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GEO ENERGY RESOURCES LIMITED

Commencement of Consent Solicitation and Tender Offer Relating to 8.0% Senior Notes due 2022 issued by Geo Coal International Pte. Ltd.

**ISIN: USY2700AAB53 (Reg S) / US37255AAB70 (144A)
CUSIP: Y2700A AB5 (Reg S) / 37255A AB7 (144A)**

FOR IMMEDIATE RELEASE

1. INTRODUCTION

- 1.1 Geo Coal International Pte. Ltd. (the “**Company**”), a wholly-owned subsidiary of Geo Energy Resources Limited (the “**Parent Guarantor**” and together with its subsidiaries, the “**Group**”), today announced that it has commenced (a) a consent solicitation (the “**Consent Solicitation**”) to approve certain proposed amendments (the “**Proposed Amendments**”) to its indenture dated as of October 4, 2017 (the “**Indenture**”), governing its 8.0% Senior Notes due 2022 (the “**Notes**”) and (b) an offer to purchase for cash (the “**Tender Offer**”) any and all of the outstanding US\$154,017,000 in aggregate principal amount of its Notes, in each case, subject to the terms and conditions set out in the offer to purchase and consent solicitation statement document dated May 21, 2020 (the “**Statement**”).
- 1.2 The Company and Parent Guarantor have engaged Deutsche Bank AG, Singapore Branch as the dealer manager and solicitation agent (the “**Dealer Manager**”) for the Consent Solicitation and the Tender Offer.
- 1.3 The following information is a summary of the key terms of the Consent Solicitation and the Tender Offer and is subject to the detailed terms and conditions set forth in the Statement available from Morrow Sodali Limited (the “**Information and Tender Agent**”) for the Consent Solicitation and the Tender Offer, at <https://bonds.morrowsodali.com/geocoal>. Capitalised terms used but not

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defined herein shall, unless the context otherwise requires, have the meaning set out in the Statement.

2. PURPOSE OF THE CONSENT SOLICITATION AND THE TENDER OFFER

- 2.1 The principal purpose of the Consent Solicitation and the Tender Offer is to procure the consent to the Proposed Amendments from holders of the Notes (“**Holders**”) of at least 75.0% of the outstanding aggregate principal amount of the Notes (the “**Requisite Consents**”) that are required to adopt the Proposed Amendments and, at the same time, provide Holders with an opportunity to tender their Notes.
- 2.2 The weakening global economic outlook, resulting from the escalation of the COVID-19 pandemic and falling crude oil prices, has had a large impact on the demand outlook for coal and has exacerbated the challenges faced by the Group.
- 2.3 The Indenture contains a Mandatory Offer to Purchase covenant, which requires the Company or the Parent Guarantor to make an offer to purchase all of the outstanding Notes in the event the Group is unable to satisfy certain minimum coal reserve requirements by April 4, 2021. The Group currently does not meet such minimum coal reserve requirements.
- 2.4 While the Group will continue to explore potential acquisitions of coal assets, management is doing so cautiously in light of the current challenging market conditions. With an expectation that macroeconomic conditions could worsen if the current COVID-19 pandemic is prolonged, there can be no assurance that the Group will complete an acquisition before April 4, 2021.
- 2.5 The Group believes that it would not be prudent nor in the long-term interests of its various stakeholders for it to rush into acquisitions of coal assets just to relieve the Parent Guarantor and the Company of their obligation under the Indenture to make an offer to purchase all of the Notes in the event it is unable to satisfy certain minimum coal reserve requirements by April 4, 2021.
- 2.6 Challenging market conditions and the weakening global outlook and demand for coal have also increased the Group’s need for financial flexibility, especially access to liquidity, so as to be in position to satisfy working capital requirements and to address its obligation to Holders through the maturity of the Notes in 2022. Accordingly, the Group is seeking consent for the Proposed Amendments to increase the working capital permitted debt basket and the general permitted debt basket.
- 2.7 In addition, given the current challenging market conditions, the Group understands that some remaining Holders may be seeking liquidity and therefore desire to sell their Notes. In this regard, the Group believes that the Tender Offer provides an opportunity for Holders to gain liquidity that might otherwise be unavailable to them.

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3. DETAILS OF THE CONSENT SOLICITATION AND THE TENDER OFFER

3.1 The Consent Solicitation

3.1.1 The Company is inviting the Holders to approve the Proposed Amendments to:

(a) remove the Mandatory Offer to Purchase covenant in the Indenture, which would otherwise require the Company or the Parent Guarantor to make an offer to purchase all of the outstanding Notes in the event the Parent Guarantor is unable to satisfy certain minimum coal reserve requirements by April 4, 2021; and

(b) increase the working capital permitted debt basket (Section 4.06(b)(xii) of the Indenture) by US\$15.0 million and the general permitted debt basket (Section 4.06(b)(xiii) of the Indenture) to US\$10.0 million.

3.1.2 The Proposed Amendments set out in paragraph 3.1.1(a) above require consent from Holders in respect of not less than 75.0% of the outstanding aggregate principal amount of the Notes (the “**Proposed Supermajority Amendments**”), while the Proposed Amendments set out in paragraph 3.1.1(b) above require consent from Holders in respect of not less than majority of the outstanding aggregate principal amount of the Notes (the “**Proposed Majority Amendments**”). As of the date of the Statement, the aggregate principal amount of the Notes outstanding was US\$154,017,000.

3.1.3 Holders may choose to deliver their consents to the Proposed Amendments (“**Consents**”) without tendering their Notes. Such Holders who deliver their Consents in accordance with the procedures set out in the Statement by 5:00 P.M., New York City time, on June 4, 2020 (unless extended by the Company) will receive a consent fee of US\$10 per US\$1,000 principal amount of the Notes (“**Consent Fee**”).

3.2 The Tender Offer

3.2.1 The Company is offering to purchase for cash all Notes validly tendered at or prior to 11:59 P.M., New York City time, on June 18, 2020, unless extended or earlier terminated (the “**Expiration Date**”) (and not validly withdrawn).

3.2.2 Holders who validly tender their Notes by 5:00 P.M., New York City time, on June 4, 2020 (the “**Early Tender Deadline**”) and who do not validly withdraw their tendered Notes at or prior to 5:00 P.M., New York City time, on June 4, 2020, unless extended by the Company (the “**Tender Withdrawal Deadline**”) will be eligible to receive US\$430 per US\$1,000 principal amount of the Notes (the “**Repurchase Price**”) plus Accrued Interest in relation to their Notes.

3.2.3 Holders who validly tender their Notes after the Tender Withdrawal Deadline but at or prior to the Expiration Date will be eligible to receive an amount equal US\$400 per US\$1,000 principal amount of the Notes (the “**Late Tender Price**”) plus Accrued Interest in relation to their Notes.

3.2.4 As a condition to the acceptance of the Tender Offer, a tendering Holder must consent to the Proposed Amendments to the Indenture. Holders who validly tender their Notes and do not withdraw their tendered Notes prior to the Tender Withdrawal Deadline will be deemed to have consented to the Proposed Amendments. Notes tendered after the Tender Withdrawal Deadline may not be withdrawn and such tendering Holders will also be deemed to have consented to the Proposed Amendments.

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- 3.2.5 A summary of the pricing terms in relation to the Consent Solicitation and the Tender Offer is set out in the table below:

Description of the Notes	ISIN/CUSIP Codes	Outstanding Principal Amount	Repurchase Price⁽¹⁾⁽²⁾⁽³⁾	Late Tender Price⁽¹⁾⁽²⁾	Consent Fee⁽¹⁾
8.0% Senior Notes due 2022	Regulation S: USY2700AAB53 / Y2700A AB5 Rule 144A: US37255AAB70 / 37255A AB7	US\$154,017,000	US\$430	US\$400	US\$10

Notes:

- 1) Per US\$1,000 in principal amount of the Notes.
- 2) Does not include Accrued Interest that will be paid on the Notes accepted for purchase. No separate Consent Fee will be paid with respect to Notes tendered in the Tender Offer.
- 3) Comprises (i) the Late Tender Price plus (ii) the early tender premium equal to the amount of US\$30 per US\$1,000 principal amount of Notes (the “Early Tender Premium”).

4. CONDITIONS OF THE CONSENT SOLICITATION AND THE TENDER OFFER

- 4.1 Consummation of the Consent Solicitation and the Tender Offer are conditioned on the receipt of Requisite Consents in order for the Proposed Amendments to be adopted in the Indenture (the “**Requisite Consent Condition**”). The Company will not be obligated to consummate the Consent Solicitation and the Tender Offer if, among others, the Requisite Consent Condition is not satisfied or waived, in the Company’s sole discretion.
- 4.2 If the Requisite Consent Condition is not satisfied, but Holders in respect of not less than the majority of the outstanding aggregate principal amount of the Notes provide Consents to the Proposed Amendments, by way of validly tendering (and not validly withdrawing) their Notes or validly delivering (and not validly revoking) their Consents without tendering their Notes, the Company may waive the Requisite Consent Condition and adopt the Proposed Majority Amendments set out in paragraph 3.1.1(b) above. If the Requisite Consent Condition is not satisfied and the Company does not receive Requisite Majority Consent, the Company may also waive the Requisite Consent Condition and other conditions of the Offer and accept for purchase, and pay for, any Notes validly tendered (and not validly withdrawn).

5. FINANCING OF THE CONSENT SOLICITATION AND TENDER OFFER

- 5.1 The Company expects to fund the payment of the Repurchase Price, the Late Tender Price, the Consent Fee and Accrued Interest with cash that the Group has on hand.

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6. INDICATIVE TIMETABLE

Holders should take note of the following dates and times in connection with the Consent Solicitation and the Tender Offer. The dates below are, however, subject to modification in accordance with the terms of the Consent Solicitation and the Tender Offer:

<u>Date</u>	<u>Calendar Date and/or Time</u>	<u>Event</u>
Commencement Date	May 21, 2020	Commencement and announcement of the Consent Solicitation and the Tender Offer on the terms and subject to the conditions set forth in the Statement.
Early Tender Deadline....	5:00 p.m. (New York City time) on June 4, 2020, unless extended or terminated by the Company.	The latest time and date for Holders to tender Notes in order to qualify for the Repurchase Price.
Tender Withdrawal Deadline.....	5:00 p.m. (New York City time) on June 4, 2020, unless extended or terminated by the Company.	The latest time and date for the Holders who have tendered their Notes to withdraw such tenders.
Consent Deadline	5:00 p.m. (New York City time) on June 4, 2020, unless extended or terminated by the Company.	The latest time and date for Holders who have delivered their Consents in order to qualify for the Consent Fee and the latest time and date for Holders who have delivered their Consents (without tendering their Notes) to revoke such Consents.
Expiration Date.....	11:59 p.m. (New York City time) on June 18, 2020, unless extended or terminated by the Company.	The latest time and date for Holders to tender Notes in order to qualify for the Late Tender Price.
Acceptance Date and Supplemental Indenture Execution Date	The Company expects this date to be promptly following the Expiration Date, but after the satisfaction or waiver of the Requisite Consent Condition and other conditions to the Tender Offer and the Consent Solicitation.	The date on which the Company accepts all Notes validly tendered at or prior to the Expiration Date and the Supplemental Indenture is expected to be executed, provided the conditions (including the Requisite Consent Condition) have been satisfied or waived. The Company notifies the Information and Tender Agent that such tendered Notes are accepted for purchase and payment.
Settlement Date	Promptly after the Expiration Date (and in any event within three business days (excluding Saturdays, Sundays and bank and other holidays in either New York City or Singapore) of the Expiration Date) and is expected to be on or about June 23, 2020, unless the Expiration Date is extended.	The date on which the Company will deposit the amount of cash necessary to pay each tendering Holder the Repurchase Price or Late Tender Price (as applicable) and Accrued Interest, in respect of Notes accepted for purchase by the Company, and to pay each consenting Holder who did not tender Notes but validly delivered (and not validly revoked) Consents or at or prior to the Consent Deadline the Consent Fee.

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The Consent Solicitation and the Tender Offer are being made solely pursuant to the Statement, which governs and more fully sets out the terms and conditions of the Consent Solicitation and the Tender Offer, as well as additional information about how to submit the consent or tender instructions for the Notes. The Statement contains important information that should be read carefully before any decision is made with respect to the Consent Solicitation and the Tender Offer. The distribution of this announcement and the Statement in certain jurisdictions may be restricted by law. Persons into whose possession this announcement or the Statement comes are required by each of the Dealer Manager, the Information and Tender Agent, the Company, Parent Guarantor and the Trustee to inform themselves about, and to observe, any such restrictions.

If any Holder or a beneficial owner of Notes is in any doubt as to the contents of the attached Statement or as to the action it should take, it is recommended to seek its own financial and legal advice, including as to any tax consequences, immediately from its stockbroker, bank manager, solicitor, accountant or other independent financial adviser or legal adviser.

None of the Company, the Parent Guarantor, the Dealer Manager, the Trustee or the Information and Tender Agent or any of their respective affiliates has expressed any opinion as to whether the terms of the Consent Solicitation and the Tender Offer are fair. None of the Company, the Parent Guarantor, the Dealer Manager, the Trustee or the Information and Tender Agent or any of their respective affiliates makes any recommendation as to whether Holders should tender their Notes or deliver their Consents or refrain from doing so pursuant to the Consent Solicitation and the Tender Offer, and no one has been authorized by any of them to make any such recommendation. Holders must make their own decision as to whether to tender Notes or deliver their Consents or refrain from doing so and the principal amount of Notes to tender.

Questions about the terms of the Consent Solicitation and the Tender Offer should be directed to the Dealer Manager and the Information and Tender Agent at the telephone numbers and addresses listed below. If you have questions regarding Consent Solicitation and the Tender Offer procedures or require additional copies of the Statement, please contact the Information and Tender Agent at the telephone number and address listed below.

All Holders of the Notes are eligible to participate in the Consent Solicitation and the Tender Offer.

All documentation relating to the Consent Solicitation and the Tender Offer, together with any updates will be available via the Offer Website: <https://bonds.morrowsodali.com/geocoal>. Notices will also be made by delivery of notices to the relevant Clearing System for communication to persons shown in the records of such Clearing System as Direct Participants holding interests in the Notes. The Company will cause announcements relating to the Consent Solicitation and the Tender Offer to be furnished to the Singapore Exchange Securities Trading Limited.

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The Information and Tender Agent for the Consent Solicitation and the Tender Offer is:

Morrow Sodali Limited

E-mail: geocoal@investor.morrowsodali.com
Offer Website: <https://bonds.morrowsodali.com/geocoal>

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The Dealer Manager for the Consent Solicitation and the Tender Offer is:

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This announcement is not an offer of securities for sale in the United States. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws of the United States, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements under the Securities Act and applicable state securities laws of the United States. No public offering or the offering of securities will be made. Nothing in this communication shall constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction in which such offer or sale would be unlawful.

FORWARD-LOOKING INFORMATION

Forward-looking statements in this announcement, including but not limited to those statements relating to the Consent Solicitation and the Tender Offer, such as the scheduled Consent Deadline, Early Tender

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Deadline, Tender Withdrawal Deadline, Expiration Date and Settlement and payment of the Repurchase Price, Late Tender Price and Consent Fee, as applicable, are based on current expectations. These statements are not guarantees of future events or results. Future events and results involve some risks, uncertainties and assumptions that are difficult to predict. Actual events and results could vary materially from the description contained herein due to many factors including changes in the market and price for the of Notes; changes in the business and financial condition of the Group; changes in the international energy markets; changes in the capital markets in general; and the occurrence of events specified in the Statement that would trigger a condition permitting termination or amendment of the Consent Solicitation and/or the Tender Offer.

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

Geo Energy Resources Limited (“Geo Energy”) is a major Indonesian coal producer with an established track record in operating coal mines, coal production and selling coal throughout the region. Geo Energy commenced its business in 2008 as a coal mining services provider and became a listed company on the Mainboard of the SGX in 2012, under the stock code: RE4 and is part of the Singapore FTSE-ST index.

Since then, Geo Energy has transitioned from being primarily a coal mining services provider to a coal producer that subcontracts its coal mining operations. This transition has allowed the Group to change the business model from operating as a relatively small-scale mining services provider in an environment of high capital expenditure and relatively low operational efficiency, with high dependence on owners of coal mining concessions, to being a low-cost coal producer with high-quality coal mining assets, working in collaboration with world-class business partners.

The Group’s investment strategy is mainly focused on acquisition of new mining concessions to increase production quantity and at the same time diversify its sources of coal. The Group owns four mining concessions through its wholly owned subsidiaries PT Bumi Enggang Khatulistiwa, PT Sungai Danau Jaya, PT Tanah Bumbu Resources and PT Surya Tambang Tolindo in Kalimantan, Indonesia.

For more information, please visit www.geocoal.com.