GEO ENERGY GROUP

GEO ENERGY RESOURCES LIMITED

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

For Immediate Release

Geo Energy's earnings impacted by low coal prices & weak demand; Group in expansionary phase as plans to acquire concessions are ongoing

- **Revenue grew by a healthy 38% to US$108.6 million**
- **Group affected by weakening Rupiah against the USD and SGD**
- **Key operating costs have increased in line with inflationary rates in Indonesia**

SINGAPORE, 28 February 2014 – Geo Energy Resources Limited ("Geo Energy" or the "Group"); an Indonesian coal mining specialist, today announced that the Group has reported a 38% growth in revenue for the financial year ending 31 December 2013 ("**FY2013**"), from US$78.8 million in FY2012 to US$108.6 million in FY2013, maintaining its momentum of posting positive revenue growth.

The healthy growth in revenue was mainly due to the additional revenue contribution of US$42.8 million from coal trading which commenced in 1Q2013, an increase of US$26.0 million from mining services and equipment rental and also an overall increase in coal sales of US$7.5 million from BEK mining concession in FY2013, but was partially offset by the absence of approximately US$46.6 million from the Group's coal cooperation contracts in FY2012. This however, was not sufficient to mitigate the challenging coal price environment and weak demand as the Group suffered a drop in net profit after tax of 32% from US$19.2 million in FY2012 to US$13.0 million in FY2013.

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Table 1. Financial Highlights for 4Q2013 vs. 4Q2012 and FY2013 vs. FY2012

(US$ 'million)	4Q2013 (Unaudited)	4Q2012 (Unaudited)	% change	FY2013 (Unaudited)	FY2012 (Audited)	% change
Revenue	*23.8*	*19.6*	*22*	*108.6*	*78.8*	*38*
Gross profit	*2.0*	*12.8*	*(84)*	*30.5*	*36.2*	*(16)*
Gross profit margin (%)	*8.6*	*65.5*	*-*	*28.1*	*46.0*	*-*
G&A expenses	*(2.3)*	*(1.9)*	*24*	*(8.6)*	*(6.3)*	*36*
Net profit	*(0.9)*	*6.9*	*(113)*	*13.0*	*19.2*	*(32)*
Net profit margin (%)	*N.M*	*35.1*	*-*	*12.0*	*24.3*	*-*
Earnings per share* - Fully diluted* (US cents)	*(0.08)*	*0.61*	*(113)*	*1.09*	*2.04*	*(46.6)*

**Based on weighted average number of 1,157,050,891 ordinary shares for FY2013 & 4Q2013 (FY2012:951,642,855 & 4Q2012: 1,109,312,627)*

The Group's other income increased from US$0.4 million in FY2012 to US$1.4 million in FY2013, mainly due to a one-off gain from repayment of financial liability, gain on revaluation of investment property, and interest generated from the placement of unutilised IPO proceeds, partially offset by the reduction in foreign exchange gain.

The Indonesian coal mining industry has been under prolonged pressure due to oversupply, resulting in mild demand growth. Estimates for the average selling prices ("**ASP**") across some of the Group's counterparts in FY2013 have also showed a general decline from FY2012 levels.

Table 2. Average selling price (ASP) for FY2013E vs. FY2012[1]

	Adaro Energy	Banpu	Bumi Resources	ITM	Harum Energy	Bukit Asam
FY2012	*71*	*90*	*82*	*86*	*n.a*	*n.a*
2013E	*57*	*75*	*67*	*75*	*86*	*86*
Variance	*-19%*	*-17%*	*-18%*	*-13%*	*n.m*	*n.m*

n.a : Not available

n.m: Not meaningful

[1] Standard Chartered – Asia | Mining Equity Research Report, Indonesia Coal, 17th December 2013

In February 2014, Bloomberg L.P. reported that the Indonesian government is actively putting measures in place to support the current coal prices and this includes capping coal output at about 400 million metric tons for this year, which is 5 percent less than 2013's level[2]. Overall, this has translated into a general expectation of coal prices remaining relatively soft in the near future.

Aside from the industry wide concerns and faltering currency, the Group is also impacted by the expected increases in operational costs, which is increasing in line with Indonesia's inflationary rates.

Commenting on the Group's performance, Mr. Charles Antonny Melati, Executive Chairman of Geo Energy Group said,

"Despite the rough quarter, it is still worth noting that the Group has still posted a decent profit on the back of increased growth in our revenue. We have diversified our revenue streams to good effect and I believe that this revenue diversification will only benefit us in the long term. We are also heartened that the Indonesian government has started putting in measures which will support the coal prices, which in the long-term, we hope will be beneficial to us."

The Group will also continue to look out for business expansion opportunities, which may include acquisitions, joint ventures and/or strategic alliances, to expand its business operations and increase its coal production levels.

This is in addition to the mining services agreements currently in place, which allows the Group greater flexibility over its productions and operations while easing any possible overdependence on the operations of the BEK mine.

--The End --

[2] http://www.bloomberg.com/news/2014-02-10/indonesia-to-limit-coal-production-this-year-to-support-prices.html

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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 primarily operates as a mine owner cum operator and a mine contractor. In FY2013, Geo Energy has also commenced coal trading. The Group obtained a mining concession in 2011 to undertake coal production activities at the 4,570 hectares BEK Concession Area located at Kutai Barat Regency, East Kalimantan Province in Indonesia. In addition, the Group also operates as a mine contractor providing specific mine contracting services to third party mine owners.

Issued for and on behalf of Geo Energy Resources Limited By Financial PR Pte Ltd

For more information please contact:
Romil SINGH, romil@financialpr.com.sg
Jonathan THEO, jonathan@financialpr.com.sg
Tel: (65) 6438 2990 Fax: (65) 6438 0064