

GEO ENERGY RESOURCES LIMITED

(Company Registration Number: 201011034Z)
(Incorporated in the Republic of Singapore)

PROPOSED SUBSCRIPTION OF 28,000,000 SHARES IN THE CAPITAL OF THE COMPANY

Introduction

The Board of Directors of Geo Energy Resources Limited (the “**Company**”) wishes to announce that the Company has entered into a subscription agreement dated 21 April 2015 (the “**Agreement**”) with Dektos Capital SPC, acting for the account of EVA Capital SP (the “**Subscriber**”), pursuant to which the Subscriber shall subscribe for, and the Company shall allot and issue, 28,000,000 new ordinary shares (the “**New Shares**”) at an issue price of S\$0.18 for each New Share (the “**Share Subscription**”).

Share Subscription

The Company will allot and issue the New Shares pursuant to the general share issue mandate to be obtained from shareholders of the Company at the annual general meeting to be held on 29 April 2015 (the “**Share Issue Mandate**”).

The Company has undertaken that it shall submit an additional listing application (“**ALA**”) to the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) for the New Shares to be listed and quoted on the Main Board of the SGX-ST, and it shall execute all such documents and do all acts and things as may be necessary or advisable for such purpose.

Information on the Subscriber

Dektos Capital SPC is a segregated portfolio company incorporated in the Cayman Islands on 10 August 2012 for the purpose of investing in global assets across equity, fixed income, currency and commodity asset classes. EVA Capital SP is a segregated portfolio of Dektos Capital SPC, and the Subscriber of the New Shares is Dektos Capital SPC, acting for the account of EVA Capital SP. The fund size of the Subscriber is S\$15.0 million and its investors consist of Asian high net worth individuals. The Subscriber's investment mandate focuses on equities and/or debts of both listed and private entities.

Dektos Investment Corporation Pte. Ltd. (the “**Fund Manager**”) approached the Company's Executive Chairman, Charles Antony Melati, and expressed its intention to invest in the Company on behalf of the Subscriber. The Fund Manager will be paid an introducer fee of S\$151,200 (being 3.0% of the aggregate consideration to be paid by the Subscriber for the New Shares) in connection with the subscription of the New Shares by the Subscriber. The Fund Manager is a Registered Fund Management Company and Exempt Financial Adviser duly registered with the Monetary Authority of Singapore.

The Subscriber has warranted that it is not a director or substantial shareholder of the Company or any other person specified under Rule 812(1) of the Listing Manual of the SGX-ST.

Ranking and Subscription Price

The New Shares shall be issued free from all claims, mortgages, charges, liens and other encumbrances whatsoever and shall rank *pari passu* in all respects with and carry all rights similar to the then existing ordinary shares of the Company (“**Shares**”), except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls on or before the date of completion of the Share Subscription (the “**Completion Date**”).

The issue price of S\$0.18 for each New Share represents a discount of approximately 8.2% to the volume weighted average price of S\$0.196 for trades done on the Shares on the SGX-ST on 21 April 2015 (being the full market day on which the Agreement was signed).

Financial Effects of Share Subscription

Pursuant to the issue of the New Shares, the issued and paid share capital of the Company will increase from S\$104,469,762 divided into 1,157,050,891 Shares to S\$109,509,762 divided into 1,185,050,891 Shares. The New Shares represents approximately 2.42% of the existing issued share capital of the Company, and approximately 2.36% of the enlarged issued share capital of the Company.

The basic and diluted loss per Share (“LPS”) of the Company and its subsidiaries (the “Group”) based on the audited financial statements of the Group for the financial year ended 31 December 2014 (“FY2014”) was 1.09 US cents. The net asset value (“NAV”) per Share of the Group as at 31 December 2014 was 9.30 US cents. The LPS and NAV per Share of the Group for FY2014, after adjusting for the Share Subscription, would be 1.06 US cents and 9.39 US cents respectively.

Conditions of Share Subscription

Completion of the Share Subscription is conditional upon, *inter alia*, the following:

- (a) the Share Issue Mandate being valid, subsisting and adequate for the purpose of the allotment and issue of the New Shares as at the Completion Date;
- (b) the in-principle approval in respect of the ALA being obtained from the SGX-ST and not having been revoked or amended and, where such approval is subject to conditions, such conditions being acceptable to the Company and to the extent that such conditions for the listing and quotation of the New Shares on the Main Board of the SGX-ST are required to be fulfilled on or before the Completion Date, they are so fulfilled; and
- (c) the allotment, issue and subscription of the New Shares not being prohibited by any statute, order, rule or regulation promulgated or issued after the date of the Agreement by any legislative, executive or regulatory body or authority of Singapore which is applicable to the Company or the Subscriber.

If any of the conditions for the Share Subscription is not satisfied on or before 31 July 2015 or such other date as the parties may agree, the Agreement shall *ipso facto* cease and determine thereafter and none of the parties shall have any claim against the other for costs, expenses, damages, losses, compensation or otherwise.

The completion of the Share Subscription is expected to take place three business days after all conditions set out in the Agreement have been satisfied.

Purpose and Use of Proceeds

The gross proceeds raised from the Share Subscription of S\$5,040,000 will, after deducting expenses relating thereto of approximately S\$181,000, be used for general working capital purposes.

Pending the deployment of the net proceeds for the purpose as set out above, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money market and/or debt instruments or used for any other purposes on a short-term basis as the Directors may deem fit.

The Company will make periodic announcements on the utilisation of the net proceeds from the Share Subscription when such proceeds are materially disbursed and will provide a status report on the use of such proceeds in the Company’s annual report.

General

The Share Subscription is made pursuant to the exemption under Section 272B of the Securities and Futures Act (Chapter 289) of Singapore. As such, no prospectus or offer information statement will be issued by the Company in connection with the Share Subscription.

The Directors are of the opinion that, after taking into consideration the internal resources and present bank facilities of the Group and the net proceeds from the issue of the New Shares, the working capital available to the Group is sufficient to meet its present requirements.

None of the Directors, and as far as the Directors are aware, none of the substantial shareholders of the Company, has any interest, direct or indirect, in the Share Subscription, other than in their respective capacities as the Director or substantial shareholder of the Company.

The Share Subscription would not result in any transfer of controlling interest in the Company.

The Company will make the necessary announcement when it has received the in-principle approval of the SGX-ST for the listing and quotation of the New Shares on the SGX-ST.

The Directors (including any Director who may have delegated detailed supervision of the preparation of this announcement) have taken all reasonable care to ensure that the facts stated in this announcement are fair and accurate (other than that relating to the Subscriber and Fund Manager) and that no material facts have been omitted from this announcement, and they jointly and severally accept responsibility accordingly. For information in this announcement relating to the Subscriber and the Fund Manager, the Directors have taken all reasonable care, based on representations by the Subscriber and the Fund Manager, to ensure that such information has been accurately and correctly reproduced in this announcement.

BY ORDER OF THE BOARD

Charles Antonny Melati
Executive Chairman
21 April 2015