GEO ENERGY GROUP

GEO ENERGY RESOURCES LIMITED

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

Geo Energy's FY2012 profit after tax surges 33% to US$19.2 million

- **Net profit growth boosted by 14% rise in revenue to US$78.8 million**
- **Profit margins largely improved by increase in production volume and lower average stripping ratio**

SINGAPORE, 28 February 2013 – Geo Energy Resources Limited ("Geo Energy" or the "Group"); an Indonesian coal mining specialist, today posted a 33% year-on-year ("**y-o-y**") increase in its net profit after tax to US$19.2 million for its financial year ended 31 December 2012 ("**FY2012**") on the back of higher revenue and better profit margins.

Table 1. Financial Highlights for 4Q2012/ FY2012

US$ 'million	4Q2012 (Unaudited)	4Q2011 (Unaudited)	% change	FY2012 (Unaudited)	FY2011 (Audited)	% change
Revenue	*19.6*	*15.6*	*25*	*78.8*	*69.2*	*14*
Gross profit	*12.8*	*7.0*	*84*	*36.2*	*26.7*	*36*
Gross profit margin (%)	*65.5*	*44.6*	*20.9pp*	*46.0*	*38.5*	*7.5pp*
General & admin expenses	*1.9*	*2.0*	*(5)*	*6.3*	*5.2*	*20*
Net profit	*6.9*	*3.1*	*121*	*19.2*	*14.4*	*33*
Net profit margin (%)	*35.1*	*19.9*	*15.2pp*	*24.3*	*20.8*	*3.5pp*
Earnings per share, Fully diluted (US cents)**	*0.61*	*0.34*	*79*	*1.99*	*1.59*	*25*

Note: pp. denotes percentage points
*** Based on weighted average number of 1,109,312,627 ordinary shares for 4Q2012 (4Q2011: 898,702,639) and 951,642,855 ordinary shares for FY2012 (FY2011: 898,702,639)*

Group revenue increased 14% y-o-y to US$78.8 million as the Group commenced operations as a mine owner cum operator in respect of the BEK Mining Concession ("**BEK Mine**") in January 2012. Coal sales increased by 0.7 million tonnes to 1.6 million tonnes in FY2012, from 0.9 million tonnes in FY2011.

However, the increase in revenue was partially offset by the decrease in average selling price of coal from US$73.4 per tonne in FY2011 to US$46.5 per tonne in FY2012 as the average calorific value of coal produced from the Group's BEK Mine was lower as compared to coal sales under the Group's coal cooperation contracts.

The Group's FY2012 gross profit margin increased 7.5 percentage points from 38.5% in FY2011 to 46.0% in FY2012 due to (i) an increase in overall coal production volume by approximately 88% from 0.8 million tonnes in FY2011 to 1.5 million tonnes in FY2012and; (ii) a lower average stripping ratio from the BEK Mine as compared to that of the coal cooperation contracts. Consequently, gross profit surged by 36% y-o-y to US$36.2 million.

Elaborating further on the Group's financial performance, Mr. Charles Antonny Melati, Executive Chairman of Geo Energy, said, "With the expansion of our operations, our FY2012 production volume increased and coupled with a lower average stripping ratio from our BEK mine, it contributed to significantly better profit margins and profitability for our Group."

As a result of the aforementioned and after taking into consideration (i) one-off listing expenses; and (ii) an increase in tax expenses, the Group's net profit after income tax increased by 33% to US$19.2 million, concluding a successful FY2012, being the Group's first set of full year results since its listing on the SGX-Mainboard.

The Group will continue to look out for business expansion opportunities which may include acquisitions, joint ventures and/or strategic alliances to expand its business operations and increase its coal production levels.

In addition to the mining services contracts as well as coal sale and purchase contracts recently secured and announced in the past three months, the Group intends to continue to enter into suitable coal mining arrangements with other third party sources to gain access to new concession areas in order to expand its operations. It had on 25 February entered into conditional sale and purchase agreements to purchase four mining concessions in Kutai Barat Regency, East Kalimantan.

Commenting on the Group's long-term growth strategy, Mr. Melati added, "Our recent contracts have given us good momentum as we moved into 2013. Barring any unforeseen circumstances, we expect our sales volume to increase, in line with our planned increase in production capacity. This year will officially mark our first full year as a listed company since our listing in October 2012 and we will continue to seek out opportunities to maintain our momentum and expand our operations in order to sustain the growth of the company."

Table 2. Use of IPO proceeds

Use of proceeds	**Amount allocated (as disclosed in the Prospectus) (US$ 'million)**	**Amount utilised as at the date of this announcement (US$ 'million)**	**Balance of net proceeds as at the date of this announcement (US$ 'million)**
Acquisition of additional mining equipment and machinery	*25.0*	*(2.6)*	*22.4*
Construction of jetty and barge loading facilities	*2.0*	*-*	*2.0*
Business expansion including acquisitions, joint ventures and/or strategic alliances	*10.0*	*(1.0)*	*9.0*
General working capital purposes	*26.7*	*(5.0)*	*21.7*
Net proceeds	*63.7*	*(8.6)*	*55.1*

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

Geo Energy Resources Limited ("Geo Energy") is a coal mining specialist with an established track record in the operation of coal mining sites for the purpose of coal production and coal sales since 2008. The Geo Energy group's operations are primarily located in Indonesia.

Geo Energy primarily operates as a mine owner cum operator and a mine contractor. The Group obtained a mining concession in 2011 to undertake coal production activities at the 4,570 hectares BEK Concession Area located at Kutai Barat Regency, East Kalimantan Province in Indonesia. In addition, the Group also operates as a mine contractor providing specific mine contracting services to third party mine owners.

Issued for and on behalf of Geo Energy Resources Limited By Financial PR Pte Ltd

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