GEO ENERGY GROUP

GEO ENERGY RESOURCES LIMITED

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

ACQUISITION OF EFFECTIVE EQUITY INTEREST IN PT SURYA TAMBANG TOLINDO

Unless otherwise defined, all capitalised terms used herein shall bear the same meanings as ascribed to them in the announcement made on 15 April 2013.

The Board of Directors of Geo Energy Resources Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the announcement made on 15 April 2013 (the "**2013 Announcement**") on the proposed acquisition of effective equity interests in PT Surya Tambang Tolindo (the "**Target**") and wishes to announce that the Group had, through its subsidiary, PT STT Tunas Bara, completed the acquisition of a 100% effective equity interest in the Target on 18 November 2016 (the "**Acquisition**"), which is now a new indirect subsidiary of the Company.

The Target

PT Surya Tambang Tolindo is a limited liability company established under the laws of the Republic of Indonesia, having its domicile at Samarinda. The Target has an authorised capital of five billion Rupiah (Rp. 5,000,000,000.00) and issued and paid up capital of three billion Rupiah (Rp. 3,000,000,000.00) divided into 2,400 shares each with nominal value of one million two hundred fifty thousand Rupiah (Rp. 1,250,000.00).

The Target is the holder of a production operations mining business license (*Izin Usaha Pertambangan Operasi Produksi*) (the "**Concession**") pursuant to the Decree of Kutai Barat Regent Number: 545/K.859a/2012 dated 26th October 2012 for a concession area of 4,600 ha located at Besiq Village, Damai Sub-district, Kutai Barat Regency, East Kalimantan Province, Indonesia (the "**Mining Permit Area**"), and based on current exploration and technical data, has a technical specification of an average calorific value of 7,200 kcal/kg (GAR) for coal classification of semi-coking coal. The Concession has a term of 20 years from the date of issuance of license covering the stages of construction, mining, processing, and refinery, as well as transportation and sales.

As at the date of the Acquisition, the Target has not commenced coal productions and is in the pre-production stage.

Rationale for the Acquisition

The Acquisition is in line with the Group's business strategy to expand its business operations and increase coal production levels. The Acquisition will result in the Group holding an aggregate 100% effective shareholding interest in the Target, and allow it access to and control over the Concession and the coal deposits located in Mining Permit Area. This in turn increases the Group's quantity of coal reserves available for production and of higher calorific value.

Consideration

The consideration for the Acquisition was the deposit of US$2 million paid by the Group (the "**Consideration**") and was arrived at a willing buyer and willing seller basis and based on the current exploration and technical data for which an Independent Technical Report (as defined in the 2013 Announcement) will be completed later.

Based on the current exploration and technical data on 1,200 ha of the 4,600 ha of the Concession area, the estimated coal reserve is 800,000 metric tonnes on a strip ratio of 17.

The current net asset value of the Target, based on the unaudited financial statement as at 31 December 2015, is US$217,000 (exchange rate at US$1.00 : IDR13,400). However, this unaudited net asset value has been derived on the basis that the Target has not commenced coal productions and is in the pre-production stage. As such, the net asset value does not take into account the potential value of the Concession once the Concession has been developed.

Relative Figures

The relative figures computed pursuant to Rule 1006 of the SGX-ST Listing Manual 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.	Not applicable
1006(b)	Net profit attributable to the assets acquired, compared with the Group's net profits.[(1)]	0.1[(2)]
1006(c)	Aggregate value of the consideration given, compared with the Company's market capitalisation.[(3)]	1.4
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 unaudited net profit before tax, minority interests and extraordinary items attributable to the Target as at 31 December 2015 is IDR151.14 million or US$11,300 (exchange rate US$1: IDR13,400). This represents approximately 0.1% of the Group's unaudited net profit before income tax, minority interests and extraordinary items of US$11.5 million for the 9 months ended 30 September 2016

(3) The Consideration represents approximately 1.4% of the market capitalisation of S$203,419,428 million as at 17 November 2016.

This announcement follows that of the 2013 Announcement, notwithstanding that the relative Rule 1006 figures computed are less than 5% and the Acquisition is a non-discloseable transaction under Chapter 10 of the SGX-ST Listing Manual.

Interests of Directors and Controlling Shareholders

Save for the directors' shareholdings in the Company, none of the directors or controlling shareholders of the Company or their associates has any interest, direct or indirect, in the Acquisition.

Documents Available for Inspection

The Acquisition documents are 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 (3) months after the date of this announcement.

BY ORDER OF THE BOARD

Charles Antonny Melati
Executive Chairman

23 November 2016