ANNUAL REPORT 2016

GEO

ENERGY GROUP

Harnessing Strengths, Driving Growth, Delivering Value

Building strong performance

Delivering solid growth

Performance delivered

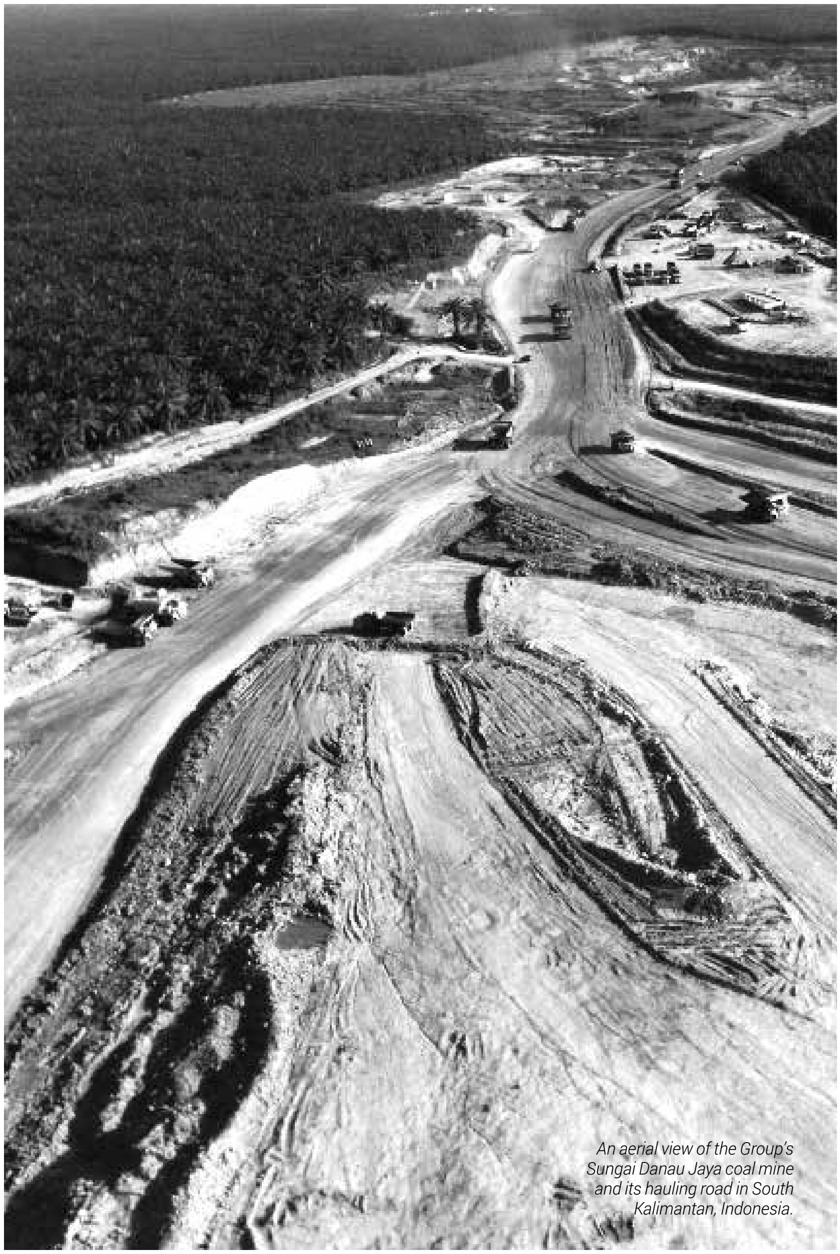
The Cover

An aerial view of the Group's Sungai Danau Jaya coal mine and its hauling road in South Kalimantan, Indonesia.

ANNUAL REPORT 2016

GEO

ENERGY GROUP



An aerial view of the Group's Sungai Danau Jaya coal mine and its hauling road in South Kalimantan, Indonesia.

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"I am pleased to note that the Group has turned around and recorded its first full-year profit since 2013 on higher thermal coal prices and a rapid ramp up of coal production"

—

Mr Charles Antonny Melati
Executive Chairman

Dear Shareholders,

On behalf of the Board of Geo Energy Resources Limited ("Geo Energy" or together with its subsidiaries, the "Group"), it is my honour to present to you our annual report for the financial year ended 31 December 2016. I am pleased to note that the Group has turned around after a rapid restructuring, and had recorded its first full-year profit since 2013 on higher thermal coal prices and a rapid ramp up of coal production.

CHINA COAL PRODUCTION CUTS DROVE COAL PRICE RECOVERY

China accounts for half of total global coal consumption and has a significant influence on coal prices. In April 2016, China implemented a policy of reducing its domestic coal production by cutting the number of days allowed for coal mining from 330 to 276 days. Although total coal consumption in China has been declining, this policy effectively reduced production[1] by 10 percent. This created a shortage which was balanced by imports, benefitting exporters like Geo Energy. As a result of the policy, China's thermal coal imports have surged[2], for instance by over 64% year-on-year in January 2017[3], while ICI 4200 GAR coal prices hit a peak of US$ 49.7 per tonne in November 2016.

RESTRUCTURING INTO TOP 10 COAL PRODUCER IN INDONESIA

2016 marked a year of renewal and restructuring for Geo Energy, as we divested our mining services and coal haulage services

[1] "China Boosts Coal Imports as Miners Cut Domestic Production". Bloomberg News.
[2] "China Shenhua Energy Company: Key Details from 2016 Interim Results Aptly Titled 'Coal Supply-Side Reform'". Tim Buckley, Institute for Energy Economics and Financial Analysis.
[3] China Jan 2017 thermal coal imports up 64pct YoY, SXCoal.

GEO ENERGY

CHAIRMAN'S STATEMENT

Hauling road

business to become a low cost coal producer, partnering with world-class operators such as PT Bukit Makmur Mandiri Utama ("BUMA") and Engelhart Commodities Trading Partners ("ECTP"). Our renewal and restructuring effort had strengthened our financial positions. We will continue to acquire attractive assets, such as the 98.73% stake in PT Tanah Bumbu Resources ("TBR") and 79.9% stake in PT Parisma Jaya Abadi ("PJA"). Upon completion, these acquisitions will increase the Group's total mineable coal reserves to above 90 million tonnes. With a larger reserve base, our production target for 2017 should enable the Group to rank among the top 10 coal producers in Indonesia by volume.

FINANCIAL AND OPERATIONS REVIEW

The turnaround in coal prices has directly benefitted Geo Energy. Our revenue surged over 900 percent year on year to US$ 182.1 million as production at PT Sungai Danau Jaya ("SDJ") ramped up from 55,000 tonnes in December 2015 to an average of over 500,000 tonnes of coal per month, with a high of 829,335 tonnes in September 2016. Against our target of 6 million tonnes of coal delivery in 2016, we have delivered 5.5 million tonnes of coal at an average price of US$ 33.0 per tonne. As a result, we achieved a net profit from continuing operations of US$ 23.5 million in 2016.

EXPANDING CAPACITY AND STRATEGIC PARTNERSHIPS

Given the favourable operating environment, the Group will continue to look into accretive acquisitions, and seek partners to improve its operations.

I am pleased to highlight that ECTP has increased its off-take agreement with us to a minimum of 7 million tonnes in 2017, as compared to 1.5 million tonnes in July 2015. On the back of this agreement, we have received a total of US$ 60 million of prepayment for our coal in 2016 which has strengthened the Group's financial position.

Although the TBR acquisition is pending completion, we have begun exploring off-take arrangements for the coal from TBR mine.

OPTIMISING CAPITAL STRUCTURE

As we have returned to profitability, the Group is embarking on an exercise to optimise its capital structure taking into account the Medium Term Note ("MTN") due in January 2018. The MTN carries a 7 percent interest rate per annum. We are exploring ways to lower our effective interest cost, as well as reviewing the gearing for our Company.

DIVIDEND

On 28 February 2017, the Group has proposed its first dividend since its IPO of S$ 0.01 per share (tax exempt, implying a 3.4% yield on the closing price as at 28 February 2017), subject to shareholders' approval at the coming Annual General Meeting.

THANK YOU FOR YOUR SUPPORT

On behalf of the Group, I would like to express my utmost appreciation to our stakeholders - the customers, suppliers and business associates that have supported us over the years. Also, I would like to thank my fellow Directors, our CEO and staff for their dedication and hard work. Last but not least, to our valued shareholders, thank you for your faith and support in Geo Energy's management stewardship.

Yours sincerely,

Mr Charles Antonny Melati
Executive Chairman

28 March 2017

"Today's results show that we have kept our commitment to produce and sell close to our targeted 6 million tonnes of coal in our first full year of production at SDJ coal mine.

We have maximised cash and productivity from our assets, delivering US$ 23.5 million in 2016 net profit from continuing operations while strengthening our balance sheet with a cash position of US$ 67.7 million at year end."

—

Mr Tung Kum Hon
Chief Executive Officer

Dear Shareholders and All,

I am privileged to address you in our annual report for the financial year ended 31 December 2016. We have returned to profitability, thanks to a rally in thermal coal prices and a rapid ramp up of production at our SDJ coal mine. I am pleased to note that the Group's core strategy to grow its coal reserves and focus on coal production has paid off with 154% shareholder returns for the period from 1 January 2016 to 28 March 2017.

BUILDING STRONG PERFORMANCE

2016 has been an eventful year for the group, as we completed our transformation into a nimble and competitive business model – from a mining services operator to a low-cost coal producer.

In June 2016, the Group divested its mining services and coal haulage services businesses under wholly owned subsidiaries, PT Mitra Riau Pratama and PT Geo Mineral Trading, for US$ 10.0 million to PT Autum Bara Sejahtera. The disposal of the subsidiaries in June 2016 reduced the Group's financial lease obligation and assets depreciation, with savings of US$ 6 million annually going forward. This has strengthened our balance sheet.

In July 2016, the Group entered into a Conditional Sales and Purchase Agreement ("CSPA") to acquire a 98.73% stake in TBR's mining concession in South Kalimantan, Indonesia.

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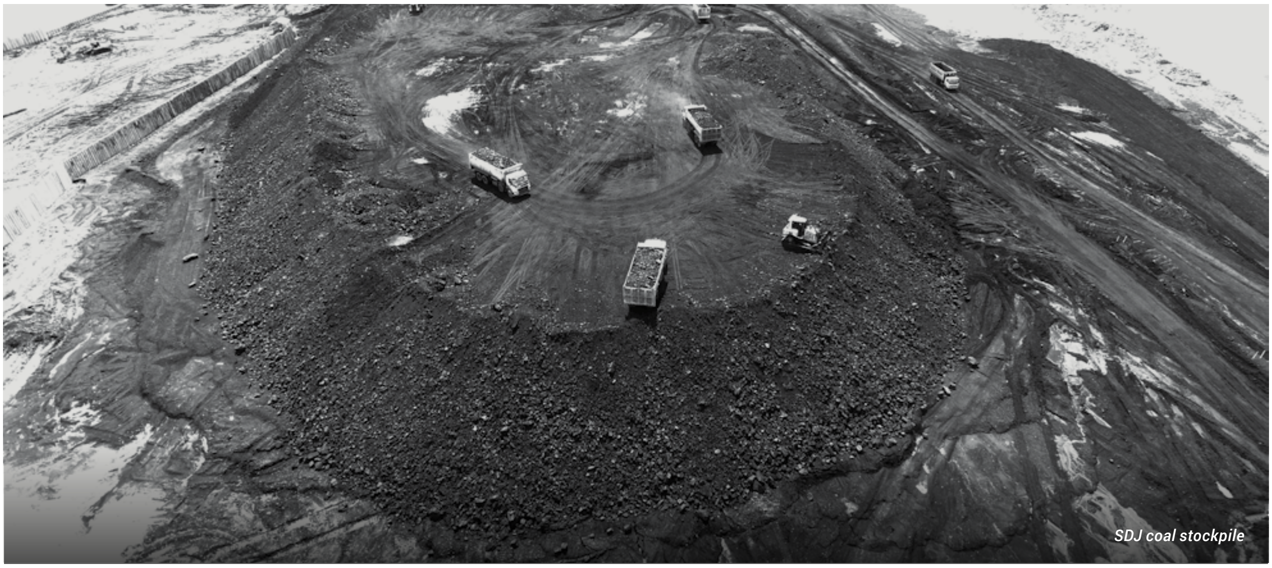
CEO MESSAGE



SDJ coal stockpile

Spanning 489.1 hectares of mining concession, TBR's coal mine has a Joint Ore Reserves Committee report ("JORC") estimated proved mineable coal reserves of 40.7 million tonnes of coal and a probable 3.7 million tonnes of coal at a low average stripping ratio of 3.4 with a minimum average calorific rate of not less than 4,200 kcal/kg containing 34.4% total moisture, 39.4% volatile matter, 5.1% ash and 0.24% total sulphur. Strategically located beside the coal mine belonging to the Group's subsidiary, SDJ, TBR's coal mine possesses similar qualities like thick coal seams, low strip ratio and a close proximity to a jetty. As most of the infrastructure is already in place for coal mining operations to commence, we expect significant synergies from production at this asset. This followed a smaller acquisition in February 2016, where the Group entered into a CSPA to acquire a 79.9% stake in PJA, which has coal with an estimated calorific value of 6,700 to 8,100 kcal/kg. Upon completion of all these acquisitions, the Group will increase its coal reserves to over 90 million tonnes from 53.5 million tonnes as at 31 December 2015.

DELIVERING SOLID GROWTH

In 2016, we embarked on a series of acquisition opportunities as Geo Energy aims to become one of Indonesia's top coal producers. We will continue to pursue earnings accretive opportunities in the region to build up our coal reserves.

Our Group remains committed to enhancing shareholder value through driving improvements in productivity and to maximising the value of our good quality coal assets going forward.

2016 also saw the Group's first foray into mining project management services with PT Angsana Jaya Energi ("AJE"), and a new off-take agreement signed with ECTP for a minimum of 7 million tonnes of coal and a prepayment of US$ 40 million in December 2016 for 2017. The Group is particularly pleased with the new off-take agreement as it has worked with ECTP since July 2015, increasing ECTP's initial commitment of 1.5 million tonnes to where it is today.

The Group expects another similar prepayment arrangement in end 2017 for 2018 production volumes, and is exploring a similar arrangement once the TBR acquisition is completed and it begins production.

Overburden removal

Cut in China's coal production due to 276 working-day policy leads to low inventory levels and supply shortage. At the same time, demand has remained strong due to the high switching costs for energy, given the long-term investment nature of coal-fired power plants.

HARNESSING STRENGTHS

Our net debt to equity ratio has fallen to just 3% as at 31 December 2016, from 73% as at 31 December 2015. This is mainly due to stronger operating cash flows, which increased to US$ 69.3 million in 2016, up from US$ 22.5 million in 2015. The Group is also exploring how to optimise its capital structure to best suit the Group's growth plans given its strengthened financial position.

PERFORMANCE DELIVERED

Our transformation has enabled us to achieve a record quarterly net profit of US$ 14.7 million in 4Q2016, the highest ever quarterly profit recorded by the Group since its IPO.

Reflecting our confidence in the operating environment, the Group has set a coal production target of 10 million tonnes in 2017, an increase of 82% from its sales of 5.5 million tonnes in 2016. We expect this target will put us among the top 10 Indonesian coal producers by volume. Since the beginning of production at SDJ, we have ramped up production from just 55,000 tonnes in December 2015 to a total coal delivery of 5.5 million tonnes in 2016. We aim to achieve a similar ramp up at the new assets, with TBR expected to begin production in 2017.

We are pleased to highlight that Geo Energy delivered a 114% total return to investors for the period 1 January 2016 to 28 February 2017, compared to a decline of 17% in the SGX Mineral, Oil and Gas ("MOG") Index.

MARKET OUTLOOK

Indonesia has seen a robust increase of coal exports as over 80 percent of the country's annual increased production, mostly coal with low to medium calorific value is shipped to the world's largest coal consuming countries of China and India following the two countries' aggressive move to coal–fired power plants to meet rising demand of its fast economic growth.

Since China's policy action in April 2016, coal prices have rallied by over 46% from the December 2015 bottom of US$ 26.65 per tonne. Prices for 4200 GAR Coal have since held steady, stabilising at US$ 37.03[4] per tonne in December 2016 and US$ 45.72 per tonne as at 24 March 2017.

We expect the supply-demand imbalance to persist in the medium-term as China continues to drive cuts in coal production. In 2016, it slashed production capacity by over 315 million tonnes, according to Reuters[5], and has pledged to cut another 250 million tonnes in 2017. Our Group still receives attractive orders from our major customers in China. In addition, we have also received various enquiries from India, which is expected to see a doubling of coal demand to 200 million tonnes in 2020[6]. As Indonesian coal is suitable to the boilers of India's power plants, Indonesian suppliers remain in a favourable position to export to India. We are also exploring other existing export markets such as Japan, South Korea and Southeast Asian countries. Indonesia (where the Group's operations are based), with its strategic location in the region, lower production costs and suitable and multiple coal products, is poised to be a major supplier for the Asian market.

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4 Petromindo.com 2016/2017 Indonesian Coal Book.
5 Average of Indonesian Coal Index (ICI) 4200 GAR coal prices for December 2016.
6 "New year, new cuts stir debate about China's steel, coal excess". Josephine Mason and David Stanway, 19 January 2017, Reuters.

"We Grow Up Together in Harmony", the theme for our retreat in Yogjakarta, Indonesia, emphasising the importance of team-building and collaboration across departments.

Separately, we are also planning to supply to the domestic Indonesian market (which is a growing market) and Indonesian power sector. The Indonesian government has set out its priority to boost electrification rate in Indonesia as a move to accelerate economic growth with the launching of 35,000 megawatt new power generation capacity across the country. More than 40% of the new power generation capacity is to be generated by coal-fired power plants. Based on data from PT Perusahaan Listrik Negara (PLN), Indonesia's national electricity company, shows the realisation of coal-fired power plants under the 35,000 megawatt program would increase coal demand from about 80 million tonnes in 2015 up to 120 million tonnes by 2020[7]. We have incorporated a company, PT Geo Tebo Power Inti, to explore and invest in the mine mouth coal fired power plant projects in the Indonesia power sector.

GROWING TOGETHER IN HARMONY

At Geo Energy, employees are key drivers of our success, and we believe in forming strong and cohesive team to achieve our ambitious goal of becoming a top Indonesian coal producer. As such, we have engaged in team building efforts, such as our staff retreat to Yogjakarta. "We Grow Up Together in Harmony", the theme for our retreat involving all staff from both Singapore and Jakarta offices, the directors and senior management, emphasising the importance of team-building and collaboration across departments. Personally, I was encouraged by all my staff and colleagues gathered in one place (irrespective of ranks and positions), forming strong bonds and enjoying the retreat, and I sincerely hope my staff felt likewise.

LEADING IN SUSTAINABILITY

Sustainability is important to our Group's future success and the risks are significant to society and to our businesses. The related issues should be integrated into the Group's strategies and operations.

We are committed to delivering environmental, social and economic benefits. We will be issuing our first sustainability report in 2018.

CARING FOR OUR COMMUNITY

We believe in giving back to our community through corporate social responsibility initiatives as our community is at the heart of everything we do. Although we have had a very successful 2016 financially, we believe that social and environmental measures are equally important in measuring our success. In addition to supporting local businesses, these measures include donations to local community institutions such as orphanages and mosques, occupational health and safety measures to ensure the continued safety of our staff members, and extensive steps to manage our environment.

SUPPORTING LOCAL INSTITUTIONS

As a business with operations in Indonesia, not only are we an employer of our individual staff members, local businesses are also important to us as our suppliers. For instance, our partnership with BUMA is a key part of our success. However, we also strive to support small and medium enterprises such as the food suppliers around our mine sites. In addition, we seek to build strong bonds with our local

[7] "Coal in India 2015", Australian Government Department of Industry and Science, Office of the Chief Economist.

Yogjakarta staff retreat
24 February 2017

A goal without a plan is just a wish. If the plan doesn't work, change the plan but never the goal.

community, and improve their general living standards, through working closely with them to understand their needs. For instance, in 2016, we donated building materials to build and repair school premises. We also visited the Nurul Iman and Uswatun Hassanah orphanages, as well as two local mosques, and made donations in kind such as basic necessities (food and clothing).

PRIORITISING HEALTH, SAFETY AND THE ENVIRONMENT

Geo Energy's steadfast commitment to the health and safety of our workers includes long-term planning for environmental management. We have extensive environmental management strategies in place, which include waste handling and disposal, air and water pollution control measures, and improvements to our resource efficiency. In addition, we have over the years built a comprehensive safety management system for our mining operations, carrying out regular drills and training on basic safety procedures, and internal safety checks by our on-site safety officers. This has resulted in a good safety record as there were no major injuries or fatalities in 2016.

2016 and 2017 PRIORITIES

I have earlier set out our 2016 priorities to expand our Group's business and strengthened our competitiveness for sustainable growth.

We prioritised the rapid ramp up of production at SDJ coal mine after production began in December 2015. From just 0.5 million tonnes of coal delivered in 1Q2016, we were able to deliver 2.4 million tonnes in a quarter in 4Q2016 (and 5.5 million tonnes for the year), setting a record for quarterly revenue and profit for the Group since the listing of the Company in 2012.

One of our key goals in 2016 was also the completion of the proposed acquisitions announced by the Company. To that end, we obtained shareholders' approval at Extraordinary General Meeting, where the proposed acquisition of TBR was passed with 99.99% of total votes. We also completed the acquisition of PT Surya Tambang Tolindo ("STT") in November 2016.

In 2017, we will continue to look for accretive acquisition opportunities, as well as to complete the proposed acquisitions such as TBR.

We are pleased to note the advanced stage of the coal sales off-take negotiations for TBR with major global commodities trading houses, with prepayment for 2017/2018 not expected to be less than the SDJ coal sales off-take. We have also secured more competitive facilities with our banking partners.

Finally as we have proven our ability to rapidly ramp up production at SDJ coal mine, we aim to do the same at TBR and achieve our sales target of 10 million tonnes for 2017. This will position us as one of the top 10 major coal producers in Indonesia.

Our forward strategies will require careful planning. A goal without a plan is just a wish. If the plan doesn't work, change the plan but never the goal.

DELIVERING VALUE

We have been building our business to deliver growth, operating discipline and financial performance for our shareholders and stakeholders.

Optimism, albeit with a considerable degree of caution, is proving to be a prevailing theme for

Our Group remains committed to enhancing shareholder value through driving improvements in productivity and in maximising the value of our good quality coal assets going forward.

many businesses in the aftermath of a trying period in 2015. While 2016 was not without challenges for our Group, we have emerged resilient and have taken these challenges as an opportunity to respond prudently and proactively to expand our coal business.

We will continue to pursue earnings accretive opportunities in the region to build up our coal reserves. We will continually evaluate the performance of our business units, acquire and divest assets, and adjust resource allocations based on each business's relative market opportunities to invest our capital, talent and resources. Our Group remains committed to enhancing shareholder value through driving improvements in productivity and to maximising the value of our good quality coal assets going forward.

APPRECIATION

I would like to express my deep appreciation to my fellow directors for their expert guidance, professionalism and support. I would also like to thank our customers, partners, shareholders and staff for their unrelenting passion, commitment, dedication and hard work, which are the key factors in rising above challenges during the year.

As I spoke to all our staff at the Company's Yogjakarta staff retreat, "Believe in yourself, push your limits, experience life, achieve your goals, and most importantly, be happy!"

We are all part of a team and I learned a lot from you.

Yours sincerely,

Mr Tung Kum Hon
Chief Executive Officer

28 March 2017

An Interview with Mr Jim Rogers

How he sees coal, how he contributes to Geo Energy and why Geo Energy the best way to invest in the Indonesian coal industry.

James Beeland "Jim" Rogers is an American businessman and co-founder of the Quantum Fund, which generated returns of more than 4,200 percent over ten years, leading CNBC to dub him an "investing legend". Currently based out of Singapore after moving to Asia in 2007, he is a firm believer in the long-term growth prospects of Asia, especially in emerging economies like China and Indonesia. Financial PR recently spoke to Mr Jim Rogers ("JR") to understand how he sees commodities, in particular coal, and how that has led him to a directorship in Geo Energy. He also discussed how he contributes to the firm and why he thinks it is the best way to invest in the Indonesian coal industry. Excerpts as follow.

FPR: Mr Jim Rogers, Geo Energy has returned to profitability in 2016. In your view, is their turnaround sustainable?

JR: Yes, the numbers are there for all to see. Our CEO is an amazing fellow, and has really driven this process.

FPR: What are your opinions regarding the transformation of Geo Energy's business model and the contribution it played to increased profits for the Group?

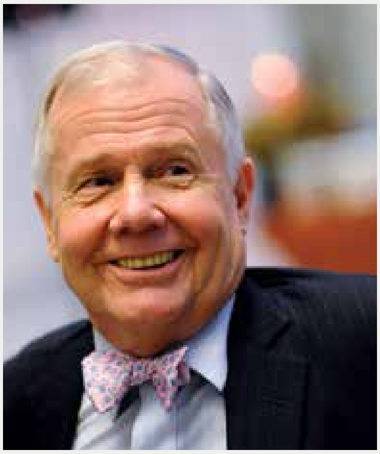
JR: What they've done – buying up reserves – is particularly inspired. They've changed from mining services to buying up reserves, and done a good job of execution in buying reserves and finding a way to sell the reserves (to ECTP through an off-take agreement).

Both ways are very good moves. There's always supply and demand in the world and the company's done a good job of facilitating them.

In my experience, you'd rather have reserves than just about anything else, particularly in commodities; compared to services, you'd much rather have hard assets. It's the right approach and I'm very pleased. It has in fact resulted in the share price going through the roof.

FPR: What's your view on coal prices, Mr Rogers?

JR: Well, China has clearly cut back on production, and they're cutting back more, so the demand is still there due to their power generation needs. Indonesian demand will increase as well.



"Geo Energy is the best way I know how to invest in the Indonesian coal industry, they clearly know it very well. In fact, they're the experts!"

—

Mr Jim Rogers

FPR: What do you think about the Indonesian coal industry?

JR: The Indonesian government is increasing power generation based on coal, as they've got a lot of coal instead of oil, so the economics of using coal are more attractive. As a result in the short term, coal prices have shot up, and the worry is that usually when that happens there's a correction. But the underlying fundamentals remain sound and prices could be seen to be stable here.

FPR: If you're so bullish on Indonesian coal, how does that translate to your investing?

JR: Geo Energy is the best way I know how to invest in the Indonesian coal industry, they clearly know it very well. In fact, they're the experts!

FPR: What do you think shareholders of Geo Energy have to look forward to in 2017?

JR: I hope we do more of the same, to be honest. Developing our assets, finding ways to sell the assets through an off-take agreement and generating strong operating cash flows through that. Geo Energy is an Indonesian coal company. As a shareholder, I don't want it to turn into a cookie company!

In my experience, the way people are successful is they do what they know. So I hope Geo Energy keeps doing what they know very well. As a director and shareholder, I give them whatever insights I have. Although I can't be going out there with a shovel, I can certainly share my knowledge and make sure we can all be successful together!

Mining in progress at our SDJ coal mine, which achieved total production and delivery of 5.5 million tonnes of coal in its first year of operation.

GEO ENERGY

HARNESSING STRENGTHS, DRIVING GROWTH, DELIVERING VALUE

Transformation into a nimble and competitive business model by changing from a mining services operator to a low-cost coal producer

Embarked on a series of acquisition opportunities as Geo Energy aims towards becoming one of Indonesia's top coal producers

Achieved record quarterly net profit in 4Q2016, Geo Energy's highest ever since its IPO listing

What we do and how we drive growth to meet strategic objectives

FINANCIAL AND OPERATIONS REVIEW

"Geo Energy Reports Highest Ever Quarterly Earnings as 4Q2016 Net Profit Surges to US$ 14.7 million and Revenue Soars to US$ 92.0 million."

RESULTS AND PERFORMANCE

In 2016, the Group's revenue from continuing operations increased nine-fold yoy to US$ 182.1 million, contributed entirely by coal sales of 5.5 million tonnes in 2016. Following the commencement of operations at the Group's SDJ coal mine in December 2015, the Group ramped up its coal sales from 0.5 million tonnes in 1Q2016 to 2.4 million tonnes in 4Q2016. The average selling price of coal was US$ 33.0 per tonne in 2016, driven by the rise in coal prices throughout the year.

In contrast, there were no coal sales in 2015 other than coal trading, as the Group's business model transformation into a coal producer was completed in 2016.

Gross profit was US$ 41.9 million in 2016, a thirteen-fold increase compared to 2015, and was contributed entirely by the sale of coal from SDJ.

This contrasts with 2015, where gross profits in coal trading activities were off-set by losses incurred in mining services. Excluding depreciation and amortisation of US$ 11.3 million, the Group's cash profit from coal production in 2016 was US$ 53.2 million or US$ 9.66 per tonne on average. As coal prices continued to increase in 4Q2016, the cash profit per tonne for that quarter was significantly higher at US$ 13.86.

- Delivery of 2.4 million tonnes of coal in 4Q2016 exceeded Geo Energy's target of 1.8 million tonnes, bringing 2016 sales of coal to 5.5 million tonnes and revenue to US$ 182.1 million
- 4Q2016 net profit is the highest quarterly earnings reported since listing, lifting 2016 profit from continuing operations to US$ 23.5 million
- Average cash profit of US$ 13.86 per tonne in 4Q2016
- Strong operating cash flow of US$ 49.7 million in 4Q2016 strengthens balance sheet with year-end cash position of US$ 67.7 million
- Signs of sustained uptrend in coal prices, with 24 March 2017 ICI 4200 GAR at US$ 45.72/tonne
- Geo Energy reiterates production and delivery target of 10 million tonnes of coal for 2017
- Proposed first dividend since IPO of S$ 0.01 per share, representing a commitment to deliver returns to shareholders invested in Geo Energy

The Group's other income increased 51% yoy to US$ 9.3 million, mainly due to a one-off gain of US$ 5.0 million on the disposal of the Group's mining services and coal haulage services businesses in June 2016.

General and administrative expenses increased by 26% yoy to US$ 8.2 million in 2016. The increase was mainly due to staff incentives paid in December 2016 and higher bank administrative charges incurred due to the processing of Letters of Credit for coal sales.

The Group's other expenses decreased by 42% yoy to US$ 2.4 million, contributed by decreases in allowances for doubtful debt and impairment loss on advance payment for coal. This was partially offset by a non-recurring loss on financial assets carried at amortised cost and one-off expenses arising from the Group's participation in the Indonesian Tax Amnesty Programme in 4Q2016.

The Group's finance expenses fell 6% yoy to US$ 6.0 million from lower amortised borrowing costs pertaining to the Medium Term Notes ("MTN") due in January 2018.

GEO ENERGY
— *Financial and Operations Review*

Due to the commencement of SDJ coal mining operations, total depreciation and amortisation from continuing operations rose by US$ 11.2 million, from US$ 0.8 million in 2015 to US$ 12.0 million in 2016.

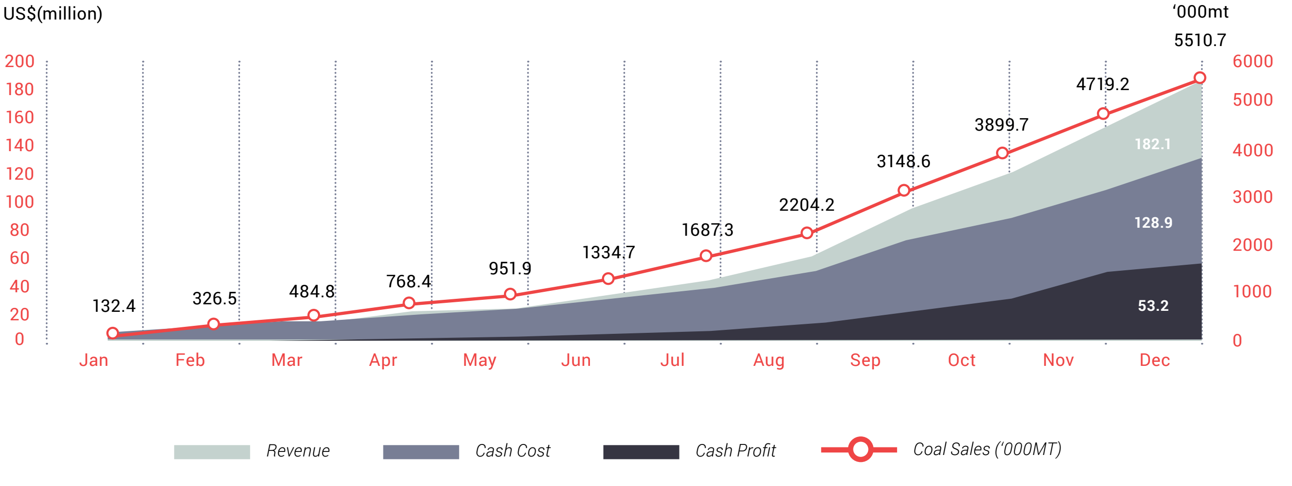
As the Group's profit before tax rose to US$ 34.7 million in 2016 from a loss of US$ 7.8 million in 2015, income tax expense recorded in 2016 was US$ 11.1 million, from a tax credit of US$ 0.4 million in 2015.

Finally, the Group recorded loss of US$ 1.3 million from its discontinued mining services and coal haulage services business.

Consequently, the Group's net profit from continuing operations for 2016 rose by US$ 30.9 million, from a US$ 7.4 million net loss in 2015 to a US$ 23.5 million net profit in 2016.

Mining at SDJ coal mine

Strong Growth in Geo Energy's revenue and cash profit for 2016



US$124.7M

Net Worth

Net Worth for the Group increased by 32% on the back of excellent performance in 2016.

US$100.3M

Mining Assets

We divested our mining services operations in our business model transformation into a coal producer.

US$208.8M

Cash, Receivables and other Assets

Strong operational performance and off-take prepayment contract built up our cash reserves.

US$(184.4M)

Total Liabilities

Management of our cash costs provide strength to our financial position.

30%

Cash Profit Margin

US$67.7m

Cash

The Group ended 2016 with cash and bank balances of US$ 67.7 million, an increase of US$ 55.3 million for the year.

IMPROVED FINANCIAL POSITION

The Group ended 2016 with cash and bank balances of US$ 67.7 million, an increase of US$ 55.3 million for the year. This was mainly due to the proceeds from sales of SDJ coal commencing in 2016 and prepayments for the Group's off-take agreement with ECTP.

As the Group anticipates increased coal sales in the coming months, inventories increased by US$ 3.5 million to US$ 8.9 million as at 31 December 2016. Trade and other receivables also rose to US$ 103.5 million as at 31 December 2016 from US$ 32.7 million the prior year.

This includes trade receivables of US$ 32.2 million of which US$ 12.6 million has been received in January 2017. Non-trade receivables stood at US$ 71.3 million. In total, current assets increased by US$ 118.5 million to US$ 187.5 million as at 31 December 2016.

Following the disposal of the mining services and coal haulage services businesses which was the main contributor in the decrease in property, plant and equipment of US$ 29.3 million, a sale of an investment property of US$ 2.8 million, decreases in deferred tax

GEO ENERGY
— *Financial and Operations Review*

assets of US$ 0.3 million and deposits and prepayments of US$ 0.6 million, the Group's non-current assets decreased by US$ 24.5 million to US$ 121.6 million. These were offset by an increase in deferred stripping costs of US$ 8.5 million from the SDJ coal mine.

In line with the expanded scale of the Group's operations, current liabilities rose US$ 68.2 million to US$ 114.4 million as of 31 December 2016. This was driven mainly by a US$ 40 million prepayment on the SDJ coal offtake from ECTP, US$ 4.5 million payable on the acquisition of the remaining 34% of SDJ coal mining concession (paid in January 2017), and accrued production costs of US$ 14.7 million unbilled from operations of the SDJ mine (billed and paid after year end). These were offset by a decrease in finance leases of US$ 2.8 million due to the disposal of the mining services and coal haulage services businesses.

Non-current liabilities comprised mainly the MTN of US$ 68.7 million, which will be reclassified to current liabilities from the fiscal period ending 31 March 2017 onwards. There will be no operational impact from the reclassification.

ENHANCED CASH FLOW

The Group recorded an increase of US$ 55.3 million in cash and cash equivalents in 2016, compared to a decline of US$ 2.6 million in 2015. Net cash from operating activities increased by US$ 46.8 million to US$ 69.3 million in 2016, driven by the Group's operating profit in 2016 and prepayments received from the off-take agreement. Operating cash flows before movement in working capital was an inflow of US$ 48.2 million.

Net cash used in investing activities was US$ 6.2 million, compared to US$ 17.0 million in 2015. This was mainly due to an increase in deferred stripping costs to US$ 8.8 million, purchase of US$ 0.2 million of property, plant and equipment, and partially offset by proceeds from the disposal of an investment property of US$ 2.9 million.

Trans-shipment from barges to bulk carriers at Bunati Anchorage (Indonesia) for exports

GEO ENERGY
— *Financial and Operations Review*

Hauling to mine dump site in TBR

Although the Group embarked on a series of acquisition opportunities as part of its strategy to increase coal production volume, it has structured these acquisitions to reduce capital outlay upfront and maintain the Group's liquidity. This has allowed the Group to expand its business quickly without taking on new debt.

Net cash used in financing activities in 2016 was US$ 7.9 million, mainly due to interest payments on the MTN of US$ 5.1 million and repayment of finance lease obligation and its associated interest of US$ 2.8 million.

SEGMENTS RESULTS

The Group has transformed to a nimble and competitive business model, from a mining service operator to a low-cost coal producer.

> We will continue to pursue earnings accretive opportunities in the region to build up our coal reserves.

Thus, revenue from coal mining, which comprised of revenue from the production and sale of coal produced from operating owned coal mines, contributed 100% of recognised revenue from continuing operations of US$ 182.1 million in 2016. Furthermore, the continued strengthening in coal price and surge in demand for coal for ICI 4200 GAR calorific value contributed to the higher revenue.

Since 2015, the Group has adopted the approach of entering off-take arrangements with our customers, as opposed to coal trading. The Group believes that there are inherent advantages to derive through off-take arrangements and mitigate commercial risks as this approach allows the Group to have more control over the terms of the sales

GEO ENERGY
— *Financial and Operations Review*

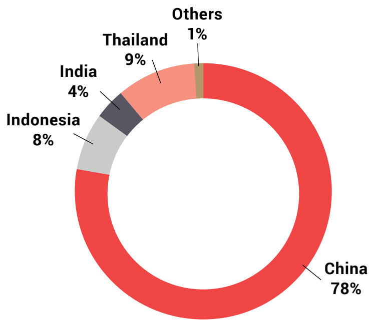
transaction. The new off-take of a minimum of 7 million tonnes of coal and a prepayment of US$ 40 million from ECTP, became the top contributor to the Group's revenue.

REVIEW OF OPERATIONS

2016 was an eventful year for the Group, as we returned to profitability after two years of losses, on the back of a restructuring of the business into a low cost coal producer.

Pleasingly, the Indonesian coal industry continues to benefit from policy developments

Revenue by Geography, 2016



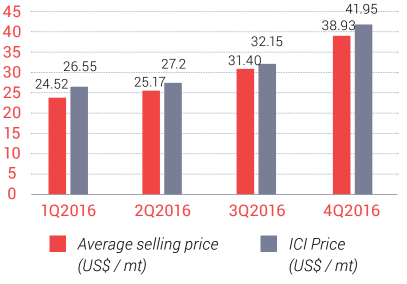
Other than sales in Indonesia, revenue for the other geographical segments was through an off-take and marketing agreement with ECTP.

Loading barges at BIR jetty

in China, where the number of statutory working days for coal miners were reduced in April 2016 from 330 days to 276 days a year[1]. This forced Chinese businesses to rely on coal imports to make up for the shortfall in domestic supply[2]. To date, demand has remained strong due to the high switching costs for energy, given the long-term investment nature of coal-fired power plants. Thus, ICI 4200 GAR coal prices have increased from US$ 26.69 per tonne in January 2016 to US$ 43.97 per tonne on 24 February 2017, an increase of 64.7% during the period. This will benefit the Group as much of our coal is exported.

Also in 2016, the Group embarked on a series of acquisition opportunities as part of the Group's growth strategy to increase coal production volume and diversify into coal of a higher calorific value. In particular, the proposed acquisition of TBR has been voted upon at an Extraordinary General Meeting on 16 December 2016, and passed with 99.99% of total shareholder votes.

Average selling price for 4200 GAR at US$ 38.93/mt for 4Q2016, up 24% from the average of US$ 31.40/mt in 3Q2016



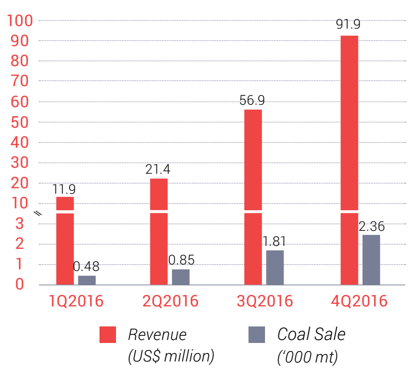
SDJ mining pit

[1] A China cuts working hours for coal miners in bid to tackle supply glut". Reuters, 18 April 2016.
[2] "As coal shortfall looms, miners enjoy unexpected boom". Reuters, 10 February 2017.

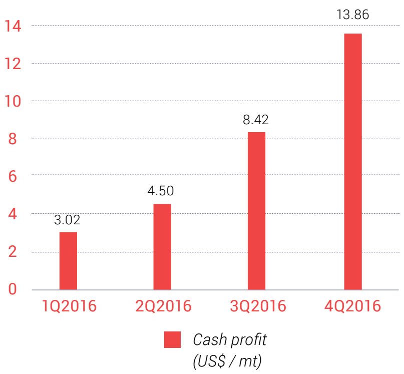
GEO ENERGY
— *Financial and Operations Review*

Geo Energy achieved 5.5 million tonnes of coal sales in 2016. This translated to sales revenue of US$182.1 million. By managing costs effectively, and with coal prices strengthening, this translated to cash profits of US$53.2 million.

Revenue increased by 900% to US$ 182.1m, contributed by higher coal price and 2016 sales of coal of 5.5 million tonne



Cash profit on coal sales increased to US$ 13.86/mt in 4Q2016, an increase of US$ 5.44 in 3 months compared to US$ 8.42/mt in 3Q2016



2016 also saw the Group's first foray into mining project management services with AJE, and a new off-take agreement signed with ECTP for a minimum of 7 million tonnes of coal and a prepayment of US$ 40 million for 2017. The Group is particularly pleased with the new off-take agreement as it has worked with ECTP since July 2015, increasing ECTP's initial commitment of 1.5 million tonnes to where it is today.

The Group expects another similar prepayment arrangement in end 2017 for 2018's production volumes, and is exploring a similar arrangement once the TBR acquisition is completed and it begins production.

Finally, in the process of expanding and diversifying its business, the Group is exploring how to optimise its capital structure in order to fund this expansion in the best possible way. With net gearing of just 3% as at 31 December 2016, the Group is in a position of strength.

The Group is pleased to reiterate its production and delivery target of 10 million tonnes of coal for 2017, on a base of enlarged coal reserves and accelerated production plans. With all the growth initiatives it has put into place in 2016, the Group could become one of the top 10 Indonesian coal producers. Based on cash profits of over US$ 10 per tonne earned in 4Q2016, our production target of 10 million tonnes of coal could translate to operating free cash flow of not less than US$ 100 million at current coal prices and current production cash costs.

Our Mission

PURSUING OPPORTUNITIES TO EXPAND OUR MINING OPERATIONS

COMMITTED IN CREATING VALUES FOR OUR SHAREHOLDERS

Overview of SDJ mine

GEO ENERGY

OUR CORPORATE PROFILE

Geo Energy is a major Indonesian coal producer with an established track record in operating coal mines, coal production and selling coal throughout the region.

Established in 2008, Geo Energy is headquartered in Jakarta, Indonesia with its corporate office in Singapore and production operations in Kalimantan, Indonesia. The Group owns mining concessions in East and South Kalimantan.

Geo Energy owns three mining concessions through its wholly-owned subsidiaries PT Bumi Enggang Khatulistiwa ("BEK"), SDJ and STT in Kalimantan, Indonesia.

The BEK mining concession area is 4,570 hectares located in Kutai Barat, East Kalimantan, with total reserves of 10.0 million tonnes of thermal coal measuring an average calorific value in excess of 3,400 GAR. The SDJ mining concession area is 235 hectares located in Tanah Bumbu, South Kalimantan, with total reserves of 36.0 million tonnes of thermal coal measuring an average calorific value ranging from 4,000 to 4,200 GAR. The STT mining concession area is 4,600 hectares located in Kutai Barat, East Kalimantan, with coal quantity of 1-25 million tonnes of semi-coking coal. Presently, Geo Energy is focused on coal production in SDJ.

Geo Energy remains committed to sustainable growth and enhancing shareholder value. The Group will continue to pursue opportunities to expand the mining operations and in growing the coal reserves through strategic acquisitions or vertical integration.

GEO EN

2016 Hig

Transformation from mining s
producer, and laying the foundatio
of upcoming earnings ac

29 February 2016

Conditional sale and purchase agreement for the acquisition of 100% shareholding interest in Borneo Bara Resources Pte Ltd for the coal mining concession in East Kalimantan

4 March 2016

Conditional sale and purchase agreement for the acquisition of 100% shareholding interest in Blessing Capital Pte Ltd for the coal mining concession in East Kalimantan

9 March 2016

Incorporation of a new subsidiary in Indonesia, namely, PT Geo Tebo Power Inti, which is for the purpose of exploring an opportunity in the power generation business in Indonesia

23 November 2016

Completion of the acquisition of STT, through the Group's subsidiary, PT STT Tunas Bara

16 December 2016

Shareholders' approval of the proposed acquisition of Fortune Coal Resources Pte. Ltd. by the issue and allotment of 117,000,000 new ordinary shares in the capital of the Company at the issue price of S$0.15 per share, was obtained at the Extraordinary General Meeting

19 December 2016

Entered into a coal offtake agreement to supply a minimum of 7 million tonnes of coal to ECTP in 2017

NERGY
hlights

ervices operator to mine
on through making a pipeline
cretive acquisitions

22 March 2016

Issuance of 27,222,222 ordinary shares at a price of S$ 0.18 per share

10 June 2016

Incorporation of a new subsidiary in Singapore, namely, All Win Holdings Pte. Ltd., which is for the purpose of the power of investment holding and restructuring of the Group's business

24 June 2016

Incorporation of a new subsidiary in Cayman Islands, namely, Geo Energy Investments Ltd (Formerly known as Geo Group Holdings Ltd), which is for the purpose of investment holding and restructuring of the Group's business

29 June 2016

Disposal of All Win Holdings Pte. Ltd. and mining services and coal haulage service businesses, which enable the Group to focus more of its resources on its coal mining operations

5 July 2016

Entered into a long term life of mine coal purchase contract and prepayment supplement of US$ 20 million with ECTP

18 July 2016

Conditional sale and purchase agreement for the acquisition of 100% shareholding interest in Fortune Coal Resources Pte. Ltd. for the coal mining concession in South Kalimantan

31 October 2016

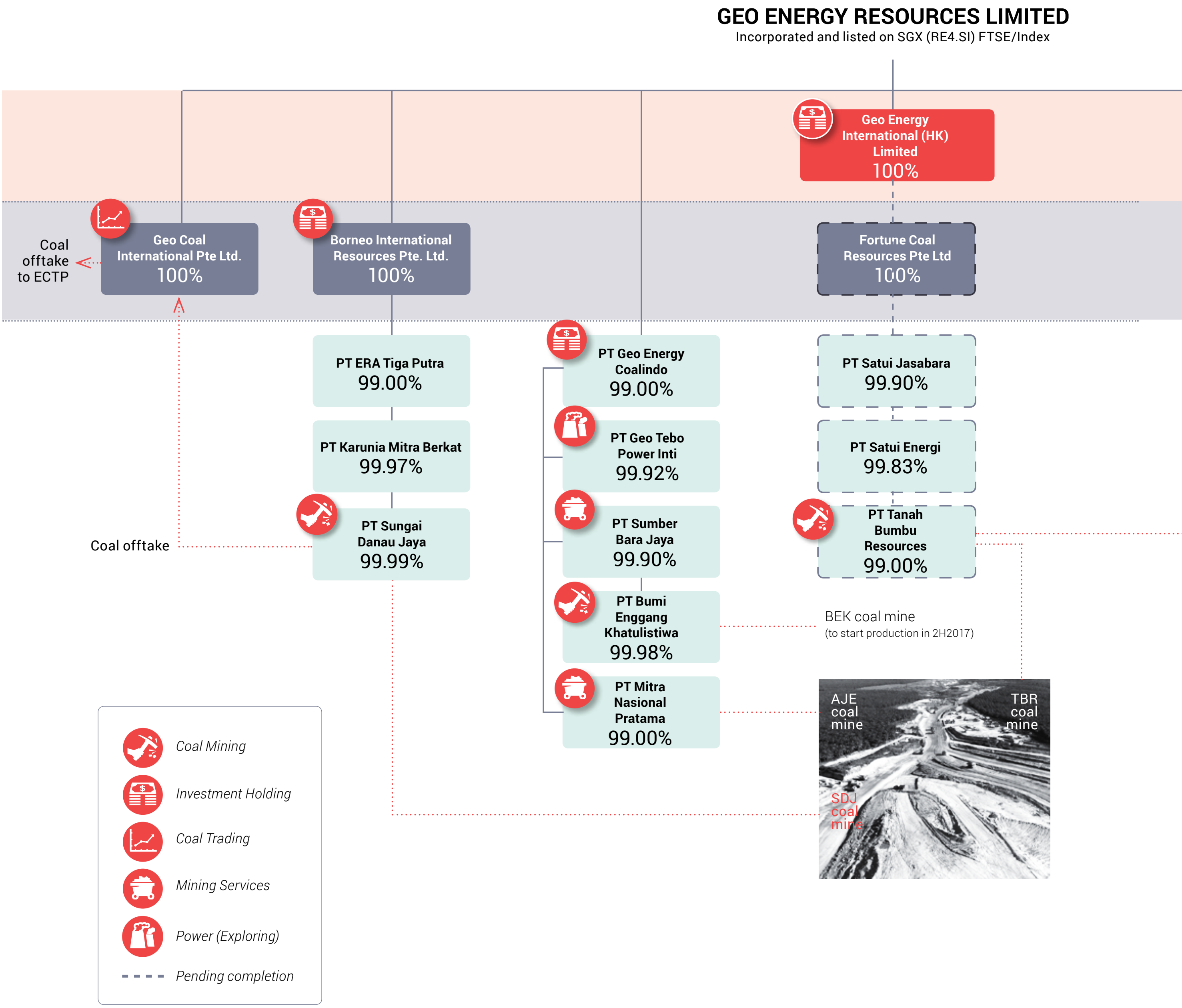
Entered into a coal mining management service, coal offtake and cooperation agreement with AJE, which represents a new development in the Group's coal mining business

3 November 2016

Incorporation of a new subsidiary in Indonesia, namely, PT STT Tunas Bara, which will engage in general trading and services

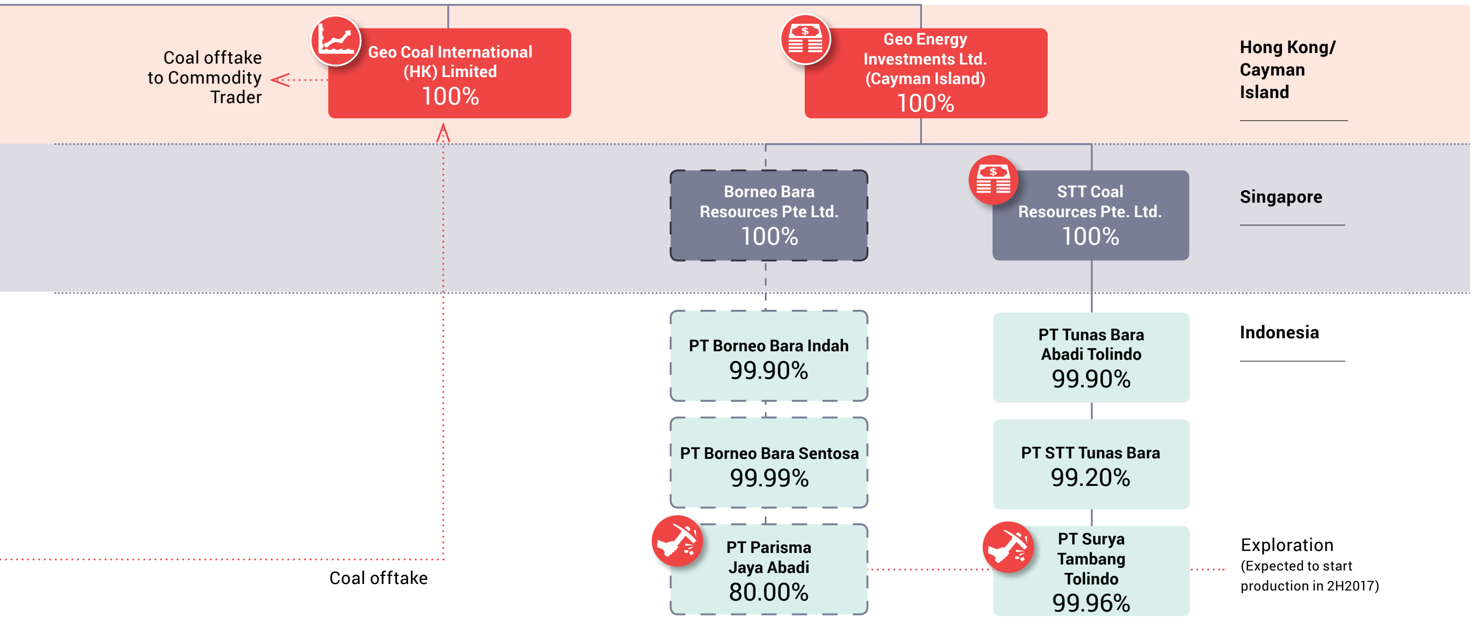
GEO ENERGY

GROUP STRUCTURE



GEO ENERGY

— *Group Structure*



SDJ

Location: Tanah Bumbu, South Kalimantan
Area: 235 hectares
Coal Reserve: 36.0 million tonnes
Average CV: 4,000 - 4,200 GAR

BEK

Location: Kutai Barat, East Kalimantan
Area: 4,570 hectares
Coal Reserve: 10.0 million tonnes
Average CV: in excess of 3,400 GAR

STT

Location: Kutai Barat, East Kalimantan
Area: 4,600 hectares
Coal Quantity: 1-25 million tonnes
Average CV: 6,197 - 7,934 GAR

TBR

Location: Tanah Bumbu, South Kalimantan
Area: 489 hectares
Coal Reserve: 44.4 million tonnes
Average CV: 4,000 - 4,200 GAR

PJA

Location: Kutai Kartanegara, East Kalimantan
Area: 5,000 hectares
Coal Quantity: 1.1 million tonnes (estimate pending completion of JORC report)
Average CV: 6,700 - 8,100 GAR

MNP

Coal Mining Management Service Agreement with PT Angsana Jaya Energi (AJE) a holder of coal mining permit with
Location: Tanah Bumbu, South Kalimantan
Area: 773.1 hectares
Coal Reserve: 5.0 million tonnes (for specified area of 259.5 hectares)
Average CV: 4,000 - 4,200 GAR

CV - calorific value

GEO ENERGY

OUR BUSINESS

"A low-cost Indonesian coal producer employing sustainable mining techniques"

Coal Mining	Production and sale of coal produced from operating owned coal mines.
Coal Trading	Purchase and sale of coal from third parties.
Mining Services	Mining contracting and equipment rental services.

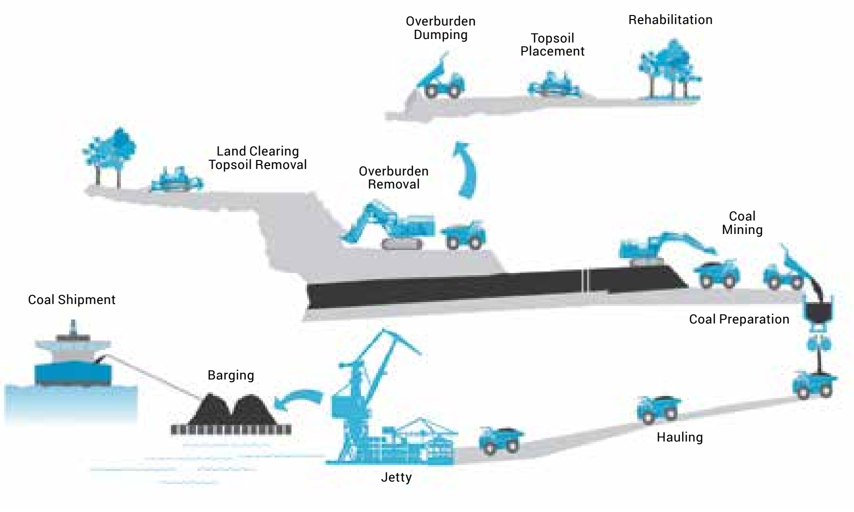
Geo Energy employs the open pit mining method, where the topsoil and rock overburden are removed to expose the coal and facilitate its extraction. This is done by excavators, bulldozers and dump trucks. The overburden removed is transported to the designated dumping areas and is subsequently used in our Group's land reclamation and rehabilitation activities.

By using excavators, the coal is extracted and loaded onto dump trucks for haulage. Our Group together with our mining contractor generally operates on a system of two work shifts of 10 hours per day.

Coal is transported by dump trucks to the barge loading port which is generally within close proximity of coal mining sites. Close proximity reduces transportation costs while increasing operational efficiency.

Coal is off-loaded from the dump trucks onto a conveyor belt which feeds it into the crusher where it is crushed. Our Group delivers and sells coal on either Free-on-Board (FOB) barge or mother vessel basis.

The land is reclaimed by depositing the overburden onto mined-out areas. Rehabilitation of the reclaimed land is carried out by the spreading of topsoil on the surface of the overburden deposition and the planting of native plants.



GEO ENERGY
— *Our Business*

Coal mines and operations

A
Singapore Corporate Office

- Corporate, Finance, Marketing and Human Resource functions
- Oversees Group's growth strategy, M&A, funding and investor relations

B
Jakarta Head Office

- Finance, Legal, Human Resource, Information Technology, Marketing, Operation and Purchasing functions
- Oversees Group's business and operations

C
BEK Mining Concession

- 4,570 ha in Kutai Barat, East Kalimantan
- 10.0 million tonnes of reserves
- Average calorific value in excess of 3,400 GAR

D
SDJ Mining Concession

- 235 ha in Tanah Bumbu, South Kalimantan
- 36.0 million tonnes of reserves
- Average calorific value range from 4,000 to 4,200 GAR

E
TBR Mining Concession (pending completion)

- 489 ha in Tanah Bumbu, South Kalimantan
- 44.4 million tonnes of reserves
- Average calorific value above 4,200 GAR

F
AJE Mining Concession

- 489 ha in Tanah Bumbu, South Kalimantan
- 5.0 million tonnes of reserves (for specified area of 295.5 hectres)
- Average calorific value above 4,200 GAR

G
PJA Mining Concession (pending completion)

- 5,000 ha in Kutai Kartanegara, East Kalimantan
- 1.1 million tonnes of coal quantity
- Average calorific value range from 6,700 to 8,100 GAR

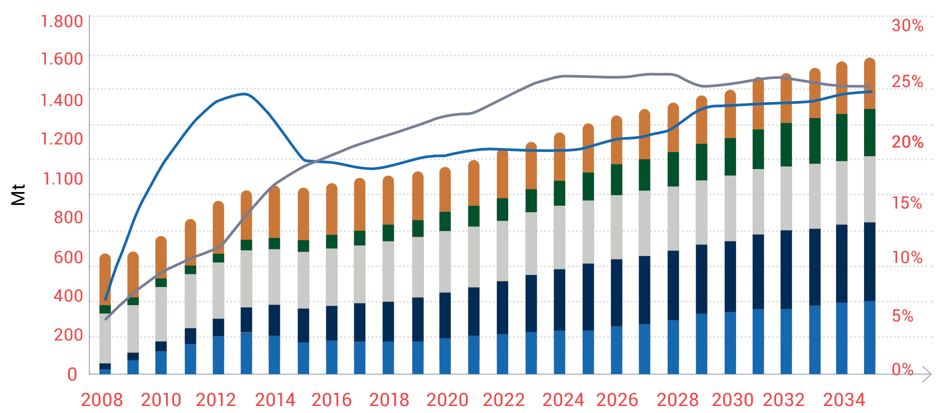
H
STT Mining Concession

- 4,500 ha in Kutai Barat, East Kalimantan
- 1-25 million tonnes of coal quantity
- Average calorific value range from 6,197 to 7,934 GAR

Coal Market Outlook

'Southeast Asia is expected to remain one of the fastest growing regions in the world well into the next decade, with Indonesia the only country capable of producing enough coal to support the demands of the region.'

Long Term Global Thermal Coal Demand



JKT: Japan, South Korea and Taiwan; SEA: Southeast Asia (Malaysia, Philippines, Thailand and Vietnam)
Source: Wood Mackenzie Coal Market Service, 2015 & Petrolmindo 2016/2017 Indonesian Coal Book

China and India are currently the main markets for Indonesia's coal and are expected to remain the key buyers in the long term. About 75% of China's coal imports and 90% of India's coal imports were thermal coal, used primarily for electricity generation. China is expected to remain a major importer of Indonesian coal as the expected coal production cuts would significantly be higher than any fall in demand. India is also boosting its domestic production as the country plans to build 20GW per annum of new coal fired power plant.

Indonesia is expected to continue to become key supplier for the region's coal requirement as the country has the advantage of close proximity compared to other key exporters such as Australia or the US. Furthermore, Indonesia's domestic demand is expected to increase on the back of government plans to generate an additional 35,000MW in power generation capacity across the country by 2019.

With the above economics, there are promising signs of a sustained uptrend on coal prices.

GEO ENERGY

— Our Business

Risk Factors

'Geo Energy's risk factors are well mitigated by strategic partnership with major players in the industries as well as a nimble and cost competitive business model.'

EXPOSED TO COMMODITY PRICE FLUCTUATIONS

The current and expected future price of coal, being a commodity, can change rapidly and significantly. This may have a substantial effect to Geo Energy's business, financial performance, financial condition and results of operations due to a direct impact to the Group's revenue derived from coal sales. However, this is mitigated by a nimble and cost competitive business model as well as strong outlook for the industry.

MARKETING VOLUME RISK

Based on Wood Mackenzie Coal Market Service, 2015, the long term global thermal coal demand is expected to remain strong. Furthermore, the Group's marketing volume risk is mitigated through long term coal offtake contract with international commodity trading houses.

OPERATIONAL RISK

The Group's operational risk is mitigated by outsourcing the mining services to BUMA, one of the largest mining contractors in Indonesia. The agreement with BUMA guarantees a minimum annual production volume, and further allow the Group to control its cost of production and secure a long-term service provider at the same time.

GEO ENERGY
— Our Business

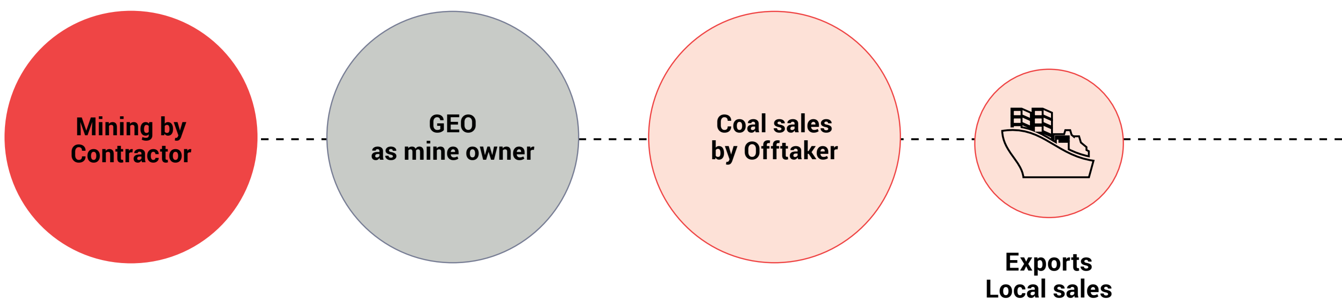
How We Do It

‘Transformation into a nimble and competitive business model by changing from a mining services operator to a low-cost coal producer’

We have strong business relationships and strategic partnerships with the major players in the industry.

✔ Outsourced mining services to one of the largest mining services company.

✔ Coal sales off-take and prepayments with major international commodity trading houses.



OUR BUSINESS MODEL (CAN BE EASILY DUPLICATED) NO CAPEX & QUICKLY SCALABLE

Mining contractor - SDJ (BUMA)

Awarded a more than US$ 400 million mining services contract over the Life of Mine (LOM) on the SDJ coal mine. Commenced production in late 2015.

Mining contractor – TBR, others (BUMA or Others)

Appointment currently under review and appointment by 2H 2017. This mining services contract has a value worth about US$ 400 million over the LOM on the TBR coal mine. To commence production in late 2H 2017.

Coal sales off-taker - SDJ (ECTP)

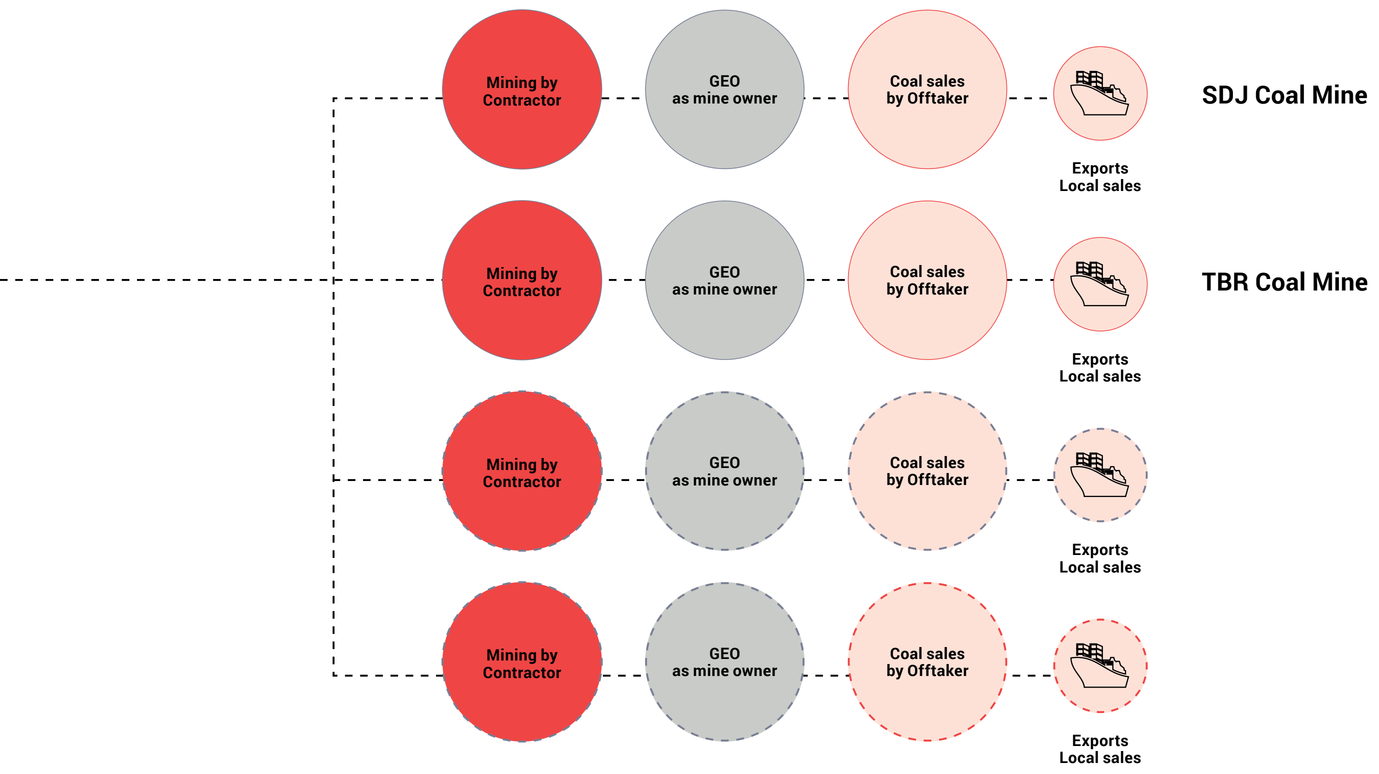
Off-take over the LOM on certain minimum quantity for a year with prepayment. 2017 minimum quantity committed is a minimum of 7 million tonnes with US$ 40 million prepayment in December 2016 paid.

Coal sales off-taker – TBR, others (ECTP or Others)

Currently under negotiation for off-take over TBR LOM on certain minimum quantity for a year with prepayment for 2017/2018 not expected to be less than the SDJ sales off-take.

GEO ENERGY

— Our Business



EASILY DUPLICATED

GEO ENERGY

— Our Business

Business Strategy

‘Our Business Strategy and Expansion Plan to grow and diversify our businesses’ (4 - pronged approach)

1

4200 GAR Coal

SDJ: Commenced production in late 2015 and first shipment in January 2016. In 2016, coal sales hit 5.5 million tonnes. Geo Energy is targeting a 10 million tonnes of production and delivery in 2017.

Acquisition TBR and Project AJE: The acquisition of TBR improves Group’s mining efficiency and synergy, as well as increases our coal reserves to over 90 million tonnes. We venture into coal mining management service with AJE to expand our revenue.

2

High CV Coal

Acquisition of STT and PJA: These strategic acquisitions would widen the Group’s range of calorific value and gain an access into a different customer segment to ride on the current coal prices.

3

Power

Setting up of Tebo Power: The Group is exploring downstream expansion in the development of coal-fired power plants, which is In line with the Indonesia government plans to generate an additional 35,000 megawatts in power generation capacity across the country by 2019.

4

Domestic Market

Selling in Domestic Markets: The Group is exploring the opportunity to supply thermal coal directly to Indonesian power plants through PLN, an Indonesian government – owned corporation which has a monopoly on electricity distribution in Indonesia.

GEO ENERGY

COAL RESERVES AND RESOURCES STATEMENT

The Indonesian coal quality is commonly classified as bituminous coal with resources and reserves spread out ranging from low calorific coal (GAR < 5,100) to very high GAR (>7,100 GAR). The latter classified as anthracite under the trading name as coking coal, is commonly found in Kalimantan, some locations in Sumatra and small part of them in other regions such as Pupua.

The Geological Agency of Indonesia at the Ministry of Energy and Mineral Resources in its newly issued report stated that Indonesia has 126.6 billion tonnes of coal resources and 32.6 billion tonnes of coal reserves as of 2015.

Most of Indonesia's coal resources and reserves are located in Sumatra and Kalimantan.

The Group's coal reserves are all located in East and South Kalimantan.

INDEPENDENT QUALIFIED PERSON'S REPORT ("IQPR")

The IQPR of SDJ and BEK, and Exploration Target Report of STT have been prepared by SMG Consultants (SMGC), in accordance with SMGC's interpretation of the Australian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (VALMIN Code 2015 Edition) and JORC code respectively.

The Technical Assessment and the Exploration Target have been prepared and verified by SMGC's Principal Engineer, Mr. Keith Whitchurch and SMGC's Principal Geologist, Mr. Abdullah Dahlan.

Mr. Keith has over 30 years of experience in exploration and mining of coal deposits and he is a Member of the Australasian Institute of Mining and Metallurgy. Mr. Dahlan has over 19 years of experience in the coal and gold mining industries and he is a Member of the Australasian Institute of Mining and Metallurgy.

The full JORC reports are available on our website.

> Thick coal seams and low strip ratio makes it more effective to mine

SDJ

SDJ has been engaged in coal mining activities in South Kalimantan since 2002, and currently holds a 235 ha coal concession by virtue of a Production Operation IUP granted in June 2014 and valid until May 2022.

SDJ commenced coal production from the concession in December 2015, and delivered the first shipment of 55,000 tonnes of coal to China in January 2016. As of April 2016, it has loaded seven shipments of approximately 52,500 tonnes each and a total of 390,000 tonnes to customers in China.

SDJ has engaged open-cut coal mining contractor BUMA, a subsidiary of Indonesia-listed mining services firm PT Delta Dunia Makmur Tbk., to conduct mining operations.

SDJ achieved a coal production and delivery of 5.5 million tonnes in 2016.

CONCESSION AREA

The SDJ concession covers an area of 235 ha, and is administratively located in Angsana and Sungai Lohan districts, Tanah Bumbu regency, South Kalimantan.

The easiest way to reach the concession area from Jakarta is to take a two hour domestic flight to the province's capital of Banjarmasin and then continue the trip by car to Tanah Bumbu for approximately three hours. From Tanah Bumbu, the concession area can be reached within approximately thirty minutes via a regional tarred road and then palm plant haul road.

Category	Mineral Type	Gross Attributable to License[1]		Net Attributable to Issuer [4]			Remarks
		Tonnes (millions)	Grade	Tonnes (millions)	Grade	Change from previous update [2] (%)	
Reserves [5]							
Proved	Coal	27.8	Sub-bituminous Rank B	27.5	Sub-bituminous Rank B	- 17%	Changes due to production and reconciliation adjustment
Probable	Coal	8.2	Sub-bituminous Rank B	8.1	Sub-bituminous Rank B	- 9%	
Total	Coal	36.0	Sub-bituminous Rank B	35.6	Sub-bituminous Rank B	- 15%	
Resources [3 & 5]							
Measured	Coal	29.8	Sub-bituminous Rank B	29.5	Sub-bituminous Rank B	- 29%	Changes due to production, density adjustment and revised bottom limit
Indicated	Coal	9.6	Sub-bituminous Rank B	9.5	Sub-bituminous Rank B	- 32%	
Inferred	Coal	0.9	Sub-bituminous Rank B	0.9	Sub-bituminous Rank B	- 59%	
Total	Coal	40.3	Sub-bituminous Rank B	39.9	Sub-bituminous Rank B	- 31%	

Notes:

[1] License refers to SDJ Production Operation IUP.
[2] Previous coal reserves and resources estimates were reported as at 31 December 2015.
[3] Resources are inclusive of reserves.
[4] The results presented are rounded to reflect the accuracy of the estimates. Minor discrepancies are due to rounding and are not considered material by SMGC.
[5] Reserves and resources are reported in accordance with SMGC' interpretation of the JORC Code 2012 Edition.

GEO ENERGY
— *Coal Reserves and Resources Statement*

BEK

Established in March 2008, BEK initially obtained an Exploration KP from the regional government in January 2009 to explore and develop a coal concession in East Kalimantan province. It secured a Production Operation IUP for the concession in April 2010 and subsequently commenced commercial production in February 2012, with a design production capacity of 2 to 3 million tonnes of coal per year. The IUP is valid for 20 years and can be extended twice for a period of ten years each.

In 2013, BEK produced about 1.49 million tonnes of coal, a 54% increase from 964,000 tonnes produced in 2012. The coal is a low-rank thermal coal, with low ash and low sulphur content.

The BEK concession covers an area of 4,570 ha and is administratively located within Tering and Long Iram districts, Kutai Barat regency, East Kalimantan, approximately 180 km straight line distance northwest of the provincial capital of Samarinda.

Access to the concession is via an approximate eight hours drive from Balikpapan or a one hour flight from Balikpapan to Sendawar, followed by a one and a half hour drive from Sendawar.

Category	Mineral Type	Gross Attributable to License [1]		Net Attributable to Issuer [4]			Remarks
		Tonnes (millions)	Grade	Tonnes (millions)	Grade	Change from previous update [2] (%)	
Reserves [5]							
Proved	Coal	8.5	Lignite Class A	8.4	Lignite Class A	+ 124%	Changes due to revised geological model and Resource boundary radii.
Probable	Coal	1.5	Lignite Class A	1.5	Lignite Class A	- 79%	
Total	Coal	10.0	Lignite Class A	9.9	Lignite Class A	- 10%	
Resources [3 & 5]							
Measured	Coal	13.8	Lignite Class A	13.6	Lignite Class A	+ 188%	Changes due to revised geological model and Resource boundary radii.
Indicated	Coal	10.2	Lignite Class A	10.1	Lignite Class A	- 25%	
Inferred	Coal	10.9	Lignite Class A	10.8	Lignite Class A	- 51%	
Total	Coal	34.9	Lignite Class A	34.5	Lignite Class A	- 14%	

Notes:
1 License refers to BEK Production Operation IUP.
2 Previous coal reserves and resources estimates as at 31 December 2015.
3 Resources are inclusive of reserves.
4 The results presented are rounded to reflect the accuracy of the estimates. Minor discrepancies are due to rounding and are not considered material by SMGC.
5 Reserves and resources are reported in accordance with SMGC' interpretation of the JORC Code 2012 Edition.

STT

The STT concession is held under a Production Operation IUP granted on 26 October 2012 and valid for a period of 20 years from the date issued.

STT is currently a greenfield concession and coal production has not commenced. The Group is in discussion to commence mining operations. Coal located within the TBR concession may be characterized as a high energy, low total moisture and generally high sulphur bituminous coal.

CONCESSION AREA

The STT Project Area covers 4,600 ha of land, located in the Kutai Barat district province of East Kalimantan. Geographically, the concession is situated 150km northwest of Balikpapan. Access to the site is obtained by the route of two hour regular flight from Jakarta to Balikpapan, thirty minutes small flight from Balikpapan to Barong Tongkok and 70km drive from Barong Tongkok to STT site.

Category	Units	Moisture Base	Exploration Target Range Estimate [1]
Coal Quantity			
Tonnage	Mt	adb	1 - 25
Coal Quality [2]			
Total Moisture	%	ar	3 - 13
Inherent Moisture	%	adb	2 – 5
Ash	%	adb	2 – 20
Volatile Matter	%	adb	36 – 44
Fived Carbon	%	adb	42 – 55
Total Sulphur	%	adb	0.8 – 63
Calorific Value	%	adb	6,445 – 8,065
		gar	6,197 – 7,934
CSN		adb	0 - 7

Notes:

1 The estimated exploration target coal quantity and quality is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

2 The quality are preliminary and conceptual, ranges are only based on sample qualities that were sampled from 7 boreholes, 7 coal outcrops and 3 test pits.

Mt = Million tonnes
ar = as received
adb = air dried basis
gar = gross as received

GEO ENERGY
— *Coal Reserves and Resources Statement*

TBR [1] (pending completion)

The TBR concession tenure is held under the Production Operation IUP, which is valid for 8 years until 11 February 2022 and can be extended twice for a period of ten years each. TBR has also applied for the permit to borrow and use forest area and the recommendation letter from the Governor of South Kalimantan to the Ministry of Environment and Forestry was accepted by the ministry.

TBR is currently a greenfield concession and coal production has not commenced. The Group is in discussion to engage a mining contractor to conduct mining operations in 2H 2017. Coal located within the TBR concession may be characterized as a high moisture, variable ash content, low sulphur and low energy coal.

CONCESSION AREA

The TBR project area covers a total of 489 ha of land located in the Angsana and Sungai Lohan sub district, Tanah Bumbu regency, South Kalimantan Province of Indonesia.
The concession is situated 185km due Southeast of Banjarmasin, the provincial capital of South Kalimantan. Access to the concession area is via a two hour domestic flight from Jakarta to Banjarmasin followed by a three hour car journey along national roads to Angsana and finally a thirty minute car trip along SDJ roads to the TBR site. The concession is in an area with many operating mines.

Category	Mineral Type	Tonnes (Million) [1]
Reserves [2]		
Proved	Coal	40.7
Probable	Coal	3.7
Total	Coal	44.4
Reserves [2]		
Measured	Coal	54.0
Indicated	Coal	10.2
Inferred	Coal	3.4
Total	Coal	67.6

Notes:

1 TBR's IQPR report has been shared during the Extraordinary General Meeting held at 16 December 2016.

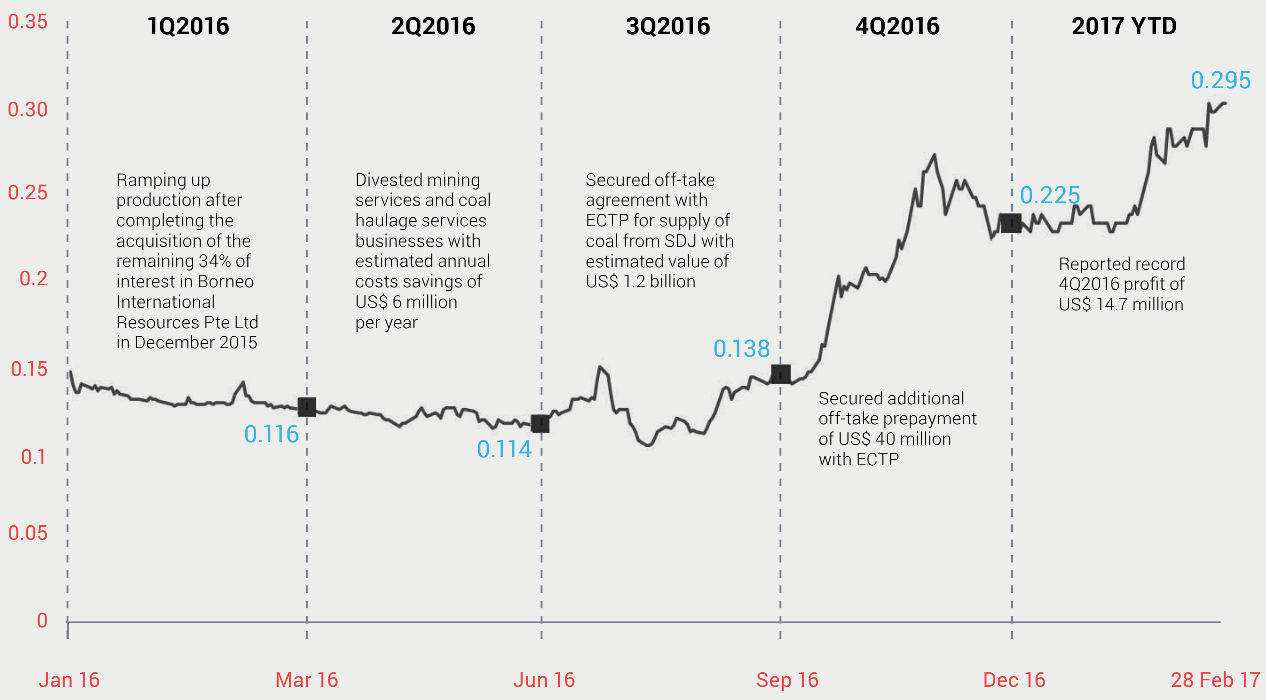
2 Reserves and resources were based on SMGC's IQPR as at 12 August 2016 and were reported in accordance with SMGC's interpretation of the reporting guidelines of the 2012 JORC Code.

INVESTOR RELATIONS & MEDIA

OUTPERFORMED THE SGX MOG INDEX

For the period of 1 January 2016 to 28 February 2017, we have a total shareholders return of 114% compared to a decline of 17% by the SGX MOG Index.

UNDERVALUED - TRADING MULTIPLE BELOW PEERS



Geo P/E ratio (Q4 Annualised): 4.2,

Industry Average P/E ratio (Q4 Annualised): 10.1 – 10.8

GEO
ENERGY GROUP

GEO ENERGY
— *Investor Relations & Media*

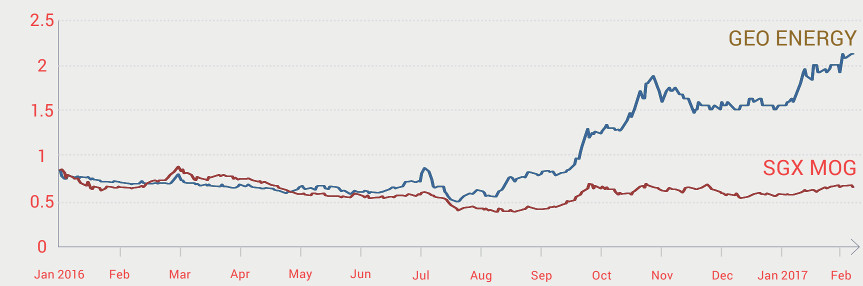
As at 28 February 2017

Current share price [1]	S$0.295	Earnings per share (weighted average) [5]	S$ 0.027
52-week range	S$ 0.095 - S$ 0.295	Net assets value per share [5]	S$ 0.144
Volume traded (1 year)	2.2 billion	Price earnings ratio (times) [2]	10.9
IPO share price	S$ 0.325	Price to book ratio (times) [3]	2.0
Year end share price	S$ 0.225	Dividend per share	S$ 0.01
No of shares issued	1,212,273,113	Dividend yield [4]	3.4%

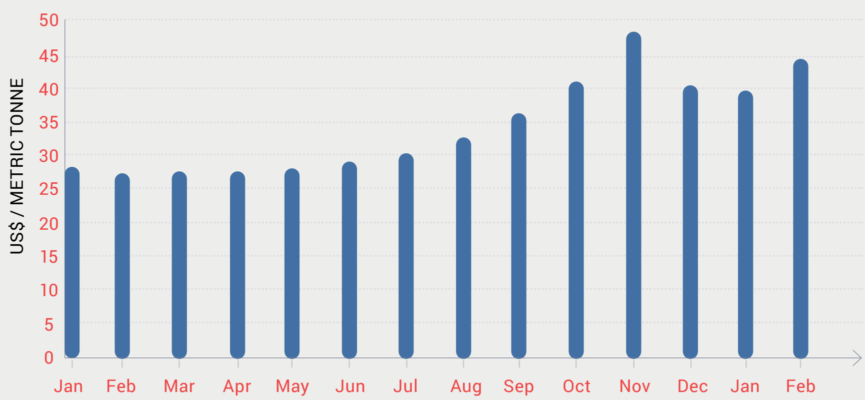
(1) As at 28 February 2017
(2) Current market share price over earnings per share
(3) Current market share price over net asset value per share
(4) 2016 Dividends declared over current market share price
(5) Based on exchange rate US$ 1.00 : S$1.40 as at 28 February 2017

Outperformed the SGX MOG Index for the period from 1 January 2016 to 28 February 2017 (GEO + 114%, Index: -17%)

GEO's share price performance against SGX MOG Index



ICI 4200 GAR coal prices for 2016 to February 2017



2016 Results

Sales:
US$ 182.1 million

Gross profit:
US$ 41.9 million

Net Profit – continuing operations:
US$ 23.5 million

Total Assets:
US$ 309.1 million

Total Liabilities:
US$ 184.4 million

Net Worth:
US$ 124.7 million

Return on Assets (%)	7.2
Return on Equity (%)	17.8
Net debt to Equity (%)	3.0
Current Ratio	1.64

ICI 4200 Gar coal price has now increased to US$ 45.72 per tonne as at 24 March 2017

GEO ENERGY
— *Investor Relations & Media*

February 29, 2016
Business Times

Geo Energy's proposed acquisition of PT Parisma Jaya Abadi, an East Kalimantan coal mining concession of high CV coal for US$ 18 million.

March 5, 2016
The Edge Singapore

Geo Energy's proposed acquisition in PT Cahaya Lembusuana, an East Kalimantan coal mining concession of high CV coal for US$ 13 million.

April 25, 2016
SGX Sector Update

SGX updated that of the 18 mining plays, Geo Energy is one of the five largest capitalized stocks. Together these five stocks have averaged a 1.8% gain in the year-to-date.

July 5, 2016
The Edge Singapore

Analysts from the Edge Singapore reported that Geo Energy's US$ 1.52 billion coal offtake deal with ECTP shows strong track record.

July 19, 2016
Business Times

Geo Energy buys out a South Kalimantan coal mine for US$90 million which doubles Group's coal reserves, and to hold talks for billion-dollar supply deal over lifespan of mine.

July 20, 2016
Business Times

The media reports on Geo Energy being on the cusp of a turnaround, commenting that the company has made slick moves to energize its financials which could mark the start of a sweet turnaround trajectory.

It has shifted its focus from mining services by divesting those assets and in turn, slashing operating cost and mending gearing levels, and turned into a mine owner.

August 1, 2016
SGX Sector Update

SGX says that Geo Energy was amongst the ten actively traded stocks that saw the biggest jump in July's volume, compared to their three month volume average. Together with other coal mining plays, they averaged a 13.2% return in July.

August 8, 2016
NRA Capital – Initiation of Coverage

NRA Capital's initiation of coverage states that recovery of coal price has brought Geo Energy back to focus with a target price of S$ 0.225 per share, representing an upside of 118%.

September 26, 2016
Investor Briefing

Geo Energy met with investors to brief on 1H2016's result where revenue increased by 191% to US$21.5 million, contributed by volume growth and improving coal price.

November 2, 2016
NRA Capital – Update of Coverage

NRA Capital provides an update that Geo Energy's exponential profit growth would drive further upside. NRA revised target price to S$ 0.31 per share.

November 4, 2016
Today Online

Activist funds commented that Geo Energy's shares are undervalued by as much as 60% and anticipate a jump in earnings from 4Q2016.

November 8, 2016
NRA Capital – Update of Coverage

NRA Capital updated that Geo Energy is expected to have more exponential growth with high visibility. As a result of the higher production forecast in FY2017 and FY2018, NRA revised target price upwards to S$ 0.345, translating to upside of 34.7% from the current share price of S$ 0.255.

GEO ENERGY
— *Investor Relations & Media*

"It is of utmost importance to Geo Energy that we communicate clearly and effectively with the investment community"

November 16, 2016
The Edge Singapore

It was reported that Geo Energy should end 2016 on a high note, in line with NRA Capital's maintaining its "overweight" recommendation in anticipation of a jump in earnings from 4Q2016.

January 23, 2017
Business Times

Analysts stated that the better economy is likely to boost Q4 corporate profits. Analyst from NRA Capital thinks stocks Geo Energy will do well for 4Q2016.

February 22, 2017
Phillip Capital – Initiation of Coverage

Phillip Capital's initiation of coverage states that Geo Energy would have more off-takes to take-off, recommending a Buy position with a target price of S$ 0.45 per share, an upside of 66.7%.

February 24, 2017
SGX Kopi-C

SGX Kopi-C published an article, "Geo Energy rides coal price tailwind", sharing Geo's outlook, the transformation of its business model, and value creation going forward.

March 23, 2017
Marketing PR Awards 2017

Winner of one of the best Investor Relationships Campaign in the region by Marketing magazine.

Paradigm Shift: Turnaround generates US$ 100 million shareholder value, despite the sector suffering.

Winner of one of the Best Investor Relationships Campaign in the region by Marketing magazine, Marketing PR Awards 2017.

4 TIMES LISTED IN THE SINGAPORE 1000 FAMILY RANKINGS
One of the top companies in the 30th 'Singapore 1000 & SME 1000 incorporating Singapore International 100' Rankings for year 2013, 2014, 2015 & 2016.

3 TIMES WINNER OF MOST TRANSPARENT AWARDS
Runner-up award in the Chemical & Resources category for year 2013, 2014 & 2015 by SIAS.

GEO ENERGY
— *Investor Relation & Media*

US$1 billion

TARGETED MARKET CAPITAL

By doubling the capacity to generate over US$500 million in revenue, while maintaining the lowest cost, and with the highest productivity and efficiency.

S$0.45

INITIATION TARGET PRICE BY PHILLIP CAPITAL

Phillip Capital initiates coverage on Geo Energy Resources with a Buy rating and a target price that implies an upside of over 66.7%.

est.100 million

TONNES OF COAL RESERVES

Upon the third acquisition of a coal mine in South Kalimantan for US$90 million doubles group's coal reserves.

10 million

TARGETED TONNES OF COAL PRODUCTION IN 2017

Upon the completion of TBR acquisition and the expected commencement of the TBR production, Geo Energy targets to produce 10 million tonnes of coal in year 2017.

US$40 million

PREPAYMENT FROM OFFTAKER

Geo Energy receives a prepayment of US$40 million from ECTP, a global commodities group, in conjunction with the supply of seven million tonnes of coal in 2017 under an offtake agreement.

GEO ENERGY

CORPORATE INFORMATION

Audit Committee
Ong Beng Chye (Chairman)
Soh Chun Bin
Karyono
Lu King Seng

Remuneration Committee
Lu King Seng (Chairman)
Soh Chun Bin
Ong Beng Chye

Nominating Committee
Soh Chun Bin (Chairman)
Karyono
Lu King Seng
Ong Beng Chye
Charles Antonny Melati
Dhamma Surya

Company Secretary
Tricor Evatthouse Corporate Services
80 Robinson Road
#02-00
Singapore 068898

Registered Office
12 Marina Boulevard #16-01
Marina Bay Financial Centre Tower 3
Singapore 018982
Tel: +65 6702 0888
Fax: +65 6702 0880

Independent Auditors
Deloitte & Touche LLP
6 Shenton Way
OUE Downtown 2 #33-00
Singapore 068809
Partner-in-charge: Ronny Chandra
(Since 2016)
(Public Accountants and Chartered Accountants)

Internal Auditors
PricewaterhouseCoopers Risk Services Pte Ltd
8 Cross Street
#17-00 PWC Building
Singapore 048424

Principal Bankers
United Overseas Bank Limited
80 Raffles Place
UOB Plaza 1
Singapore 048624

Bank of China
4 Battery Road
Bank of China Building
Singapore 049908

Oversea-Chinese Banking Corporation Limited
65 Chulia Street
OCBC Centre
Singapore 049513

PT.Bank Mandiri (Persero) Tbk
Plaza Mandiri
Jl. Jendral Gatot Subroto Kav 36-38
Jakarta 12190
Indonesia

Permata Bank
Gedung World Trade Centre II
Jl. Jendral Sudirman Kav 29-31
Jakarta 12920
Indonesia

Share Registrar and Share Transfer Office
Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

Investor Relations
Financial PR
4 Robinson Road
#04-01 The House of Eden
Singapore 048543

Developing our people and be an employer of choice

GEO ENERGY

OUR PEOPLE

Together the Board has more than 25 years in coal mining and more than 50 years in corporate finance and management, legal, financing, M&A, commodities and investments experience

It takes strong leadership focused on constructive change

Our leaders are invaluable to the Group, they drive growth to meet strategic objectives

BOARD OF DIRECTORS

Mr Charles Antonny Melati

Mr Charles Antonny Melati is one of the founders of our Group and is currently Executive Chairman of our Group. As our Executive Chairman, he oversees the overall strategic directions and expansion plans for the growth and development of our Group. Prior to his appointment, Mr Melati was an entrepreneur in the property development, hotel industry and engaged in the manufacture of cast polypropylene for flexible food packaging in Jakarta, Indonesia.

Mr Melati was also involved in the setting up and operations of a tug and barge business in Singapore and Indonesia.

Mr Tung Kum Hon

Mr Tung Kum Hon is the Executive Director and Chief Executive Officer of our Group.

As our Executive Director and CEO, he is responsible for the overall business and general management of the Group. Mr Tung was formerly the Executive Director and CEO of Bellzone Mining Plc (AIM), Group COO of a Hong Kong multinational group, Executive Director and CFO of Shanghai Asia Holdings Ltd. (SGX) and Special Assistant to the Executive Chairman of New Toyo International Holdings Ltd (SGX). He was also a Non-Executive Director, Chairman of the Nomination Committee and a member of the Audit Committee of Tien Wah Press Holdings Berhad (Bursa Saham Malaysia) and COO of Bintang Melawar Group. Mr Tung is a Certified Public Accountant and Chartered Accountant. He has over 15 years of experience in public accountancy, business advisory and transaction services with PwC Hong Kong and Malaysia, and KPMG Singapore. He is a member of the Singapore Institute of Directors.

Mr Dhamma Surya

Mr Dhamma Surya is one of the founders of our Group and is currently our Group's Executive Director.

As our Executive Director, he is responsible for the overall business and general management of our Group. Prior to his appointment, Mr Surya was an entrepreneur in the property development and construction industry in Indonesia, a contractor cum household maintenance services business and worked with various business associates in constructing and developing shophouses and houses in Indonesia.

Mr Huang She Thong

Mr Huang She Thong is one of the founders of our Group and is currently our Group's Executive Director. As our Executive Director, he oversees the business developments and sales targets of our Group. Prior to his appointment, he was a sole proprietor, operating a furniture store, mini market and a hotelier in Indonesia. Mr Huang graduated from the Australian School of Tourism and Hotel Management with an Advanced Diploma of Hospitality Management in 2001.

Mr James Beeland Rogers Jr

Mr James Beeland Rogers Jr was re-designated as an Independent Director of our Company on 8 March 2016. Mr Jim Rogers is the author of six books and a globally renowned financial commentator as well as a successful international investor. He is also currently the Chairman of Beeland Interests, Inc. In February 2011, Mr Jim Rogers started the Rogers Global Resources Equity Index, focusing on the top companies in agriculture, mining, metals and energy sectors as well as those in the alternative energy space including solar, wind and hydropower.

In September 2012, Mr Jim Rogers was appointed by VTB Capital as an advisor to the agricultural division of its global private equity unit. Mr Jim Rogers obtained a Bachelor's degree in History from Yale University in 1964 and a second Bachelor's degree in Philosophy, Politics and Economics from Balliol College, Oxford University in 1966.

1. Mr Charles Antonny Melati
2. Mr Tung Kum Hon
3. Mr Dhamma Surya
4. Mr Huang She Thong
5. Mr James Beeland Rogers Jr
6. Mr Soh Chun Bin
7. Mr Lu King Seng
8. Mr Ong Beng Chye
9. Mr Karyono

GEO ENERGY

— *Board of Directors*

Mr Soh Chun Bin

Mr Soh Chun Bin is the Lead Independent Director of our Company. He has more than 16 years of experience in the legal and corporate finance sectors and specialises in capital markets and mergers and acquisitions. He is currently the Head, Corporate Commercial Practice Group of Fortis Law Corporation.

Mr Soh began his career as a corporate lawyer and was one of the pioneering lawyers at Stamford Law (now known as Morgan Lewis Stamford) during its inception in the early 2000s. He became one of the youngest equity partners at Stamford Law, prior to leaving legal practice in May 2012 to head up various companies (including listed companies) as the chief executive, before resuming legal practice in February 2017. Mr Soh had advised on many Singapore and international initial public offerings of corporations and real estate investment trusts, as well as on post-listing fund-raising, including secondary listings. He has been recognised as a leading lawyer by legal publications such as Chambers and Partners, and Asialaw. Mr Soh graduated from the National University of Singapore with a Bachelor of Law (Honours) in 1999.

Mr Lu King Seng

Mr Lu King Seng is an Independent Director of our Company. Mr Lu is currently the managing director of Orion Advisory Pte. Ltd. Prior to this, Mr Lu was the Chief Financial Officer in SinCo Technologies Pte. Ltd and SinCo Group Holdings Pte. Ltd. where he oversaw the accounting, treasury, legal and finance matters including group restructurings and mergers and acquisitions. Mr Lu has more than 20 years of commercial and audit experience in London, Singapore and Malaysia with Deloitte & Touche, Ernst & Young, Arthur Andersen, PwC and KMPG where he led audit engagements in various companies, assisting companies with, inter alia, initial public offerings and due diligence reviews in connection with proposed mergers and acquisitions. Mr Lu is also an independent director in another company listed on the SGX-ST. Mr Lu is a Fellow Member of the Association of Certified Chartered Accountants, as well as a non-practising member of the Institute of Singapore Chartered Accountants. He is also a member of the Singapore Institute of Directors. Mr Lu graduated from Emile Woolf London and obtained a professional qualification from the Association of Certified Chartered Accountants in 1995.

Mr Ong Beng Chye

Mr Ong Beng Chye is an Independent Director of our Company. He has more than 25 years of experience in areas such as accounting, auditing, public listings, due diligence, mergers and acquisitions, and business advisory. Mr Ong is currently a director of Appleton Global Pte Ltd, a business management and consultancy services firm, the board's Non-Executive Chairman for Hafary Holdings Limited (SGX) and Heatec Jietong Holdings Ltd. (SGX). He is also serving as an independent director of other listed companies in Singapore. He is a shareholder and a director of a few private limited companies. He is a Fellow of The Institute of Chartered Accountants in England and Wales, a Chartered Financial Analyst conferred by The Institute of Chartered Financial Analysts and a non-practising member of the Institute of Singapore Chartered Accountants. Mr Ong obtained a Bachelor of Science (Honours) from The City University, London in 1990.

Mr Karyono

Mr Karyono is an Independent Director of our Company. He has more than 20 years of experience in the coal mining industry (including mining engineering academia). He was previously the Head of the Engineering (where he managed the geology, mine plan and survey departments), a senior mine engineer, a mine project coordinator, a mine engineering superintendent, and a geotechnic, mine planning, technical and ventilation engineer with major mining companies in Indonesia, including BUMA, where he was extensively involved in the monitoring and planning of mine operations and design, as well as mine rehabilitation. He was also a lecturer in the Mining Engineering study programme, chief of the chemistry laboratory, Division Head of Administration and Student Affairs, and Assistant Dean of the Engineering Faculty of Universitas Islam Bandung.

Mr Karyono obtained a Masters in Geomechanics from the mining engineering department of the Bandung Institute of Technology, as well as a Bachelor's degree in Mining Engineering from Universitas Islam Bandung.

GEO ENERGY

KEY MANAGEMENT




1. Mr Ng See Yong
2. Mr Junanto
3. Mr Chan Cheng Fei
4. Mr Adam Tan

Mr Ng See Yong

Mr Ng See Yong is our Group's Head, Corporate and Human Resource. He is responsible for overseeing and managing the corporate affairs of our Group as well as the Corporate Human Resource matters particularly in the area of recruitment, benefits and employment relation matters. Prior to and concurrently with his appointment, Mr Ng is an entrepreneur in the hospitality industry in Batam and Tanjung Pinang, Kepri, Indonesia and Dumai, Riau Province, Indonesia. He is the proprietor of Ud Triayu Lestari, which operates the Miracle Aesthetic Clinic in Batam, Indonesia. He is also a director of PT Alexindo Grahapratama, which operates Mercure Hotel Batam (formerly known as Royal Batam Hotel) in Batam, Indonesia. He is also a director of PT Bintan Royal International Hotel, which operates the Comfort Tanjung Pinang Resort in Tanjung Pinang, Kepri, Indonesia, and a director of PT Bali Furindo, a furniture retailer. Mr Ng graduated from the Australian School of Tourism and Hotel Management with a Diploma in Hospitality Management.

Mr Junanto

Mr Junanto is our Group's Head, Marketing. He devises, plans and implements marketing strategies to increase our Group's customer base and maximise sales. Prior to his appointment, Mr Junanto was a managing director of PT Royal Energy Resources. He was also a director of PT Royal Prime Resources, PT Royal Prince Travel, and PT Niaga Hijau Lestari. He was also the managing director of Unipro CV & BV and the general manager of PT Teluk Intan.

He was the export manager of PT Sungai Budi, and an account manager of Haga Bank. Mr Junanto graduated from the University of Toledo with a Masters in Business Administration (Finance) and from the Trisakti University with a Bachelor's degree in Science in Electrical Engineering.

Mr Chan Cheng Fei

Mr Chan Cheng Fei joined our Group as Chief Financial Officer in October 2016. Prior to his appointment, Mr Chan was the Chief Financial Officer of Chasen Holdings Limited. He also worked with various Singapore based multinational companies, such as DeClout Limited, Popular Holdings Limited and Eu Yan Sang International Ltd during the course of his career in financial management. A member of the Institute of Singapore Chartered Accountants, Mr Chan obtained both Bachelor's degree in Accountancy and Masters in Business Administration from Nanyang Technological University.

Mr Adam Tan

Mr Adam Tan joined the Group as Investment Director in December 2016. He is responsible for overseeing the Group's investment activities such as merger and acquisitions, fund raising activities and investor relations. He has more than 6 years of experience in investments, private equity and corporate finance, having led and been involved in various debt and capital markets transactions. During the course of his career, he has also completed numerous acquisition deals in the petrochemical, infrastructure and real estate sectors.
Mr Tan graduated from National University of Singapore with a Bachelor's degree in Business Administration (Honours).

GEO ENERGY

OUR STAFF

"We aim to provide our people with a work place that is both equitable and supportive"

GEO ENERGY
— *Our Staff*

At Geo Energy, employees are the key drivers of our success, and we believe in forming a strong and cohesive team. On 23rd to 25th February 2017, a staff retreat to Yogjakarta was organised. "We Grow Up Together in Harmony", the theme for our retreat involving staff from both Singapore and Jakarta offices, the directors and senior management, emphasized the importance of team-building and department collaboration.

23rd February

DEPARTING TO YOGJAKARTA

Bringing our staff from Singapore and Jakarta closer together

3D2N

RETREAT AT YOGJAKARTA

Our staff spent 3 days and 2 nights in a series of activities that bonded us together

95%

STAFF ATTENDANCE

Close to 100% of our staff participated in this company retreat

4

HOURS OF SOLID TEAM BUILDING ACTIVITIES

Emphasised the importance of department collaboration

3

TOURIST ATTRACTIONS VISITED

Rewarding our staff with visits to landmarks such as Borobudur Temple, Ulen Sentalu museum and Mount Merapi

Loading of coal onto panamax vessel at the Bunati Anchorage for export to China and the region

GEO ENERGY

WHY CORPORATE SOCIAL RESPONSIBILITY FORMS THE CORE OF OUR OVERALL STRATEGY

We believe in creating a positive and lasting social impact on the communities
We protect our people, the environment, and the local communities

Corporate sustainability is a business approach that creates long-term shareholder, consumer and employee value by creating a strategy aimed toward the environment and taking into consideration every dimension of how a business operates in the social, cultural, and economic environment

GEO ENERGY

CORPORATE SOCIAL RESPONSIBILITY

At Geo Energy, corporate social responsibility ("CSR") forms the core of our overall strategy and is an integral part of everything we do. CSR concepts are embedded within our daily operations, allowing us to be better able to protect our people, the environment, and the local communities in which we operate. Geo Energy believes that non-financial measures are equally important in measuring our Group's success. Accordingly, we review and analyse all of our business risks and opportunities, looking beyond economic, strategic and operational factors to include social and environmental considerations. Such a risk management approach will contribute to our viability and resilience as a business over the long term.

Our Head of Operations, together with on-site supervisors and foremen, oversee, monitor, plan, manage and carry out our CSR activities at our mining sites. In 2016, the staff members from our corporate office in Jakarta also participated in CSR activities by volunteering time and making donation to a local orphanage.

> At Geo Energy, we believe in "Growing Up Together in Harmony", with all our stakeholders including employees, offtakers, contractors, and the community.

In December 2016, our Group conducted its annual risk workshop involving the management from various departments to identify the top risks affecting our Group, and to mitigate and provide countermeasures to these risks that relate to, inter alia, Occupational Health and Safety, Environment and Natural Resources Stewardship as well as Community Engagement.

OCCUPATIONAL HEALTH AND SAFETY

Geo Energy is committed to continuous improvements in health and safety standards of our operations. We seek to minimise the risk of accidents, injuries and illnesses to our employees, contractors and local communities through close monitoring of our operations.

GEO ENERGY
— *Corporate Social Responsibilty*

We adopt a comprehensive safety management system for our mining operations, which includes safety management plans, rules, codes of practice, manuals and procedures with which our employees are required to comply.

To familiarise our workforce with our health and safety rules, drills incorporating our Group's fundamental safety procedures are carried out as often as practicably possible to inculcate our employees with an understanding of safety culture and procedures. Training on basic safety skills and procedures are conducted for our workforce including those employed from the local communities.

On a regular basis, we conduct internal safety checks to ensure compliance by our staff. Safety officers are stationed on-site at each of our mining sites to monitor the work procedures of the employees with the aim of identifying shortfalls in our health and safety procedures. Where shortfalls are identified, countermeasures are taken or new policies are introduced to eliminate the risk.

Our emphasis on safety first and the health of our workers have resulted in a rare occurrence of accidents at our mines. All our employees have a mandate to achieve zero injuries and fatalities amongst our workforce. Based on our internal safety and health records to date, we are pleased to report that there were no major injuries or fatalities in 2016.

ENVIRONMENT AND NATURAL RESOURCES STEWARDSHIP

Since the commencement of our operations, Geo Energy has been steadfastly committed to achieving high standards of environmental management at the mines where we operate. Environmental management is another aspect of good governance which must be addressed well, in order to enhance our overall performance. Our Group, together with our business partner – BUMA, has formulated comprehensive post-mining reclamation and rehabilitation plans to manage the environment in which we carry out our mining operations. Our plans take into consideration the geological characteristics of our mining sites in order to better manage the environment. It is our Group's plan to rehabilitate land as soon as it is no longer mined rather than wait until the end of mine life. Our land reclamation activities involve the deposit of the overburden onto mined-out areas and our rehabilitation activities involve the spreading of topsoil over the surface of the overburden deposited and the planting of native plants to restore and enhance the environment.
Our environmental management strategies and goals also include effective air and water pollution control measures, proper handling and disposal of hazardous and poisonous waste, and continuous improvement to our resource efficiency. Removal of oil and other pollutants, testing of acidity level and treatment are carried out before the disposal of waste water. Other types of waste such as used oil, scrap metal and worn tyres are brought to designated dump sites at the mine site to be collected and removed by third party contractors periodically. During the dry season, water trucks are deployed to spray sections of coal haulage roads (which are largely dirt roads or earth roads) located near the homes of the local communities in order to reduce dust

GEO ENERGY
— *Corporate Social Responsibilty*

pollution. Face masks are also distributed to local residents to help reduce their exposure to dust. Geo Energy, together with our mining contractor, regularly carry out fogging activities at the surrounding areas of our mine site to prevent the breeding of mosquitoes which may cause many diseases.

The Environmental Control Agency (Badan Lingkungan Hidup Daerah) ("BLHD"), the government agency responsible for implementing the Government's environmental regulations and policies, and other local government agencies supervise our mining operations. BLHD coordinates its activities with various government agencies, including the Ministry of Energy and Mineral Resources. We subject our mining operations to periodic internal and external environmental audits. Our internal environmental team conducts internal environmental audits, while BLHD conducts external environmental audits. Together, we work to improve our procedures and ensure that our Group is in adherence to the prescribed policies. In 2016, we did not receive any major formal complaints relating to environmental pollution by our Group.

COMMUNITY ENGAGEMENT

Geo Energy believes in creating a positive and lasting social impact on the communities around the environment where we operate. As we continue to care for the local communities, we are able to develop successful partnerships based on mutual understanding, trust and respect. Together, we work hand in hand to identify and evaluate the needs of the community as well as the actual and potential social consequences of our operations at every stage of the mine's life cycle. This allows us to focus our CSR efforts on improving the livelihood of these communities, in addition to protecting the environment around the mining sites, as described above.

ECONOMIC EMPOWERMENT

Community involvement is at the cornerstone of our employment policy at our mines. We employ local workers and provide these workers with relevant training and skills development. We also seek to support and promote local businesses and economic activity by engaging them as suppliers. We currently procure mainly food supplies from local suppliers around our mine sites.

COMMUNITY ASSISTANCE

In addition to economic empowerment, we are committed to improve the general living standards of the local communities. Together with the project managers on-site, our community development personnel invest time and effort in building relationships with local residents. Through regular interactions with them, we are able to identify the needs of the local communities and partner with them to address those needs where practicably possible. We also hold regular meetings with representatives of each village to discuss the progress and implementation of our community assistance plans as well as to address any issues, concerns or complaints that may have arisen. Our community assistance efforts include making donations in kind to local schools (including providing building materials to build/repair school premises) as well as supporting any social or religious events of the communities.

One such effort in building relationship with the local community was the visit to Nurul Iman orphanage at site in July 2016, where our staff spent time and broke fast together with the children and their staff members. Donations were also made in the form of sarongs for each child.

Our on-site personnel also held breaking fast sessions together with members of three mosques surrounding our mine site, to whom we also made a donation in the form of two prayer mats for each of the mosques.

In December 2016, our staff members from the corporate office in Jakarta visited the local Uswatun Hassanah orphanage, which houses hundreds of children between pre-elementary school and high school ages, where they spent time getting to know, play with and have meals together with the children. Donations were also made to the orphanage in the form of basic necessities, such as rice, eggs, cooking oil and sugar, among other things.

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OUR CODE OF CORPORATE GOVERNANCE

We commit to maintaining a high standard of corporate governance

We protect shareholders' interests and create sustainable value and returns for shareholders through strong transparency measures and good corporate governance

CORPORATE GOVERNANCE REPORT

Geo Energy Resources Limited (the "Company", and together with its subsidiaries, the "Group") is committed to maintaining a high standard of corporate governance.

The Company understands that good corporate governance is an integral element of a sound corporation and enables it to be more transparent and forward-looking. In addition, sound corporate governance is an effective safeguard against fraud and dubious financial engineering, and hence helps to protect shareholders' interests. This also helps the Company to create long-term value and returns for its shareholders.

The Listing Manual of the Singapore Exchange Securities Trading Limited (the "SGX-ST") requires all listed companies to describe in their Annual Reports, their corporate governance practices, with specific references to the principles of the Code of Corporate Governance 2012 (the "Code").

The Company is pleased to report on its corporate governance processes and activities as required by the Code. For easy reference, sections of the Code under discussion in this Report are specifically identified. However, this Report should be read as a whole as other sections of this Report may also have an impact on the specific disclosures.

Statement of Compliance

The Board of Directors of the Company (the "Board") confirms that for 2016, the Company has generally adhered to the principles and guidelines as set out in the Code, save as otherwise explained below.

1. THE BOARD'S CONDUCT OF ITS AFFAIRS

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

The Board comprises the following members, all of whom have the appropriate core competencies and diversity of experience needed to enable them to effectively contribute to the Group.

Charles Antonny Melati
Executive Chairman

Tung Kum Hon
Chief Executive Officer and Executive Director

Dhamma Surya
Executive Director

Huang She Thong
Executive Director

Soh Chun Bin
Lead Independent Director

Ong Beng Chye
Independent Director

Lu King Seng
Independent Director

Karyono
Independent Director

James Beeland Rogers Jr ("Jim Rogers")
Independent Director

The principal functions of the Board, in addition to carrying out its statutory responsibilities, are as follows:

- overseeing the formulation of and approving the Group's overall long-term strategic objectives and directions, taking into consideration sustainability issues;
- overseeing and reviewing the management of the Group's business affairs, financial controls, performance and resource allocation; and
- establishing a framework of prudent and effective controls to assess and manage risks and safeguard shareholders' interests and the Group's assets.

The approval of the Board is required for matters such as corporate restructuring, mergers and acquisitions, appointment of directors, major investments and divestments, material acquisitions and disposals of assets, major corporate policies on key areas of operations, approval of periodical financial results announcements and annual audited financial statements, declaration of interim dividends, proposal of final dividends and other return to shareholders and interested person transactions of a material nature.

All directors exercise due diligence and independent judgment, and are obliged to act in good faith and consider at all times the interests of the Company.

Directors have the opportunity to meet with the Group's management (the "Management") to gain a better understanding of the Group's business operations. The Board as a whole is updated on changing commercial risks, and key changes in the relevant legal and regulatory requirements, as well as accounting standards. The directors are also encouraged to keep themselves abreast of the latest developments relevant to the Group and attendance of

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appropriate courses and seminars is arranged and funded by the Company.

The details of seminars and training programmes attended and updates received by the directors in 2016 include, amongst others:

- briefing by the independent auditors, Deloitte & Touche LLP, to the Audit Committee and the Board on the developments in financial reporting and governance standards;
- updates by the Chief Executive Officer to the Board at each meeting on business and strategic developments pertaining to the Group's business, if any;
- seminar on "Financial Reporting Standards" organised by the independent auditors, Deloitte & Touche LLP;
- audit committee seminar on "the latest in audit and financial reporting regulatory developments as well as roles and responsibilities of audit committees in the complex financial reporting landscape" organised by the Singapore Institute of Directors; and
- workshop on "Sustainability Reporting and the Importance of Materiality" conducted by Paia Consulting.

There was no new director appointed in 2016. Newly appointed directors will receive a formal letter explaining their duties and responsibilities, and will undergo orientation and be briefed on the business and governance practices of the Group as well as industry-specific knowledge. The Company funded the training of its directors.

To assist in the execution of its responsibilities, the Board has established three Board Committees, comprising an Audit Committee (the "AC"), a Nominating Committee (the "NC") and a Remuneration Committee (the "RC"). These committees function within clearly defined written terms of reference and operating procedures.

The Board meets on a regular basis and ad-hoc Board meetings are convened when they are deemed necessary. The number of Board meetings held in 2016 is set out below:

		Board Committees		
	Board	**AC**	**NC**	**RC**
Number of meetings held	4	4	1	1
		Number of meetings attended		
Charles Antonny Melati	4	N/A	1	N/A
Tung Kum Hon	4	N/A	N/A	N/A
Dhamma Surya	4	N/A	1	N/A
Huang She Thong	4	N/A	N/A	N/A
Soh Chun Bin	4	4	1	1
Ong Beng Chye	4	4	1	1
Lu King Seng	4	4	1	1
Karyono	4	4	1	N/A
Jim Rogers	4	N/A	N/A	N/A

N/A - Not Applicable

The Articles of Association of the Company provide for meetings of the Board to be held by way of telephonic or video conference or by similar means of communication equipment.

For 2016, the Board, NC and RC have on numerous occasions used circular resolutions in writing to decide on certain matters.

2. BOARD COMPOSITION AND GUIDANCE

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgment on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision-making.

The Board comprises nine directors, of whom five (constituting more than half of the Board) are independent, namely, Mr Soh Chun Bin, Mr Ong Beng Chye, Mr Lu King Seng, Mr Karyono and Mr Jim Rogers. The criterion of independence is based on the definition set out in the Code. The Board considers an "independent" director to be one who has no relationship with the Company, its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgment with a view to the best interests of the Company. With five independent directors, the Board is able to exercise independent judgment on corporate affairs and provide the Management with a diverse and objective perspective on issues.

The independence of each director is reviewed annually. Each independent director is required to complete a checklist annually to confirm his independence based on the guidelines as set out in the Code. The independence of any director who has served on the Board beyond nine years from the date of his first appointment will be subject to more rigorous review, taking into account the need for progressive refreshing of the Board. As of the date of this report, there is no independent director who has been appointed for more than nine years from the date of his first appointment.

The Board has examined its size and is of the view that it is an appropriate size for effective decision-making, taking into account the scope and nature of the operations of the Company, the requirements of the business and the need to avoid undue disruptions from changes to the composition of the Board and Board committees. There is no individual or small group of individuals who dominates the Board's decision-making. The Board noted that gender diversity on the boards of directors is also one of the recommendations under the Code to provide an appropriate balance and diversity. Although there is currently no female director appointed to the Board, the Board does not rule out the possibility of appointing a female director if a suitable candidate is nominated for the Board's consideration.

The composition of the Board is reviewed on an annual basis by the NC to ensure that the Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies for effective functioning and informed decision-making. The Board as a group comprises members with core competencies in accounting and finance, business and management experience, industry knowledge, strategic planning and customer-based experience and knowledge.

Where necessary or appropriate, the non-executive directors on the Board will meet without the presence of the Management. The non-executive directors constructively challenge and assist in the development of business strategies, and assist the Board in reviewing the performance of the Management in meeting goals and objectives and monitoring the reporting of performance.

The profiles of the directors are set out in the "Board of Directors" section of this Annual Report.

3. CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

The positions of Executive Chairman and Chief Executive Officer are held by separate individuals, who are not immediate family members, to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for objective decision-making.

Mr Charles Antonny Melati is the Executive Chairman of the Company and oversees the overall strategic directions and expansion plans for the growth and development of the Group. With the assistance of the company secretary, he also ensures that Board meetings are held as and when required, sets the agenda for the Board meetings and ensures the quality, quantity and timeliness of the flow of information between the Management, the Board and the shareholders.

Mr Tung Kum Hon is the Chief Executive Officer of the Company and oversees the overall business and general management of the Group.

The Board is of the view that with the current executive management team and the establishment of the three Board committees, there are adequate safeguards in place to ensure unfettered decision-making, as well as to prevent an uneven concentration of power and authority in a single individual.

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In view that the Executive Chairman is not an independent director and is part of the executive management team, Mr Soh Chun Bin has been appointed as the lead independent director and he is available to shareholders where they have concerns and for which contact through the normal channels of the Executive Chairman, Chief Executive Officer or Chief Financial Officer has failed to resolve or is inappropriate.

4. BOARD MEMBERSHIP

Principle 4: There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

The NC comprises Mr Soh Chun Bin, Mr Ong Beng Chye, Mr Lu King Seng, Mr Karyono, Mr Charles Antonny Melati and Mr Dhamma Surya. The chairman of the NC is Mr Soh Chun Bin, the lead independent director of the Company. The majority of the NC, including the chairman, is independent. The chairman of the NC is not a substantial shareholder of the Company, and is not directly associated with, any substantial shareholder of the Company.

The written terms of reference of the NC have been approved and adopted, and they include the following:

- make recommendations to the Board on relevant matters relating to:-
  (a) the review of board succession plans for directors, in particular, the Chairman and for the Chief Executive Officer;
  (b) the development of a process for evaluation of the performance of the Board, its Board committees and directors;
  (c) the review of training and professional development programs for the Board; and
  (d) the appointment and re-appointment of directors (including alternate directors, if applicable);
- important issues to be considered as part of the process for the selection, appointment and re-appointment of directors include composition and progressive renewal of the Board and each director's competencies, commitment, contribution and performance (e.g. attendance, preparedness, participation and candour) including, if applicable, as an independent director. All directors should be required to submit themselves for re-nomination and re-appointment at regular intervals and at least once every three years;
- determine annually, and as and when circumstances require, whether a director (including an alternate director) is independent, bearing in mind the circumstances set forth under SGX requirements and any other salient factors;
- when a director has multiple board representations, he must ensure that sufficient time and attention is given to the affairs of the Company. The NC should decide if a director is able to and has been adequately carrying out his duties as a director of the Company, taking into consideration the director's number of listed company board representations and other principal commitments. Guidelines should be adopted that address the competing time commitments that are faced when directors serve on multiple boards. The Board should determine the maximum number of listed company board representations which any director may hold;
- assess and determine the independence status of the independent directors;
- vigorously review the independence status of any independent director serving the Board beyond nine years from the date of his first appointment;
- assess the effectiveness of the Board as a whole and its board committees to the effectiveness of the Board; and
- decide how the Board's performance may be evaluated and propose objective performance criteria. Such performance criteria, which allow for comparison with industry peers, should be approved by the Board and address how the Board has enhanced long-term shareholder value. These performance criteria should not be changed from year to year, and where circumstances deem it necessary for any of the criteria to be changed, the onus should be on the Board to justify this decision.

Having carried out its review, the NC is of the view that Mr Soh Chun Bin, Mr Ong Beng Chye, Mr Lu King Seng, Mr Karyono and Mr Jim Rogers have satisfied the criteria for independence.

The Company does not have a formal process for the selection and appointment of new directors to the Board. However, if required, the Company will be able to procure search services, contacts and recommendations for the purposes of identifying suitably qualified and experienced persons for appointment to the Board.

Board appointments are made by way of a board resolution after the NC has, upon reviewing the resume of the proposed director and conducting appropriate interviews, recommended the appointment to the Board. Pursuant to the Articles of Association of the Company, each director is required to retire at least once every three years by rotation, and all newly appointed directors who are appointed by the Board are required to retire at the next annual general meeting following their appointment. The retiring directors are eligible to offer themselves for re-election.

The dates of initial appointment and last re-election of the directors, together with their directorships in other listed companies, are set out below:

Director	Position	Date of Initial Appointment	Date of Last Re-election	Current directorships in listed companies	Past directorships in listed companies (in last three years)
Charles Antonny Melati	Executive Chairman	24 May 2010	29 April 2015	–	–
Tung Kum Hon	Chief Executive Officer	1 November 2015	28 April 2016	–	Bellzone Mining Plc
Dhamma Surya	Executive Director	24 May 2010	28 April 2016	–	–
Huang She Thong	Executive Director	15 June 2010	29 April 2014	–	–
Soh Chun Bin	Lead Independent Director	25 September 2012	29 April 2014	Triyards Holdings Limited ISOTeam Ltd.	Asia Fashion Holdings Limited Chosen Holdings Limited
Ong Beng Chye	Independent Director	25 September 2012	28 April 2016	Hafary Holdings Limited Heatec Jietong Holdings Ltd. Kitchen Culture Holdings Ltd. IPS Securex Holdings Ltd. Loyz Energy Limited	–
Lu King Seng	Independent Director	25 September 2012	29 April 2015	TLV Holdings Limited	Green Build Technology Limited
Karyono	Independent Director	25 September 2012	29 April 2015	–	–
Jim Rogers	Independent Director	3 December 2012	28 April 2016	Spanish Mountain Gold Ltd The Zweig Fund, Inc. The Zweig Total Return Fund, Inc. First China Financial Network Holdings Limited PJSC PhosAgro Crusader Resources Limited (Australia)	–

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The NC, in determining whether to recommend a director for re-appointment, will have regard to the director's performance and contribution to the Group and whether the director has adequately carried out his or her duties as a director.

When a director has multiple board representations, the NC also considers whether or not the director is able to and has adequately carried out his duties as a director of the Company, taking into consideration the director's number of listed company board representations and other principal commitments. In support of their candidature for directorship or re-election, directors are to provide the NC with details of their other commitments and an indication of the time involved. In addition, directors should consult the NC before accepting any new appointments as directors. The NC is satisfied that sufficient time and attention are being given by the directors to the affairs of the Company, notwithstanding that some of the directors have multiple board representations. The Board is therefore of the view that there is no necessity at this point in time to determine the maximum number of listed company board representations which a director may hold.

The NC has nominated Mr Huang She Thong, Mr Soh Chun Bin and Mr Karyono who will retire by rotation, at the forthcoming annual general meeting and be subject to re-election by the Company's shareholders.

Key information regarding the directors, including their shareholdings in the Company, is set out in the "Board of Directors" section and "Report of the Directors" section of this Annual Report.

5. BOARD PERFORMANCE

Principle 5: There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.

A formal assessment process is in place to assess the effectiveness of the Board and Board Committees annually.

The NC is responsible for assessing the effectiveness of the Board as a whole and its Board Committees. The NC has established a review process and proposed objective performance criteria set out in assessment checklists which are approved by the Board. The NC assesses the Board's effectiveness as a whole by completing a Board Assessment Checklist, which takes into consideration factors such as the Board's structure, conduct of meetings, corporate strategy and planning, risk management and internal control, recruitment and evaluation, compensation, financial reporting and communication with shareholders. The performance criteria are not subject to changes from year to year. Nonetheless, where circumstances deem it necessary for any of the criteria to be changed, the Board will justify such changes.

In carrying out its assessment of the Board's effectiveness, the NC simultaneously considers the effectiveness of the Board Committees by completing Board Committees' evaluation forms respectively.

As part of the process, the directors individually complete appraisal forms. NC will present the reports of assessment collated by the company secretary to the Board.

Given the background, expertise and participation in the Board meetings of the Company, it would not be necessary for each director to perform a self-evaluation exercise.

The Board and the NC have endeavoured to ensure that directors appointed to the Board possess the background, experience, business knowledge, financial expertise and management skills relevant to the Group's business.

They have also ensured that each director, with his special contributions, brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made. Based on the results of the performance evaluation by the NC, the Executive Chairman may propose new members for appointment to the Board or seek the resignation of directors, in consultation with the NC.

6. ACCESS TO INFORMATION

Principle 6: In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to Board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

Directors are from time to time furnished with detailed information concerning the Group to support their decision-making process.

Prior to each Board meeting, members of the Board are each provided with the relevant documents and information necessary for them to comprehensively understand the issues to be deliberated upon and make informed decisions thereon.

As a general rule, notices are sent to the directors one week in advance of Board meetings, followed by the Board papers, in order for the directors to be adequately prepared for the meetings.

The Board (whether individually or as a whole) has separate and independent access to the Management and the company secretary at all times, and may seek independent professional advice, if necessary, at the expense of the Company. The company secretary attends all Board meetings and ensures that all Board procedures are followed. Where the company secretary is unable to attend any Board meeting, he ensures that a suitable replacement is in attendance and that proper minutes of the same are taken and kept.

7. PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

The RC comprises Mr Lu King Seng, Mr Soh Chun Bin and Mr Ong Beng Chye, all of whom are independent directors. The chairman of the RC is Mr Lu King Seng.

The terms of reference of the RC have been approved and adopted. The functions of the RC include the following:-

- review and recommend to the Board a general framework of remuneration for the Board and key management personnel;
- review and recommend to the Board the specific remuneration packages for each director as well as for the key management personnel. The RC's recommendations should be submitted for endorsement by the entire Board. The RC should cover all aspects of remuneration, including but not limited to director's fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits in kind;
- review and recommend to the Board the terms of renewal of the service contacts of directors;
- review whether executive directors and key management personnel should be eligible for benefits under long-term incentive schemes, and evaluate the costs and benefits of long-term incentive schemes;
- review the Company's obligations arising in the event of termination of the executive directors' and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous. The RC should aim to be fair and avoid rewarding poor performance; and
- review the compensation packages of the non-executive directors.

The members of the RC are familiar with executive compensation matters as they manage their own businesses and/or are holding other directorships. The RC has access to appropriate external expert advice in the field of executive compensation, if required.

The RC's recommendations will be submitted for endorsement by the Board. No director is involved in deciding his own remuneration.

8. LEVEL AND MIX OF REMUNERATION

Principle 8: The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

In setting remuneration packages, the Company takes into account pay and employment conditions within the same industry and in comparable companies, as well as the Group's relative performance and the performance of individual directors and key management personnel.

Non-executive directors receive directors' fees for their effort and time spent, responsibilities and contributions to the Board, subject to shareholders' approval at annual general meetings.

Remuneration for the executive directors includes a basic salary component, allowances together with other benefits in kind and a variable component that is the performance bonus and long term incentive schemes of the Company/the Group, if any, based on the performance of the Group as a whole. The Company has entered into fixed-term service agreements with its Executive Chairman, Mr Charles Antonny Melati, and its Executive Director, Mr Dhamma Surya. Either party may terminate the service agreements at any time by giving the other party not less than six months' notice in writing, or payment in lieu of notice.

The Company does not currently have any long-term incentive schemes. The RC is of the view that it is currently not necessary to use contractual provisions to allow the Company to reclaim incentive components of remuneration from the executive directors and key management personnel in exceptional circumstances of misstatement of financial statements, or of misconduct resulting in financial loss to the Company. During the year, the Group paid variable bonus/incentive to the executive director, Chief Executive Officer and key management personnel, as well as the mandatory THR allowance to its staff in Indonesia, which is a labour allowance that must be paid by an employer before a religious holiday.

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9. DISCLOSURE ON REMUNERATION

Principle 9: Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

The Company has established a performance-based remuneration system for executive directors and key management personnel that is flexible and responsive to the market, comprising a base salary, other fixed allowances, together with benefits in kind, as well as a performance bonus which is based on the Group's performance and the individual's performance. Under the terms of their service agreements, Mr Charles Antonny Melati, the Executive Chairman, and Mr Dhamma Surya, the Executive Director, are entitled to receive a variable performance bonus based on the consolidated audited profit before tax of the Group in each financial year. There was annual performance bonus paid for 2016.

The level and mix of remuneration paid or payable to the directors and key management personnel for 2016 are set out below:-

Remuneration bands	Salary & CPF %	Bonus & CPF %	Director's Fee %	Other Benefits %	Total %
Directors					
S$500,001 to S$750,000					
Tung Kum Hon	72	28	–	–	100
S$250,001 to S$500,000					
Charles Antonny Melati[(1)]	58	35	–	7	100
Dhamma Surya	67	32	–	1	100
Huang She Thong[(1)]	59	36	–	5	100
S$0 to S$250,000					
Soh Chun Bin	–	–	100	–	100
Ong Beng Chye	–	–	100	–	100
Lu King Seng	–	–	100	–	100
Karyono	–	–	100	–	100
Jim Rogers	–	–	100	–	100
Key management personnel					
S$0 to S$250,000					
Ng See Yong[(1)]	76	24	–	–	100
Tan Cheang Shiong[(2)]	84	6	–	10	100
Junanto	79	20	–	1	100
Chan Cheng Fei[(3)]	84	16	–	–	100
Tan Sheng Hua, Adam[(4)]	100	–	–	–	100

Notes:

(1) Mr Charles Antonny Melati, Mr Huang She Thong and Mr Ng See Yong are brothers.

(2) Mr Tan Cheang Shiong left the employment of the Group on 15 August 2016.

(3) Mr Chan Cheng Fei joined the Group on 3 October 2016.

(4) Mr Tan Sheng Hua, Adam joined the Group on 19 December 2016.

S$ – Singapore dollars

The aggregate remuneration (including CPF contributions thereon and bonus) paid to the top five key management personnel of the Group (who are not directors of the Company or the Chief Executive Officer) in 2016 amounted to approximately S$ 569,000.

The Board is of the view that full disclosure of the specific remuneration of each individual director and key management personnel is not in the best interests of the Company, taking into account the sensitive nature of the subject, the competitive business environment the Group operates in and the potential negative impact such disclosure will have on the Group.

Save for the above key management personnel and the following employees, there was no employee of the Group who was an immediate family member of a director or the Chief Executive Officer, and whose remuneration exceeded S$ 50,000 during 2016:

Remuneration bands	
S$ 150,001 to S$ 200,000	Yanti Ng(1)
S$ 100,001 to S$ 150,000	Lim Kok Wah, Eric(1)
S$ 50,000 to S$ 100,000	Ruddy(2)

Note:

(1) Ms Yanti Ng is the sister and Mr Lim Kok Wah, Eric is the brother-in-law of Mr Charles Antonny Melati and Mr Huang She Thong, the directors of the Company.

(2) Mr Ruddy is the nephew of Mr Dhamma Surya, the director of the Company.

Currently, the Company has not implemented any employee share schemes.

10. ACCOUNTABILITY

Principle 10: The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Board understands its accountability to the shareholders on the Group's performance, financial position and prospects. In presenting the quarterly and full-year financial statements to shareholders, the Board aims to provide shareholders with a detailed and balanced analysis and explanation of the Group's financial performance, position and prospects. In line with the rules of the SGX-ST Listing Manual, the Board provides a negative assurance statement to the shareholders in respect of the interim financial statements.

The Management provides the Board with relevant information on the performance of the Group on a quarterly basis and as the Board may require from time to time to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects.

11. RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 11: The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Board recognises the importance of sound internal controls and risk management practices in safeguarding shareholders' interests and the Group's assets. The Group's internal controls and systems are designed to provide reasonable assurance as to the integrity and reliability of the financial information, and to safeguard and maintain accountability of assets. Procedures are in place to identify major business risks and evaluate potential financial implications, as well as for the authorisation of capital expenditure and investments.

The Management has formed an Enterprise Risk Management ("ERM") Working Group to devise and implement an ERM framework, in consultation with the Company's internal auditors, PricewaterhouseCoopers Risk Services Pte Ltd. The ERM Working Group, together with the business and corporate executive heads, identifies the operational, financial and compliance risks faced by the Group and sets out the appropriate mitigating actions and monitoring mechanisms to respond to these risks and changes within the Group and the external business environment. The ERM framework is designed to manage the Group's risks and is approved by the Board, taking into consideration the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives. On an on-going basis, the ERM Working Group reviews all significant control policies and procedures, and highlights all significant matters to the Board and the AC. In December 2016, the ERM Working Group conducted an annual risk workshop to assist the Management in identifying and prioritising the top risks affecting the Group as well as to provide counter-measures for the risks identified.

The internal auditors evaluated the related internal control as part of the internal audit plan approved by the AC. Any material non-compliance or weakness, including recommendations for improvements, is reported to the AC. The AC also reviews the effectiveness of actions taken by the Management on the recommendations made by the internal auditors in this respect.

In addition to the work performed by the internal auditors, the external auditors, Deloitte & Touche LLP, also perform tests of certain controls relevant to the preparation of the Group's financial statements. The external auditors report any significant deficiencies of such internal controls to the AC.

During the year, the Board has, together with the internal auditors and the ERM Working Group, reviewed the adequacy, effectiveness and integrity of the Group's risk management and internal control systems, including financial, operational, compliance and information technology controls. The Chief Executive Officer and Chief Financial Officer have also provided assurance to the Board a) that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and b) regarding the effectiveness of the Group's risk management and internal controls.

Based on the ERM framework and internal controls established and maintained by the Group, the work performed by the internal and external auditors, and reviews performed by the Management and the AC, the Board, with the concurrence of the AC, is satisfied with the adequacy and effectiveness of the Group's internal controls, including its financial, operational, compliance and information technology controls, and risk management systems, as at 31 December 2016.

The Board notes that no system of internal controls can provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, fraud or other irregularities. The Board will continue its risk assessment process, which is an on-going process, with a view to improving the Group's internal controls system.

12. AUDIT COMMITTEE

Principle 12: The Board should establish an Audit Committee ("AC") with written terms of reference which clearly set out its authority and duties.

The AC comprises Mr Ong Beng Chye, as the chairman, and Mr Soh Chun Bin, Mr Lu King Seng and Mr Karyono, as members, all of whom are independent directors. The members of the AC have sufficient accounting or financial management expertise, as interpreted by the Board in its business judgment, to discharge the AC's functions.

The written terms of reference of the AC have been approved and adopted. The main functions of the AC include:

- reviewing the annual consolidated financial statements and the external auditors' report on those financial statements, and discussing any significant adjustments, major risk areas, changes in accounting policies, compliance with Financial Reporting Standards in Singapore, concerns and issues arising from their audits, including any matters which the auditors may wish to discuss in the absence of the Management, where necessary, before submission to the Board for approval;

- reviewing the periodic consolidated financial statements comprising the statements of comprehensive income and statements of financial position and such other information required by the SGX-ST Listing Manual, before submission to the Board for approval;

- reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;

- reviewing and reporting to the Board at least annually the adequacy and effectiveness of the Company's risk management and internal control systems, including financial, operational, compliance and information technology controls (such review can be carried out internally or with the assistance of any competent third parties);

- reviewing the adequacy and effectiveness of the Company's internal audit function at least annually;

- reviewing the scope and results of the external audit, its cost effectiveness and the independence and objectivity of the external auditors;

- making recommendations to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;

- meeting with the external auditors, and with the internal auditors, in each case without the presence of the Company's Management, at least annually;

- reviewing the policy and arrangements by which employees of the Group and any other persons may, in confidence, raise concern to the Chairman of the AC about possible improprieties in matters of financial reporting or other matters. AC should ensure that there are arrangements in place for such concerns to be raised and independently investigated, and for appropriate follow-up action to be taken. To disclose the existence of a whistle-blowing policy in the Annual Report and disseminate the procedures and channel for raising such concerns;

- ensuring robust internal controls to mitigate the Group internal controls weaknesses and to oversee the annual internal audit procedures and follow up of the audit findings;

- reviewing the audit plans of the external auditors and internal auditors, and the results of the external and internal auditors' review and evaluation of the Group's system of internal controls;

- approving the hiring, removal, evaluation and compensation of the head of the internal audit function, or the accounting/auditing firm or corporation to which the internal audit function is outsourced;

- reviewing any interested person transactions falling within the scope of Chapter 9 of the SGX-ST Listing Manual;

- reviewing any potential conflicts of interest;

- approving internal control procedures and arrangements for all interested person transactions;

- reviewing and recommending hedging policies and instruments, if any, to be implemented by the Company to the Board;

- enquiring on the status of the existing Qualifying Assets (as defined in the Company's prospectus dated 10 October 2012 (the "Prospectus")) and determining if any of the Qualifying Assets should be removed from the QA List (as defined in the Prospectus);

- reviewing and approving the Promoter Interest Register (as defined in the Prospectus);

- undertaking such other reviews and projects as may be requested by the Board, and reporting to the Board its findings from time to time on matters arising and requiring the attention of the AC; and

- undertaking generally such other functions and duties as may be required by law or the SGX-ST Listing Manual, and by such amendments made thereto from time to time.

The AC shall commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on the Group's operating results and/or financial position.

The AC has full authority to investigate any matter within its terms of reference, full access to and cooperation from the Management, and full discretion to invite any director, key management personnel or other employee of the Group to attend its meetings, and is given reasonable resources to enable it to discharge its functions properly and effectively.

During the year, the AC reviewed the financial statements of the Group before the announcement of the Group's quarterly and full-year results. In the process, the AC reviewed the key areas of management's estimates and judgement applied for key financial issues including revenue recognition, impairment testing, provisioning policies, critical accounting policies and any other significant matters that might affect the integrity of the financial statements.
The AC also considered the report from the external auditors, including their findings on the significant risks and audit focus areas. Significant matters that were discussed with management and the external auditors have been included as Key Audit Matters (KAMs) in the audit report for the financial year ended 31 December 2016. Refer to pages 79 to 82 of this Annual Report.

In assessing each KAM, the AC took into consideration the approach and methodology applied in the valuation of assets, as well as the reasonableness of the estimates and key assumptions used. In addition to the views from the external auditors, subject matter experts, such as independent valuers, were consulted where necessary. The AC concluded that management's accounting treatment and estimates in each of the KAMs were appropriate.

During the year, the AC considered and approved the 2016 Audit Plan and the 2016 Internal Audit (IA) Plan. In addition, the AC reviewed the adequacy of internal control procedures, Interested Person transactions and the issues raised in IA reports. It also considered the reappointment of the external auditors as well as their remuneration.

On an annual basis, the AC meets with the auditors without the presence of the Management. The external auditors update the AC on any changes in accounting standards impacting the financial statements of the Group before an audit commences.

The fees paid by the Company to the external auditors in 2016 for audit and non-audit services amounted to S$ 366,950 and S$ 13,800, respectively. The AC, having undertaken a review of all non-audit services provided by the external auditors, is of the opinion that such services would not affect the independence of the external auditors.

The Company has complied with Rules 712 and 715 of the SGX-ST Listing Manual in relation to its external auditors.

The Group has implemented a whistle-blowing policy. The policy aims to provide an avenue for employees and other persons to raise concerns about improprieties in matters of financial reporting or other matters and at the same time assure them that they will be protected from reprisals or victimisation for whistle-blowing in good faith. Cases that are significant are reviewed by the AC for adequacy of investigative action and resolution. Contact details of the AC chairman have been made available to all employees. No whistle blowing reports were received in 2016.

No former partner or director of the Company's existing auditing firm is a member of the AC.

13. INTERNAL AUDIT

Principle 13: The Company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The Company outsources the internal audit function to an external professional firm, PricewaterhouseCoopers Risk Services Pte Ltd, to perform the review and testing of controls of the Group's processes which is consistent with the International Standards for the Professional Practice of Internal Auditing established by the Institute of Internal Auditors. The internal auditors have unfettered access to all the Group's documents, records, properties and personnel, including access to the AC. AC meets internal auditors without the presence of Management, at least annually.

The internal auditors report directly to the chairman of the AC. The AC reviews and approves the annual internal audit plans, and reviews the scope and results of the internal audit performed by the internal auditors. The AC will ensure the adequacy and effectiveness of the internal audit function at least annually. The AC is satisfied that the internal auditors are independent and have the appropriate standing to perform their functions effectively.

14. SHAREHOLDER RIGHTS

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

The Company strives for timeliness and consistency in its disclosures to shareholders. It is the Company's policy to keep all shareholders informed of developments or changes that will have a material impact on the Company's share price, through announcements via SGXNET. Such announcements are communicated on an immediate basis, or as soon as possible where immediate disclosure is not practicable.

Shareholders are informed of general meetings through notices published in the newspapers, through reports or circulars sent to all shareholders and via SGXNET. The Company encourages shareholders' participation during the general meetings. Resolutions are passed through a process of voting and shareholders are entitled to vote in accordance with established voting rules and procedures.

15. COMMUNICATION WITH SHAREHOLDERS

Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

The Company recognises that effective communication leads to transparency and enhances accountability. The Company regularly conveys pertinent information, gathers views or input, and addresses shareholders' concerns. In this regard, the Company provides timely information to its shareholders via SGXNET announcements and news releases and ensures that price-sensitive information is publicly released and is announced within the mandatory period. The Company does not practise selective disclosure. The views of shareholders are gathered at shareholder meetings where shareholders are permitted to ask questions and seek a better understanding of the Group.

The Company does not have a formal dividend policy. Any declaration and payment for dividends in the future will depend on, inter alia, the Group's earnings, financial position, results of operations, capital needs, plans for expansion, and other factors as the Board may deem appropriate. The Board has proposed for shareholders' approval, a tax-exempt (one-tier) final cash dividend of S$ 0.01 per share for 2016.

16. CONDUCT OF SHAREHOLDER MEETINGS

Principle 16: Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

All shareholders of the Company receive the Annual Report and the notices of general meetings. The notice will also be advertised in a local newspaper and made available on SGXNET. The Company encourages shareholders' participation at general meetings, and all shareholders are given the opportunity to voice their views and to direct queries regarding the Group to directors, including the chairperson of each of the Board Committees. The Company's external auditors are also present to assist the Board in addressing any relevant queries from shareholders. The Company also ensures that there are separate resolutions at general meetings on each distinct issue. Minutes of general meetings, including relevant substantial comments or queries from shareholders relating to the agenda of the meeting and responses from the Board or the Management, are available to shareholders upon their request.

The Board supports the Code's principle of encouraging shareholder participation. The Articles of Association of the Company currently allow a member of the Company to appoint up to two proxies to attend and vote at general meetings. A shareholder who is a relevant intermediary (as defined in the Companies Act) may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such shareholder. The Company shall put all resolutions to vote by poll and make an announcement of the detailed results showing the number of votes cast for and against each resolution and the respective percentages after the conclusion of the AGM.

17. DEALINGS IN SECURITIES

In compliance with the best practices set out in the SGX-ST Listing Manual on dealings in securities, directors and officers of the Company are advised not to deal in the Company's shares on short-term considerations or when they are in possession of unpublished price-sensitive information. The Company prohibits dealings in its shares by its directors and officers during the period commencing two weeks before the announcement of the Company's quarterly financial statements and one month before the announcement of the Company's full-year financial statements, and ending on the date of the announcement of the results.

18. INTERESTED PERSON TRANSACTIONS

The Company has established procedures to ensure that all transactions with interested persons are reviewed and/or approved by the AC, and that the transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

In 2016, there was no interested person transaction which value exceeded S$ 100,000.

19. MATERIAL CONTRACTS

Save as disclosed in section 18 above, there were no material contracts of the Group involving the interests of its Chief Executive Officer, each director or controlling shareholder, either still subsisting at the end of 2016 or if not then subsisting, entered into since the end of the previous financial year.

GEO ENERGY

FINANCIAL STATEMENTS

The directors present their statement together with the audited consolidated financial statements of Geo Energy Resources Limited (the "Company") and its subsidiaries (collectively, the "Group") and statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2016

Consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company

The directors present their statement together with the audited consolidated financial statements of Geo Energy Resources Limited (the "Company") and its subsidiaries (collectively, the "Group") and statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2016.

In the opinion of the directors, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 85 to 158 are properly drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2016, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

1 DIRECTORS

The directors of the Company in office at the date of this statement are:

Charles Antonny Melati
Tung Kum Hon
Dhamma Surya
Huang She Thong
Soh Chun Bin
Ong Beng Chye
Lu King Seng
Karyono
James Beeland Rogers Jr

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company.

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under section 164 of the Companies Act (Chapter 50) (the "Act") except as follows:

	Shareholdings registered in name of director		Shareholdings in which director is deemed to have an interest	
	At beginning of year	At end of year	At beginning of year	At end of year
Ordinary shares of the Company				
Charles Antonny Melati [(a)]	93,345,406	193,345,406	–	–
Dhamma Surya [(a)]	101,810,704	101,810,704	453,326,287	353,326,287

GEO ENERGY
— *Directors' Statement*

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (cont'd)

	Shareholdings registered in name of director		Shareholdings in which director is deemed to have an interest	
	At beginning of year	At end of year	At beginning of year	At end of year
Huang She Thong	29,825,620	29,825,620	–	–
Ong Beng Chye [(b)]	400,000	400,000	–	–
Lu King Seng	300,000	300,000	–	–
James Beeland Rogers Jr [(a)]	3,400,000	3,400,000	2,000,000	2,000,000
Ordinary shares of PT Mitra Nasional Pratama (subsidiary)				
Huang She Thong	1	1	–	–
Ordinary shares of PT Sumber Bara Jaya (subsidiary)				
Huang She Thong	1	1	–	–
Ordinary shares of PT Bumi Enggang Khatulistiwa (subsidiary)				
Huang She Thong	1	1	–	–
Ordinary shares of PT Sungai Danau Jaya (subsidiary)				
Huang She Thong	1	1	–	–
Ordinary shares of PT Karunia Mitra Berkat (subsidiary)				
Huang She Thong	1	1	–	–
Ordinary shares of PT Era Tiga Putra (subsidiary)				
Huang She Thong	120	120	–	–
Ordinary shares of PT Geo Tebo Power Inti (subsidiary)				
Huang She Thong	–	10	–	–
Ordinary shares of PT STT Tunas Bara (subsidiary)				
Huang She Thong	–	1	–	–

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (cont'd)

	Shareholdings registered in name of director		Shareholdings in which director is deemed to have an interest	
	At beginning of year	At end of year	At beginning of year	At end of year
Ordinary shares of PT Surya Tambang Tolindo (subsidiary)				
Huang She Thong	–	1	–	–

[a] Charles Antonny Melati ("CAM") and James Beeland Rogers Jr ("JR") entered into an agreement dated 3 January 2013 to grant JR, on the day after the expiry of CAM's one-year share moratorium (given in connection with the Company's initial public offering) a call option over 2,000,000 shares of the Company (owned or to be owned by CAM). The call option's exercise price is S$0.35 per share, with exercise period of 10 years, commencing 1 January 2015. The call option is exercisable in whole or in part and subject to conditions precedent. The number of shares under the call option is subject to adjustment provisions. Dhamma Surya has provided an undertaking, guaranteeing the obligations of CAM under the aforesaid agreement to grant a call option to JR over 2,000,000 shares.

The Company's Executive Director, Dhamma Surya, holds 24.0% of the shares in Master Resources International Limited ("Master Resources"). As such, Dhamma Surya is deemed to have interest in the 353,326,287 shares held by Master Resources and have interest in all the related corporations of the Company by virtue of section 7 of the Act.

[b] On 18 November 2016, Ong Beng Chye acquired interest in S$250,000 notes payable, from the open market, issued under the Medium Term Note Programme of the Company.

The directors' interests in the shares and debentures of the Company at 21 January 2017 were the same at 31 December 2016, except as follows:

	Shareholdings registered in name of director		Shareholdings in which director is deemed to have an interest	
	At end of year	At 21 January 2017	At end of year	At 21 January 2017
Ordinary shares of the Company				
Dhamma Surya	101,810,704	101,810,704	353,326,287	343,326,287
Tung Kum Hon [a]	–	10,000,000	–	–

[a] On 13 January 2017, Master Resources entered into an agreement with Tung Kum Hon for the transfer of 10,000,000 shares of the Company held by it for a consideration of S$1.00.

4 SHARE OPTIONS

(a) *Options to take up unissued shares*

During the financial year, no options to take up unissued shares of the Company or any corporation in the Group were granted.

(b) *Option exercised*

During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

(c) *Unissued shares under options*

At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under option.

5 AUDIT COMMITTEE

The members of the audit committee of the Company (the "Audit Committee") as at the date of this statement are:

Ong Beng Chye	(Chairman of the Audit Committee and Independent Director)
Soh Chun Bin	(Lead Independent Director)
Lu King Seng	(Independent Director)
Karyono	(Independent Director)

The Audit Committee carries out the functions specified in section 201B (5) of the Act. The main functions of the Audit Committee includes the following:

(i) review the audit plans of the external auditors and internal auditors, including the results of the external and internal auditor's review and evaluation of the Group's system of internal controls;

(ii) review the annual consolidated financial statements and the external auditors' report on those financial statements, and discuss any significant adjustments, major risk areas, changes in accounting policies, compliance with Financial Reporting Standards in Singapore, concerns and issues arising from their audits including any matters which the auditors may wish to discuss in the absence of management, where necessary, before submission to the board of directors (the "Board") for approval;

(iii) review the periodic consolidated financial statements comprising the statements of comprehensive income and statements of financial position and such other information required by the Listing Manual (the "Listing Manual") of Singapore Exchange Securities Trading Limited (the "SGX-ST"), before submission to the Board for approval;

(iv) review and discuss with the external and internal auditors (if any), any suspected fraud, irregularity or infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position and the management's response;

5 AUDIT COMMITTEE (cont'd)

(v) review the co-operation given by the management to the external auditors;

(vi) consider the appointment and re-appointment of the external auditors;

(vii) review any interested person transactions falling within the scope of Chapter 9 of the Listing Manual;

(viii) review any potential conflicts of interest;

(ix) review the procedures by which employees of the Group may, in confidence, report to the Chairman of the Audit Committee, possible improprieties in matters of financial reporting or other matters and ensure that there are arrangements in place for independent investigation and follow-up actions in relation thereto;

(x) undertake such other reviews and projects as may be requested by the Board, and report to the Board its findings from time to time on matters arising and requiring the attention of the Audit Committee;

(xi) review and recommend hedging policies and instruments, if any, to be implemented by the Company to the Directors;

(xii) enquire in the status of the existing Qualifying Assets, as defined in the Company's prospectus dated 10 October 2012 (the "Prospectus") and determine if any of the Qualifying Assets should be removed from the QA List (as defined in the Prospectus);

(xiii) review and approve the Promoter Interest Register (as defined in the Prospectus); and

(xiv) undertake generally such other functions and duties as may be required by law or the Listing Manual, and by such amendments made thereto from time to time.

The Audit Committee has recommended to the Board that Deloitte & Touche LLP be nominated for re-appointment as independent auditors of the Group at the forthcoming annual general meeting of the Company.

6 INDEPENDENT AUDITORS

The independent auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

Charles Antonny Melati

Tung Kum Hon

28 March 2017

— Independent Auditor's Report

TO THE MEMBERS OF GEO ENERGY RESOURCES LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Geo Energy Resources Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2016, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies, as set out on pages 85 to 158.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ("the Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2016 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How the matter was addressed in the audit
Appropriateness of carrying amounts of mining properties and deferred stripping costs	
Mining properties are classified as an asset under property, plant and equipment. Mining properties include mining rights and costs transferred from mining evaluation assets once technical feasibility and commercial viability of an area of interest are demonstrable and subsequent costs to develop the mine to the production phase. Stripping costs incurred during the production phase that improve access to ore bodies in future periods are capitalised as part of deferred stripping costs.	Our audit procedures on the assessment of recoverable amounts of the mining properties and deferred stripping costs were led by the Group audit team, supplemented by specific procedures by the component auditor, which included, among others: • We evaluated the appropriateness of management's controls over the impairment assessment process, including the identification of indicators of impairment, determination of cash generating units ("CGU") and estimation of recoverable amounts for each CGU. • We obtained the Reports issued by an independent qualified person appointed by the Group and based on the reports, assessed if there are any unexpected reduction in reserve volumes used in the cash flow projections.

GEO ENERGY

— *Independent Auditor's Report*

TO THE MEMBERS OF GEO ENERGY RESOURCES LIMITED

Key audit matters	**How the matter was addressed in the audit**
Appropriateness of carrying amounts of mining properties and deferred stripping costs (cont'd)	
As at 31 December 2016, mining properties (Note 14) and deferred stripping costs (Note 13) amounting to US$100,262,646 and US$9,940,321 respectively represent 90.6% of total non-current assets and 35.7% of total assets in the Group's statement of financial position. Due to the volatility in coal prices and global demand for coal, there is a risk that the recoverable amounts of the mining properties and deferred stripping costs are lower than the carrying amounts, resulting in potential impairment to be recognised. Management's assessment of the recoverable amounts of the mining properties and deferred stripping costs, determined based on the value in use of the underlying mine, is a judgmental process which requires the estimation of the remaining life of mine, forecasted coal prices, projected production volumes and discount rates. Inappropriate management estimates made in the impairment assessment may result in a significant impact on the carrying amounts of the mining properties and deferred stripping costs. Management has obtained the Resource and Reserve reports and Exploration Target report (the "Reports") for all mines held by the Group which gives an indication of the reserve volumes used in the cash flow projections. These Reports are issued by an independent qualified person in accordance with The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("The JORC Code"). The key sources of estimation uncertainty made in the assessment of recoverable amounts of mining properties and deferred stripping costs, and the sensitivity of changes in these assumptions have been disclosed in Note 3(e) to the consolidated financial statements.	• We assessed the competency, reputation, and objectivity of the independent qualified person appointed by the Group and considered the valuation methodology used against those applied by other independent qualified persons for similar resource (coal mines). • We obtained and challenged the assumptions used in the cash flow projections of the underlying coal mines provided by the management (remaining life of mine, forecasted coal prices, and projected production volumes) and evaluated the reasonableness of these assumptions by comparing them to available industry, economic and financial data. • We engaged our internal valuation specialist to review the appropriateness of the discount rates used by management. • We checked the mathematical accuracy of the value in use calculation using the cash flow projections covering the life of mine. • We performed independent sensitivity analysis in regards to the discount rate and forecasted coal prices as these are the significant key assumptions in the value in use calculation. Based on our procedures, we noted management's key assumptions to be within a reasonable range of our expectations. We have also assessed and validated the adequacy and appropriateness of the disclosures made in the financial statements.
Recoverability of trade and other receivables, and refundable deposits	
As at 31 December 2016, the Group has the following significant balances: • Trade and other receivables due from third parties (Note 8) amounting to US$81,556,288; and • Refundable deposits in relation to the conditional acquisition of mining concessions (Note 8) amounting to US$18,500,000. The above balances represent 53.4% of current assets and 32.4% of total assets in the Group's statement of financial position.	Our audit procedures on the recoverability of trade and other receivables, and refundable deposits were led by the Group audit team, supplemented by specific procedures by the component auditor, included, among others: • We reviewed the management's policy on the provision for doubtful debts and process in assessing collectability. • We evaluated the appropriateness of management's controls over the recoverability assessment process, including the identification of indicators of impairment and estimation of recoverable amounts.

Key audit matters	How the matter was addressed in the audit
Appropriateness of carrying amounts of mining properties and deferred stripping costs (cont'd)	
Due to the volatility in coal prices and global demand for coal, there is a risk that the Group's trade and other receivables, and refundable deposits may not be recoverable. The Group performs an ongoing evaluation of recoverability, including aging analysis of individual receivables by reference to their past default experience. During the year, the Group signed conditional sales and purchase agreement with certain debtors' related corporations and a third party (the "Vendors") where the Group may, upon fulfilment of certain conditions by the Vendors, acquire coal mining concessions from the Vendors in exchange for the settlement of trade and receivables from certain debtors (Note 8a). Subsequent to year end, the Group also entered into an instalment agreement with a certain debtor where the balance will be recovered by end of 2017 (Note 8a). The review of the recoverability of the above balances with these debtors are based on the value in use of the underlying coal mines to be acquired. Management has performed legal due diligence to validate the ownership of the coal mines, identify and mitigate any legal restrictions attached to the underlying coal mines. Management's assessment of the recoverable amounts of the trade and other receivables, and refundable deposits balances requires estimation and judgement in assessing the collectability and credit risk of these debtors. It involves estimation of the remaining life of mine, forecasted coal prices, projected production volumes and discount rates. Inappropriate management's estimates made in the impairment assessment may result in significant impact on the carrying amounts of the trade and other receivables, and refundable deposits balances.	• We reviewed the credit quality of the debtors based on the following factors: - Historical trend of payments made by customers; - Subsequent receipts collected after the end of the reporting period; and - Continuous on-going business relationship. • We obtained and reviewed the signed conditional sales and purchase agreement with the Vendors for the acquisition of coal mining concessions in exchange for the settlement of trade and other receivables from certain debtors. • We obtained and reviewed the instalment agreement with a certain debtor, and assessed the credit quality of this debtor. • We performed the following procedures to assess the reasonableness of management's estimation of the recoverable amounts of the underlying coal mines to be acquired: - Obtained and reviewed management's legal due diligence; - Obtained and challenged the assumptions used in the cash flow projections of the mines provided by management (remaining life of mine, forecasted coal prices, projected production volumes) and evaluated the reasonableness of these assumptions by comparing them to available industry, economic and financial data; - Challenged the discount rates used in the cash flow projections by comparing them against historical rates and available industry data, taking into consideration comparability and market factors; - Checked the mathematical accuracy of the value in use calculation using the cash flow projections covering the life of mine; and - Performed independent sensitivity analysis in regards to the discount rates and forecasted coal prices as these are the significant key assumptions used in the value in use calculation.

GEO ENERGY
— Independent Auditor's Report
TO THE MEMBERS OF GEO ENERGY RESOURCES LIMITED

Key audit matters	How the matter was addressed in the audit
Appropriateness of carrying amounts of mining properties and deferred stripping costs (cont'd)	
The key sources of estimation uncertainty made in the assessment of recoverable amounts of trade and other receivables, and refundable deposits balances, and sensitivity of changes in these assumptions have been disclosed in Note 3(c) to the consolidated financial statements.	Based on our procedures, we noted management's key assumptions to be within a reasonable range of our expectations. We have also assessed the classification and validated the adequacy and appropriateness of the disclosures made in the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

GEO ENERGY

— *Independent Auditor's Report*

TO THE MEMBERS OF GEO ENERGY RESOURCES LIMITED

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner responsible for the audit resulting in this independent auditor's report is Ronny Chandra.

Deloitte & Touche LLP

Public Accountants and
Chartered Accountants
Singapore

28 March 2017

GEO ENERGY

— *Statements of Financial Position*

AS AT 31 DECEMBER 2016

	Note	Group 2016 US$	Group 2015 US$	Company 2016 US$	Company 2015 US$
ASSETS					
Current assets					
Cash and bank balances	7	67,703,681	12,415,628	53,417,879	8,700,645
Trade and other receivables	8	103,493,933	32,709,751	74,659,464	58,422,001
Deposits and prepayments	9	7,415,552	18,506,479	194,271	23,509
Inventories	10	8,890,420	5,417,048	–	–
Total current assets		187,503,586	69,048,906	128,271,614	67,146,155
Non-current assets					
Deposits and prepayments	9	5,067,764	5,704,123	82,285	103,699
Investment in subsidiaries	11	–	–	98,024,126	97,554,117
Deferred expenditure	12	–	–	–	–
Deferred stripping costs	13	9,940,321	1,446,472	–	–
Property, plant and equipment	14	102,529,077	131,869,944	134,882	236,999
Investment properties	15	542,572	3,336,335	–	2,827,455
Deferred tax assets	21	3,347,593	3,621,698	263,418	175,768
Other non-current asset	16	143,263	123,843	143,263	123,843
Total non-current assets		121,570,590	146,102,415	98,647,974	101,021,881
Total assets		309,074,176	215,151,321	226,919,588	168,168,036
LIABILITIES AND EQUITY					
Current liabilities					
Trade and other payables	17	106,899,123	39,639,092	65,929,218	22,113,841
Current portion of finance leases	18	14,718	6,559,195	14,718	14,396
Income tax payable		7,447,250	27,257	–	–
Total current liabilities		114,361,091	46,225,544	65,943,936	22,128,237

GEO ENERGY

— *Statements of Financial Position*

AS AT 31 DECEMBER 2016

	Note	Group 2016 US$	Group 2015 US$	Company 2016 US$	Company 2015 US$
Non-current liabilities					
Finance leases	18	43,887	2,848,503	43,887	59,856
Notes payable	19	68,675,591	69,249,789	68,675,591	69,249,789
Provisions	20	1,335,862	990,475	90,350	88,225
Deferred tax liabilities	21	–	1,780,023	–	–
Other non-current liabilities		–	85,962	–	–
Total non-current liabilities		70,055,340	74,954,752	68,809,828	69,397,870
Capital, reserves and non-controlling interests					
Share capital	22	89,670,842	86,170,842	89,670,842	86,170,842
Capital and other reserve		316,251	14,105	–	–
Revaluation reserve	23	–	776,632	–	776,632
Translation reserve		(18,232,460)	(22,946,814)	(4,464,506)	(4,324,438)
Retained earnings (Accumulated losses)		52,681,429	29,718,918	6,959,488	(5,981,107)
Equity attributable to owners of the Company		124,436,062	93,733,683	92,165,824	76,641,929
Non-controlling interests		221,683	237,342	–	–
Total equity		124,657,745	93,971,025	92,165,824	76,641,929
Total liabilities and equity		309,074,176	215,151,321	226,919,588	168,168,036

See accompanying notes to the financial statements.

— Consolidated Statement of Profit or Loss and Other Comprehensive Income

YEAR ENDED 31 DECEMBER 2016

	Note	Group 2016 US$	Group 2015 US$
Continuing operations			
Revenue	25	182,108,648	18,209,176
Cost of sales		(140,189,931)	(15,064,799)
Gross profit		41,918,717	3,144,377
Other income	26	9,345,290	6,172,506
General and administrative expenses		(8,154,370)	(6,493,964)
Other expenses	27	(2,394,457)	(4,133,364)
Finance costs	28	(6,047,015)	(6,465,771)
Profit (loss) before income tax		34,668,165	(7,776,216)
Income tax (expense) credit	29A	(11,130,932)	420,846
Profit (loss) for the year from continuing operations	30	23,537,233	(7,355,370)
Discontinued operation			
Loss for the year from discontinued operation	36	(1,348,045)	(9,231,812)
Profit (loss) for the year		22,189,188	(16,587,182)
Other comprehensive income, net of tax:			
Item that may be subsequently reclassified to profit or loss:			
Exchange differences on translation of foreign operations	24	4,708,823	(1,429,296)
Items that will not be subsequently reclassified to profit or loss:			
Remeasurement of defined benefit obligations	24	(13,437)	154,332
Other comprehensive income for the year, net of tax		4,695,386	(1,274,964)
Total comprehensive income for the year		26,884,574	(17,862,146)
Profit (loss) attributable to:			
Owners of the Company		22,199,316	(16,306,250)
Non-controlling interests		(10,128)	(280,932)
		22,189,188	(16,587,182)
Total comprehensive income attributable to:			
Owners of the Company		26,900,233	(17,570,593)
Non-controlling interests		(15,659)	(291,553)
		26,884,574	(17,862,146)

GEO ENERGY

— *Consolidated Statement of Profit or Loss and Other Comprehensive Income*

YEAR ENDED 31 DECEMBER 2016

	Note	Group 2016 US$	Group 2015 US$
Earnings (loss) per share	31		
From continuing and discontinued operations:			
Basic (cents)		1.84	(1.39)
Diluted (cents)		1.84	(1.39)
From continuing operations:			
Basic (cents)		1.95	(0.60)
Diluted (cents)		1.95	(0.60)

See accompanying notes to the financial statements.

GEO ENERGY

— *Statements of Changes In Equity*

YEAR ENDED 31 DECEMBER 2016

	Share capital US$ (Note 22)	Capital and other reserve US$	Revaluation reserve US$ (Note 23)
Group			
Balance at 1 January 2015	82,518,674	14,349	776,632
Total comprehensive income for the year:			
Loss for the year	–	–	–
Other comprehensive income for the year	–	–	–
Total	–	–	–
Transactions with owners, recognised directly in equity:			
Issue of share capital	3,740,537	–	–
Share issuance expense	(88,369)	–	–
Acquisition of asset with non-controlling interests	–	–	–
Dilution of non-controlling interests	–	(244)	–
Total	3,652,168	(244)	–
Balance at 31 December 2015	86,170,842	14,105	776,632
Total comprehensive income for the year:			
Profit for the year	–	–	–
Other comprehensive income for the year	–	–	–
Effects of disposal of investment property	–	–	(776,632)
Total	–	–	(776,632)
Transactions with owners, recognised directly in equity:			
Issue of share capital	3,500,000	–	–
Effects of disposal of subsidiaries	–	(14,349)	–
Participation in Tax Amnesty Programme	–	316,495	–
Total	3,500,000	302,146	–
Balance at 31 December 2016	89,670,842	316,251	–

GEO ENERGY

— *Statements of Changes In Equity*

YEAR ENDED 31 DECEMBER 2016

Translation reserve US$	Retained earnings US$	Equity attributable to owners of the Company US$	Non-controlling interests US$	Total US$
(21,528,139)	45,870,836	107,652,352	393,340	108,045,692
–	(16,306,250)	(16,306,250)	(280,932)	(16,587,182)
(1,418,675)	154,332	(1,264,343)	(10,621)	(1,274,964)
(1,418,675)	(16,151,918)	(17,570,593)	(291,553)	(17,862,146)
–	–	3,740,537	–	3,740,537
–	–	(88,369)	–	(88,369)
–	–	–	135,311	135,311
–	–	(244)	244	–
–	–	3,651,924	135,555	3,787,479
(22,946,814)	29,718,918	93,733,683	237,342	93,971,025
–	22,199,316	22,199,316	(10,128)	22,189,188
4,714,354	(13,437)	4,700,917	(5,531)	4,695,386
–	776,632	–	–	–
4,714,354	22,962,511	26,900,233	(15,659)	26,884,574
–	–	3,500,000	–	3,500,000
–	–	(14,349)	–	(14,349)
–	–	316,495	–	316,495
–	–	3,802,146	–	3,802,146
(18,232,460)	52,681,429	124,436,062	221,683	124,657,745

— *Statements of Changes In Equity*

YEAR ENDED 31 DECEMBER 2016

	Share capital US$ (Note 22)	Revaluation reserve US$ (Note 23)	Translation reserve US$	Accumulated losses US$	Total US$
Company					
Balance at 1 January 2015	82,518,674	776,632	(4,186,712)	(1,475,278)	77,633,316
Total comprehensive income for the year:					
Loss for the year	–	–	–	(4,505,829)	(4,505,829)
Other comprehensive income for the year	–	–	(137,726)	–	(137,726)
Total	–	–	(137,726)	(4,505,829)	(4,643,555)
Transactions with owners, recognised directly in equity:					
Issue of share capital	3,740,537	–	–	–	3,740,537
Share issuance expense	(88,369)	–	–	–	(88,369)
Total	3,652,168	–	–	–	3,652,168
Balance at 31 December 2015	86,170,842	776,632	(4,324,438)	(5,981,107)	76,641,929
Total comprehensive income for the year:					
Profit for the year	–	–	–	12,163,963	12,163,963
Other comprehensive income for the year	–	–	(140,068)	–	(140,068)
Effects of disposal of investment property	–	(776,632)	–	776,632	–
Total	–	(776,632)	(140,068)	12,940,595	12,023,895
Transactions with owners, recognised directly in equity:					
Issue of share capital	3,500,000	–	–	–	3,500,000
Total	3,500,000	–	–	–	3,500,000
Balance at 31 December 2016	89,670,842	–	(4,464,506)	6,959,488	92,165,824

See accompanying notes to the financial statements.

GEO ENERGY

— *Consolidated Statement of Cash Flows*

YEAR ENDED 31 DECEMBER 2016

	Group	
	2016	**2015**
	US$	**US$**
Operating activities		
Profit (loss) before income tax (Note 29A)	33,108,440	(18,232,065)
Adjustments for:		
Depreciation of property, plant and equipment	12,534,984	4,539,081
Amortisation of deferred stripping costs	330,935	–
(Gain) loss on disposal of property, plant and equipment	(32,398)	1,870,526
Impairment loss on sale and leaseback of property, plant and equipment	–	930,354
Gain on sales and leaseback of property, plant and equipment	(19,637)	–
Impairment loss on advance payment for coal	–	1,617,436
Fair value (gain) loss on investment properties	(20,255)	244,644
Loss on financial asset carried at amortised cost	721,350	–
Allowance for doubtful debts	150,033	2,408,576
Other expenses arising from participation in Tax Amnesty	809,593	–
Gain on disposal of subsidiaries	(4,962,232)	–
Loss on disposal of discontinued operation	1,267,291	–
Interest expense	6,870,035	7,934,941
Interest income	(128,334)	(608,126)
Retirement benefit obligations	365,483	(69,860)
Net foreign exchange gains	(2,818,494)	(2,625,293)
Operating cash flows before movements in working capital	48,176,794	(1,989,786)
Trade and other receivables	(70,813,000)	572,806
Deposits and prepayments	(5,039,305)	(2,829,219)
Inventories (Note A)	(3,116,096)	(558,058)
Trade and other payables	100,383,827	25,775,250
Cash generated from operations	69,592,220	20,970,993
Income tax paid	(2,641,005)	(672,969)
Income tax refund	2,360,537	2,281,328
Retirement benefit obligation paid	(489)	(50,945)
Net cash from operating activities	69,311,263	22,528,407

— *Consolidated Statement of Cash Flows*

YEAR ENDED 31 DECEMBER 2016

	Group	
	2016	**2015**
	US$	**US$**
Investing activities		
Interest received	33,795	972,144
Disposal of subsidiaries (Note 37)	(95,198)	–
Addition to deferred stripping costs	(8,824,784)	(1,446,472)
Advance payments for purchase of property, plant and equipment	(46,352)	–
Purchase of property, plant and equipment (Note B)	(231,705)	(20,043,397)
Proceeds from disposal of property, plant and equipment	153,155	3,498,153
Proceeds on disposal of investment property	2,860,585	–
Purchase of other non-current asset	(22,990)	–
Net cash used in investing activities	(6,173,494)	(17,019,572)
Financing activities		
Increase in deposits pledged	–	(2,500,000)
Interest paid	(5,906,141)	(6,554,738)
Repayment of bank borrowings	–	(253,664)
Proceeds from issuance of shares	–	3,740,537
Transaction costs pursuant to issuance of shares	–	(88,369)
Proceeds from sale and leaseback of property, plant and equipment (Note C)	–	3,648,203
Repayment of obligations under finance leases	(1,967,077)	(6,079,137)
Net cash used in financing activities	(7,873,218)	(8,087,168)
Net increase (decrease) in cash and cash equivalents	55,264,551	(2,578,333)
Cash and cash equivalents at beginning of the year	7,421,269	10,666,464
Effect of exchange rate changes on the balance of cash held in foreign currencies	75,637	(666,862)
Cash and cash equivalents at end of the year (Note 7)	62,761,457	7,421,269

Notes to consolidated statement of cash flows:

A) During the year, the Group capitalised US$1,104,950 (2015 : US$90,015) of depreciation of property, plant and equipment as inventories.

B) During the year, the Group acquired property, plant and equipment amounting to US$2,319,667 other than by cash, of which US$1,995,835 was acquired through utilisation of refundable deposits relating to the conditional acquisition of a mining concession paid in prior year and US$323,832 through participating in Tax Amnesty Programme by certain subsidiaries.

GEO ENERGY

— *Consolidated Statement of Cash Flows*

YEAR ENDED 31 DECEMBER 2016

Notes to consolidated statement of cash flows (cont'd):

In 2015, the Group acquired property, plant and equipment amounting to US$10,126,367 other than by cash, of which US$8,089,041 was satisfied by assignment of the certain advance payments for purchase of coal (Note 9A), US$79,786 were acquired under finance lease arrangements, US$135,311 due to acquisition of additional interests in subsidiary from non-controlling shareholder and the Group utilised its advance payment of US$1,470,497 which was paid in prior year to purchase property, plant and equipment, of which US$326,637 pertained to addition in investment property during the year.

The balance of US$678,369 remained unpaid as at 31 December 2015 and was included as part of trade and other payables.

C) In 2015, the Group entered into a sale and leaseback arrangement with third parties to dispose of heavy equipment with carrying amount of US$3,562,241 for consideration of US$3,648,203 (Note 18).

See accompanying notes to the financial statements.

1 GENERAL

The Company (Registration No. 201011034Z) is incorporated in Singapore with its principal place of business and registered office at 12 Marina Boulevard, #16-01 Marina Bay Financial Centre Tower 3, Singapore 018982. The Company is listed on the Singapore Exchange Securities Trading Limited.

The consolidated financial statements are expressed United States dollars to enhance the comparability of the Group's financials to other companies in the coal mining industry.

The principal activity of the Company is that of investment holding.

The principal activities of the subsidiaries are disclosed in Note 11 to the financial statements.

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the year ended 31 December 2016 were authorised for issue by the Board of Directors on 28 March 2017.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The financial statements have been prepared in accordance with the historical cost basis except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Financial Reporting Standards in Singapore ("FRSs").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 102 *Share-based Payments*, leasing transactions that are within the scope of FRS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 *Inventories* or value in use in FRS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety which are described as follows:

a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

b) Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

c) Level 3 inputs are unobservable inputs for the asset or liability.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

ADOPTION OF NEW AND REVISED STANDARDS - On 1 January 2016, the Group adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are effective from that date and are relevant to its operations. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

At the date of authorisation of these financial statements, the following new/revised FRSs, INT FRSs and amendments to FRS that are relevant to the Group and the Company were issued but not yet effective:

- FRS 109 *Financial Instruments* [1]
- FRS 115 *Revenue from Contracts with Customers (with clarifications issued)* [1]
- FRS 116 *Leases* [2]
- Amendments to FRS 7 *Statement of Cash Flows: Disclosure Initiative* [3]
- Amendments to FRS 12 *Income Taxes: Recognition of Deferred Tax Assets for Unrealised Loss* [3]
- Amendments to FRS 102 *Classification and Measurement of Share-based Payment Transactions* [1]
- Amendments to FRS 40 *Transfers of Investment Property* [1]

[1] Applies to annual periods beginning on or after 1 January 2018, with early application permitted.
[2] Applies to annual periods beginning on or after 1 January 2019, with early application permitted if FRS 115 is adopted.
[3] Applies to annual periods beginning on or after 1 January 2017, with early application permitted.

Consequential amendments were also made to various standards as a result of these new/revised standards.

Management anticipates that the adoption of the above FRSs, INT FRS and amendments to FRSs in future periods will not have a material impact on the financial statements of the Group and Company in the period of their initial adoption, except for the following:

FRS 109 *Financial Instruments*

FRS 109 was issued in December 2014 to replace FRS 39 *Financial Instruments: Recognition and Measurement* and introduced new requirements for (i) the classification and measurement of financial assets and financial liabilities (ii) general hedge accounting and (iii) impairment requirements for financial assets.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Key requirements for FRS 109

- All recognised financial assets that are within the scope of FRS 39 are now required to be subsequently measured at amortised cost or fair value through profit or loss ("FVTPL"). Specifically, debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at fair value through other comprehensive income ("FVTOCI"). All other debt instruments and equity investments are measured at FVTPL at the end of subsequent accounting periods. In addition, under FRS 109, entities may make an irrevocable election, at initial recognition, to measure an equity investment (that is not held for trading) at FVTOCI, with only dividend income generally recognised in profit or loss.

- With some exceptions, financial liabilities are generally subsequently measured at amortised cost. With regard to the measurement of financial liabilities designated as FVTPL, FRS 109 requires that the amount of change in fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch to profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss.

- In relation to the impairment of financial assets, FRS 109 requires an expected credit loss model, as opposed to an incurred credit loss model under FRS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in FRS 39. Under FRS 109, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

Management anticipates that the initial application of the new FRS 109 may not result in any material changes to the accounting policies relating to financial instruments. Additional disclosures may be made with respect of trade and other receivables, including any significant judgement and estimation made. Management has commenced an assessment of the possible impact of implementing FRS 109. It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the Group's financial statements in the period of initial application as the management has yet to complete its detailed assessment. Management does not plan to early adopt the new FRS 109.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

FRS 115 *Revenue from Contracts with Customers*

In November 2014, FRS 115 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. FRS 115 will supersede the current revenue recognition guidance including FRS 18 *Revenue*, FRS 11 *Construction Contracts* and the related interpretations when it becomes effective. Further clarifications to FRS 115 were also issued in June 2016.

The core principle of FRS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under FRS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. More prescriptive guidance has been added in FRS 115 to deal with specific scenarios. Furthermore, extensive disclosures are required by FRS 115.

Management anticipates that the initial application of the new FRS 115 will not result in material changes to the accounting policies relating to revenue recognition. Additional disclosures will be made with respect of trade receivables and revenue, including any significant judgement and estimation made. Management has commenced an assessment of the possible impact of implementing FRS 115. It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the Group's financial statements in the period of initial application as the management has yet to complete its detailed assessment. Management does not plan to early adopt the new FRS 115.

FRS 116 Leases

FRS 116 was issued in June 2016 and will supersede FRS 17 *Leases* and its associated interpretative guidance.

The Standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The identification of leases, distinguishing between leases and service contracts, are determined on the basis of whether there is an identified asset controlled by the customer.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Significant changes to lessee accounting are introduced, with the distinction between operating and finance leases removed and assets and liabilities recognised in respect of all leases (subject to limited exceptions for short-term leases and leases of low value assets). The Standard maintains substantially the lessor accounting approach under the predecessor FRS 17.

As at 31 December 2016, the Group has non-cancellable operating lease commitments ranging from 1 to 5 years totalling US$775,909. FRS 17 does not require the recognition of any right-of-use asset or lease liability for future payments of these leases; instead certain information is disclosed as operating lease commitments in Note 33 to the financial statements. Management anticipates that the initial application of the new FRS 116 will result in changes to the accounting policies relating to operating leases, where the Group is a lessee. A right-of-use asset will be recognised on balance sheet, representing the Group's right to use the leased asset over the lease term and, recognise a corresponding lease liability representing its obligation to make lease payments. Additional disclosures may be made with respect of right-of-use assets and lease liabilities. Management has commenced an assessment of the possible impact of implementing FRS 116. It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the Group's financial statements in the period of initial application as the management has yet to complete its detailed assessment. Management does not plan to early adopt the new FRS 116.

Amendments to FRS 7 *Statement of Cash Flows: Disclosure Initiative*

The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

Management anticipates that the initial application of Amendments to FRS 7 will result in additional disclosures to be made with respect to statement of cash flows. Management has commenced an assessment of the possible impact of implementing Amendments to FRS 7. It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the Group's financial statements in the period of initial application as the management has yet to complete its detailed assessment. Management does not plan to early adopt the Amendments to FRS 7.

BASIS OF CONSOLIDATION - The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company as Other Reserve.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable FRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

In the Company's financial statements, investments in subsidiaries are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

BUSINESS COMBINATIONS - Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates at fair value, with the changes in fair value being recognised in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the FRS are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with FRS 12 *Income Taxes* and FRS 19 *Employee Benefits* respectively;

- liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer in accordance with the method in FRS 102 *Share-based Payment* at the acquisition date; and

- assets (or disposal groups) that are classified as held for sale in accordance with FRS 105 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another FRS.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year from acquisition date.

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

<u>Effective interest method</u>

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income or expense is recognised on an effective interest basis for debt instruments.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial assets

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value plus transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Loans and receivables

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables (including trade and other receivables and cash and bank balances) are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the effect of discounting is immaterial.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been impacted. For all other financial assets, objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty; or
- Default or delinquency in interest or principal payments; or
- It becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Other financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method, with interest expense recognised on an effective yield basis.

Interest-bearing bank loans and notes payable are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Interest expense calculated using the effective interest method is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (see below).

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Offsetting arrangements

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Company and the Group has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

LEASES - Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The Group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see below).

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

INVENTORIES - Inventories are classified as follows:

- Coal : These are coals that are extracted from mining activities and available for sale.
- Consumables : These are goods or supplies to be either directly or indirectly consumed in the production process.
- Marketing coal : These are coals purchased with the intention to sell in the near future.

Consumables and coal inventories are stated at the lower of cost and net realisable value. The cost of coal inventories is determined using the weighted average cost method. Costs include direct material, overburden removal, mining, processing, labour incurred in the extraction process and an appropriate proportion of variable and fixed overhead costs directly related to mining activities. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

Marketing coal inventories are recorded at fair value less costs to sell. Unrealised gains and losses from the changes in fair values are reported in cost of goods sold.

DEFERRED EXPENDITURE - Expenses incurred during pre-mining services activities such as labour costs and those overhead costs incurred in mobilising the heavy equipment to the mine site are deferred in the statement of financial position and released to profit or loss as expenses when services have been rendered and revenue is recognised from the respective mining services contracts. Expenses are deferred to the extent that there is reasonable probability of recovery from the mining services rendered. When it is probable that the costs incurred or to be incurred on that mining services contract will exceed the estimated recoverable amount of the mining services contract, the expected loss is recognised as an expense in profit or loss immediately.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Deferred expenditure is reviewed at each reporting date as to whether an indication of impairment exists. If any such indication exists, the recoverable amount of the deferred expenditure is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

DEFERRED STRIPPING COSTS - Overburden and other mine waste materials are often removed during the initial development of a mine site in order to access the mineral deposit. This activity is referred to as development stripping. The directly attributable costs are capitalised under mining properties. Capitalisation of development stripping costs ceases at the time that saleable material begins to be extracted from the mine.

Production stripping commences from the point saleable materials are being extracted from the mine. Stripping costs incurred during the production phase might benefit current period production and improve access to ore bodies in future periods. Where benefits are realised in the form of inventory produced in the current period, these costs are accounted for as part of the cost of producing inventory. Where a benefit of improved access exists, the costs are recognised as part deferred stripping costs when the following criteria are met:

- It is probable that the future economic benefits (improved access to the coal body) associated with the stripping activity will flow to the entity;

- The entity can identify the component of the coal body for which access has been improved; and

- The costs relating to the stripping activity associated with that component can be measured reliably.

In identifying the components of the ore body, mining operations personnel will analyse the Group's mine plans. Generally a component will be subset of the total ore body and a mine may have several components, for example, certain quantities of coal within separate mining pits.

The deferred stripping costs is initially measured at cost, which is the accumulation of costs directly incurred to perform the stripping activity that improve access to the identified component of ore, plus an allocation of directly attributable overhead costs.

When the costs of stripping to improve access to an ore body are not clearly distinguishable from the costs of producing current inventories, i.e., there is a mixture of waste and ore being removed, the stripping costs are allocated based on a relevant measure of production. This production measure is calculated for the identified component of the ore body. The Group uses the expected volume of waste extracted compared with the actual volume for a given volume of ore production.

The deferred stripping costs is subsequently amortised using the unit-of-production method over the life of the identified component of the ore body for which access has been improved. Economically recoverable reserves, which comprise proven and probable reserves, are used to determine the expected useful life of the identified component of the ore body. The deferred stripping costs is then carried at cost less depreciation and impairment losses, if any.

PROPERTY, PLANT AND EQUIPMENT - Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Construction-in-progress for qualifying assets, includes borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is charged so as to write off the cost of assets, other than construction-in-progress, over their estimated useful lives, using the straight-line method, on the following bases:

	Number of years
Leasehold property	Over terms of lease
Temporary housing facility	2
Jetty	4
Heavy equipment	8
Machineries	4
Motor vehicles	4
Equipment and furniture	4
Computer and software	4

Fully depreciated assets still in use are retained in the financial statements.

Mining properties are classified as an asset under property, plant and equipment. Mining properties include mining rights and costs transferred from mining evaluation assets once technical feasibility and commercial viability of an area of interest are demonstrable and subsequent costs to develop the mine to the production phase. The economic benefits from the assets are consumed in a pattern which is linked to the production level. These assets are depreciated on a unit-of-production basis. Depreciation starts from the date when commercial production commences.

The estimated useful lives, mining reserves, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss.

INVESTMENT PROPERTIES - Investment properties, which are property held to earn rentals and/or for capital appreciation, are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

CLUB MEMBERSHIP - Club membership with indefinite useful life is not amortised, is classified as other non-current asset and is stated at cost less any accumulated impairment loss.

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS - At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

PROVISIONS - Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

REVENUE RECOGNITION - Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Sale of coal

Revenue from the sale of coal (coal mining and coal trading) is recognised when all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the coal;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the coal sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Mining services

Revenue from rendering of mining services that are of a short duration is measured at the fair value of the consideration received or receivable when services are completed.

Rental services

Rental services are recognised on a straight-line basis over the term of the relevant lease.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

BORROWING COSTS - Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The cost of providing defined post-employment benefits is determined using the Projected Unit Credit Method with actuarial valuations being carried out at the end of each reporting period. Remeasurement, comprising actuarial gains and losses, is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment.

The retirement benefits obligation recognised in the statement of financial position represents the present value of the defined benefit obligation.

EMPLOYEE LEAVE ENTITLEMENT - Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

INCOME TAX - Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the reporting period.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Except for investment properties measured using the fair value model, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model the carrying amounts of such properties are presumed to be recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model of the Group whose business objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The Group has not rebutted the presumption that the carrying amount of the investment properties will be recovered entirely through sale.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively).

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position of the Company are presented in United States dollars, which is not the functional currency of the Company and some entities within the Group. The functional currency of the Company is Singapore dollars.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in United States dollars using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of translation reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of translation reserve.

CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS - Cash and cash equivalents in the statement of cash flows comprise cash on hand and demand deposits, bank overdrafts, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

SEGMENT REPORTING - An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components.

Operating segments are reported in a manner consistent with the internal reporting provided to members of management and the chief operating decision makers who are responsible for allocating resources and assessing performance of the operating segments.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

There are no critical judgement, apart from those involving estimation (see below), that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

a) <u>Useful lives of property, plant and equipment</u>

As described in Note 2 to the financial statements, the Group reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. During the financial year, management determined that the useful lives of property, plant and equipment are based on the industry practice and the Group's operational environment.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

Key sources of estimation uncertainty (cont'd)

b) Depreciation of mining properties

The amounts recorded for depreciation as well as the recovery of the carrying value of mining properties depends on the estimates of coal reserves and the economic lives of future cash flows from related assets. The primary factors affecting these estimates are technical engineering assessments of producible quantities of coal reserves in place and economic constraints such as the assumptions related to anticipated commodity prices and the costs of development and production of the reserves. The carrying amounts of the Group's mining properties are disclosed in Note 14 to the financial statements.

c) Allowances for doubtful debts

The policy for allowances for doubtful debts of the Company and the Group is based on the evaluation of collectibility and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness, the past collection history of each customer and on-going dealings with these parties. If the financial conditions of the counterparties were to deteriorate, resulting in impairment of their ability to make payments, additional allowances may be required.

During the year, management performed a credit evaluation process to review the recoverability of the trade and other receivables balances based on their judgement. The assessment has led to recognition for allowances for doubtful debts of US$150,033 (2015 : US$2,408,576) during the year.

In addition to the above, for certain debtors where the Group has signed conditional sales and purchase agreements during the year, as disclosed in Note 8(a), the review of the recoverability of these balances are based on the value in use of the underlying coal mines.

The calculation of value in use is most sensitive to the following assumptions:

- Discount rate
- Forecasted coal prices

The future cash flows are discounted to the value in use based on the discount rate of 11% (2015 : 11%) which reflects the current market assessment of the time value of money and the risks specific to the asset. No impairment has been recognised for these balances.

As at 31 December 2016, any reasonably possible change to the key assumptions applied above is not likely to cause the recoverable amounts of trade and other receivable balances to be below the respective carrying amounts.

The carrying amounts of trade and other receivables are disclosed in Note 8 to the financial statements.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

Key sources of estimation uncertainty (cont'd)

d) Deferred stripping costs

Certain mining costs, principally those that relate to the stripping of waste and which relate to future economically recoverable coal to be mined, are included in deferred stripping costs. These costs are deferred and subsequently taken to the cost of producing inventory by way of amortisation of deferred stripping costs. The estimated waste incurred to improve access to remaining ore reserves, estimates of coal reserves and the remaining life of the mine are regularly assessed by the management to ensure the carrying value and rate of deferral is appropriate taking into consideration the available facts and circumstances from time to time.

The carrying amounts of the Group's deferred stripping costs are disclosed in Note 13 to the financial statements.

e) Impairment of advance payments for purchase of coal, deferred stripping costs and property, plant and equipment

The Group assesses annually whether its advance payments for purchase of coal, deferred stripping costs and property, plant and equipment exhibit any indication of impairment. Should there be any indicator of impairment, the Group then estimates the recoverable amount based on value in use calculations. These calculations require the use of judgement and estimates.

The carrying value of advance payments for purchase of coal, deferred stripping costs and property, plant and equipment are reviewed regularly during the financial year, taking into consideration the available facts and circumstances, and to the extent to which the capitalised value exceeds its recoverable value, the excess is provided for or written-off in the financial year in which this is determined.

Management has carried out a review of the recoverable amount of the advance payments for purchase of coal, deferred stripping costs and property, plant and equipment based on the higher of fair value less costs to sell and value in use.

The calculation of value in use is most sensitive to the following assumptions:

- Discount rate
- Forecasted coal prices

The future cash flows are discounted to the value in use based on the discount rate of 11% (2015 : 11%) which reflects the current market assessment of the time value of money and the risks specific to the asset.

As at 31 December 2016, any reasonably possible change to the key assumptions applied above is not likely to cause the recoverable amounts of advance payments for purchase of coal, deferred stripping costs and property, plant and equipment to be below the respective carrying amounts.

The assessment has led to allowance for impairment of advance payments for purchase of coal of US$Nil (2015 : US$1,617,437), and property, plant and equipment of US$Nil (2015 : US$930,354) for the year ended 31 December 2016. No impairment has been recognised for deferred stripping costs.

The carrying amounts of the Group's advance payments for purchase of coal, deferred stripping costs and property, plant and equipment are disclosed in Notes 9, 13 and 14 to the financial statements respectively.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

Key sources of estimation uncertainty (cont'd)

f) Uncertain tax positions

The Group is subject to income taxes in Singapore and Indonesia. In determining the income tax liabilities, management is required to estimate the amount of capital allowances and deductibility of certain expense ("uncertain tax positions") in each jurisdiction. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the year in which such determination is made.

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management estimate is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

The carrying amounts of the Group's and the Company's current tax and deferred tax provision are disclosed in the statement of financial position with notes where relevant.

g) Impairment of investment in subsidiaries and amounts due from subsidiaries

Management has carried out a review of the recoverable amount of the investment in subsidiaries and the amounts due from subsidiaries, having regard to the existing performance of the relevant subsidiaries and the carrying value of the net tangible assets in these subsidiaries.

Management has estimated the recoverable amount based on the higher of value in use and fair value less cost to sell. The fair value less cost to sell is determined by reference to the estimated realisable values of the net tangible assets of the subsidiaries. The assessment has led to reversal of allowance for impairment of investment in subsidiaries of US$361,481 (2015 : US$Nil) and amounts due from subsidiaries of US$377,386 (2015 : US$Nil) during the year.

The carrying amounts of the investment in subsidiaries and amounts due from subsidiaries are disclosed in Notes 11 and 8 to the financial statements respectively.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	Group		Company	
	2016	**2015**	**2016**	**2015**
	US$	**US$**	**US$**	**US$**
Financial assets				
Loans and receivables at amortised cost (including cash and bank balances)	175,992,179	42,151,515	128,142,745	67,226,345
Financial liabilities				
Amortised cost	130,192,914	104,866,367	134,658,466	87,901,080

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(b) Financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements

The Group and Company do not have any financial instruments which are subjected to offsetting, enforceable master netting arrangements or similar netting agreements.

(c) Financial risk management policies and objectives

The Group's and the Company's overall financial risk management policies and objectives seek to minimise potential adverse effects on the financial performance of the Group and Company. Management regularly reviews the Group's and the Company's business and operational activities to identify areas of significant business risks, as well as appropriate measures through which to control and mitigate these risks. On an on-going basis, management reviews all significant control policies and procedures, and highlights all significant matters to the Board of Directors and the audit committee. There has been no significant change to the Group's and the Company's exposure to these financial risks or the manner in which it manages and measures the risk.

The Group and Company do not hold or issue derivative financial instrument for speculative purposes. Market risk exposures are measured using sensitivity analysis indicated below.

(i) Foreign exchange risk management

The Group's foreign currency exposure arises from United States dollars, Indonesia rupiah and Singapore dollars. The Company's foreign currency exposure arises mainly from United States dollars and Indonesia rupiah. The Group and Company do not hedge against foreign exchange exposure as the exposure is managed primarily by using natural hedges that arise from offsetting assets and liabilities that are denominated in the same foreign currencies.

At the end of the reporting period, the carrying amounts of monetary assets and monetary liabilities denominated in currency other than the respective Group entities' functional currencies are as follows:

	Liabilities		Assets	
	2016 US$	2015 US$	2016 US$	2015 US$
Group				
United States dollars	67,974,389	38,148,055	127,092,268	77,399,781
Indonesia rupiah	18,328,699	3,220,837	4,841,142	8,207,192
Singapore dollars	9,783,211	7,188,148	137,230	48,459
Company				
United States dollars	60,278,136	11,813,000	119,785,923	58,049,580
Indonesia rupiah	–	–	145,132	141,356

Foreign currency sensitivity

The following table details the sensitivity to a 5% increase and decrease in the relevant foreign currencies against the functional currency of each Group entity. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where they gave rise to an impact on the Group's and the Company's profit.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(c) Financial risk management policies and objectives (cont'd)

(i) Foreign exchange risk management (cont'd)

If the relevant foreign currency weakens by 5% against the functional currency of each Group entity, the Group's and the Company's profit (2015 : loss) for the year will increase (decrease) by:

	2016	**2015**
	US$	**US$**
Group		
United States dollars	(2,955,894)	1,962,586
Indonesia rupiah	674,378	249,318
Singapore dollars	482,299	(356,984)
Company		
United States dollars	(2,975,389)	2,311,829
Indonesia rupiah	(7,257)	7,068

If the relevant foreign currency strengthens by 5% there would be an equal and opposite impact on the Group's and the Company's profit or loss shown above, on the basis that all other variables remain constant.

(ii) Interest rate risk management

The Group's and the Company's exposure to interest rate risk are restricted to its interest bearing bank balances and deposits, finance leases and notes payable as disclosed in Notes 7, 18 and 19 to the financial statements respectively.

No interest rate sensitivity was performed since the Group's and Company's exposure to interest rate on their variable rate borrowing is not significant.

(iii) Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group and Company. The Group and Company have adopted a policy of only dealing with creditworthy counterparties.

The Group minimises credit risk via advance payments from customers, sales secured by letters of credit, strict credit terms and regular monitoring of customers' financial standing. However, the Group may accommodate requests for delays in payments on a case by case basis for customers who have an established collection track record with the Group.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(c) Financial risk management policies and objectives (cont'd)

(iii) Credit risk management (cont'd)

As at 31 December 2016, 78% (2015 : Nil%) of the Group's revenue are derived from customers in People's Republic of China, which represent concentration risk within this geographical location. There is concentration of credit risk as 99% (2015 : 85%) of the Group's trade receivables at the end of the financial year relate to four customers (2015 : three customers).

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of reporting period.

The Company has an amount due from a related company which accounted for 7% (2015 : 37%) of the Company's other receivables.

The Group and Company place their bank balances with creditworthy financial institutions.

The carrying amount of financial assets represents the maximum credit risk exposure of the Group and Company.

Further details of credit risk on trade and other receivables are disclosed in Note 8 to the financial statements.

(iv) Liquidity risk management

Liquidity risk is the risk that the Group and Company will not be able to meet its financial obligations as they fall due. The Group and Company have been able to service all its debts obligations and fund their operations through internal funds, finance leases, bank borrowings and notes payable.

The Group and Company closely monitor the working capital requirements and minimises its liquidity risk by ensuring sufficient available funds and credit lines.

Liquidity risk analysis

Non-derivative financial liabilities

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and Company can be required to pay. The table includes both interest and principal cash flows. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which are not included in the carrying amount of the financial liability on the statements of financial position.

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4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(c) Financial risk management policies and objectives (cont'd)

(iv) Liquidity risk management (cont'd)

Liquidity risk analysis (cont'd)

	Weighted average interest rate %	On demand or within 1 year US$	Within 2 to 5 years US$	Adjustment US$	Total US$
Group					
2016					
Non-interest bearing	–	59,255,409	–	–	59,255,409
Finance leases (fixed rate)	4.33	16,967	46,632	(4,994)	58,605
Notes payable (fixed rate)	8.65	4,844,625	71,651,164	(5,616,889)	70,878,900
Total		64,117,001	71,697,796	(5,621,883)	130,192,914
2015					
Non-interest bearing	–	23,958,536	–	–	23,958,536
Finance leases (fixed rate)	4.33 to 16.82	7,528,549	3,115,777	(1,236,628)	9,407,698
Notes payable (fixed rate)	8.65	4,961,602	78,128,767	(11,590,236)	71,500,133
Total		36,448,687	81,244,544	(12,826,864)	104,866,367
Company					
2016					
Non-interest bearing	–	63,720,961	–	–	63,720,961
Notes payable (fixed rate)	8.65	4,844,625	71,651,164	(5,616,889)	70,878,900
Finance lease (fixed rate)	4.33	16,967	46,632	(4,994)	58,605
Total		68,582,553	71,697,796	(5,621,883)	134,658,466
2015					
Non-interest bearing	–	16,326,695	–	–	16,326,695
Notes payable (fixed rate)	8.65	4,961,602	78,128,767	(11,590,236)	71,500,133
Finance lease (fixed rate)	4.33	17,329	64,956	(8,033)	74,252
Total		21,305,626	78,193,723	(11,598,269)	87,901,080

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(c) *Financial risk management policies and objectives (cont'd)*

(iv) Liquidity risk management (cont'd)

Non-derivative financial assets

All the financial assets of the Group and Company in 2016 and 2015 are repayable on demand or due within one year from the end of the reporting period, except for non-current deposits as disclosed in Note 9 to the financial statements respectively.

(v) Fair value of financial assets and financial liabilities

The carrying amounts of financial assets and financial liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of other classes of financial assets and financial liabilities are disclosed in the respective notes to financial statements.

(d) *Capital management policies and objectives*

The Group and Company manage their capital to ensure that the Group and Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structures of the Group and Company consist of debt, which includes the finance leases (Note 18) and notes payable (Note 19), and equity attributable to owners of the Company, which comprises issued capital, reserves and retained earnings.

Management regularly monitors compliance with the financial covenants imposed by financial institutions for the facilities granted to the Group and Company. As at the end of the reporting period, the Group and Company are in compliance with externally imposed financial covenants requirements.

The Group's net debt to equity ratio as at the end of the reporting period are as follows:

	Group	
	2016	**2015**
	US$	**US$**
Total debt	70,937,505	80,907,831
Cash and bank balances	(67,703,681)	(12,415,628)
Net debt	3,233,824	68,492,203
Equity attributable to the owners of the Company	124,436,062	93,733,683
Net debt to equity ratio	3%	73%

The Group's and the Company's overall strategy remains unchanged from prior year.

5 RELATED COMPANIES TRANSACTIONS

Related companies in these financial statements refer to members of the Company's group of companies.

Transactions between the Company and its subsidiaries, which are related companies of the Company, have been eliminated on consolidation and are not disclosed. The intercompany balances are unsecured, interest-free and repayable on demand unless otherwise stated.

6 OTHER RELATED PARTY TRANSACTIONS

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

There are no significant transactions between the Group and related parties, other than those disclosed in the financial statements and the accompanying notes.

Compensation of directors and key management personnel

The remuneration of directors and other members of key management personnel are as follows:

	Group	
	2016	**2015**
	US$	**US$**
Short-term benefits	1,782,316	1,568,621
Post-employment benefits	43,571	19,488
Total	1,825,887	1,588,109

The remuneration of directors and other key management personnel is determined by the performance of individuals and market trends.

7 CASH AND BANK BALANCES

	Group		Company	
	2016	**2015**	**2016**	**2015**
	US$	**US$**	**US$**	**US$**
Cash on hand	3,343	2,164	165	262
Cash at banks [(a)]	62,753,868	7,415,207	50,975,490	6,206,024
Deposits [(b)]	4,946,470	4,998,257	2,442,224	2,494,359
Total cash and bank balances	67,703,681	12,415,628	53,417,879	8,700,645
Less: Deposit pledged [(c), (d)]	(4,942,224)	(4,994,359)	(2,442,224)	(2,494,359)
Cash and cash equivalents in the consolidated statement of cash flows	62,761,457	7,421,269	50,975,655	6,206,286

(a) The average effective interest rate of the cash at banks was 1.12% (2015 : 1.25%) per annum.

(b) The effective interest rate of the deposits ranged from 0.80% to 5.31% (2015 : 0.20% to 1.15%) per annum.

(c) As at 31 December 2016, the Group and Company pledged a deposit of US$2,442,224 (2015 : US$2,494,359), for purpose of securing the Group's and the Company's coupon payment obligations for the notes payable (Note 19).

(d) As at 31 December 2016, the Group pledged a deposit of US$2,500,000 (2015 : US$2,500,000) for the issuance of a banker's guarantee to a third party, for the purpose of securing the Group's land use right from a third party.

8 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2016	2015	2016	2015
	US$	US$	US$	US$
Trade receivables from:				
- Third parties [(a)]	32,893,880	24,081,499	–	–
Less: Allowance for doubtful debt [(d)]	(739,460)	(1,681,379)	–	–
	32,154,420	22,400,120	–	–
Other receivables comprise of:				
- Subsidiaries (Note 5)	–	–	14,444,405	53,612,141
Less: Allowance for doubtful debt [(d)]	–	–	–	(368,983)
	–	–	14,444,405	53,243,158
- Third parties [(a)]	50,148,308	2,187,667	38,488,255	–
Less: Allowance for doubtful debt [(d)]	(746,440)	(735,783)	–	–
	49,401,868	1,451,884	38,488,255	–
- Goods and Services Tax ("GST") receivables	18,535	490,288	16,883	–
- Prepaid income tax	208,312	3,187,699	–	–
- Refundable deposits in relation to the conditional acquisition of mining concessions	18,500,000	2,000,000	18,500,000	2,000,000
- Refundable payment to secure the rights to use and purchase jetty facilities	3,145,132	3,141,356	3,145,132	3,141,356
- Interest receivables	65,666	38,404	64,789	37,487
Total	103,493,933	32,709,751	74,659,464	58,422,001

The credit period granted to customers is generally up to 30 days (2015 : 60 days). No interest is charged on the outstanding balances, except for certain debtors where interest is charged between 1% to 3% (2015 : Nil%) per annum on the outstanding balances amounting to US$16,604,788.

In determining the recoverability of receivables from third parties, related parties and subsidiaries, the Group and Company considers the financial strength and performance of the third parties, related parties and subsidiaries. Accordingly, management believes that there are no further credit allowances required in excess of the allowance for doubtful debts.

8 TRADE AND OTHER RECEIVABLES (cont'd)

The table below is an analysis of the Group's and the Company's trade receivables as at the end of the reporting period:

	Group		Company	
	2016 US$	2015 US$	2016 US$	2015 US$
Not past due and not impaired	12,538,695	519,133	–	–
Past due but not impaired [(b)]	19,615,725	21,145,204	–	–
	32,154,420	21,664,337	–	–
Impaired receivables - individually assessed [(c)]	739,460	2,417,162	–	–
Less: Allowance for doubtful debt [(d)]	(739,460)	(1,681,379)	–	–
	–	735,783	–	–
Total trade receivables, net	32,154,420	22,400,120	–	–

Trade receivables that are not past due and not impaired are substantially companies with good collection track records with the Group.

(a) During the year, the Group has signed conditional sale and purchase agreements ("CSPAs") with certain debtors' related corporations and a third party (the "Vendors") where the Group may, upon fulfilment of certain conditions by the Vendors, acquire coal mining concessions from the Vendors in exchange for the settlement of trade and other receivables from certain debtors amounting to US$19,545,672 and US$27,572,705 respectively.

Subsequent to year end, the CSPA with one of the Vendors had expired and the Group entered into an instalment agreement with a certain debtor where the balance of US$4,657,052 will be recovered by end of 2017.

(b) Aging of trade receivables that are past due but not impaired:

	Group		Company	
	2016 US$	2015 US$	2016 US$	2015 US$
< 3 months	70,053	1,291,487	–	–
3 months to 6 months	–	2,805,242	–	–
> 6 months to 12 months	–	806,780	–	–
> 12 months	19,545,672	16,241,695	–	–
	19,615,725	21,145,204	–	–

Included in the Group's trade receivables are debtors with a carrying amount of US$19,615,725 (2015 : US$21,145,204) which are past due at the reporting date for which the Group has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable.

(c) These amounts are stated before any deduction for impairment losses.

8 TRADE AND OTHER RECEIVABLES (cont'd)

(d) Movement in the allowance for doubtful debts are as follows:

	Group		Company	
	2016	2015	2016	2015
	US$	US$	US$	US$
At beginning of year	2,417,162	29,610	368,983	395,365
Disposal of subsidiaries	(1,102,146)	–	–	–
Write-back of allowance for doubtful debt credited to profit or loss	–	–	(377,386)	–
Allowance for doubtful debt charged to profit or loss (Note 27)	150,033	2,408,576	–	–
Exchange differences	20,851	(21,024)	8,403	(26,382)
At end of year	1,485,900	2,417,162	–	368,983

The Group's trade receivables that are determined to be impaired at the end of the reporting period relate to debtors that have defaulted on payments.

These trade and other receivables are not secured by any collateral or credit enhancements.

9 DEPOSITS AND PREPAYMENTS

	Group		Company	
	2016	2015	2016	2015
	US$	US$	US$	US$
Current assets:				
Prepayments	5,365,552	2,481,099	194,271	23,509
Advance payments for purchase of coal [(a)]	3,670,034	17,603,255	–	–
Less: Impairment loss on advance payment for purchase of coal [(d)]	(1,620,034)	(1,577,875)	–	–
	2,050,000	16,025,380	–	–
Total	7,415,552	18,506,479	194,271	23,509
Non-current assets:				
Deposits [(b)(c)]	5,021,412	704,123	82,285	103,699
Prepayment [(c)]	–	5,000,000	–	–
Advance payments for purchase of property, plant and equipment	46,352	–	–	–
Total	5,067,764	5,704,123	82,285	103,699

9 DEPOSITS AND PREPAYMENTS (cont'd)

(a) In 2015, the Group assigned its rights to certain advance payments for purchase of coal amounting to US$8,089,041 to satisfy the purchase consideration for the acquisition of property, plant and equipment.

(b) Included in this balance is deposits of US$590,254 (2015 : US$574,893) for the Group, made to the relevant government authorities to ensure fulfilment of compliance in respect of reclamation and rehabilitation obligations (Note 20B).

(c) In 2015, the Group made a payment to a third party for prepayment of land use right amounting to US$5,000,000. During the year, an addendum was signed to transfer the payment to a deposit. Accordingly, the prepayment was reclassified to a deposit, held at amortised cost of US$4,343,850. A loss on financial assets carried at amortised cost (Note 27) and interest income on financial assets carried at amortised cost (Note 26) amounting to US$721,350 and US$65,200 respectively were recognised during the year.

(d) Movement in impairment loss on advance payment for purchase of coal are as follows:

	Group	
	2016	**2015**
	US$	**US$**
At beginning of year	1,577,875	–
Impairment loss charged to profit or loss (Note 27)	–	1,617,436
Exchange differences	42,159	(39,561)
At end of year	1,620,034	1,577,875

10 INVENTORIES

	Group	
	2016	**2015**
	US$	**US$**
Coal, at cost	8,890,420	4,590,362
Consumables, at cost	–	826,686
Total	8,890,420	5,417,048

11 INVESTMENT IN SUBSIDIARIES

	Company 2016 US$	Company 2015 US$
Unquoted equity shares, at cost	82,908,742	82,833,551
Less: Allowance for impairment	–	(394,818)
	82,908,742	82,438,733
Deemed investment [a]	15,115,384	15,115,384
	98,024,126	97,554,117

[a] The amount is stated at cost as it is deemed to be part of the Company's equity investment in the subsidiary.

Details of the Company's subsidiaries are as follows:

Name of subsidiaries	Principal activities/Country of incorporation and operation	Effective equity interest of the Company 2016 %	Effective equity interest of the Company 2015 %
Geo Coal International Pte. Ltd.[a]	Coal trading/Singapore	100	100
PT Geo Energy Coalindo [b] [c]	Investment holding/Indonesia	99.00	99.00
Borneo International Resources Pte. Ltd. [a] [e]	Investment holding/Singapore	100	100
Geo Energy Investments Ltd [f]	Investment holding/Cayman Island	100	–
<u>Held by PT Geo Energy Coalindo</u>			
PT Mitra Nasional Pratama [b] [c]	Mining services/Indonesia	98.01	98.01
PT Sumber Bara Jaya [b] [c]	Mining services/Indonesia	98.90	98.90
PT Mitra Riau Pratama [h]	Rental of equipment/Indonesia	–	98.99
PT Geo Mineral Trading [h]	Coal trading/Indonesia	–	98.90
PT Geo Tebo Power Inti [c] [d] [f]	Power generation/Indonesia	98.92	–
<u>Held by PT Mitra Nasional Pratama</u>			
PT STT Tunas Bara [c] [d] [f]	General trading and services/Indonesia	97.22	–
<u>Held by PT STT Tunas Bara</u>			
PT Surya Tambang Tolindo [c] [d] [g]	Coal mining/Indonesia	97.18	–
<u>Held by PT Sumber Bara Jaya</u>			
PT Bumi Enggang Khatulistiwa [b] [c]	Coal mining/Indonesia	98.88	98.88

11 INVESTMENT IN SUBSIDIARIES (cont'd)

Name of subsidiaries	Principal activities/Country of incorporation and operation	Effective equity interest of the Company 2016 %	2015 %
Held by Borneo International Resources Pte. Ltd.			
PT Era Tiga Putra [c] [d]	Investment holding/Indonesia	99.00	99.00
Held by PT Era Tiga Putra			
PT Karunia Mitra Berkat [c] [d]	Investment holding/Indonesia	98.97	98.97
Held by PT Karunia Mitra Berkat			
PT Sungai Danau Jaya [b] [c] [e]	Coal mining/Indonesia	98.96	98.96

Notes

(a) Audited by Deloitte & Touche LLP, Singapore.

(b) Audited by Satrio Bing Eny & Rekan, Jakarta, Indonesia (a member firm of Deloitte & Touche Tohmatsu Limited).

(c) Under the Indonesian Company Law, a limited liability company incorporated in Indonesia is required to have a minimum of two shareholders. As a result, certain subsidiaries are held by a non-controlling interest party.

(d) Not audited as deemed not material to the Group.

(e) The Group has pledged the shares of the subsidiaries to secure the advances received from a customer (Note 17).

(f) The subsidiaries were incorporated during the year.

(g) The subsidiary was acquired during the year (Note 34).

(h) These entities were disposed during the financial year (Note 37).

There were no significant restrictions on the Company or its subsidiaries' ability to access or use the assets and settle the liabilities of the Group.

There are no subsidiaries that have non-controlling interests that are material to the Group.

12 DEFERRED EXPENDITURE

	Group	
	2016	**2015**
	US$	**US$**
Cost:		
At beginning of year	1,252,815	1,389,276
Exchange differences	39,380	(136,461)
At end of year	1,292,195	1,252,815
Accumulated amortisation:		
At beginning of year	482,616	535,185
Exchange differences	18,801	(52,569)
At end of year	501,417	482,616
Allowance for impairment:		
At beginning of year	770,199	854,091
Exchange differences	20,579	(83,892)
At end of year	790,778	770,199
Carrying amount:		
At beginning and end of year	–	–

13 DEFERRED STRIPPING COSTS

	Group	
	2016	**2015**
	US$	**US$**
Cost:		
At beginning of year	1,446,472	–
Addition	8,824,784	1,446,472
At end of year	10,271,256	1,446,472
Accumulated amortisation:		
At beginning of year	–	–
Amortisation	330,935	–
At end of year	330,935	–
Carrying amount:		
At end of year	9,940,321	1,446,472
At beginning of year	1,446,472	–

14 PROPERTY, PLANT AND EQUIPMENT

	Leasehold property US$	Temporary housing facility US$	Jetty US$	Heavy equipment US$
Group				
Cost:				
At 1 January 2015	–	343,121	832,635	41,449,816
Additions [(a) (b)]	1,299,115	–	–	–
Disposals	–	–	–	(7,047,163)
Exchange differences	(30,229)	(9,269)	–	(3,898,997)
At 31 December 2015	1,268,886	333,852	832,635	30,503,656
Additions [(c)]	228,172	7,132	–	–
Disposals	–	–	–	–
Disposal of subsidiaries (Note 37)	–	(81,494)	–	(27,257,528)
Exchange differences	32,214	3,826	–	(3,246,128)
At 31 December 2016	1,529,272	263,316	832,635	–
Accumulated depreciation:				
At 1 January 2015	–	126,128	294,892	10,868,282
Depreciation	21,337	82,507	208,159	3,582,445
Disposals	–	–	–	(2,386,300)
Exchange differences	(445)	(3,787)	–	(1,121,641)
At 31 December 2015	20,892	204,848	503,051	10,942,786
Depreciation	79,409	63,847	208,159	781,231
Disposals	–	–	–	–
Disposal of subsidiaries (Note 37)	–	(55,030)	–	(7,617,441)
Exchange differences	(106)	2,392	–	(4,106,576)
At 31 December 2016	100,195	216,057	711,210	–
Impairment:				
At 1 January 2015	–	–	–	–
Impairment loss	–	–	–	930,354
At 31 December 2015	–	–	–	930,354
Disposal of subsidiaries (Note 37)	–	–	–	(930,354)
At 31 December 2016	–	–	–	–
Carrying amount:				
At 31 December 2016	1,429,077	47,259	121,425	–
At 31 December 2015	1,247,994	129,004	329,584	18,630,516

GEO ENERGY

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Machineries US$	Motor vehicles US$	Equipment and furniture US$	Computer and software US$	Mining properties US$	Construction in progress US$	Total US$
2,259,106	2,996,504	656,677	633,777	87,208,151	–	136,379,787
–	159,429	184,533	40,202	28,486,485	–	30,169,764
(330,067)	(1,072,123)	(30,396)	(18,157)	–	–	(8,497,906)
(76,476)	(257,774)	(50,685)	(40,241)	–	–	(4,363,671)
1,852,563	1,826,036	760,129	615,581	115,694,636	–	153,687,974
3,191	95,173	28,967	8,951	2,141,636	38,150	2,551,372
(217,003)	(588,565)	(600)	(2,272)	–	–	(808,440)
(284,907)	(612,334)	(29,227)	(151,928)	–	–	(28,417,418)
19,608	53,044	2,589	11,965	(15,897)	–	(3,138,779)
1,373,452	773,354	761,858	482,297	117,820,375	38,150	123,874,709
1,629,110	2,235,562	383,890	333,115	5,378,702	–	21,249,681
274,370	102,285	149,198	118,780	90,015	–	4,629,096
(292,204)	(841,746)	(29,813)	(17,000)	–	–	(3,567,063)
(56,943)	(190,149)	(31,219)	(19,854)	–	–	(1,424,038)
1,554,333	1,305,952	472,056	415,041	5,468,717	–	20,887,676
156,058	50,644	131,240	80,334	12,089,012	–	13,639,934
(214,646)	(470,852)	(100)	(2,085)	–	–	(687,683)
(203,783)	(469,981)	(21,838)	(81,618)	–	–	(8,449,691)
15,215	42,692	(4,551)	6,330	–	–	(4,044,604)
1,307,177	458,455	576,807	418,002	17,557,729	–	21,345,632
–	–	–	–	–	–	–
–	–	–	–	–	–	930,354
–	–	–	–	–	–	930,354
–	–	–	–	–	–	(930,354)
–	–	–	–	–	–	–
66,275	314,899	185,051	64,295	100,262,646	38,150	102,529,077
298,230	520,084	288,073	200,540	110,225,919	–	131,869,944

14 PROPERTY, PLANT AND EQUIPMENT (cont'd)

[a] In 2015, the addition to mining properties of US$25,000,000 pertained to acquisition of additional interests in Borneo International Resources Pte. Ltd. from non-controlling shareholder (Note 34).

[b] The Group's leasehold property is located at The Suites Tower, 17th Floor Jl. Boulevard Pantai Indah Kapuk No. 1 Kav OFS, Jakarta, Indonesia, for the use as office space for the Indonesian subsidiaries and the unexpired lease term of the leasehold property is 17 years.

[c] Included in this balance is the addition to mining properties of US$1,995,835 pertaining to the acquisition of a new mining concession through the acquisition of PT Surya Tambang Tolindo (Note 34).

Management has carried out a review of the recoverable amount of the property, plant and equipment based on the higher of fair value less costs to sell and value in use. The assessment has led to an allowance of impairment of certain heavy equipment of US$930,354 in 2015 based on their fair value less costs to sell, which were disposed during the year. The fair value less costs to sell was based on recent market prices of assets with similar age and obsolescence. No further impairment loss was made during the year.

	Motor vehicle US$	Equipment and furniture US$	Computer and software US$	Total US$
Company				
Cost:				
At 1 January 2015	–	367,726	25,304	393,030
Additions	159,429	602	2,406	162,437
Exchange differences	(3,919)	(24,553)	(1,751)	(30,223)
At 31 December 2015	155,510	343,775	25,959	525,244
Additions	–	4,435	8,028	12,463
Disposal	–	(600)	–	(600)
Exchange differences	(3,251)	(7,348)	(885)	(11,484)
At 31 December 2016	152,259	340,262	33,102	525,623
Accumulated depreciation:				
At 1 January 2015	–	154,166	20,723	174,889
Depreciation	5,320	119,749	3,237	128,306
Exchange differences	(136)	(13,348)	(1,466)	(14,950)
At 31 December 2015	5,184	260,567	22,494	288,245
Depreciation	31,810	78,870	2,780	113,460
Disposal	–	(100)	–	(100)
Exchange differences	(1,467)	(8,809)	(588)	(10,864)
At 31 December 2016	35,527	330,528	24,686	390,741
Carrying amount:				
At 31 December 2016	116,732	9,734	8,416	134,882
At 31 December 2015	150,326	83,208	3,465	236,999

14 PROPERTY, PLANT AND EQUIPMENT (cont'd)

The carrying amount of the Group's heavy equipment and motor vehicles includes assets acquired under finance leases amounting to US$116,732 (2015 : US$16,758,270) (Note 18).

The carrying amount of the Company's motor vehicles includes an asset acquired under finance leases amounting to US$116,732 (2015 : US$150,326) (Note 18).

Total depreciation of property, plant and equipment was allocated as follows:

	Group	
	2016	2015
	US$	US$
Charged to profit or loss (Note 30)	12,534,984	4,539,081
Capitalised as inventory	1,104,950	90,015
	13,639,934	4,629,096

15 INVESTMENT PROPERTIES

	Group		Company	
	2016	2015	2016	2015
	US$	US$	US$	US$
At fair value				
At beginning of year	3,336,335	3,484,058	2,827,455	3,484,058
Additions	–	326,637	–	–
Gain (loss) from fair value adjustments included in profit or loss (Notes 26 and 27)	20,255	(244,644)	–	(435,243)
Disposal	(2,860,585)	–	(2,860,585)	–
Exchange differences	46,567	(229,716)	33,130	(221,360)
At end of year	542,572	3,336,335	–	2,827,455

These include the following related to investment properties classified under Level 3 of the fair value hierarchy:

	Group		Company	
	2016	2015	2016	2015
	US$	US$	US$	US$
Gain (loss) from fair value adjustments included in profit or loss	20,255	(244,644)	–	(435,243)

The Group's and the Company's investment property is held under leasehold interest.

15 INVESTMENT PROPERTIES (cont'd)

Fair value measurement of the Group's investment property

As at the end of the reporting period, the fair value of the Group's investment property has been determined on the basis of valuation carried out by independent valuer, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The valuation was arrived using direct market comparison method (2015 : direct market comparison method).

During the year, in evaluating the fair value of investment property, the highest and best use of the property is their current use. There has been no change to the valuation technique during the year. Management has also considered the fair value of investment property based on latest available information on the arms-length transactional price for the relevant properties.

Details of the investment property and information about the fair value hierarchy as at the end of the reporting period are as follows:

	Level 1 US$	Level 2 US$	Level 3 US$	Fair value US$
Investment property located at 10 Anson Road, #20-16, International Plaza, Singapore 079903				
31 December 2016	–	–	–	–
31 December 2015	–	–	2,827,455	2,827,455
Investment property located at The Suites Tower, 17th Floor Jl. Boulevard Pantai Indah Kapuk No. 1 Kav OFS, Jakarta 14470				
31 December 2016	–	–	542,572	542,572
31 December 2015	–	–	508,880	508,880

	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Sensitivity
The Suites Gross floor: 270 sq.m.	Direct market comparison method. The key input is the adjusted market price.	Adjusted market price: Approximate US$2,010 per sq.m.	There is no indication that any slight change in the adjusted market price would result in significant higher or lower fair value measurement.

The property rental income from the investment property located at International Plaza, which is leased out under operating lease and disposed during the year, amounted to US$62,607 (2015 : US$124,650). Direct operating expenses (including repair and maintenance) arising from the rental-generating investment property amounted to US$13,893 (2015 : US$28,500).

16 OTHER NON-CURRENT ASSET

This represents transferable club membership stated at cost. No impairment loss was recognised during the year.

17 TRADE AND OTHER PAYABLES

	Group		Company	
	2016	2015	2016	2015
	US$	US$	US$	US$
Trade payables due to:				
- Third parties	30,332,952	2,654,120	–	–
Other payables comprise of:				
- Third parties	5,624,259	145,277	86,911	110,115
- Subsidiaries (Note 5)	–	–	55,795,748	11,232,489
- Value-Added Tax ("VAT") payables	32,628	1,027,048	–	32,057
- Withholding tax payables	2,348,976	14,459	4,948	4,745
- Advances from customers [(a)]	43,058,801	8,888,705	–	–
- Deposits received [(b)]	3,000,000	15,030,366	3,007,698	40,134
- Accrued purchase consideration for acquisition of asset (Note 34)	4,482,388	7,982,388	4,482,388	7,982,388
- Accrued interest on notes payable (Note 19)	2,203,309	2,250,344	2,203,309	2,250,344
- Accruals [(c)]	15,815,810	1,646,385	348,216	461,569
Total	106,899,123	39,639,092	65,929,218	22,113,841

The credit period on purchases is up to 30 days (2015 : 30 days). No interest is charged on the outstanding balances.

(a) Included in this balance is advance payment of US$40,999,870 (2015 : US$7,650,000) received by the Group pursuant to coal sales contract with a third party. As at 31 December 2016, the balance was secured by:

(i) a pledge over share capital of subsidiaries (Note 11); and
(ii) a corporate guarantee by the Company and a certain subsidiary.

(b) Included in this balance is refundable deposit received of US$3,000,000 (2015 : US$15,000,000) by the Group, as a performance guarantee provided by a third party for the provision of overburden removal and coal hauling services.

(c) Accruals principally comprise amounts outstanding for on-going costs.

18 FINANCE LEASES

	Minimum lease payments		Present value of minimum lease payments	
	2016	2015	2016	2015
	US$	US$	US$	US$
Group				
Amounts payable under finance leases:				
Within one year	16,967	7,528,549	14,718	6,559,195
In the second to fifth year inclusive	46,632	3,115,777	43,887	2,848,503
Total	63,599	10,644,326	58,605	9,407,698
Less: Future finance charges	(4,994)	(1,236,628)	NA	NA
Present value of lease obligations	58,605	9,407,698	58,605	9,407,698
Less: Amount due for settlement within 12 months (shown under current liabilities)			(14,718)	(6,559,195)
Amount due for settlement after 12 months			43,887	2,848,503
Company				
Amounts payable under finance leases:				
Within one year	16,967	17,329	14,718	14,396
In the second to fifth year inclusive	46,632	64,956	43,887	59,856
Total	63,599	82,285	58,605	74,252
Less: Future finance charges	(4,994)	(8,033)	NA	NA
Present value of lease obligations	58,605	74,252	58,605	74,252
Less: Amount due for settlement within 12 months (shown under current liabilities)			(14,718)	(14,396)
Amount due for settlement after 12 months			43,887	59,856

NA : Not applicable

During the year, the Group disposed a subsidiary which held substantial amount of the Group's lease obligations as at 31 December 2015.

18 FINANCE LEASES (cont'd)

The Group acquired certain of its heavy equipment and motor vehicles under finance leases. The finance lease term is up to 60 months (2015 : 60 months) with an effective interest rate of 4.33% (2015 : ranging from 4.33% to 16.82%) per annum. Interest rates for 100% (2015 : 75%) of the finance leases are fixed at the contract date, and thus expose the Group to fair value interest rate risk. All finance leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The Company acquired its motor vehicle under finance lease. The finance lease term is up to 60 months (2015 : 60 months) with an effective interest rate of 4.33% (2015 : 4.33%) per annum. The interest rate of the finance lease is fixed at the contract date, and thus exposes the Company to fair value interest rate risk. The finance lease is on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The fair value of the Group's and the Company's lease obligation approximates its carrying amount.

The Group's and the Company's obligation under finance lease is secured by the leased asset (Note 14).

19 NOTES PAYABLE

The notes payable of S$100,000,000 was issued under the S$300,000,000 Multicurrency Medium Term Note Programme established in June 2014, which carried fixed interest of 7% per annum (interest payable semi-annually in arrear) and matures in January 2018.

The notes payable is unsecured and listed on the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Company has pledged a deposit of US$2,442,224 (2015 : US$2,494,359) for the purpose of securing the Company's coupon payment obligations during the term of the notes payable (Note 7).

The notes payable was recorded at amortised cost net of transaction costs of US$3,915,749 in 2014. Such expenses were amortised over the life of the notes payable by charging the expenses to profit or loss and increasing the net carrying amount of the notes payable with the corresponding amounts.

	Group and Company	
	2016	2015
	US$	US$
Nominal value of notes payable issued	80,593,166	80,593,166
Transaction costs [(a)]	(3,915,749)	(3,915,749)
At date of issue	76,677,417	76,677,417
Cumulative interest accrued	15,685,728	9,698,984
Cumulative interest paid	(10,152,424)	(5,077,830)
Exchange differences	(11,331,821)	(9,798,438)
Total	70,878,900	71,500,133
Interest payable within one year included in other payables (Note 17)	(2,203,309)	(2,250,344)
Liability (non-current) at end of year	68,675,591	69,249,789

[(a)] Included in transaction costs is a non-audit fee of US$69,355 for the Group and Company, paid to auditors of the Company in 2014.

Management has estimated the fair value of the notes payable at 31 December 2016 to be approximately US$48,100,215 (2015 : US$56,549,092) based on price obtained from bank's publication as at 31 December 2016. The fair value measurement is classified under Level 2 of the fair value hierarchy.

There are no transfers between Level 1 and Level 2 of the fair value hierarchy during the year.

20 PROVISIONS

As at the end of the reporting period, the Group and Company have made the following provisions:

	Group		Company	
	2016	2015	2016	2015
	US$	US$	US$	US$
Retirement benefit obligations (Note A)	834,558	538,894	–	–
Provision for rehabilitation (Note B)	410,954	363,356	–	–
Provision for reinstatement costs (Note C)	90,350	88,225	90,350	88,225
	1,335,862	990,475	90,350	88,225

(A) Retirement benefit obligations

	Group	
	2016	2015
	US$	US$
Present value of unfunded obligations	834,558	538,894
Changes in the present value of the defined obligations:		
Opening defined benefit obligations	538,894	943,344
Employee benefits expense (Note 30)	365,483	(69,860)
Remeasurement, (credited) charged to other comprehensive income:		
- Actuarial losses (gains) from changes in financial assumptions	42,201	(52,785)
- Actuarial gains from experience adjustment	(24,379)	(151,824)
Benefits paid	(489)	(50,945)
Disposal of subsidiaries (Note 37)	(226,249)	-
Exchange differences	139,097	(79,036)
Closing defined benefit obligations	834,558	538,894
Employee benefits expense comprised of:		
Current service cost	228,934	439,896
Past service cost	81,804	(578,983)
Interest cost	54,745	69,227
Total	365,483	(69,860)

The Group's subsidiaries recognised defined post-employment benefits in accordance with the Republic of Indonesia Labor Law No. 13 year 2003. No funding has been made to the defined benefit scheme.

20 PROVISIONS (cont'd)

(A) Retirement benefit obligations (cont'd)

The actuarial valuation of present value of the defined benefit obligation was carried out at 31 December 2016 and 2015 by PT. Padma Radya Aktuaria. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

The principal assumptions used for the purpose of the actuarial valuations were as follows:

	Valuation at	
	2016	**2015**
Discount rate per annum	8.5%	9.00%
Expected rate of salary increases per annum	10%	10%
Mortality rate *	100% TMI 3	100% TMI 3
Disability rate	5% TMI 3	5% TMI 3
Resignation rate	5% per annum until age 35 then decrease linearly to 0% at age 55 years	5% per annum until age 35 then decrease linearly to 0% at age 55 years
Normal retirement age	55 years	55 years

* Standard Ordinary Mortality table in Indonesia ("TMI")

Sensitivity analysis was not performed on each of the significant actuarial assumption, in view that the changes in the actuarial assumptions are not expected to be material.

(B) Provision for rehabilitation

	Group	
	2016	**2015**
	US$	**US$**
At beginning of the year	363,356	321,893
Interest accretion charged to profit or loss (Note 28)	47,598	41,463
At the end of the year	410,954	363,356

This represents net present value of the costs expected to be incurred for rehabilitation of mining properties. Management uses a discount rate of 15% (2015 : 15%).

As at 31 December 2016, deposits of US$590,254 (2015 : US$574,893) are made to the relevant government authorities to ensure fulfilment of compliance in respect of reclamation and rehabilitation obligations (Note 9b).

20 PROVISIONS (cont'd)

(C) Provision for reinstatement costs

	Group and Company 2016 US$	2015 US$
At beginning of the year	88,225	90,032
Interest accretion charged to profit or loss (Note 28)	4,146	4,311
Exchange differences	(2,021)	(6,118)
At the end of the year	90,350	88,225

This represents net present value of the costs expected to be incurred for reinstating the leased office premises. Management uses a discount rate of 5% (2015 : 5%).

21 DEFERRED TAX

The following are the major deferred tax (assets) liabilities recognised by the Group and Company and the movements thereon, during the year:

	Retirement benefit US$	Tax losses US$	Accelerated tax depreciation US$	Total US$
Group				
At 1 January 2015	(237,358)	(3,591,128)	4,223,222	394,736
Charged (Credited) to profit or loss (Note 29A)	19,758	(1,773,157)	(308,911)	(2,062,310)
Credited to other comprehensive income (Note 29B)	50,277	–	–	50,277
Exchange differences	21,639	157,777	(403,794)	(224,378)
At 31 December 2015	(145,684)	(5,206,508)	3,510,517	(1,841,675)
Charged (Credited) to profit or loss (Note 29A)	(94,470)	(3,023,029)	2,976,641	(140,858)
Credited to other comprehensive income (Note 29B)	(4,385)	–	–	(4,385)
Disposal of subsidiaries (Note 37)	29,430	2,559,921	(4,007,551)	(1,418,200)
Exchange differences	(3,868)	(85,708)	147,101	57,525
At 31 December 2016	(218,977)	(5,755,324)	2,626,708	(3,347,593)

21 DEFERRED TAX (cont'd)

	Accelerated tax depreciation US$	Tax losses US$	Total US$
Company			
At 1 January 2015	106,804	–	106,804
Credited to profit or loss	(97,205)	(185,463)	(282,668)
Exchange differences	(4,642)	4,738	96
At 31 December 2015	4,957	(180,725)	(175,768)
Credited to profit or loss	(14,598)	(80,800)	(95,398)
Exchange differences	519	7,229	7,748
At 31 December 2016	(9,122)	(254,296)	(263,418)

Certain deferred tax assets and liabilities have been offset in accordance with the Group's accounting policy. The following is the analysis of the deferred tax balances (after offset) for statement of financial position purposes:

	Group		Company	
	2016 US$	2015 US$	2016 US$	2015 US$
Deferred tax liabilities	–	1,780,023	–	–
Deferred tax assets	(3,347,593)	(3,621,698)	(263,418)	(175,768)
	(3,347,593)	(1,841,675)	(263,418)	(175,768)

At the end of the financial year, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised is US$37,791,000 (2015 : US$18,294,000). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

22 SHARE CAPITAL

	Group and Company			
	2016	2015	2016	2015
	Number of ordinary shares		US$	US$
At beginning of year	1,185,050,891	1,157,050,891	86,170,842	82,518,674
Issuance of shares for cash [a]	–	28,000,000	–	3,652,168
Issuance of shares for settlement of liability [b]	27,222,222	–	3,500,000	–
At end of year	1,212,273,113	1,185,050,891	89,670,842	86,170,842

22 SHARE CAPITAL (cont'd)

[a] On 18 June 2015, the Company issued 28,000,000 new ordinary shares pursuant to the placement agreement dated 21 April 2015 for a net cash consideration of US$3,652,168.

[b] On 22 March 2016, the Company issued 27,222,222 new ordinary shares to fulfil the consideration payable of US$3,500,000 as part of the purchase consideration for the acquisition of the remaining 34% shareholding interest in Borneo International Resources Pte. Ltd.

The new shares ranked pari pasu in all aspects with the existing ordinary shares.

Fully paid ordinary shares, which have no par value, carry one vote per share and a right to dividend income when declared by the Company.

23 REVALUATION RESERVE

The property revaluation reserve arose on the revaluation of leasehold property prior to its reclassification to investment property in 2013. During the year, upon the sale of the revalued leasehold property, the portion of property revaluation reserve that relates to that asset, and is effectively realised, is transferred directly to the retained earnings and the amount is not available for distribution to the Company's shareholders.

24 COMPONENTS OF OTHER COMPREHENSIVE INCOME

	Group	
	2016	2015
	US$	US$
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations		
- Arising during the year	208,263	(1,429,296)
- Reclassification to profit or loss from equity on disposal of subsidiaries (Note 37)	4,500,560	–
Items that will not be reclassified subsequently to profit or loss		
Remeasurement of defined benefit obligations (Notes 20A and 29B)	(13,437)	154,332
Other comprehensive income for the year, net of tax	4,695,386	(1,274,964)

25 REVENUE

	Group 2016 US$	Group 2015 US$
Continuing operations:		
Sale of coal:		
- Coal mining	182,108,648	–
- Coal trading	–	12,406,732
Mining services	–	5,802,444
Total	182,108,648	18,209,176
Discontinued operation:		
Rental services	1,072,146	4,127,252

26 OTHER INCOME

	Group 2016 US$	Group 2015 US$
Continuing operations:		
Gain on disposal of subsidiaries	4,962,232	–
Late payment charges from customers	2,156,063	–
Foreign exchange gain - net	1,951,573	5,189,129
Interest income [(a)]	127,662	605,748
Rental income - investment property	62,607	124,650
Gain on disposal of property, plant and equipment	28,972	79,849
Fair value gain on investment property (Note 15)	20,255	–
Others	35,926	173,130
Total	9,345,290	6,172,506
Discontinued operation:		
Foreign exchange gain - net	920,104	–
Interest income	672	2,378
Gain on disposal of property, plant and equipment	3,426	–
Gain on sale and leaseback of property, plant and equipment	19,637	–
Others	458,753	35,641
Total	1,402,592	38,019

(a) This includes interest income on financial assets carried at amortised cost of US$65,200 (2015 : US$201,278).

27 OTHER EXPENSES

	Group	
	2016	**2015**
	US$	**US$**
Continuing operations:		
Other expenses arising from finalisation of tax assessments	704,112	25,256
Other expenses arising from participation from Tax Amnesty	809,593	–
Loss on financial assets carried at amortised cost (Note 9c)	721,350	–
Allowance for doubtful debt (Note 8)	150,033	2,215,985
Impairment loss on advance payment for purchase of coal (Note 9d)	–	1,617,436
Fair value loss on investment properties (Note 15)	–	244,644
Others	9,369	30,043
Total	2,394,457	4,133,364
Discontinued operation:		
Loss on disposal of discontinued operation	1,267,291	–
Foreign exchange loss – net	–	2,613,583
Loss on disposal of property, plant and equipment	–	1,950,375
Impairment loss on sale and leaseback of property, plant and equipment	–	930,354
Allowance for doubtful debt (Note 8)	–	192,591
Others	104,603	124,912
Total	1,371,894	5,811,815

28 FINANCE COSTS

	Group	
	2016	**2015**
	US$	**US$**
Continuing operations:		
Interest expense on:		
- Notes payable	5,986,744	6,412,259
- Finance leases	8,527	–
- Bank borrowings	–	7,738
Imputed interest on:		
- Provisions (Notes 20B and 20C)	51,744	45,774
Total	6,047,015	6,465,771
Discontinued operation:		
Interest expense on:		
- Finance leases	823,020	1,469,170

29 INCOME TAX EXPENSE (CREDIT)

A) Income tax recognised in profit or loss

	Continuing operations		Discontinued operation		Total	
	2016 US$	2015 US$	2016 US$	2015 US$	2016 US$	2015 US$
Income tax:						
- Current	10,094,943	60,039	–	–	10,094,943	60,039
- Under provision in prior years	965,167	357,388	–	–	965,167	357,388
Deferred tax (Note 21):						
- Current	58,165	(2,134,720)	(251,103)	(1,436,731)	(192,938)	(3,571,451)
- Under provision in prior years	12,657	1,296,447	39,423	212,694	52,080	1,509,141
Income tax expense (credit)	11,130,932	(420,846)	(211,680)	(1,224,037)	10,919,252	(1,644,883)

Domestic income tax for Singapore incorporated companies is calculated at 17% (2015 : 17%) of the estimated assessable income (2015: loss) for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

Majority of the Company's subsidiaries operate in Indonesia and hence, they are subject to Indonesian tax law. In accordance to the Indonesian tax law No. 36/2008, the fourth amendment of tax law No. 7/1983 on income taxes, the corporate tax rate is set at 25% (2015 : 25%).

The total charge for the year can be reconciled to the accounting profit (loss) as follows:

	Group	
	2016 US$	2015 US$
Profit (loss) before income tax:		
Continuing operations	34,668,165	(7,776,216)
Discontinued operation	(1,559,725)	(10,455,849)
	33,108,440	(18,232,065)

29 INCOME TAX EXPENSE (CREDIT) (cont'd)

A) Income tax recognised in profit or loss (cont'd)

The total expense (credit) for the financial year can be reconciled to the accounting profit (loss) as follows:

	Group	
	2016	**2015**
	US$	**US$**
Profit (loss) before income tax	33,108,440	(18,232,065)
Tax at statutory rate of 25% (2015 : 25%) *	8,277,110	(4,558,016)
Tax effect of expenses that are not deductible in determining taxable profit	11,758,812	718,488
Tax effect of income that are not taxable in determining taxable profit	(8,717,661)	(136,995)
Tax exemption	(25,925)	–
Tax effect of unrecognised tax losses	–	284,143
Effect of different tax rates of companies operating in other jurisdictions	(1,390,331)	180,968
Adjustments recognised in the current year in relation to current and deferred tax of prior years	1,017,247	1,866,529
Income tax expense (credit)	10,919,252	(1,644,883)

* Statutory income tax is calculated at a rate in which the Company's significant subsidiaries are domiciled, i.e. Indonesian income tax rate.

At the end of the financial year, no deferred tax has been recognised by the Group in respect of US$Nil (2015 : US$7,215,572) of unutilised tax losses due to unpredictability of future profit streams, of which the amount will expire within five years of initial recognition. During the year, certain subsidiaries participated in the Tax Amnesty Programme introduced by the Indonesian Tax Office, resulting in US$7,215,572 of unutilised tax losses to be foregone.

B) Income tax relating to each component of other comprehensive income

	Group	
	2016	**2015**
	US$	**US$**
Deferred tax:		
- Remeasurement of defined benefit obligations (Note 21)	(4,385)	50,277
Total deferred tax on components of other comprehensive income	(4,385)	50,277

GEO ENERGY

— *Notes to Financial Statements*

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30 PROFIT (LOSS) FOR THE YEAR

Profit (loss) for the year has been arrived at after charging (crediting):

	Continuing operations		Discontinued operation		Total	
	2016 US$	2015 US$	2016 US$	2015 US$	2016 US$	2015 US$
Directors' remuneration	1,414,370	1,021,320	–	–	1,414,370	1,021,320
Employee benefits expense (including directors remuneration)	4,500,187	3,975,746	305,561	1,173,196	4,805,748	5,148,942
Costs of defined contribution plans (included in employee benefits expense)	214,664	142,688	12,426	34,038	227,090	176,726
Costs of defined benefit plans (included in employee benefits expense) (Note 20A)	365,483	(69,860)	–	–	365,483	(69,860)
Cost of inventories recognised as expense	108,472,720	11,662,037	–	–	108,472,720	11,662,037
Depreciation of property, plant and equipment (Note 14)	11,707,956	762,236	827,028	3,776,845	12,534,984	4,539,081
Amortisation of deferred stripping costs (Note 13)	330,935	–	–	–	330,935	–
Audit fees paid/payable to:						
- Auditors of the Company	152,549	139,278	–	–	152,549	139,278
- Member firm of the Auditors of the Company	112,749	84,824	–	29,064	112,749	113,888
Non-audit fees paid/ payable to:						
- Auditors of the Company	9,977	27,496	–	–	9,977	27,496

31 EARNINGS (LOSS) PER SHARE

Basic and diluted earnings per share for the financial year ended 31 December 2016 is calculated based on the profit (loss) for the year attributable to owners of the Company of US$22,199,316 (2015 : loss of US$16,306,250) divided by the weighted average number of shares issued of 1,206,248,522 (2015 : 1,172,163,220).

From continuing operations

The calculation of the basic and diluted earnings per share from continuing operations attributable to the ordinary owners of the Company is based on the following data.

Earnings figures are calculated as follows:

	2016 US$	2015 US$
Profit (loss) for the year attributable to owners	22,199,316	(16,306,250)
Add:		
Loss for the year from discontinued operation	1,348,045	9,231,812
Earnings (loss) for the purposes of earnings per share from continuing operation	23,547,361	(7,074,438)

The denominators used are the same for those detailed above for both basic and diluted earnings per share.

From discontinued operation

Basic and diluted earnings per share for the discontinued operation is loss of 0.11 cents per share (2015 : 0.79 cents per share), based on the loss for the year from the discontinued operation of US$1,348,045 (2015 : US$9,231,812) and the denominators detailed above for both the basic and diluted earnings per share.

32 SEGMENT INFORMATION

For the purpose of resource allocation and assessment of segment performance, the Group's chief operating decision makers have focused on the business operating units which in turn, are segregated based on their services. This forms the basis of identifying the segments of the Group under FRS 108.

Operating segments are aggregated into a single reportable operating segment if they have similar economic characteristic, such as long-term average gross margins, and are similar in respect of nature of services and process, type of customers, method of distribution, and if applicable, the nature of the regulatory environment.

The Group's reportable segments under FRS 108 are therefore as follows:

Segment		Principal activities
Coal mining	-	Production and sale of coal produced from operating owned coal mines.
Coal trading	-	Purchase and sale of coal from third parties.
Mining services	-	Mining contracting and equipment rental services.

Segment revenue represents revenue generated from external and internal customers. Segment results represent the profit earned from each segment after allocating costs directly attributable to a segment as well as those that can be allocated on a reasonable basis. This is the measure reported to the chief operating maker for the purpose of resource allocation and assessment of segment performance.

Assets and liabilities are not allocated by segment as they are not considered critical by the chief operating decision maker in resource allocation and assessment of segment performance.

32 SEGMENT INFORMATION (cont'd)

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segments:

Group	Revenue		Gross Profit		Net Profit (Loss)	
	2016	2015	2016	2015	2016	2015
	US$	US$	US$	US$	US$	US$
Continuing operations						
Coal mining	182,108,648	–	41,918,717	–	41,262,567	(26,702)
Coal trading	–	12,406,732	–	744,521	(150,033)	(1,778,416)
Mining services	–	5,802,444	–	2,399,856	–	1,317,352
	182,108,648	18,209,176	41,918,717	3,144,377	41,112,534	(487,766)
Depreciation of property, plant and equipment					(722,690)	(762,236)
Gain on disposal of subsidiaries					4,962,232	–
Other gains and losses					2,794,784	5,671,285
Group administration costs and directors' remuneration					(7,431,680)	(5,731,728)
Finance costs					(6,047,015)	(6,465,771)
					34,668,165	(7,776,216)

32 SEGMENT INFORMATION (cont'd)

Group	Revenue		Gross Loss		Net Profit (Loss)	
	2016	2015	2016	2015	2016	2015
	US$	US$	US$	US$	US$	US$
Discontinued operation						
Rental services	1,072,146	4,127,252	(618,786)	(2,746,709)	(595,723)	(5,820,029)
Depreciation of property, plant and equipment					(26,601)	(75,974)
Loss on disposal of discontinued operation					(1,267,291)	–
Other gains and losses					1,274,926	(2,700,476)
Group administration costs and directors' remuneration					(122,016)	(390,200)
Finance costs					(823,020)	(1,469,170)
					(1,559,725)	(10,455,849)
Profit (loss) before income tax					33,108,440	(18,232,065)
Income tax (expense) credit					(10,919,252)	1,644,883
Profit (loss) for the year					22,189,188	(16,587,182)

Revenue reported represents revenue generated from external customers.

Segment profit represents the profit earned by each segment without allocation of central administration costs and directors' remuneration, finance costs and income tax expense.

32 SEGMENT INFORMATION (cont'd)

Other segmental information

The following is an analysis of the Group's other segmental information by reportable segments:

Group	Coal mining		Coal trading	
	2016	2015	2016	2015
	US$	US$	US$	US$
Continuing operations				
Depreciation of property, plant and equipment	10,985,266	–	–	–
Amortisation of deferred stripping costs	330,935	–	–	–
Gain on disposal of subsidiaries	–	–	–	–
Interest income on financial assets carried at amortised cost	(65,200)	–	–	–
Gain on disposal of property, plant and equipment	–	–	–	–
Loss on financial assets carried at amortised cost	721,350	–	–	–
Allowance for doubtful debt	–	26,702	150,033	905,501
Impairment loss on advance payment for purchase of coal	–	–	–	1,617,436

Mining services		Unallocated		Total	
2016	2015	2016	2015	2016	2015
US$	US$	US$	US$	US$	US$
–	–	722,690	762,236	11,707,956	762,236
–	–	–	–	330,935	–
–	–	(4,962,232)	–	(4,962,232)	–
–	(201,278)	–	–	(65,200)	(201,278)
–	–	(28,972)	(79,849)	(28,972)	(79,849)
–	–	–	–	721,350	–
–	1,283,782	–	–	150,033	2,215,985
–	–	–	–	–	1,617,436

32 SEGMENT INFORMATION (cont'd)

Geographical segments

The Group's information about the segment revenue by geographical market is detailed below:

	Revenue	
	2016	**2015**
	US$	**US$**
Republic of Indonesia	14,009,819	10,564,787
People's Republic of China	143,061,916	–
Republic of Singapore	–	11,771,641
Thailand	17,232,563	–
India	6,533,216	–
Others	2,343,280	–
Total	183,180,794	22,336,428

The Group's information about the segment assets by geographical location are detailed below:

	Non-current assets	
	2016	**2015**
	US$	**US$**
Republic of Indonesia	112,915,316	138,588,297
Republic of Singapore	286,269	3,188,297
Total	113,201,585	141,776,594

Major customer information

The Group's revenue derived from customers who individually account for 10% or more of the Group's revenue is detailed below:

	Coal mining		Coal trading		Mining services and others	
	2016	**2015**	**2016**	**2015**	**2016**	**2015**
	US$	**US$**	**US$**	**US$**	**US$**	**US$**
Customer						
Top 1st	164,007,838	–	–	9,539,047	–	–
Top 2nd	–	–	–	635,090	–	6,704,885
Top 3rd	–	–	–	2,232,594	–	–
Top 4th	–	–	–	–	–	2,175,124
Top 5th	–	–	–	–	–	–

33 OPERATING LEASE ARRANGEMENTS

The Group as lessee

	Group	
	2016	2015
	US$	US$
Minimum lease payments under operating leases recognised as an expense in the financial year	377,942	607,521

At the end of the reporting period, the Group and Company have outstanding commitments under non-cancellable operating lease, which fall due as follows:

	Group		Company	
	2016	2015	2016	2015
	US$	US$	US$	US$
Within one year	323,179	366,478	317,473	357,012
In the second to fifth year inclusive	452,730	783,604	449,753	783,604
Total	775,909	1,150,082	767,226	1,140,616

Operating lease payments represents rentals payable by the Group for lands, office premises and staff accommodations, and by the Company for its office premise. The average lease term of the office premises and staff accommodations range from one to three years and rentals are fixed throughout the lease term.

For the leases of land prior to 31 December 2012, there are certain discrepancies relating to the execution of the land lease agreements. Some land lease agreements were not executed by the registered owners of the land, certain payments were not made to the registered owners and some of the registered owners are deceased. As a result, there may be causes of action challenging the validity of the leases which may require monetary compensation. In light of these discrepancies, a shareholder of the Company, Master Resources International Limited, has provided a blanket indemnification to a subsidiary in the Group against any claims, losses or damages suffered in relation to any causes of action arising from the execution of the land lease agreements.

For the lease of office premise, the Company sublets to a subsidiary for 36 months and rental is fixed throughout the sublease term. The Company expects to receive future minimum sublease payments under non-cancellable sublease of US$111,619 (2015 : US$24,422).

The Group as lessor

The Group and Company leases out its Singapore investment property, which was disposed during the year (Note 15). At the end of the reporting period, the Group and Company has contracted with tenant for the following future minimum lease payments:

	Group and Company	
	2016	2015
	US$	US$
Within one year	–	91,098
In the second to fifth year inclusive	–	–
Total	–	91,098

34 ACQUISITION OF AN ASSET

In 2015, the Company acquired the remaining 34% equity interest in Borneo International Resources Pte. Ltd. from the non-controlling shareholder, for a consideration of US$25,000,000 (Note 14). The transaction was determined by management to be an acquisition of asset rather than business combination as defined in FRS 103 *Business Combinations*. The outstanding balance payable of US$4,482,388 was included in trade and other payables (Note 17) as at 31 December 2016 which was subsequently paid in January 2017.

On 18 November 2016, the Group acquired 97.18% effective equity interest in PT Surya Tambang Tolindo, which owns a mining concession, for a consideration of US$2,000,000 (Note 14). The transaction was determined by management to be an acquisition of asset rather than business combination as defined in FRS 103 *Business Combinations*.

35 CONTINGENT LIABILITY

During the year ended 31 December 2016, certain subsidiaries of the Group were audited by the Indonesian Tax Office ("ITO"). ITO assessed an underpayment of tax expenses of approximately US$2,300,000 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. Accordingly, an objection to the additional tax assessment has been filed.

No provision has been recognised in the financial statements as the Group's management does not consider that there is any probable loss.

36 DISCONTINUED OPERATION

On 29 June 2016, the Group entered into a sale and purchase agreement to divest its mining services and coal haulage services businesses under PT Mitra Riau Pratama ("MRP"). The divestment was effected in order for the Group to lower costs and streamline its operation to focus more on coal production.

The loss for the year from discontinued operation is as follows:

	Group	
	2016	**2015**
	US$	**US$**
Loss for the year	(80,754)	(9,231,812)
Loss on disposal of discontinued operation	(1,267,291)	–
	(1,348,045)	(9,231,812)

36 DISCONTINUED OPERATION (cont'd)

The results of the discontinued operation for the period from 1 January 2016 to 29 June 2016 are as follows:

	Group	
	2016	**2015**
	US$	**US$**
Revenue	1,072,146	4,127,252
Cost of sales	(1,690,932)	(6,873,961)
General and administrative expenses	(148,617)	(466,174)
Finance costs	(823,020)	(1,469,170)
Other income	1,402,592	38,019
Other expenses	(104,603)	(5,811,815)
Loss before tax	(292,434)	(10,455,849)
Income tax credit	211,680	1,224,037
Loss for the year	(80,754)	(9,231,812)

During the year, MRP contributed approximately US$2,600,000 (2015 : US$1,100,000) to the Group's net operating cash flows, contributed approximately US$20,000 (2015 : US$6,600,000) in respect of investing activities and paid approximately US$2,800,000 (2015 : US$7,800,000) in respect of financing activities.

The carrying amounts of the assets and liabilities of MRP at the date of disposal are disclosed in Note 37 to the financial statements.

37 DISPOSAL OF SUBSIDIARIES

On 29 June 2016, the Group disposed of its subsidiaries, PT Geo Mineral Trading ("GMT") and All Win Holdings Pte. Ltd. In addition, as referred to in Note 36 to the financial statements, the Group also divested its mining services and coal haulage services businesses at the time of the disposal of its subsidiary, MRP.

Details of the disposal are as follows:

Carrying amounts of net assets over which control was lost:

	Group 2016 US$
Non-current assets	
Property, plant and equipment	19,037,373
Deposits and prepayments	4,200
Total non-current assets	19,041,573
Current assets	
Cash and bank balances	95,198
Trade and other receivables	4,786,116
Deposits and prepayments	16,152,593
Inventories	747,674
Total current assets	21,781,581
Non-current liabilities	
Retirement benefit obligations	(226,249)
Deferred tax liabilities	(1,418,200)
Finance leases	(2,107,511)
Other non-current liabilities	(69,979)
Total non-current liabilities	(3,821,939)
Current Liabilities	
Trade and other payables	(29,584,098)
Current portion of finance leases	(5,551,793)
Income tax payable	(16,868)
Total current liabilities	(35,152,759)
Net assets derecognised	1,848,456
Consideration received:	
Cash	–
Deferred consideration [a]	10,000,000
Total consideration received	10,000,000

[a] During the year, the right to the deferred consideration has been assigned to fulfil the purchase consideration for the acquisition of a mining concession as a refundable deposit (Note 8).

37 DISPOSAL OF SUBSIDIARIES (cont'd)

	Group 2016 US$
Consideration received	10,000,000
Net assets derecognised	(1,848,456)
Cumulative exchange differences in respect of the net assets of the subsidiary reclassified from equity on loss of control of subsidiary	(4,500,560)
Exchange differences	43,957
Gain on disposal, net of loss on disposal of discontinued operation	3,694,941
Net cash outflow arising on disposal of subsidiaries:	
Cash consideration received	–
Cash and bank balances disposed of	(95,198)
	(95,198)

38 EVENTS AFTER REPORTING PERIOD

A) On 6 February 2017, the Company incorporated the following wholly-owned subsidiaries in Hong Kong:

i. Geo Energy International (HK) Limited; and
ii. Geo Coal International (HK) Limited.

Each of the abovementioned subsidiaries has an issued and paid-up capital of US$1.00 comprising of one ordinary share held by the Company.

B) On 6 February 2017, the Group incorporated a wholly-owned subsidiary, STT Coal Resources Pte. Ltd., in Singapore, with issued and paid-up capital of US$1.00 comprising of one ordinary share held by Geo Energy Investments Ltd.

C) On 9 February 2017, the Group incorporated a subsidiary, PT Tunas Bara Abadi Tolindo, in Indonesia, with issued and paid-up capital of IDR12,000,000,000. The Company's subsidiary, PT Mitra Nasional Pratama, holds 99.9% of the capital of the subsidiary.

39 IFRS CONVERGENCE IN 2018

Singapore-incorporated companies listed on the Singapore Exchange ("SGX") will be required to apply a new Singapore financial reporting framework that is identical to the International Financial Reporting Standards ("IFRS") for annual periods beginning on or after 1 January 2018. The Group will be adopting the new framework for the first time for financial year ending 31 December 2018, with retrospective application to the comparative financial year ending 31 December 2017 and the opening statement of financial position as at 1 January 2017 (date of transition).

Based on a preliminary assessment of the potential impact arising from IFRS 1 *First-time adoption of IFRS*, management does not expect any material changes to the Group's current accounting policies or material adjustments on transition to the new framework, other than those that may arise from implementing new/revised IFRSs, and the election of certain transition options available under IFRS 1.

Management is currently performing a detailed analysis of the transition options and other requirements of IFRS 1. Particularly, management is evaluating the option to reset the translation reserve to zero as at date of transition, and if elected, may result in material adjustments on transition to the new framework.

The preliminary assessment above may be subject to change arising from the detailed analysis.

GEO ENERGY

— *Statistics of Shareholdings*

AS AT 15 MARCH 2017

Issued and fully paid-up capital	:	S$110,489,549
Number of issued shares	:	1,212,273,113
Class of shares	:	Ordinary shares
Voting rights	:	On a poll - One vote per ordinary share
Treasury shares	:	Nil

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	3	0.09	180	0.00
100 – 1,000	41	1.17	29,134	0.00
1,001 – 10,000	961	27.39	7,747,640	0.64
10,001 – 1,000,000	2,447	69.73	169,410,980	13.97
1,000,001 AND ABOVE	57	1.62	1,035,085,179	85.39
TOTAL	**3,509**	**100.00**	**1,212,273,113**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	KGI SECURITIES (SINGAPORE) PTE. LTD.	120,595,696	9.95
2	MAYBANK NOMINEES (SINGAPORE) PRIVATE LIMITED	119,895,000	9.89
3	MASTER RESOURCES INTERNATIONAL LIMITED	100,000,000	8.25
4	PHILLIP SECURITIES PTE LTD	77,979,700	6.43
5	DB NOMINEES (SINGAPORE) PTE LTD	77,315,296	6.38
6	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	66,013,357	5.45
7	MAYBANK KIM ENG SECURITIES PTE. LTD.	50,762,401	4.19
8	CITIBANK NOMINEES SINGAPORE PTE LTD	43,638,086	3.60
9	BNP PARIBAS NOMINEES SINGAPORE PTE LTD	40,891,000	3.37
10	OCBC SECURITIES PRIVATE LIMITED	40,458,300	3.34
11	CHARLES ANTONNY MELATI	32,750,000	2.70
12	DHAMMA SURYA	24,810,704	2.05
13	CHONG THIM PHENG	21,000,000	1.73
14	ABN AMRO NOMINEES SINGAPORE PTE LTD	13,835,620	1.14
15	UOB KAY HIAN PRIVATE LIMITED	13,401,000	1.11
16	TAN SONG KAR	13,175,746	1.09
17	MABEL LEE KIM LIAN	13,000,000	1.07
18	DBSN SERVICES PTE. LTD.	12,616,300	1.04
19	DBS NOMINEES (PRIVATE) LIMITED	12,121,600	1.00
20	TAN KWEE HIANG	10,169,100	0.84
	TOTAL	904,428,906	74.62

GEO ENERGY
— *Statistics of Shareholdings*

AS AT 15 MARCH 2017

SUBSTANTIAL SHAREHOLDINGS

(As recorded in the Register of Substantial Shareholders as at 15 March 2017)

Name of Shareholder	Direct Interest (No. of Shares)	% [1]	Deemed Interest (No. of Shares)	% [1]
Master Resources International Limited[2]	343,326,287	28.32	–	–
Dhamma Surya[3]	101,810,704	8.40	343,326,287	28.32
Charles Antonny Melati[4]	193,345,406	15.95	–	–
Heah Theare Haw	73,117,196	6.03	–	–

Notes:-

(1) Based on the issued share capital of the Company comprising 1,212,273,113 ordinary shares as at 15 March 2017.

(2) Master Resources International Limited ("Master Resources") is a company incorporated in the British Virgin Islands. The shareholders of Master Resources are Charles Antonny Melati (19.6%), Dhamma Surya (24.0%), Huang She Thong (12.6%), Richard Kennedy Melati (12.6%), Ng See Yong (12.6%), Yanto Melati (12.6%) and Darmin (6.0%). All of the foregoing shareholders are also directors of Master Resources.

On 13 January 2017, Master Resources entered into an agreement with Tung Kum Hon for the transfer of 10,000,000 shares of the Company held by it for a consideration of S$1.00.

(3) The Company's Executive Director, Dhamma Surya, holds 24.0% of the shares in Master Resources. As such, Dhamma Surya is deemed to have interest in the 343,326,287 shares held by Master Resources by virtue of section 7 of the Companies Act (Chapter 50). In addition, Dhamma Surya has provided and undertaking, guaranteeing the obligations of Charles Antonny Melati under an agreement to grant a call option to James Beeland Rogers Jr over 2,000,000 shares of the Company (owned or to be owned by Charles Antonny Melati). The call option's exercise price is S$0.35 per share, with exercise period of 10 years, commencing 1 January 2015. The call option is exercisable in whole or in part and subject to conditions precedent. The number of shares under the call option is subject to adjustment provisions.

(4) Charles Antonny Melati has granted to James Beeland Rogers Jr a call option over 2,000,000 shares of the Company (owned or to be owned by Charles Antonny Melati). The call option's exercise price is S$0.35 per share, with exercise period of 10 years, commencing 1 January 2015. The call option is exercisable in whole or in part and subject to conditions precedent. The number of shares under the call option is subject to adjustment provisions.

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

Based on the information available to the Company as at 15 March 2017, approximately 37.68% of the Company's shares listed in the Singapore Exchange Securities Trading Limited ("SGX-ST") was held in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

NOTICE IS HEREBY GIVEN THAT THE ANNUAL GENERAL MEETING of the Company will be held at L4 Lotus 4A-4B, Marina Bay Sands Singapore, 10 Bayfront Avenue, Singapore 018956 on Friday, 28 April 2017 at 10.00 a.m. to transact the following businesses:

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2016 together with the Directors' Statement and the Independent Auditor's Report thereon. **(Resolution 1)**

2. To declare a final tax-exempt (one-tier) dividend of S$0.01 per ordinary share for the year ended 31 December 2016. **(Resolution 2)**

3. To re-elect the following Directors of the Company retiring pursuant to Article 91 of the Company's Articles of Association:

   (i) Mr Huang She Thong **(Resolution 3)**
   (ii) Mr Soh Chun Bin **(Resolution 4)**
   (iii) Mr Karyono **(Resolution 5)**

   (See Explanatory Note 1)

4. To approve the additional payment of Directors' fees of S$150,000 for the financial year ended 31 December 2016. **(Resolution 6)**

   (See Explanatory Note 2)

5. To approve the payment of Directors' fees of S$525,000 for the financial year ending 31 December 2017, to be paid half-yearly in arrears. **(Resolution 7)**

6. To re-appoint Messrs Deloitte & Touche LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 8)**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following as Ordinary Resolution with or without modifications:

7. Authority to Allot and Issue Shares

   "That, pursuant to Section 161 of the Companies Act, Chapter 50, and the listing rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), authority be and is hereby given to the Directors of the Company to:

   (A) (i) issue shares in the capital of the Company ("**shares**") whether by way of rights, bonus or otherwise, and/or

   (ii) make or grant offers, agreements or options (collectively "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(B) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that

(a) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares and shares (if any) held by a subsidiary) of the Company (the "**Rights Issue Limit**") (as calculated in accordance with sub-paragraph (c) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed twenty per centum (20%) of the total number of issued shares (excluding treasury shares and shares (if any) held by a subsidiary) of the Company (as calculated in accordance with sub-paragraph (c) below);

(b) notwithstanding the Rights Issue Limit set out in sub-paragraph (a) above, but subject always to the prevailing rules and requirements of the SGX-ST, the Rights Issue Limit and accordingly the authority conferred thereunder, shall be increased to one hundred per centum (100%) of the total number of issued shares (excluding treasury shares and shares (if any) held by a subsidiary) of the Company (the "**Enhanced Rights Issue Limit**") (as calculated in accordance with sub-paragraph (c) below) for such purpose and on such basis and conditions as may be prescribed in Practice Note 8.3 of the Listing Manual of SGX-ST (as such Practice Note may be amended, varied, supplemented or replaced from time to time) in respect of such Enhanced Rights Issue Limit;

(c) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraphs (a) and (b) above, the total number of issued shares (excluding treasury shares and shares (if any) held by a subsidiary) shall be based on the total number of issued shares (excluding treasury shares and shares (if any) held by a subsidiary) of the Company at the time this Resolution is passed, after adjusting for:

(i) new shares arising from the conversion or exercise of any convertible securities;

(ii) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this Resolution is passed, provided the options or awards were granted in compliance with the provisions of the Listing Manual of the SGX-ST; and

(iii) any subsequent bonus issue, consolidation or subdivision of shares;

(d) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association or Constitution for the time being of the Company; and

(e) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force (i) until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier; or (ii) in the case of shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of the Instruments." **(Resolution 9)**

(See Explanatory Note 3)

8. To transact any other ordinary business which may be properly transacted at an Annual General Meeting.

BOOKS CLOSURE AND PAYMENT DATE

Notice is hereby given that the Share Transfer Books and the Register of Members of the Company will be closed at 5.00 p.m. on 8 May 2017 for the purpose of determining shareholders' entitlements to the final dividend at the Annual General Meeting of the Company to be held on 28 April 2017.

Duly completed and stamped transfers (together with all relevant documents of or evidencing title) received by the Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 up to 5.00 p.m. on 8 May 2017 will be registered to determine shareholders' entitlements to the final dividend. Subject as aforesaid, shareholders whose Securities Accounts with The Central Depository (Pte) Limited are credited with ordinary shares of the Company as at 5.00 p.m. on 8 May 2017 will be entitled to the final dividend.

The proposed final dividend, if so approved by shareholders, will be paid on 30 May 2017.

By Order of the Board

Loo Choon Keow
Company Secretary

Date: 13 April 2017

Notes:

1) (a) A member who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend and vote at the AGM. Where such member appoint two (2) proxies, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be presented by each proxy in the instrument appointing a proxy or proxies.

   (b) A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies. A proxy need not to be a member of the Company.

   "Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

2) The instrument appointing a proxy or proxies must be under the hand of the appointor or by his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

3) The instrument appointing a proxy must be deposited at the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not later than 48 hours before the time appointed for the Meeting.

GEO ENERGY
— *Notice of Annual General Meeting*

Explanatory Note:

1) Mr Soh Chun Bin will, upon re-election as a Director of the Company, remain as Chairman of the Nomination Committee and a member of the Audit Committee and Remuneration Committee and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST").

Mr Karyono will, upon re-election as a Director of the Company, remain as a member of the Audit Committee and Nomination Committee and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

Mr Huang She Thong, Mr Soh Chun Bin and Mr Karyono have offered themselves for re-election. Mr Soh Chun Bin and Mr Karyono have each confirmed that, they do not have any relationships (including immediate family relationships) with the other Directors, the Company or its 10% shareholders. The current directorships in other listed companies and details of other principal commitments held by each of these Directors are set out on page 63 of this Annual Report.

2) The shareholders had in its meeting held on 28 April 2016 approved the payment of Directors' fees of S$375,000 for the financial year ended 31 December 2016.

The Board of Directors of the Company proposed the payment of additional Directors' fees of S$150,000 to Directors of the Company to compensate them for additional works, increase in various business activities, announcements and meetings of the Company in 2016.

If the proposed payment of additional Directors' fees of S$150,000 is approved by the shareholders in the meeting, the total payment for Directors' fees for the financial year ended 2016 is S$525,000.

3) The Ordinary Resolution 9, if passed, will empower the Directors from the date of this Meeting until the date of the next Annual General Meeting, or the date by which the next Annual General Meeting is required by law to be held or when varied or revoked by the Company in general meeting, whichever is the earlier, to issue shares and convertible securities in the Company. The number of shares and convertible securities that the Directors may issue under this Resolution would not exceed the Rights Issue Limit, ie 50% of the total number of issued shares (excluding treasury shares and shares (if any) held by a subsidiary) of the Company at the time of the passing of this Resolution, or the Enhanced Rights Issue Limit, ie 100% of the total number of issued shares (excluding treasury shares and shares (if any) held by a subsidiary) of the Company at the time of the passing of this Resolution where the Company meets the requirements for such Enhanced Rights Issue Limit prescribed in Practice Note 8.3 of the Listing Manual of SGX-ST (as such Practice Note may be amended, varied, supplemented or replaced from time to time). For issue of shares and convertible securities other than on a pro rata basis to all shareholders, the aggregate number of shares and convertible securities to be issued shall not exceed 20% of the total number of issued shares (excluding treasury shares and shares (if any) held by a subsidiary) of the Company. The aggregate number of shares which may be issued shall be based on the total number of issued shares (excluding treasury shares and shares (if any) held by a subsidiary) of the Company at the time that Ordinary Resolution 9 is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that Ordinary Resolution 9 is passed, and (b) any subsequent bonus issue or consolidation or subdivision of shares. The Enhanced Rights Issue Limit widens fund-raising avenues available to the Company, thereby enabling it to respond to financing needs to meet on-going changes and challenges in the business environment in more expedient and cost-efficient manner. The Directors are therefore of the view that the Enhanced Rights Issue Limit is in the interest of the Company and its shareholders.

Personal Data Privacy:

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

GEO ENERGY
— *Quotes*

"I am pleased to note that the Group has turned around and recorded its first full-year profit since 2013 on higher thermal coal prices and a rapid ramp up of coal production." **(p. 1)**

"Today's results show that we have kept our commitment to produce and sell close to our targeted 6 million tonnes of coal in our first full year of production at SDJ coal mine.

We have maximised cash and productivity from our assets, delivering US$ 23.5 million in 2016 net profit from continuing operations while strengthening our balance sheet with a cash position of US$67.7 million at year end." **(p. 3)**

"Cut in China's coal production due to 276 working-day policy leads to low inventory levels and supply shortage. At the same time, demand has remained strong due to the high switching costs for energy, given the long-term investment nature of coal-fired power plants." **(p. 5)**

"'We Grow Up Together in Harmony', the theme for our retreat in Yogjakarta, Indonesia, emphasising the importance of team building and collaboration across departments." **(p. 6)**

"A goal without a plan is just a wish. If the plan doesn't work, change the plan but never the goal." **(p. 7)**

"Our Group remains committed to enhancing shareholder value through driving improvements in productivity and in maximising the value of our good quality coal assets going forward." **(p. 8)**

"Geo Energy is the best way I know how to invest in the Indonesian coal industry, they clearly know it very well. In fact, they're the experts!" **(p. 10)**

"Geo Energy reports highest ever quarterly earnings as 4Q2016 as net profit surged to US$ 41.7 million and revenue soared to US$ 92.0 million." **(p. 13)**

"The Group ended 2016 with cash and bank balances of US$ 67.7 million, an increase of US$ 55.3 million for the year." **(p.15)**

"We will continue to pursue earnings accretive opportunities in the region to build up our coal reserves." **(p. 17)**

"Other than sales in Indonesia, revenue for the other geographical segments was through an offtake and marketing agreement with ECTP." **(p. 18)**

"Geo Energy achieved 5.5 million tonnes of coal sales in 2016. This translated to sales revenue of US$ 182.1 million. By managing costs effectively, and with coal prices strengthening, this translated to cash profits of US$ 53.2 million." **(p. 20)**

"A low-cost Indonesian coal producer employing sustainable mining techniques." **(p. 27)**

"Southeast Asia is expected to remain one of the fastest growing regions in the world well into the next decade, with Indonesia the only country capable of producing enough coal to support the demands of the region." **(p. 29)**

"Geo Energy's risk factors are well mitigated by strategic partnership with major players in the industries as well as a nimble and cost competitive business model." **(p. 30)**

"Transformation into a nimble and competitive business model by changing from a mining services operator to a low-cost coal producer." **(p. 31)**

"Our Business Strategy and Expansion Plan to grow and diversify our businesses (4-pronged approach)." **(p. 33)**

"Thick coal seams and low strip ratio makes it more effective to mine." **(p. 34)**

"Outperformed the SGX MOG Index for the period from 1 January 2016 to 28 February 2017 (GEO + 114%, Index: -17%)." **(p. 40)**

"It is of utmost importance to Geo Energy that we communicate clearly and effectively with the investment community." **(p. 42)**

" We aim to provide our people with a workplace that is both equitable and supportive." **(p. 51)**

"At Geo Energy, we believe in 'Growing Up Together in Harmony', with all our stakeholders including employees, offtakers, contractors and the community." **(p. 55)**

GEO ENERGY RESOURCES LIMITED

(Company Registration No. 201011034Z)
(Incorporated in the Republic of Singapore)

ANNUAL GENERAL MEETING PROXY FORM

IMPORTANT:

1. A relevant intermediary may appoint more than two proxies to attend the Annual General Meeting and vote (please see note 2(b) for the definition of "Relevant Intermediary").
2. For investors who have used their CPF monies to buy the Shares of Global Yellow Pages Limited, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely **FOR INFORMATION ONLY**.
3. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
4. CPF investors who wish to attend and vote at the Meeting, should contact their respective CPF Approved Nominees within the time frame specified.

*I/We (Name) ______________________________ (*NRIC/Passport No.) ______________________

of ____ (Address)

being a *member/members of Geo Energy Resources Limited (the "Company"), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting, as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and, if necessary, to demand a poll at the Annual General Meeting of the Company to be held at L4 Lotus 4A-4B, Marina Bay Sands Singapore, 10 Bayfront Avenue, Singapore 018956 on Friday, 28 April 2017 at 10.00 a.m. and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against the Resolutions set out in the Notice of Annual General Meeting as indicated hereunder. In the absence of specific instructions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the Annual General Meeting.

No.	Resolutions	For*	Against*
1.	To receive and adopt the Financial Statements for the financial year ended 31 December 2016 together with the Directors' Statement and the Independent Auditor's Report thereon.		
2.	To declare a final tax-exempt (one-tier) dividend of S$0.01 per ordinary share for the year ended 31 December 2016.		
3.	To re-elect Mr Huang She Thong as Director.		
4.	To re-elect Mr Soh Chun Bin as Director.		
5.	To re-elect Mr Karyono as Director.		
6.	To approve the additional payment of Directors' fees of S$150,000 for the financial year ended 31 December 2016.		
7.	To approve the payment of Directors' fees of S$525,000 for the financial year ending 31 December 2017, to be paid half-yearly in arrears.		
8.	To re-appoint Messrs Deloitte & Touche LLP as Auditors and to authorise the Directors to fix their remuneration.		
9.	To authorise the Directors to allot and issue shares.		

* If you wish to exercise all your votes "For" or "Against", please indicate with an "X" within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this ______________ day of ______________ 2017.

Total Number of Ordinary Shares Held	

____

Signature(s)/Common Seal of Members

Fold this flap for sealing. Glue all sides firmly. Stapling and spot sealing are disallowed.

Affix
Postage
Stamp

GEO ENERGY RESOURCES LIMITED

Company's Share Registrar
Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place,
#32-01 Singapore Land Tower,
Singapore 048623

1st fold.

IMPORTANT

NOTES

1. If you have Ordinary Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Ordinary Shares. If you have Ordinary Shares registered in your name in the Register of Members, you should insert that number of Ordinary Shares. If you have Ordinary Shares entered against your name in the Depository Register and Ordinary Shares registered in your name in the Register of Members, you should insert the aggregate number of Ordinary Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the Proxy Form shall be deemed to relate to all the Ordinary Shares held by you.

2. (a) A member who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend and vote at the Annual General Meeting. Where such member appoint two (2) proxies, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be presented by each proxy in the instrument appointing a proxy or proxies.

   (b) A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies. A proxy need not to be a member of the Company.

   "Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

3. The instrument appointing a proxy or proxies must be under the hand of the appointor or by his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or signed on its behalf by an attorney or duly authorised officer of the corporation.

4. The Proxy Form must be lodged at the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not less than 48 hours before the time appointed for the Annual General Meeting.

2nd fold.

5. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

GENERAL

The Company shall be entitled to reject the Proxy Form if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form. In addition, in the case of Ordinary Shares entered in the Depository Register, the Company may reject any Proxy Form lodged if the member, being the appointor, is not shown to have Ordinary Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 13 April 2017.

Singapore Office
12 Marina Boulevard #16-01
Marina Bay Financial Centre Tower 3
Singapore 018982

Jakarta Office
The Suites Tower, Lantai 17
Jl. Boulevard Pantai Indah Kapuk, No.
1 Kav. OFS,
Jakarta 14470

Shareholder Inquiries
Information about the Company, including all quarterly earnings release and financial results, can be accessed via our website at **www.geocoal.com**.

Shareholder inquiries can also be directed to Investor Relations via email at geoenergy@financialpr.com.sg or by calling (65) 6438 2990

Design Agency
Equity Communications Pte Ltd
10 Jalan Kilang #03-04/05
Sime Darby Enterprise Centre
Singapore 159410
www.equity.com.sg

ABOUT GEO ENERGY RESOURCES LIMITED
(Bloomberg Ticker: GERL SP)
GEO ENERGY GROUP is a coal mining group, established since 2008, with offices in Singapore and Jakarta, Indonesia and production operations in Kalimantan, Indonesia. Geo Energy has been listed on Singapore Stock Exchange's main board since 2012 and is part of the Singapore FTSE index.

Forward Looking Statements
The statements contained in this annual report that are not historical facts are "forward-looking" statements. These forward-looking statements are subject to a number of substantial risks and uncertainties, many of which are beyond the Company's control and actual results and developments may differ materially from those expressed or implied by these statements for a variety of factors. These forward-looking statements are statements based on the Company's current intentions, beliefs and expectations about among other things, the Company's financial condition, prospects, growth, strategies and the industry in which the Company operates. Forward-looking statements are typically identified by the use of for- ward-looking terminology such as "believes", "expects", "may", "will", "could", "should", "intends", "estimates", "plans", "assumes" or "anticipates" or the negative thereof or other variations thereon or comparable terminology, or by discussions of strategy that involve risks and uncertainties. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. In addition, from time to time, the Company or its representatives have made or may make forward-looking statements orally or in writing. Furthermore, such forward-looking statements may be included in, but are not limited to, press releases or oral statements made by or with the approval of an authorised executive officer of the Company. No assurance can be given that such future results will be achieved; actual events or results may differ materially from those expressed in or implied by these statements as a result of risks and uncertainties facing the Company and its subsidiaries. Many of these risks and uncertainties relate to factors that are beyond the Company's ability to control or estimate precisely, such as changes in taxation and fiscal policy, future market conditions, currency fluctuations, the behaviour of other market participants, the actions of governmental regulators and other risk factors such as the Company's ability to continue to obtain financing to meet its liquidity needs, changes in the political, social and regulatory framework in which the Company operates or in economic or technological trends or conditions, including inflation and consumer confidence, on a global, regional or national basis. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward looking statements. The forward-looking statements contained in this annual report speak only as of the date of this annual report and the Company undertakes no duty to update any of them publicly in light of new information or future events, except to the extent required by applicable law or regulation.

How we drive growth to meet strategic objectives

"Strategic partnerships with major players in the industries"

Transformation into a nimble and competitive business model by changing from a mining services operator to a low-cost coal producer

It takes **strong leadership** focused on constructive change

Visit www.geocoal.com to keep up-to-date with latest news on Geo Energy Group.