



GEO ENERGY GROUP
天然煤礦集團

GEO ENERGY RESOURCES LIMITED

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

SGX ANNOUNCEMENT

ANNUAL GENERAL MEETING TO BE HELD ON 28 APRIL 2022 RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS RECEIVED FROM GEO ENERGY SHAREHOLDERS

The Board of Directors (the "Board") of Geo Energy Resources Limited (the "Company", and together with its subsidiaries, the "Group") would like to thank the Company's shareholders for submitting their questions in advance of the Company's Annual General Meeting 2022 ("2022 AGM"), which will be convened and held by electronic means on Thursday, 28 April 2022 at 10.00am.

Responses to shareholder questions which are relevant to the resolutions tabled for approval at the 2022 AGM

Responses to the questions received up till Tuesday, 19 April 2022, 10.00am, has been set out below. As some of the questions received are similar, they have been grouped together.

Financial

- 1. Has the Group's net asset value ("NAV") per share of US\$0.246 reflected the JORC VALMIN valuation of US\$726 million for its coal reserves as at 31 August 2021? Please provide an explanation.**

The NAV of US\$0.246 does not reflect the JORC VALMIN valuation of US\$726 million as at 31 August 2021.

In accordance with SFRS(I) 1-16:29, the Group uses the Cost Model in its accounting policy in measuring the carrying amount of its Property, Plant and Equipment, including its Mining Properties (Please refer to our 2021 Annual Report, Page 117 for more details).

Hence, we do not record fair value gains based on the JORC VALMIN valuation.

Business Strategy/Outlook

- 2. Based on the latest available information, is the Company on track to achieve "EBITDA close to US\$200 million" in 1H2022 as projected in the Annual Report?**

As mentioned in Page 21 of our Annual Report 2021, the Group expects to achieve a 1H2022 EBITDA of close to US\$200 million with the high coal prices and based on the SGX M42 Futures Index price, as well as a targeted 1H2022 production volume of 5-6 million tonnes.

The Group remains on track to achieve this, subject to actual coal prices in the coming months. The Indonesian Coal Index ("ICI") price for 4200 GAR coal was US\$87.71 per tonne as at 14 April 2022, with the SGX M42 Futures Index¹ indicating a price of US\$90-US\$100 per tonne in the coming months.

- 3. How sustainable is the current growth? And how does the management plan to keep the growth sustainable?**

The Group worked and optimized its mining plan over the years to scale production volumes and expand its business operations, which has allowed us to optimize our returns during the

¹ As at 19 April 2022



recent upsurge in prices. Coal prices remain a key driver of our business, with the thermal coal outlook remaining strong in the coming years, at least up to 2024. These have been elaborated in Pages 29 and 30 of our Annual Report 2021.

The Group had previously strengthened its business model to become more resilient to market changes. With a cost structure that moves in tandem with coal prices, the Group's interests are aligned with its service providers to scale up production to benefit from a rising coal price environment, while remaining profitable when coal prices are lower.

4. With reference to Executive Chairman, Dato' Charles Antonny Melati's statement on the Company vision "to explore for appropriate business diversification into renewable supply chain", do the management set a timeline (internal or formulate and not declare) to fulfill this focus? If yes, could you share with shareholders?

The Group has been working on various opportunities to expand its revenue streams by way of potential joint ventures, trading, and value accretive acquisitions for the Company.

This includes strategically reviewing and optimising its assets portfolio, which may include acquisitions to complement its business and divestments to build a sustainable business for the future.

The Group has not fixed a deadline on business diversification, as it takes a prudent approach on acquisitions. Any acquisition should be cashflow positive, with a good return on investment to shareholders in both the short and long-term.

The Company will make an announcement in accordance with the listing rules of SGX, when such development materialises.

Share Buy-back

5. Can shareholders expect that the Company will utilise the 10% buy-back facility to greater effect in the next 12 months given the shares look very undervalued? What are the parameters the Company use when deciding when to use the buy-back facility?

Share buy-back is part of the Company's long-term capital management and the Company executes its buy-back in a controlled and orderly manner over a reasonable period of time to minimise undue movement in the Company's share price.

The Company will continue to monitor its share price and trading volumes prior to any further share buy-backs in 2022.

Together with its dividend policy of at least 30% returns to shareholders based on earnings, subject to capital requirements, share buy-back remain an option for the Company to enhance value for shareholders and strengthen its return on equity.

BY ORDER OF THE BOARD

Charles Antonny Melati
Executive Chairman
22 April 2022