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

NEWS RELEASE

Resources Prima Posts Net Profit of USD0.6m on Revenue of USD18.7m in 1QFYE12/16

- Coal sales revenue up 4.4% to USD18.6m in 1QFYE12/16 from USD17.8m in 4QFYE03/15
- Coal sales quantity up 42.6% to 489,374 tonnes in 1QFYE12/16 from 343,215 tonnes in 4QFYE03/15
- Gross margin decreased to 23.2% in 1QFYE12/16 from 30.1% in 4QFYE03/15 as a result of the lower average selling price of coal
- Received in-principle approval for second borrow-use permit ("**IPPKH2**") in January 2016 covering approximately 899 ha, procedures for issuance of IPPKH2 are ongoing
- IPPKH2 is expected to produce coal with higher calorific value than IPPKH1 and may lead to higher average unit price

Financial Highlights

USD '000	3 months ended 31.03.16 (1QFYE12/16)	3 months ended 31.03.15 (4QFYE03/15)	Change
Revenue	18,676	18,395	1.5%
Cost of goods sold	(14,340)	(12,860)	11.5%
Gross profit	4,336	5,535	(21.7)%
Gross margin	23.2%	30.1%	(6.9)ppt
Other income*	20	4,704	(99.6)%
Profit for the period	642	5,830	(89.0)%

ppt means percentage point
*Other income for 4QFYE03/15 included non-recurring items such as gain on waiver of amount due to a former subsidiary, waiver of interest payable on convertible bonds and foreign exchange gains

SINGAPORE – 12 May 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 including coal mining facilities, today reported its financial results for the three months ended 31 March 2016 ("**1QFYE12/16**"). The Group reported a lower net profit of USD0.6 million for 1QFYE12/16 as compared to a net profit of USD5.8 million for the same period last year ("**4QFYE03/15**") mainly due to a lower gross profit margin and a significant drop in other income which included non-recurring items in 4QFYE03/15 such as the gain on the waiver of an amount due to a former subsidiary, gain on the waiver of interest payable on convertible bonds and foreign exchange gains.

Revenue for the Group in 1QFYE12/16 improved marginally by 1.5% to USD18.7 million from USD18.4 million in 4QFYE03/15, primarily due to higher coal sales revenue partially offset by lower facility usage income. Coal sales revenue in 1QFYE12/16 increased by 4.4% to USD18.6 million from USD17.8 million in 4QFYE03/15 as a result of higher coal sales quantity which was offset by a lower average sales price of coal. The Group managed to maintain strong coal shipments in 1QFYE12/16 with coal sales quantity rising by 42.6% to 489,374 tonnes compared with 343,215 tonnes in 4QFYE03/15. However, the average sales price of coal decreased by 24.8% to USD37.6 per tonne in 1QFYE12/16 from USD50.0 per tonne in 4QFYE03/15 due to the depressed market conditions for the coal industry. Additionally, as a result of lower throughput of coal from a third party mine owner, facilities usage income for the Group decreased by 86.2% to USD0.1 million in 1QFYE12/16 from USD0.6 million in 4QFYE03/15.

The Group's gross profit in 1QFYE12/16 decreased by 21.7% to USD4.3 million from USD5.5 million in 4QFYE03/15 as the increase in cost of goods sold was greater than the increase in revenue, resulting in a lower gross profit margin for the Group. In 1QFYE12/16, the Group's gross profit margin decreased to 23.2% from 30.1% in 4QFYE03/15 due to higher cost of goods sold and lower average sales price of coal.

Cost of goods sold in 1QFYE12/16 rose 11.5% to USD14.3 million from USD12.9 million in 4QFYE03/15 mainly due to the increase in other costs relating to inventory value at year end and a credit adjustment in 4QFYE03/15. Waste mining costs, which is the single largest component and accounted for 53.1% of costs of goods sold in 1QFYE12/16, rose marginally by 1.7% to USD7.6 million from USD7.5 million in 4QFYE03/15. The other main costs included coal hauling costs and depreciation & amortisation, which in total accounted for 8.7% and 9.9% respectively of the total costs of goods sold in 1QFYE12/16.

In 1QFYE12/16, net cash generated from operating activities amounted to USD3.3 million. Net cash used in investing activities of USD0.4 million was primarily used for securing licences and permits relating to IPPKH2. Net cash used in financing activities of USD1.1 million for 1QFYE12/16 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 31 March 2016 was USD6.5 million compared to USD5.5 million as at 31 March 2015.

Executive Chairman and Chief Executive Officer, Mr. Agus Sugiono said, "The operating environment in 1QFYE12/16 remained challenging as reflected by the further decline in the selling price of coal and a drop in facility usage income for the Group. However, I am pleased to see that our cost advantage and focus on operational efficiencies such as cost discipline and active review and management of the stripping ratio has put us in a better position than some of our peers. In 1QFYE12/16, we managed to increase production quantity by 24.1% to 452,740 tonnes from 364,710 tonnes in 4QFYE03/15 and we also exited the quarter with a higher cash balance of USD6.5 million as at 31 March 2016 compared to USD4.7 million as at 31 December 2015. The Group has focused on maintaining sufficient cash flow for operations and for the development of IPPKH2 through the restructuring of the outstanding debt owed to our waste mining contractor and has adopted a conservative approach to other investment activities. In light of current market conditions, having sufficient cash flow for operations is a priority for the Group."

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 and the weakening of export prices for coal.

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 declining market prices to minimise the impact on its profitability.

Stripping ratio maintenance
With the on-going decline in market prices of coal, the Group will continuously review and manage its stripping ratio through a dynamic mine plan. The stripping ratio will be closely managed during the next 12 months so as to control the stripping cost and maintain positive margins.

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, had secured a "borrow-use" permit in respect of an area covering 308.54 ha ("**IPPKH1**") of the total mining concession area of 1,933 ha. The Group previously announced that it had commenced the process to secure a second "borrow-use" permit for the remaining area of the mining concession. Approval in principle for 899.49 ha ("**IPPKH2**") was received by the Group in January 2016. The procedures for the issuance of IPPKH2 are ongoing and the Group continues to monitor and assist with such procedures to ensure completion as soon as possible. Once IPPKH2 is secured, the Company shall commence further drilling and evaluation work, which could lead to an increase in the Group's coal reserves and resources as well as production from the additional area of 899.49ha.

Based on outcrop data, IPPKH2 is expected to produce coal with higher calorific value than IPPKH1 and consequently lead to an improvement in average unit prices 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 of the mining concession area. The Group, through PT Rinjani, commenced mining operations in June 2012 with first sales in November 2012. The Group previously announced that it had commenced the process to secure a second "borrow-use" permit ("**IPPKH2**") for the remaining area of the mining concession. Approval in principle for 899.49 ha was received by the Group in January 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.

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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.

For enquiries:

Mr. Agus Sugiono
Executive Chairman and CEO
Tel: +62-21-29347912
Email: info@resourcesprima.com.sg

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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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The contact person for the Sponsor is Mr. Sebastian Jones, Associate Director, Corporate Finance, Canaccord Genuity Singapore Pte. Ltd., at 77 Robinson Road #21-02 Singapore 068896, telephone (65) 6854-6160.