flows from financing activities

Net cash used in financing activities of US$1.8 million and US$0.7 million for 6MFYE12/16 and 2QFYE12/16, respectively, was mainly in relation to the repayment of loans from related and third parties and finance leases.

8.2.8 Currency translation reserve

The currency translation reserve represents the balance of translation from the Company's functional currency (in SGD) to its presentation currency (in USD) as at 30 June 2016.

8.2.9 Non-controlling interests

The negative balance for non-controlling interests increased due to the loss attributable to non-controlling interests of US$0.3 million.

8.2.10 Trade and other payables (current and non-current)

Trade and other payables (current portion) decreased by US$20.2 million to US$17.5 million as at 30 June 2016 from US$37.7 million as at 31 December 2015 mainly due to reclassification of Rinjani's payable to its waste mining contractor to non-current and the repayment of loans to related and third parties (as mentioned in item 8(c)). The latest amendment to the debt settlement agreement dated 29 March 2016 with Rinjani's waste mining contractor requires Rinjani to make installments based on sales quantities over a 3-year period. The installments commenced on 1 January 2016 with payment conditional on a selling floor price of no less than US$38.0 per tonne and an average stripping ratio of no greater than 9.0 bcm per tonne.

The trade and other payables (non-current) increased by US$14.0 million to US$14.0 million as at 30 June 2016 from approximately US$40,000 mainly due to the abovementioned reasons.

8.2.11 Finance lease liabilities

Finance lease liabilities represent the outstanding obligation for the lease of light vehicles and motor vehicles of Rinjani and hire purchase of coal hauling trucks by PT Energy Indonesia Resources (a subsidiary of the Company). Finance lease liabilities (both current and non-current) decreased by US$0.2 million to US$1.2 million as at 30 June 2016 from US$1.5 million as at 31 December 2015 primarily due to lease payments during the period which was partially offset by additional finance leases for the purchase of heavy equipment.

8.2.12 Tax payable

Tax payable increased by US$0.3 million as at 30 June 2016 based on estimated tax payable for the current period by the Group's subsidiaries.

8.2.13 Working Capital (30 June 2016)

The Group recorded negative working capital of US$0.2 million as at 30 June 2016, due primarily to investment of cash in mining properties pursuant to the development of IPPKH2. In line with item 8(g) above, the Group expects to meet its obligations as and when due and continue to operate as a going concern. Barring unforeseen circumstances, the Directors believe that the Group's negative working capital position will be overcome over the longer-term as the Group realises the benefits of the development of IPPKH2.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement has been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The coal industry remains challenging due to prevailing market conditions and the continued depressed export prices for coal during 6MFYE12/16. Export prices are expected to remain under pressure for the foreseeable future, although favourable pricing trends have been evident recently.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months (continued).

Other factors that may impact the Group in the next 12 months include:

1) Cost maintenance and reduction 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.

2) 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 enable Rinjani to efficiently manage its stripping cost and maintain positive margins.

3) Diversification and additional source of income

The Company continues to explore all possibilities to diversify its recurring income through the provision of its coal mining facilities to additional third party mine owners.

4) Application for the second "borrow-use" permit which could lead to an increase in coal reserves and resources

The Company's subsidiary, Rinjani, 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 (3QFYE12/16).

5) Production of higher quality coal

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

6) Letter of Demand (LoD)

On 21 July 2016, the Company announced that its subsidiary, Rinjani, had received a letter demanding from Rinjani the payment of fees and expenses allegedly owed in respect of fund raising and other services rendered to Rinjani. No provision for claims as yet has been included in the financial statements for 2QFYE12/16 as no formal litigation proceedings have commenced as at the date of this announcement. The Company is still assessing the basis of the alleged demands and is seeking professional advice. The Company will make further announcements on the matter as necessary.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period/year reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period/year of the immediately preceding financial year?

No.

(c) *Date payable*

Not applicable.

(d) *Books closure date*

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared or recommended for 6MFYE12/16.

13. Interested Person Transactions

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920(1)(a)(ii) of the Listing Manual Section B: Rules of Catalist of the SGX-ST (the "**Catalist Rules**").

There were no interested person transactions of S$100,000 or more entered into by the Group during 6MFYE12/16.

14. Use of Funds

In accordance with the use of proceeds as stated in the Company's offer document dated 30 September 2014 ("**Offer Document**"), the net proceeds ("**Net Proceeds**") have been utilised as follows

Purpose	Allocation of proceeds to each purpose as announced on 24 November 2014 (S$'000)	Proceeds utilised at the date of this announcement (S$'000)	Balance (S$'000)
Carrying Out Civil Works	500	500	-
Upgrading Coal Mining Facilities	900	862	38
Partial repayment of existing debt to CK	10,000	10,000	-
General Working Capital	1,961	1,961	-
Outstanding Expense (1)	2,658	2,658	-
Underwriting and placement commission (1)	581	581	-
Total	**16,600**	**16,562**	**38**

Note:

(1) Excluding applicable goods and service tax

The utilisation of the Net Proceeds is consistent with the intended uses as stated in the Offer Document.

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Additional Information Required for Mineral, Oil and Gas Companies

15. Rule 705(6)(a) of the Catalist Rules

1) Use of funds/cash for the second quarter ended 30 June 2016:

The forecast use of funds for exploration, evaluation and development activities for the quarter ended 30 June 2016 and actual usage for IPPKH2 are as follows:

#	Activity	Remarks	Forecast use of funds (US$'000)	Actual use of funds (US$'000)
1	Land acquisition compensation	Land acquisition for drilling, pit and waste dumps	810	510
2	Commencement of drilling and logging	Drilling rigs and logging equipment (mobilisation)	457	216
3	Exploration and development support	Camp facilities, manpower, technical consultants and coal core analysis and geotechnical laboratory analysis	150	14
	Total		**1,417**	**740**

Actual use of funds for exploration, evaluation and development activities in 2QFYE12/16 amounted to approximately US$740,000 which was US$677,000 lower than the forecast use of funds. This was due to a delay in the approval of IPPKH2 which was received on 14 July 2016 (refer item 10.4 above). As IPPKH2 was not received during 2QFYE12/16, the Group was unable to move onto the new part of the mining concession area to commence exploration, evaluation and development activities.

The expenditure incurred in 2QFYE12/16 was primarily for: (i) land compensation to allow immediate access to the new mining concession area once IPPKH2 was received; and (ii) mobilisation to site and outcrop drilling on the boundary between IPPKH1 and IPPKH2.

2) Projection on the use of funds/cash for the next immediate quarter, including principal assumptions:

The Group will continue with its existing mine operations in IPPKH1. Following receipt of IPPKH2 on 14 July 2016, Rinjani will commence its exploration, evaluation and development activities during the next immediate quarter. The principal assumptions for such activities in the quarter ending 30 September 2016 (3QFYE12/16) include:

- Land acquisition to allow access to carry out the primary exploration, evaluation and development activities in respect of IPPKH2;
- Commencement of drilling (including coring and non-coring) and logging; and
- Accommodation, manpower, technical consultants (including commencement of AMDAL feasibility study report), coal core analysis and geotechnical laboratory analysis

The anticipated use of fund/cash for the above activities is as follows:

#	Activity	Forecast use of funds in the quarter ending 30 September 2016 (US$'000)
1	Land acquisition for drilling, pit and waste dumps	425
2	Drilling and logging (exploration and evaluation activities)	478
3	Accommodation, manpower, technical consultants (including commencement of AMDAL feasibility study report) and coal core analysis and geotechnical laboratory analysis	85
	Total	988

16. Rule 705(6)(b) of the Catalist Rules

The Board confirms that to the best of its knowledge, nothing has come to its attention which may render the above information provided to be false or misleading in any material aspect.

17. Rule 705(7)(a) of the Catalist Rules

Details of exploration (including geophysical surveys), mining development and/or production activities undertaken by the issuer and a summary of the expenditure incurred on those activities, including explanations for any material variances with previous projections, for the period under review. If there has been no exploration, development and/or production activity respectively, that fact must be stated.

There were no exploration (including geophysical studies) and/or development activities during 6MFYE12/16 other than as noted in item 15.1 above.

In relation to production activities, the Group continued with its existing mine operations in IPPKH1. These activities included an update to its mine plan in response to the ongoing difficult market conditions in order to manage its costs, profit margins and cash flows. All production costs incurred during 6MFYE12/16 are described in item 8.1.2 above.

18. Rule 705(7)(b) of the Catalist Rules

An update on its reserves and resources, where applicable, in accordance with the requirements as set out in Practice Note 4C including a summary of reserves and resources as set out in Appendix 7D.

On 11 April 2016, the Company announced and published an updated independent qualified person's report ("**IQPR**") prepared by the Company's independent consultant, SMG Consultants ("**SMGC**"), which included an estimate of Coal Reserves and Coal Resources for the 308.54 ha mining concession area of Rinjani ("**PT Rinjani Mining Concession Area**") as at 31 December 2015.

Table 1: Coal Reserves and Coal Resources Estimates for the PT Rinjani Mining Concession Area as at 31 December 2015

Category	Mineral Type	Gross Attributable to Licence(1)		Net Attributable to the Company(4)		
		Tonnes (millions)	Grade	Tonnes (millions)	Grade	Change from previous update(2) (%)
RESERVES(5)						
Proved	Coal	1.4	Sub-bituminous B	1.1	Sub-bituminous B	-57%
Probable	Coal	1.3	Sub-bituminous B	1.0	Sub-bituminous B	15%
Total	**Coal**	**2.7**	**Sub-bituminous B**	**2.2**	**Sub-bituminous B**	**-38%**
RESOURCES(3&5)						
Measured	Coal	11.3	Sub-bituminous B	9.0	Sub-bituminous B	-19%
Indicated	Coal	3.6	Sub-bituminous B	2.9	Sub-bituminous B	-10%
Inferred	Coal	4.7	Sub-bituminous B	3.8	Sub-bituminous B	-1%
Total	**Coal**	**19.6**	**Sub-bituminous B**	**15.6**	**Sub-bituminous B**	**-14%**

Notes:
(1) Licence refers to Rinjani's Production Operation IUP.
(2) Previous Coal Reserves and Coal Resources estimates were reported as at 31 March 2015.
(3) Coal Resources are inclusive of Coal Reserves.
(4) The results presented are rounded to reflect the accuracy of the estimates. Minor discrepancies are due to rounding and are not considered material by SMGC.
(5) Resources and Reserves reported in the IQPR are in accordance with SMGC's interpretation of the JORC Code 2012 Edition. This announcement and included table represent normal practice for the SGX listing rules.

Name of Qualified Person: Keith Whitchurch

Date: 31 December 2015

Professional Society Affiliation/Membership: BE(Hons) MengSci MAusIMM CP(min) RPEQ. PERHAPI

Save for the normal depletion in the Coal Reserves and Coal Resources as a result of production since 31 December 2015, the Group confirms that all material assumptions and technical parameters underpinning the estimates in the IQPR continue to apply and have not materially changed.

19. Confirmation by the Company pursuant to Rule 720(1) of the Catalist Rules

The Company confirms that it has procured all the required undertakings (in the format set out in Appendix 7H of the Catalist Rules) from all its Directors and Executive Officers pursuant to Rule 720(1) of the Catalist Rules.

20. Confirmation by the Board of Directors pursuant to Rule 705(5) and Rule 705(6)(b) of the Catalist Rules

We, Agus Sugiono and Gabriel Giovani Sugiono, being Directors of the Company, do hereby confirm on behalf of the Board of Directors of the Company (the "**Board**"), that, to the best of our knowledge, nothing has come to the attention of the Board which may render:

- the interim financial statements, and
- the additional information provided for mineral, oil and gas companies to be false or misleading in any material aspect.

On behalf of the Board

Agus Sugiono	Gabriel Giovani Sugiono
Executive Chairman and Chief Executive Officer	Director

12 August 2016