
MINING SERVICES CONTRACT AND COAL MINING COOPERATION AGREEMENT

The Board of Directors of Geo Energy Resources Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company's subsidiary, PT Mitra Nasional Pratama (“**MNP**”), had on 24 July 2014 entered into a mining services contract (the “**Mining Services Contract**”) with CV. Mandiri Makmur Citra Tambang (“**MMCT**”). On the same day, the Company's subsidiary, PT Geo Mineral Trading (“**GMT**”) entered into a coal mining cooperation agreement (the “**Mining Cooperation Agreement**”) with MMCT.

MMCT holds a mining license for coal mineral area of 190.7 hectares located in Subdistrict Satui, Tanah Bumbu Regency, South Kalimantan Province (the “**Concession Area**”).

Mining Services Contract

Pursuant to the Mining Services Contract, MNP shall be exclusively appointed to provide mining services, comprising overburden removal, including land clearing and dewatering, in the Concession Area. MNP shall receive a service fee of US\$2.50 (excluding value added tax) per bank cubic metre for overburden removal, including land clearing and dewatering. Additional fees shall be chargeable by MNP for services beyond the specified scope of work.

The appointment of MNP under the Mining Services Contract shall be effective from the date thereof.

Mining Cooperation Agreement

Pursuant to the Mining Cooperation Agreement, MMCT and GMT have agreed to cooperate exclusively with each other to produce coal in the Concession Area. MMCT has agreed to sell and deliver the coal produced from the Concession Area, exclusively to GMT. MMCT guaranteed that the potential coal contained in the Concession Area is approximately 1,900,000 metric tonnes of coal with calorific value in excess of 4,100kcal/kg (GAR).

GMT made an upfront payment of US\$3.7 million (the “**Upfront Payment**”) to MMCT prior to the signing of the Mining Cooperation Agreement. In the event that the volume of coal produced from the Concession Area amounts to less than 1,900,000 metric tonnes, MMCT shall refund to GMT the Upfront Payment, which shall be deducted from any purchase of coal produced from the Concession Area by GMT.

The purchase prices of coal under the Mining Cooperation Agreement shall be US\$31.35 per metric tonne of coal with calorific value in excess of 4,100kcal/kg (GAR) which will be transacted on a FOB barge basis. In addition, GMT has the right to evaluate the price of coal, in light of any price fluctuations, and its evaluations shall form the basis for discussion on any price adjustments.

If the sale and purchase of coal under the Mining Cooperation Agreement cannot be performed for any reason, GMT shall have the right to terminate the Mining Cooperation Agreement and any money paid by GMT to MMCT shall be returned fully without any deduction whatsoever within 14 days of such termination.

The Mining Cooperation Agreement shall be effective from the date thereof until the production and sale of coal to GMT reaches 1,900,000 metric tonnes or mining activities in the Concession Area are

no longer economically or technically feasible. In the event that the production of coal does not reach 1,900,000 metric tonnes within the next twenty-four months due to constraints or issues in the field which are the responsibilities of MMCT, GMT may terminate the Mining Cooperation Agreement.

Barring unforeseen circumstances and subject to execution risks, the Mining Services Contract and the Mining Cooperation Agreement are expected to have a positive impact on the net tangible assets per share and earnings per share of the Group for the current financial year ending 31 December 2014.

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

BY ORDER OF THE BOARD

Charles Antonny Melati
Executive Chairman
24 July 2014

*The initial public offering of the Company's shares was sponsored by Canaccord Genuity Singapore Pte. Ltd. (the "**Issue Manager**"). The Issue Manager assumes no responsibility for the contents of this announcement.*