

**For Immediate Release**

**Geo Energy expands downstream in the coal mining value chain, signs cooperation agreement to provide port services in South Kalimantan**

- Additional revenue stream for the Group
- Proximity of port's location to SDJ concession allows cost saving, control over port scheduling and certainty to logistic availability for future production ramp up
- Group to build conveyor belt to enable direct transshipment of coal to vessels in the Java Sea
- Multiple benefits to arise from long term operation of coal port

**SINGAPORE, 20 October 2014 – Geo Energy Resources Limited (“Geo Energy” or the “Group”); an Indonesian coal mining specialist,** is pleased to announce that the Group’s subsidiary, PT Sumber Bara Jaya (“**SBJ**”) has today signed a cooperation agreement with PT Bandar Laut Biru (“**BLB**”) for the management and operation of a port terminal for 15 years.

Under the terms of the cooperation agreement, SBJ has been appointed by BLB to manage and operate the port terminal, located in South Kalimantan, for public interest. Such services include, *inter alia*, (i) managing and operating the jetty as well as all facilities and infrastructure at the port terminal; (ii) construction of a new conveyor belt, crusher and related facilities; and (iii) providing periodic maintenance and repair of the aforesaid facilities.



The signing of the cooperation agreement also provides the Group with additional benefits, as the Group is now able to (i) ***increase its revenue stream*** through the handling of coal from third party coal miners while concurrently taking on BLB's existing portfolio of customers; (ii) ***have certainty over future SDJ's logistics schedule*** and at the same time ***lower its own logistical and operational expenses*** due to reduced reliance on external port operators; and (iii) provide the Group with a ***wider network*** and ***additional opportunities for coal trading and marketing of third parties' coal***.



The Group will also be constructing a new conveyor belt within the next two (2) years. This new conveyor belt will run approximately 800 meters into the Java Sea, hence allowing large barges to be loaded directly and not be subject to tidal conditions.

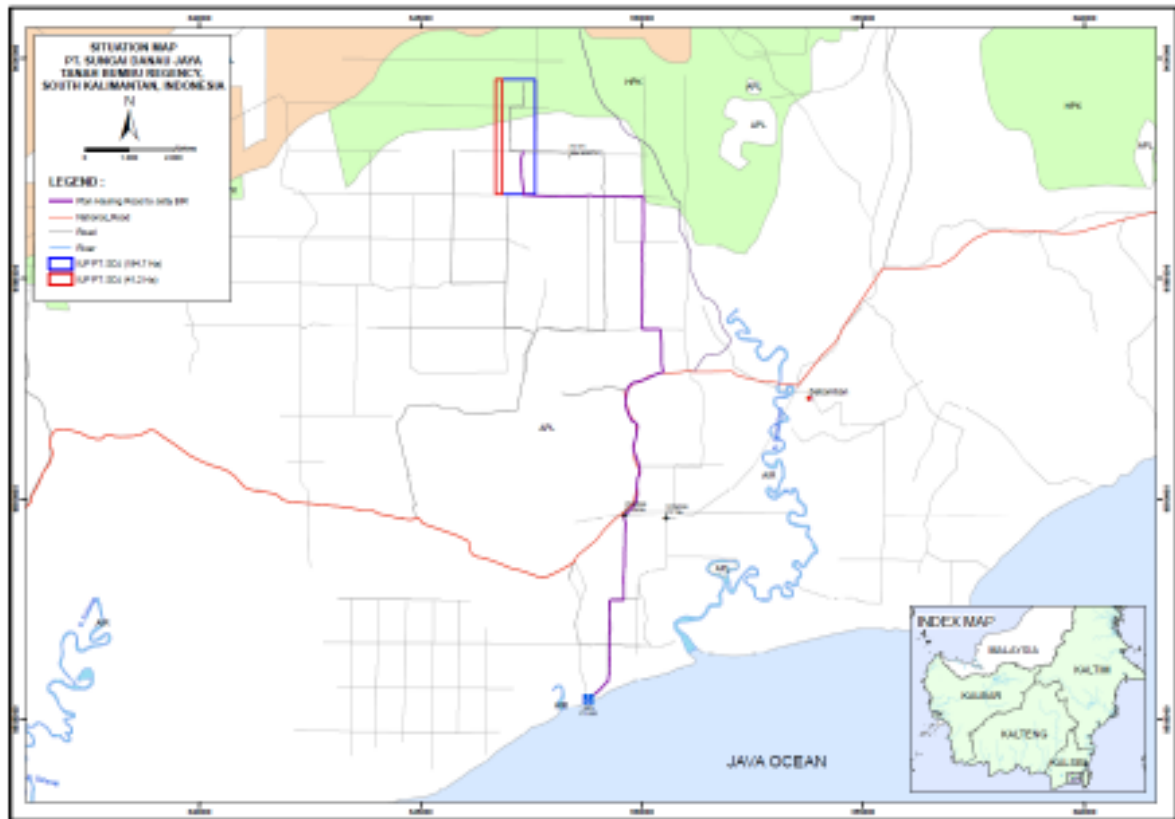
The strategically located port terminal, which has an existing maximum capacity to handle 4.8 million tonnes of coal per annum, will have its capacity increased to 22.8 million tonnes per annum upon the completion of the proposed conveyor belt, an increase of 3.75 times of its current capacity.



**GEO ENERGY GROUP**

## **GEO ENERGY RESOURCES LIMITED**

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



*Commenting on the Group's expansion in the coal mining value chain, Mr Charles Antonny Melati, Executive Chairman of Geo Energy said, "The cooperation agreement now enables Geo Energy to extend its operational capabilities downstream in the coal mining value chain and increase its service offerings at the same time.*

*We understand that the current Port Service Fee paid by customers are in excess of IDR65,000 (approx.US\$5.38) per metric tonne. With a fixed income fee payable to BLB of IDR30,000 (approx.US\$2.44) per metric tonne and after operational costs, we believe this will result in a positive contribution to our Group's financial performance. This will be further magnified with the completion of the proposed conveyor belt for the existing loading facility.*

*As a coal port operator, Geo Energy will slowly transition from being a coal miner and mining services provider to being an integrated coal mining group with upstream and downstream capabilities."*

In August 2014, the Group had previously announced the completion of the acquisition SDJ concession, spanning a total area of approximately 235.5 hectares, located in South Kalimantan, Indonesia. The completion of the SDJ acquisition has increased the Group's coal reserves by more than 4 fold, from approximately 11 million tonnes to more than 50 million tonnes and the Group is now prepared to ramp up production as coal from the SDJ concession, with an average calorific value of 4,038 kcal/kg (GAR), is valued for its versatility due to the requirements of power plants in China, India and Indonesia.

The Group will 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.

**--The End --**

**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. The Group has obtained mining concessions in 2011 and 2014 to undertake coal production activities in Kutai Barat Regency, East Kalimantan Province and Tanah Bumbu Regency, South Kalimantan Province, respectively. In addition, the Group also operates as a mine contractor providing specific mine contracting services to third party mine owners.

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

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