

SGX ANNOUNCEMENT

GEO ENERGY SUCCESSFULLY ENTERS INTO A LONG-TERM COLLABORATION WITH EP RESOURCES AG¹, PART OF ONE OF THE LARGEST EUROPEAN ENERGY GROUPS, FOR LIFE-OF-MINE TRA COAL PURCHASE, AND SECURES MULTI-MILLION DOLLAR EQUITY INVESTMENT

1. INTRODUCTION

- 1.1 The Board of Directors (“**Directors**”) of Geo Energy Resources Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) (SGX:RE4) is pleased to announce that on 7 February 2024, the Company’s wholly-owned subsidiary, Geo Coal International Pte. Ltd. (“**GCI**”) entered into a life-of-mine coal purchase contract (“**Purchase Contract**” or “**Coal Offtake**”) with EP Resources AG (“**EPR**”), a subsidiary of Energetický a průmyslový holding, a.s.¹ (“**EPH**”, and together with EPR, “**EPH Group**”) for the supply of coal to EPR from the Company’s subsidiary, PT Triaryani (“**TRA**”) coal mine in accordance with the Purchase Contract. Together with the Coal Offtake, EPR will provide up to US\$20 million prepayment in accordance with a standby prepayment facility agreement entered with GCI (“**Prepayment**”).
- 1.2 Together with the Coal Offtake, Resource Invest AG (“**ResInvest**”), a private commodities investment company which assisted in arranging and management of the offtake, has entered into an equity investment agreement, in which ResInvest intends to invest US\$35 million in the shares of the Company (“**Equity Investment Agreement**” or “**Equity Investment**”).
- 1.3 The Coal Offtake, Equity Investment and the Prepayment are collectively referred to in this announcement as the “**Transactions**”.
- 1.4 The parties agreed that:
- (a) EPR will buy from GCI a substantial portion of the export volume of TRA coal up to 12 million tonnes per annum for the life of mine subject to and in accordance with terms of the Coal Offtake;
 - (b) EPR will make available to GCI a standby prepayment facility of up to US\$20 million for the TRA Coal Offtake subject to and in accordance with the terms of the Prepayment; and
 - (c) ResInvest intends to invest US\$35 million in the shares of the Company by 31 March 2026 to acquire, whether from the market and/or directly from the Company (excluding shares that may be acquired from the exercise of Warrants (as defined in paragraph 6.3(b) of this announcement), at least 5.5% equity stake in the Company subject to and in accordance with the terms of the Equity Investment, with most of

¹ <https://www.eholding.cz/en/board-of-directors/>



the investment intended to be completed within 8 weeks from the date of the Equity Investment Agreement as further detailed below.

2. ABOUT EPR, EPH GROUP AND RESINVEST

About EPR and EPH Group

EPR, a commodity trading and shipping company, is a subsidiary of EPH. EPH Group is a large investment grade European energy utility that owns and operates assets in the Czech Republic, the Slovak Republic, Germany, Italy, Ireland, the UK, France, the Netherlands and Switzerland.

Please refer to <http://www.ephholding.cz/en>, <https://www.ephholding.cz/en/shareholder-structure/> and <https://www.ephholding.cz/en/board-of-directors/> for more details.

About ResInvest

ResInvest is a Swiss-based private commodities investment company, which invests in and funds commodities opportunities across the capital structure, from equity and debt, through to royalties and offtake.

3. INFORMATION ON TRA COAL MINE

- 3.1 TRA has a mining concession over a producing coal mine located in North Musi Rawas Regency, South Sumatra Province, Indonesia with a coal operation and IUP Production Operations Permit valid through 22 May 2030 (extendable for a further two 10-year periods).
- 3.2 TRA had a 2P (proved and probable) JORC coal reserves of 275 million tonnes and a coal resource of 388 million tonnes as of 31 May 2023. The low sulphur and low ash content in TRA coal reserves is attractive to both domestic and international markets, as it is eco-friendly and one of the cleanest coals available in the thermal coal market.
- 3.3 As previously announced, TRA has an estimated mining valuation of around US\$1 billion².

4. RATIONALE

- 4.1 The Transactions will provide the Group an opportunity to establish a strong business partnership with EPH Group and leverage on its scale and international presence as well as its expertise and experience to develop markets for the TRA coal.
- 4.2 The Equity Investment will add a long-term, strong and strategic investor to the Company, ensuring an alignment of interest. The plan to take up a substantial stake in the Company is an endorsement of Geo Energy's growth potential.

² Based on the preferred value as stated in the IQPR dated 24 August 2023



- 4.3 The Coal Offtake will provide stability to our coal offtake volumes and additional long-term revenue to the Group and secures a key reputable buyer for TRA coal. Moreover, the Equity Investment and the Prepayment will further strengthen the Group's financial standing and cash balance, placing the Group in a good position to grow its business.
- 4.4 The Transactions mark a significant milestone for the Group and are a strong testament to its current and potential value.

5. COAL OFFTAKE AND PREPAYMENT

- 5.1 Under the Coal Offtake, EPR will buy from GCI a substantial portion of the export volume of TRA coal up to 12 million tonnes per annum for the life of the mine at an index-linked price less offtake margin, subject to and in accordance with the terms of the Coal Offtake.
- 5.2 In conjunction with such Coal Offtake, EPR will make available to GCI a standby prepayment facility for the Coal Offtake up to US\$20 million, subject to and in accordance with the terms of the Prepayment.

6. EQUITY INVESTMENT

- 6.1 ResInvest intends to invest US\$35 million in the shares of the Company by 31 March 2026 to acquire, whether from the market and/or directly from the Company (excluding shares that may be acquired from the exercise of Warrants), at least 5.5% equity stake in the Company subject to and in accordance with the terms of the Equity Investment Agreement.
- 6.2 Excluding the purchase of treasury shares from the Company and shares that may be acquired from the exercise of Warrants (as mentioned in paragraphs 6.3 to 6.9 below), ResInvest intends to purchase ordinary shares in the capital of the Company ("**Shares**") through open market purchases ("**Market Purchases**") for an aggregate consideration of US\$20 million in accordance with the terms of the Equity Investment Agreement, comprising (i) US\$10 million within 4 weeks from the date of the Equity Investment Agreement or in any event by 31 March 2024 and (ii) another US\$10 million within 8 weeks from the date of the Equity Investment Agreement or in any event by 30 June 2024.
- 6.3 In addition to the Market Purchases and subject to the terms of the Equity Investment Agreement, ResInvest will:
- (a) purchase the Company's ordinary shares currently held as treasury shares ("**Sale Shares**") in two tranches comprising:
 - (i) 14,883,333 Sale Shares at a sale price of S\$0.45 per Sale Share ("**First Tranche Sale Price**") for an aggregate consideration of S\$6,697,500; and
 - (ii) 13,395,000 Sale Shares at a sale price of S\$0.50 per Sale Share ("**Second Tranche Sale Price**") for an aggregate consideration of S\$6,697,500, and



- (b) in conjunction with the foregoing purchase of Sale Shares, subscribe for non-listed, transferable and free warrants in the Company ("**Warrants**") in two tranches ("**Warrant Issue**") comprising:
- (i) 21,310,227 Warrants exercisable within three years from the date of issue with each Warrant carrying the right to subscribe for one new ordinary share in the Company ("**Warrant Share**") at an exercisable price of S\$0.55 per Warrant Share ("**First Tranche Exercise Price**"); and
 - (ii) 20,092,500 Warrants exercisable within three years from the date of issue with each Warrant carrying the right to subscribe for one Warrant Share at an exercise price of S\$1.00 per Warrant Share ("**Second Tranche Exercise Price**"),
- (together, the "**Subscription**").
- 6.4 The treasury shares currently held by the Company were bought back at an average price of S\$0.31 per share. With the First Tranche Sale Price and Second Tranche Sale Price being S\$0.45 per Sale Share and S\$0.50 per Sale Share respectively, the sale prices of the Sale Shares imply a premium of S\$0.14 to S\$0.19 per share or 45% to 61%.
- 6.5 The First Tranche Sale Price of S\$0.45 represents a premium of approximately 15.4% to the volume weighted average price of S\$0.39 for trades done on the SGX-ST for the full market day on 7 February 2024, being the date on which the Equity Investment Agreement was signed.
- 6.6 The Second Tranche Sale Price of S\$0.50 represents a premium of approximately 28.2% to the volume weighted average price of S\$0.39 for trades done on the SGX-ST for the full market day on 7 February 2024, being the date on which the Equity Investment Agreement was signed.
- 6.7 The First Tranche Exercise Price of S\$0.55 represents a premium of approximately 41.0% to the volume weighted average price of S\$0.39 for trades done on the SGX-ST for the full market day on 7 February 2024, being the date on which the Equity Investment Agreement was signed.
- 6.8 The Second Tranche Exercise Price of S\$1.00 represents a premium of approximately 156.4% to the volume weighted average price of S\$0.39 for trades done on the SGX-ST for the full market day on 7 February 2024, being the date on which the Equity Investment Agreement was signed.
- 6.9 Completion of the first tranche and second tranche of the sale of Sale Shares and issue of Warrants is expected to take place on 28 February 2024 and 28 February 2025 respectively, subject to the terms of the Equity Investment Agreement.



- 6.10 The Subscription is non-underwritten and there is no placement agent appointed for the purpose of the Subscription. The Subscription is undertaken pursuant to Section 272B of the Securities and Futures Act 2001 of Singapore. As such, no prospectus or offer information statement will be issued by the Company in connection with the Subscription.
- 6.11 No commission or introducer's fee is payable by the Company to any person in relation to the Subscription. No share borrowing arrangement has been entered into to facilitate the Subscription.
- 6.12 After discussing with a few potential offtakers for the TRA coal, the Company selected EPR to develop markets for the TRA coal given their scale and international presence as well as their expertise and experience and willingness to make prepayment and invest in the Company.
- 6.13 To the best of the Company's knowledge:
- (a) ResInvest is not related to any of the directors or substantial shareholders of the Company or their respective associates; and
 - (b) ResInvest is not a person listed under Rule 812(1) of the SGX-ST Listing Manual.
- 6.14 The Subscription will not result in any transfer of controlling interest in the Company.
- 6.15 The Subscription is subject to the receipt of the relevant SGX-ST approval stated in paragraph 6.16 below and other customary conditions.
- 6.16 The Company will be submitting an application to the SGX-ST for the listing and quotation of the Warrant Shares on the SGX-ST. The Company will make an announcement once the approval in-principle is obtained from the SGX-ST.
- 6.17 In connection with the Equity Investment, there is a three (3) years moratorium for ResInvest and the Company's existing two largest shareholders³ not to dispose of any of their shares in the Company until 31 December 2026. After 31 December 2026 and subject to the terms of the moratorium, ResInvest further undertakes that it will not sell below 5.5% of the share capital in the Company for the duration of the Coal Offtake.
- 6.18 The Warrants will be unlisted and only transferable to affiliates of ResInvest, in accordance with the terms and conditions of the Warrants.
- 6.19 The Warrants are exercisable at any time during the period commencing on the date of issue of the Warrants and expiring at 5:00 p.m. on the day immediately preceding the date which falls three (3) years from the date of issue of the Warrants ("**Exercise Period**"). Warrants remaining unexercised at the expiry of the Exercise Period shall lapse and cease to be valid for any purpose.

³ Charles Antony Melati and Master Resources International Limited



- 6.20 The exercise price and the number of Warrants will be subject to adjustments under certain circumstances (including rights issue, bonus issue, consolidation and subdivision of shares) in accordance with the terms and conditions of the Warrants. The specific adjustment formulae are set out in the deed polls constituting the Warrants.
- 6.21 The expiry of the Warrants will be announced by the Company, and the notice of the expiry will be sent to the warrant holder(s) at least one (1) month before the expiry.
- 6.22 Any material alteration to the terms of the Warrants to the advantage of the warrant holder(s) shall be approved by the shareholders of the Company in a general meeting, except where the alterations are made pursuant to the terms and conditions of the Warrants.

Authority to issue Warrants and Warrant Shares

- 6.23 Completion of the two tranches of Sale Shares will involve the transfer of Shares currently held by the Company as treasury shares and no new Shares will be issued by the Company in respect of such completion (whether pursuant to any specific approval or general mandate of shareholders of the Company ("**Shareholders**").
- 6.24 The Warrants and Warrant Shares will be issued pursuant to the share issue mandate ("**Share Issue Mandate 2023**") that was approved by Shareholders at the annual general meeting of the Company held on 28 April 2023 ("**AGM 2023**"). Pursuant to the Share Issue Mandate 2023, the Directors have the authority to issue Shares and/or make or grant offers, agreements or options that might or would require Shares to be issued or other transferable rights to subscribe for or purchase shares including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares (collectively, "**Instruments**") such that the aggregate number of Shares to be issued (including Shares to be issued pursuant to the Instruments) shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the AGM 2023, of which the aggregate number of Shares to be issued other than on a *pro rata* basis to the Shareholders shall not exceed 20% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the AGM 2023.
- 6.25 The aggregate 28,278,333 Sale Shares represent approximately 2.03% of the Company's existing 1,390,440,813 issued Shares (excluding treasury shares) as at the date of this announcement, and approximately 1.99% of the aggregate 1,418,719,146 issued Shares (excluding treasury shares) upon completion of the two tranches of Sale Shares.
- 6.26 After completion of the two tranches of Sale Shares and assuming the Warrants are exercised in full, the maximum aggregate 41,402,727 Warrant Shares will represent approximately 2.98% of the Company's existing 1,390,440,813 issued Shares as at the date of this announcement, and approximately 2.84% of the aggregate 1,460,121,873 issued Shares taking into account the Sale Shares and the Warrant Shares.



- 6.27 The aggregate 28,278,333 Sale Shares and the maximum aggregate 41,402,727 Warrant Shares together, comprising an aggregate 69,681,060 Shares, represent approximately 5.01% of the Company's existing 1,390,440,813 issued Shares as at the date of this announcement, and approximately 4.77% of the aggregate 1,460,121,873 issued Shares taking into account all the Sale Shares and all the Warrant Shares.
- 6.28 As at the date of the AGM 2023, the Company had a total of 1,396,740,813 issued Shares (excluding treasury shares). As at the date of this announcement, no Shares have been issued pursuant to the Share Issue Mandate 2023. Accordingly, 698,370,406 Shares may be issued pursuant to the Share Issue Mandate 2023, of which the maximum number of Shares that can be issued other than on a *pro rata* basis is 279,348,162 Shares. Therefore, the maximum aggregate 41,402,727 Warrant Shares that may be issued pursuant to the proposed Warrant Issue falls within the limits of the Share Issue Mandate 2023.

Use of Proceeds

- 6.29 Based on the aggregate consideration for the 28,278,333 Sale Shares and assuming no material transaction costs or expenses were incurred by the Company for the Subscription, the estimated amount of proceeds from the sale of the Sale Shares is approximately S\$13,395,000 ("**Sale Proceeds**"). If the Warrants are exercised in full at the Exercise Prices, the estimated amount of additional proceeds that may be raised is approximately S\$31,813,125 ("**Warrant Proceeds**", and together with the Sale Proceeds, the "**Aggregate Proceeds**").
- 6.30 The entire (100%) Aggregate Proceeds will be used for working capital purposes. The Company will make periodic announcements on the use of the Aggregate Proceeds as and when such proceeds are materially disbursed. The Company will provide a status report on the use of the Aggregate Proceeds in the Company's half-year and full-year financial statements and the Company's annual reports. Where the proceeds have been used for working capital purposes, the Company will provide a breakdown with specific details on the use of the proceeds in the announcements and status reports. Where there is any material deviation from the stated use of the Aggregate Proceeds, the Company will disclose the reason(s) for such deviation.
- 6.31 Pending the deployment of the Aggregate Proceeds, such proceeds may be placed as deposits with financial institutions or invested in short term money markets or debt instruments or for any other purposes on a short-term basis as the Directors may deem fit from time to time.

7. PRO FORMA FINANCIAL EFFECTS

- 7.1. The following pro forma financial effects of the Transactions on the share capital, net tangible assets ("**NTA**") per Share and the earnings per Share ("**EPS**") are prepared for illustrative purposes only and do not purport to reflect the actual future results and financial position of the Company or the Group following completion of the Transactions. The pro forma financial effects have been computed based on the following bases and assumptions:



- (a) the audited consolidated financial statements of the Group for the financial year ended 31 December 2022 (adjusted for the effects arising from the acquisitions of shares in PT Golden Eagle Energy Tbk and PT Marga Bara Jaya, excluding any impact arising from purchase price allocation);
- (b) the Company bought back 10.3 million treasury shares at the average price of S\$0.26 during the financial year ended 31 December 2022;
- (c) GCI sold to EPR 1.5 million tonnes of TRA coal valued at US\$58.98 during the financial year ended 31 December 2022;
- (d) the Company sold to EPR an aggregate 28,278,333 Sale Shares;
- (e) the Company issued to EPR an aggregate 41,402,727 Warrant Shares;
- (f) the Aggregate Proceeds are approximately US\$34,344,849;
- (g) EPR did not make any prepayment to GCI in 2022;
- (h) the effect of the Transactions on the NTA per Share is computed based on the assumption that the Transactions were completed on 31 December 2022;
- (i) the effect of the Transactions on the EPS is computed based on the assumption that the Transactions were completed on 1 January 2022; and
- (j) the figures in S\$ for NTA per Share and EPS shown in the table below are calculated based on the exchange rate of US\$1.00 to S\$1.3163 on 31 December 2023.

7.2 Subject to the above, the share capital, the NTA per Share and EPS are computed as follows:

	Before sale of Sale Shares and issuance of Warrant Shares	After sale of Sale Shares but before issuance of Warrant Shares	After sale of Sale Shares and issuance of Warrant Shares
Issued and paid-up share capital	S\$156,363,762	S\$156,363,762	S\$169,819,648
Number of issued Shares (excluding treasury shares)	1,390,440,813	1,418,719,146	1,460,121,873
Number of treasury shares	30,432,300	2,153,967	2,153,967



NTA value attributable to the owners of the Company	US\$422,551,549	US\$432,727,801	US\$442,999,299
NTA per Share (in US cents)	30.39	30.50	30.34
NTA per Share (in SG cents)	40.00	40.15	39.94
Profit attributable to the owners of the Company	US\$176,748,224	US\$176,748,224	US\$176,797,215
Weighted average number of Shares (excluding treasury shares) for the financial year ended 31 December 2022	1,397,588,194	1,425,866,527	1,467,269,254
EPS (in US cents)	12.65	12.40	12.05
EPS (in SG cents)	16.65	16.32	15.86

8. EXISTING CONVERTIBLES

As at the date of this announcement, there are no existing warrants or other convertibles issued by the Company other than outstanding options granted under the Geo Energy Share Option Scheme (the "**Scheme**"). No adjustments to the terms of these outstanding options are required under the terms of the Scheme as a result of the Subscription.

9. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save as disclosed in this announcement, none of the Directors or controlling shareholders of the Company have any interest, direct or indirect, in the Transactions, other than through their shareholdings (if any) in the Company.

10. CAUTION IN TRADING

Shareholders, investors and other persons are advised to exercise caution in trading the securities of the Group. There is no certainty or assurance as at the date of this announcement that the Transactions will proceed or complete or that no changes will be made to the terms thereof. The Company will make the necessary announcement(s) when there are further material developments on the Transactions. Shareholders, investors and other persons are advised to read this announcement and any further announcements by the Company carefully. They should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.



BY ORDER OF THE BOARD

Charles Antony Melati
Executive Chairman and Chief Executive Officer
7 February 2024