

For Immediate Release

BLACKGOLD SIGNS NON-BINDING MOU WITH AN ESTABLISHED FINANCIAL INSTITUTION IN RELATION TO A S\$20 MILLION CONVERTIBLE BOND FACILITY

- **Non-binding Memorandum of Understanding signed on 30 November 2017**
- **Potential issuance of convertible bonds to raise up to S\$20 million**
- **Proceeds to be used to acquire a portion of BlackGold's equity interest in relation to the development of the Riau-1 Project**

Singapore, 30 November 2017 – The Board of Directors (the “**Board**” or “**Directors**”) of BlackGold Natural Resources Limited (the “**Company**” and, together with its subsidiaries, the “**Group**” or “**BlackGold**”) wishes to announce that on 30 November 2017, the Company entered into a non-binding memorandum of understanding (the “**MOU**”) with an undisclosed lender (the “**Lender**”; collectively, the “**Parties**”), which is an international financial institution with established presence in Hong Kong and a rapidly expanding network across the globe, pursuant to which the Company intends to raise up to S\$20 million by way of the issuance of convertible bonds (the “**Convertible Bonds**”).

The Convertible Bonds will be used to finance BlackGold's acquisition of its equity interest in an ongoing cooperation project for the development, construction, operation and maintenance of a 2 x 300 megawatt coal-fired power plant in Riau province, Sumatra, Indonesia (the “**Riau-1 Project**”).

This follows an earlier announcement released on 18 September 2017, in relation to BlackGold signing a Heads of Agreement (“**HOA**”) with various parties to form a new consortium (the “**Consortium**”) for the Riau-1 Project.

Subject to successful completion of: i) satisfactory due diligence; ii) the incorporation of the joint venture company for the purposes of the Riau-1 Project by China Huadian Engineering Co., Ltd. (“**CHEC**”), PT Pembangunan Jawa-Bali (“**PJB**”) and the Company; and iii) the Riau-1 Project signing the Power Purchase Agreement (“**PPA**”) with PT Perusahaan Listrik Negara (“**PLN**”), the Parties will enter into a definitive agreement or term sheet for the proposed issuance of the Convertible Bonds. The MOU shall be valid until 23 February 2018, before which the Consortium, of which BlackGold is a part, must complete the signing of the PPA with PLN.

The conversion price will be the sum of: i) the volume weighted average price (“**VWAP**”) at date of the definitive agreement(s) to be entered into by the parties in respect of the transaction; and ii) 50% of the last 30 trading days' VWAP before the date of such definitive agreement(s). The Convertible Bonds will have a 36-month maturity period from the drawdown date.

SAC Capital Private Limited has been appointed as the placement agent for the Convertible Bonds.

“We are delighted to sign this MOU together with such a prestigious securities company and greatly appreciate the support offered by the Lender during these early stages of the Riau-1 Project. BlackGold will continue to build relationships with new private investors to broaden our existing investor pool,” said Mr Philip Rickard, BlackGold’s Chief Executive Officer. “This is a testament to the confidence our investors have in us as a Company, our story and our vision. It is truly an encouragement to see individuals and companies share our mission and believe in our initiatives to be part of Indonesia’s power generation future.”

Information on PLN, PJB and CHEC

PLN is Indonesia’s state-run power distribution company.

PJB is a power generation company with the aim of promoting Indonesia’s economic development by providing high-quality, reliable and sustainable energy supply. PJB is a wholly-owned subsidiary of PLN.

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

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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 500 million tonnes of Coal Resources (Resources and Reserves estimates reported in compliance with 2012 JORC Code).

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

*This press release has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, SAC Capital 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 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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