



GEO ENERGY GROUP  
天然煤礦集團

**GEO ENERGY RESOURCES LIMITED**

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

**SGX ANNOUNCEMENT**

**RESPONSES TO QUESTIONS RECEIVED FROM SIAS AND SHAREHOLDERS  
AHEAD OF EXTRAORDINARY GENERAL MEETING TO BE HELD ON  
26 NOVEMBER 2025**

The Board of Directors (the "Board") of Geo Energy Resources Limited (the "Company", and together with its subsidiaries, the "Group") would like to thank the Securities Investors Association (Singapore) ("SIAS") and the Company's shareholder for submitting their questions in advance of the Company's Extraordinary General Meeting, which will be held at Sentosa Golf Club Singapore on Wednesday, 26 November 2025 at 10.00am.

Responses to the questions received up till Saturday, 15 November 2025, 10.00am, have been set out below.

**Questions received from SIAS**

**Q1. The Company is seeking shareholder approval to acquire 51% of PT Trans Maritim Pratama (TMP<sup>1</sup>) and PT Bahari Segara Maritim (BSM<sup>2</sup>) from several parties. The total acquisition consideration amounts to US\$127.5 million, comprising 275.2 million new ordinary shares (valued at US\$86.0 million based on an issue price of S\$0.40 per share), a cash payment of US\$23.5 million, and the assignment of receivables totalling US\$18.0 million.**

**The target companies own 24 tugs and 24 barges, with three additional vessels each expected to be delivered by the end of FY2025. The proposed transaction is deemed an interested person transaction.**

**According to the circular, the aggregate net asset value (NAV) attributable to the shares being acquired is US\$13.5 million.**

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|---|--|--|
| <b>Net asset value attributable to the TMP Shares</b> | IDR181,390,727,337<br>(approximately<br>USD11,266,505) | IDR211,104,682,715<br>(approximately<br>USD13,112,092) |
| <b>Net asset value attributable to the BSM Shares</b> | IDR35,398,525,050<br>(approximately<br>USD2,198,666)   | IDR36,338,946,617<br>(approximately<br>USD2,257,077)   |

(Source: company circular dated 4 November 2025)

**(i) Can the independent directors help shareholders understand how the acquisition consideration of US\$127.5 million was determined? Specifically, who led the negotiations with the sellers given that Mr Charles Antonny Melati is the executive chairman and chief executive officer and is one of the sellers?**

<sup>1</sup> TMP is an integrated sea transportation company specialising in energy logistics for coal, as well as mining and non-mining sectors, including but not limited to nickel, iron ore, sand, crushed stone, fly ash and equipment.

<sup>2</sup> BSM offers a range of maritime energy transportation services with a focus on handling delicate energy logistics and its expertise extends to commodities like coal and various mining and non-mining sectors, including nickel, iron ore, sand, crushed stone, fly ash and equipment.



- (ii) **Can the independent directors justify the decision to approve the proposed acquisition valued at more than nine times the targets' NAV (US\$127.5 million vs US\$13.5 million), particularly when the Company itself has historically traded below its own book value?**
- (iii) **Similarly, will the proposed acquisition, valued at a price-earnings ratio of 33 times, will be value-accretive for minority shareholders? The Company has traded at a historical P/E ratio of approximately 10-12 times.**

Answer:

- (i) The Acquisition Consideration of US\$127.5 million was agreed upon through fair negotiations between the Purchaser and the Sellers, based on a willing-buyer, willing-seller approach. This figure was determined after considering several factors, including:

- the market value of the 100% equity interest in the Target Companies of US\$285 million as provided by the Independent Valuation Report;
- The strategy and rationale of the Acquisition;
- The potential value added by the Target Companies, which will allow the Group to secure potential captive revenue of US\$220 million to US\$280 million per annum; and
- The historical and projected financial position and performance of the Target Companies.

Senior management of the Company discussed and negotiated the Acquisition, and the final terms were reviewed and approved by both the Audit and Risk Committee and the Board of Directors. Mr. Charles Antonny Melati abstained from all discussions, negotiation and decision-making processes. The Acquisition as an interested person transaction is on normal commercial terms and not prejudicial to the interests of the Company and its minority shareholders, based on the Independent Financial Advisor's (IFA) opinion.

It should be noted that Mr. Charles Antonny Melati's entire share of the Acquisition Consideration will be paid to him in the form of newly issued shares of the Company, indicating his confidence in the Group's future. He will not retain any direct shareholdings in the Target Companies after the Acquisition.

- (ii) It is generally not meaningful to compare Price-to-Book (or NAV) ratio of companies in different industries, or even those in different segments of an industry, mainly because of differing growth prospects, scalability and importantly, different capital structures of each industry. Even though the Company and the Target Companies handle coal, the former is a mining company while the latter are in the shipping business.

The Board of Directors have considered the independent valuation of the Target Companies performed by the independent valuer where the Price-to-Book of the selected companies comparable to the Target Companies were in the range from 0.64x to 12.91x. Those companies with low debt-to-market capitalization ratio attract a higher Price-to-Book ratio, such as PT Transcoal Pacific Tbk, who has a Price-to-Book ratio of 12.91x while its debt-to-market capitalization is 4.1%, while PT Trans Power Marine Tbk has a Price-to-Book ratio of 0.87x and its debt-to-market capitalization is 38.8%. The debt-to-market capitalization of the Target Companies is 7.1%. Based on the above, the Price-to-Book ratio of 9.5x based on the Acquisition Consideration represents a reasonable basis of the Acquisition value.

- (iii) The Acquisition valuation was independently assessed by AVA Associates Limited (Independent Valuer) and PrimePartners Corporate Finance Pte. Ltd. (IFA), in accordance with SGX's Interested Person Transaction (IPT) requirements. As a listed entity, Geo Energy is obligated to transact at arm's length, ensuring fairness and transparency in pricing.



While the price-earnings ratio (P/E) may suggest a premium, it is important to contextualize the Acquisition beyond static earnings multiples.

The Target Companies offer:

**Operational Synergies:** A fleet of 48 vessels (24 tugs and 24 barges), with additional 6 more vessels (3 tugs and 3 barges) scheduled to be delivered by end of FY2025, ready to support ramp up of production from the Company's PT Triaryani (TRA) mine when PT Marga Bara Jaya (MBJ, the Group's infrastructure company) goes into operation from the second half of 2026.

**Strategic Control:** Direct ownership of transshipment logistics reduces reliance on third-party transporters and enhances long-term delivery reliability and cost efficiency.

**Speed to Market:** The acquisition of ready hardware and profitable operations in a business sector that requires government permits and a long set-up runway overcomes a wide range of uncertainties and expected delays.

**Captive Market Potential:** Supports MBJ jetty operations with estimated throughput of 40-50 million tonnes per annum, translating to a potential captive market of US\$220–280 million annually.

**Value Accretion:** The Acquisition Consideration of US\$127.5 million for the 51% stake in the Target Companies, assessed against the independent valuation of US\$285 million for 100% equity interest in the Target Companies, reflects control premium, strategic synergies and future cash flow potential.

The above outlines how this Acquisition supports long-term autonomy and valuation uplift.

Furthermore, it is also generally not suitable to compare P/E ratio of companies in different industries mainly because of differing growth prospects and scalability.

**Q2. The company engaged AVA Associates Limited to undertake a valuation of the target companies. The independent valuer adopted the income approach and applied a discounted cash flow methodology to estimate the equity value of the target companies.**

**The independent financial adviser (IFA) to the company is PrimePartners Corporate Finance Pte. Ltd.**

- (i) Can the independent directors explain the criteria used in selecting both the independent valuer and the IFA?**
- (ii) How many valuation firms were shortlisted and evaluated, and what specific factors led to the appointment of AVA Associates Limited as the valuer?**
- (iii) Could the board clarify the extent of involvement, if any, by executive director or senior management in the appointment of the independent valuer, and whether management provided any input or data that could have influenced the assumptions or outcomes of the valuation exercise?**



Answer:

(i) In selecting the independent valuer and the IFA, the Company considered the following key criteria:

- Professional qualifications and credentials
- Relevant expertise and proven track record, including familiarity with the region
- Strong technical and analytical capabilities
- Independence and transparency

(ii) The Company shortlisted and evaluated three valuation firms. After a thorough assessment and physical interviews with the shortlisted candidates, the Company appointed AVA Associates Limited (AVA), in consultation with the independent directors, as the valuer based on the following factors:

- **Professional expertise:** The AVA team possesses strong professional qualifications and is capable of providing meaningful, value-added advice to support the Company's business valuation.
- **Extensive experience:** AVA has over 20 years of valuation experience in mergers and acquisitions across Singapore (including SGX-listed companies), Indonesia, Malaysia, China, and Hong Kong.
- **Specialized capabilities:** AVA has proven expertise in the independent valuation of both tangible and intangible assets, including financial instruments, intangible assets, and equipment.
- **Independence:** The Company does not have previous engagement with AVA, and there is no conflict of interests with key stakeholders of the Company.

(iii) The executive directors did not have any involvement in the engagement of AVA. During the course of AVA's engagement, discussions were held between the senior management and the valuer regarding the history, current condition, financial performance, and business outlook of the Target Companies. Relevant information and supporting documents from the Target Companies were provided to AVA to enable them to form an independent opinion on the assets. The valuer conducted reasonable enquiries and exercised professional judgment in assessing and utilizing the information provided.

The senior management did not directly produce data and inputs to influence the assumptions or outcomes of the valuation exercise.

**Q3. One of the key assumptions underpinning the independent valuation is a 5-year compound average growth rate (CAGR) of 25.9% in revenue, from IDR 524 billion in 2024 to IDR 1.7 trillion in 2029. The topline growth comprises 14.9% in fleet expansion and 11.0% from freight rate increases.**

- For the benefit of shareholders and for greater transparency, was a sensitive analysis of the independent valuation carried out, and if so, what was the range of values of the sale shares?**
- Did the independent directors assess whether the assumed 11% CAGR in freight rate over the next five years is reasonable, and how does this compare with historical freight rate trends?**



- (iii) Given that the acquisition, if approved, will result in substantial goodwill, did the independent directors consider incorporating safeguards in the deal structure, such as earn-outs mechanisms, deferred consideration, or clawback provisions, to protect shareholder value?**

Answer:

- (i) Yes, there was a sensitive analysis performed by the independent valuer, with up to 5% variance on the key parameters in determining the valuation range. The range of values of 100% equity value was US\$238.5 million – US\$330.9 million.
- (ii) The average revenue of tug and barge in FY2024 was about IDR 25 billion per set. Historically, the average annual revenues had achieved up to IDR 57 billion per set depending on coal prices. The forecast figure in the 5-year period ranges, which implies the 11% freight rate growth ranges from IDR 33 billion to IDR 41 billion per set. This is well within the historical range and up to 40% below the high of IDR 57 billion. Furthermore, based on McCloskey price outlook report, the forecasted annual thermal coal prices for ICI4 in the 5-year period ranges from US\$47 per tonne to US\$55 per tonne, implies the annual growth of around 17%, the 11% CAGR in freight rate is reasonable.
- (iii) The independent directors have evaluated the deal structure and concluded that the agreed terms provide sufficiently robust protection for shareholder value and close alignment of interests between the Sellers and the Company, given that the Sellers retain 49% stake in the Target Companies and that they would receive 67% of the Acquisition Consideration in the form of shares in the Company.

Furthermore, the primary strategic value of this Acquisition is in the securing of a platform that readily fits the Company's geographical profile and growing logistical needs without the long runway required to overcome the many barriers to entry facing the transshipment business. The long-term future growth and value creation from this Acquisition is not primarily focused on the Target Companies' existing businesses but also on the planned expansion in the number of tugs and barges to serve our TRA coal mine and MJB road and jetty infrastructure. Contingent mechanisms like earn-outs and clawbacks, which typically measures short-term, stand-alone financial targets could not align with the long-term strategies and objectives of the parties.

**Questions received from the Company's shareholder(s)**

**Q1. The Target Companies which Geo Energy is considering acquiring are positioned to address a potential captive market amounting USD220 million to USD280 million per annum, at a market rate of IDR70,000 to IDR90,000 (approximately USD4.40 to USD5.60) per tonne for transshipment. Please provide the 5-year trends for the market rate per tonne for transshipment for the South Sumatra region and the current demand/ supply dynamics affecting transshipment rates. Please also elaborate how the development of a massive new coal or other commodity mine such as a 50 MT coal mine will influence the transshipment rate with reference to how past big mines have impacted the transshipment rates in other regions in Indonesia.**

Answer:

Transshipment rates are primarily driven by several factors, including increased logistic demand (vessel types and transshipment routes), inflation in input costs (such as labor, fuel and coal



prices) and constraints in infrastructure. The Group anticipates that transshipment rates in South Sumatra will continue to rise moderately in the near term.

Large mining companies in Indonesia play a significant role in shaping the dynamics of transshipment rates across various region. The scale of their operations and logistics requirements has cascading impact on supply and demand, which influences transshipment costs and logistics infrastructure across the nation.

**Q2. Please elaborate on how the upcoming rise in coal throughput in South Sumatra through the development of MBJ road and jetty infrastructure plus the massive built up in tugs and barges will change the coal mining landscape in Indonesia. Will it be able to replace the falling coal throughput in other parts of Indonesia such as Kalimantan for the coming years?**

Answer:

**Increased production potential in South Sumatra:** The Acquisition enables the Group to increase production at the Group's PT Triaryani (TRA) coal mine and secure and manage critical logistics capacity, including transshipment infrastructure, which is integral to the MBJ Integrated Infrastructure strategy - improving delivery certainty for coal offtake and reducing transport costs.

**Shift in supply chain and improve competitiveness:** The Acquisition allows the Group to secure key logistics capacity and maintain control over the entire logistic transportation process, from the Group's mine to the mother vessels. This reduces reliance on third-party transporters and increases operational reliability at the same time and reduces transport costs.

**Economic, environmental and social alignment:** More efficient logistics can accelerate mining and other commercial activities in previously under-utilised areas in South Sumatra, boosting employment and local economies. The Acquisition enables cleaner fleet investment and improves supply chain transparency.

South Sumatra is one of Indonesia's key coal provinces, with large reserves and reasonable production growth. South Sumatra province hosts 44 operating coal mines producing 77 million tonnes per annum and is also a significant power generation hub. Driven by efforts to exploit the region's vast coal reserves, which hold 9.3 billion of the country's total 39 billion tonnes, the production in South Sumatra is expected to increase in the near future. Coal terminals, a key component of coal transport infrastructure, are also concentrated in Sumatra. Kalimantan on the other hand has emerged as the region with high exposure to coal mine closure impacts in Indonesia and is expected to see a substantial shift in its coal production landscape, with the depletion of accessible reserves prompting the closure of several mines.<sup>3</sup>

The MBJ's throughput of up to 50MT per annum and the ramp-up of TRA coal mine, together with this Acquisition will enable the Group to capture potential captive market in the South Sumatra region transform the Group to become one of the top coal players in Indonesia with long term sustainability of over 20 years mining life of reserves as well as strengthen the Group's market presence globally. It is rare opportunity to acquire a sizeable and established shipping business with successful track record to support Geo Energy's logistic expansions.

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<sup>3</sup> Policy Research Working Paper August 2025-Spatial Analysis of Coal Transition Vulnerability in Indonesia, World Bank Group



**Q3. Does TMP and BSM build all their existing 24 tugs and barges? What are the demographic ages of these 24 tugs and barges? As there is a need to ramp up the tugs and barges to a total of 120 to support MBJ jetty throughput of 50MT per annum, how many tugs and barges can TMP and BSM build per year?**

Answer:

TMP and BSM do not build tugs and barges, including the existing 24 sets of tugs and barges. These tugs and barges age between 1-13 years.

Notwithstanding the existing 48 vessels (24 tugs and 24 barges) and an additional 6 more vessels (3 tugs and 3 barges) scheduled by end of FY2025, the Company intends to further increase the fleet size to support MBJ's throughput of 40 to 50 million tonnes per annum. The Target Companies have a proven track record and expertise in the procurement and commissioning of new vessels to ensure smoother ramp up of the fleet.

**Q4. Does Indonesian cabotage law apply to tugs and barges? Which are the current transshipment companies that have permits to operate in the South Sumatra region? What are the barriers to entry for competing transshipment companies to offer their services in South Sumatra in view of the massive rise in coal throughput?**

Answer:

Yes, Indonesian cabotage law applies to tugs and barges.

Transshipment companies wishing to operate at a specific port or jetty must obtain the necessary permits and port clearance. There are various transshipment companies with permits to operate in South Sumatra, but the companies with larger fleets are predominantly serving the large producing mine in the region such as Adaro Logistics, who supports its own Group's vertically integrated operations in Indonesia.

There are significant barriers to entering the transshipment market in South Sumatra, including various regulatory permits and operational availability such as jetty locations, channel depth, bridge clearance, and tidal changes, all of which impact vessel draft, loading capacity, and turnaround times.

BY ORDER OF THE BOARD

Lee Wei Hsiung  
Company Secretary  
21 November 2025