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

NEWS RELEASE

Resources Prima continues its turnaround in 1H2016 recording a net profit of USD3.1m as compared to a loss of USD6.3m in 1H2015

- Achieved net profit of USD1.4m in 2Q2016 as compared to a net loss of USD3.6m in 2Q2015
- Improvement in gross profit margins for 2Q2016 and 1H2016 despite lower coal sales prices
- Cost of goods sold per tonne decreased by 33.6% and 32.5% for 1H2016 and 2Q2016 respectively
- Reduced waste mining rate with a cost reduction of USD0.31/bcm from August 2015

Financial Highlights

USD '000	2Q2016 ended 30.09.15	2Q2015 ended 30.09.14	change	1H2016 ended 30.09.15	1H2015 ended 30.09.14	change
Revenue	16,446	23,530	(30.1)%	35,046	45,871	(23.6)%
Cost of goods sold	(13,123)	(24,605)	(46.7)%	(26,889)	(46,254)	(41.9)%
Gross profit / (loss)	3,323	(1,075)	N.M.	8,157	(383)	N.M.
Gross margin	20.2%	(4.6)%	N.M.	23.3%	(0.8)%	N.M.
Net profit / (loss)	1,361	(3,607)	N.M.	3,094	(6,343)	N.M.
Cost of goods sold per metric tonne ("**MT**") ^ (USD)	36.0	53.3	(32.5)%	35.1	52.9	(33.6)%

N.M. means not meaningful
^Cost of goods sold per MT = cost of goods sold divided by coal sales volume

SINGAPORE – 13 November 2015 - 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 including coal mining facilities in Indonesia, is pleased to report a continuance of the turnaround in its bottom-line in the second quarter ended 30 September 2015 ("**2Q2016**") with a net profit of USD1.4 million as compared to a net loss of USD3.6 million in the same period last year ("**2Q2015**"). For the 6-month period ended 30 September 2015 ("**1H2016**"), the Group reported a net profit of USD3.1 million as compared to a net loss of USD6.3 million in the corresponding period a year ago ("**1H2015**"). The improvement in the bottom-line for 2Q2016 and 1H2016 was primarily due to a reduction in cost of goods sold leading to a sharp improvement in gross profit margins for the Group.

Commenting on the results, **Executive Chairman and Chief Executive Officer, Mr. Agus Sugiono said**, "Although the near term outlook for the coal industry remains challenging, I remain optimistic about the long term prospects for the industry as I believe coal will continue to be one of the most efficient and low cost fuels for electricity generation especially in Asia. Despite the ongoing weakness in coal sales prices during the first half of the financial year, we continued to execute operational efficiencies by focusing on cost discipline. This has enabled us to lower our cost of goods sold per tonne by approximately 33.6% and this, in turn, improved our gross profit and gross profit margin in 1H2016. I am also pleased to update that since August 2015, we have started to enjoy the lower waste mining rate due to a cost reduction of USD0.31/bcm following commencement of blasting. Going forward, we will continue to proactively manage our costs and cost structure by engaging in further discussions with our mining contractors and vendors."

Revenue for the Group in 1H2016 decreased by 23.6% to USD35.0 million from USD45.9 million in 1H2015, primarily due to lower coal sales and lower coal sales prices. For similar reasons, in 1H2016 coal sales decreased by 24.1% to USD33.9 million from USD44.7 million in 1H2015. In 1H2016, coal sales volume decreased by 12.3% to approximately 0.77 million tonnes from approximately 0.87 million tonnes in 1H2015, while the average coal sales price decreased by 13.5% to USD44.3/MT in 1H2016 from USD51.2/MT in 1H2015. In 1H2016, facilities usage income decreased marginally by 4.8% to USD1.1 million due to lower throughput of coal from a third party mine owner.

In 2Q2016, the Group's revenue fell by 30.1% to USD16.4 million from USD23.5 million in 2Q2015, which was largely a result of a 31.7% decline in coal sales to USD15.8 million in 2Q2016 from USD23.2 million in 2Q2015. In 2Q2016, coal sales volume decreased by 21.2% to approximately 0.36 million tonnes from approximately 0.46 million tonnes in 2Q2015 while the average coal sales price decreased by 13.3% to USD43.5/MT in 2Q2016 from USD50.2/MT in 2Q2015. The reduction in coal sales volume resulted from both a strategic slowing of production as a result of depressed coal prices and planned major maintenance performed on the conveyor system during 2Q2016.

The Group's gross profit improved significantly in 1H2016 to USD8.2 million from a gross loss of USD0.4 million in 1H2015. In 2Q2016, the Group's gross profit also improved to USD3.3 million from a gross loss of USD1.1 million in 2Q2015. The improvement in gross profits for 2Q2016 and 1H2016 was primarily due to a reduction in costs of goods sold resulting in better gross profit margins for the Group.

In 1H2016, the Group's gross profit margin improved significantly to 23.3% from -0.8% in 1H2015 while the Group's gross profit margin in 2Q2016 improved to 20.2% from -4.6% in 2Q2015. The improvement in gross profit margins for the Group was primarily due to a lower unit cost of goods sold arising from (i) a decrease in waste mining costs; (ii) reduced heavy equipment rental costs; and (iii) lower depreciation and amortization as a result of deferred stripping cost being fully amortized in November 2014. The unit cost of goods sold decreased by 33.6% to USD35.1 in 1H2016 and fell by 32.5% to USD36.0 in 2Q2016. These cost reductions were achieved despite an increase in average stripping ratio to 9.2 bank cubic metres of overburden per MT ("**bcm/MT**") from 7.7 bcm/MT in 2Q2016.

In 1H2016, the Group generated cash from operating profit before working capital of USD7.7 million. The cash generated was used for the Group's working capital purposes, primarily for payment to vendors. As a result, net cash generated from operating activities amounted to USD3.5 million in 1H2016. Net cash used in investing activities of USD7.9 million in 1H2016 was primarily for the purchase of land to increase the capacity of the stockpile facility and additional coal hauling trucks, partially offset by proceeds from disposal of available-for-sale investment. Net cash used in financing activities of USD0.5 million was in relation to finance lease repayments. The Group's cash and cash equivalents as at 30 September 2015 increased to USD0.6 million as compared to USD0.1 million as at 30 September 2014.

Outlook

Cost reduction programme

The cost reduction programme will continue with further negotiations with the Group's waste mining contractor and vendors. Management is confident that the 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 maintain tight control of its operating costs during this period of softening market prices, thereby minimizing the impact on profitability.

Potential increase in coal reserves and resources through second "borrow-use permit

Although the Group's subsidiary, PT Rinjani Kartanegara ("**PT Rinjani**"), has been granted a Production Operation IUP (a production operations mining business licence) to carry out coal mining operations in the mining concession area covering 1,933 ha, currently only an area covering approximately 309 ha of the total mining concession area has secured a "borrow-use" permit from the Indonesian Ministry of Forestry.

As previously announced, the Group has commenced the process to secure a "borrow-use" permit for the remaining 1,624 ha of the total mining concession area ("**IPPKH2**"). The process to secure IPPKH2 involves the following four major steps:

a. Recommendation by the Mayor of Kutai Kartanegara;
b. Recommendation by the Governor of East Kalimantan;
c. Recommendation by the Directorate General of Coal under the Ministry of Energy and Mineral Resources; and
d. Issuance of a "borrow-use" permit by the Ministry of Forestry.

As of the date of this announcement, PT Rinjani has completed steps (a) to (c) and is proceeding with the final step with an application submitted to the Ministry of Forestry. Once IPPKH2 is issued, the Company shall make the necessary announcement and commence further exploration which could lead to an increase in the Group's coal reserves and resources from the remaining area of its concession.

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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. Currently, the Group has submitted an application for a "borrow-use" permit for the remaining 1,624.46 ha of the mining concession area.

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 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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