
MEMORANDUM OF UNDERSTANDING FOR COOPERATION OF COAL MINING SERVICES

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 subsidiary, PT Sungai Danau Jaya (“**SDJ**”), had on 17 June 2015 entered into a memorandum of understanding for cooperation of coal mining services (the “**MOU**”) with PT Bukit Makmur Mandiri Utama (“**BUMA**”).

SDJ holds production operations mining business licenses for an aggregate area of 235.5 hectares located in the Sub-District of Angsana and Sungai Loban, District Tanah Bumbu, Province of South Kalimantan (the “**Mining Area**”). BUMA is a company engaged in the provision of coal mining services.

Pursuant to the MOU, SDJ shall procure from BUMA services such as the overburden removal and coal hauling in the Mining Area, and the rental of heavy equipment.

BUMA shall provide mining services for the entire life of the mine or until all of the coal reserves have been fully produced and/or extracted from the Mining Area.

The parties shall enter into an operational agreement no later than 30 days after the date of the MOU, after which the MOU shall be effectively terminated, unless mutually extended by the parties. SDJ and BUMA will not be expected to commence work until after the operational agreement is executed.

Barring unforeseen circumstances and subject to execution risks, the MOU is expected to have a positive impact on the net tangible assets per share and earnings per share of the Group for the current financial year ending 31 December 2015.

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the MOU, other than through their shareholdings in the Company (if any).

BY ORDER OF THE BOARD

Charles Antonny Melati
Executive Chairman
17 June 2015