golden energy and resources

NEWS RELEASE

GOLDEN ENERGY AND RESOURCES TURNS AROUND WITH 3Q 2016 NET PROFIT OF US$11.6 MILLION

- ***Revenue grew 18.1% to US$97.6 million, lifted by higher sales volume in Coal Mining Division***
- ***Group's coal business held by the PT Golden Energy Mines Tbk Group valued at US$3.1 billion as at 31 August 2016***

Financial Highlights:

US$'000	3Q 2016	3Q 2015	% Change	9M 2016	9M 2015	% Change
Revenue	**97,631**	82,697	18.1	**284,608**	250,952	13.4
Gross Profit	**39,438**	25,943	52.0	**93,485**	91,611	2.0
Net Profit	**11,620**	(5,501)	311.2	**13,351**	(2,628)	608.0
EPS (US cents)	**0.13**	(0.11)	n.m	**0.14**	(0.09)	n.m

SINGAPORE, 11 November 2016 — Golden Energy and Resources Limited ("**GEAR**" or the "**Group**"), an international coal mining and trading company listed on the Singapore Stock Exchange and backed by Indonesian conglomerate Sinar Mas Group, recorded a return in profitability with net profit of US$11.6 million for the three-month period ended 30 September 2016 ("**3Q 2016**"), compared to a net loss of US$5.5 million in the last corresponding period ("**3Q 2015**").

GEAR's 3Q 2016 net profit is based on the average selling price of approximately US$32 /tonne ("**t**") from the Group's PT Borneo Indobara ("**BIB**") and PT Kuansing Inti Makmur ("**KIM**") coal concessions. The Indonesia Coal Index 4 ("**ICI 4**"), on which GEAR's BIB concession produces coal of similar quality, has risen 19% since early August 2016 to about US$37/t in September 2016.

The surge in GEAR's profitability was bolstered by a corresponding rise in the Group's revenue to US$97.6 million in 3Q 2016, an 18.1% increase from US$82.7 million in 3Q 2015, mainly due to higher sales volume in the Coal Mining Division.

Mr. Fuganto Widjaja, Executive Director and Group CEO of GEAR, said, “We have successfully weathered the downturn in the coal industry from 2011 to present, increasing our production steadily and remaining operationally profitable through the troughs of the coal cycle. The surge in profit in 3Q 2016, was not only on the back of the recent commencement of the coal price rally, but also attributable to our dedicated management team who had constantly driven improvements in operational productivity as well as instilled a strong sense of cost discipline within our Group.”

“We are deeply encouraged by the positive outlook of the coal market and the long-term outlook of the industry and we anticipate delivering greater shareholder value as we ramp up our coal production to ride on the strong demand of coal as evidenced by the uptrend in coal prices.”

Performance Review

For 3Q 2016, GEAR achieved a revenue of US$97.6 million, up 18.1% from US$82.7 million a year ago. The higher revenue was backed by higher sales volume in the Group’s Coal Mining Division, which recorded a 23.1% increase in revenue for the segment to US$87.1 million from US$70.8 million in 3Q 2015.

Correspondingly, gross profit rose 52.0% to US$39.4 million in 3Q 2016 from US$25.9 million in the previous corresponding period.

GEAR’s total assets and total liabilities remained relatively stable across reporting periods.

As at 31 August 2016, the Group has aggregate coal resources estimates[1] of 2,154 million tonnes ("**MT**") across its concessions. GEAR's coal business, which is held by the PT Golden Energy Mines Tbk ("**GEMS**") Group, is valued at US$3.1 billion in an independent business valuation report by Jones Lang LaSalle Corporate Appraisal and Advisory Limited. GEAR holds a 66.9998% equity interest in GEMS, which is listed on the Jakarta Stock Exchange.

Outlook

GEAR maintains a positive outlook for its coal business as it moves into the final quarter of the year in view of the current uptrend in coal prices that is expected to continue into 1Q 2017, driven by a resurgence in coal demand particularly among China, Japan, South Korea and other Asia-Pacific buyers.

Commenting on the outlook, Mr. Widjaja said, "We have taken active steps to enhance our operational efficiencies and infrastructure to support an increase in coal production and sales, so that we remain well-positioned to leverage on the wealth of opportunities brought about by the growing international demand for coal and the recent coal price rally."

ABOUT GOLDEN ENERGY AND RESOURCES LIMITED

Golden Energy and Resources Limited ("**GEAR**") was formed through the completion of the Reverse Takeover of SGX Mainboard-listed United Fiber System Limited in 2015. The Group is principally engaged in the exploration, mining, and marketing of thermal coal sourced from its coal mining concession areas, covering an aggregate of approximately 38,165 hectares in South Kalimantan, Central Kalimantan and Jambi (a province in Sumatra), Indonesia.

[1] *Coal resources estimates are inclusive of coal reserves estimates*

Backed by the Sinar Mas Group, one of Indonesia's largest conglomerates, GEAR collectively owns the rights to mine more than 2.0 billion tonnes of thermal coal resources, with coal reserves of more than 700 million tonnes, as at 31 August 2016.

GEAR has reserves of primarily thermal coal with an average calorific value range of between 3,900 kcal/kg (arb) to 6,600 kcal/kg (arb).

Aside from coal mining and trading, GEAR is also engaged in the forestry business, owning forestry concession rights of 265,095 hectares in four regents located in South Kalimantan.

ISSUED ON BEHALF OF	:	Golden Energy and Resources Limited	
BY	:	Citigate Dewe Rogerson, i.MAGE Pte Ltd 55 Market Street #02-01 SINGAPORE 048941	
CONTACT	:	Ms Chia Hui Kheng / Mr Winston Choo / Ms Melissa Chia at telephone	
DURING OFFICE HOURS	:	6534-5122	(Office)
AFTER OFFICE HOURS	:	9690-3841 / 9068-2099 / 9770-1179	(Handphone)
EMAIL	:	huikheng.chia@citigatedrimage.com / winston.choo@citigatedrimage.com / melissa.chia@citigatedrimage.com	

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