
COAL PURCHASE CONTRACT FOR LIFE OF MINE AND PREPAYMENT SUPPLEMENT

Introduction

The Board of Directors of Geo Energy Resources Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that its wholly-owned subsidiary, Geo Coal International Pte Ltd (“**GCI**”) had entered into a long term life of mine (“**LOM**”) coal purchase agreement (“**Coal Offtake Agreement**”) with Engelhart Commodities Trading Partners (Singapore) Pte Ltd. (“**ECTP**”) on 4 July 2016 for the supply of coal from its PT Sungai Danau Jaya mine (“**SDJ Mine**”) in accordance with the Coal Offtake Contract..

The parties agreed that the minimum quantity of coal to be delivered to ECTP for the period commencing 1 July 2016 to 31 January 2017 will be 4 million tonne, 6 million tonne of coal for the period until 31 December 2017 and a minimum of 4 million tonne per year over the remainder of the Life of Mine.

In conjunction with the Coal Offtake Contract, GCI and ECTP entered into a prepayment supplement whereby ECTP agreed to make a prepayment of US\$20 million for the further development of the SDJ Mine and US\$4 per tonne advance on future supply of coal under the Coal Offtake Contract (“**Prepayment Supplement**”).

About ECTP

ECTP (formerly known as BTG Pactual Commodities) (<http://ectp.com>) was established in 2013 and has since developed into a global commodity merchant, with a presence in all the major global commodities hubs. GCI had in July 2015 entered into an offtake contract with ECTP for the supply of 23 shipments or equivalent of 1.5 million tonne of coal, which was completed in June 2016.

Rationale

The Offtake Contract and the Prepayment Supplement (collectively, the “**Transaction**”) will provide long-term recurrent income and cash flows to the Group and strengthen its financial position.

Interests of Directors and Controlling Shareholders

Mr Dhamma Surya, an Executive Director of the Company, will provide a guarantee in favour

of ECTP to guarantee the obligations owed to ECTP under the Transaction.

Save as disclosed above, none of the Directors or controlling shareholders of the Company have any interest, direct or indirect, in the aforesaid transactions, save through his shareholding (if any) in the Company.

BY ORDER OF THE BOARD

Charles Antonny Melati
Executive Chairman
5 July 2016