



GEO ENERGY GROUP  
天然煤矿集团

## **GEO ENERGY RESOURCES LIMITED**

(Incorporated in the Republic of Singapore on 24 May 2010)  
(Company Registration Number 201011034Z)

### **SGX Announcement**

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## **GEO ENERGY SUCCESSFULLY SIGNS CONDITIONAL SALE OF RIGHTS FOR AN EXPECTED GAIN OF US\$18 MILLION, RELATING TO THE FULLY PROVIDED OUTSTANDING RECEIVABLES FROM PT TITAN INFRA ENERGY AND PT JAYA UTAMA INDONESIA**

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### **1. INTRODUCTION**

- 1.1 The Board of directors (the "**Board**") of Geo Energy Resources Limited (the "**Company**", together with its subsidiaries, the "**Group**") refers to the announcements made by the Company on 23 September 2019, 30 December 2019, 31 January 2020, 26 March 2020 and 1 April 2020 in relation to, among others, the CSPA, the Coal SPAs and the Underlying Payments (capitalised terms as defined below) of US\$26,850,000 (as further detailed in paragraph 1.3 below).
- 1.2 The Board also refers to the announcements made by the Company on 30 June 2020 and 25 September 2020 in relation to the lawsuits filed against, among others, the Company's wholly-owned subsidiaries, Geo Ventures Global Pte Ltd ("**GVG**") and Geo Coal International Pte. Ltd. ("**GCI**") in connection with the CSPA and Coal SPAs.
- 1.3 Further to these announcements, the Board wishes to announce that GVG and GCI (together, the "**Sellers**"), have on 21 June 2024 entered into a Sale and Purchase Agreement (the "**Rights SPA**") whereby the Sellers shall sell (the "**Conditional Sale**") to funds under the management of OCP Asia (Singapore) Pte Limited, (the "**Purchasers**"), their rights (such rights, the "**Purchased Rights**"), against:
- (a) PT Titan Infra Energy ("**TIE**"), a limited liability company incorporated in Indonesia;
  - (b) PT Jaya Utama Indonesia ("**JUI**"), a limited liability company incorporated in Indonesia; and
  - (c) Victor Budi Tanuadji, an Indonesian citizen (the "**Personal Guarantor**", together with TIE and JUI, the "**Obligors**"),

in respect of:

- (a) US\$26,850,000 in aggregate that the Sellers had previously paid to TIE and JUI in 2019 (the "**Underlying Payments**") pursuant to the Commercial Agreements (as defined below), and which TIE and JUI have not repaid the Sellers, comprising:
  - (i) US\$2,500,000 paid by GVG to TIE and JUI as a refundable deposit pursuant to the terms of an Indonesian law governed conditional share purchase agreement signed between GVG, TIE and JUI on 20 September 2019, as amended or supplemented from time to time, and which has been terminated (the "**CSPA**");
  - (ii) US\$22,500,000 paid by GCI to TIE as prepayment pursuant to an Indonesian law governed coal purchase contract dated 20 September 2019 signed between GCI as buyer and TIE as seller for 1,200,000 metric tonnes of Indonesian steam coal over 6 months, as amended or supplemented from time to time, including pursuant to the prepayment supplement dated 20 September 2019 between GCI and TIE, and which have all been terminated (the "**First Coal SPA**");

- (iii) the outstanding unrepaid balance of US\$1,850,000 in respect of the original sum of US\$10,000,000 paid by GCI to TIE as prepayment pursuant to an Indonesian law governed coal purchase contract dated 24 December 2019 signed between GCI as buyer and TIE as seller for 300,000 metric tonnes of Indonesian steam coal, as amended or supplemented from time to time, and which has been terminated (the "**Second Coal SPA**" and together with the First Coal SPA, the "**Coal SPAs**"); and
- (b) any other rights of the Sellers to any payment (including any interest, demurrage fees and legal costs arising in connection with the Underlying Payments) from the Obligors which arise pursuant to, or in connection with, the Coal SPAs and the CSPA (together, the "**Commercial Agreements**"),

for an aggregate cash consideration of US\$18,000,000 (the "**Purchase Price**").

- 1.4 Full provisions had previously been made in the Group's financial statements for the total outstanding unrepaid Underlying Payments of US\$26,850,000.
- 1.5 As at the date of this Announcement, the Purchasers are third parties who are not related to the Company's directors, chief executive officer, controlling shareholders or their respective associates.

## **2. INFORMATION ON THE PURCHASED RIGHTS AND COMMERCIAL AGREEMENTS**

### **2.1 Value of, and Net Profits attributable to, the Underlying Payments**

Given the uncertainty of recovering the Underlying Payments of US\$26,850,000, full provisions have already been made in the Group's financial statements for the Underlying Payments in the financial year ended 31 December 2022 such that there is no book value attributable to the Underlying Payments since 31 December 2022 and as at 31 December 2023, being the end of the Company's last financial year. As these Underlying Payments relate to outstanding receivables from the Obligors, there is no net profit attributable to it.

### **2.2 The Commercial Agreements**

#### **(a) The CSPA**

The Company had on 23 September 2019 announced that GVG had on 20 September 2019 entered into the CSPA with TIE and JUI for the purchase of 100% of the shares of PT Titan Global Energy ("**TGE**" and such acquisition, the "**Proposed TGE Acquisition**"). Pursuant to the terms and conditions of the CSPA, GVG had paid to TIE and JUI a refundable deposit of US\$2,500,000. On 30 December 2019, GVG had entered into an amendment agreement with TIE and JUI to amend certain terms and conditions of the CSPA.

Certain ancillary agreements (the "**Ancillary Agreements**") were also entered into in connection with the Proposed TGE Acquisition, including but not limited to:

- (i) a shareholders agreement dated 20 September 2019 entered into between TGE, TIE and PT Multi Energy Prima ("**MEP**"); and
- (ii) a mutual integrated mining and logistics services agreement dated 30 December 2019 entered into between GVG, TGE, MEP and TIE.

Subsequently on 1 April 2020, the Company announced that the CSPA had been terminated as certain conditions precedent to completion had not been satisfied by the long stop date. Under the terms of the CSPA, TIE and JUI are required to return the refundable deposit of US\$2,500,000 in full to GVG within 14 business days after 1 April 2020. The Ancillary Agreements have also been terminated following the termination of the CSPA.

(b) **The Coal SPAs**

In connection with the Proposed TGE Acquisition, GCI had (a) on 20 September 2019 entered into the First Coal SPA with TIE for the purchase by GCI of 1,200,000 metric tonnes of Indonesian steam coal and (b) on 24 December 2019 entered into the Second Coal SPA with TIE for the purchase by GCI of 300,000 metric tonnes of Indonesian steam coal. Pursuant to the terms of the First Coal SPA and the Second Coal SPA, GCI had made prepayments of US\$22,500,000 and US\$10,000,000 respectively to TIE.

Up to April 2020, TIE had delivered approximately 250,590 metric tonnes of Indonesian steam coal representing US\$8,150,000 of the prepayment of US\$10,000,000 under the Second Coal SPA, and a balance of US\$1,850,000 remains unrepaid and outstanding under the Second Coal SPA. TIE has not delivered any Indonesian steam coal under the First Coal SPA, and the full prepayment amount of US\$22,500,000 remains unrepaid and outstanding under the First Coal SPA.

The Coal SPAs have been terminated.

2.3 **The Guarantee**

In connection with the Coal SPAs, the Personal Guarantor had also provided a personal guarantee to irrevocably and unconditionally guarantee TIE's obligations under the Coal SPAs.

2.4 **Information on the Obligors**

TIE is a limited liability company established under the laws of the Republic of Indonesia. TIE is one of Indonesia's major vertical energy infrastructure and logistic companies with its primary operations in South Sumatra, Indonesia.

JUI is a limited liability company established under the laws of the Republic of Indonesia.

TIE and JUI are the shareholders of TGE.

The Personal Guarantor is a director of TIE and the son of the ultimate controlling shareholder of TIE and its subsidiaries, Mr Handoko Anindya Tanuadji.

2.5 **Litigation in connection with the CSPA and Coal SPAs**

On 25 September 2020, the Company announced that lawsuits have been filed in the Central Jakarta District Court by a direct shareholder of TIE and a direct shareholder of JUI (the "**Claimants**") against TIE and JUI and some of their affiliates, one of the directors of TIE, GVG and GCI (the "**Defendants**"), alleging that the CSPA and Coal SPAs are null and void, and are claiming damages of approximately IDR500 billion (excluding penalty and interest) against the Defendants.

The Company stated in its Annual Report 2021 that the Central Jakarta District Court ruled in favour of the Defendants, and in its Annual Report 2022, further updated that the Claimants had filed an appeal which had been rejected by the High Court in 2022. The Company understands that the Claimants have filed a judicial review in the Supreme Court.

The Claimants have agreed to withdraw all the existing litigation cases (the "**Existing Claims**") and have on 10 June 2024 submitted withdrawal letters to withdraw the Existing Claims, which have been admitted by the Supreme Court Registrar on 10 June 2024.

### 3. RATIONALE FOR THE CONDITIONAL SALE

The Group had been working on various avenues to recover the Underlying Payments since 2020 including but not limited to a settlement agreement with the Obligor as well as identifying potential debt funds that could be interested to acquire these outstanding balances.

The Conditional Sale represents an opportunity for the Sellers to recover a substantial portion of the Underlying Payments through selling the Purchased Rights for the Purchase Price. Although this represents a discount of approximately 33% to the amount of the Underlying Payments, the Conditional Sale provides the Sellers with financial certainty. Given that the Underlying Payments had been fully provided for, the Group will record a US\$18 million gain from the Conditional Sale and the Conditional Sale will have a positive financial impact for the Group as illustrated in paragraph 7 below.

### 4. PRINCIPAL TERMS OF THE CONDITIONAL SALE

#### 4.1 The Purchase Price

Pursuant to the terms of the Rights SPA and in accordance with the escrow agreement entered into between the Sellers, Purchasers and Serica Agency (Singapore) Pte. Limited as the escrow agent (the "**Escrow Agent**" and such agreement, the "**Escrow Agreement**"), the Purchase Price has been paid by each of the Purchasers into an escrow account (the "**Escrow Account**") upon satisfaction of all Initial Conditions Precedent (as defined below).

Pursuant to the terms of the Rights SPA, the Purchase Price shall be released from the Escrow Account to the Sellers in the following apportionments:

- (a) US\$2,698,926 for the account of GVG; and
- (b) US\$15,301,074 paid to GCI,

on the Closing Date (as defined below) in accordance with the terms of the Rights SPA.

#### 4.2 Basis of Consideration

The Purchase Price was arrived at based on arm's length negotiations between the Purchasers and the Sellers on a willing-buyer, willing-seller basis, after taking into account, *inter alia*, the rationale for the Conditional Sale (as further described in paragraph 3 above).

#### 4.3 Conditions Precedent

Pursuant to the terms of the Rights SPA, completion of the Conditional Sale ("**Completion**") is subject to, amongst others, the Purchasers and the Sellers having received a court decree on the withdrawal of the Existing Claims or the deletion of the Existing Claims from the registrar book having been made (the "**Claim Withdrawal CP**").

All of the conditions precedents (apart from the Claim Withdrawal CP) (collectively, the "**Initial Conditions Precedent**") have been fully satisfied as at the date of this Announcement. The Purchasers shall notify the Sellers, and the Sellers shall notify the Purchasers, in each case promptly upon the Claim Withdrawal CP being satisfied and Completion shall take place on the next day (other than a Saturday or Sunday) on which banks are open for general business in Singapore and Jakarta after the first date on which both of the following have occurred (i) the Sellers have received such notification from the Purchasers and (ii) the Purchasers have received such notification from the Sellers, or such other date as may be agreed in writing between the Purchasers and the Sellers (the "**Closing Date**").

#### 4.4 Completion

Pursuant to the terms of the Rights SPA, the following events shall take place on the Closing Date:

- (a) the Sellers shall assign the Purchased Rights to the Purchasers by entering into Indonesian law governed cession agreements with the Purchasers for each Commercial Agreement in a notarial deed form (the "**Cession Agreements**");
- (b) the Sellers shall provide the required notices of assignment to the relevant Obligors, and the relevant Obligors shall execute the required acknowledgments to the aforementioned notices of assignment;
- (c) TIE and JUI shall execute an Indonesian law governed *akta pengakuan utang* (debt acknowledgment deed) in a notarial deed form restating and acknowledging the debt in the aggregate amount of at least US\$26,850,000 outstanding from the Obligors to the Purchasers in connection with the Underlying Payments;
- (d) the Personal Guarantor shall execute new personal guarantees in favour of the Purchasers; and
- (e) the Purchasers and the Sellers shall each notify the Escrow Agent that the documents specified in paragraphs (a), (b), (c) and (d) above have been executed upon which the Escrow Agent shall release the escrow amount from the Escrow Account in accordance with the Escrow Agreement.

#### 4.5 Long Stop Date

The long stop date (the "**Long Stop Date**") has been agreed by the parties to be on 15 August 2024 or such other date as may be agreed in writing between the Purchasers and the Sellers.

If Completion does not occur on or before the Long Stop Date, the Rights SPA may be terminated by written notice of any Seller or Purchaser.

### 5. USE OF PROCEEDS

The proceeds from the Conditional Sale will be used for the Group's working capital purposes.

### 6. RELATIVE FIGURE UNDER RULE 1006

Based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2023 ("**FY2023**"), the relative figures of the Conditional Sale computed on the bases set out in Rule 1006<sup>(1)</sup> of the listing manual ("**Listing Manual**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") is set out below:

<b>Rule 1006</b>	<b>Bases</b>	<b>Relative Figure</b>
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value	NM <sup>(1) (3)</sup>
(b)	Net profits attributable to the assets acquired or disposed of, compared with the Group's net profits	NM <sup>(2) (3)</sup>
(c)	Aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	5.84% <sup>(4)</sup>
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	N/A <sup>(5)</sup>

(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Groups' proved and probable reserves	N/A <sup>(5)</sup>
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**Notes:**

- (1) The net asset value of the Group as at 31 December 2023 was US\$499,604,423. Pursuant to Rule 1002(3) of the Listing Manual, "net assets" means total assets less total liabilities.
- (2) The net profit of the Group for FY2023 was US\$89,207,657. Pursuant to Rule 1002(3) of the Listing Manual, "Net profits" means profit or loss including discontinued operations that have not been disposed of and before income tax and non-controlling interests.
- (3) The relative figures under Rules 1006(a) and 1006(b) of the Listing Manual are not meaningful because full provisions have already been made in the Group's financial statements for the Purchased Rights such that there is no book value nor net profits attributable to the Purchased Rights and as at 31 December 2023, being the end of the Company's last financial year.
- (4) The Purchase Price is US\$18 million (approximately S\$24.3 million<sup>1</sup>) and the Company's market capitalisation is S\$416.2 million as at 20 June 2024, being the last full day of trading prior to the signing of the Rights SPA. The market capitalisation of the Company is derived by multiplying 1,402,674,146 shares (excluding treasury shares) in issue by the volume-weighted average traded price of S\$0.2967 on 20 June 2024, being the last full day of trading prior to the signing of the Rights SPA.
- (5) Rules 1006 (d) and (e) of the Listing Manual are not applicable to the Conditional Sale. Rule 1006(d) does not apply to a disposal of assets. Rule 1006(e) does not apply as the Conditional Sale does not involve a disposal of mineral, oil or gas assets.

As the relative figure computed under Rule 1006(c) of the Listing Manual exceeds 5% but does not exceed 20%, the Conditional Sale constitutes a "Discloseable Transaction" as defined under Chapter 10 of the Listing Manual.

## 7. FINANCIAL EFFECTS OF THE CONDITIONAL SALE

The *pro forma* financial effects of the Conditional Sale on the Group as set out in this paragraph of the Announcement is based on the audited consolidated financial statements of the Group for FY2023, prepared in accordance with SFRS(I).

For the purposes of illustrating the *pro forma* financial effects of the Conditional Sale on the Group, the financial effects have been prepared based on, inter alia, the following assumptions:

- (a) in the calculation of the *pro forma* net tangible assets ("**NTA**") and NTA per share, for illustrative purposes, it is assumed that the Conditional Sale had completed on 31 December 2023;
- (b) in the calculation of earnings per share ("**EPS**"), for illustrative purposes, it is assumed that the Conditional Sale had completed on 1 January 2023; and
- (c) the figures in S\$ for NTA per share and EPS shown in the tables below are calculated based on the exchange rate of US\$1.00 to S\$1.3163 as at 31 December 2023.

<sup>1</sup> Based on an exchange rate of USD1.00 : SGD1.3511, which was the exchange rate as at 20 June 2024.

The *pro forma* financial effects of the Conditional Sale as set out below are strictly for illustrative purposes and do not necessarily reflect the actual financial position and performance of the Company or the Group, prepared according to the relevant accounting standards, following the Conditional Sale.

#### 7.1 Effect on NTA per share of the Group

	Before the Conditional Sale	After the Conditional Sale
NTA (US\$)	499,604,423	515,003,240
Number of issued shares, excluding treasury shares	1,390,440,813	1,390,440,813
NTA per share (US cents)	35.93	37.04
NTA per share (SG cents)	47.30	48.76

#### 7.2 Effect on EPS of the Group

	Before the Conditional Sale	After the Conditional Sale
Profit before tax (US\$)	89,207,657	107,207,657
Profit attributable to Owners of the Company (US\$)	61,979,861	77,378,678
Weighted average number of shares for the purposes of basic EPS	1,393,446,284	1,393,446,284
Weighted average number of shares for the purposes of diluted EPS	1,393,446,284	1,393,446,284
Basic EPS (US cents)	4.45	5.55
Basic EPS (SG cents)	5.85	7.31
Diluted EPS (US cents)	4.45	5.55
Diluted EPS (SG cents)	5.85	7.31

#### 7.3 Gain on Reversal of Provision on Conditional Sale

As there is no book value attributable to the Purchased Rights as at 31 December 2023, being the end of the Company's last financial year, the Conditional Sale is expected to result in a gain, and the proceeds from the Conditional Sale represents an excess over book value of US\$18,000,000 (being the Purchase Price).

### 8. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save for the directors' shareholdings in the Company and as disclosed in this Announcement, none of the directors or controlling shareholders of the Company or their associates has any interest, direct or indirect, in the Conditional Sale.

### 9. SERVICE AGREEMENT

No new directors will be appointed to the Board of the Company in connection with the Conditional Sale.

## **10. CAUTION IN TRADING**

Shareholders are advised to exercise caution in trading their shares. The Conditional Sale is subject to, amongst others, the Claim Withdrawal CP set out in paragraph 4.3 above and there is no certainty or assurance as at the date of this Announcement that the Conditional Sale will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments. Shareholders are advised to read this Announcement and any further announcements by the Company carefully. Shareholders should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

## **11. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors (including those who may have delegated detailed supervision of the preparation of this Announcement) collectively and individually accept full responsibility for the accuracy of the information given in this Announcement (other than information relating to the Obligors or the Purchasers, including in this Announcement (the "**Third Party Information**")) and confirm, after making all reasonable enquiries that to the best of their knowledge and belief, the facts stated and opinions expressed herein (other than information relating to the Third Party Information) are fair and accurate in all material respects as at the date hereof, and that there are no material facts the omission of which would make this Announcement misleading.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Obligors or the Purchasers (including the Third Party Information), the sole responsibility of the directors of the Company has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Announcement. The directors of the Company do not accept any responsibility for any information relating to the Third Party Information or any information obtained from the Obligors or the Sellers.

## **12. DOCUMENTS AVAILABLE FOR INSPECTION**

The Rights SPA, Cessie Agreements and Escrow Agreement are available for inspection during normal business hours at the Company's registered office at 7 Temasek Boulevard, #39-02 Suntec Tower One, Singapore 038987 for three (3) months from the date of this Announcement.

## **BY ORDER OF THE BOARD**

Charles Antonny Melati  
Executive Chairman and CEO  
24 June 2024