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

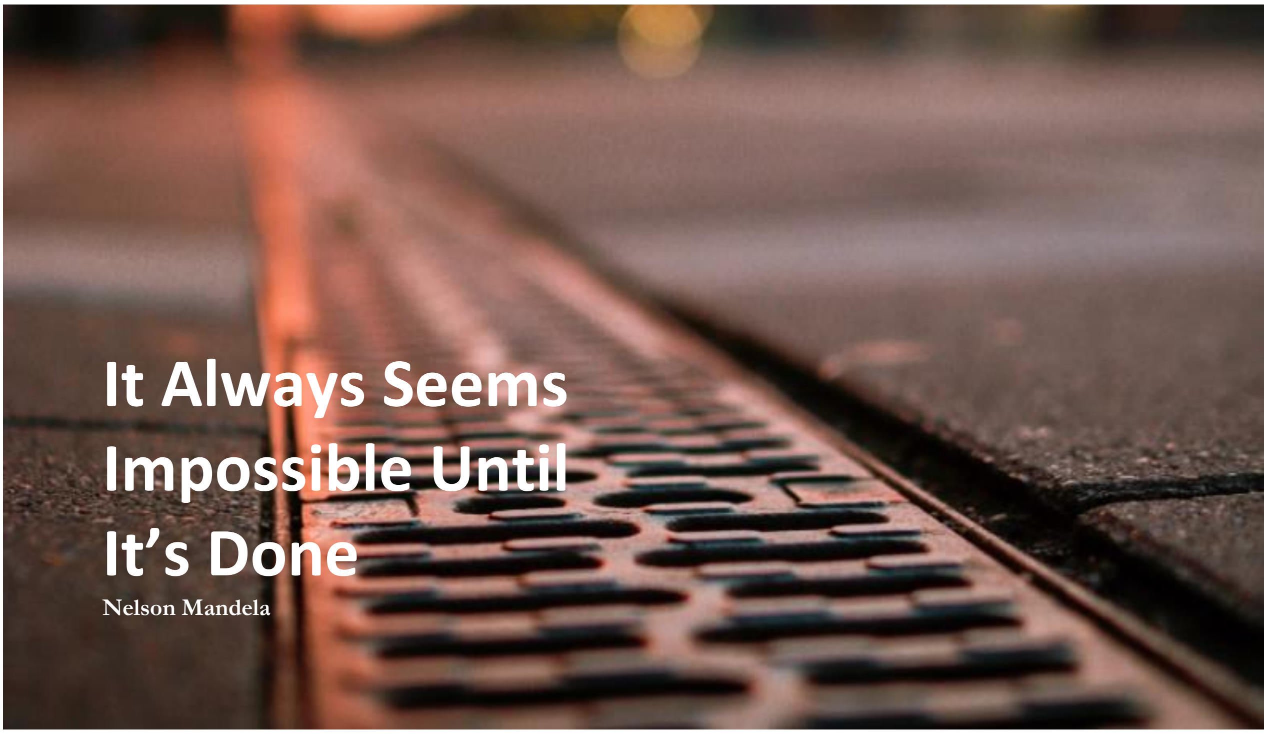
Geo Energy Resources Limited Results Announcement

Third Quarter and Nine Months Ended 30 September 2019

FORWARD LOOKING STATEMENTS

This announcement contains statements that are, or may be deemed to be, "forward looking statements" which are prospective in nature. These forward looking statements may generally be identified by the use of forward looking terminology, or the negative thereof such as "plans", "expects" or "does not expect", "is expected", "seeks", "continues", "assumes", "is subject to, "budget", "scheduled", "estimates", "aims", "forecasts", "risks", "intends", "positioned", "predicts", "projects", "anticipates" or "does not anticipate", or "believes", or variations of such words or comparable terminology and phrases or statements that certain actions, events or results "may", "could", "should", "shall", "would", "might" or "will" be taken, occur or be achieved. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Forward-looking statements are not based on historical facts, but rather on current predictions, assumptions, expectations, beliefs, opinions, plans, objectives, goals, intentions and projections about future events, results of operations, prospects, financial condition and discussions of strategy, any of which could prove to be inaccurate. By their nature, forward looking statements involve known and unknown risks and uncertainties, many of which are beyond the control of Geo Energy Resources Limited ("Geo Energy"). Forward looking statements are not guarantees of future performance and may and often do differ materially from actual results. There is no certainty or assurance as at the date of this announcement that any transaction disclosed in this announcement will proceed or be completed or that no changes will be made to the terms thereof. Important factors that could cause these uncertainties include, but are not limited to, those discussed in Geo Energy's Annual Report 2018 and/or the offering memorandum dated 27 September 2017 in relation to the US$300 million 8.00% senior notes due 2022 offering by Geo Coal International Pte. Ltd., a wholly-owned subsidiary of Geo Energy. Neither Geo Energy nor any of its associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. You are cautioned not to place undue reliance on these forward-looking statements which only speak as of the date of this announcement. Other than in accordance with its legal or regulatory obligations (including under the listing rules of the Singapore Exchange Securities Trading Limited), Geo Energy is not under any obligation and Geo Energy and its affiliates expressly disclaim any intention, obligation or undertaking to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. This announcement shall not, under any circumstances, create any implication that there has been no change in the business or affairs of Geo Energy since the date of this announcement or that the information contained herein is correct as at any time subsequent to its date. No statement in this announcement is intended as a profit forecast or a profit estimate. This announcement does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for any securities. The making of this announcement does not constitute a recommendation regarding any securities. Shareholders, investors and other persons are advised to exercise caution in trading the securities of the Group.

Results Review and Strategy Update
Third Quarter and Nine Months Ended 30 September 2019



Geo Energy ended 3Q2019 with a lower revenue of US$67.2 million and a net loss of US$11.5 million, driven by weaker coal prices. Coal sales of 2.0 million tonnes from the Group's SDJ and TBR coal mines.

The Group recorded coal sales of 2.0 million tonnes from its SDJ and TBR coal mines for the 3 months ended 30 September 2019 ("3Q2019"), an increase from 3Q2018 and 2Q2019 of 1.6 million tonnes and 1.4 million tonnes respectively. Included in the 2.0 million tonnes in 3Q2019 was 0.8 million tonnes of coal sold in the Indonesian market as part of its Domestic Market Obligation ("DMO").

The Group results were impacted by the continued weak coal prices in 3Q2019, weighed down by lower demands from China and India. Asian thermal markets supply and prices were affected by the prospect of China introducing fresh import restrictions.

The Rencana Kerja Anggaran Biaya ("RKAB") (Work Plan and Budget) production quota set out by the local authority for SDJ for 2019 is lower than 2018, although the total production quota for the Group (including TBR) was increased in 2019 over 2018. The lower production quota for SDJ resulted in lower production and sales quantities from the SDJ coal mine. The Group had achieved its DMO requirements for the 9 months ended 30 September 2019 ("9M2019") and barring any unforeseen circumstances, is expected to meet its full year DMO requirement in 2019. We have applied for a review of our 2019 RKAB to increase our production quota by 2 million tonnes for SDJ and have yet to receive a reply.

The average Indonesian Coal Index ("ICI") price in 3Q2019 was US$33.01 per tonne, down from US$37.56 per tonne in 2Q2019 and US$41.50 in 3Q2018. Average selling price ("ASP") in 3Q2019 was US$33.75 per tonne, lower than US$36.54 in 2Q2019 and US$43.48 per tonne in 3Q2018. This resulted in a decrease in the Group's revenue to US$67.2 million, and a net loss of US$8.6 million in the quarter.

ICI prices for 4,200 GAR coal have been volatile in 2019. ICI coal prices for 4,200 GAR hit a high of US$40.32 per tonne on 8 March 2019 and was at US$34.51 per tonne on 8 November 2019. Coal price continued to trade lower as demands from China and India remain muted. Forecast of increased rain for China's central and eastern regions suggests that there will be a boost in hydropower production. Coupled with cooler temperature in recent months, daily coal consumption at major power plants had dropped[1].

We expect our results in the coming quarters to improve if coal prices recover, especially with the increase in the target production and sales of TBR coal.

The Group has a cash balance of US$184.5 million as at 30 September 2019. Our business strategy to build a sustainable business, and at the same time transforming the Group to be a major energy producer internationally. We need to change to be ahead of the current economic development and trade tensions faced by the major markets where we do business. **If the plan doesn't work change the plan, not the goal.** Our aim is to become one of the top ten coal producers in Indonesia.

3Q2019 HIGHLIGHTS

- The Group sold 0.5 million tonnes of 4,200 GAR coal from the SDJ coal mine and another 1.5 million tonnes from the TBR coal mine, totalling 2.0 million tonnes of coal sold during the quarter. This was an increase from 2Q2019 and 3Q2018 of 1.4 million tonnes and 1.6 million tonnes respectively.

- Revenue decreased by 3% from US$69.3 million in 3Q2018 to US$67.2 million due to lower ASP following the decrease in the average ICI price in 3Q2019 as compared to 3Q2018. The Group recorded an ASP of US$33.75 per tonne for 3Q2019, lower than US$43.48 per tonne in 3Q2018.

- Cash profit for coal mining segment for 3Q2019 averaged US$2.01 per tonne (3Q2018: US$12.76 per tonne; 2Q2019: US$10.76 per tonne) against the ASP of US$33.75 per tonne for 4,200 GAR coal, giving a cash profit margin of 6%, driven by the lower coal prices and higher production cash costs.

- Higher production cash costs in the quarter were mainly due to demurrage charges arising from the stoppage of the mine due to bad weather conditions in June 2019 (as announced earlier) affecting deliveries in early July, and additional land fee for the development and mining in TBR. Excluding these expenses, the production cash cost for the quarter was US$28.61 per tonne, giving a cash profit of US$5.14 per tonne and a cash profit margin of 15%.

We need to manage our risks, substantially reduce our costs as we invest and expand our business by diversifying our product portfolio to put our Group on a stronger and more sustainable growth path. We are currently renegotiation on our mining costs and hope to conclude it by 2019.

In September 2019, we entered into a conditional share purchase agreement with PT Titan Infrastructure Energy and PT Jaya Utama Indonesia to acquire a 100% stake in PT Titan Global Energy with an effective interest of 51% in each of two producing mines — PT Bara Anugrah Sejahtera ("BAS") and PT Banjarsari Pribumi ("BP"). Based on a Joint Ore Reserves Committee (JORC) Compliant report issued in 2018, BAS and BP had an estimated coal tonnage of 50 million tonnes and 39 million tonnes respectively. We target to complete the acquisition by 31 December 2019 and will make the relevant announcement in due course.

On 30 October 2019, we announced an update on the potential acquisition of new coal assets for a producing coal mine in East Kalimantan, Indonesia ("Potential Transaction"). The owners of the coal mine informed the Company that the sale process has been postponed and accordingly, the Potential Transaction is put on hold. However, if the sale process is resumed, we will assess the merits of the transaction based on prevailing circumstances before deciding whether to continue to participate in the sale process.

Our market capitalisation as at 13 November 2019 was S$194 million. For our bondholders, the price for our Senior Note is traded at US$70 as at 13 November 2019. We are always working on opportunities to optimise our coal assets portfolio, such as pursuing coal producing assets that can boost our profitability and coal reserves substantially.

Tung Kum Hon
Chief Executive Officer/Director

14 November 2019

[1] McCloskey Coal Report – Issue 466, 9 August 2019

Unaudited Financial Statements Announcement for the Third Quarter and Nine Months Ended 30 September 2019

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF RESULTS FOR THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2019

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

1(a)(i) Consolidated statement of profit or loss and other comprehensive income

	Group			Group		
	3 months ended 30.9.2019 US$ (Unaudited)	**3 months ended 30.9.2018 US$ (Unaudited)**	**% Change**	**9 months ended 30.9.2019 US$ (Unaudited)**	**9 months ended 30.9.2018 US$ (Unaudited)**	**% Change**
Revenue	67,243,183	69,264,200	(3)	184,898,648	242,995,363	(24)
Cost of sales	(69,516,852)	(52,057,274)	34	(177,638,777)	(182,519,836)	(3)
Gross (loss) profit	**(2,273,669)**	**17,206,926**	**nm**	**7,259,871**	**60,475,527**	**(88)**
Other income	1,290,352	1,559,513	(17)	4,850,450	4,408,844	10
General and administrative expenses	(2,626,622)	(2,645,502)	(1)	(8,919,390)	(7,976,996)	12
Other expenses	(1,143,714)	(304,385)	276	(2,445,451)	(2,945,112)	(17)
Finance costs	(6,639,714)	(7,597,371)	(13)	(19,906,759)	(22,816,987)	(13)
(Loss) profit before income tax	**(11,393,367)**	**8,219,181**	**nm**	**(19,161,279)**	**31,145,276**	**nm**
Income tax expense	(87,366)	(2,636,135)	(97)	(216,881)	(8,115,106)	(97)
(Loss) profit for the period	**(11,480,733)**	**5,583,046**	**nm**	**(19,378,160)**	**23,030,170**	**nm**
Other comprehensive income, net of tax:						
Item that may be subsequently reclassified to profit or loss:						
- Exchange differences on translation of foreign operations	(14,765)	(1,578,300)	(99)	156,953	(2,059,436)	nm
Total comprehensive income	**(11,495,498)**	**4,004,746**	**nm**	**(19,221,207)**	**20,970,734**	**nm**
(Loss) profit attributable to:						
Owners of the Company	(11,502,455)	5,594,988	nm	(19,385,584)	23,053,344	nm
Non-controlling interests	21,722	(11,942)	nm	7,424	(23,174)	nm
	(11,480,733)	**5,583,046**	**nm**	**(19,378,160)**	**23,030,170**	**nm**
Total comprehensive income attributable to:						
Owners of the Company	(11,517,095)	3,936,189	nm	(19,239,304)	20,983,562	nm
Non-controlling interests	21,597	68,557	(68)	18,097	(12,828)	nm
	(11,495,498)	**4,004,746**	**nm**	**(19,221,207)**	**20,970,734**	**nm**

nm – not meaningful

1(a)(ii) Profit (loss) before income tax is arrived at after charging/(crediting) the following:

	Group			Group		
	3 months ended 30.9.2019 US$ (Unaudited)	3 months ended 30.9.2018 US$ (Unaudited)	% Change	9 months ended 30.9.2019 US$ (Unaudited)	9 months ended 30.9.2018 US$ (Unaudited)	% Change
Interest income	(1,285,841)	(1,383,192)	(7)	(4,233,836)	(3,856,005)	10
(Gain) loss on disposal of property, plant and equipment (net)	(4,511)	(80)	nm	(4,645)	5,955	nm
Foreign exchange loss (gain) (net)	133,840	(176,241)	nm	669,385	1,560,706	(57)
Coupon interest on Senior Notes	6,000,000	6,000,000	-	18,000,000	18,000,000	-
Amortisation of transaction costs of Senior Notes	617,198	1,580,965	(61)	1,851,593	4,765,640	(61)
Depreciation of property, plant and equipment	4,283,878	2,712,435	58	11,340,241	9,080,730	25
Amortisation of deferred stripping costs	2,187,068	366,953	496	4,848,082	1,099,208	341
Share-based payment expense	214,190	108,937	97	641,125	324,761	97
Amortisation of deferred gain	(96,823)	-	nm	(212,680)	-	nm
Allowance for impairment loss on trade receivable	480,062	-	nm	480,062	-	nm
(Reversal of) loss on financial asset carried at amortised cost	-	-	nm	(41,802)	577,564	nm

nm – not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	30.9.2019 US$ (Unaudited)	31.12.2018 US$ (Audited)	30.9.2019 US$ (Unaudited)	31.12.2018 US$ (Audited)
ASSETS				
Current assets				
Cash and bank balances	184,451,260	202,590,402	20,106,771	28,933,622
Trade and other receivables	31,801,647	25,043,611	58,557,178	57,493,923
Deposits and prepayments	35,685,630	23,631,249	1,068,917	962,907
Inventory	26,145,042	14,823,301	-	-
Total current assets	**278,083,579**	**266,088,563**	**79,732,866**	**87,390,452**
Non-current assets				
Trade and other receivables	20,210,067	20,216,791	3,137,576	3,144,300
Restricted cash deposits	3,509,069	3,435,846	-	-
Deposits and prepayments	21,031,990	25,238,521	105,397	105,420
Investment in subsidiaries	-	-	185,877,305	185,877,305
Deferred stripping costs	62,519,939	57,899,708	-	-
Property, plant and equipment	163,656,920	172,128,800	1,094,280	105,642
Deferred tax assets	2,075,275	3,420,792	198,737	11,954
Other non-current asset	153,698	153,698	153,698	153,698
Total non-current assets	**273,156,958**	**282,494,156**	**190,566,993**	**189,398,319**
Total assets	**551,240,537**	**548,582,719**	**270,299,859**	**276,788,771**

	Group		Company	
	30.9.2019 US$ (Unaudited)	31.12.2018 US$ (Audited)	30.9.2019 US$ (Unaudited)	31.12.2018 US$ (Audited)
LIABILITIES AND EQUITY				
Current liabilities				
Trade and other payables	99,239,015	74,390,700	149,946,352	151,264,683
Current portion of finance leases	108,510	152,325	17,761	18,598
Current portion of lease liability	376,252	-	376,252	-
Financial guarantee liability	-	-	1,580,855	1,576,536
Income tax payable	1,035,868	2,137,945	44,357	1,162,081
Total current liabilities	**100,759,645**	**76,680,970**	**151,965,577**	**154,021,898**
Non-current liabilities				
Trade and other payables	2,039,210	2,185,207	-	-
Finance leases	22,032	89,451	-	13,396
Lease liability	654,312	-	654,312	-
Notes payable	292,499,741	290,497,081	-	-
Provisions	1,975,552	1,753,433	108,734	105,540
Financial guarantee liability	-	-	3,170,349	4,353,831
Deferred tax liabilities	1,857,904	3,273,809	-	-
Total non-current liabilities	**299,048,751**	**297,798,981**	**3,933,395**	**4,472,767**
Capital, reserves and non-controlling interests				
Share capital	106,513,187	106,513,187	106,513,187	106,513,187
Capital and other reserve	2,660,371	2,019,246	4,906,427	4,265,302
Translation reserve	5,011,515	4,865,233	4,464,506	4,464,506
Retained earnings (accumulated losses)	37,048,757	60,524,888	(1,483,233)	3,051,111
Equity attributable to owners of the Company	**151,233,830**	**173,922,554**	**114,400,887**	**118,294,106**
Non-controlling interests	198,311	180,214	-	-
Total equity	**151,432,141**	**174,102,768**	**114,400,887**	**118,294,106**
Total liabilities and equity	**551,240,537**	**548,582,719**	**270,299,859**	**276,788,771**

1(b)(ii) Aggregate amount of group's borrowings and debt securities

	Group		Group	
	30.9.2019 US$ Secured (Unaudited)	30.9.2019 US$ Unsecured (Unaudited)	31.12.2018 US$ Secured (Audited)	31.12.2018 US$ Unsecured (Audited)
Amount repayable in one year or less, or on demand	108,510	376,252	152,325	-
Amount repayable after one year	22,032	293,154,053	89,451	290,497,081
	130,542	**293,530,305**	**241,776**	**290,497,081**

Details of any collateral and security:

As at 30 September 2019, the Group's finance lease liabilities are secured by the leased assets, motor vehicles.

On 4 October 2017, the Company's subsidiary, Geo Coal International Pte. Ltd. ("GCI") issued US$300 million in aggregate amount of 8.0% Senior Notes due 2022. The proceeds of which was used to redeem the Medium-Term Notes of S$100 million due in January 2018, and the remainder will be used to make potential acquisitions of coal mining assets and for working capital purposes. The Senior Notes are listed on the SGX. They are unsecured and guaranteed by the Company and certain subsidiaries of the Group ("Financial Guarantees"). The Financial Guarantees are effectively subordinated to secure obligations of each guarantor, to the extent of the value of assets serving as security. As at 30 September 2019, the Company recognised the fair value of its Financial Guarantee of US$7,887,000 on the statement of financial position as deemed investment in a subsidiary. Amortisation of the financial guarantee liability amounting to US$1,179,163 was credited to the Company's profit or loss during the financial period ended 30 September 2019.

Please refer to the relevant announcements.

1(c) **A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year**

	Group		Group	
	3 months ended 30.9.2019 US$ (Unaudited)	**3 months ended 30.9.2018 US$ (Unaudited)**	**9 months ended 30.9.2019 US$ (Unaudited)**	**9 months ended 30.9.2018 US$ (Unaudited)**
Operating activities				
(Loss) profit before income tax	**(11,393,367)**	**8,219,181**	**(19,161,279)**	**31,145,276**
Adjustments for:				
Depreciation of property, plant and equipment	4,283,878	2,712,435	11,340,241	9,080,730
Amortisation of deferred stripping costs	2,187,068	366,953	4,848,082	1,099,208
(Gain) loss on disposal of property, plant and equipment	(4,511)	(80)	(4,645)	5,955
(Reversal of) loss on financial asset carried at amortised cost	-	-	(41,802)	577,564
Share-based payment expense	214,190	108,937	641,125	324,761
Amortisation of deferred gain	(96,823)	-	(212,680)	-
Allowance for impairment loss on trade receivable	480,062	-	480,062	-
Amortisation of transaction costs of Senior Notes	617,198	1,580,965	1,851,593	4,765,640
Interest expense	6,022,516	6,016,406	18,055,166	18,051,347
Interest income	(1,285,841)	(1,383,192)	(4,233,836)	(3,856,005)
Retirement benefit obligations	82,878	123,357	248,889	358,134
Net foreign exchange (gains) losses	(472,787)	(1,346,198)	1,108,758	(1,748,630)
Operating cash flows before movements in working capital	**634,461**	**16,398,764**	**14,919,674**	**59,803,980**
Trade and other receivables	(5,049,433)	3,063,560	(7,762,433)	15,138,264
Deposits and prepayments	(11,718,808)	2,477,551	(6,145,829)	(24,607,399)
Inventory	1,475,134	(3,133,457)	(10,352,473)	(3,497,438)
Trade and other payables	2,861,125	(24,820,575)	11,452,201	(52,902,144)
Cash (used in) from operations	**(11,797,521)**	**(6,014,157)**	**2,111,140**	**(6,064,737)**
Income tax paid	(779,864)	(4,725,378)	(2,072,777)	(18,719,851)
Income tax refund	-	-	146,837	-
Net cash (used in) from operating activities	**(12,577,385)**	**(10,739,535)**	**185,200**	**(24,784,588)**
Investing activities				
Interest received	1,334,823	1,347,321	4,476,875	3,600,117
Refundable deposit for proposed acquisition of subsidiaries	(2,500,000)	-	(2,500,000)	-
Addition to deferred stripping costs	(1,110,139)	(1,360,040)	(2,261,067)	(10,851,822)
Addition to deferred expenditure	-	(577)	-	(62,622)
Advance payments for purchase of property, plant and equipment	(34,097)	(213,977)	(24,744)	(466,295)
Purchase of property, plant and equipment	(57,364)	(408,100)	(1,691,811)	(1,270,072)
Proceeds from disposal of property, plant and equipment	7,444	-	11,336	42,607
Net cash used in investing activities	**(2,359,333)**	**(635,373)**	**(1,989,411)**	**(9,008,087)**
Financing activities				
Decrease (increase) in deposits pledged	-	-	400,000	(1,691,983)
(Increase) decrease in restricted cash deposits	(33,383)	397,975	2,049	541,803
Interest paid	(11,164)	(4,239)	(12,020,946)	(12,013,663)
Dividend paid	-	(9,651,297)	(4,090,545)	(9,651,297)
Repayment of obligations under finance leases	(38,714)	(34,372)	(120,103)	(113,412)
Repayment of obligations under lease liability	(92,207)	-	(122,780)	-
Net cash used in financing activities	**(175,468)**	**(9,291,933)**	**(15,952,325)**	**(22,928,552)**
Net decrease in cash and cash equivalents	**(15,112,186)**	**(20,666,841)**	**(17,756,536)**	**(56,721,227)**
Cash and cash equivalents at beginning of the period	194,582,058	226,494,082	197,190,402	262,462,723
Effect of exchange rate changes on the balance held in foreign currencies	(18,612)	(160,622)	17,394	(74,877)
Cash and cash equivalents at end of the period (Note A)	**179,451,260**	**205,666,619**	**179,451,260**	**205,666,619**

	Group		Group	
	3 months ended 30.9.2019 US$ (Unaudited)	3 months ended 30.9.2018 US$ (Unaudited)	9 months ended 30.9.2019 US$ (Unaudited)	9 months ended 30.9.2018 US$ (Unaudited)
Note A				
Cash on hand and at banks	179,451,260	49,166,619	179,451,260	49,166,619
Deposits	5,000,000	161,500,000	5,000,000	161,500,000
Cash and bank balances	184,451,260	210,666,619	184,451,260	210,666,619
Restricted cash deposits (non-current)	3,509,069	3,301,481	3,509,069	3,301,481
	187,960,329	213,968,100	187,960,329	213,968,100
Less: Deposits pledged	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)
Less: Restricted cash deposits (non-current)	(3,509,069)	(3,301,481)	(3,509,069)	(3,301,481)
Cash and cash equivalents	**179,451,260**	**205,666,619**	**179,451,260**	**205,666,619**

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Group	Share capital US$	Capital and other reserves US$	Translation reserve US$	Retained earnings US$	Equity attributable to owners of the Company US$	Non-controlling interests US$	Total US$
At 1.1.2019 (audited)	**106,513,187**	**2,019,246**	**4,865,233**	**60,524,888**	**173,922,554**	**180,214**	**174,102,768**
Loss for the period	-	-	-	(7,883,129)	(7,883,129)	(14,298)	(7,897,427)
Other comprehensive income for the period	-	-	160,922	(2)	160,920	10,798	171,718
Transactions with owners, recognised directly in equity:							
Deemed capital contribution*	-	164,963	-	-	164,963	-	164,963
Share-based payment**	-	261,972	-	-	261,972	-	261,972
Dividend	-	-	-	(4,090,545)	(4,090,545)	-	(4,090,545)
At 30.6.2019 (unaudited)	**106,513,187**	**2,446,181**	**5,026,155**	**48,551,212**	**162,536,735**	**176,714**	**162,713,449**
Loss for the period	-	-	-	(11,502,455)	(11,502,455)	21,722	(11,480,733)
Other comprehensive income for the period	-	-	(14,640)	-	(14,640)	(125)	(14,765)
Transactions with owners, recognised directly in equity:							
Deemed capital contribution*	-	83,204	-	-	83,204	-	83,204
Share-based payment**	-	130,986	-	-	130,986	-	130,986
At 30.9.2019 (unaudited)	**106,513,187**	**2,660,371**	**5,011,515**	**37,048,757**	**151,233,830**	**198,311**	**151,432,141**

Group	Share capital US$	Capital and other reserves US$	Translation reserve US$	Retained earnings US$	Equity attributable to owners of the Company US$	Non-controlling interests US$	Total US$
Balance at 1.1.2018 (audited)	95,069,461	871,762	(12,858,989)	70,051,598	153,133,832	1,312,376	154,446,208
Adjustment from adoption of SFRS(I)	-	-	18,232,460	(18,232,460)	-	-	-
Balance at 1.1.2018 As restated (unaudited)	**95,069,461**	**871,762**	**5,373,471**	**51,819,138**	**153,133,832**	**1,312,376**	**154,446,208**
Profit for the period	-	-	-	17,458,356	17,458,356	(11,232)	17,447,124
Other comprehensive income for the period	-	-	(410,453)	(530)	(410,983)	(70,153)	(481,136)
Transaction with owners, recognised directly in equity:							
Deemed capital contribution*	-	215,824	-	-	215,824	-	215,824
Balance at 30.6.2018 (unaudited)	**95,069,461**	**1,087,586**	**4,963,018**	**69,276,964**	**170,397,029**	**1,230,991**	**171,628,020**
Profit for the period	-	-	-	5,594,988	5,594,988	(11,942)	5,583,046
Other comprehensive income for the period	-	-	(1,658,796)	(3)	(1,658,799)	80,499	(1,578,300)
Transaction with owners, recognised directly in equity:							
Deemed capital contribution*	-	108,937	-	-	108,937	-	108,937
Dividend	-	-	-	(9,651,297)	(9,651,297)	-	(9,651,297)
Effects of disposal of a subsidiary	-	-	-	-	-	(1,123,511)	(1,123,511)
Balance at 30.9.2018 (unaudited)	**95,069,461**	**1,196,523**	**3,304,222**	**65,220,652**	**164,790,858**	**176,037**	**164,966,895**

Company	Share capital US$	Capital and other reserves US$	Translation reserve US$	Retained earnings / (Accumulated losses) US$	Total US$
At 1.1.2019 (audited)	**106,513,187**	**4,265,302**	**4,464,506**	**3,051,111**	**118,294,106**
Profit for the period	-	-	-	492,342	492,342
Transactions with owners, recognised directly in equity:					
Deemed capital contribution*	-	164,963	-	-	164,963
Share-based payment**	-	261,972	-	-	261,972
Dividend	-	-	-	(4,090,545)	(4,090,545)
At 30.6.2019 (unaudited)	**106,513,187**	**4,692,237**	**4,464,506**	**(547,092)**	**115,122,838**

Company	Share capital US$	Capital and other reserves US$	Translation reserve US$	Retained earnings / (Accumulated losses) US$	Total US$
At 30.6.2019 (unaudited)	**106,513,187**	**4,692,237**	**4,464,506**	**(547,092)**	**115,122,838**
Loss for the period	-	-	-	(936,141)	(936,141)
Transactions with owners, recognised directly in equity:					
Deemed capital contribution*	-	83,204	-	-	83,204
Share-based payment**	-	130,986	-	-	130,986
At 30.9.2019 (unaudited)	**106,513,187**	**4,906,427**	**4,464,506**	**(1,483,233)**	**114,400,887**

Company	Share capital US$	Capital and other reserves US$	Translation reserve US$	(Accumulated losses) / Retained earnings US$	Total US$
At 1.1.2018 As restated (unaudited)	**95,069,461**	**495,570**	**4,464,506**	**(2,528,685)**	**97,500,852**
Profit for the period	-	-	-	10,084,326	10,084,326
Transactions with owners, recognised directly in equity:					
Deemed capital contribution*	-	215,824	-	-	215,824
At 30.6.2018 (unaudited)	**95,069,461**	**711,394**	**4,464,506**	**7,555,641**	**107,801,002**
Profit for the period	-	-	-	61,407	61,407
Transactions with owners, recognised directly in equity:					
Deemed capital contribution*	-	108,937	-	-	108,937
Dividend	-	-	-	(9,651,297)	(9,651,297)
At 30.9.2018 (unaudited)	**95,069,461**	**820,331**	**4,464,506**	**(2,034,249)**	**98,320,049**

* Pertains to deemed capital contribution by Master Resources International Limited ("MRIL"), the substantial shareholder of the Company for issuance of shares to a director (and the Chief Executive Officer) of the Company, as share-based payment.

** Pertains to share-based payment arising from the grant of share options pursuant to the Geo Energy share option scheme on 11 January 2019.

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

As at 30 September 2019, the Company's share capital comprised 1,399,273,113 shares (30 June 2019: 1,399,273,113 shares). There were no outstanding convertibles or treasury shares as at 30 September 2019 and 30 September 2018.

On 19 November 2018, the Company issued 74,000,000 non-listed, transferable, free warrants exercisable within two years from the date of issue, with each warrant carrying the right to subscribe for one ordinary share in the Company at an exercise price of S$0.33 per share. As at 30 September 2019, no warrant was exercised.

On 11 January 2019, the Group has announced the grant of share options pursuant to the Geo Energy share option scheme. A total of 24,850,000 options was granted at the exercise price of S$0.19 per share. The vesting period of the options commences after the first anniversary from the date of the grant. Please refer to the relevant announcements.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	30.9.2019	**31.12.2018**
Total number of issued shares (excluding treasury shares)	1,399,273,113	1,399,273,113

1(d)(iv) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. Our Company does not hold any treasury shares.

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have not been audited nor reviewed by our Company's auditors, unless otherwise stated.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial year compared with those of the audited financial statements for the year ended 31 December 2018.

5. If there are any changes in accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The adoption of new and revised standards did not have substantial effect on the financial performance and position of the Group except for the adoption of Singapore Financial Reporting Standards (International) ("SFRS(I)") 16 Leases which took effect on 1 January 2019. In compliance with SFRS(I) 16 Leases, the Group has recognised a right-of-use asset and a corresponding liability in respect of all leases, unless they qualify for low value or short-term leases.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividend

	Group		**Group**	
	3 months ended 30.9.2019 (Unaudited)	**3 months ended 30.9.2018 (Unaudited)**	**9 months ended 30.9.2019 (Unaudited)**	**9 months ended 30.9.2018 (Unaudited)**
Earnings per share ("EPS")				
(Losses) earnings for computing EPS (US$)	(11,502,455)	5,594,988	(19,385,584)	23,053,344
Weighted average number of ordinary shares [(1)]	1,399,273,113	1,329,273,113	1,399,273,113	1,329,273,113

	Group		Group	
	3 months ended 30.9.2019 (Unaudited)	3 months ended 30.9.2018 (Unaudited)	9 months ended 30.9.2019 (Unaudited)	9 months ended 30.9.2018 (Unaudited)
Basic and diluted EPS based on weighted average number of ordinary shares (US cent) [2]	(0.82)	0.42	(1.39)	1.73
Basic and diluted EPS based on weighted average number of ordinary shares (SG cent) [3]	(1.13)	0.58	(1.92)	2.37

(1) The calculation for the basic and diluted EPS is based on the weighted average number of ordinary shares in issue during the respective financial period.
(2) The basic and diluted EPS were the same, as the warrants issued by the Group only have a dilutive effect when the average market price of ordinary shares during the period exceeds the exercise price of the warrants.
(3) Numbers were translated using the 30 September 2019 and 30 September 2018 of US$:S$ exchange rates of 1.3818 and 1.3672 respectively.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

	Group		Company	
	30.9.2019 (Unaudited)	31.12.2018 (Audited)	30.9.2019 (Unaudited)	31.12.2018 (Audited)
Net asset value (US$)	151,233,830	173,922,554	114,400,887	118,294,106
Number of issued shares	1,399,273,113	1,399,273,113	1,399,273,113	1,399,273,113
Net asset value per ordinary share (US cent)	10.81	12.43	8.18	8.45
Net asset value per ordinary share (SG cent) [1]	14.93	16.97	11.30	11.55

(1) Numbers were translated using the 30 September 2019 and 31 December 2018 of US$:S$ exchange rates of 1.3818 and 1.3657 respectively.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of: (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

8.1 Income Statement

	Group		Group	
	3 months ended 30.9.2019 (Unaudited)	3 months ended 30.9.2018 (Unaudited)	9 months ended 30.9.2019 (Unaudited)	9 months ended 30.9.2018 (Unaudited)
Revenue				
Sales Volume (million tonnes)	2.0	1.6	5.5	5.5
- SDJ	0.5	1.4	2.1	5.3
- TBR	1.5	0.2	3.4	0.2
Average Indonesian Coal Index Price (US$/tonne)	33.01	41.50	35.35	44.78
Average Selling Price (US$/tonne)	33.75	43.48	33.83	44.09
Production				
Production Volume (million tonnes)	2.2	2.2	5.7	5.9
- SDJ	0.4	1.9	2.0	5.6
- TBR	1.8	0.3	3.7	0.3

	Group		Group	
	3 months ended 30.9.2019 (Unaudited)	3 months ended 30.9.2018 (Unaudited)	9 months ended 30.9.2019 (Unaudited)	9 months ended 30.9.2018 (Unaudited)
Strip Ratio (times)				
- SDJ	3.5	2.4	2.5	3.4
- TBR	3.8	3.6	4.3	3.6
Production Cash Cost (US$/tonne)	31.74	30.72	29.62	31.16
Cash Profit (US$/tonne)	**2.01**	**12.76**	**4.21**	**12.93**

Financial performance (3Q2019 vs. 3Q2018)

Revenue decreased by US$2.0 million from 3Q2018 to US$67.2 million due to lower Average Selling Price ("ASP"), mainly driven by the lower average Indonesian Coal Index ("ICI") price in 3Q2019.

The Group coal sales for 3Q2019 from its SDJ and TBR coal mines was 2.0 million tonnes, an increase from 3Q2018 and 2Q2019 of 1.6 million tonnes and 1.4 million tonnes respectively. Included in the 2.0 million tonnes in 3Q2019 was 0.8 million tonnes of coal sold in the Indonesian market as part of its Domestic Market Obligation ("DMO").

The Rencana Kerja Anggaran Biaya ("RKAB") (Work Plan and Budget) production quota set out by the local authority for SDJ in 2019 is lower than 2018, although the total production quota for the Group (including TBR) was increased in 2019 over 2018. The lower production quota for SDJ resulted in lower production and sales quantities from the SDJ coal mine. The Group had achieved its DMO requirements for the 9M2019 and, barring any unforeseen circumstances, is expected to meet its full year DMO requirement in 2019. We have applied for a review of our 2019 RKAB to increase our production quota by 2 million tonnes for SDJ and have yet to receive a reply.

The average ICI price in 3Q2019 was US$33.01 per tonne, down from US$37.56 per tonne in 2Q2019 and US$41.50 in 3Q2018. ASP in 3Q2019 was US$33.75 per tonne, lower than US$36.54 in 2Q2019 and US$43.48 per tonne in 3Q2018. This resulted in a decrease in the Group's revenue to US$67.2 million, and a gross loss of US$2.3 million in the quarter, after depreciation and amortisation.

ICI prices for 4,200 GAR coal have been volatile in 2019. ICI coal prices for 4,200 GAR hit a high of US$40.32 per tonne on 8 March 2019 and was at US$34.51 per tonne on 8 November 2019. Coal prices continued to trade lower as demands from China and India remain muted. Forecast of increased rain for China's central and eastern regions suggests that there will be a boost in hydropower production. Coupled with cooler temperature in recent months, daily coal consumption at major power plants had dropped[1].

Cash profit for coal mining segment for 3Q2019 averaged US$2.01 per tonne (3Q2018: US$12.76 per tonne; 2Q2019: US$10.76 per tonne) against the ASP of US$33.75 per tonne for 4,200 GAR coal, giving a cash profit margin of 6%, driven by the lower coal prices and higher production cash costs.

Higher production cash costs in the quarter were mainly due to higher demurrage charges driven by isolated jetty incidents and additional land fee for mining in TBR. Excluding these expenses, the production cash cost for the quarter was US$28.61 per tonne, giving a cash profit of US$5.14 per tonne and a cash profit margin of 15%.

Group (All figures in US$'000 except as indicated)	**Coal mining**	**Coal trading**	**Coal mining management services**	**Total**
3 months ended 30.9.2019 (unaudited)				
Volume (tonnes)	1,992,303	-	-	1,992,303
Revenue	67,243	-	-	67,243
Cost of sales	(69,517)	-	-	(69,517)
Gross loss	(2,274)	-	-	(2,274)
Non-cash items:				
Depreciation & amortisation	6,282	-	-	6,282
Cash profit	**4,008**	**-**	**-**	**4,008**

Group (All figures in US$'000 except as indicated)	**Coal mining**	**Coal trading**	**Coal mining management services**	**Total**
3 months ended 30.6.2019 (unaudited)				
Volume (tonnes)	1,421,297	-	-	1,421,297
Revenue	51,930	-	-	51,930
Cost of sales	(40,930)	-	-	(40,930)
Gross profit	11,000	-	-	11,000
Non-cash items:				
Depreciation & amortisation	4,289	-	-	4,289
Cash profit	**15,289**	**-**	**-**	**15,289**
3 months ended 30.9.2018 (unaudited)				
Volume (tonnes)	1,593,166	-	-	1,593,166
Revenue	69,264	-	-	69,264
Cost of sales	(52,057)	-	-	(52,057)
Gross profit	17,207	-	-	17,207
Non-cash items:				
Depreciation & amortisation	3,124	-	-	3,124
Cash profit	**20,331**	**-**	**-**	**20,331**

Loss before income tax of US$11.4 million includes:

- Other income of US$1.3 million. The decrease of US$0.3 million was due to the Group forex loss against the gain of US$0.2m in 3Q2018;

- General and administrative expenses remained at US$2.6 million;

- Other expenses of US$1.1 million. The increase of US$0.8 million was mainly due to the allowance for impairment loss on trade receivable of US$0.5 million and a forex loss in this period against the forex gain in 3Q2018;

- Finance costs of US$6.6 million. The decrease of US$1.0 million was mainly due to the lower amortisation of transaction costs of Senior Notes; and

- Depreciation and amortisation of US$6.5 million. The increase of US$3.4 million was due to the higher amortisation expense attributed to the higher production of the TBR mine, which commenced operation end 2Q2018.

The Group recorded **income tax expense** of US$0.1 million despite a loss before tax due to certain non-deductible expenses, mainly depreciation of mining properties and amortisation of transaction costs of Senior Notes.

Overall, the Group recorded a loss of US$11.5 million for the period, mainly due to lower ASP, higher production costs and higher other expenses compared to 3Q2018, offset by the lower finance costs.

<u>Financial performance (9M2019 vs. 9M2018)</u>

Revenue decreased by US$58.1 million to US$184.9 million due to lower ASP resulting from the decrease in the average ICI price in 9M2019 compared to 9M2018.

The Group results were impacted by the continued weaker coal prices in 9M2019, generally weighed upon by weak demands from China and India. Forecast of increased rain for China's central and eastern regions suggests that there will be a boost in hydropower production. Coupled with cooler temperature in recent months, daily coal consumption at major power plants had dropped.

The RKAB (Work Plan and Budget) production quota set out by the local authority for SDJ for 2019 is lower than 2018, although the total production quota for the Group (including TBR) was increased in 2019 over 2018. The lower production quota for SDJ resulted in lower production and sales quantities from the SDJ coal mine. The Group had achieved its DMO requirements for the 9M2019 and barring any unforeseen circumstances, is expected to meet its full year DMO requirement in 2019. We have applied for a review of our 2019 RKAB to increase our production quota by 2 million tonnes for SDJ and have yet to receive a reply.

The Group sold 2.1 million tonnes of 4,200 GAR coal from the SDJ coal mine and 3.4 million tonnes from the TBR coal mine, totalling 5.5 million tonnes of coal sold during the period and in 9M2018 sales. The average ICI price for 4,200 GAR coal was US$35.35 per tonne in 9M2019, down from US$44.78 per tonne in 9M2018.

The Group recorded a **gross profit** of US$7.3 million, compared to US$60.5 million recorded in 9M2018. These were mainly due to the lower ASP, partially offset by the lower production costs in 9M2019 as compared to 9M2018, after the successful renegotiation with the Group's suppliers for lower costs effective from 1 January 2019 in line with lower coal prices in 2019.

Group (All figures in US$'000 except as indicated)	**Coal mining**	**Coal trading**	**Coal mining management services**	**Total**
9 months ended 30.9.2019 (unaudited)				
Volume (tonnes)	5,464,788	-	-	5,464,788
Revenue	184,899	-	-	184,899
Cost of sales	(177,639)	-	-	(177,639)
Gross profit	7,260	-	-	7,260
Non-cash items:				
Depreciation & amortisation	15,739	-	-	15,739
Cash profit	**22,999**	**-**	**-**	**22,999**
9 months ended 30.9.2018 (unaudited)				
Volume (tonnes)	5,499,540	-	-	5,499,540
Revenue	242,485	-	510	242,995
Cost of sales	(182,244)	-	(276)	(182,520)
Gross profit	60,241	-	234	60,475
Non-cash items:				
Depreciation & amortisation	10,894	-	-	10,894
Cash profit	**71,135**	**-**	**234**	**71,369**

The Group's coal mining management service and coal trading with PT Angsana Jaya Energi ("AJE"), a holder of coal mining concession for an area that is adjacent to SDJ and TBR coal mines, were completed in 1Q2018 and the Group has yet to sign any new coal mining management services or coal trading with other parties.

Loss before income tax of US$19.2 million includes:

- Other income of US$4.9 million. The increase of US$0.4 million was mainly due to higher interest income earned on short-term investments and deposits and amortisation of deferred gain from the assignment of coal sales contract to a third party who also subscribed to the Company's shares and warrants;

- General and administrative expenses of US$8.9 million. The increase of US$0.9 million was mainly due to higher professional fees incurred, as well as share-based payment expense arising from the grant of share options pursuant to the Geo Energy share option scheme on 11 January 2019;

- Other expenses of US$2.4 million. The decrease of US$0.5 million was mainly due to lower forex loss in the period and the loss on financial assets carried at amortised cost recorded in 9M2018, as there were no such expenses in 9M2019. These were partially offset by the allowance for impairment loss on trade receivable recorded in the period of US$0.5 million;

- Finance costs of US$19.9 million. The decrease of US$2.9 million was mainly due to the lower amortisation of transaction costs of Senior Notes starting in 4Q2018; and

- Depreciation and amortisation of US$16.2 million. The increase of US$6.0 million was mainly due to the higher amortisation expense attributed to increased production in the TBR mine, which commenced operation end 2Q2018.

The Group recorded **income tax expense** of US$0.2 million despite a loss before tax due to certain non-deductible expenses, mainly depreciation of mining properties and amortisation of transaction costs of Senior Notes. Income tax expense was also derived after accounting for under-provision of tax in prior year.

Overall, the Group incurred a loss of US$19.4 million for the period, mainly due to lower ASP and higher general and administrative costs, offset by lower production costs, other expenses and finance costs as well as higher other income.

8.2 Financial Position

Group

Current Assets
Current assets increased by US$12.0 million to US$278.1 million as at 30 September 2019.

Cash and bank balances decreased by US$18.1 million to US$184.5 million as at 30 September 2019, mainly due to payments of Senior Notes interest, dividend and income tax, offset by improved working capital management.

Trade and other receivables of US$31.8 million as at 30 September 2019 comprise mainly trade receivables of US$16.5 million and non-trade receivables of US$15.3 million. The increase of US$6.6 million from US$25.0 million as at 31 December 2018 was mainly due to increases in prepaid income tax for our Indonesian subsidiaries by US$5.3 million and trade receivables by US$1.3 million. Our Indonesian subsidiaries are required to prepay their current income tax. Should the total amount of tax prepaid exceed the official tax assessment, the excess amount will be refunded.

Deposits and prepayments increased by US$12.1 million to US$35.7 million as at 30 September 2019 mainly due to the refundable deposit of US$2.5 million paid for the proposed acquisition of PT Titan Global Energy ("TGE"). In addition, we have also signed a coal offtake and prepayment of US$7.5 million to Titan Infrastructure Energy ("TIE"). Please refer to the relevant announcements.

Inventory increased by US$11.3 million to US$26.1 million as at 30 September 2019. This increase was temporary and caused by the timing of loading around period end. Shipments were made subsequently after the period end.

Non-current Assets
Non-current assets decreased by US$9.3 million to US$273.2 million as at 30 September 2019, mainly due to decreases in property, plant and equipment ("PPE") by US$8.5 million (mainly from depreciation of coal mining assets, offset by recognition of a right-of-use asset comprising leasehold assets in compliance with SFRS(I) 16 Leases) and deposits and prepayments by US$4.2 million (due to reclass of certain prepayments to current asset and utilisation of such prepayments) and deferred tax assets by US$1.3 million. These were partially offset by the increase in deferred stripping costs by US$4.6 million (pre-stripping cost upon commencement of production at the TBR coal mine).

Current Liabilities
Current liabilities increased by US$24.1 million to US$100.8 million as at 30 September 2019, mainly due to increases in trade and other payables by US$24.8 million and lease liability by US$0.4 million, offset by decrease in income tax payable by US$1.1 million. Increase in trade and other payables was mainly due to increases in trade payables and advances from customers, partially offset by decrease in accruals. Lease liability increased upon recognising a liability corresponding to the increase in PPE relating to the leasehold assets in compliance with SFRS(I) 16 Leases.

Non-current Liabilities
Non-current liabilities increased by US$1.2 million to US$299.0 million as at 30 September 2019, mainly due to the interests accrued on the Senior Notes of US$2.0 million and increases in lease liability by US$0.7 million (due to abovementioned recognition of lease liability in compliance with SFRS(I) 16 Leases) and in provisions by US$0.2 million. These were partially offset by the decreases in deferred tax liability by US$1.4 million and non-current portion of deferred gain by US$0.2 million.

Contingent Liability
In 2016, some subsidiaries were audited by Indonesian Tax Office ("ITO"). ITO assessed an underpayment of tax expenses of approximately US$3.9 million (IDR53 billion) in respect of a subsidiary for capitalisation of an intercompany loan as equity.

Management has sought advice from professional tax consultants and legal firm in Jakarta, Indonesia. Closing Statements with our point of view had been submitted to the Court of Appeal in July 2018. Final decision has yet to be received.

No provision has been recognised in the financial statements as the Group does not consider that there is any probable loss.

Financial Guarantee
As at 30 September 2019, the Company and some subsidiaries have issued corporate guarantees to bondholders for Senior Notes issued by a subsidiary of US$300,000,000 (2018: US$300,000,000).

Company

Current Assets
Current assets decreased by US$7.7 million to US$79.7 million as at 30 September 2019, mainly due to decrease in cash and bank balances by US$8.8 million (mainly due to dividend and income tax payments), partially offset by increase in intercompany receivables by US$1.1 million.

Current assets of US$79.7 million mainly comprised cash and bank balances of US$20.1 million, intercompany receivables of US$58.5 million and deposits and prepayments of US$1.1 million.

Non-current Assets
Non-current assets comprised mainly investment in subsidiaries of US$185.9 million, other receivable of US$3.1 million and PPE of US$1.1 million. The increase in PPE was due to the recognition of a right-of-use asset comprising leasehold assets in compliance with SFRS(I) 16 Leases.

Current Liabilities
Current liabilities decreased by US$2.1 million to US$152.0 million as at 30 September 2019. This was mainly due to decreases in accruals, other payables, and income tax payable. These were partially offset by the increase in lease liability upon recognising a liability corresponding to the increase in PPE relating to the leasehold assets in compliance with SFRS(I) 16 Leases.

Net current Liabilities
The Company's working capital was negative US$72.2 million, mainly due to intercompany payables. Based on the Group's current financial performance and financial position as at 30 September 2019 with a total cash of US$184.5 million and positive working capital of US$177.3 million, the Company will be able to pay its debt as and when they fall due.

Non-current Liabilities
Non-current liabilities as at 30 September 2019 mainly comprise financial guarantee liability, lease liability and provisions. The decrease of US$0.5 million was mainly due to amortisation of financial guarantee liability of US$1.2 million to the profit or loss as deemed guarantee income, offset by increase in lease liability in relation to the abovementioned application of SFRS(I) 16 Leases.

8.3 Cash Flow

Group

Cash Flow (3Q2019 vs. 3Q2018)

Net cash used in operating activities was US$12.6 million. Operating cash flows before movements in working capital was an inflow of US$0.6 million.

Working Capital
Working capital movement was negative US$12.4 million in 3Q2019, as compared to the negative working capital of US$22.4 million in 3Q2018, mainly due to movement in deposits and prepayments. During the period, the Group paid a coal offtake prepayment of US$7.5 million to TIE and advance payments for provision of integrated coal mining support and infrastructure services from the SDJ and TBR coal mines of US$10.6 million. These were partially offset by the utilisation of certain prepayments and receipt of advances from a customer of US$5.0 million.

Net cash used in investing activities of US$2.4 million was mainly due to the refundable deposit paid for the proposed acquisition of TGE of US$2.5 million, addition to deferred stripping costs of US$1.1 million for the TBR coal mine operation and purchase of PPE of US$0.1 million. These were partially offset by the interest received of US$1.3 million.

Net cash used in financing activities of US$0.2 million was mainly due to the repayment of finance lease and lease liability obligations.

Cash Flow (9M2019 vs. 9M2018)

Net cash from operating activities was US$0.2 million. Operating cash flows before movements in working capital was an inflow of US$14.9 million.

Working Capital
Working capital movement was negative US$12.8 million in 9M2019, as compared to the negative working capital of US$65.9 million in 9M2018. The negative working capital in 9M2018 was mainly due to the Group making advance payments for provision of integrated coal mining support and infrastructure services for the SDJ and TBR coal mines.

During the period, the Group paid an additional US$10.6 million of such advance payments and coal offtake prepayment of US$7.5 million to TIE. These were partially offset by receipt of advances from a customer of US$20.0 million. Hence, the improvement in the working capital movement was mainly due to the decrease in deposits and prepayments paid during the period, and better credit on trade and other payables in 9M2019.

Net cash used in investing activities of US$2.0 million was mainly due to the refundable deposit paid for the proposed acquisition of TGE of US$2.5 million, addition to deferred stripping costs of US$2.3 million for the TBR coal mine operation and purchase of PPE of US$1.7 million. These were partially offset by the interest received of US$4.5 million

Net cash used in financing activities of US$16.0 million was due to the payment of Senior Note interest of U$12.0 million, dividend paid of US$4.1 million and repayment of finance lease and lease liability obligations of US$0.3 million. These were partially offset by the decrease of US$0.4 million in deposits pledged.

Overall, total cash and cash equivalent as of 30 September 2019 was US$179.5 million, excluding the pledged deposits of US$5.0 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

The Group has previously indicated a production and sales of at least 8 million tonnes of coal for both SDJ and TBR in 2019. The Group recorded coal sales of 2.0 million tonnes from its SDJ and TBR coal mines for 3Q2019 and 5.5 million tonnes for the 9M2019 and expects to meet its target production and sales for 2019.

The Group had achieved its DMO requirements for 9M2019 and barring any unforeseen circumstance is expected to meet its full year DMO requirement in 2019. The Group had also applied for a review of its 2019 RKAB to increase the Group's production quota by 2 million tonnes for SDJ and has yet to receive a reply from the local authority as at the date of this announcement.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

In 3Q2019, the average ICI for 4,200 GAR coal was at US$33.01 per tonne, down by US$4.55 per tonne and US$8.49 per tonne as compared to US$37.56 per tonnes in 2Q2019 and US$41.50 per tonne in 3Q2018 respectively. ICI for 4,200 GAR coal on 8 November 2019 was US$34.51.

According to Wood Mackenzie Commodity Market Report, an increase in Chinese imports of lower energy thermal coal is being met by surging exports from Indonesia, which is expected to keep energy coal prices in check. The report anticipate 4,200 GAR prices will lift slightly to US$34 per tonne in Q42019 but remain subdued at US$33 per tonne in 2020. The report view that there is limited downside risk to low energy coal prices in Indonesia given that an estimated 120 million tonnes of export production is operating at negative margins; and an upside risk to low energy prices should Chinese thermal coal imports continue to surprise to the upside this year and next[2].

Coal demand continues to be impacted by low gas prices. However, China's import demand continues to surprise to the upside from the recent developments point to a relaxation in import quotas. The growth in China's power

[2] Wood Mackenzie Commodity Market Report, September 2019 – Global thermal coal short-term outlook September 2019: macro slowdown intensifies

demand is estimated to slow down to 4% in 2019, meanwhile coal generation will lift by 3% in 2019[3]. Other than China, Vietnam remains to be a bright spot for thermal coal import demand in 2019. Commissioning of new coal-fired projects and strong industrial demand have resulted in a spike in imports. The trade war between US and China has also encouraged more shifting of business out of China to Vietnam to potentially avoid sanctions. Nevertheless, the sudden increase in Vietnam's coal imports also comes with the surge in renewables development where over 5GW of new solar capacity is expected to be commissioned in 2019. Vietnam's import is expected to double to 40 million tonnes this year[3]. Philippines import growth remains strong and it is expected that their imports will increase by 4.6 million tonnes this year to 30 million tonnes driven by 1.2GW increase in coal-fired capacity[3].

We are always working on opportunities to optimise our coal assets portfolio, such as pursuing coal producing assets that can boost our profitability and coal reserves substantially. On 23 September 2019, the Group has made an announcement to acquire an effective interest of 51% in each of the two producing mines BAS and BP in South Sumatra for US$25 million. Based on a JORC compliant report issued in 2018, BAS and BP have an estimated coal tonnage of 50 million tonnes and 39 million tonnes respectively. The Group is expecting the transaction to be completed in 2019 and the mines to start contributing coal sales and production to the Group in 1Q2020.

As a follow up from the potential acquisition of new coal assets for a producing coal mine in East Kalimantan, Indonesia ("Potential Transaction") as mentioned in our 1Q2019 results announcement, the Potential Transaction is put on hold as the owners of the coal mine had postponed the sale process. We will assess the merits of the transaction based on prevailing circumstances then before deciding whether to continue to participate in the sale process should the owners of the coal mine resume the sale process.

The Group will continue to work on opportunities to (1) optimise its coal assets, (2) boost profitability and increase coal reserves, and (3) to enhance shareholders' value.

11. If a decision regarding dividend has been made: -

(a) Whether an interim (final) ordinary dividend has been declared

No dividend has been declared for the financial period ended 30 September 2019.

(b)(i) Amount per share

Not applicable.

(b)(ii) Previous corresponding period

None.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country whether the dividend is derived

Not applicable.

(d) The date the dividend is payable

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined

Not applicable.

[3] McCloskey Coal Report – Issue 471, 18 October 2019

12. If no dividend has been declared/recommended, a statement to that effect and provide the reasons for the decision

No dividend has been declared or recommended.

13. If the group has obtained a general mandate from shareholders for Interested Person Transactions ("IPT"), the aggregate value of such transactions as required under Rule 920 (1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect

No IPT mandate has been obtained from shareholders and there is no IPT.

14. Negative confirmation pursuant to Rule 705(5)

We, Charles Antonny Melati and Tung Kum Hon, being Directors of the Company, do hereby confirm, on behalf of the Board of Directors of the Company (the "Board") that, to the best of our knowledge, nothing has come to the attention of the Board which may render the unaudited financial results for the third quarter and nine months ended 30 September 2019 to be false or misleading in any material aspect.

15. Confirmation Pursuant to Rule 720(1) of the Listing Manual

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7.7 of the Listing Manual) under Rule 720(1) of the Listing Manual.

On behalf of the Board of Directors

Charles Antonny Melati
Executive Chairman

14 November 2019

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

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

The Group is ranked 17th in the inaugural award for Singapore's Fastest Growing Companies 2019 presented by The Straits Times and Statista based on the strongest revenue growth in recent years.

The Group's operations are primarily located in Indonesia. It 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 owns major mining concessions and coal mines in East and South Kalimantan, Indonesia.

For more information, please visit www.geocoal.com

Contacts
For more information please contact:
Romil SINGH
Colin LUM
geoenergy@financialpr.com.sg
investor_relations@geocoal.com
Tel: (65) 6438 2990 Fax: (65) 6438 0064

Geo Energy Resources Limited

12 Marina Boulevard #16-01
Marina Bay Financial Centre
Tower 3
Singapore 018982
Tel: (65) 6702 0888

The Suites Tower, 17th Floor
Jl. Boulevard Pantai Indah Kapuk
No.1 Kav OFS
Jakarta 14470, Indonesia
Tel: (62) 21 2251 1055