

## DISPOSAL OF INTEREST IN ALL WIN HOLDINGS PTE. LTD. AND MINING AND HAULAGE SERVICE BUSINESSES

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### 1. INTRODUCTION

- 1.1 The board of directors of Geo Energy Resources Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company’s wholly-owned subsidiary, Geo Group Holdings Ltd (“**GHL**”), has entered into and completed a sale and purchase agreement dated 29 June 2016 (“the **Agreement**”) with PT Autum Bara Sejahtera (“**Purchaser**”) for the disposal of two ordinary shares (“**Sale Shares**”) representing 100% shareholding interest in All Win Holdings Pte. Ltd. (“**All Win**” and the proposed disposal, “the **Disposal**”).
- 1.2 All Win and its subsidiaries, PT Geo Mineral Trading (“**GMT**”) and PT Mitra Riau Pratama (“**MRP**”) will cease to be subsidiaries of the Company following the completion of the Disposal. As such, this announcement is also made pursuant to Rule 704(18)(c) of the Listing Manual.

### 2. THE DISPOSAL

#### 2.1 Information on All Win and its subsidiaries and the Purchaser

All Win is a company incorporated recently in Singapore at the request of the Purchaser to hold the subsidiaries of the Group, namely, PT Geo Mineral Trading (“**GMT**”) and PT Mitra Riau Pratama (“**MRP**”) for the sale of the Group’s haulage and mining services businesses.

GMT is a limited liability company established under the laws of the Republic Indonesia and its principal activity is haulage services and coal trading.

MRP is a limited liability company established under the laws of the Republic Indonesia and its principal activity is mining services and rental of equipment.

The Purchaser is a limited liability company established under the laws of the Republic Indonesia, having its domicile at Ruko Kalimalang Commercial Center Blok B No. 2 RT.009/012 Kel. Kayuringin Jaya Kec. Bekasi Selatan Kota Bekasi 17144, Indonesia. Its principal activities are general trading.

#### 2.2 Rationale for and benefits of the Disposal

The rationale for and benefits of the Disposal are as follows:

- (i) Revenue from the haulage and mining services has been declining and the Group has discontinued the businesses as it is no longer economical without a larger business portfolio. The performance of GMT and MRP is not expected to improve given the current challenging economic and business environment.
- (ii) GMT and MRP have material liabilities. The Disposal will reduce the Group’s gearing.
- (iii) The Group will be able to use the Sale Consideration (as defined in paragraph 2.3) to strengthen its financial position.
- (iv) The Disposal will enable the Group to focus more of its resources on its coal mining operations.

### 2.3 Consideration of the Proposed Disposal

The consideration payable by the Purchaser to GGHL for the Sale Shares is US\$10,000,000 (the “**Sale Consideration**”) determined on a willing buyer-willing seller basis, taking into account the book values of GMT and MRP and the intercompany loans repayable to the Group.

The Sale Consideration is payable in cash or such other manner as may be agreed by the parties.

### 3. **GAIN FROM THE PROPOSED DISPOSAL**

The Group expects to achieve a net gain of approximately US\$2,800,000 from the Disposal. See paragraph 5 of this announcement for the financial effects of the Disposal.

### 4. **RELATIVE FIGURES UNDER RULE 1006**

Based on the Group’s latest announced unaudited consolidated financial statements for the financial period ended 31 March 2016, the relative figures computed on the bases set out in Rule 1006 of the Listing Manual in relation to the Disposal are as follows:-

Rule	Base	Relative Figure (%)
1006(a)	Net asset value of the assets to be disposed of compared with the Group’s net asset value.	3.7%
1006(b)	Net profits attributable to the assets acquired, compared with the Group’s net profits. <sup>(1)</sup>	(14.7%)
1006(c)	Aggregate value of the consideration received, compared with the Company’s market capitalisation on 28 June 2016, being the market day preceding the date of the Agreement. <sup>(2)</sup>	10.0%
1006(d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable
1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of compared with the aggregate of the Group’s proved and probable reserves.	Not applicable

**Notes:-**

(1) Under Rule 1002(3)(b), “net profit/loss” means profit or loss before income tax, minority interests and extraordinary items.

(2) The aggregate value of the consideration given for the Disposal is US\$10 million (which is equivalent to S\$13.6 million based on the exchange rate of US\$1: S\$1.36), compared to the Company’s market capitalisation of S\$135.7 million (based on 1,212 million shares in issue and the weighted average price of S\$0.1120 per share of the Company transacted on 28 June 2016, being the full market day immediately prior to the signing of the Agreement).

As the relative figures shown above do not exceed 20%, the Disposal is not a major transaction within the meaning of Chapter 10 of the Listing Manual and therefore, the Company is not required to seek shareholders’ approval for the Disposal.

## 5. FINANCIAL EFFECTS OF THE DISPOSAL

The estimated financial effects of the Disposal on the Group have been prepared based on the Group's audited consolidated financial statements for the financial year ended 31 December 2015. These estimated financial effects are purely for illustrative purposes only and do not reflect the actual financial position and results of the Group after the completion of the Disposal.

The net tangible assets ("**NTA**") per share of the Company, assuming the Disposal had been effected on 31 December 2015 and the expected net gain of approximately US\$2,800,000 from the Disposal, is as follows:

	Before the Disposal	After the Disposal
NTA value attributable to the owners of the Company (US\$)	93,733,683	96,533,683
Number of issued shares	1,185,050,891	1,185,050,891
NTA per share (US cents)	7.90	8.15

The earnings per share of the Company ("**EPS**"), assuming the Disposal had been effected on 1 January 2015 and the expected net gain of approximately US\$2,800,000 from the Disposal, is as follows:

	Before the Disposal	After the Disposal
Profit/(loss) attributable to the owners of the Company (US\$)	(16,306,250)	(7,957,168)
Weighted average number of shares	1,172,163,220	1,172,163,220
EPS (US cents)	(1.39)	(0.68)

## 6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Mr Huang She Thong, an Indonesian national and Executive Director of the Company, has a shareholding interest of 0.1% in GMT. Mr Charles Antonny Melati, an Indonesian national and Executive Chairman of the Company, has a shareholding interest of 0.01% in MRP. The purpose of such minority shareholdings is to ensure compliance with Indonesian law which requires Indonesian incorporated companies to have a minimum of two shareholders.

Under the Agreement, GGHHL agrees and undertakes to procure the transfer of the remaining shareholding interests in GMT and MRP owned by these Indonesian nationals to the Purchaser or any other party nominated by the Purchaser.

Save as disclosed above, none of the directors or controlling shareholders of the Company has any interest, directly or indirectly, in the Disposal, save through his shareholding (if any) in the Company.

## 7. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

## **8. INSPECTION OF DOCUMENT**

A copy of the Agreement is available for inspection during normal business hours at the Company's registered office at 12 Marina Boulevard #16-01 Marina Bay Financial Centre Tower 3, Singapore 018982, for three months from the date of this announcement.

## **BY ORDER OF THE BOARD**

Charles Antonny Melati  
Executive Chairman

29 June 2016