GOLDEN ENERGY AND RESOURCES LIMITED

(formerly known as United Fiber System Limited)
(Incorporated in the Republic of Singapore)
Company Registration Number: 199508589E

PROPOSED SALE OF COAL TO PT DSSE ENERGI MAS UTAMA – MEMORANDUM OF UNDERSTANDING

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*RHB Securities Singapore Pte. Ltd. (formerly known as DMG & Partners Securities Pte Ltd) was the financial adviser to United Fiber System Limited for the acquisition of 66.9998% of the issued and paid-up share capital of PT Golden Energy Mines Tbk (the "**Financial Adviser**"). The Financial Adviser has not reviewed this announcement and assumes no responsibility for the contents of this announcement.*

1. INTRODUCTION

The Board of Directors ("**Board**") of Golden Energy and Resources Limited ("**Company**") wishes to announce that the PT Golden Energy Mines Tbk ("**GEMS**"), a subsidiary of the Company, has entered into a non- binding memorandum of understanding ("**MOU**") with PT DSSE Energi Mas Utama ("**DEMS**") dated 6 May 2015, pursuant to which GEMS contemplates selling such amount of coal to DEMS and its subsidiaries (together, the "**DEMS Group**") as required by its power plants, subject to the execution of definitive agreements.

DEMS, a holding company incorporated in the Republic of Indonesia, is in the power generation business and owns, among other things, coal concessions through its subsidiaries. DEMS is a substantially-owned subsidiary of PT Dian Swastatika Sentosa Tbk ("**DSS**").

2. BACKGROUND AND TERMS OF THE MOU

DEMS, through its subsidiary PT DSSP Power Kendari, has been appointed as the preferred bidder for the procurement of a steam power plant with capacity of 2x 50MW ("**Kendari Project**"). In addition, the DEMS Group intends to capitalise on opportunities arising from the Indonesia Government's intention to construct 35,000 MW power plants, to expand its power business by, *inter alia*, participating in other power plant projects in Indonesia ("**Future Projects**").

Under the terms of the MOU, GEMS contemplates selling such amount of coal to the DEMS Group as required by the Kendari Project and Future Projects (the "**Proposed Sale of Coal**"). DEMS shall confer to GEMS first priority to supply any coal required by the Kendari Project and Future Projects, provided that, *inter alia*, the coal supplied by GEMS satisfies the required specifications and the price range.

3. POTENTIAL INTERESTED PERSON TRANSACTION

As GEMS is a subsidiary of the Company, it is an "entity at risk" under Chapter 9 of the Listing Manual. DEMS is a substantially-owned subsidiary of DSS, which is a controlling shareholder of the Company with approximately 94.2% shareholding interest in Company. As such, DEMS is an associate of DSS and thus an "interested person" under Chapter 9 of the Listing Manual.

Accordingly, subject to the execution of definitive agreements, the Proposed Sale of Coal between GEMS and DEMS would constitute an interested person transaction. The Board further notes that the transaction would fall within the scope of the interested person transaction general mandate approved by shareholders of the Company on 4 March 2015 and would be subject to the relevant review and approval procedures.

4. CAUTION IN TRADING

Shareholders are advised to exercise caution in trading their Shares as the MOU remains subject to the execution of definitive agreements and there is no certainty or assurance as at the date of this Announcement that the transactions or arrangements contemplated therein will be entered in or completed. Shareholders are advised to read this Announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

The Directors (including those who may have delegated detailed supervision of the preparation of this Announcement) collectively and individually accept full responsibility for the accuracy of the information given in this Announcement and confirm, after making all reasonable enquiries that to the best of their knowledge and belief, the facts stated and opinions expressed herein are fair and accurate in all material respects as at the date hereof, and that there are no material facts the omission of which would make this Announcement misleading.

BY ORDER OF THE BOARD

GOLDEN ENERGY AND RESOURCES LIMITED

Pauline Lee
Joint Company Secretary
7 May 2015