

News Release

Geo Energy Announces Its Intention For A Dual Primary Listing On The Main Board Of The Stock Exchange Of Hong Kong Limited

- Appointed Guosen Securities (HK) Capital Company Limited ("**Guosen Securities**") as the Sole Sponsor, Sole Global Coordinator, Bookrunner and Lead Manager
- Dual primary listing to broaden and diversify shareholders' base, establish stronger investors presence in the Greater China and Hong Kong markets, improve the corporate profile and liquidity of the Company's shares
- Geo Energy will maintain its listing on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**")
- Dual primary listing on The Stock Exchange of Hong Kong Limited ("**HKEx**") to occur in conjunction with or without a proposed capital raising, details of which have not yet been decided

SINGAPORE, 19 September 2018 – Geo Energy Resources Limited ("Geo Energy" or the "Company", and together with its subsidiaries, the "Group"), announced it is considering seeking a dual primary listing on the Main Board of HKEx (the "**Potential Listing**"). The Potential Listing may or may not involve an offering of new shares in conjunction with the Potential Listing. The Potential Listing will assist the Company to attract investors with different profiles, enhance its corporate profile and closer proximity to the Greater China market.

Geo Energy was established in 2008 and listed on the SGX-ST in 2012. The Group's core business is in the energy industry and is currently one of the leading thermal coal producers in Indonesia. The Group's initial business was in coal trading, mining and haulage services and production business. Since 2016, the Group has divested the service business and focused on coal production. Geo Energy has subcontracted its mining works to PT Bukit Makmur Mandiri Utama ("**BUMA**"), the second largest mining services company in Indonesia and has collaborated with Engelhart CTP (Singapore) Pte. Ltd. ("**ECTP**") since the inception of the coal production business in PT Sungai Danau Jaya ("**SDJ**"), a major producing mine of the Group. In 2017, the Group completed the acquisition of PT Tanah Bumbu Resources ("**TBR**"), which is adjacent to the SDJ coal mine, and is expected to increase the Group's total annual production to 13-15 million tonnes of coal¹ in 2019.

The Group has appointed Guosen Securities to act as the Sole Sponsor, Sole Global Coordinator, the Bookrunner and the Lead Manager of the Company with regards to the Potential Listing. Guosen Securities is one of the top investment banks in Asia Pacific and has a strong foothold in the Greater China market. Established in 1994, Guosen Securities is a leading Chinese financial services firm and is one of the top ranked firms for securities trading and stock listing offers in China. It is headquartered in Shenzhen and have 9,131 professionals and branches in 119 cities of China including Hong Kong SAR up to 30 June 2018. The Company has also appointed other professional

¹ In accordance to the mining plan stated in the IQPR as at 31 December 2017.



advisers including, amongst others, Singapore and Hong Kong legal counsels for advising on the dual primary listing.

Accordingly, if the Potential Listing is approved, Geo Energy shares will be traded on both the SGX-ST and the HKEx. Geo Energy remains committed to retaining its listing on the SGX-ST.

The proposed dual primary listing is subject to approvals from the SGX-ST and HKEx. The Group would make appropriate announcements on SGXNet to provide further updates on its dual primary listing on HKEx in due course. Shareholders are advised to exercise caution in the trading of the Company's shares or to seek their financial advisors for further advice.

Commenting on the Group's intention on proposed dual primary listing on HKEx, Mr. Charles Antonny Melati, Executive Chairman of Geo Energy said, **"We have successfully established Geo Energy as one of the major and top 10 coal producers in Indonesia, and as a listed company in Singapore which is part of the Singapore FTSE index and FTSE-ST China index since the listing onto SGX main board in 2012. Our coal is sold mainly to China with 91% of 2017 revenue and 85% of 1H2018 revenue derived from coal exports to China. The HKEx is one of the leading global stock markets with access to a more diverse investor base and additional source of financing and closer proximity to the Greater China market where the Group exports to and trades.**

China, being the world's largest consumer of thermal coal, imported a total of 72.3 million tonnes of 4,200 GAR thermal coal in 2017.² Geo Energy has a more than 10% of this market in 2017. With an expected increase in annual production volumes, our coal sales to China is expected to increase further.

Based on our targeted annual production for 2019, we would be among the major coal producers in Indonesia with a 5.0% of market share of total Indonesia coal exports, based on the total export of 297 million tonnes in 2017. The dual primary listing on the HKEX would enable the Group to further raise its corporate profile to an international standing. We are hopeful that this step forward can translate into more business opportunities in China and access to the Hong Kong capital market."

Adding on the Group's intention to the proposed dual primary listing on HKEx, Mr Tung Kum Hon, Chief Executive Officer of Geo Energy said, **"Our Group started of its coal production and exports in end 2015. During this short period to 2018, we have generated positive cashflow, delivered net profit and dividends to our shareholders as well as set a dividend policy of paying not less than 30% of the Group's profit attributable to owners of the Company. We have also successfully raised US\$300 million via the issuance of S144A Senior Notes in October 2017 to major institutional and global funds investors in the US, Europe, Hong Kong and Singapore, such as Value Partners, Fidelity, BOCHK Asset Management, Goldman Sach Asset Management and Guotai Junan Assets (Asia), with a total order book of three times over subscribe of US\$1.2 billion. The Senior Notes was**

² 2018 IHS Markit, HIS McCloskey 4,200 kc GAR FOB marker (M42)



rated by Moody's Investors Service, Standard and Poor's Ratings Services and Fitch Ratings with a rating of B2, B and B+ respectively.

We believe that now is an opportune time to explore a dual primary listing on HKEx given that both our SDJ and TBR coal mines are ramping up their production, and we exploring M&As to acquire new coal assets as we expand our business further. We have set our targeted production for 2019 and beyond at 13-15 million tonnes³ for both our SDJ and TBR coal mines, excluding the new coal assets contribution.

HKEx has been ranked the world's 6th largest stock exchange by market capitalisation as of end 2017.⁴ A total of US\$14.9 billion IPO funds were raised in Hong Kong from January to November 2017.⁵ Hong Kong is also a highly active stock exchange with a total equity turnover of HK\$15,700 billion in 2017.² Foreign Direct Investments into China has grown to CNY 496.7 billion (approximately US\$72.4 billion) or 2.3 percent year-on-year from January to July 2018.⁶ Imports to China has also climbed 20 percent from a year earlier to an all-time high of US\$189.52 billion in August, beating market forecasts of 18.7 percent and following a 27.3 percent growth in July. Annual increases were recorded for import of commodities with coal at 13.5%.

Geo Energy, being listed in Singapore, and with a major Indonesian presence will provide an alternative investment opportunity for Hong Kong and Chinese investors into Indonesia. Yancoal Australia Ltd, which is listed on Australian Securities Exchange and is part of Yanzhou Coal Mining Company Limited, which is one of the largest coal mining companies listed on the HKEx, and listed on the Shanghai Stock Exchange and New York Stock Exchange, has recently announced their application for dual listing in the HKEx, in one of the largest coal mining companies to be listed on the HKEx. Similarly, we believe that Geo Energy's dual primary listing would enable the Group to realize a higher valuation and improve the liquidity in the trading of the Company's shares in two of the leading global capital markets in Singapore and Hong Kong."

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³ In accordance to the mining plan stated in the IQPR as at 31 December 2017.

⁴ World Federation of Exchanges. Figures for the Euronext includes those of Netherlands, France, England, Belgium and Portugal and Figures for the Japan Exchange Group includes those of Tokyo Stock Exchange and Osaka Securities Exchange

⁵ Hong Kong Exchanges and Clearing Limited

⁶ <https://tradingeconomics.com/china/foreign-direct-investment>



CAUTION IN TRADING

Shareholders, investors and other persons are advised to exercise caution in trading the securities of the Group. There is no certainty or assurance as at the date of this announcement that the Transactions will proceed or 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 on the Transactions. Shareholders, investors and other persons are advised to read this announcement and any further announcements by the Company carefully. They should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

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ABOUT GEO ENERGY RESOURCES LIMITED (Bloomberg Ticker: GERL SP, SGX: RE4)

Geo Energy Resources Limited ("Geo Energy" or the "Group") is one of the major coal producers in Indonesia and is listed on the Singapore Stock Exchange. It is part of the Singapore FTSE and FTSE-ST China index.

The Group's operations are primarily located in Indonesia. 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. It now owns major mining concessions and coal mines in Kalimantan, Indonesia with JORC marketable coal reserves of over 90 million tonnes.

For more information, please visit www.geocoal.com

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