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 (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**Exchange**"). The Sponsor has not independently verified the contents of this announcement.*

This announcement has not been examined or approved by the Exchange and the Exchange 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.

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. SAC Capital Private Limited is the parent company of SAC Advisors Private Limited.

Unaudited Second Quarter and Half Year Financial Statements for the Financial Period Ended 30 June 2017

INTRODUCTION

Resources Prima Group Limited (the "**Company**", and together with its subsidiaries, the "**Group**") makes reference to the announcements dated 28 June 2017 and 25 July 2017 in relation to, amongst others, the Company's ability to continue as a going concern.

As previously disclosed, the Group's main operating subsidiary, PT Rinjani Kartanegara ("**Rinjani**"), ceased all coal production with effect from 23 June 2017 following the cessation of operations by Rinjani's waste mining contractor, PT Cipta Kridatama ("**CK**"). CK has advised that it will not recommence waste mining operations unless certain conditions are fulfilled and, consequently, Rinjani has been in continuing discussions with alternative waste mining contractors and has now received proposals which may allow the recommencement of mining operations.

Following the cessation of all coal production from Rinjani's mine site, the operations of RPG Trading Pte. Ltd. ("**RPG Trading**") and PT Energy Indonesia Resources ("**EIR**"), which are dependent on coal produced by Rinjani, have also been suspended.

In order to reduce operational costs, voluntary severance packages were offered and subsequently accepted by all of Rinjani's employees with their last day of employment being 31 July 2017.

On 8 August 2017, the Company announced that it received a notice from the Commercial Court, Jakarta to attend a court hearing with regard to an application for suspension of payment against Rinjani (the "**Application**") made by several of Rinjani's creditors. The court hearing was scheduled to take place on 14 August 2017.

Suspension of payment is made under Indonesian Law No. 37 year 2004 on Bankruptcy and Suspension of Payment. This process – which is akin to a Scheme of Arrangement under the Singapore Companies Act (refer item 10.1 below) – provides Rinjani temporary relief, allowing it to reorganise its business activities under the management of Rinjani's directors together with a court-appointed administrator, under the supervision of a supervisory judge. Rinjani will be required to prepare a composition plan which will be subjected to review and approval by Rinjani's creditors. Rejection of the composition plan by Rinjani's creditors could result in Rinjani being wound-up by its creditors.

As Rinjani has now received proposals from alternative waste mining contractors it will be able to include in the composition plan a proposal for the reorganization of its business activities including the settlement of all of its debts and the recommencement of mining operations. As such, the second quarter and half year financial statements for the financial period ended 30 June 2017 have been prepared on a going concern basis.

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

- "**HY2017**": The 6-month period ended 30 June 2017 of the financial year ending 31 December 2017;
- "**HY2016**": The 6-month period ended 30 June 2016 of the financial year ended 31 December 2016;
- "**2QFY2017**": The 3 months (second quarter) of the financial year ending 31 December 2017; and
- "**2QFY2016**": The 3 months (second quarter) of the financial year ended 31 December 2016.

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 30.06.17 US$'000	**3 months ended 30.06.16 US$'000**	**Inc/ (Dec) %**	**6 months ended 30.06.17 US$'000**	**6 months ended 30.06.16 US$'000**	**Inc/ (Dec) %**	**Ref**
Revenue	**7,978**	**12,047**	**(33.8)**	**22,291**	**30,723**	**(27.5)**	**8.1.1**
Cost of goods sold	(7,360)	(10,802)	(31.9)	(17,008)	(25,142)	(32.4)	**8.1.2**
Gross profit	**618**	**1,245**	**(50.4)**	**5,283**	**5,581**	**(5.3)**	**8.1.3**
Other income	40	28	42.9	63	48	31.3	**8.1.4**
Selling and distribution expenses	(450)	(820)	(45.1)	(1,368)	(2,181)	(37.3)	**8.1.5**
Administrative expenses	(964)	(970)	(0.6)	(1,950)	(1,949)	0.1	
Finance costs	(294)	(433)	(32.1)	(590)	(733)	(19.5)	**8.1.6**
Other expenses	(186)	(4)	>100.0	(629)	(801)	(21.5)	**8.1.7**
(Loss)/profit before tax	**(1,236)**	**(954)**	**29.6**	**809**	**(35)**	**N.M.**	
Tax credit/(expense)	100	19	>100.0	(611)	(258)	>100.0	**8.1.8**
(Loss)/profit for the period	**(1,136)**	**(935)**	**21.5**	**198**	**(293)**	**N.M.**	
(Loss)/profit attributable to:							
- Equity holders of the Company	(899)	(654)	37.5	214	17	>100.0	
- Non-controlling interests	(237)	(281)	(15.7)	(16)	(310)	(94.8)	
	(1,136)	**(935)**	**21.5**	**198**	**(293)**	**N.M.**	
Other comprehensive income							
<u>Items that may be reclassified subsequently to profit or loss</u>							
Currency translation differences arising on consolidation	162	18	>100.0	540	585	(7.7)	
Total comprehensive (loss)/ income for the period	**(974)**	**(917)**	**6.2**	**738**	**292**	**N.M.**	
Total comprehensive (loss)/ income attributable to:							
- Equity holders of the Company	(737)	(636)	15.9	754	602	25.3	
- Non-controlling interests	(237)	(281)	(15.7)	(16)	(310)	(94.8)	
	(974)	**(917)**	**6.2**	**738**	**292**	**N.M.**	

N.M. – Not Meaningful

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

	Group					
	3 months ended 30.06.17 US$'000	3 months ended 30.06.16 US$'000	Inc/ (Dec) %	6 months ended 30.06.17 US$'000	6 months ended 30.06.16 US$'000	Inc/ (Dec) %
Unrealised foreign currency exchange (gain)/loss	(8)	42	N.M.	(22)	(29)	(24.1)
Depreciation of property, plant and equipment	691	741	(6.8)	1,430	1,408	1.6
Amortisation of mining properties	282	704	(59.9)	1,070	1,437	(25.5)
Amortisation of intangible assets	10	10	0.0	20	20	0.0
Post-employment benefits	106	60	76.7	214	119	79.8
Provision for mine reclamation and rehabilitation	44	54	(18.5)	94	106	(11.3)
Operating lease expenses	148	330	(55.2)	392	767	(48.9)
Interest income	(15)	(7)	>100.0	(25)	(14)	(78.6)
Interest expense	294	433	(32.1)	590	733	(19.5)

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 30.06.17 US$'000 (Unaudited)	As at 31.12.16 US$'000 (Audited)		As at 30.06.17 US$'000 (Unaudited)	As at 31.12.16 US$'000 (Audited)
Non-current assets					
Property, plant and equipment	20,426	21,836	**8.2.1**	-	-
Investment in subsidiaries	-	-	**8.2.2**	33,930	32,311
Intangible assets	150	170	**8.2.3**	-	-
Mining properties	5,764	6,765	**8.2.4**	-	-
Trade and other receivables	8,396	8,162	**8.2.5**	-	-
Deferred tax assets	2,066	1,900	**8.2.6**	-	-
	36,802	38,833		33,930	32,311
Current assets					
Available-for-sale investment	-*	-*		-*	-*
Inventories	852	235	**8.2.7**	-	-
Trade and other receivables	2,739	5,934	**8.2.5**	10,115	11,180
Cash and cash equivalents	2,556	2,299	**8.2.8**	1,205	100
	6,147	8,468	**8.2.15**	11,320	11,280
Total assets	**42,949**	**47,301**		**45,250**	**43,591**
Equity					
Share capital	100,480	100,480		236,508	236,508
Currency translation reserve	(843)	(1,383)	**8.2.9**	(15,917)	(18,075)
Accumulated losses	(83,925)	(84,139)		(175,683)	(175,139)
Equity attributable to equity holders of the Company	15,712	14,958		44,908	43,294
Non-controlling interests	(4,530)	(4,537)		-	-
Total equity	**11,182**	**10,421**		**44,908**	**43,294**
Non-current liabilities					
Trade and other payables	13	12,512	**8.2.10**	-	-
Post-employment benefits	1,385	1,171	**8.2.11**	-	-
Finance lease liabilities	41	258	**8.2.12**	-	-
Provisions	1,586	1,498	**8.2.13**	-	-
	3,025	15,439		-	-
Current liabilities					
Trade and other payables	27,572	20,375	**8.2.10**	342	297
Finance lease liabilities	482	536	**8.2.12**	-	-
Tax payable	688	530	**8.2.14**	-	-
	28,742	21,441	**8.2.15**	342	297
Total liabilities	**31,767**	**36,880**		**342**	**297**
Net assets	**11,182**	**10,421**		**44,908**	**43,294**
Total equity and liabilities	**42,949**	**47,301**		**45,250**	**43,591**

* Below US$1,000.

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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 30.06.17		As at 31.12.16	
US$'000	US$'000	US$'000	US$'000
Secured	Unsecured	Secured	Unsecured
482	150	536	143

(b) Amount repayable after one year

As at 30.06.17		As at 31.12.16	
US$'000	US$'000	US$'000	US$'000
Secured	Unsecured	Secured	Unsecured
41	-	258	-

(c) Details of any collateral

Certain vehicles (such as coal hauling trucks) with an aggregate carrying amount of US$1.4 million as at 30 June 2017 (31 December 2016: US$2.0 million) are pledged under existing finance lease arrangements.

Fiduciary security over coal inventory of 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 2017 and 31 December 2016.

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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 30.06.17 US$'000	3 months ended 30.06.16 US$'000	6 months ended 30.06.17 US$'000	6 months ended 30.06.16 US$'000
Cash flows from operating activities				
(Loss)/profit before tax	(1,236)	(954)	809	(35)
Adjustments for:-				
Depreciation of property, plant and equipment	691	741	1,430	1,408
Amortisation of mining properties	282	704	1,070	1,437
Amortisation of intangible assets	10	10	20	20
Post-employment benefits	106	60	214	119
Provision for mine reclamation and rehabilitation	44	54	94	106
Finance costs (interest expense)	294	433	590	733
Interest income	(15)	(7)	(25)	(14)
Unrealised foreign currency exchange (gain)/loss	(8)	42	(22)	(29)
Operating profit before working capital changes	**168**	**1,083**	**4,180**	**3,745**
Inventories	(277)	426	(617)	1,649
Trade and other receivables	371	1,516	2,436	1,608
Trade and other payables	(700)	(4,608)	(5,828)	(5,698)
Currency translation adjustments	162	18	540	585
Cash (used in)/generated from operations	**(276)**	**(1,565)**	**711**	**1,889**
Interest received	15	7	25	14
Taxes paid	-	(178)	-	(371)
Net cash (used in)/generated from operating activities	**(261)**	**(1,736)**	**736**	**1,532**
Cash flows from investing activities				
Additions to mining properties	-	(740)	(148)	(953)
Purchase of property, plant and equipment	-	(162)	(33)	(310)
Net cash used in investing activities	**-**	**(902)**	**(181)**	**(1,263)**
Cash flows from financing activities				
Proceeds from issuance of ordinary shares at subsidiary	23	-	23	-
Interest paid	(21)	(59)	(50)	(107)
Repayment of finance lease	(138)	(212)	(271)	(414)
Repayment of loan from related party	-	-	-	(42)
Repayment of loan from third party	-	(408)	-	(1,256)
Net cash used in financing activities	**(136)**	**(679)**	**(298)**	**(1,819)**
Net (decrease)/increase in cash and cash equivalents	(397)	(3,317)	257	(1,550)
Cash and cash equivalents at beginning of period	2,953	6,481	2,299	4,714
Cash and cash equivalents at end of period	**2,556**	**3,164**	**2,556**	**3,164**

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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.

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 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**

Statement of Changes in Equity (continued)

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 2017	**100,480**	**(1,383)**	**(84,139)**	**14,958**	**(4,537)**	**10,421**
Profit for the 3 months ended 31 March 2017	-	-	1,113	1,113	221	1,334
Other comprehensive income:						
- Currency translation differences	-	378	-	378	-	378
Profit and total comprehensive income for the 3 months ended 31 March 2017	-	378	1,113	1,491	221	1,712
At 31 March 2017	**100,480**	**(1,005)**	**(83,026)**	**16,449**	**(4,316)**	**12,133**
Issuance of ordinary shares at subsidiary	-	-	-	-	23	23
Loss for the 3 months ended 30 June 2017	-	-	(899)	(899)	(237)	(1,136)
Other comprehensive income:						
- Currency translation differences	-	162	-	162	-	162
Profit and total comprehensive income/(loss) for the 3 months ended 30 June 2017	-	162	(899)	(737)	(214)	(951)
At 30 June 2017	**100,480**	**(843)**	**(83,925)**	**15,712**	**(4,530)**	**11,182**

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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 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**
At 1 January 2017	**236,508**	**(18,075)**	**(175,139)**	**43,294**
Loss for the 3 months ended 31 March 2017	-	-	(264)	(264)
Other comprehensive income:				
- Currency translation differences	-	1,498	-	1,498
Profit/(loss) and total comprehensive income/(loss) for the 3 months ended 31 March 2017	-	1,498	(264)	1,234
At 31 March 2017	**236,508**	**(16,577)**	**(175,403)**	**44,528**
Loss for the 3 months ended 30 June 2017	-	-	(280)	(280)
Other comprehensive income:				
- Currency translation differences	-	660	-	660
Profit /(loss) and total comprehensive income/(loss) for the 3 months ended 30 June 2017	-	660	(280)	380
At 30 June 2017	**236,508**	**(15,917)**	**(175,683)**	**44,908**

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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.

	No. of Ordinary Shares	Issued Share Capital (S$)
At 30 June 2017 and 31 March 2017	**1,832,999,998**	**307,306,455**

There were no changes in the Company's share capital since 31 March 2017 and up till 30 June 2017. As at 30 June 2017 and 30 June 2016, the Company had no outstanding share options, other convertibles, treasury shares and subsidiary holdings.

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 30.06.17	As at 31.12.16
Total number of issued shares (excluding treasury shares)	**1,832,999,998**	**1,832,999,998**

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 at the beginning and end of the financial period.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. The Company does not have any subsidiary holdings at the beginning and end of the financial period.

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.

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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 audited financial statements of the Group and the Company for the preceding financial year.

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 that are effective for annual periods beginning on or after 1 January 2017. 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 2nd quarter and 6-months financial period ended 30 June 2017.

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 30.06.17	**3 months ended 30.06.16**	**6 months ended 30.06.17**	**6 months ended 30.06.16**
(Loss)/earnings per ordinary share:-				
Basic (US$ cents)	(0.05)	(0.04)	0.01	N.M
Diluted (US$ cents)	(0.05)	(0.04)	0.01	N.M
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 2017 and 2016 as there were no outstanding convertible 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 30.06.17	**As at 31.12.16**
Net asset value per ordinary share (US$ cents)	0.86	0.82
Number of ordinary shares in issue (excluding treasury shares)	1,832,999,998	1,832,999,998

	Company	
	As at 30.06.17	**As at 31.12.16**
Net asset value per ordinary share (US$ cents)	2.45	2.36
Number of ordinary shares in issue (excluding treasury shares)	1,832,999,998	1,832,999,998

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 383,253 tonnes or 50.1%, to 381,141 tonnes for HY2017 from 764,394 tonnes for HY2016 and decreased by 173,870 tonnes or 55.8%, to 137,784 tonnes for 2QFY2017 from 311,654 tonnes for 2QFY2016. Although the main determinant of coal production is the mine plan and related stripping ratio, coal production in HY2017 was adversely affected by the dewatering problems associated with the mining area due to heavier than normal rainfall and the inability to properly control the inflow of water from the rainfall. The dewatering problems associated with the normal dumping area also resulted in an increase in thedistance and costs for the dumping of overburden.

Coal sales decreased by 466,813 tonnes or 57.3%, to 347,660 tonnes for HY2017 from 814,473 tonnes for HY2016 and 198,711 tonnes or 61.1%, to 126,388 tonnes for 2QFY2017 from 325,099 tonnes for 2QFY2016 due to lower coal production. The significantly lower production also resulted in higher costs per tonne which adversely impacted cash generation in HY2017.

As noted in the Introduction all coal production ceased with effect from 23 June 2017 due to the cessation of waste mining operations by CK.

(b) **Cost of waste mining operations**. Waste mining is contracted out to a third party waste mining contractor. Although waste mining costs are set by long-term contract, the Group has been able to renegotiate rates downwards, subject to certain conditions, to reflect changes in market conditions, as previously announced. However, should the Argus Coalindo ICI2 coal price index ("**ICI2**") increase, the waste mining contractor is entitled to an increase in the waste mining rate. The waste mining rate shall be increased by US$0.04 per bcm per US$1.00 increment in ICI2 should ICI2 be above US$60.00 per tonne. Such increase in the waste mining rate is up to a maximum of US$0.40 per bcm or when ICI2 reaches US$70.00 per tonne. As the ICI2 price has exceeded US$70.00 per tonne since November 2016, the waste mining rate for HY2017 increased by US$0.40 per bcm from HY2016.

(c) **Coal sales price**. The average selling price (FOB Barge) of the Group's coal increased by US$24.4 per tonne or 65.6% to US$61.6 per tonne for HY2017 from US$37.2 per tonne for HY2016 and by 63.3% to US$60.1 per tonne for 2QFY2017 from US$36.8 per tonne for 2QFY2016. The increase was in line with the increase of ICI2 to US$71.3 per tonne as at end of June 2017 from US$47.9 per tonne as at end of June 2016.

(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 2.9 bank cubic metres of overburden per tonne of coal ("**bcm/t**") or 36.3% to 10.9 bcm/t in HY2017 from 8.0 bcm/t in HY2016. The increase in the average stripping ratio was due to ongoing depletion of the Group's first "borrow-use" permit ("**IPPKH1**") and production from the second "borrow-use" permit ("**IPPKH2**").

(e) **Operation cost.** Although total cost of goods sold decreased for HY2017, the cost of goods sold per tonne increased by US$11.7 per tonne or 35.6% to US$44.6 per tonne in HY2017 from US$32.9 per tonne in HY2016. This increase resulted primarily from an increase in: (i) the waste mining rate (as described in paragraph 8(b) above); (ii) increase in stripping ratio (as described in paragraph 8(d) above) and (iii) fixed costs per tonne due to lower coal production (as described in paragraph 8(a) above).

(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 HY2017 and HY2016, this recurring income contributed 2.6% and 0.3% of revenue, respectively.

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 a Group subsidiary, RPG Trading, to a sole trader based on an offtake agreement. 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 30.06.17 US$'000	3 months ended 30.06.16 US$'000	Inc/ (Dec) %	6 months ended 30.06.17 US$'000	6 months ended 30.06.16 US$'000	Inc/ (Dec) %
Revenue by division						
Coal sales	7,686	12,047	(36.2)	21,718	30,643	(29.1)
Facility usage income	292	-	N.M.	573	80	>100.0
Total	**7,978**	**12,047**	**(33.8)**	**22,291**	**30,723**	**(27.4)**

Revenue decreased by 27.4% (US$8.4 million) to US$22.3 million in HY2017 from US$30.7 million in HY2016 and by 33.8% (US$4.1 million) to US$8.0 million in 2QFY2017 from US$12.0 million in 2QFY2016.

Revenue from coal sales decreased by 29.1% (US$8.9 million) to US$21.7 million in HY2017 from US$30.6 million in HY2016 and by 36.2% (US$4.4 million) to US$7.7 million in 2QFY2017 from US$12.0 million in 2QFY2016 due to the decrease in sales quantity by 57.3% to 347,660 tonnes in HY2017 from 814,473 tonnes in HY2016 and by 61.1% to 126,388 tonnes in 2QFY2017 from 325,099 tonnes in 2QFY2016. This decrease was partially offset by an increase in the average sales price of 65.6% to US$61.6 per tonne for HY2017 from US$37.2 per tonne for HY2016 and by 63.3% to US$60.1 per tonne for 2QFY2017 from US$36.8 per tonne for 2QFY2016 as mentioned in 8(c) above.

Revenue from facility usage increased by more than 100.0% (US$0.5 million) to US$0.6 million in HY2017 from US$0.1 million in HY2016 and by US$0.3 million to US$0.3 million in 2QFY2017 from nil in 2QFY2016 as a result of higher throughput from a third party mine owner.

8.1.2 Cost of Goods Sold

	3 months ended 30.06.17 US$'000	3 months ended 30.06.16 US$'000	Inc/ (Dec) %	6 months ended 30.06.17 US$'000	6 months ended 30.06.16 US$'000	Inc/ (Dec) %
Waste mining costs	3,999	5,204	(23.2)	9,525	12,825	(25.7)
Coal hauling costs	356	795	(55.2)	979	2,037	(51.9)
Heavy equipment rental cost	148	330	(55.2)	392	767	(48.9)
Fuel	195	314	(37.9)	526	615	(14.5)
Staff costs	940	1,081	(13.0)	1,726	1,850	(6.7)
Depreciation and amortisation	924	1,393	(33.7)	2,401	2,808	(14.5)
Other	798	1,685	(52.6)	1,459	4,240	(65.6)
Total	**7,360**	**10,802**	**(31.9)**	**17,008**	**25,142**	**(32.4)**

Cost of goods sold for HY2017 and 2QFY2017 comprised mainly waste mining costs, which accounted for 56.0% and 54.3% of the total cost of goods sold. The other main costs included depreciation and amortisation as well as staff cost, which in total accounted for 14.1% and 10.2% for HY2017 and 12.6% and 12.8% for

2QFY2017 of the total cost of goods sold, respectively. Waste mining was contracted through specific agreements.

Cost of goods sold decreased by 32.4% (US$8.1 million) to US$17.0 million in HY2017 from US$25.1 million in HY2016 and by 31.9% (US$3.4 million) to US$7.4 million in 2QFY2017 from US$10.8 million in 2QFY2016, respectively, due to a 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$3.3 million; (ii) other costs of US$2.8 million; and (iii) coal hauling costs of US$1.1 million in HY2017 and (i) waste mining costs of US$1.2 million; (ii) other costs of US$0.9 million; and (iii) depreciation and amortisation of US$0.5 million in 2QFY2017. Despite the decrease in the total cost of goods sold, the cost of goods sold per tonne increased by 35.6% in HY2017 and by 54.1% in 2QFY2017, for the reasons mentioned in 8(e) above.

In HY2017 and 2QFY2017, although the waste mining cost decreased as a result of a reduction in coal production quantity (refer 8(a) above), the decrease was partially offset by an increase in the average waste mining rate which increased to US$2.13/bcm in HY2017 from US$1.93/bcm in HY2016 and to US$2.11/bcm in 2QFY2017 from US$1.87/bcm in 2QFY2016. Coal hauling costs decreased due to a reduction in coal hauled (as a consequence of lower production quantity) as well as a reduction in the average coal hauling rate. Other costs decreased primarily due to changes in the inventory quantity and value at period end. The reduction in depreciation and amortisation in 2QFY2017 was due mainly to a decrease in amortisation of mining properties due to the reduction in coal production as amortisation is based on the units-of-production method (refer item 8.2.4 below)

8.1.3 Gross Profit

	3 months ended 30.06.17	3 months ended 30.06.16	Inc/ (Dec) %	6 months ended 30.06.17	6 months ended 30.06.16	Inc/ (Dec) %
Gross profit (US$'000)	618	1,245	(50.4)	5,283	5,581	(5.3)
Gross profit margin (%)	7.7	10.3		23.7	18.2	

The gross profit decreased by US$0.3 million in HY2017 and by US$0.6 million in 2QFY2017 mainly due to the decrease in revenue. The decrease in revenue resulted from a decline in sales quantity, which was partially offset by the increase in the average selling price (refer 8.1.1 above).

The gross profit margin increased to 23.7% in HY2017 from 18.2% in HY2016 and decreased to 7.7% in 2QFY2017 from 10.3% in 2QFY2016, due to the above mentioned reasons.

8.1.4 Other income

Other income comprises mainly interest income.

In HY2017 and 2QFY2017, other income increased by 31.3% (US$15,000) to approximately US$63,000 from US$48,000 and by 42.9% (US$12,000) to approximately US$40,000 from US$28,000 in 2QFY2016 mainly due to interest income from current account.

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.
The decrease in selling and distribution expenses by 37.3% (US$0.8 million) to US$1.4 million in HY2017 from US$2.2 million in HY2016 and by 45.1% (US$0.3 million) to US$0.5 million in 2QFY2017 from US$0.8 million in 2QFY2016 was in line with the decrease in coal sales revenue and hence lower in royalties.

8.1.6 Finance costs

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

The decrease in finance costs by 19.5% (US$0.1 million) to US$0.6 million in HY2017 from US$0.7 million in HY2016 and by 32.1% (US$0.1 million) to US$0.3 million in 2QFY2017 from US$0.4 million in 2QFY2016 due to a reduction in the principal amount of the debt to Rinjani's waste mining contractor and finance leases.

8.1.7 Other expenses

Other expenses comprise mainly foreign exchange losses.

Other expenses decreased by 21.5% (US$0.2 million) to US$0.6 million in HY2017 from US$0.8 million in HY2016 and increased by US$0.2 million to US$0.2 million in 2QFY2017 from US$4,000 in 2QFY2016 mainly due to lower foreign exchange losses.

8.1.8 Tax credit/(expense)

The tax expense is calculated based on the current statutory income tax rates in Singapore and Indonesia. During both HY2017 and 2QFY2017, the applicable tax rates in Singapore and Indonesia were 17% and 25% respectively. The tax expense in HY2017 arose from the generation of taxable income in subsidiaries while the tax credit in 2QFY2017 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$1.4 million to US$20.4 million as at 30 June 2017 from US$21.8 million as at 31 December 2016. The decrease was mainly due to current period depreciation.

8.2.2 Investment in subsidiaries (Company Only)

Investment in subsidiaries increased by US$1.6 million to US$33.9 million as at 30 June 2017 from US$32.3 million as at 31 December 2016 mainly due to the weakening of the United States Dollar ("**USD**") against the Singapore Dollar ("**SGD**") as the investment was converted to the Group's reporting currency (USD) as at 30 June 2017.

8.2.3 Intangible assets

Intangible assets decreased by US$20,000 to US$150,000 as at 30 June 2017 from US$170,000 as at 31 December 2016 due to current period amortization.

8.2.4 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 IPPKH1 as well as mine development costs and certain costs related to IPPKH2. As at 30 June 2017, the balance decreased by US$1.0 million to US$5.8 million from US$6.8 million at 31 December 2016. The decrease was due to amortisation charges of US$1.0 million offset by additional mining properties expenditure for exploration and evaluation activities, technical services, licenses and permits related to IPPKH2 during HY2017 of US$69,000. Amortisation of mining properties uses the units-of-production method based on the independent qualified person's report as at 31 December 2016 ("**IQPR**") for the mine concession area.

8.2.5 Trade and other receivables (current and non-current)

Trade and other receivables (current portion) comprised primarily of receivables from coal sales and facility usage income. Trade and other receivables (current portion) decreased by US$3.2 million to US$2.7 million as at 30 June 2017 from US$5.9 million as at 31 December 2016 mainly due to payments received during HY2017.

Trade and other receivables (non-current portion) comprised mainly of receivables from coal sales, deposits for rentals and reclamation. Trade and other receivables (non-current portion) increased by US$0.2 million to US$8.4 million as at 30 June 2017 from US$8.2 million as at 31 December 2016 mainly due to additional deposit for reclamation offset with payments received during HY2017 and reclassification to non-current for installments due after 30 June 2018.

The Group had significant trade receivables outstanding as compared to its sales due to delayed repayments from Rinjani's offtaker.

8.2.6 Deferred tax assets

A deferred tax asset is an item that may be used to reduce future tax payable. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised. The increase in the deferred tax assets balance by US$0.2 million to US$2.1 million as at 30 June 2017 from US$1.9 million as at 31 December 2016 was mainly due to an increase in taxable temporary differences, which have the potential to reduce taxable income in a future period. As Rinjani has ceased all coal production, estimated future taxable income will be depended on the result of the ability of Rinjani to recommence operations and continue as a going concern (refer item 8 (g) above).

8.2.7 Inventories

Inventories include coal on hand, fuel and spare parts and are stated at the lower of cost and net realisable value. Inventories increased by US$0.7 million to US$0.9 million as at 30 June 2017 from US$0.2 million as at 31 December 2016, due to an increase in the quantity of coal on hand by 14,008 tonnes to 14,442 tonnes as at 30 June 2017 from 434 tonnes as at 31 December 2016.

8.2.8 Cash and cash equivalents

	Group	
	3 months ended 30 Jun 17 US$'000	**6 months ended 30 Jun 17 US$'000**
Cash and cash equivalents at beginning of period	2,953	2,299
Cash flows (used in)/generated from operating activities	(261)	736
Cash flows used in investing activities	-	(181)
Cash flows used in financing activities	(136)	(298)
Net (decrease)/increase in cash and cash equivalents	(397)	257
Cash and cash equivalents at 30 June 2017	**2,556**	**2,556**

Cash flows from operating activities

Cash flows generated from operating activities before working capital changes amounted to US$4.2 million and US$0.2 million for HY2017 and 2QFY2017. After working capital changes, cash flows decreased by US$3.5 million to US$0.7 million for HY2017 due to payments to Rinjani's waste mining contractor (decrease in trade and other payables) offset by payments yet to be received from customers (increase in trade and other receivables). In 2QFY2017, after working capital changes, cash flows decreased by US$0.5 million to negative US$0.3 million mainly due to decrease in trade and other payables and partially offset by trade and other receivables.

Cash flows from investing activities

Net cash flows used in investing activities amounted to US$0.2 million and was mainly used for IPPKH2 for HY2017.

Cash flows from financing activities

Net cash used in financing activities of US$0.3 million and US$0.1 million for HY2017 and 2QFY2017 respectively mainly in relation to the repayment of finance leases.

8.2.9 Currency translation reserve

The currency translation reserve represents the balance of translation from the Company's functional currency (in SGD) to the Group's presentation currency (in USD) as at 30 June 2017.

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

Trade and other payables comprise amounts owed to Rinjani's waste mining contractor, amounts due to vendors, related parties, directors and shareholder as well as accruals.

Trade and other payables (current portion) increased by US$7.2 million to US$27.6 million as at 30 June 2017 from US$20.4 million as at 31 December 2016 mainly due to reclassification of Rinjani's payable to its waste mining contractor to current as a result of default in the repayment schedule. The increase was partially offset with payments made during HY2017.

Trade and other payables (non-current) decreased by US$12.5 million to approximately US$13,000 as at 30 June 2017 from US$12.5 million mainly due to the reclassification as noted above.

The Group had high trade payables turnover due to the default in outstanding debt to CK.

8.2.11 Post-employment benefits

Post-employment benefits increased by US$0.2 million to US$1.4 million as at 30 June 2017 from US$1.2 million as at 31 December 2016 due to the provision for HY2017.

8.2.12 Finance lease liabilities (current and non-current)

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 EIR. Finance lease liabilities (both current and non-current) decreased by US$0.3 million to US$0.5 million as at 30 June 2017 from US$0.8 million as at 31 December 2016 due to lease payments during HY2017.

8.2.13 Provisions

The Group has provided for mine reclamation as well as rehabilitation and asset retirement obligations (mine closure costs). The increase in provisions by US$0.1 million to US$1.6 million as at 30 June 2017 from US$1.5 million as at 31 December 2016 was due to the annual accruals based on the total estimated obligations of the Group for the mining concession.

8.2.14 Tax payable

Tax payable increased by US$0.2 million as at 30 June 2017 based on estimated tax payable for the current period by the Group's subsidiaries**.** In 2QFY2017, Rinjani received a tax assessment letter for fiscal year 2013 for tax underpayment amounting to approximately US$5.0 million. As Rinjani plans to submit a formal response to the Indonesian tax authority to object the tax assessment, the assessed underpaid amount has not been recorded in 2QFY2017.

8.2.15 Working Capital (30 June 2017)

The Group recorded negative working capital of US$22.6 million as at 30 June 2017 an increase of US$9.6 million from the balance at 31 December 2016 mainly due to Rinjani failing to pay CK on time for waste mining costs and equipment rental costs. As at 30 June 2017, all amounts due under the debt settlement agreement amounting to US$14.8 million are immediately due and payable.

The impact of the negative working capital and ability to continue as a going concern should be read in conjunction with suspension of payment as referenced in the Introduction and item 10.1 below.

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.

Although the recent rally in thermal coal prices is expected to continue for the initial months of the third quarter 2017, the heavy rainfall experienced in HY2017 and related dewatering problems will adversely impact the ability of Rinjani to recommence economic mining.

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

1) Application For Suspension Of Payment Filed By Creditors (see Introduction above)

As noted in the Introduction suspension of payment provides Rinjani temporary relief, allowing it to reorganise its business activities under the management of Rinjani's directors together with a court-appointed administrator, under the supervision of a supervisory judge. Rinjani will be required to prepare a composition plan which will include proposals for settlement of all of its debts and recommencement of mining operations.

2) Recommencement of mining operation

As mentioned in the Introduction, Rinjani has received proposals from alternative waste mining contractors which may allow the recommencement of mining operations.

3) IPPKH2 expansion

The Group's existing borrow-use permits – IPPKH1 and IPPKH2 – are not sufficient to mine all the Coal Reserves noted in item 18 below since a portion of the mine concession area along the western boundary is controlled by PT ITCI Hutani Manunggal Plantation Company ("**ITCI**") and has been excluded from the current IPPKH2. To allow the Group's existing mine plan to be fully executed, an IPPKH2 expansion will be required for this area. This expansion is expected to be agreed with ITCI and granted by the forestry department by December 2017. It should be noted that, while the directors of the Company consider that there is a reasonable level of confidence that this IPPKH2 expansion can be approved by this time, it is not possible to make any guarantee that this time frame can be achieved or that approval would not be withheld due to the cessation of all coal production as noted in the Introduction.

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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 HY2017.

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 HY2017.

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

(2) General Working Capital consists mainly of operating expenses of the Group

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 quarter ended 30 June 2017:

The forecast use of funds for exploration, evaluation and development activities for the quarter ended 30 June 2017 and actual usage 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	225	148
	Total		**225**	**148**

Actual use of funds for exploration, evaluation and development activities in 2QFY2017 amounted to approximately US$148,000 which was US$77,000 lower than the forecast use of funds due to cashflow constraints.

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

Nil for the reasons noted in the Introduction.

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

Refer to item 20 below.

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.

Details of exploration and development activities include: (i) land acquisition compensation; (ii) commencement of drilling and logging; and (iii) exploration and development support. Total exploration and development activities amounted to nil for 2QFY2017.

In relation to production activities, the Group continued with its existing mine operations in IPPKH1 and IPPKH2 up until the cessation of all coal production activities with effect from 23 June 2017. All production costs incurred during 2QFY2017 are described in item 8.1.2 above.

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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 10 April 2017, the Company announced and published an updated IQPR prepared by the Company's independent consultant, SMG Consultants ("**SMGC**"), which included an estimate of Coal Reserves and Coal Resources for the 1,933 ha mining concession area of Rinjani ("**PT Rinjani Mining Concession Area**") as at 31 December 2016.

Table 1: Coal Reserves and Coal Resources Estimates for the PT Rinjani Mining Concession Area as at 31 December 2016

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	2.1	Subbituminous A	1.7	Subbituminous A	50%
Probable	Coal	0.8	Subbituminous A	0.6	Subbituminous A	-39%
Total	**Coal**	**2.9**	**Subbituminous A**	**2.3**	**Subbituminous A**	**7%**
RESOURCES(3&5)						
Measured	Coal	10.3	Subbituminous A	8.2	Subbituminous A	-9%
Indicated	Coal	3.8	Subbituminous A	3.0	Subbituminous A	6%
Inferred	Coal	1.4	Subbituminous A	1.1	Subbituminous A	-70%
Total	**Coal**	**15.5**	**Subbituminous A**	**12.4**	**Subbituminous A**	**-21%**

Notes:
(1) Licence refers to Rinjani's Production Operation IUP.
(2) Previous Coal Reserves and Coal Resources estimates were reported as at 31 December 2015.
(3) Resources are inclusive of 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 are reported in accordance with SMGC's interpretation of the JORC Code 2012 Edition.

Name of Qualified Person: Keith Whitchurch
Date: 31 December 2016
Professional Society Affiliation/Membership: BE(Hons) MengSci MAusIMM CP(min) RPEQ. PERHAPI

Save for the normal depletion in the Coal Reserves as a result of production since 31 December 2016, the Group confirms that:

- all material assumptions and technical parameters underpinning the estimates in the IQPR continue to apply and have not materially changed; and
- the form and context in which the Qualified Person's findings are presented have not been materially modified.

As mentioned in 10.3 above, Coal Reserves and Coal Resources are reported for the whole mining concession area of 1,933 ha. The Group's existing borrow-use permits – IPPKH1 and IPPKH2 – are not sufficient to mine all the Coal Reserves in the above estimates since a portion of the mine concession area along the western boundary is controlled by ITCI and has been excluded from the current IPPKH2.

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

14 August 2017