
COAL MINING MANAGEMENT SERVICE, COAL OFFTAKE AND OTHER RELATED AGREEMENTS

The Board of Directors of Geo Energy Resources Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce the following agreements:

- (i) PT Angsana Jaya Energi (“**AJE**”) has on 31 October 2016 entered into a Coal Mining Management Service Agreement with PT Mitra Nasional Pratama (“**MNP**”), an Indonesian subsidiary of the Group, appointing MNP to provide mining project management services to AJE (which owns the AJE coal mine concession IUP (“**AJE IUP**”) next to the Group’s coal mine owned by subsidiary, PT Sungai Danau Jaya) in accordance with the terms and conditions stipulated in the Coal Mining Management Service Agreement;
- (ii) Geo Coal International Pte. Ltd. (“**GCI**”), a wholly-owned subsidiary of the Company in Singapore, has on 31 October 2016 entered into a Sale and Purchase of Coal Agreement with AJE for AJE to sell and assign the coal exclusively to GCI in accordance with the terms and conditions stipulated in the Sale and Purchase of Coal Agreement (“**AJE Coal Offtake Agreement**”); and
- (iii) GCI, in connection with the AJE Coal Offtake Agreement, has on 31 October 2016 entered into a Cooperation Agreement on Sale and Purchase of Coal (“**Cooperation Agreement**”) with Borneo Resources International Pte Ltd, a Singapore company, for the sale of coal from the AJE Coal Offtake Agreement and to cooperate with each other for mutual beneficial interests in accordance with the terms and conditions stipulated in the Cooperation Agreement

(collectively, the “**AJE Transaction**”).

Rationale

The AJE Transaction is an important development for the Company as the Coal Mining Management Service represents a new development in the Group’s coal mining business as well as an expansion of its coal trading business sourced from outside its coal assets. The AJE Transaction covers a certain area of the AJE IUP with an estimated 5 million tons of coal reserves to be mined out in 2017.

Financial Effect

The AJE Transaction is not expected to have a material impact on the net tangible assets per share and earnings per share of the Group for the financial year ending 31 December 2016.

Interests of Directors and Controlling Shareholders

None of the directors or controlling shareholders of the Company have any interest, directly or indirectly, in the AJE Transaction, save through their shareholdings (if any) in the Company.

BY ORDER OF THE BOARD

Charles Antonny Melati
Executive Chairman

31 October 2016