

SGX Announcement

BUSINESS UPDATE AND VALUATION

The Board of Directors (the “**Board**”) of Geo Energy Resources Limited (“**the Company**”, together with its subsidiaries “**the Group**”) would like to inform that the Independent Qualified Person’s Report (“**IQPR**”) on PT Sungai Danau Jaya (“**SDJ**”) and PT Tanah Bumbu Resources (“**TBR**”)’s coal assets, issued by the independent JORC consultant, SMG Consultants (“**SMGC**”) on 3 December 2021, reported a combined coal resource of 101 million tonnes and a combined coal reserves (proved and probable) of 77.3 million tonnes as at 31 August 2021. SDJ holds two valid permits to borrow and use forest land (Izin Pinjam Pakai Kawasan Hutan - IPPKH) through to 29 May 2022 for a total area of 85.6 ha. TBR holds a valid IPPKH permit through to 11 January 2022 for a total area of 91.1 ha. These IPPKH for the SDJ and TBR concessions have been extended to 29 May 2027 and 10 January 2028, respectively.

In accordance with the Valuation of Mineral Assets (VALMIN) Code 2015 Edition, the IQPR also reported a combined valuation (“**Valuation**”) for SDJ and TBR of US\$642 million - S\$791 million with a preferred value of US\$726 million as at 31 August 2021. The Valuation was estimated based on an income approach using a discounted cash flow method with a Monte Carlo simulation to model uncertainty with probability distributions for key input parameters. A copy of the IQPR dated 3 December 2021 is available on the SGXNet and website.

The Group expects a better performance in 4Q2021, achieving its highest quarterly results ever. Indonesian Coal Index price for 4,200 GAR coal (“**ICI4**”) averaged US\$132.64 per tonne and US\$79.34 per tonne for October and November 2021 respectively, compared to the average ICI4 of US\$55.95 per tonne for 9M2021. Coal prices are expected to remain strong in December, with ICI4 of US\$70.58 per tonne as at 6 December 2021.

In just two months of October and November 2021, we achieved sales volume of over 2.3 million tonnes and revenue of almost US\$200 million. The Group is also selling a higher percentage of export sales for 4Q2021, having achieved most of the domestic market obligation (“**DMO**”) in 9M2021. Export sales are based on either monthly average or 2-weeks average lagging market prices, which is significantly higher than the cap of US\$38 per tonne for DMO sales due to the Indonesian government regulations. The Group targets sales volume of 1 – 1.2 million tonnes for December 2021.

BY ORDER OF THE BOARD

Charles Antonny Melati

Executive Chairman

8 December 2021