

Flash Note: BlackGold Natural Resources Limited

Date: 4 December 2017

BlackGold signed MOU for S\$20 million convertible bond facility

BlackGold Natural Resources Limited ("**BlackGold**", the "**Company**" and together with its subsidiaries, the "**Group**") announced that the Company entered into a non-binding memorandum of understanding ("**MOU**") with an undisclosed lender (the "**Lender**", collectively, the "**Parties**"), which is an international financial institution with established presence in Hong Kong and a rapidly expanding network across the globe, pursuant to which the Company intends to raise up to S\$20 million by way of the issuance of convertible bonds.

Convertible bond to finance equity interest in relation to the development of Riau-1 Project

The Convertible Bonds will be used to finance BlackGold's acquisition of its equity interest in an ongoing cooperation project for the development, construction, operation and maintenance of a 2 x 300 megawatt coal-fired power plant in Riau province, Sumatra, Indonesia (the "**Riau-1 Project**").

This follows an earlier announcement released on 18 September 2017, in relation to BlackGold signing a Heads of Agreement with various parties to form a new consortium (the "**Consortium**") for the Riau-1 Project.

Subject to successful completion of: i) satisfactory due diligence; ii) the incorporation of the joint venture company for the purposes of the Riau-1 Project by China Huadian Engineering Co., Ltd. ("**CHEC**"), PT Pembangunan Jawa-Bali ("**PJB**") and the Company; and iii) the Riau-1 Project signing the Power Purchase Agreement ("**PPA**") with PT Perusahaan Listrik Negara ("**PLN**"), the Parties will enter into a definitive agreement or term sheet for the proposed issuance of the Convertible Bonds. The MOU shall be valid until 23 February 2018, before which the Consortium, of which BlackGold is a part, must complete the signing of the PPA with PLN.

The conversion price will be the sum of: i) the volume weighted average price ("**VWAP**") at date of the definitive agreement(s) to be entered into by the parties in respect of the transaction; and ii) 50% of the last 30 trading days' VWAP before the date of such definitive agreement(s). The Convertible Bonds will have a 36-month maturity period from the drawdown date.

SAC Capital Private Limited has been appointed as the placement agent for the Convertible Bonds.

About PLN, PJB and CHEC

PLN is Indonesia's state-run power distribution company.

PJB is a power generation company with the aim of promoting Indonesia's economic development by providing high-quality, reliable and sustainable energy supply. PJB is a wholly-owned subsidiary of PLN.

CHEC is a state-owned power engineering company in China. CHEC's core businesses encompass high tech product research and development, engineering design, general contracting, as well as energy technology research and services. CHEC is currently involved in project construction, investment, operation and maintenance of various power projects located in Indonesia.

About BlackGold

The Group is an Indonesia-focused coal mining company targeting Indonesia's rapidly growing power plant industry. Through long term, fixed offtake agreements with its principal customers, the Group has a customer portfolio consisting of state-owned and independent power plants and factories.

The Group, through its local subsidiaries, has the rights to three coal concessions in Riau, Indonesia.

Currently, the Group, through its subsidiary PT Samantaka Batubara, has a coal concession for an area of 15,000 hectares, and has over 500 million tonnes of Coal Resources (Resources and Reserves estimates reported in compliance with 2012 JORC Code).

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