

News Release

Geo Energy Announces The First Shipment Of TBR's Coal of Over US\$2 million For Indonesia Domestic Market Obligation

- Geo Energy's subsidiary, PT Tanah Bumbu Resources ("TBR") has completed its first shipment of approximately 50,000 tonnes of coal to PT. Sulawesi Mining Investment ("SMI"), part of the Chinese state-owned Enterprise group, Tsingshan Holding Group ("Tsingshan")
- The shipment is valued at more than USD2 million based on the average Indonesia Coal Index ("ICI") 4,200 GAR price for the preceding 4 weeks of approximately USD45 per tonne
- The shipment form part of the Group's fulfilment towards the Indonesia Domestic Market Obligation ("DMO") requirement

SINGAPORE, 10 August 2018 – Geo Energy Resources Limited ("Geo Energy", or the "Company", and together with its subsidiaries, the "Group") (SGX:RE4), an integrated Indonesian coal mining group, is pleased to announce its first shipment of approximately 50,000 tonnes of coal from its TBR coal mine following the commencement of its coal production in June 2018. The total production of TBR coal mine was approximately 88,000 tonnes as of 31 July 2018. The buyer of this first shipment is SMI, who is part of the Chinese state-owned enterprise group, Tsingshan.

The Group completed the acquisition of a 98.73% stake in TBR coal mine on 23 June 2017 for USD90 million. The TBR coal mine is strategically located beside PT Sungai Danau Jaya ("SDJ"), the Group's producing mine. TBR's coal possesses similar qualities as of SDJ such as average calorific value of 4,200 kcal/kg, thick coal seams, low strip ratio, close proximity to jetty, low sulfur and ash content. Based on a recent Joint Ore Reserves Committee report ("JORC"), TBR coal mine has an estimated proved and probable coal reserves of 43.2¹ million tonnes. The Group has also signed an overburden removal agreement in March 2018 with BUMA² for the entire life of TBR coal mine with a guaranteed minimum annual production volume.

Tsingshan, a Top 150 Chinese Enterprise, mainly produces stainless steel ingots, steel bars, plates, wires and seamless tubes. Through its subsidiaries, Tsingshan owns and operates stainless-steel factories, nickel mines and smelters in Indonesia. In 2017, Tsingshan had produced a total output of

¹ JORC coal reserves estimates were reported in accordance with Independent Qualified Person Report as at 31 December 2017

² PT Bukit Makmur Mandiri Utama ("BUMA"), one of the largest mining services companies in Indonesia and is listed on the Indonesia Stock Exchange under PT Delta Dunia Makmur Tbk (IDX:DIOD.JK)



over 7.5 million tonnes of stainless crude steel, registering sales revenue above RMB161.5 billion. TBR's coal is used in the generation of power for operations of its smelters. (Source: <http://www.tssgroup.com.cn/en/>)

The Indonesian government has also given a DMO guideline whereby 25% of planned production is to be set aside for domestic market consumption for all coal producers based in Indonesia to fulfil its growing energy needs. The sale of coal represents the start of a strong partnership of the Group towards the fulfilment of Indonesia DMO requirements.

Mr. Tung Kum Hon, Chief Executive Officer of Geo Energy said, ***"The development and commencement of production and now sale of the first shipment of TBR coal in 4 months was executed safely and marks a significant milestone for the Group. I commend all teams involved especially BUMA for their ability to work on our planned schedule despite a heavy rain that affected works on site for several days. The teams have overcome difficult weather conditions to meet this new milestone on TBR for the Group's second major producing coal mine, other than the SDJ coal mine which started production in end 2015. We are excited on the start of coal production and sales at our TBR coal mine. The sale also marks the start of a partnership with Tsingshan, who has a strong domestic presence in Indonesia. We are looking forward to more opportunities to supply Tsingshan with a quality grade of coal to support in their steel productions."***

We expect TBR's coal production to be ramped up in the coming months and we target a coal sale of 100,000-150,000 tonnes for August 2018. We are working towards our target of total coal production for both SDJ and TBR of 11.0 to 12.0 million tonnes in 2018.

Considerable interests were shown in TBR's low ash, low sulfur coal by numerous competing parties offering LOM coal offtake. We are in the stage of finalising the life of mine offtake agreement for our TBR coal and an announcement will be made shortly. Meanwhile, the sale of this coal has enabled us to move towards fulfilling our DMO requirement with the Indonesian government. We will continue to work towards achieving our aim of becoming one of the top ten coal producers in Indonesia."

- End -

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. Important factors that could cause these uncertainties include, but are not limited to, those discussed in Geo Energy's Annual Report 2017 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.

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

Geo Energy Resources Limited ("Geo Energy" or the "Group") 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 China index.

The Group's operations are primarily located in Indonesia. 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. It now owns major mining concessions and coal mines in East and South Kalimantan, with JORC marketable coal reserves of over 90 million tonnes.

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

For more information please contact:

Romil SINGH, Colin LUM

geoenergy@financialpr.com.sg

Tel: (65) 6438 2990 Fax: (65) 6438 0064