*This announcement does not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States or any other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. The securities referred to herein will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold in the United States except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act. Any public offering of securities to be made in the United States will be made by means of a prospectus. Such prospectus will contain detailed information about the company making the offer and its management and financial statements. None of GCI and the Company (each as defined below) intends to make any public offering of securities in the United States.*

GEO ENERGY GROUP
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**GEO ENERGY RESOURCES LIMITED**

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

# News Release

## Geo Energy Commences Consent Solicitation And Tender Offer for the 8.0% Senior Notes Due 2022 Issued by Geo Coal International Pte. Ltd.

- Geo Coal International Pte. Ltd. ("**GCI**") is inviting the holders of the Notes (as defined herein) ("**Holders**") to approve certain proposed amendments ("**Proposed Amendments**") to its Indenture governing its 8.0% Senior Notes due 2022 (the "**Notes**") dated 4 October 2017. Concurrently, GCI is also providing Holders the option to exit their holdings, if desired, through an any-and-all fixed price cash tender of the outstanding US$154,017,000 in aggregate principal amount (the "**Consent Solicitation and Tender Offer**").
- Through the proposed consent solicitation, the Group would like to seek the consent of Holders to provide the Group additional flexibility in light of the current challenging market conditions, and in doing so, be in a better position to address its obligation to Holders come the final maturity date in 2022.
- The Group is aware that given the current challenging market conditions, some of the remaining Holders may also desire the provision of liquidity to exit their holdings, and as such, the Group believes the tender offer provides an opportunity for Holders to gain liquidity that might not otherwise be available to them.

**SINGAPORE, 21 May 2020 – Geo Energy Resources Limited ("Geo Energy" or the "Company", and together with its subsidiaries, the "Group") (SGX: RE4),** announced that its wholly-owned subsidiary, GCI has commenced a Consent Solicitation and Tender Offer relating to its Notes. The Consent Solicitation will be open for 10 business days from the launch date, while the Tender Offer will be open for 20 business days from the launch date. The final expiration of the entire exercise will be on 18 June 2020.

**PURPOSE OF THE CONSENT SOLICITATION AND TENDER OFFER**

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. Weak demand and an increasingly uncertain price outlook are expected to maintain downward pressure on the low-calorific value Indonesian coal market.

The Group is mindful of the existing terms under the Notes, particularly where GCI or the Company will be required to make an offer to purchase all outstanding Notes in the event the Group does not meet certain minimum coal reserves requirements on or prior to 4 April 2021 (the "**Put Option**"). The Group currently does not meet such minimum coal reserve requirements.

While the Group continues to explore potential acquisition(s) of coal assets, management is doing so cautiously, in light of the current challenging market conditions. Furthermore, with an expectation that macroeconomic conditions could worsen if the current COVID-19 pandemic is prolonged, there is no certainty or assurance that such acquisition(s) will materialise between now and 4 April 2021. The Group and its management believe it would not be prudent nor in the long-term interests of its various stakeholders, to enter into acquisition(s) where the return on investment is limited during this period of challenging market conditions, just to fulfil the minimum coal reserve requirement in the Put Option.

Through the proposed consent solicitation, the Group would like to seek the consent of Holders to provide the Group additional financial flexibility in light of the current challenging market conditions, and in doing so, be in a better position to address its obligation to Holders come the final maturity date in 2022.

The Group is also aware that given the current challenging market conditions, some of the remaining Holders may also be seeking liquidity and therefore desire to exit their holdings of the Notes, and as such, the Group believes the Tender Offer provides an opportunity for Holders to gain liquidity that might not otherwise be available to them.

The Company intends to fund the Consent Solicitation and Tender Offer using the Group's existing cash on hand.

**CONSENT SOLICITATION**

**Removal of the Mandatory Offer to Purchase covenant**
This would remove the obligation under the Indenture for GCI or the Company 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 4 April 2021.

**Increased flexibility to incur indebtedness for working capital and other corporate purposes**
The weakening global outlook and demand for coal has increased the Group's need for additional flexibility in light of the current challenging market conditions, and in doing so, be in a better position to address its obligation to Holders come the final maturity date in 2022.

The Group is seeking Holders' consent to amend the Indenture and increase the working capital permitted debt basket by US$15.0 million and the general permitted debt basket to US$10.0 million.

The proposed amendments will respectively require the consent in respect of least 75.0% of the outstanding aggregate principle amount of the Notes for the removal of the Put Option; and consent in respect of not less than majority of the outstanding aggregate principle amount of the Notes for the increased flexibility to incur indebtedness.

**TENDER OFFER**

GCI is offering to purchase for cash all Notes validly tendered (and not withdrawn) before 4 June 2020 ("**Tender Withdrawal Deadline**"), unless extended by GCI. Such Holders will be eligible to receive US$430 per US$1,000 principal amount of the Notes (the "**Repurchase Price**") plus interest accrued and unpaid up to but not including the Settlement Date in relation to their Notes.

Holders who validly tender their Notes after the Tender Withdrawal Deadline but at or prior to 18 June 2020 be eligible to receive US$400 per US$1,000 principal amount of the Notes (the "**Late Tender Price**") plus interest accrued and unpaid up to but not including the Settlement Date in relation to their Notes.

**COMMENTARY**

Commenting on the Consent Solicitation and Tender Offer, Mr Charles Antonny Melati, Executive Chairman of Geo Energy said, **"The escalation of the COVID-19 pandemic globally, coupled with the sharp declines in crude oil prices, in the recent months have affected the Asian coal sector. The demand and price outlook for coal is more uncertain than ever – reduced economic activity in China, our main export market, coupled with the relative attractiveness of cheaper crude oil as an alternate source of energy, have put further pressure on the low-calorific value Indonesian coal market today. These factors have impacted coal prices in the past weeks, with the ICI price for 4,200 GAR coal falling from an average of US$34.44 per tonne for the three months ended 31 March 2020 ("1Q2020") to the recent low of US$24.15 per tonne on 8 May 2020.**

**While we have been exploring potential acquisitions of coal assets to grow the Group's business, it would not be prudent nor in the long-term interests of our various stakeholders, to enter into acquisition(s) where the return on investment is limited during this period of challenging market conditions, just to fulfil the minimum coal reserve requirement ahead of the 4 April 2021 deadline. If the Consent Solicitation is successful, we can remove the uncertainty regarding the Put Option.**

**Meanwhile, the Group is also in the process of renewing the licenses of its SDJ and TBR coal mining concessions and conducting new exploration at our TBR concession to increase its JORC proved and probable coal reserves. It is expected that our combined coal reserves of SDJ and TBR will increase from this new exploration in TBR, based on an update letter from SMG Consultants dated 19 May 2020, pending a JORC report to be issued.**

Mr Tung Kum Hon, Chief Executive Officer of Geo Energy said, "**The weakening global outlook and demand for coal has increased the Group's need for additional flexibility in light of the current challenging market conditions, and in doing this Consent Solicitation and Tender Offer, we will be in a better position to address our obligation to Holders come the final maturity date in 2022.**

**We believe the Consent Solicitation and Tender Offer is an exercise that is favourable to all our stakeholders. To the Holders who choose to tender their Notes, it is an opportunity to get liquidity that may not be otherwise available under current market conditions. To the remaining Holders, the Proposed Amendments will give the Group flexibility to continue its operations and meet its working capital requirements between now and the final maturity date in 2022. If some of the Notes are successfully tendered, the Group will also have an improved capital structure and better credit profile to the remaining Holders and equity investors.**

**Although the tender price is a steep discount to face value, we can only afford to offer Holders as high a consideration as the Group's current liquidity allows, given that it is an any-and-all tender offer. We need to be mindful to set aside some funds for ongoing working capital requirements.**

**Should the Consent Solicitation and Tender Offer be successful, we will have gained additional flexibility to carry out our business strategies and make necessary adjustments to our operations and capital structure to improve our business prospects and financial condition. This can also potentially result in a significant reduction in the Group's financial obligations. With this, we will continue to assess the market situation and business viability, monetise and continue our SDJ and TBR operations given the potential increased reserves and continue to look for opportunities to create the most value for our stakeholders."**

Details of the Consent Solicitation and Tender Offer relating to the Notes are set out in the Company's announcement dated 21 May 2020 and on the Company's website at www.geocoal.com. Deutsche Bank AG, Singapore Branch has been appointed by the Company as Dealer Manager and Solicitation Agent in respect of the Consent Solicitation and Tender Offer.

Below is the full interview with Mr Charles Antonny Melati ("**CAM**"), Executive Chairman and Mr Tung Kum Hon ("**KH**"), Chief Executive Officer of Geo Energy on the Proposed Consent Solicitation and Tender Offer.

Company : **What is the proposed Consent Solicitation and Tender Offer?**

**CAM** : The Company intends to seek Holders' consent for certain amendments to the Indenture governing its existing 8.0% Senior Notes due 2022.

Concurrently, the Company is also looking to provide Holders the option to exit their holdings (if desired) through an any-and-all fixed price tender offer, with the Notes to be repurchased by the Issuer, Geo Coal International Pte. Ltd. ("**GCI**").

Company : **What is the purpose of this Consent Solicitation and Tender Offer?**

**CAM** : The COVID-19 pandemic and depressed crude oil prices have affected the Asian coal sector, with both supply and demand dynamics in flux, resulting in added coal price volatility. This

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has translated into a decline in coal price over the past few weeks, with the Indonesian Coal Index ("**ICI**") price for 4,200 GAR coal falling from an average of US$34.44 per tonne for the first three months ended 31 March 2020 to the recent low of US$24.15 per tonne on 8 May 2020. Current weak demand and an uncertain price outlook are expected to maintain downward pressure on the Indonesian coal market.

We are mindful of the existing terms under the Notes, particularly where GCI or the Company will be required to make an offer to purchase all outstanding Notes in the event that the Group does not meet certain minimum coal reserves requirements on or prior to 4 April 2021 (the "**Put Option**"). The Group currently does not meet such minimum coal reserve requirements.

While we continue to explore potential acquisition(s) of coal assets, we are doing so cautiously, in light of the current challenging market conditions. Furthermore, with an expectation that macroeconomic conditions could worsen if the current COVID-19 pandemic is prolonged, there is no certainty or assurance that such acquisition(s) will materialise ahead between now and April 2021.

We believe it would not be prudent nor in the long term interest of stakeholders, to enter into acquisition(s) where the return on investment is limited during this period of challenging market conditions, if it is only to fulfil the minimum coal reserve requirement in the Put Option.

Through the proposed consent solicitation, the Group would like to seek the consent of Holders to provide the Group additional flexibility in light of the current challenging market conditions, and in doing so, be in a better position to address its obligation to Holders come the final maturity date in 2022.

## Removal of the Mandatory Offer to Purchase covenant and to increase the existing working capital and general permitted debt baskets

Company : **What amendments are GCI seeking as part of this Consent Solicitation?**

**KH** : We are seeking as part of the consent solicitation the removal of the Mandatory Offer to Purchase covenant and to increase the existing working capital and general permitted debt baskets under the Limitation on Indebtedness covenant by US$15.0 million and to US$10.0 million respectively.

## Tender offer provides an opportunity for Holders to gain liquidity that might not otherwise be available

Company : **Why is GCI doing a concurrent tender offer, if the primary objective is to obtain consent from Holders to remove the Put Option in April 2021?**

**CAM** : Over the past 6 months, GCI has been approached by several Holders to provide them liquidity through bilaterally repurchasing of their holdings of the Notes. GCI repurchased the Notes from them based on market prices at varying cash prices that range from as high as 67.6% in early December 2019, to the recent lows of 41.0% and 43.0% in March and April 2020. The repurchases have reduced outstanding indebtedness on the Notes from US$300.0 million to US$154.0 million.

The Group is aware that given the current challenging market conditions, the remaining Holders may also be seeking liquidity and therefore desire to exit their holdings of the Notes, and as such, the Company believes the tender offer provides an opportunity for Holders to gain liquidity that might not otherwise be available to them.

Company : **How does the Group intend to fund this Consent Solicitation and Tender Offer and what is its current liquidity position?**

**KH** : The Company intends to fund the Consent Solicitation and Tender Offer using the Group's existing cash on hand.

As highlighted in the Company's announcement on the SGX-ST on 28 April 2020, the Group's cash and bank balances as at 26 April 2020 was approximately US$108.2 million. Part of that was used to pay for the last repurchase of Notes of US$15.0 million on 28 April 2020. Post that, and in the ordinary course of business, the main movements in the Group's cash balance was for the payment of US$19.7 million for its mining costs and the receipt of US$7.9 million in proceeds from its coal sales and coupon interest on the Notes repurchased for the period between settlement and cancellation. The Group's cash and bank balances as at 30 April 2020 was approximately US$81.6 million.

After setting aside funds for ongoing working capital requirements and interest payments on the Notes, the Company estimates it has approximately US$65.0 million cash that can be used to fund this Consent Solicitation and Tender Offer and the related transaction fees and expenses.

Assuming all Holders, i.e. US$154.0 million, tender by the Early Tender Deadline, based on the Repurchase Price of US$430 per US$1,000 principal amount, the total cash outlay (excluding applicable taxes and accrued interest) would be approximately US$66.0 million.

Company : **Is the Group considering other financing options?**

**KH** : While the Group does not intend to raise new financing to specifically fund this Consent Solicitation and Tender Offer, it remains in discussions with potential lenders for new facilities, which can provide the Group added liquidity for ongoing operational requirements.

This is why the Company is seeking the proposed increment to the size of the working capital and general permitted debt baskets. These, if successfully passed by Holders, will provide the Group with added flexibility to pursue new or revised financing options.

Company : **What is the consent fee payable to holders of the Notes?**

**KH** : Holders who validly deliver consents without tendering their Notes will only be eligible to receive a Consent Fee equal to US$10 per US$1,000 principal amount of their holdings. Holders who do so will not receive accrued interest on the Settlement Date.

Company : **What is the purchase price for the Notes that the Company is offering to Holders?**

**KH** : This is a fixed price tender offer.

A Holder who validly tenders (and does not withdraw) its holdings prior to the Tender Withdrawal Deadline will be eligible to receive a Repurchase Price equal to US$430 per US$1,000 principal amount of the Notes tendered.

A Holder who validly tenders its holdings after the Early Tender Deadline but at or prior to the Expiration Date will be eligible to receive a Late Tender Price equal to US$400 per US$1,000 principal amount of the Notes tendered.

Holders who validly tender their holdings during the Offer Period will be deemed to automatically provide their consents to the proposed amendments. There will not be any separate Consent Fee payable to such Holders, i.e. the Repurchase Price and Late Tender Price are both inclusive of the Consent Fee.

Holders will also receive the accrued and unpaid interest from the last interest payment date up to, but not including, the applicable Settlement Date.

Company : **Why is the Company offering liquidity to Holders at such a steep discount to face value under the Tender Offer?**

**KH** : The Company appreciates the concern of Holders around the proposed prices being a steep discount to face value of the Notes. We believe the Tender Offer provides Holders an opportunity to tender their holdings through the provision of this liquidity that may not be otherwise available under the current market conditions.

However this being an any-and-all tender offer, the Company can only afford to offer Holders as high a consideration as its current liquidation position allows for, with an assumption that potentially all Holders tender at the Repurchase Price of US$430 per US$1,000 principal amount.

Furthermore, the Repurchase Price proposed is in line with the last traded price when the Company repurchased US$34 million of the Notes via an open market repurchase in end April 2020. This is also in line with the trend of falling repurchase prices that the Company had transacted at with various Holders since December 2019.

With the uncertainty around the Group's ability to satisfy the minimum coal reserve requirements on 4 April 2021 under the Put Option and the Group's future liquidity position given the currently weak economic conditions and demand outlook for coal, we believe that at the Repurchase Price, it is offering to return to Holders most of its remaining cash available through this exercise.

There can be no assurance that the Company will be able to offer the same prices to Holders in the future, should these uncertainties continue to persist and have a negative impact to Group's underlying operational and financial condition.

Company : **Is the Consent Solicitation conditional on any requirements?**

**KH** : Yes, the Company will only accept consents and pay the consent fee if the consent threshold of at least 75.0% of the outstanding aggregate principal amount of the Notes is achieved (the "**Requisite Consent Condition**") by the Consent Deadline. The consent will not be consummated if otherwise.

However, Holders should note that the Company has the right to waive the Requisite Consent Condition at its sole discretion.

Company : **Is the Tender Offer conditional on any requirements?**

**KH** : Yes, the Company will only accept the tenders upon satisfaction of the Requisite Consent Condition, i.e. at least 75.0% of the total aggregate principal amount of the outstanding Notes have consented in favour of the Proposed Amendments.

However, Holders should note that the Company has the right to waive the Requisite Consent Condition at its discretion.

Company : **Can a Holder tender its holdings but not consent to the Proposed Amendments?**

**KH** : No, Holders cannot choose to tender their holdings without providing consent.

Each Holder who validly tenders his holdings at or prior to the Expiration Date shall be automatically deemed to have delivered consents to the proposed amendments.

Company : **What are the rating agencies' views of the Group and the Notes?**

**KH** : In March 2020, S&P, Fitch and Moody's downgraded their rating on the Company and the Notes.

S&P downgraded its rating on the Company to "SD (selective default)" from "B-" and the Notes to "D" from "B-." S&P explained that it regarded the Company's open market repurchases of the Notes as a distressed exchange, as opposed to an opportunistic redemption of indebtedness, as the Notes that were repurchased represented a significant proportion of the outstanding Notes and the repurchases were made at a steep discount to face value.

Fitch and Moody's downgraded their rating on the Company and the Notes to "CC" from "B-" and "Caa3" from "B3," respectively, primarily due to the Company not having acquired new coal assets and the elevated liquidity and refinancing risks that would result if the GCI or the Company is required to make an offer to purchase all of the outstanding Notes as required under Mandatory Offer to Purchase covenant in the Indenture.

There can be no assurance that the Notes will not be subject to negative comment or further ratings downgrades because of the Repurchase Price and the Late Tender Price representing steep discounts to face value. Nonetheless, the success of this Consent Solicitation and Tender Offer could also potentially result in a mitigation of the agencies' concerns around the Company's liquidity position and refinancing risks due to the Put Option.

## Existing Debt Structure and Rationale for Proposed Increased in Debt Carve-outs

Company : **How much headroom for additional debt does the Group have under existing covenants?**

**KH** : Under the existing terms of the Indenture, the ratio debt tests for the Group are set at a Fixed Charge Coverage Ratio of at least 3.0x and Consolidated Debt to EBITDA of no more than 3.5x.

As of 31 March 2020, the Group's FCCR was at 1.28x and Consolidated Debt to EBITDA was at 6.26x. Even after adjusting for the subsequent bond repurchase in April 2020 and amortisation of the prepayment facility, the Group currently does not have any headroom or capacity to incur any new ratio debt.

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Company : **In addition to the Notes, who are the lenders in the Company's capital structure?**

**KH** : The Group does not have any other indebtedness, other than the existing prepayment facilities it has from Macquarie Bank Limited ("**MBL**") and Trafigura Pte Ltd ("**Trafigura**").

Company : **Why does the Company need the proposed increments to the Working Capital Debt and General Debt carve-outs?**

**KH** : While the Company is seeking to return the majority of its existing cash on balance sheet to Holders through this Consent Solicitation and Tender Offer, there can be no assurance that (i) the Requisite Consent Condition to remove the Put Option can be achieved; and (ii) all outstanding Notes are repurchased and cancelled through this exercise.

In light of these considerations and the current concerns around the COVID-19 pandemic, economic conditions and the weak coal market, the Company will require additional flexibility to continue its operations and meet its working capital requirements between now and the final maturity date.

The proposed increments to these permitted debt baskets are meant to address these concerns, and at the same time, represent a prudent approach to additional debt incurrence given such prepayment facilities are (i) granted by existing offtakers of the Group's coal; and (ii) unsecured in nature, with the notional typically tied to any contracted coal volumes for a stipulated time period.

The Company is also requesting for an increment to both permitted debt baskets so that it can have the flexibility to negotiate potential prepayment facilities for tenors in excess of 12-months, given both MBL and Trafigura already have in place life-of-mine offtake contracts with the Group's flagship mining concessions.

While there can be no assurance such multi-year prepayment facilities will be incurred in the future, the Company can at least be in a position to do so with larger working capital and general permitted debt baskets of US$55.0 million and US$10.0 million respectively.

Company : **Does the Company have any discussions with potential bank lenders for other credit facilities?**

**KH** : As part of previous acquisition financing discussions, the Company has engaged with various commercial and investment banks around potential credit facilities.

The types of credit facilities discussed with such potential bank lenders tend to be secured in nature, with amortisation of principal after a certain grace period. As such, these would rank senior to the existing Notes. While the Company has chosen to not pursue these discussions any further at this point in time, the Company may resume discussions with banks in the event that financing is required (including for the purposes of potential acquisitions).

## Coal Reserve Requirement / Potential Acquisitions / Concession Expiry / Mining Laws

Company : **Is the Company still in the process of considering / evaluating any potential acquisitions to meet the minimum coal reserve requirement?**

**CAM** : On 1 April 2020, the Company announced an immediate termination of the conditional share purchase agreement ("**CSPA**") in relation to the proposed acquisition of PT Titan Global Energy as the conditions precedent under the CSPA had not been satisfied by 31 March 2020 (being the long stop date under the CSPA).

While the Group continues to explore potential acquisition(s) of coal assets, management will be cautious in any potential acquisition(s) given the current challenging market conditions. There is no certainty or assurance that such acquisition(s) will materialise. If and when an acquisition materialises, the Company will make an announcement in accordance with the listing rules of the Singapore Exchange Securities Trading Limited.

Company : **If the requisite consents to remove the Put Option are not received, how does the Company intend to meet the minimum coal reserve requirement?**

**CAM** : According to JORC-compliant coal resources and reserves reports prepared by PT SMG Consultants, the independent mine consultants of the Group, as of December 31, 2019, the aggregate amount of proved and probable coal reserves at Company's SDJ and TBR coal mining concession areas were estimated to be 23.8 million tonnes and 40.9 million tonnes, respectively.

The Group is currently in the process of submitting an application to the relevant Indonesian government authorities for the extension of its SDJ coal mining concession, which expires in May 2022, and its TBR coal mining concession, which expires in January 2022. If approved, the Group expects the SDJ coal mining concession to be renewed for a further period of five years and the TBR coal mining concession to be renewed for a further period of six years.

Additionally, the Group is currently carrying out exploration on the southern part of the unexplored TBR coal mining concession to increase its proved and probable coal reserves.

If the SDJ and TBR coal mining concessions are successfully renewed and if the Group's exploration activities on the TBR coal mining concession yield a certain level of additional proved and probable coal reserves, the Company may be able to satisfy the minimum coal reserve requirements on 4 April 2021 as required under the Mandatory Offer to Purchase covenant in the Indenture, and not be required to make an offer to purchase all of the outstanding Notes.

There can be no assurance that the applications of extension and exploration activities will be successful.

Company : **Can the Company share the current status of its discussions with the MEMR around the extension of its IUPKs / mining concessions – SDJ and TBR, given these will expire in May and January 2022 respectively?**

**CAM** : The Company is currently in the process of applying and discussing with MEMR for the extension of the IUP license of SDJ (expiry on 29 May 2022) and TBR (expiry on 11 January 2022) to another 5 years (i.e. 2027) and 6 years (i.e. 2028) respectively.

Company : **Does the Company have any views on the recently announced revision of the 2009 Coal and Mineral Mining Laws by the Indonesian parliament? How will this impact the Company's mining concessions?**

**CAM** : It was reported recently that Indonesia's government and a parliamentary committee overseeing mineral resources agreed on revisions to the country's mining law which included changes to the rules on concession size and the permit length.

Under the proposed revision to the 2009 mining law, miners will be allowed to ask the mining minister for an expansion of their mining area beyond the maximum size stipulated in the law,

The concession size is often a sticking point for miners that are converting from the old contract system CCOW to a new permit system, known as IUPK. This does not apply to SDJ and TBR as both companies' mining permit are IUPK.

Other parts of the law agreed by the Indonesian government and the committee are largely in line with mining rules under a proposed sweeping "omnibus" bill, aimed at removing red tape and attracting investment in many business sectors.

To promote downstream industry expansion, the revised bill states that miners under IUPKs that are integrating their mining with a smelting or processing operation will be given a longer operation period of 30 years, and will be "guaranteed" multiple extensions of 10 years when meeting certain criteria.

The government is also encouraging coal miners to build gasification plants to process coal into gas as part of efforts to reduce imports of liquefied petroleum gas. The Company may explore downstream investments activities later.

- *End* -

**CAUTION IN TRADING**

Shareholders, investors and other persons are advised to exercise caution in trading the securities of the Company. There is no certainty or assurance as at the date of this announcement that any potential acquisition(s) will proceed or be completed, the Consent Solicitation and Tender Offer will be successful or that the Group's business and operations will not be affected further by the current COVID-19 pandemic and the current depressed coal prices, if they continue further. The Company will continue to closely monitor the situation and will make the necessary announcements and provide further updates as and when there are material developments. 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.

The Consent Solicitation and the Tender Offer are being made solely pursuant to the offer to purchase and consent solicitation statement document dated May 21, 2020 (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. Deutsche Bank AG, Singapore Branch has been appointed by the Company as Dealer Manager and Solicitation Agent in respect of the Consent Solicitation and Tender Offer.

This announcement does not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States or any other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. The securities referred to herein will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold in the United States except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act. Any public offering of securities to be made in the United States will be made by means of a prospectus. Such prospectus will contain detailed information about the company making the offer and its management and financial statements. None of the Company and GCI intends to make any public offering of securities in the United States.

## 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 word-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.

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