

GOLDEN ENERGY AND RESOURCES LIMITED

(Incorporated in the Republic of Singapore)
Company Registration Number: 199508589E

-
- 1) INDEPENDENT QUALIFIED PERSONS' REPORT ON THE UPDATED COAL RESOURCES AND COAL RESERVES ESTIMATES;
 - 2) MARKET VALUE OF GEMS' COAL CONCESSION AREAS; AND
 - 3) MARKET VALUE OF GEMS
-

RHB Securities Singapore Pte. Ltd. (formerly known as DMG & Partners Securities Pte Ltd) was the financial adviser to the Company 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

1.1 **Introduction.** The Board of Directors of Golden Energy And Resources Limited (the "Company", and together with its subsidiaries, the "Group") wishes to announce that an independent qualified persons' report ("IQPR") on the updated coal resources and coal reserves estimates (as applicable) of the Group held under each of PT Borneo Indobara ("BIB"), PT Kuansing Inti Makmur ("KIM) and PT Trisula Kencana Sakti ("TKS"), as at 31 August 2016, have been prepared by an independent third party coal resources and coal reserves technical consultant, Salva Mining Resources Pty Ltd (the "Independent Consultant" or "Salva Mining"), copies of which are appended to this Announcement as Appendix A for BIB Updated IQPR, Appendix B for KIM Updated IQPR and Appendix C for TKS Updated IQPR, respectively. In addition, the Company has also commissioned Jones Lang LaSalle Corporate Appraisal and Advisory Limited ("JLL") to perform an independent business valuation report ("Independent Business Valuation Report") on the PT Golden Energy Mines Tbk ("GEMS") Group, which is appended to this Announcement as Appendix D.

1.2 Summarised Updated Coal Resources and Reserves Estimates and Market Value of BIB, KIM and TKS Coal Concession Mines.

Coal Resources Estimates (Million Tonnes)

Aggregate Coal Resources Estimates of GEMS Coal Concession Areas	2,154
------------------------------------------------------------------	-------

Coal Reserves Estimates (Million Tonnes)

Aggregate Coal Reserves Estimates of GEMS Coal Concession Areas	711.9
-----------------------------------------------------------------	-------

Aggregate Market Value GEMS Coal Concession Areas (US\$'million)	3,011
-------------------------------------------------------------------------	--------------

1.3 **Updated IQPRs.** This Announcement should be read in conjunction with the updated BIB IQPR ("BIB Updated IQPR"), updated KIM IQPR ("KIM Updated IQPR") and updated TKS IQPR ("TKS Updated IQPR") (together, the "Updated IQPRs"). The Updated IQPRs are prepared in accordance with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves ("JORC Code 2012") and are compliant with Practice Note 6.3 of the Listing Manual of the SGX-ST.

2. KEY UPDATES TO COAL RESOURCES AND RESERVES ESTIMATES OF BIB

2.1 **Updated Estimates.** Based on the BIB Updated IQPR, the aggregate estimated amount of proved and probable coal reserves within the BIB coal concession area as at 31 August 2016 is 654.7 million tonnes, comprising an estimated 518.5 million tonnes of proved coal reserves and 136.2 million tonnes of probable coal reserves. The aggregate estimated amount of coal resources within the BIB coal concession area as at 31 August 2016 is 1,819 million tonnes.

Based on the BIB Updated IQPR, the coal resource and reserves estimates as at 31 August 2016 are set out below: -

Pit	Coal Resource ⁽¹⁾ (in million tonnes)				Coal Reserves (in million tonnes)		
	Measured	Indicated	Inferred	Total	Proved	Probable	Total
Kusan Girimulya Block	859	278	335	1,472	485.1	120.2	605.3
Sebamban North Block	11	10	50	71	5.3	3.6	9.0
Sebamban South Block	18	10	15	42	11.4	4.5	15.9
Batulaki Block	21	27	155	203	13.7	6.6	20.3
Pasopati Block	10	10	10	31	3.0	1.2	4.2
Total	919	335	565	1,819	518.5	136.2	654.7
CHANGE FROM PREVIOUS UPDATE ⁽²⁾	5.75%	0.30%	-2.59%	2.08%	18.79%	6.16%	15.92%

Note:-

- (1) Coal resources are inclusive of coal reserves
- (2) The previous update on the coal resources and reserves estimates of BIB coal concession area is as at 31 December 2015

2.2 **Comparative Difference.** Compared to the key estimates as at 31 December 2015, the coal reserves estimate held under BIB has increased by 90 million tonnes (representing an increase of 15.92%), comprising an increase of 82 million tonnes (representing an increase of 18.79%) in the proved coal reserves estimate and an increase of 8 million tonnes (representing an increase of 6.16%) in the probable coal reserves estimate. The coal resources estimate held under BIB has increased by 37 million tonnes (representing an increase of 2.08%), comprising an increase of 50 million tonnes (representing an increase of 5.75%) in the measured coal resource estimate; an increase of 1 million tonnes (representing an increase of 0.3%) in the indicated coal resource estimate; and offset by a decrease of 15 million tonnes (representing a decrease of 2.59%) in the inferred coal resource estimate. ("BIB Comparative Difference").

2.3 **Basis for Comparative Difference.** The BIB Comparative Difference reported in BIB Updated IQPR was mainly due to additional quality drillholes and lower operational costs along with reduction in its weighted average cost of capital ("WACC") as a result of decline in debt interest rates in the past 2 years. The BIB cost savings have improved the breakeven stripping ratio, which resulted in change in optimized pit shell and consequently, change in aggregate coal reserves¹ estimates held by BIB.

¹ As defined under the JORC Code 2012, coal reserves is the economically mineable part of a measured or indicated coal resource and is subject to modifying factors such as operating cost.

3. KEY UPDATES TO COAL RESOURCES AND RESERVES ESTIMATES OF KIM

3.1 **Updated Estimates.** Based on the KIM Updated IQPR, the aggregate estimated amount of proved and probable coal reserves within the KIM coal concession area as at 31 August 2016 is 57.2 million tonnes, comprising an estimated 43.2 million tonnes of proved coal reserves and 14.1 million tonnes of probable coal reserves. The aggregate estimated amount of coal resources within the KIM coal concession as at 31 August 2016 is 258 million tonnes.

Based on the KIM Updated IQPR, the coal resource and reserves estimates as at 31 August 2016 are set out below: -

Pit	Coal Resource ⁽¹⁾ (in million tonnes)				Coal Reserves (in million tonnes)		
	Measured	Indicated	Inferred	Total	Proved	Probable	Total
KIM East	56	36	75	167	18.6	6.5	25.0
KIM West	58	23	10	91	24.6	7.6	32.2
Total	114	59	85	258	43.2	14.1	57.2
CHANGE FROM PREVIOUS UPDATE ⁽²⁾	1.79%	-1.67%	0.00%	0.78%	-7.89%	67.86%	3.62%

Note: -

(1) Coal resources are inclusive of coal reserves

(2) The previous update on the coal resources and reserves estimates of KIM coal concession area is as at 31 December 2015

3.2 **Comparative Difference.** Compared to the key estimates as at 31 December 2015, the coal reserves estimate held under KIM has increased by 2 million tonnes (representing an increase of 3.62%), comprising an increase of 5.7 million tonnes (representing an increase of 67.86%) in the probable coal reserves estimate offset by a decrease of 3.7 million tonnes (representing a decrease of 7.89%) in the proved coal reserves estimate. The coal resources estimate held under KIM has increased by 2 million tonnes (representing an increase of 0.78%), comprising an increase of 2 million tonnes (representing an increase of 1.79%) in the measured coal resource estimate offset by a decrease of 1 million tonnes (representing a decrease of 1.67%) in the indicated coal resource estimate; the inferred coal resource estimate remains relatively stable. ("KIM Comparative Difference").

3.3 **Basis for Comparative Difference.** The KIM Comparative Difference reported in KIM Updated IQPR was mainly due to lower operational costs along with reduction in WACC as the debt interest rates have declined significantly in the past 2 years. The KIM cost savings have improved the breakeven stripping ratio, which resulted in change in optimized pit shell and consequently, change in aggregate coal reserves² estimates held by KIM.

² As defined under the JORC Code 2012, coal reserves is the economically mineable part of a measured or indicated coal resource and is subject to modifying factors such as operating cost.

4. KEY UPDATES TO COAL RESOURCES ESTIMATES OF TKS

- 4.1 **Updated Estimates.** Based on the TKS Updated IQPR, the aggregate estimated amount of coal resources within the TKS coal concession as at 15 January 2015 is 77 million tonnes. The TKS concession does not have any defined coal reserves.

Based on the TKS Updated IQPR, the coal resource estimates as at 15 January 2015 are set out below:-

Pit	Coal Resource ⁽¹⁾ (in million tonnes)			
	Measured	Indicated	Inferred	Total
Warukin	39	6	8	53
Montelat	1	6	17	24
Total	40	12	25	77
CHANGE FROM PREVIOUS UPDATE ⁽²⁾	0.0%	0.0%	0.0%	0.0%

Note:-

(1) Coal resources are inclusive of coal reserves

(2) The previous update on the coal resources estimates of TKS coal concession area is as at 15 January 2015.

- 4.2 **Comparative Difference.** There is no change to the coal resources estimate held under TKS as compared to the key estimates as at 31 July 2014, which was carried out by CSA Global in connection with GEAR's reverse takeover exercise of 2015.

5. INDEPENDENT CONSULTANT

- 5.1 **Independent Consultant.** The Independent Consultant was the same qualified person which prepared the IQPRs held under BIB and KIM with an effective date of 31 December 2015 under Listing Rule 750.
- 5.2 **Qualifications.** The IQPRs were prepared in accordance with the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports (VALMIN Code 2015) by Salva Mining under the supervision of Mr Manish Garg, a Director of Salva Mining who takes overall responsibility for the reports and is an Independent Expert as defined in the VALMIN Code 2015. Mr Manish Garg is member of the Australian Institute of Mining & Metallurgy. He is also a member of the Australian Institute of Company Directors.

6. Independent Business Valuation Report for GEMS Group

- 6.1 **Assessed Market Value.** The assessed market value for GEMS as at 31 August 2016 is US\$3.098 billion (an increase of 34.52% from US\$2.303 billion on 15 January 2015) and US\$2.076 billion at 66.9998% equity interest of GEAR (an increase from US\$1.543 billion on 15 January 2015). The last independent business valuation report (“Independent Business Valuation Report”) was developed solely for the purposes of GEAR’s reverse takeover exercise which was completed on 20 April 2015.

Valuation of Mining Projects (US\$’million)

BIB Coal Concession	2,904.0
KIM Coal Concession	64.7
Coal Assets of PT Trisula Kencana Sakti (TKS Coal Assets)	42.4
Collective Value of 3 Mining Projects	3,011

FCFF Valuation Summary of GEMS Coal Trading Business Perpetual Growth Model (US\$’million)

NPV of FCFF Forecast	7.6
PV of Terminal Value of Model	31.5
100% of Equity Interest (US\$’million) rounded	39.1

GEMS Consolidated Equity Value (US\$’million)

NAV of BIB, KIM and TKS and GEMS Corporate	3,059.0
GEMS Coal Trading Business	39.1
100% of Equity Interest	3,098.0
66.9998% of Equity Interest (US\$’million)	2,076.0

- 6.2 **Independent Business Valuer.** JLL had prepared the Independent Business Valuation Report in accordance with the International Valuation Standards issued by the International Valuation Standards Council. The Independent Business Valuation Report provides an opinion as to the market value of the 66.9998% equity interest in GEMS as at 31 August 2016 (the “**Valuation Date**”).

JLL employed the net asset value approach in the Independent Business Valuation Report. Through this approach, JLL determined the fair market value of its total assets and total liabilities of GEMS, and then calculated the difference to determine the market value.

To determine the net asset value of the coal concession areas of the GEMS Group, JLL relied upon the IQPRs issued by Salva Mining in respect of the coal concession areas of BIB, KIM and TKS, all with effective valuation dates as at 31 August 2016.

To determine the market value of the coal trading business of GEMS, JLL adopted the income approach, utilising the discounted cash flow method. Under this method, value depends on the present worth of future economic benefit to be derived from the projected income. Indications of value have been developed by discounting projected future net cash flows available for payments of shareholders’ interest discounted to their present worth.

7. CONSENT

Salva Mining and JLL had reviewed and consent to the inclusion in this Announcement of the matters based on their information in the form and context in which it appears.

8. FURTHER INFORMATION

8.1 Documents for Inspection. A copy of the Updated IQPRs, the Independent Business Valuation Report and the Consent Letters will be available for inspection at the office of the Company's Registered Office at 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623, during normal business hours for a period of three (3) months from the date of this Announcement.

8.2 Caution. Shareholders are advised to exercise caution in trading their shares in relation to this Announcement as the information herein may be updated or amended in line with future exploration and studies to be conducted. There are a number of planning and operational issues which may impact on the coal reserves estimates, including but not limited to: (i) detailed geotechnical studies to confirm the overall slope angles and other parameters in deeper pit area, (ii) changes in marketing and costing during the mining operation and life of mine schedule; and (iii) coal transportation issues and infrastructure constraints. These issues may cause the pit shell and mining quantities to change in future qualified persons' report on coal resources and reserves estimates prepared in accordance with the JORC Code 2012.

Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisers if they have any doubt as to the actions they should take.

BY ORDER OF THE BOARD

GOLDEN ENERGY AND RESOURCES LIMITED

Pauline Lee

Company Secretary
4 November 2016

APPENDIX 1

1. Coal Resources and Reserves with the BIB coal concession area, Indonesia

Category	Mineral Type	Gross Attributable to Licence ⁽¹⁾		Net Attributable to Issuer		
		Tonnes (millions) ⁽⁴⁾	Grade	Tonnes (millions)	Grade	Change from previous update (%) ⁽²⁾
Reserves						
Proved	Coal	518.5	Subbituminous B	340.8	Subbituminous B	18.79%
Probable	Coal	136.2	Subbituminous B	89.5	Subbituminous B	6.17%
Total		654.7	Subbituminous B	430.3	Subbituminous B	15.92%
Resources⁽³⁾						
Measured	Coal	919	Subbituminous B	604.0	Subbituminous B	5.78%
Indicated	Coal	335	Subbituminous B	220.0	Subbituminous B	0.00%
Inferred	Coal	565	Subbituminous B	371.0	Subbituminous B	-2.62%
Total		1,819	Subbituminous B	1,195.0	Subbituminous B	1.96%

Notes:

- (1) CCOW license issued by the Ministry of Energy and Mineral Resources
- (2) Previous coal resources and coal reserves estimates were reported as at 31 December 2015
- (3) Coal resources are inclusive of coal reserves
- (4) Individual totals may differ due to rounding

2. Coal Resources and Reserves with the KIM coal concession area, Indonesia

Category	Mineral Type	Gross Attributable to Licence ⁽¹⁾		Net Attributable to Issuer		
		Tonnes (millions) ⁽⁴⁾	Grade	Tonnes (millions)	Grade	Change from previous update (%) ⁽²⁾
Reserves						
Proved	Coal	43.2	Subbituminous B	28.9	Subbituminous B	-7.96%
Probable	Coal	14.1	Subbituminous B	9.4	Subbituminous B	67.86%
Total		57.2	Subbituminous B	38.3	Subbituminous B	3.51%
Resources⁽³⁾						
Measured	Coal	114	Subbituminous B	76	Subbituminous B	1.33%
Indicated	Coal	59	Subbituminous B	40	Subbituminous B	0.00%
Inferred	Coal	85	Subbituminous B	57	Subbituminous B	0.00%
Total		258	Subbituminous B	173	Subbituminous B	0.58%

Notes:

- (1) IUP license issued by the Keputusan Bupati Bungo
- (2) Previous coal resources and coal reserves estimates were reported as at 31 December 2015
- (3) Coal resources are inclusive of coal reserves
- (4) Individual totals may differ due to rounding

3. Coal Resources and Reserves with the TKS coal concession area, Indonesia

Category	Mineral Type	Gross Attributable to Licence ⁽¹⁾		Net Attributable to Issuer		
		Tonnes (millions) ⁽⁴⁾	Grade	Tonnes (millions)	Grade	Change from previous update (%) ⁽²⁾
Reserves						
Proved	Coal	0	Subbituminous B	0	Subbituminous B	0
Probable	Coal	0	Subbituminous B	0	Subbituminous B	0
Total		0	Subbituminous B	0	Subbituminous B	0
Resources⁽³⁾						
Measured	Coal	40	Subbituminous B	19	Subbituminous B	0.00%
Indicated	Coal	12	Subbituminous B	6	Subbituminous B	0.00%
Inferred	Coal	25	Subbituminous B	12	Subbituminous B	0.00%
Total		77	Subbituminous B	37.0	Subbituminous B	0.00%

Notes:

- (5) IUP license issued by the Keputusan Bupati Bungo
- (6) Previous coal resources estimates were reported as at 15 July 2014
- (7) Coal resources are inclusive of coal reserves
- (8) Individual totals may differ due to rounding