

Geo Energy Resources

MEDIA RELEASE

7 February 2024

GEO ENERGY SUCCESSFULLY SIGNS LIFE-OF-MINE COAL OFFTAKE WITH ONE OF THE LARGEST EUROPEAN ENERGY GROUPS¹ AND SECURES LONG-TERM MULTI-MILLION DOLLAR EQUITY INVESTMENT

- EP Resources AG ("**EP Resources**"), part of EPH¹ (as defined below), one of the largest European energy groups, has committed to offtake 75% to 85% of export volumes of Triaryani ("**TRA**") coal up to 12 million tonnes of coal per annum for the life of mine.
- Together with the offtake deal, Resource Invest AG ("**ResInvest**"), a private commodities investment company, which assisted in arranging and management of the offtake, intends to invest US\$35 million in the shares of Geo Energy Resources Limited ("**the Company**") by 31 March 2026, including through market purchases and/or directly from the Company, with most of the investment intended to be completed within 8 weeks.
- The equity investment includes purchasing US\$10 million of the Company's treasury shares in two US\$5 million tranches at placement prices of S\$0.45 per share and S\$0.50 per share. The Company previously conducted a series of share buybacks at an average price of S\$0.31 per share and these purchases imply a strong premium of 45% to 61%.
- This European energy group will also provide liquidity to the Group through a Standby Prepayment of up to US\$20 million for the TRA coal offtake.

Singapore, 7 February 2024 - Geo Energy Resources Limited (the "**Company**", together with its subsidiaries, the "**Group**") successfully signs life-of-mine coal offtake agreement ("**Coal Offtake**") with EP Resources, part of a large European energy group, EPH group. The Coal Offtake with EP Resources is for the supply of coal from the Company's subsidiary, TRA coal mine which was recently acquired on 18 October 2023. Together with the offtake deal, ResInvest intends to invest US\$35 million in the shares of the Company in a long-term multi-million dollar equity investment deal.



¹ <https://www.epholding.cz/en/board-of-directors/>

Long-term multi-million dollar equity investment

ResInvest, a private commodities investment company, intends to invest US\$35 million to acquire at least 5.5% equity stake in the Company, by 31 March 2026, including through market purchases and/or directly from the Company, with most of the investment intended to be completed within 8 weeks from this announcement subject to the terms of the equity investment. Such equity investment includes purchasing US\$10 million of the Company's treasury shares in two equal tranches (expected to take place in February 2024 and February 2025) at the placement prices of S\$0.45 per share and S\$0.50 per share. Compared to the average share buyback price of S\$0.31, these placement prices agreed with ResInvest reflect significant premiums of S\$0.14 to S\$0.19 per share or 45% to 61%.

The equity investment also comes with 41,402,727 non-listed, transferable and free warrants in the Company to be issued to ResInvest. The warrants, to be subscribed in two tranches, are exercisable within 3 years from their respective dates of issue. Each warrant carries the right to subscribe for 1 new ordinary share in the Company at an exercise price of S\$0.55 per warrant share for the first tranche warrants and S\$1.00 per warrant share for the second tranche warrants.

Geo Energy will raise approximately S\$13.4 million through the sale of its treasury shares, providing further capital for its ongoing growth plans and working capital to unlock core asset value.

There will also be a 3-year moratorium for ResInvest and the two largest existing shareholders of the Company until 31 December 2026, and thereafter ResInvest to maintain at least 5.5% equity stake in the Company, as outlined in the accompanying SGX announcement.

Coal offtake and standby prepayment

In terms of the coal offtake, the Group will supply to EP Resources 75% to 85% of export volumes of TRA coal up to 12 million tonnes per annum, priced at an index-linked price less the offtake margin.

EP Resources will make available a standby prepayment facility for the Coal Offtake up to US\$20 million ("**Standby Prepayment**"), which will boost Geo Energy's working capital and cash position.

Commentary

Mr Charles Antonny Melati, Executive Chairman and Chief Executive Officer of Geo Energy commented, "**Following the acquisition of TRA, we have received numerous competing offers interested in the offtake of TRA coal especially due to its attractive coal specifications (low ash and low sulfur) that commands a premium above market price. EP Resources, part of one of the largest energy groups in Europe, was selected to develop markets for TRA coal based on their scale and international presence as well as its expertise and experience.**

We are also proud to welcome EPH group to Geo's family as a long-term business partner, ahead of these exciting times. EPH group's partnership with Geo Energy is a strong testament to our value and growth potential and is a significant milestone for our Group.

With EP Resources on board, we are well placed to achieve greater heights, affirm our position as one of the biggest Indonesian coal companies and realise our vision of bringing Geo Energy into a billion-dollar business."

About TRA coal mine

TRA has a mining concession over a producing coal mine located in North Musi Rawas Regency, South Sumatra Province, Indonesia with a coal operation and IUP Production Operations Permit valid through 22 May 2030 (extendable for a further two 10-year periods).

TRA has an estimated mining valuation of around US\$1 billion², with a 2P (proved and probable) JORC coal reserves of 275 million tonnes and a coal resource of 388 million tonnes. The low sulphur and low ash content in TRA coal reserves is attractive to both domestic and international markets, as it is eco-friendly and one of the cleanest coals available in the thermal coal market.

About EP Resources, EPH group and ResInvest

EP Resources, a commodities trading and shipping company, is a subsidiary of Energetický a průmyslový holding, a.s. (“EPH”). EPH group is a large investment grade European energy utility that owns and operates assets in the Czech Republic, the Slovak Republic, Germany, Italy, Ireland, the UK, France, the Netherlands and Switzerland.

ResInvest, a Swiss-based private commodities investment company invests in and funds commodities opportunities across the capital structure, from equity and debt, through to royalties and offtake.

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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 five mining concessions through its subsidiaries PT Sungai Danau Jaya, PT Tanah Bumbu Resources, PT Bumi Enggang Khatulistiwa and PT Surya Tambang Tolindo in Kalimantan, Indonesia, as well as PT Triaryani in South Sumatra, Indonesia.



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

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² Based on the preferred value as stated in the IQPR dated 24 August 2023.