



SGX Announcement

Geo Energy Resources Limited Results Announcement

Third Quarter and Nine Months Ended 30 September 2020

FORWARD LOOKING STATEMENTS

This announcement contains statements that are, or may be deemed to be, "forward looking statements" which are prospective in nature. These forward looking statements may generally be identified by the use of forward looking terminology, or the negative thereof such as "plans", "expects" or "does not expect", "is expected", "seeks", "continues", "assumes", "is subject to", "budget", "scheduled", "estimates", "aims", "forecasts", "risks", "intends", "positioned", "predicts", "projects", "anticipates" or "does not anticipate", or "believes", or variations of such words or comparable terminology and phrases or statements that certain actions, events or results "may", "could", "should", "shall", "would", "might" or "will" be taken, occur or be achieved. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Forward-looking statements are not based on historical facts, but rather on current predictions, assumptions, expectations, beliefs, opinions, plans, objectives, goals, intentions and projections about future events, results of operations, prospects, financial condition and discussions of strategy, any of which could prove to be inaccurate. By their nature, forward looking statements involve known and unknown risks and uncertainties, many of which are beyond the control of Geo Energy Resources Limited ("Geo Energy"). Forward looking statements are not guarantees of future performance and may and often do differ materially from actual results. There is no certainty or assurance as at the date of this announcement that any transaction disclosed in this announcement will proceed or be completed or that no changes will be made to the terms thereof. Important factors that could cause these uncertainties include, but are not limited to, those discussed in Geo Energy's Annual Report 2019 and/or the offering memorandum dated 27 September 2017 in relation to the US\$300 million 8.00% senior notes due 2022 offering by Geo Coal International Pte. Ltd., a wholly-owned subsidiary of Geo Energy. Neither Geo Energy nor any of its associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. You are cautioned not to place undue reliance on these forward-looking statements which only speak as of the date of this announcement. Other than in accordance with its legal or regulatory obligations (including under the listing rules of the Singapore Exchange Securities Trading Limited), Geo Energy is not under any obligation and Geo Energy and its affiliates expressly disclaim any intention, obligation or undertaking to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. This announcement shall not, under any circumstances, create any implication that there has been no change in the business or affairs of Geo Energy since the date of this announcement or that the information contained herein is correct as at any time subsequent to its date. No statement in this announcement is intended as a profit forecast or a profit estimate. This announcement does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for any securities. The making of this announcement does not constitute a recommendation regarding any securities. Shareholders, investors, and other persons are advised to exercise caution in trading the securities of the Group.

Results Review and Strategy Update

Third Quarter and Nine Months Ended 30 September 2020



What has Geo Energy done to ensure its operations remain sustainable and profitable?

Indonesian coal prices have been under pressure at the start of the year since the COVID-19 outbreak began in China, and Chinese ports rolled out new import controls measures amidst the ongoing disruptions and uncertainty arising from the COVID-19 pandemic. The Indonesian Coal Index ("ICI") prices have fallen from an average of US\$35.05 per tonne in 2019, to as low as US\$22.63 per tonne on 4 September 2020.

The coal mining industry is undergoing a difficult time, with many miners struggling to breakeven. What has Geo Energy done to ensure its operations remain sustainable and profitable? **We have improved our cost base, through negotiations with our service providers for a cost structure that remains viable even in a depressed coal price environment, resulting in a reduction of 34% from the average cost in 2019.** It is a win-win strategy for the Group and our service providers, as it allows us to achieve another quarter of record sales of 2.5 million tonnes (a 25% increase from 3Q2019), while providing an upside to the service providers when coal prices improve.

Following the COVID-19 crisis, **the Group also optimised its capital structure and reduced its gearing by 78%,** through a series of repurchases totalling US\$240.8 million of its Senior Notes in 10 months from December 2019 to September 2020. This reduced its annual interest by 80% from US\$24.0 million to US\$4.7 million.

What lies ahead for the coal industry? While China has so far remained firm on coal import controls, activity in the China import market ramped up with power plants tendering for winter restocking. In addition, China has also moved to exercise unofficial policy levers singling out Australian coal for import curbs. Prices for Indonesian coal enjoyed a boost as China's restrictions on Australian coal left buyers scrambling to secure both low-rank and higher CV cargoes of other origins.¹ **As a result, there has been an increase in Indonesian coal prices from mid-September 2020.** ICI price was at US\$28.93 per tonne on 6 November 2020 against the average of US\$23.50 for September 2020.

Further, S&P in a report, believes **our higher production quota together with our variable cost structure put us in a better position to weather the current challenging operating environment.** In addition, our recent bond repurchases have improved our balance sheet strength.²

¹ McCloskey Coal Report, Issue 494, 18 September 2020

² S&P Ratings Credit FAQ: Indonesian Coal Miners are Digging in for a Long Siege, 8 November 2020

3Q2020 HIGHLIGHTS

- The Group sold 1.1 million tonnes of 4,200 GAR coal from the SDJ coal mine and another 1.4 million tonnes from the TBR coal mine, totalling 2.5 million tonnes of coal during the quarter. This was comparable to 2Q2020 and an increase from 2.0 million tonnes in 3Q2019.
- Revenue decreased by 12% from US\$67.2 million in 3Q2019 to US\$59.4 million mainly due to the lower Average Selling Price ("ASP") following the lower ICI prices in the period, offset by higher sales volume. ASP was US\$23.46 per tonne compared to US\$33.75 in 3Q2019.
- Cash profit for coal mining for 3Q2020 averaged at US\$3.88 per tonne (2Q2020: US\$6.25 per tonne; 3Q2019: US\$2.01 per tonne). The cash profit margin of 17% was lower than the 23% in 2Q2020, but higher than the 6% in 3Q2019, mainly due to the decrease in ASP notwithstanding the lower production cash cost from the Group's cost cutting measures taken since the start of 2020.
- Average production cash costs of US\$19.58 per tonne in 3Q2020 was a decrease from US\$20.92 per tonne in 2Q2020 and US\$31.74 per tonne in 3Q2019, as a result of the Group's cost cutting measures and the lower mining strip ratio this quarter.
- EBITDA was US\$7.2 million (3Q2019: US\$2.4 million) and US\$34.8 million (9M2019: US\$18.3 million) in 3Q2020 and 9M2020 respectively.
- Net profit was US\$25.1 million (2Q2020: US\$35.2 million; 3Q2019: net loss of US\$11.5 million), mainly driven by higher sales volume and higher cash profit as a result of lower production cash cost, and by the gain on the Group's repurchases of its Senior Notes.

To give back to the society and community in the areas the Group mine, Geo Energy has also provided jobs and built schools to give better opportunities to the locals. In addition, the Group is committed to post-mining reclamation as a priority of good environmental management in its industry.

Geo Energy provides bursary scholarships for university students through its partnership with Singapore Institute of Technology and has regularly participated in and sponsored the annual Run for Hope organised by the Singapore Cancer Society. In view of the COVID-19 outbreak, the Group also provided medical aids and supplies for preventing the spread of COVID-19 in Indonesia and Singapore.

Geo Energy believes in creating a conducive environment for employees to work together, providing them with ample opportunities to grow in their careers, organising activities for their holistic well-being and rewarding them fairly based on their work performance. **Working as a team to do what is right, and not what is easy.**

We are also pleased to have won in the Corporate Excellence & Fast Enterprise category under Mining & Energy Industry of the prestigious Asia Pacific Enterprise Awards ("APEA") 2020, which recognise enterprises and business leaders across the Asia Pacific region who have shown outstanding track records, perseverance and growth in the business.

We are also looking for other means to expand our revenue streams by way of potential joint ventures and trading. We will continue to work to strengthen our core earnings through opportunities in these times of crisis and aim to emerge out of these crises as one of the top Indonesian integrated Mining Groups. We will bolster the innovative strength of our people and build a resilient and sustainable company.

During a period with a major pandemic and major economic distress, transparency is essential to ensuring investors feel reassured that they know what's happening at a company, where it is going and also what the company may not know yet. We will continue our investor relations efforts with clear and regular reporting, update announcements, and sharing our future plans in our results briefings.



Tung Kum Hon
Chief Executive Officer/Director

12 November 2020

Unaudited Financial Statements Announcement for the Third Quarter and Nine Months Ended 30 September 2020

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF RESULTS FOR THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2020

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

1(a)(i) Consolidated statement of profit or loss and other comprehensive income

	Group			Group		
	3 months ended 30.9.2020 US\$ (Unaudited)	3 months ended 30.9.2019 US\$ (Unaudited)	% Change	9 months ended 30.9.2020 US\$ (Unaudited)	9 months ended 30.9.2019 US\$ (Unaudited)	% Change
Revenue	59,400,118	67,243,183	(12)	220,026,890	184,898,648	19
Cost of sales	(56,984,549)	(69,516,852)	(18)	(199,920,713)	(177,638,777)	13
Gross profit (loss)	2,415,569	(2,273,669)	nm	20,106,177	7,259,871	177
Other income	32,436,624	1,290,352	nm	109,537,651	4,850,450	nm
General and administrative expenses	(3,576,100)	(2,626,622)	36	(9,888,782)	(8,919,390)	11
Other expenses	(659,039)	(1,143,714)	(42)	(6,481,538)	(2,445,451)	165
Finance costs	(3,756,041)	(6,639,714)	(43)	(16,762,710)	(19,906,759)	(16)
Profit (loss) before income tax	26,861,013	(11,393,367)	nm	96,510,798	(19,161,279)	nm
Income tax expense	(1,771,904)	(87,366)	nm	(4,888,430)	(216,881)	nm
Profit (loss) for the period	25,089,109	(11,480,733)	nm	91,622,368	(19,378,160)	nm
Other comprehensive income, net of tax:						
Item that may be subsequently reclassified to profit or loss:						
- Exchange differences on translation of foreign operations	256,934	(14,765)	nm	289,832	156,953	85
- Effects of change in certain subsidiaries' prevailing tax rate	-	-	-	31,419	-	nm
Total comprehensive income	25,346,043	(11,495,498)	nm	91,943,619	(19,221,207)	nm
Profit (loss) attributable to:						
Owners of the Company	25,041,815	(11,502,455)	nm	91,516,316	(19,385,584)	nm
Non-controlling interests	47,294	21,722	118	106,052	7,424	nm
	25,089,109	(11,480,733)	nm	91,622,368	(19,378,160)	nm
Total comprehensive income attributable to:						
Owners of the Company	25,290,453	(11,517,095)	nm	91,825,883	(19,239,304)	nm
Non-controlling interests	55,590	21,597	157	117,736	18,097	551
	25,346,043	(11,495,498)	nm	91,943,619	(19,221,207)	nm

nm – not meaningful

1(a)(ii) Profit (loss) before income tax is arrived at after charging/(crediting) the following:

	Group			Group		
	3 months ended 30.9.2020 US\$ (Unaudited)	3 months ended 30.9.2019 US\$ (Unaudited)	% Change	9 months ended 30.9.2020 US\$ (Unaudited)	9 months ended 30.9.2019 US\$ (Unaudited)	% Change
Interest income	(863,007)	(1,285,841)	(33)	(2,447,358)	(4,233,836)	(42)
Gain on disposal of property, plant and equipment (net)	-	(4,511)	(100)	(932)	(4,645)	(80)
Foreign exchange loss (net)	522,975	133,840	291	763,462	669,385	14
Interest on Senior Notes	2,082,573	6,000,000	(65)	10,631,522	18,000,000	(41)
Amortisation of transaction costs of Senior Notes	1,658,624	617,198	169	6,083,854	1,851,593	229
Gain on repurchases of Senior Notes	(31,405,039)	-	nm	(106,636,932)	-	nm
Depreciation of property, plant and equipment	5,217,273	4,152,575	26	15,446,694	11,106,535	39
Depreciation of right-of-use assets	123,010	131,303	(6)	367,740	233,706	57
Amortisation of deferred stripping costs	2,224,167	2,187,068	2	6,626,635	4,848,082	37
Share-based payment expense	59,187	214,190	(72)	192,728	641,125	(70)
Amortisation of deferred gain	(108,416)	(96,823)	12	(289,424)	(212,680)	36
(Write-back of) allowance for impairment loss on trade and other receivables	(40,269)	480,062	nm	5,132,443	480,062	969
Allowance for inventory written-down value	38,366	-	nm	95,442	-	nm

nm – not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	30.9.2020 US\$ (Unaudited)	31.12.2019 US\$ (Audited)	30.9.2020 US\$ (Unaudited)	31.12.2019 US\$ (Audited)
ASSETS				
Current assets				
Cash and bank balances	32,701,251	138,996,173	4,719,549	10,150,757
Trade and other receivables	29,972,045	26,809,630	42,046,238	49,009,479
Deposits and prepayments	49,075,112	57,204,960	214,114	196,287
Inventory	19,562,441	12,232,738	-	-
Total current assets	131,310,849	235,243,501	46,979,901	59,356,523
Non-current assets				
Trade and other receivables	6,032,243	11,013,697	-	3,140,278
Restricted cash deposits	4,197,789	4,288,088	-	-
Deposits and prepayments	19,555,886	23,282,989	105,218	105,397
Investment in subsidiaries	-	-	178,745,819	178,745,819
Deferred stripping costs	53,425,212	61,257,435	-	-
Property, plant and equipment	137,772,153	152,856,916	19,284	30,523
Right-of-use assets	877,534	1,248,349	673,417	961,750
Deferred tax assets	3,382,324	1,971,539	892,225	362,284
Other non-current asset	153,698	153,698	153,698	153,698
Total non-current assets	225,396,839	256,072,711	180,589,661	183,499,749
Total assets	356,707,688	491,316,212	227,569,562	242,856,272

	Group		Company	
	30.9.2020	31.12.2019	30.9.2020	31.12.2019
	US\$	US\$	US\$	US\$
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
LIABILITIES AND EQUITY				
Current liabilities				
Trade and other payables	69,689,532	81,245,997	46,093,764	140,041,499
Current portion of lease liabilities	409,350	458,951	388,416	392,672
Financial guarantee liability	-	-	1,576,536	1,580,855
Income tax payable	-	970,700	-	-
Total current liabilities	70,098,882	82,675,648	48,058,716	142,015,026
Non-current liabilities				
Other payable	1,555,715	1,939,667	-	-
Lease liabilities	265,896	571,312	265,896	558,363
Senior Notes payable	58,624,323	277,292,469	-	-
Provisions	2,488,676	2,245,975	112,800	109,747
Financial guarantee liability	-	-	1,593,813	2,772,975
Deferred tax liabilities	8,256,017	3,309,309	-	-
Total non-current liabilities	71,190,627	285,358,732	1,972,509	3,441,085
Capital, reserves and non-controlling interests				
Share capital	106,513,187	106,513,187	106,513,187	106,513,187
Capital and other reserve	3,021,908	2,829,180	5,267,964	5,075,236
Translation reserve	5,440,399	5,131,676	4,464,506	4,464,506
Retained earnings (accumulated losses)	100,381,193	8,864,033	61,292,680	(18,652,768)
Equity attributable to owners of the Company	215,356,687	123,338,076	177,538,337	97,400,161
Non-controlling interests	61,492	(56,244)	-	-
Total equity	215,418,179	123,281,832	177,538,337	97,400,161
Total liabilities and equity	356,707,688	491,316,212	227,569,562	242,856,272

1(b)(ii) Aggregate amount of group's borrowings and debt securities

	Group		Group	
	30.9.2020	30.9.2020	31.12.2019	31.12.2019
	US\$	US\$	US\$	US\$
	Secured	Unsecured	Secured	Unsecured
	(Unaudited)	(Unaudited)	(Audited)	(Audited)
Amount repayable in one year or less, or on demand	20,934	388,416	79,694	379,257
Amount repayable after one year	-	58,890,219	12,949	277,850,832
	20,934	59,278,635	92,643	278,230,089

Details of any collateral and security:

As at 30 September 2020, the Group's lease liabilities are secured by the leased assets — motor vehicles and leasehold property.

On 4 October 2017, the Company's subsidiary, Geo Coal International Pte. Ltd. ("GCI") issued US\$300 million in aggregate amount of 8.0% Senior Notes due 2022 (the "Notes" or "Senior Notes"). The proceeds of which was used to redeem the Medium-Term Notes of S\$100 million due in January 2018, and the remainder for purpose of making potential acquisitions of coal mining assets and for working capital purposes. The Senior Notes are listed on the SGX. They are unsecured and guaranteed by the Company and certain subsidiaries of the Group ("Financial Guarantees"). The Financial Guarantees are effectively subordinated to secure obligations of each guarantor, to the extent of the value of assets serving as security. As at 30 September 2020, the Company recognised the fair value of its Financial Guarantee of US\$7,887,000 on the statement of financial position as deemed investment in a subsidiary. Amortisation of the financial guarantee liability amounting to US\$1,183,481 was credited to the Company's profit or loss during the financial period ended 30 September 2020.

As at 30 September 2020, the Group had repurchased a total of US\$240.8 million in principal amount of its Senior Notes ("Repurchases"). The repurchased Notes were cancelled in accordance with the terms of the Notes and the indenture governing them. Following the cancellation of all the repurchased Notes, the aggregate principal amount of the Notes outstanding was US\$59.2 million as at 30 September 2020. In total, the Group has recorded a gain on repurchases of the Notes of US\$112.0 million, of which US\$5.3 million was recorded in 2019.

Please refer to the relevant announcements.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group		Group	
	3 months ended	3 months ended	9 months ended	9 months ended
	30.9.2020	30.9.2019	30.9.2020	30.9.2019
	US\$	US\$	US\$	US\$
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Operating activities				
Profit (loss) before income tax	26,861,013	(11,393,367)	96,510,798	(19,161,279)
Adjustments for:				
Depreciation of property, plant and equipment	5,217,273	4,152,575	15,446,694	11,106,535
Depreciation of right-of-use assets	123,010	131,303	367,740	233,706
Amortisation of deferred stripping costs	2,224,167	2,187,068	6,626,635	4,848,082
Gain on disposal of property, plant and equipment	-	(4,511)	(932)	(4,645)
Reversal of loss on financial asset carried at amortised cost	-	-	-	(41,802)
Share-based payment expense	59,187	214,190	192,728	641,125
Amortisation of deferred gain	(108,416)	(96,823)	(289,424)	(212,680)
(Write-back of) allowance for impairment loss on trade and other receivables	(40,269)	480,062	5,132,443	480,062
Allowance for inventory written-down value	38,366	-	95,442	-
Amortisation of transaction costs of Senior Notes	1,658,624	617,198	6,083,854	1,851,593
Interest expense	2,097,417	6,022,516	10,678,856	18,055,166
Gain on repurchases of Senior Notes	(31,405,039)	-	(106,636,932)	-
Interest income	(863,007)	(1,285,841)	(2,447,358)	(4,233,836)
Retirement benefit obligations	103,642	82,878	310,986	248,889
Net foreign exchange losses (gains)	807,350	(472,787)	708,365	1,108,758
Operating cash flows before movements in working capital:	6,773,318	634,461	32,779,895	14,919,674
Trade and other receivables	(3,500,941)	(5,049,433)	(5,114,064)	(7,762,433)
Deposits and prepayments	2,923,668	(11,718,808)	10,767,787	(6,145,829)
Inventory	(3,485,077)	1,475,134	(3,737,457)	(10,352,473)
Trade and other payables	(5,148,472)	2,861,125	(8,063,069)	11,452,201
Cash (used in) from operations	(2,437,504)	(11,797,521)	26,633,092	2,111,140
Income tax paid	(1,131,313)	(779,864)	(3,230,998)	(2,072,777)
Income tax refund	2,660,276	-	2,698,035	146,837
Retirement benefit paid	(3,394)	-	(6,732)	-
Net cash (used in) from operating activities	(911,935)	(12,577,385)	26,093,397	185,200
Investing activities				
Interest received	815,253	1,334,823	2,329,629	4,476,875
Refundable deposit for proposed acquisition of subsidiaries	-	(2,500,000)	-	(2,500,000)
Addition to deferred stripping costs	-	(1,110,139)	-	(2,261,067)
Advance payments for purchase of property, plant and equipment	(30,189)	(34,097)	(110,584)	(24,744)
Purchase of property, plant and equipment	(371,716)	(57,364)	(1,667,146)	(1,691,811)
Proceeds from disposal of property, plant and equipment	-	7,444	2,294	11,336
Net cash from (used in) investing activities	413,348	(2,359,333)	554,193	(1,989,411)

	Group		Group	
	3 months ended 30.9.2020 US\$ (Unaudited)	3 months ended 30.9.2019 US\$ (Unaudited)	9 months ended 30.9.2020 US\$ (Unaudited)	9 months ended 30.9.2019 US\$ (Unaudited)
Financing activities				
(Increase) decrease in deposits pledged	(445)	-	(2,087,336)	400,000
(Increase) decrease in restricted cash deposits	(36,504)	(33,383)	(208,734)	2,049
Interest paid for Senior Notes	(2,330,588)	-	(14,145,966)	(12,000,000)
Interest paid for lease liabilities	(5,973)	(11,164)	(21,187)	(20,946)
Dividend paid	-	-	-	(4,090,545)
Repurchases of Senior Notes	(42,114,962)	-	(118,115,069)	-
Repayment of obligations under lease liabilities	(115,418)	(130,921)	(361,138)	(242,883)
Net cash used in financing activities	(44,603,890)	(175,468)	(134,939,430)	(15,952,325)
Net decrease in cash and cash equivalents	(45,102,477)	(15,112,186)	(108,291,840)	(17,756,536)
Cash and cash equivalents at beginning of the period	71,023,233	194,582,058	133,996,173	197,190,402
Effect of exchange rate changes on the balance held in foreign currencies	(306,841)	(18,612)	(90,418)	17,394
Cash and cash equivalents at end of the period (Note A)	25,613,915	179,451,260	25,613,915	179,451,260

	Group		Group	
	3 months ended 30.9.2020 US\$ (Unaudited)	3 months ended 30.9.2019 US\$ (Unaudited)	9 months ended 30.9.2020 US\$ (Unaudited)	9 months ended 30.9.2019 US\$ (Unaudited)
Note A				
Cash on hand and at banks	24,613,915	179,451,260	24,613,915	179,451,260
Deposits	8,087,336	5,000,000	8,087,336	5,000,000
Cash and bank balances	32,701,251	184,451,260	32,701,251	184,451,260
Restricted cash deposits (non-current)	4,197,789	3,509,069	4,197,789	3,509,069
	36,899,040	187,960,329	36,899,040	187,960,329
Less: Deposits pledged	(7,087,336)	(5,000,000)	(7,087,336)	(5,000,000)
Less: Restricted cash deposits (non-current)	(4,197,789)	(3,509,069)	(4,197,789)	(3,509,069)
Cash and cash equivalents	25,613,915	179,451,260	25,613,915	179,451,260

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Group	Share capital US\$	Capital and other reserves US\$	Translation reserve US\$	Retained earnings US\$	Equity attributable to owners of the Company US\$	Non-controlling interests US\$	Total US\$
At 1.1.2020 (audited)	106,513,187	2,829,180	5,131,676	8,864,033	123,338,076	(56,244)	123,281,832
Profit for the period	-	-	-	66,474,501	66,474,501	58,758	66,533,259
Other comprehensive income for the period	-	-	60,085	844	60,929	3,388	64,317
Transactions with owners, recognised directly in equity:							
Deemed capital contribution*	-	118,670	-	-	118,670	-	118,670
Share-based payment**	-	14,871	-	-	14,871	-	14,871
At 30.6.2020 (unaudited)	106,513,187	2,962,721	5,191,761	75,339,378	190,007,047	5,902	190,012,949
Profit for the period	-	-	-	25,041,815	25,041,815	47,294	25,089,109
Other comprehensive income for the period	-	-	248,638	-	248,638	8,296	256,934
Transactions with owners, recognised directly in equity:							
Deemed capital contribution*	-	59,187	-	-	59,187	-	59,187
At 30.9.2020 (unaudited)	106,513,187	3,021,908	5,440,399	100,381,193	215,356,687	61,492	215,418,179

Group	Share capital US\$	Capital and other reserves US\$	Translation reserve US\$	Retained earnings US\$	Equity attributable to owners of the Company US\$	Non-controlling interests US\$	Total US\$
Balance at 1.1.2019 (audited)	106,513,187	2,019,246	4,865,233	60,524,888	173,922,554	180,214	174,102,768
Loss for the period	-	-	-	(7,883,129)	(7,883,129)	(14,298)	(7,897,427)
Other comprehensive income for the period	-	-	160,922	(2)	160,920	10,798	171,718
Transaction with owners, recognised directly in equity:							
Dividend	-	-	-	(4,090,545)	(4,090,545)	-	(4,090,545)
Deemed capital contribution*	-	164,963	-	-	164,963	-	164,963
Share-based payment**	-	261,972	-	-	261,972	-	261,972
At 30.6.2019 (unaudited)	106,513,187	2,446,181	5,026,155	48,551,212	162,536,735	176,714	162,713,449

Group	Share capital US\$	Capital and other reserves US\$	Translation reserve US\$	Retained earnings US\$	Equity attributable to owners of the Company US\$	Non-controlling interests US\$	Total US\$
At 30.6.2019 (unaudited)	106,513,187	2,446,181	5,026,155	48,551,212	162,536,735	176,714	162,713,449
Loss for the period	-	-	-	(11,502,455)	(11,502,455)	21,722	(11,480,733)
Other comprehensive income for the period	-	-	(14,640)	-	(14,640)	(125)	(14,765)
Transaction with owners, recognised directly in equity:							
Deemed capital contribution*	-	83,204	-	-	83,204	-	83,204
Share-based payment**	-	130,986	-	-	130,986	-	130,986
At 30.9.2019 (unaudited)	106,513,187	2,660,371	5,011,515	37,048,757	151,233,830	198,311	151,432,141

Company	Share capital US\$	Capital and other reserves US\$	Translation reserve US\$	(Accumulated losses)/ Retained earnings US\$	Total US\$
At 1.1.2020 (audited)		106,513,187	5,075,236	4,464,506 (18,652,768)	97,400,161
Loss for the period		-	-	- (4,005,513)	(4,005,513)
Transactions with owners, recognised directly in equity:					
Deemed capital contribution*		-	60,128	-	60,128
Share-based payment**		-	73,413	-	73,413
At 30.6.2020 (unaudited)		106,513,187	5,208,777	4,464,506 (22,658,281)	93,528,189
Profit for the period		-	-	- 83,950,961	83,950,961
Transactions with owners, recognised directly in equity:					
Deemed capital contribution*		-	59,187	-	59,187
At 30.9.2020 (unaudited)		106,513,187	5,267,964	4,464,506 61,292,680	177,538,337

Company	Share capital US\$	Capital and other reserves US\$	Translation reserve US\$	Retained earnings/ (Accumulated losses) US\$	Total US\$
At 1.1.2019 (audited)		106,513,187	4,265,302	4,464,506 3,051,111	118,294,106
Profit for the period		-	-	- 492,342	492,342
Transactions with owners, recognised directly in equity:					
Deemed capital contribution*		-	164,963	-	164,963
Share-based payment**		-	261,972	-	261,972
Dividend		-	-	- (4,090,545)	(4,090,545)
At 30.6.2019 (unaudited)		106,513,187	4,692,237	4,464,506 (547,092)	115,122,838

Company	Share capital US\$	Capital and other reserves US\$	Translation reserve US\$	Retained earnings/ (Accumulated losses) US\$	Total US\$
At 30.6.2019 (unaudited)	106,513,187	4,692,237	4,464,506	(547,092)	115,122,838
Loss for the period	-	-	-	(936,141)	(936,141)
Transactions with owners, recognised directly in equity:					
Deemed capital contribution*	-	83,204	-	-	83,204
Share-based payment**	-	130,986	-	-	130,986
At 30.9.2019 (unaudited)	106,513,187	4,906,427	4,464,506	(1,483,233)	114,400,887

* Pertains to deemed capital contribution by Master Resources International Limited ("MRIL"), the substantial shareholder of the Company for issuance of shares to a director (and the Chief Executive Officer) of the Company, as share-based payment.

** Pertains to share-based payment arising from the granting of share options pursuant to the Geo Energy share option scheme on 11 January 2019.

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

As at 30 September 2020, the Company's share capital comprised 1,399,273,113 shares (30 June 2020: 1,399,273,113 shares). There were no outstanding convertibles or treasury shares as at 30 September 2020 and 30 September 2019.

On 19 November 2018, the Company issued 74,000,000 non-listed, transferable, free warrants exercisable within two years from the date of issue, with each warrant carrying the right to subscribe for one ordinary share in the Company at an exercise price of S\$0.33 per share. As at 30 September 2020, no warrant was exercised.

On 11 January 2019, the Group announced the grant of share options pursuant to the Geo Energy share option scheme. A total of 24,850,000 options was granted at the exercise price of S\$0.19 per share. In 2019, 1,750,000 share options granted were forfeited as the option holders ceased to be full-time employees of the Company. The exercise period of the options commences after the first anniversary from the date of the grant. As at 30 September 2020, no option was exercised.

Please refer to relevant announcements.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	30.9.2020	31.12.2019
Total number of issued shares (excluding treasury shares)	1,399,273,113	1,399,273,113

1(d)(iv) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. Our Company does not hold any treasury shares.

2. **Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)**

The figures have not been audited nor reviewed by our Company's auditors, unless otherwise stated.

3. **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Not applicable.

4. **Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those of the audited financial statements for the year ended 31 December 2019.

5. **If there are any changes in accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

On 1 January 2020, the Group and the Company adopted all the new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") pronouncements that are relevant to its operations. The adoption of these new/revised SFRS(I) pronouncements does not result in changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current or prior periods.

6. **Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividend**

	Group		Group	
	3 months ended 30.9.2020 (Unaudited)	3 months ended 30.9.2019 (Unaudited)	9 months ended 30.9.2020 (Unaudited)	9 months ended 30.9.2019 (Unaudited)
Earnings per share ("EPS")				
Earnings (losses) for computing EPS (US\$)	25,041,815	(11,502,455)	91,516,316	(19,385,584)
Weighted average number of ordinary shares ⁽¹⁾	1,399,273,113	1,399,273,113	1,399,273,113	1,399,273,113
Basic and diluted EPS based on weighted average number of ordinary shares (US cent) ⁽²⁾	1.79	(0.82)	6.54	(1.39)
Basic and diluted EPS based on weighted average number of ordinary shares (SG cent) ⁽³⁾	2.45	(1.13)	8.94	(1.92)

(1) The calculation for the basic and diluted EPS is based on the weighted average number of ordinary shares in issue during the respective financial period.

(2) The basic and diluted EPS were the same, as the warrants issued by the Group only have a dilutive effect when the average market price of ordinary shares during the period exceeds the exercise price of the warrants.

(3) Numbers were translated using the 30 September 2020 and 2019 of US\$:S\$ exchange rates of 1.3674 and 1.3818 respectively.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

	Group		Company	
	30.9.2020 (Unaudited)	31.12.2019 (Audited)	30.9.2020 (Unaudited)	31.12.2019 (Audited)
Net asset value (US\$)	215,356,687	123,338,076	177,538,337	97,400,161
Number of issued shares	1,399,273,113	1,399,273,113	1,399,273,113	1,399,273,113
Net asset value per ordinary share (US cent)	15.39	8.81	12.69	6.96
Net asset value per ordinary share (SG cent) ⁽¹⁾	21.05	11.87	17.35	9.38

(1) Numbers were translated using the 30 September 2020 and 31 December 2019 of US\$:S\$ exchange rates of 1.3674 and 1.3469 respectively.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of: (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

8.1 Income Statement

	Group		Group	
	3 months ended 30.9.2020 (Unaudited)	3 months ended 30.9.2019 (Unaudited)	9 months ended 30.9.2020 (Unaudited)	9 months ended 30.9.2019 (Unaudited)
Revenue – Coal mining				
Sales Volume (million tonnes)	2.5	2.0	7.6	5.5
- SDJ	1.1	0.5	3.3	2.1
- TBR	1.4	1.5	4.3	3.4
Average Indonesian Coal Index Price (US\$/tonne)	23.95	33.01	28.39	35.35
Average Selling Price (US\$/tonne)	23.46	33.75	27.91	33.83
Production				
Production Volume (million tonnes)	3.0	2.2	8.7	5.7
- SDJ	1.1	0.4	3.6	2.0
- TBR	1.9	1.8	5.1	3.7
Strip Ratio (times)				
- SDJ	1.9	3.5	2.9	2.5
- TBR	3.0	3.8	3.3	4.3
Production Cash Cost (US\$/tonne)	19.58	31.74	22.42	29.62
Cash Profit (US\$/tonne)	3.88	2.01	5.49	4.21

Financial performance (3Q2020 vs. 3Q2019)

Revenue decreased by US\$7.8 million to US\$59.4 million in 3Q2020 due to the lower Average Selling Price ("ASP") in 3Q2020, offset by higher sales volume. The lower ASP was due to the decrease in the average ICI price for 4,200 GAR coal to US\$23.95 per tonne (3Q2019: US\$33.01 per tonne; 2Q2020: US\$26.78 per tonne). Indonesian coal prices have been under pressure at the start of the year, despite miners cutting back on production since the COVID-19 outbreak began in China, and Chinese ports rolled out new import controls measures amidst the ongoing disruptions and uncertainty arising from the COVID-19 pandemic. Indonesian coal prices moved down as a result of persistent weak buying interest. However, prices have since recovered slightly from mid-September 2020 following activity ramp-up in the China import market with power plants tendering for winter restocking as well as China's restrictions on Australian coal. ^{3 4}

³ McCloskey Coal Report, Issue 494, 18 September 2020

⁴ McCloskey Coal Report, Issue 496, 16 October 2020

Cash profit for coal mining averaged US\$3.88 per tonne in 3Q2020 compared to an average of US\$6.25 per tonne in 2Q2020 and US\$2.01 per tonne in 3Q2019. The lower cash profit was mainly due to the decrease in ASP notwithstanding the lower production cash cost from the Group's cost cutting measures taken since the start of 2020, as announced earlier. During the quarter, the production volume decreased by 6% from 3.2 million tonnes in 2Q2020 to 3.0 million tonnes in 3Q2020.

Group (All figures in US\$'000 except as indicated)	Coal mining	Coal trading	Coal mining management services	Total
3 months ended 30.9.2020 (unaudited)				
Volume (tonnes)	2,532,016	-	-	2,532,016
Revenue	59,400	-	-	59,400
Cost of sales	(56,985)	-	-	(56,985)
Gross profit	2,415	-	-	2,415
<u>Non-cash items:</u>				
Allowance for inventory written-down value	38	-	-	38
Depreciation & amortisation	7,373	-	-	7,373
Cash profit	9,826	-	-	9,826
3 months ended 30.6.2020 (unaudited)				
Volume (tonnes)	2,540,025	104,730	-	2,644,755
Revenue	69,003	3,792	-	72,795
Cost of sales	(60,679)	(3,565)	-	(64,244)
Gross profit	8,324	227	-	8,551
<u>Non-cash items:</u>				
Allowance for inventory written-down value	57	-	-	57
Depreciation & amortisation	7,501	-	-	7,501
Cash profit	15,882	227	-	16,109
3 months ended 30.9.2019 (unaudited)				
Volume (tonnes)	1,992,303	-	-	1,992,303
Revenue	67,243	-	-	67,243
Cost of sales	(69,517)	-	-	(69,517)
Gross loss	(2,274)	-	-	(2,274)
<u>Non-cash items:</u>				
Depreciation & amortisation	6,282	-	-	6,282
Cash profit	4,008	-	-	4,008

Profit before income tax of US\$26.9 million includes:

- Other income of US\$32.4 million. The increase of US\$31.1 million was mainly due to the gain on repurchases of Senior Notes of US\$31.4 million. During the quarter, the Group repurchased US\$73.5 million in principal amount of its Senior Notes. The aggregate amount paid for the repurchased Senior Notes including the accrued interest was US\$44.4 million. The gain from the repurchases was partially offset by the lower interest income earned from short-term investments and deposits, due to the funds having been used in the repurchases of the Senior Notes and lower interest rates;
- General and administrative expenses of US\$3.6 million. The increase of US\$0.9 million was mainly due to higher professional fees arising from the bond repurchases exercise;
- Other expenses of US\$0.7 million. The decrease of US\$0.5 million was mainly due to the Group recording an allowance for impairment loss on trade receivable of US\$0.5 million in 3Q2019. A write-back of \$40k was recorded in this quarter after repayment was received from the debtor;
- Finance costs of US\$3.8 million. The decrease of US\$2.9 million was mainly due to the lower interest expense from the lower outstanding principal amount of the Senior Notes held in the period. During the period, additional amortisation of transaction costs on the Senior Notes was recorded upon the repurchases; and
- Depreciation and amortisation of US\$7.6 million. The increase of US\$1.1 million was mainly due to the increase in sales volume in the period.

The Group recorded **income tax expense** of US\$1.8 million. Effective tax rate of 7% was mainly driven by non-taxable income from the gain on repurchases of the Senior Notes, as well as certain non-deductible expenses — mainly depreciation of mining properties arising from acquisition of assets in prior years and amortisation of transaction costs of Senior Notes.

Overall, the Group recorded a profit of US\$25.1 million for the period, driven by higher sales volume and higher cash profit as a result of a lower production cash cost, other income from the gain on repurchases of the Senior Notes and lower finance costs and other expenses. These are partially offset by the higher general and administrative expenses.

Financial performance (9M2020 vs. 9M2019)

Revenue increased by US\$35.1 million to US\$220.0 million mainly due to the increase in coal sales volume, offset by the decrease in ASP driven by the downward trend of the ICI prices. Despite the weaker coal prices, the Group has managed its cash costs to remain competitive and profitable even in the current challenging market condition.

The Group sold 3.3 million tonnes of 4,200 GAR coal from the SDJ coal mine and 4.3 million tonnes from the TBR coal mine, totalling 7.6 million tonnes of coal sold during the period. The average ICI price for 4,200 GAR coal was US\$28.39 per tonne in 9M2020, down from US\$35.35 per tonne in 9M2019. The Group recorded a **cash profit from coal mining** of US\$41.5 million, compared to US\$23.0 million recorded in 9M2019 mainly due to the higher coal sales volume.

The Group also recorded gross and cash profit from coal trading segment of US\$0.6 million from sales of coal purchased from PT Titan Infra Energy ("TIE"), with whom the Group has entered into coal purchase agreements for exports in 2020.

Group (All figures in US\$'000 except as indicated)	Coal mining	Coal trading	Coal mining management services	Total
9 months ended 30.9.2020 (unaudited)				
Volume (tonnes)	7,554,022	250,590	-	7,804,612
Revenue	210,844	9,183	-	220,027
Cost of sales	(191,289)	(8,632)	-	(199,921)
Gross profit	19,555	551	-	20,106
<u>Non-cash items:</u>				
Allowance for inventory written-down	95	-	-	95
Depreciation & amortisation	21,838	-	-	21,838
Cash profit	41,488	551	-	42,039
9 months ended 30.9.2019 (unaudited)				
Volume (tonnes)	5,464,788	-	-	5,464,788
Revenue	184,899	-	-	184,899
Cost of sales	(177,639)	-	-	(177,639)
Gross profit	7,260	-	-	7,260
<u>Non-cash items:</u>				
Depreciation & amortisation	15,739	-	-	15,739
Cash profit	22,999	-	-	22,999

Profit before income tax of US\$96.5 million includes:

- Other income of US\$109.5 million. The increase of US\$104.7 million was mainly due to the gain on repurchases of Senior Notes of US\$106.6 million. In 9M2020, the Group repurchased US\$224.8 million in principal amount of its Senior Notes. The aggregate amount paid for the repurchased notes including the accrued interest was US\$124.7 million. The gain from the repurchases was partially offset by the lower interest income earned from short-term investments and deposits, due to the funds having been deployed for our working capital, the Senior Notes repurchases and prepayments made to TIE in end 2019 for coal purchases;
- General and administrative expenses of US\$9.9 million. The increase of US\$1.0 million was mainly due to higher professional fees arising from the bond repurchases exercise;
- Other expenses of US\$6.5 million. The increase of US\$4.0 million was mainly due to the increase in allowance for impairment loss on trade and other receivables by US\$4.7 million, partially offset by lower other non-

operating expenses incurred on corporate social responsibility activities during the period. Due to the COVID-19 pandemic and depressed coal prices, the Group has made an allowance for impairment on the receivables under Cooperation Agreement to conduct joint mining activities in South Kalimantan, which is dependent on the value in use of the underlying coal reserves;

- Finance costs of US\$16.8 million. The decrease of US\$3.1 million was mainly due to the lower interest on the lower outstanding principal amount of the Notes following the repurchases between December 2019 and September 2020. This was partially offset by the additional amortisation of transaction costs recorded upon the repurchases; and
- Depreciation and amortisation of US\$22.4 million. The increase of US\$6.3 million was due to the increase in sales volume in this period.

The Group recorded **income tax expense** of US\$4.9 million. Effective tax rate of 5% was mainly driven by non-taxable income from the gain on repurchases of Senior Notes, as well as certain non-deductible expenses —mainly depreciation of mining properties arising from acquisition of assets in prior years and amortisation of transaction costs of Senior Notes.

Overall, the Group recorded a profit of US\$91.6 million for the period, mainly due to higher sales volume and other income from the gain on repurchases of the Senior Notes, as well as lower production cash cost and lower finance costs following the repurchases of the Senior Notes. These were partially offset by the lower ASP, higher other expenses and higher general and administrative expenses.

8.2 Financial Position

Group

Current Assets

Current assets decreased by US\$103.9 million to US\$131.3 million as at 30 September 2020.

Cash and bank balances decreased by US\$106.3 million to US\$32.7 million as at 30 September 2020, mainly due to payments for Senior Notes interest and repurchases and income tax, offset by income tax refund received.

Trade and other receivables of US\$30.0 million as at 30 September 2020 comprise mainly trade receivables of US\$12.7 million and non-trade receivables of US\$17.3 million. The increase of US\$3.2 million from US\$26.8 million as at 31 December 2019 was mainly due to the increases in trade and other receivables, offset by the decrease in prepaid income tax for our Indonesian subsidiaries following receipt of income tax refund. Our Indonesian subsidiaries are required to prepay their current income tax. Should the total amount of tax prepaid exceed the official tax assessment, the excess amount will be refunded.

Deposits and prepayments decreased by US\$8.1 million to US\$49.1 million as at 30 September 2020 mainly due to the utilisations of advance payment for purchase of coal.

Inventory increased by US\$7.3 million to US\$19.6 million as at 30 September 2020 due to increased stock of coal exposed that gives the Group flexibility to ramp up coal sales when prices strengthen.

Non-current Assets

Non-current assets decreased by US\$30.7 million to US\$225.4 million as at 30 September 2020, mainly due to decreases in PPE by US\$15.1 million, right-of-use assets ("ROU") by US\$0.4 million and deferred stripping costs by US\$7.8 million (mainly due to depreciation and amortisation), deposits and prepayments by US\$3.7 million and trade and other receivables by US\$5.0 million (due to the allowance for impairment loss on trade and other receivables under Cooperation Agreement recorded in 1Q2020). These were offset by the increase in deferred tax assets ("DTA") by US\$1.4 million.

Current Liabilities

Current liabilities decreased by US\$12.6 million to US\$70.1 million as at 30 September 2020, mainly due to decreases in trade and other payables by US\$11.6 million and income tax payable by US\$1.0 million. The decrease in trade and other payables was mainly due to the utilisation of advances from customers and payment of Senior Notes interest, partially offset by the increase in trade and other payables as a result of better credit management on our payables.

Non-current Liabilities

Non-current liabilities decreased by US\$214.2 million to US\$71.2 million as at 30 September 2020, mainly due to the Senior Notes repurchases during the period and the decreases in non-current portion of deferred gain and lease liabilities. These were offset by the increases in deferred tax liabilities by US\$4.9 million and provisions by US\$0.2 million.

Contingent Liability

- (A) In 2016, the Indonesian Tax Office ("ITO") assessed an underpayment of tax expenses of approximately US\$3.6 million (IDR53 billion) in respect of a subsidiary for capitalisation of an intercompany loan as equity.

Management has sought advice from professional tax consultants and holds the view that the imposed tax is without merit under the tax law. Management has submitted their Closing Statements to the Court of Appeal in July 2018 and final decision has yet to be received. No provision has been recognised in the financial statements as the Group does not consider that there is any probable loss.

- (B) One of the Group's subsidiaries is facing a civil claim brought against it by a former supplier (the "Supplier") in the district court of Jakarta Utara, for which the district court has rendered a judgement in favour of the Supplier for a potential legal claim amounting to US\$2.5 million.

Taking reference from legal advices, management holds the view that the legal claim has neither merit nor strong legal basis, and the case is in the process of examination by the Supreme Court (Cassation). No provision has been recognised as the management does not consider that there is any probable loss.

- (C) The Group had announced its entering into conditional share purchase agreement with PT Titan Infra Energy ("TIE"), PT Jaya Utama Indonesia ("JUI") and some of its affiliates in 2019 on the Proposed Acquisition of one of its affiliates which own coal mining assets in South Sumatra, and signed coal purchase agreements and prepayment supplement for the purchase and sale of coal in the Group's ordinary course of business. The prepayments for the coal purchase, of which US\$24.35 million are outstanding as at 30 September 2020, are guaranteed by one of the directors of TIE.

A shareholder of TIE and a shareholder of JUI (the "Claimants") have filed lawsuits in the Central Jakarta District Court in June 2020 against TIE and JUI, some of their affiliates, one of the directors of TIE, and Geo Ventures Global Pte. Ltd. ("GVG") and Geo Coal International Pte. Ltd. ("GCI") (both subsidiaries of the Company) (collectively as "Defendants"), alleging that the conditional share purchase agreement dated 20 September 2019 in relation to the Proposed Acquisition and the coal purchase agreements and prepayment supplement entered into between GCI and TIE have prejudiced their interests and are null and void, and are claiming for damages of approximately IDR500 billion (excluding penalty and interest) against the Defendants (the "Claims").

The Group holds the view that the Claims have no merit and ought to be dismissed. The Group is currently taking legal advice on a possible counterclaim in relation to the Claims as well as its rights (including possible claims against all concerned parties). Meanwhile, settlement discussions between GCI and GVG and the Claimants and their related parties in relation to the Claims are ongoing.

- (D) As at 30 September 2020, the Company has an unsecured corporate guarantee issued in 2017 in respect of the issuance of Notes by its subsidiary with nominal value of US\$59,187,000 (31 December 2019: US\$283,939,000).

Company**Current Assets**

Current assets decreased by US\$12.4 million to US\$47.0 million as at 30 September 2020, mainly due to net payments made for intercompany payables of \$9.2 million and other operating expenses.

Non-current Assets

Non-current assets comprised mainly investment in subsidiaries of US\$178.7 million, RUA of US\$0.7 million and DTA of US\$0.9 million. During the period, the Company recorded an allowance for impairment loss on other receivables of US\$3.1 million.

Current Liabilities

Current liabilities decreased by US\$94.0 million to US\$48.1 million as at 30 September 2020 due to the decrease in intercompany payables.

Net current Liabilities

The Company's working capital was negative US\$1.1 million, mainly due to intercompany payables. Based on the Group's current financial performance and financial position as at 30 September 2020 with a total cash of US\$32.7 million and positive working capital of US\$61.2 million, the Company will be able to pay its debt as and when they fall due.

Non-current Liabilities

Non-current liabilities as at 30 September 2020 comprised financial guarantee liability, lease liabilities and provisions. The decrease of US\$1.5 million was mainly due to the amortisation of financial guarantee liability of US\$1.2 million to the profit or loss as deemed guarantee income and decrease in lease liabilities by US\$0.3 million.

8.3 Cash Flow

Group

Cash Flow (3Q2020 vs. 3Q2019)

Net cash used in operating activities was US\$0.9 million. Operating cash flows before movements in working capital was an inflow of US\$6.8 million. The Group made income tax payments of US\$1.1 million during the period and received income tax refund of US\$2.7 million. Our Indonesian subsidiaries are required to prepay their current income tax. Should the total amount of tax prepaid exceed the official tax assessment, the excess amount will be refunded.

Working capital movement was negative US\$9.2 million in 3Q2020, as compared to negative US\$12.4 million in 3Q2019. This was mainly due to the increases in our receivables, stock of coal exposed that gives the Group flexibility to ramp up coal sales when prices strengthen and utilisation of advances received from customers during the period.

Net cash from investing activities of US\$0.4 million was mainly due to the interest received of US\$0.8 million, offset by purchase of PPE of US\$0.4 million.

Net cash used in financing activities of US\$44.6 million was mainly due to the repurchases of and interest payment on the Senior Notes and repayment of lease liability obligations.

Cash Flow (9M2020 vs. 9M2019)

Net cash from operating activities was US\$26.1 million. Operating cash flows before movements in working capital was an inflow of US\$32.8 million. The Group made income tax payments of US\$3.2 million during the period and received income tax refund of US\$2.7 million. Our Indonesian subsidiaries are required to prepay their current income tax. Should the total amount of tax prepaid exceed the official tax assessment, the excess amount will be refunded.

Working capital movement was negative US\$6.1 million in 9M2020, as compared to negative US\$7.3 million in 9M2019. The improvement in the working capital movement was mainly due to the utilisation of amount the Group had prepaid for integrated mine support and infrastructure services and the reduction in advance payments for purchase of coal made to TIE through the proceeds on coal sales in 2020. These were partially offset by the increase in our receivables (from the higher volume of domestic sales in 2020 with longer credit term), higher stock of coal exposed and utilisation of advances received from customers during the period. The positive movement in the trade and other payables in 9M2019 was mainly due to the advances received from customer.

Net cash from investing activities of US\$0.6 million was mainly due to the interest received of US\$2.3 million, offset by advances for and purchase of PPE totalling US\$1.7 million.

Net cash used in financing activities of US\$134.9 million was due to the payment of Senior Note interest of US\$14.1 million, amount paid for Senior Notes repurchases of US\$118.1 million, amount placed as pledged deposit of US\$2.1 million, additional amount placed as restricted cash deposits of US\$0.2 million and repayment of lease liability obligations of US\$0.4 million.

Overall, total cash and cash equivalent as of 30 September 2020 was US\$25.6 million, excluding the pledged deposits of US\$7.1 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

The Group has previously targeted a production and sales of at least 8 million tonnes for 2020. For 3Q2020, the Group has achieved coal sales of 2.5 million tonnes from its SDJ and TBR coal mines and a total of 7.6 million tonnes of coal for 9M2020, and this is close to the Group's target production and sales for the year.

Although the Group has the flexibility to produce more, up to 12.0 million tonnes following the approval of the Rencana Kerja Anggaran Biaya ("RKAB") production quota, the impact of COVID-19 globally has been unprecedented and coal prices have remained weak. The Group will continue to assess the operations and business viability, producing more if coal prices strengthen.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

Although the 3Q2020 average ICI price for 4,200 GAR coal of US\$23.95 per tonne was a decrease from the 2Q2020 average of US\$26.78 per tonne, it has since shown strong recovery over the past few weeks. There was an increase of US\$1.90 per tonne from US\$25.12 per tonne on 7 August 2020 to US\$27.02 per tonne on 9 October 2020. ICI price was US\$28.93 per tonne as at 6 November 2020.

The impact of the COVID-19 pandemic continues to expand globally and will likely leave profound effects on the world economy. The effect of extended lockdowns on employment and consumer confidence also means that recovery will take longer than expected into 2021-2023. Some Indonesian producers have started slowing down production, concerned that China and India's interest may wane as the COVID-19 pandemic persists.⁵

Over the last few weeks, there has been strong recovery following China's restrictions on Australian coal left buyers scrambling to secure both low-rank and higher CV cargoes of other origins.⁶ In addition, activity in the China import market ramped up with power plants tendering for winter restocking and resulted in Indonesian coal prices improving slightly as winter buying begins. Indonesia is lobbying China to import more thermal coal (up to 100 million tonnes) in 2020, with the COVID-19 pandemic having decimated global demand. Despite a sharp reduction in Indonesian output in January-August, the market remains oversupplied.⁷ There remains uncertainty over the outlook for coal prices.

In 3Q2020, the Group had further repurchased US\$73.5 million in principal amount of the Notes, which further reduced the outstanding Senior Notes to US\$59.2 million as at the date of this announcement. The Group will continue to proactively manage its capital structure and seek alternative sources of funding and joint ventures to expand its business going forward.

The Group constantly seeks out acquisitions of mining concessions to increase production quantity and at the same time, diversify the sources of coal. The Group also looks for other means to expand its revenue streams by way of potential joint ventures and trading of third party coal. The Group is of the view that it has sufficient financial resources and access to financing to pursue potential acquisition(s) of coal assets to build a sustainable business for the future. However, there is no certainty or assurance that such acquisition(s) will materialise. If and when an acquisition materialises, the Company will make an announcement in accordance with the listing rules of the SGX-ST.

With regards to the lawsuits filed in the Central Jakarta District Court against the subsidiaries of the Group by a direct shareholder of TIE and a direct shareholder of JUI, the Group holds the view that the Claims have no merit and ought to be dismissed and thus, will not have a material impact to the Group. The Group is currently taking legal advice on a possible counterclaim in relation to the Claims as well as its rights (including possible claims against all concerned parties). Meanwhile, settlement discussions between GCI and GVG and the Claimants and their related parties in relation to the Claims are ongoing. Further announcements will be made by the Company as and when appropriate.

⁵ McCloskey Coal Report Issue 495, 2 October 2020

⁶ McCloskey Coal Report Issue 496, 16 October 2020

⁷ McCloskey Coal Report Issue 494, 18 September 2020

11. If a decision regarding dividend has been made: -

(a) Whether an interim (final) ordinary dividend has been declared

No dividend has been declared for the financial period ended 30 September 2020.

(b)(i) Amount per share

Not applicable.

(b)(ii) Previous corresponding period

None.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country whether the dividend is derived

Not applicable.

(d) The date the dividend is payable

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect and provide the reasons for the decision

No dividend has been declared or recommended as the Group is setting aside capital for its requirements to support investments and working capital.

13. If the group has obtained a general mandate from shareholders for Interested Person Transactions ("IPT"), the aggregate value of such transactions as required under Rule 920 (1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect

No IPT mandate has been obtained from shareholders and there is no IPT.

14. Negative confirmation pursuant to Rule 705(5)

We, Charles Antonny Melati and Tung Kum Hon, being Directors of the Company, do hereby confirm, on behalf of the Board of Directors of the Company (the "Board") that, to the best of our knowledge, nothing has come to the attention of the Board which may render the unaudited financial results for the third quarter ended 30 September 2020 to be false or misleading in any material aspect.

15. Confirmation Pursuant to Rule 720(1) of the Listing Manual

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7.7 of the Listing Manual) under Rule 720(1) of the Listing Manual.

On behalf of the Board of Directors

Charles Antonny Melati
Executive Chairman

12 November 2020

ABOUT GEO ENERGY RESOURCES LIMITED (Bloomberg Ticker: GERL SP)

Geo Energy Resources Limited ("Geo Energy") is a major Indonesian coal producer with an established track record in operating coal mines, coal production and selling coal throughout the region. Geo Energy commenced its business in 2008 as a coal mining services provider and became a listed company on the Mainboard of the SGX in 2012, under the stock code: RE4 and is part of the Singapore FTSE-ST index.

Since then, Geo Energy has transitioned from being primarily a coal mining services provider to a coal producer that subcontracts its coal mining operations. This transition has allowed the Group to change the business model from operating as a relatively small-scale mining services provider in an environment of high capital expenditure and relatively low operational efficiency, with high dependence on owners of coal mining concessions, to being a low-cost coal producer with high-quality coal mining assets, working in collaboration with world-class business partners.



The Group's investment strategy is mainly focused on acquisition of new mining concessions to increase production quantity and at the same time diversify its sources of coal. The Group owns four mining concessions through its wholly owned subsidiaries PT Bumi Enggang Khatulistiwa, PT Sungai Danau Jaya, PT Tanah Bumbu Resources and PT Surya Tambang Tolindo in Kalimantan, Indonesia.

For more information, please visit www.geocoal.com



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