

Geo Energy Secures a Coal Offtake Agreement for the Life of Mine and Prepayment for further development on its SDJ Coal Mine in a deal worth an estimated US\$1.2billion at current coal prices

- Geo Energy to supply 4 million tonnes of coal to Engelhart Commodities Trading Partners (Singapore) Pte Ltd (“**ECTP Singapore**”) for a period of 7 months commencing 1 July 2016 and subsequently 6 million tonnes of coal for the period until 31 December 2017
- It also secures a Life of Mine Offtake with a minimum supply of 4 million tonne of coal per year for its remainder coal reserves of 30 million tonne until 2022
- Thermal coal of 4,200 GAR is to be delivered from the Group’s wholly-owned PT Sungai Danau Jaya (“**SDJ**”) coal mine
- ECTP to make a prepayment of US\$20 million on the coal offtake agreement for the further development of the SDJ Coal Mine and US\$4 per tonne advance on future coal supply of coal, thereby strengthening the Group’s cash flow and financial position going forward

SINGAPORE, 5 July 2016 – Geo Energy Resources Limited (“Geo Energy” or “the Group”), an integrated Indonesian coal mining group, is pleased to announce that the Group has entered into a long term Life of Mine (“**LOM**”) coal purchase agreement (“**Coal Offtake Agreement**”) with ECTP Singapore to supply 4,200 GAR thermal coal for exports (excluding domestic sales) over the entire lifespan of SDJ coal mine. The Coal Offtake Agreement with ECTP Singapore is to supply 4 million tonne of coal for a period of 7 months due in January 2017 and an additional 6 million tonne of coal for a period until December 2017 and a minimum 4 million tonne of coal per year for the remainder period of the LOM. The Coal Offtake Agreement follows the earlier offtake agreement that the Group had with ECTP for delivery of 23 shipments or equivalent of 1.5 million tonne of coal, which was completed in June 2016.

The Group acquired a 66% stake in SDJ in August 2014 and the remaining 34% interest in December 2015 and commenced coal production at SDJ coal mine in December 2015. The first shipment of 55,000 tonne of coal from SDJ was delivered in January 2016. Following which, the Group has further delivered 485,000 tonne of coal by the end of March 2016. By June 2016, the Group has completed 23 shipments of coal to ECTP Singapore. As previously announced, the Group targets a production of 6,000,000 tonne of coal in 2016 with expected monthly production to increase to more than 500,000 tonne of coal per month.

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. ECTP is a global diversified merchant and client solutions provider in the commodities space covering a range of agricultural, industrial, and energy products.

Commenting on securing the contracts, Mr Charles Antonny Melati, Executive Chairman of Geo Energy said, ***"This LOM agreement with ECTP is a strong testament to our track record of delivering coal and creating sustainable demand for coal from our SDJ coal mine. Our Group is very pleased that coal output from SDJ's production for the coming months can be taken up by ECTP immediately and over the long haul."***

"Our Group would like to thank ECTP for their continued faith and support in our capabilities, quality of coal and delivery track record. The Coal Offtake Agreement would allow our Group to focus on expanding our coal production while ECTP takes care of coal trading and sales. ECTP's global network is able to efficiently match demand and supply in countries like China, India and Indonesia etc."

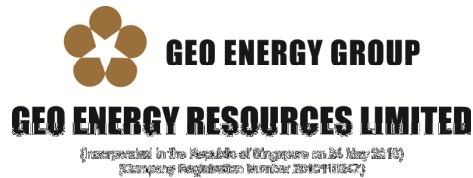
As our Group aims to become one of Indonesia's top coal producers, we would continue to seek out acquisition opportunities in the region to replenish our coal reserves and to secure more of such off-take agreements going forward."

Commenting on the outlook of the Group, Mr Tung Kum Hon, Chief Executive Officer of Geo Energy said, ***"The Coal Offtake Agreement over the LOM in the next 5 years or so is worth an estimated US\$1.2 billion at current coal prices. More importantly, the prepayment of US\$20 million on the coal offtake agreement for the further development of the SDJ coal mine and US\$4 per tonne advance on future coal supply of coal will strengthen the Group's cash flow and financial position, and reduce our capital commitments on the SDJ coal mine going forward."***

We are encouraged by the increasing demand shown for SDJ's coal output since commencing production in December 2015. SDJ's coal with its low sulphur and ash has established a branding amongst its buyers and has generated good demand abroad from global trading houses and major Chinese power plants. The Indonesian Coal Price Index (ICI) has also shown promising signs of a sustainable uptrend, increasing US\$1.50 per tonne over two months."

Our low cost structure with reduced execution risk by having PT Bukit Makmur Mandiri Utama ("BUMA") as our mining contractor, and being based in Indonesia, are our key unique selling points that differentiate Geo Energy from other coal mining companies. This enables us to position ourselves to capitalize on any price increases in the ICI and in the upswing of Indonesia's coal demands."

1 <http://www.bloomberg.com/news/articles/2016-04-08/btg-plans-to-spin-off-1-6-billion-commodities-arm-as-engelhart>

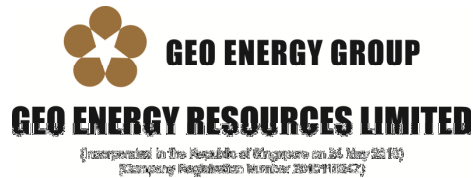


In addition, our Group is excited by our upcoming plans to enter the domestic market to supply coal and to support Indonesia's 35 GW project and to diversify our business by entering into Indonesia's Independent Power Producers (IPP) business. Indonesia's President Joko Widodo's administration had announced plans to increase Indonesia's power generation capacity by 35 GW between 2015 and 2019 to drive the country's economic growth and channel power to remote regions that have no access to electricity². In support of this program, our Group incorporated PT Geo Tebo Power Inti on 8 March 2016 to explore opportunities in the power generation business."

² <http://asia.nikkei.com/Business/AC/Construction-of-Indonesia-s-largest-coal-plant-begins?page=1>

End

The statements contained in this media release that are not historical facts are "forward-looking" statements. These forward-looking statements are subject to a number of substantial risks and uncertainties, many of which are beyond the Company's control and actual results and developments may differ materially from those expressed or implied by these statements for a variety of factors. These forward-looking statements are statements based on the Company's current intentions, beliefs and expectations about among other things, the Company's financial condition, prospects, growth, strategies and the industry in which the Company operates. Forward-looking statements are typically identified by the use of forward-looking terminology such as "believes", "expects", "may", "will", "could", "should", "intends", "estimates", "plans", "assumes" or "anticipates" or the negative thereof or other variations thereon or comparable terminology, or by discussions of strategy that involve risks and uncertainties. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. In addition, from time to time, the Company or its representatives have made or may make forward-looking statements orally or in writing. Furthermore, such forward-looking statements may be included in, but are not limited to, press releases or oral statements made by or with the approval of an authorised executive officer of the Company. No assurance can be given that such future results will be achieved; actual events or results may differ materially from those expressed in or implied by these statements as a result of risks and uncertainties facing the Company and its subsidiaries. Many of these risks and uncertainties relate to factors that are beyond the Company's ability to control or estimate precisely, such as changes in taxation and fiscal policy, future market conditions, currency fluctuations, the behaviour of other market participants, the actions of governmental regulators and other risk factors such as the Company's ability to continue to obtain financing to meet its liquidity needs, changes in the political, social and regulatory framework in which the Company operates or in economic or technological trends or conditions, including inflation and consumer confidence, on a global, regional or national basis. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward-looking statements. The forward-looking statements contained in this announcement speak only as of the date of this announcement and the Company undertakes no duty to update any of them publicly in light of new information or future events, except to the extent required by applicable law or regulation.



ABOUT GEO ENERGY RESOURCES LIMITED (Bloomberg Ticker: GERL SP)

Geo Energy Resources Limited (“**Geo Energy**”) is a coal mining specialist with an established track record in the operation of coal mining sites for the purpose of coal production and coal sales since 2008. The Geo Energy Group’s operations are primarily located in Indonesia.

Geo Energy owns major mining concessions and coal mines in East and South Kalimantan, Indonesia with JORC marketable coal reserves of 53 million tonne.

For more information, please visit www.geocoal.com

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