

SGX ANNOUNCEMENT

RESPONSE TO SGX QUERY IN RELATION TO ANNUAL REPORT 2019

The Board of Directors of Geo Energy Resources Limited (the "Company", and together with its subsidiaries, the "Group") wishes to announce the following response to a query raised by the Singapore Exchange Regulation on 6 May 2020 in relation to the disclosure on remuneration matters contained in the corporate governance section of the Company's Annual Report 2019:

SGX Query

Listing Rule 710 requires issuers to explicitly state, when deviating from the provisions prescribed in the Code of Corporate Governance 2018 (the "**Code**"), an explanation on how the practices it had adopted are consistent with the intent of the relevant principle.

Provision 8.1 of the Code states that:

"The company discloses in its annual report the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of:

(a) each individual director and the CEO; and

(b) at least the top five key management personnel (who are not directors or the CEO) in bands no wider than S\$250,000 and in aggregate the total remuneration paid to these key management personnel."

We note the Company's disclosure on remuneration at pages 56 and 57 of the annual report for FY2019. Where the Company's practices deviate from the provisions of the Code, please explicitly state the provision from which it has deviated from and explain how the practices it had adopted are consistent with the intent of Principle 8 of the Code, which requires transparency on the Company's remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation.

Company's Response

With regard to Provision 8.1 of the Code in relation to the amounts and breakdown of remuneration of each individual director and the CEO, the Company had disclosed on page 57 of its Annual Report 2019 the reasons for deviating from Provision 8.1, as follows:

"The Board is of the view that full disclosure of the specific remuneration of each individual Director and key management personnel (who are not Directors or the Chief Executive Officer) 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."

The Company has complied with the disclosure of at least the top five key management personnel (who are not directors or the CEO) in bands no wider than S\$250,000 and in aggregate the total remuneration paid to these key management personnel, although it did not disclose in the Annual Report 2019 the exact amount of remuneration of each individual director and the CEO, it disclosed their remunerations in narrower bands of S\$150,000 compared to bands of S\$250,000 in earlier Annual Reports.



The Company further described on pages 55 to 57 of the Annual Report 2019 its remuneration policies, level and mix of remuneration, procedures for setting remuneration and the relationships between remuneration, performance and value creation, in relation to the Company's executive directors and key management personnel. The Company's performance-based remuneration system has resulted in the total remuneration of the directors and the CEO for the financial year ended 31 December 2019 being 11% lower than their remuneration for the financial year 2018, and executive chairman and CEO's remuneration being 23% lower for the same period.

Having regard to the reasons for not disclosing the specific remuneration of each individual director and the CEO, the disclosure of their remunerations in narrower bands of S\$150,000 and the description of the Company's remuneration policies, level and mix of remuneration, procedures for setting remuneration and the relationships between remuneration, performance and value creation in the Annual Report 2019, the Board is of the view that the Company's practices are consistent with the intent of Principle 8 of the Code in relation to the Company's transparency on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation.

BY ORDER OF THE BOARD
Charles Antonny Melati
Executive Chairman
7 May 2020