Incorporated in the Republic of Singapore on 24 May 2010
Company registration no 201011034Z

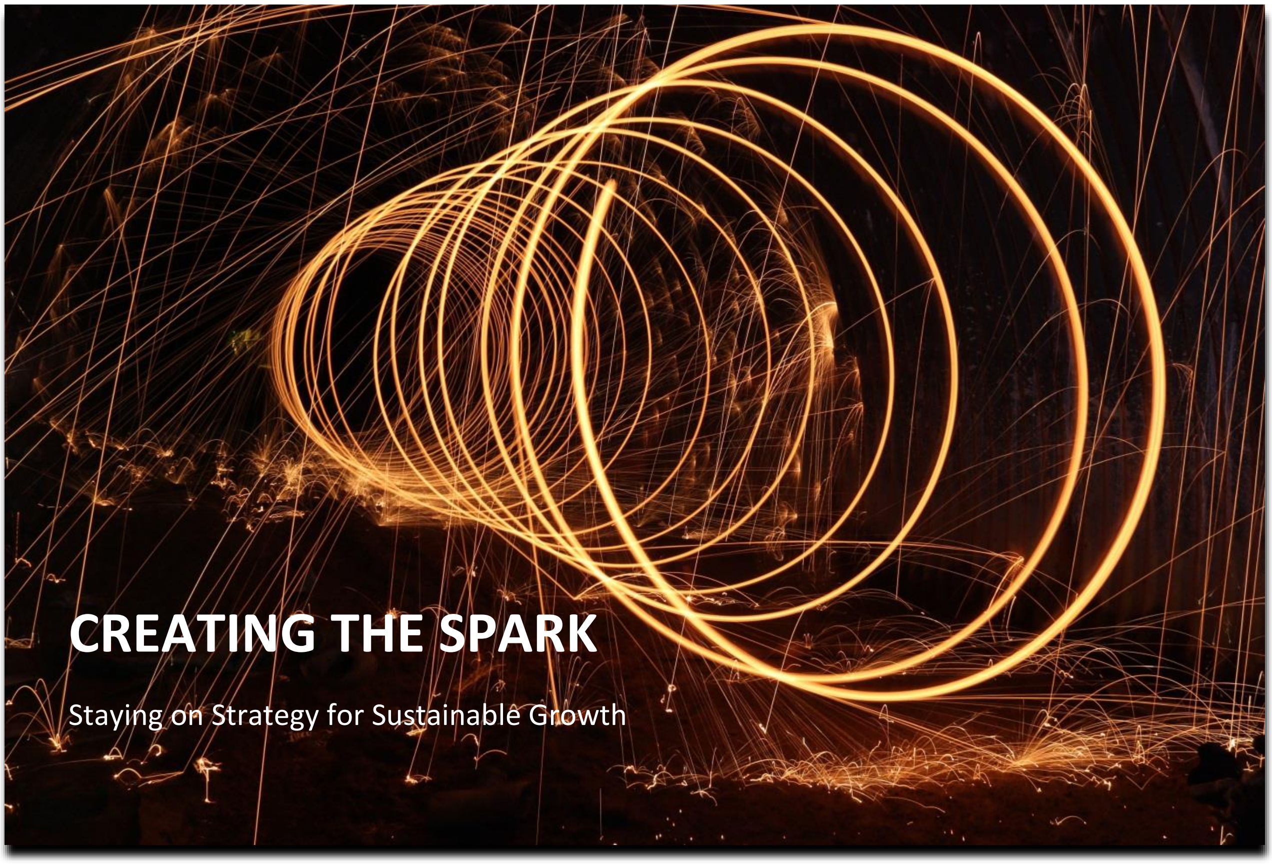
Geo Energy Resources Limited Results Announcement

First Quarter and Three Months Ended 31 March 2018

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.

Results Review and Strategy Update
First Quarter and Three Months Ended 31 March 2018



Geo Energy announced strong first quarter revenue of US$90.5 million, cash profit US$25.3 million, and net profit of US$14.3 million excluding the increase of finance cost on the US$300 million 8.0% Senior Notes

14 May 2018

Our Group remains encouraged by the continued strong financial performance, contributed by our SDJ coal concession, in 1Q2018, as we recorded another quarter of revenue in excess of US$90 million despite a lower coal sales of 1.9 million tonnes.

On 7 March 2018, we announced TBR's life of mine overburden removal agreement signed with BUMA. With the start of coal production from TBR in May 2018, we are positive that we would be able to drive growth and deliver stronger cash profits to enhance our shareholder returns going forward.

Furthermore, with a strong balance sheet (total cash of US$247.9 million as of 31 March 2018 to invest in new coal assets and businesses and for working capital), we believe in continuing our growth momentum and staying on strategy for sustainable growth in the years ahead. Our aim is to become one of the top ten coal producers in Indonesia.

1Q2018 HIGHLIGHTS

- SDJ coal shipments were 1.9 million tonnes in the first quarter, lower than the 2.1 million tonnes sold in 4Q2017 and the 2.2 million tonnes sold in 1Q2017. Challenging weather condition with 40% higher rainfall compared to 1Q2017 resulted in lower volume of coal sales in 1Q2018.

- The average Indonesia Coal Index ("ICI") price for 4,200 GAR increased from US$43 per tonne in 1Q2017 to US$48 per tonne during the quarter, an increase of 12%.

- Cash profit for coal mining segment for 1Q2018 averaged at US$13 per tonne (4Q2017: US$12 per tonne; 1Q2017: US$14 per tonne) against the average selling price of US$46 per tonne for 4,200 GAR, giving a cash profit margin of 28%.

- Average production cash costs, excluding exceptional items, have increased from US$30 per tonne in 4Q2017 to US$33 per tonne in 1Q2018, mainly due to the higher stripping ratio of SDJ in 1Q2018 and increased costs pegged to the strengthened ICI.

- The Group entered into TBR's life of mine overburden removal agreement with BUMA on 7 March 2018. The upcoming addition of coal production from TBR should drive the Group's overall growth in the coming months.

We continue to remain focused on several strategic objectives in 2018:

- Gaining momentum and staying on strategy for sustainable growth;
- Reducing or maintaining our fixed cost base and creating operational leverage;
- Strengthening our capital position; and
- Return value to shareholders.

Our market capitalisation as at 29 March 2018 was S$299 million. For our bondholders, the price of our Senior Note has continued to perform well since its issuance and has been mostly trading above par, and to as high as US$106.

The start of coal production of TBR mine will drive the Group's overall growth and contribute towards the Group's target production volume of 11 – 12 million tonnes for 2018, higher than the volume of 7.7 million tonnes achieved in 2017. We are currently finalising with various parties on the coal offtake and prepayment for TBR mine. These would build a strong platform for the Group's near-term growth. At the same time, we are working on new investments and acquisition of coal assets to strengthen our portfolio and further drive our growth in the longer-term.

Tung Kum Hon
Chief Executive Officer/Director

Unaudited Financial Statements Announcement for the First Quarter and Three Months Ended 31 March 2018

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF RESULTS FOR FIRST QUARTER AND THREE MONTHS ENDED 31 MARCH 2018

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

1(a)(i) Consolidated statement of profit or loss

	Group		
	3 months ended 31.3.2018 US$ (Unaudited)	**3 months ended 31.3.2017 US$ (Unaudited)**	**% Change**
Revenue	90,547,341	99,282,837	(9)
Cost of sales	(68,642,232)	(73,952,778)	(7)
Gross profit	**21,905,109**	**25,330,059**	**(14)**
Other income	1,888,560	112,793	nm
General and administration expenses	(2,548,616)	(2,228,008)	14
Other expenses	(1,685,347)	(1,943,358)	(13)
Finance costs	(7,681,166)	(1,408,824)	445
Profit before income tax	**11,878,540**	**19,862,662**	**(40)**
Income tax expense	(2,894,640)	(5,227,802)	(45)
Profit for the period	**8,983,900**	**14,634,860**	**(39)**
Other comprehensive income, net of tax:			
Item that may be subsequently reclassified to profit or loss:			
- Exchange differences on translation of foreign operations	(117,421)	(154,357)	(24)
Total comprehensive income	**8,866,479**	**14,480,503**	**(39)**

1(a)(ii) Consolidated statement of profit or loss and other comprehensive income

	Group		
	3 months ended 31.3.2018 US$ (Unaudited)	**3 months ended 31.3.2017 US$ (Unaudited)**	**% Change**
Profit attributable to:			
Owners of the Company	8,984,074	14,639,309	(39)
Non-controlling interests	(174)	(4,449)	(96)
	8,983,900	**14,634,860**	**(39)**
Total comprehensive income attributable to:			
Owners of the Company	8,884,474	14,484,539	(39)
Non-controlling interests	(17,995)	(4,036)	346
	8,866,479	**14,480,503**	**(39)**

nm – not meaningful

1(a)(iii) Profit before income tax is arrived at after charging/(crediting) the following:

	Group		
	3 months ended 31.3.2018 US$ (Unaudited)	**3 months ended 31.3.2017 US$ (Unaudited)**	**% Change**
Interest income	(1,335,764)	(98,419)	nm
Loss (gain) on disposal of property, plant and equipment (net)	256	(14,374)	nm
Foreign exchange loss (net)	934,254	1,932,871	(52)
Interest expense	7,681,166	1,408,824	445
Loss on financial asset carried at amortised cost	577,564	-	nm
Depreciation of property, plant and equipment	3,224,997	4,599,872	(30)
Amortisation of deferred stripping costs	310,361	500,276	(38)
Share-based payment expense	108,070	-	nm

nm - not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	31.3.2018 US$ (Unaudited)	31.12.2017 US$ (Audited)	31.3.2018 US$ (Unaudited)	31.12.2017 US$ (Audited)
ASSETS				
Current assets				
Cash and bank balances	247,879,532	265,770,740	99,322,741	40,574,203
Trade and other receivables	45,574,677	50,855,857	55,024,687	45,141,410
Deposits and prepayments	49,474,757	22,066,330	101,988	190,185
Inventory	9,718,235	7,677,179	-	-
Total current assets	**352,647,201**	**346,370,106**	**154,449,416**	**85,905,798**
Non-current assets				
Restricted cash deposits	4,243,186	4,146,072	-	-
Deposits and prepayments	8,895,330	5,993,338	91,978	91,978
Investment in subsidiaries	-	-	185,877,305	185,877,305
Deferred stripping costs	7,940,050	7,936,884	-	-
Property, plant and equipment	178,213,491	181,599,647	140,945	114,448
Deferred tax assets	4,323,378	3,747,651	71,881	11,272
Other non-current asset	153,698	153,698	153,698	153,698
Total non-current assets	**203,769,133**	**203,577,290**	**186,335,807**	**186,248,701**
Total assets	**556,416,334**	**549,947,396**	**340,785,223**	**272,154,499**
LIABILITIES AND EQUITY				
Current liabilities				
Trade and other payables	86,009,618	92,180,890	225,414,730	166,423,237
Current portion of finance leases	102,041	110,273	18,023	17,825
Financial guarantee liability	-	-	1,576,536	1,576,536
Income tax payable	13,605,781	11,842,792	573,950	573,950
Total current liabilities	**99,717,440**	**104,133,955**	**227,583,239**	**168,591,548**
Non-current liabilities				
Finance leases	112,993	156,880	26,271	30,601
Notes payable	289,791,582	288,028,289	-	-
Provisions	1,821,857	1,707,800	102,235	101,131
Financial guarantee liability	-	-	5,541,632	5,930,367
Deferred tax liabilities	1,551,705	1,474,264	-	-
Total non-current liabilities	**293,278,137**	**291,367,233**	**5,670,138**	**6,062,099**
Capital, reserves and non-controlling interests				
Share capital	95,069,461	95,069,461	95,069,461	95,069,461
Capital and other reserve	979,832	871,762	603,640	495,570
Translation reserve	5,273,871	5,373,471	-	-
Retained earnings	60,803,212	51,819,138	11,858,745	1,935,821
Equity attributable to owners of the Company	**162,126,376**	**153,133,832**	**107,531,846**	**97,500,852**
Non-controlling interests	1,294,381	1,312,376	-	-
Total equity	**163,420,757**	**154,446,208**	**107,531,846**	**97,500,852**
Total liabilities and equity	**556,416,334**	**549,947,396**	**340,785,223**	**272,154,499**

1(b)(ii) Aggregate amount of group's borrowings and debt securities

	Group		Group	
	31.3.2018 US$ Secured (Unaudited)	**31.3.2018 US$ Unsecured (Unaudited)**	**31.12.2017 US$ Secured (Audited)**	**31.12.2017 US$ Unsecured (Audited)**
Amount repayable in one year or less, or on demand	102,041	-	110,273	-
Amount repayable after one year	112,993	289,791,582	156,880	288,028,289
	215,034	**289,791,582**	**267,153**	**288,028,289**

Details of any collateral and security:

As at 31 March 2018, the Group's finance lease liabilities are secured by the leased assets, motor vehicles.

On 4 October 2017, the Company's subsidiary, Geo Coal International Pte. Ltd. ("GCI") issued US$300 million in aggregate amount of 8.0% Senior Notes due 2022. The proceeds of which was used to redeem the Medium Term Notes of S$100 million to be due in January 2018, and the remainder will be used to make potential acquisitions of coal mining assets and for working capital purposes. The Senior Notes are listed on the SGX. They are unsecured and guaranteed by the Company and certain subsidiaries of the Group ("Financial Guarantees"). The Financial Guarantees are effectively subordinated to secure obligations of each guarantor, to the extent of the value of assets serving as security. As at 31 March 2018, the Company recognised the fair value of its Financial Guarantee of US$7,887,000 on the statement of financial position as deemed investment in a subsidiary. Amortisation of the financial guarantee liability amounted to US$388,735 was credited to the Company's profit or loss during the period.

Please refer to the relevant announcements.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group	
	3 months ended 31.3.2018 US$ (Unaudited)	3 months ended 31.3.2017 US$ (Unaudited)
Operating activities		
Profit before income tax	**11,878,540**	**19,862,662**
Adjustments for:		
Depreciation of property, plant and equipment	3,224,997	4,599,872
Amortisation of deferred stripping costs	310,361	500,276
Loss (gain) on disposal of property, plant and equipment	256	(14,374)
Share-based payment expense	108,070	-
Loss on financial asset carried at amortised cost	577,564	-
Interest expense	7,681,166	1,408,824
Interest income	(1,335,764)	(98,419)
Retirement benefit obligations	115,451	88,912
Net foreign exchange losses	426,140	2,068,687
Operating cash flows before movements in working capital	**22,986,781**	**28,416,440**
Trade and other receivables	5,643,842	(9,055,706)
Deposits and prepayments	(31,315,945)	(3,466,644)
Inventories	(1,825,847)	2,100,467
Trade and other payables	(12,082,602)	(7,857,534)
Cash (used in) generated from operations	**(16,593,771)**	**10,137,023**
Income tax paid	(1,633,406)	(1,105,495)
Net cash (used in) from operating activities	**(18,227,177)**	**9,031,528**
Investing activities		
Interest received	923,647	66,566
Addition to deferred stripping costs	(313,528)	-
Advance payments for purchase of property, plant and equipment	(80,811)	(49,768)
Advance payments for conditional acquisition of mining concessions	-	(13,000,000)
Deferred payment for purchase of property, plant and equipment	-	(4,482,388)
Purchase of property, plant and equipment	(59,303)	(328,551)
Proceeds from disposal of property, plant and equipment	19,474	51,750
Net cash from (used in) investing activities	**489,479**	**(17,742,391)**
Financing activities		
Increase in deposits pledged	(1,691,983)	-
Increase in restricted cash deposits	(97,114)	-
Interest paid	(5,439)	(2,511,383)
Repayment of obligations under finance leases	(49,335)	(7,359)
Cash used in financing activities	**(1,843,871)**	**(2,518,742)**
Net decrease in cash and cash equivalents	**(19,581,569)**	**(11,229,605)**
Cash and cash equivalents at beginning of the period	262,462,723	62,761,457
Effect of exchange rate changes on the balance held in foreign currencies	(1,622)	11,054
Cash and cash equivalents at end of the period (Note A)	**242,879,532**	**51,542,906**

	Group	
	3 months ended 31.3.2018 US$ (Unaudited)	**3 months ended 31.3.2017 US$ (Unaudited)**
Note A		
Cash on hand and at banks	97,796,832	41,469,110
Deposits	150,082,700	15,098,855
Cash and bank balances	247,879,532	56,567,965
Restricted cash deposits (non-current)	4,243,186	595,350
	252,122,718	**57,163,315**
Less: Deposits pledged	(5,000,000)	(5,025,059)
Less: Restricted cash deposits (non-current)	(4,243,186)	(595,350)
Cash and cash equivalents	**242,879,532**	**51,542,906**

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Group	Share capital US$	Capital and other reserve US$	Translation reserve US$	Retained earnings US$	Equity attributable to owners of the Company US$	Non-controlling interests US$	Total US$
Balance at 1.1.2018 (audited)	95,069,461	871,762	(12,858,989)	70,051,598	153,133,832	1,312,376	154,446,208
Adjustment from adoption of SFRS(I)	-	-	18,232,460	(18,232,460)	-	-	-
Balance at 1.1.2018 As restated (unaudited)	95,069,461	871,762	5,373,471	51,819,138	153,133,832	1,312,376	154,446,208
Profit for the period	-	-	-	8,984,074	8,984,074	(174)	8,983,900
Other comprehensive income for the period	-	-	(99,600)	-	(99,600)	(17,821)	(117,421)
Transaction with owners, recognised directly in equity:							
Deemed capital contribution*	-	108,070	-	-	108,070	-	108,070
Balance at 31.3.2018 (unaudited)	**95,069,461**	**979,832**	**5,273,871**	**60,803,212**	**162,126,376**	**1,294,381**	**163,420,757**
Balance at 1.1.2017 (audited)	89,670,842	316,251	(18,232,460)	52,681,429	124,436,062	221,683	124,657,745
Adjustment from adoption of SFRS(I)	-	-	18,232,460	(18,232,460)	-	-	-
Balance at 1.1.2017 As restated (unaudited)	89,670,842	316,251	-	34,448,969	124,436,062	221,683	124,657,745
Profit for the period	-	-	-	14,639,309	14,639,309	(4,449)	14,634,860
Other comprehensive income for the period	-	-	(154,770)	-	(154,770)	413	(154,357)
Balance at 31.3.2017 (unaudited)	**89,670,842**	**316,251**	**(154,770)**	**49,088,278**	**138,920,601**	**217,647**	**139,138,248**

Company	Share capital US$	Capital and other reserve US$	Translation reserve US$	Retained earnings US$	Total US$
Balance at 1.1.2018 (audited)	95,069,461	495,570	-	1,935,821	97,500,852
Profit for the period	-	-	-	9,922,924	9,922,924
Transaction with owners, recognised directly in equity:					
Deemed capital contribution*	-	108,070	-	-	108,070
Balance at 31.3.2018 (unaudited)	**95,069,461**	**603,640**	**-**	**11,858,745**	**107,531,846**
Balance at 1.1.2017 (audited)	89,670,842	-	(4,464,506)	6,959,488	92,165,824
Adjustment from adoption of SFRS(I)	-	-	4,464,506	(4,464,506)	-
Balance at 1.1.2017 As restated (unaudited)	89,670,842	-	-	2,494,982	92,165,824
Loss for the period	-	-	-	(3,144,917)	(3,144,917)
Other comprehensive income for the period	-	-	(221,694)	-	(221,694)
Balance at 31.3.2017 (unaudited)	**89,670,842**	**-**	**(221,694)**	**(649,935)**	**88,799,213**

* Other reserve pertains to deemed capital contribution by Master Resources International Limited ("MRIL"), the substantial shareholder of the Company for issuance of shares to a director (and also Chief Executive Officer) of the Company, as share-based payment.

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

As at 31 March 2018, the Company's share capital comprised 1,329,273,113 shares (31 December 2017: 1,329,273,113). There were no outstanding convertibles or treasury shares as at 31 March 2018 and 31 March 2017.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	31.3.2018	31.12.2017
Total number of issued shares (excluding treasury shares)	1,329,273,113	1,329,273,113

1(d)(iv) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. Our Company does not hold any treasury shares.

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have not been audited nor reviewed by our Company's auditors, unless otherwise stated.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied

The Group has consistently applied the same accounting policies and methods of computation in the Group's financial statements for the current reporting period and year compared with the audited financial statements for the year ended 31 December 2017, except that the Group has adopted Singapore Financial Reporting Standards (International) ("SFRS(I)") on 1 January 2018 including the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2017 ("date of transition").

5. If there are any changes in accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

In transitioning to SFRS(I), the Group elected to reset the translation reserve to zero as at date of transition, and accordingly, has reclassified an amount of US$18,232,460 of translation reserve to the opening retained earnings as at 1 January 2017.

Other than the effect of the matter as described above, the adoption of new and revised standards did not have any material effect on the profit or loss and financial position of the Group.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividend

	Group	
	3 months ended 31.3.2018 (Unaudited)	**3 months ended 31.3.2017 (Unaudited)**
Earnings per share ("EPS")		
Earnings for computing EPS (US$)	8,984,074	14,639,309
Weighted average number of ordinary shares [(1)]	1,329,273,113	1,212,273,113
Basic and diluted EPS based on weighted average number of ordinary shares (US cents) [(2)]	0.68	1.21
Basic and diluted EPS based on weighted average number of ordinary shares (SG cents) [(3)]	0.89	1.69

(1) The calculation for the basic and diluted EPS is based on the weighted average number of ordinary shares in issue during the respective financial period.

(2) The basic and diluted EPS were the same as the Group did not have any potentially dilutive instruments for the respective financial period.

(3) Numbers were translated using the 31 March 2018 and 2017 exchange rates of 1.3117 and 1.3975 respectively

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year**

	Group		Company	
	31.3.2018 (Unaudited)	**31.12.2017 (Audited)**	**31.3.2018 (Unaudited)**	**31.12.2017 (Audited)**
Net Assets value (US$)	162,126,376	153,133,832	107,531,846	97,500,852
Number of issued shares	1,329,273,113	1,329,273,113	1,329,273,113	1,329,273,113
Net asset value per ordinary share (US cents)	12.20	11.52	8.09	7.33
Net asset value per ordinary share (SG cents) [1]	16.00	15.40	10.61	9.80

(1) Numbers were translated using the 31 March 2018 and 31 December 2017 exchange rates of 1.3117 and 1.3369 respectively

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of: (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

8.1 **Income Statement**

Financial performance (1Q2018 vs. 1Q2017)

Revenue decreased by US$8.7 million to US$90.5 million due to slightly lower volume sold in 1Q2018.

The Group sold 1,936,817 tonnes of coal of 4,200 GAR ("Gross As Received") from the SDJ mine during the quarter, lower than the 2,158,308 tonnes sold in 4Q2017 and a decrease from the 2,212,893 tonnes sold in 1Q2017. Adverse weather condition with 40% higher rainfall compared to 1Q2017 resulted in lower tonnage of coal sold in 1Q2018.

The reduction of volume was partially offset by the increase of average index price. The average ICI price for 4,200 GAR increased from US$45.69 per tonne in 4Q2017 to US$48.01 per tonne in the quarter, an increase of US$2.32 per tonne. As compared to 1Q2017 average index price of US$42.77 per tonne, the average index price increased by US$5.24 per tonne or 12%. At the same time, the Average Selling Price ("ASP") of SDJ coal was US$46.49 per tonne, an increase of US$3.08 from the US$43.41 per tonne in 4Q2017.

The Group did not have sales from coal trading during the period, compared to 411,421 tonnes in 1Q2017.

Gross profit was lower at US$21.9 million, mainly due to lower volume sold and increase in the Cost of Sales. Higher production costs were driven by higher stripping ratio and overburden removed during the quarter. In addition, higher average index price had increased the mining costs since November 2017, as about 50% of these costs were pegged against the ICI coal price.

Stripping ratio was higher in 1Q2018. Overall stripping ratio for 2018 for SDJ is projected to be 2.8. As such, the decrease in gross profit margin in 1Q2018 is temporary as the stripping ratio will be lower for the remainder of 2018.

Cash profit for coal mining segment was an average of US$12.95 per tonne compared to an average of US$10.99 per tonne in 4Q2017 and US$13.52 per tonne in 1Q2017. The higher cash profit per tonne for the quarter was mainly due to the higher ASP and excluding the one-off additional mining royalties in 4Q2017.

Group (All figures in US$'000 except as indicated)	Coal mining	Coal trading	Coal mining management services	Total
3 months ended 31.3.2018 (unaudited)				
Volume (tonnes)	1,936,817	-	-	1,936,817
Revenue	90,037	-	510	90,547
Cost of sales	(68,366)	-	(276)	(68,642)
Gross profit	21,671	-	234	21,905
Non-cash items:				
Depreciation & amortisation	3,419	-	-	3,419
Cash profit	**25,090**	**-**	**234**	**25,324**
3 months ended 31.12.2017 (unaudited)				
Volume (tonnes)	2,158,308	-	-	2,158,308
Revenue	91,513	-	1,314	92,827
Cost of sales	(74,174)	-	(696)	(74,870)
Gross profit	17,339	-	618	17,957
Non-cash items:				
Depreciation & amortisation	5,626	-	-	5,626
Allowance for inventory written down value	749	-	-	749
	23,714	**-**	618	**24,332**
Adjusted for:				
One-off additional assessment on mining royalties	3,118	-	-	3,118
Cash profit	**26,832**	**-**	**618**	**27,450**
3 months ended 31.3.2017 (unaudited)				
Volume (tonnes)	2,212,893	411,421	-	2,624,314
Revenue	87,295	11,702	286	99,283
Cost of sales	(62,321)	(11,470)	(162)	(73,953)
Gross profit	24,974	232	124	25,330
Non-cash items:				
Depreciation & amortisation	4,941	-	-	4,941
Cash profit	**29,915**	**232**	**124**	**30,271**

Profit before income tax of US$11.6 million includes:

- Other income of US$1.9 million. The increase of US$1.8 million was mainly due to the interest income earned on short term investments and deposits from undeployed cash;

- General and administrative expenses of US$2.5 million. The increase of US$0.3 million was mainly due to higher staff costs following expansion of operations and share-based payments expense;

- Other expenses of US$1.7 million. The decrease of US$0.3 million was mainly due to lower forex loss, partially offset by the loss on financial asset carried at amortised cost recorded during the quarter;

- Finance costs of US$7.7 million. The increase of US$6.3 million was mainly due to higher interest expense on the Senior Notes as compared to the Medium Term Note that was redeemed on 13 October 2017; and

- Depreciation and amortisation of US$3.5 million. The decrease of US$1.6 million was mainly due to the lower tonnage of coal produced and shipped during the quarter.

Income tax expense decreased by US$2.3 million. Effective tax rate is 24% due to certain non-deductible expenses. Excluding these items, the Group's effective tax rate was 19%.

Overall, the Group's **profit for the period** decreased by US$5.7 million, mainly due to lower coal volume sold, increase in production costs for the quarter and higher finance costs. This is offset by the higher ASP and other income.

Underlying net profit and underlying EBITDA (1)

In order to provide additional insight and understanding of the performance of the Group, the following sets out the underlying net profit and underlying EBITDA. The differences between profit, underlying net profit and underlying EBITDA are as below:

	1Q2018 US$'000	1Q2017 US$'000
Profit for the period	**8,984**	**14,635**
Items excluded from profit:		
Share-based payment expense	108	-
Increased finance cost due to issuance of Senior Notes in 4Q2017	5,215	-
Underlying net profit for the period	**14,307**	**14,635**
Net interest expense	1,130	1,310
Depreciation and amortisation	3,535	5,100
Income tax	3,963	5,228
Underlying EBITDA for the period	**22,935**	**26,273**

(1) EBITDA represents earnings before tax, interests, depreciation and amortisation.

8.2 Financial Position

Group

Current Assets
Current assets increased by US$6.3 million to US$352.6 million as at 31 March 2018.

Cash and bank balances decreased by US$17.9 million to US$247.9 million as at 31 March 2018, mainly due to refundable deposits paid in relation to the agreement the Group entered into with third parties for the provision of integrated coal mining support and infrastructure services from the SDJ and TBR coal mines to the point of anchorage for exporting coal, other payments for operating expenses and tax, offset by receipts from coal sales.

Trade and other receivables of US$45.6 million as at 31 March 2018 comprise mainly trade receivables of US$33.9 million and non-trade receivables of US$11.7 million. The decrease of US$5.3 million from US$50.9 million as of 31 December 2017 was mainly due to receipt from coal sales, offset by higher interest receivable.

Deposits and prepayments increased by US$27.4 million to US$49.5 million as at 31 March 2018 mainly due to abovementioned refundable deposits paid to third parties for the provision of integrated coal mining support and infrastructure services.

Inventories increased by US$2.0 million to US$9.7 million as at 31 March 2018 as production level during the quarter was higher than the amount sold, and higher production costs for the quarter.

Non-current Assets
Non-current assets increased by US$0.2 million to US$203.8 million as at 31 March 2018, mainly due to increases in deposits and prepayments by US$2.9 million, deferred tax assets ("DTA") of US$0.6 million and restricted cash deposits by US$0.2 million. These were partially offset by the decrease in property, plant and equipment ("PPE") by US$3.4 million mainly due to depreciation.

Current Liabilities
Current liabilities decreased by US$4.4 million to US$99.7 million as at 31 March 2018, mainly due to decrease in trade and other payables of US$6.2 million, which was partially offset by the increase in income tax payable of US$1.8 million. Decrease in trade and other payable was mainly caused by the decreases in accruals and advances received from customer, offset by increases in trade payables and interest accrued on Senior Notes.

Non-current Liabilities
Non-current liabilities increased by US$1.9 million to US$293.3 million as at 31 March 2018, which is mainly due to the interests accrued on the Senior Notes of US$1.8 million, and increase in provisions of US$0.1 million.

Contingent Liability
In 2016, some subsidiaries were audited by Indonesian Tax Office ("ITO"). ITO assessed an underpayment of tax expenses of approximately [US$3.9 million (IDR53 billion)] in respect of a subsidiary for capitalisation of an intercompany loan as equity.

Management has sought advice from professional tax consultants and holds the view that there is a lack of basis under the tax laws for this assessment of underpaid tax. ITO is arbitrary in determining the arrangement between subsidiaries and ignoring written agreement between key parties.

Court proceeding is underway with final outcome expected to be received by 3Q2018 at the latest. No provision has been recognised in the financial statements as the Group does not consider that there is any probable loss.

Financial Guarantee
In October 2017, the Company and some subsidiaries have issued corporate guarantees to bondholders for Senior Notes issued of a subsidiary amounting to US$300,000,000.

Company

Current Assets
Current assets increased by US$68.5 million to US$154.4 million as at 31 March 2018, mainly due to increases in cash and balances of US$58.7 million and intercompany receivable of US$9.8 million.

Current assets of US$154.4 million as at 31 March 2018 mainly comprise cash and bank balances of US$99.3 million, intercompany receivables of US$51.8 million, refundable deposit of US$3.1 million to secure the rights to use a jetty, and deposits and prepayments of US$0.1 million.

Non-current Assets
Non-current assets mainly comprise investment in subsidiaries of US$185.9 million. The increase of US$0.1 million was mainly due to increase in DTA of US$0.1 million.

Current Liabilities
Current liabilities increased by US$59.0 million to US$227.6 million as at 31 March 2018. This was mainly due to increase in intercompany payables of US$59.3 million, partially offset by the decrease in accruals of US$0.3 million.

Working Capital
Working capital was negative US$73.1 million, mainly due to the increase in intercompany payables. Based on the Group's current financial performance and financial position as at 31 March 2018 with a total cash of US$247.9 million and positive working capital of US$252.6 million, the Company will be able to pay its debt as and when they fall due.

Non-current Liabilities
Non-current liabilities as at 31 March 2018 comprise financial guarantee liability, provision and finance leases. The decrease of US$0.4 million to US$5.7 million, was mainly due to the amortisation of financial guarantee liability of US$0.4 million to the profit and loss as deemed guarantee income.

8.3 Cash Flow

Group

Cash Flow (1Q2018 vs. 1Q2017)

Net cash used in operating activities was US$18.2 million. Operating cash flows before movements in working capital was an inflow of US$23.0 million, mainly due to the Group's operating profit and the non-cash items. More cash was used as our working capital. This was mainly due to refundable deposits paid to third parties for the provision of integrated coal mining support and infrastructure services and settlement of trade and other payables. The Group also paid US$1.6 million of corporate tax during the period.

Net cash from investing activities of US$0.5 million was mainly due to the higher interest of US$0.9 million earned on short term investments and deposits from the undeployed cash from Senior Notes issuance, partially offset by addition to deferred stripping costs of US$0.3 million and purchase of PPE of US$0.1 million.

Cash used in financing activities of US$1.8 million was mainly due to increases in deposits pledged of US$1.7 million and restricted cash deposits of US$0.1 million.

Overall, the Group recorded total cash and cash equivalent of US$242.9 million as of 31 March 2018.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

For the first quarter ended 31 March 2018, the Group has achieved coal sales of 1,936,817 tonnes from the SDJ mine despite challenging weather conditions.

With the commencement of production at TBR, the Group is on course towards achieving its previously announced target of 11-12 million tonnes for both SDJ and TBR in 2018, higher than the volume of 7.7 million tonnes achieved in 2017.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

The ICI price for 4,200 GAR coal has been stabilising above US$40.00 per tonne since mid-June 2017, and has continued to stay resilient in the first quarter of 2018 where the coal price hit as high as US$51.04 on 23 February 2018. The average ICI for 4,200 GAR coal was US$48.01 per tonne in the first quarter of 2018, an increase of US$2.32 per tonne as compared to US$45.69 per tonne in 4Q2017. ICI price for 4,200 GAR coal on 11 May 2018 was US$44.02[1].

Coal demand for the next two years is expected to remain stable around current levels. According to BP's latest Statistical Review of the World, thermal coal remains the most-used fuel for power generation globally, especially in Asia which uses more than 70% of the world's thermal coal, up from under 50% in 2000. Even though China intends to switch to cleaner sources of fuels, leading to a gradual decline away from record coal consumption between 2012 and 2014, demand for coal is still firm, as many power stations and industrial facilities still rely on coal for its energy and power generation[2].

The Indonesian government has introduced a new regulation that caps coal prices for domestic PLN power plant at Harga Batubara Acuan ("HBA") price for 6,322 GAR of US$70 per tonne FOB vessel, lower than the current coal price exceeding $100 per tonne. This was implemented starting 12 March 2018 through December 2019. The government has also published the 2018-2027 electricity procurement business plan (or RUPTL) of state-owned electricity firm PT PLN, under which the total power plant installed capacity target has been significantly cut down from 77.9 GW to 56 GW, to adjust to the lower than previously anticipated electricity demand.[3] Currently, Geo Energy does not have any significant Domestic Market Obligation. Although 4,200 GAR coal price decreased when the new regulation was announced, it has since stabilised slightly above US$40.00 per tonne.

In March 2018, the Group has entered into an agreement with BUMA for the provision of overburden removal at its TBR mine. The site preparation and overburden removal has commenced in March 2018. The development of the mine and its first coal production is expected to be in May 2018. The Group is in advanced stages of discussion to finalise the coal offtake for TBR mine. Barring any unforeseen circumstances and with the commencement of TBR mine, the Group targeted its total coal production for SDJ and TBR in 2018 to be 11 – 12 million tonnes, higher than the volume of 7.7 million tonnes achieved in 2017.

The Group is currently exploring opportunities to optimise its coal assets portfolio, by acquiring additional coal mining concessions to complement the Group's portfolio of coal mining assets or form strategic collaboration with partners in joint venture coal production. The Group aims to increase its 2P reserves to more than 120 million tonnes with additional production and sales of 5 million tonnes at a targeted return on investment in excess of 20%.

[1] Coalspot.com – Indonesian Coal Price Index ("ICI")

[2] https://www.thedailystar.net/business/global-business/strong-asian-demand-continues-hold-thermal-coal-markets-1569601

[3] Bloomberg Intelligence, Indonesia Coal Policy, 16 March 2018

11. If a decision regarding dividend has been made: -

(a) Whether an interim (final) ordinary dividend has been declared

None.

(b)(i) Amount per share

Not applicable.

(b)(ii) Previous corresponding period

None.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country whether the dividend is derived

Not applicable.

(d) The date the dividend is payable

Not applicable

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined

Not applicable

12. If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared or recommended for the first quarter ended 31 March 2018.

13. If the group has obtained a general mandate from shareholders for Interested Person Transactions ("IPT"), the aggregate value of such transactions as required under Rule 920 (1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect

No IPT mandate has been obtained from shareholders. In addition, there was no IPT which value exceeded S$100,000 during the first quarter and three months ended 31 March 2018.

14. Negative confirmation pursuant to Rule 705(5)

We, Charles Antonny Melati and Tung Kum Hon, being Directors of the Company, do hereby confirm, on behalf of the Board of Directors of the Company (the "Board") that, to the best of our knowledge, nothing has come to the attention of the Board which may render the unaudited financial results for the first quarter ended 31 March 2018 to be false or misleading in any material aspect.

15. Confirmation Pursuant to Rule 720(1) of the Listing Manual

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7.7 of the Listing Manual) under Rule 720(1) of the Listing Manual.

On behalf of the Board of Directors

Charles Antonny Melati
Executive Chairman

Tung Kum Hon
Chief Executive Officer

14 May 2018

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

Geo Energy Resources Limited ("Geo Energy") is listed on the Singapore Stock Exchange and part of the Singapore FTSE index.

The Group's operations are primarily located in Indonesia. It 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

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