GEO ENERGY GROUP
天然煤矿集团

GEO ENERGY RESOURCES LIMITED

(Incorporated in the Republic of Singapore on 24 May 2010)
(Company Registration Number 201011034Z)

SGX Announcement

Geo Energy Resources Limited Results Announcement

First Quarter and Three Months Ended 31 March 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

First Quarter and Three Months Ended 31 March 2020

COVID-19 PANDEMIC AND OIL PRICE MOVEMENTS CHALLENGE BUSINESSES. WHERE OTHERS SEE CHALLENGES, WE SEE OPPORTUNITIES

With accelerating shift in the global economic landscape due to COVID-19, many business enterprises find themselves operating in new and sometimes depressed market environments. On 20 April 2020, we saw US crude oil futures collapse below US$0 for the first time in history amid a coronavirus-induced supply glut. With a weaker demand and an increasingly uncertain price outlook on coal prices, we have to prepare ourselves if we are to succeed.

RESILIENCE is when times are challenging, you learn about who you are.

In 1Q2020, the Group recorded a 34% increase in revenue from US$65.7 million for the 3 months ended 31 March 2019 ("1Q2019") to US$87.8 million, mainly driven by our efforts to make our business more competitive. The appointment of Macquarie and Trafigura as coal offtakers in 2019 for our TBR and SDJ mines respectively, has given us a more competitive pricing, achieving a higher ASP of US$33.22 in 1Q2020 (1Q2019: US$32.04) despite the average Indonesian Coal Index ("ICI") 4,200 GAR coal price of US$34.44 in 1Q2020 being lower than the US$35.49 in 1Q2019.

We have successfully negotiated a reduction in mining and services rates linked to coal prices in the current depressed market condition. As a result, average cash profit improved to US$6.36 per tonne for 1Q2020. (4Q2019: US$4.15 per tonne; 1Q2019: US$1.80 per tonne). The Indonesian Rupiah ("IDR") depreciated by 18% against the US$ to 16,367 as at 31 March 2020, when compared to the rate at 31 December 2019. About 40% of our production cash cost is in IDR. With a more flexible cost structure, our business model is now more resilient, and this will ensure the future sustainability of our cash flow generation.

We could have benefited more in view of the US crude oil futures collapsing to below US$0 on 20 April 2020 for the first time in history, amid a coronavirus-induced supply glut. However, the lowered crude oil prices have not been fully reflected in the fuel prices used in our mining, which is pegged to a controlled Indonesian Pertamina fuel index. Fuel cost makes up about 28% of our mining costs and the Group is currently having a 9% discount from fuel adjustment in our mining costs.

The ICI price for 4,200 GAR coal had decreased sharply by US$10.29 per tonne from the 1Q2020 average of US$34.44 per tonne to US$24.15 per tonne on 8 May 2020. Argus Media has also reported expectations that prices are likely to fall even further for the May and June cargoes, given the increasingly weak demand outlook. We must be prepared to face such challenges.

1Q2020 HIGHLIGHTS

- The Group sold 1.2 million tonnes of 4,200 GAR coal from the SDJ coal mine and another 1.3 million tonnes from the TBR coal mine, totalling 2.5 million tonnes of coal during the quarter. This was an increase from 4Q2019 and 1Q2019 of 1.9 million tonnes and 2.1 million tonnes, respectively.

- Revenue increased by 34% from US$65.7 million in 1Q2019 to US$87.8 million mainly due to higher volumes and a higher Average Selling Price ("ASP"). The higher ASP was achieved despite a lower average ICI price for 4,200 GAR of US$34.44 for 1Q2020. The higher ASP was due to more competitive pricing after we appointed Macquarie and Trafigura in 2019 as the new offtakers for our TBR and SDJ mines, respectively.

- Cash profit for coal mining for 1Q2020 averaged at US$6.36 per tonne (4Q2019: US$4.15 per tonne; 1Q2019: US$1.80 per tonne). The higher cash profit margin was driven primarily by the higher ASP and the lower production cash cost.

- Average production cash costs of US$26.86 per tonne in 1Q2020 was a decrease from US$30.24 per tonne in 1Q2019 and US$29.05 per tonne in 4Q2019. The reduction of the production cash cost reflected the reduction in mining and services rates linked to coal prices in the current depressed market condition.

- Net profit was US$31.4 million (4Q2019: US$18.4 million loss; 1Q2019: US$8.7 million loss)

The Group repurchased US$95.8 million in principal amount of its Senior Notes in 1Q2020 and further repurchased US$34.1 million in principal amount of its Senior Notes in April 2020 (the "Repurchase") to instil confidence in the market and provide an opportunity to the investors of our Senior Notes to gain liquidity that might not otherwise be available. The Repurchase was from Senior Noteholders who approached the Group based on market prices. After the Repurchase, the outstanding Senior Notes decreased to US$188.1 million as of 31 March 2020 from US$283.9 million as of 31 December 2019, and to US$154.0 million as at 28 April 2020. This represents a current net debt position of US$88.1 million as at 31 March 2020 and US$71.1 million as at 30 April 2020. With the Repurchase, the Group has streamlined its capital structure and reduced annual interest expense by approximately US$11.7 million.

Net profit for 1Q2020 was US$31.4 million, a reversal from a loss of US$8.7 million for 1Q2019, mainly driven by increased volume, improved cash and EBITDA margins from reduction in production cash cost, and by the Group's repurchase of its Senior Notes.

We have also made a fair value impairment of US$5.0 million on certain trade and other receivables due to market disruptions caused by the current COVID-19 pandemic and the current depressed coal prices, which have affected many Indonesian mining companies' ability to operate and meet its financial obligations. If this situation persists, the Group may make further fair value impairments.

As announced, if coal sale prices are below the Group's production costs, the Group may consider suspending part of its mining and production activities at its SDJ and TBR coal mines. The Group will continue discussions with our service providers to lower their fees and charges, especially in view of COVID-19 and the falling coal and crude oil prices affecting demand on coal. If we implement such suspension, the Group will focus on coal getting from current coal exposed and stockpiled inventory to meet its supply obligations to coal offtakers and better manage its working capital, without affecting the Group's operations in the short-term.

Under the terms and conditions of our Senior Notes, the Group or its wholly-owned subsidiary, Geo Coal International Pte. Ltd., will be required to make an offer to purchase all outstanding Senior Notes in the event that the Group does not meet certain minimum coal reserves requirements (as prescribed in the indenture governing the Notes) on or prior to 4 April 2021 (the "Put Option"). The Group currently does not meet such minimum coal reserves requirements.

As announced, the Group had cash balance of US$108.2 million as of 26 April 2020. Despite the termination of the Conditional Sale Purchase Agreement of the acquisition of PT Titan Global Energy as announced on 1 April 2020, the Group will continue to explore potential acquisition(s) of coal assets in order to meet the minimum coal reserves requirements prior to April 2021. Nevertheless, the Group will be cautious in any potential acquisition(s) given the current challenging market conditions. The Group is of the view that it has access to financial resources to pursue potential acquisition(s) of coal assets, but this may change. 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 Singapore Exchange Securities Trading Limited.

Before we apply our values in a changing world, we have to start by asking who we are and what we stand for.

Driving and deriving value through better environmental and social responses has been part of Geo Energy's approach to sustainability. Despite the challenging market conditions, we believe in taking a proactive stance towards sustainability of Environment, Social, Governance ("**ESG**") and continue expanding our approach to Corporate Social Responsibility ("**CSR**"). In light of the COVID-19 pandemic, our highest priority is the safety, health and wellbeing of our workforce and communities. We have implemented extensive measures across our operations to reduce the spread of COVID-19. We have established strict travel and working arrangements, social distancing practices and business continuity plans. The pandemic has also placed a burden to frontline healthcare staff and medical equipment. To this end, the Group has contributed IDR1.5 billion and more commitments in Indonesia towards this cause. The Group has also supported the Singapore Institute of Technology Student Relief Fund for students facing unexpected financial hardship due to the COVID-19 pandemic. We are committed to contribute and play our part in the collective global effort against the pandemic.

Shorter economic cycles for the coal industry calls for new level of flexibility and responsiveness from us on the inevitable changes.

A company going through a downturn with cash has a considerable advantage. We will continue to assess the market situation and business viability and pursue effective de-leveraging strategies. We need to re-evaluate our business and where our core competence is, and target opportunities and chances in times of crisis to create the most value for our stakeholders. We need to ensure a solid finance is in place, so that we are fully prepared when another crisis strikes.

Tung Kum Hon
Chief Executive Officer/Director

14 May 2020

Unaudited Financial Statements Announcement for the First Quarter and Three Months Ended 31 March 2020

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF RESULTS FOR FIRST QUARTER AND THREE MONTHS ENDED 31 MARCH 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 comprehensive income

	Group		
	3 months ended 31.3.2020 US$ (Unaudited)	**3 months ended 31.3.2019 US$ (Unaudited)**	**% Change**
Revenue	87,831,591	65,725,954	34
Cost of sales	(78,691,940)	(67,191,578)	17
Gross profit (loss)	**9,139,651**	**(1,465,624)**	**nm**
Other income	40,829,297	1,745,968	nm
General and administration expenses	(2,705,359)	(3,755,232)	(28)
Other expenses	(7,144,895)	(492,386)	nm
Finance costs	(7,388,739)	(6,633,710)	11
Profit (loss) before income tax	**32,729,955**	**(10,600,984)**	**nm**
Income tax (expense) credit	(1,376,969)	1,883,595	nm
Profit (loss) for the period	**31,352,986**	**(8,717,389)**	**nm**
Other comprehensive income, net of tax:			
Item that may be subsequently reclassified to profit or loss:			
- Exchange differences on translation of foreign operations	700,666	(100,327)	nm
Total comprehensive income	**32,053,652**	**(8,817,716)**	**nm**
Profit (loss) attributable to:			
Owners of the Company	31,308,588	(8,713,610)	nm
Non-controlling interests	44,398	(3,779)	nm
	31,352,986	**(8,717,389)**	**nm**
Total comprehensive income attributable to:			
Owners of the Company	31,981,277	(8,822,184)	nm
Non-controlling interests	72,375	4,468	nm
	32,053,652	**(8,817,716)**	**nm**

nm - not meaningful

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

	Group 3 months ended 31.3.2020 US$ (Unaudited)	Group 3 months ended 31.3.2019 US$ (Unaudited)	% Change
Interest income	(692,782)	(1,590,970)	(56)
Gain on disposal of property, plant and equipment (net)	(1,120)	(161)	596
Foreign exchange loss (net)	1,960,430	249,824	685
Interest expense on Senior Notes	5,045,344	6,000,000	(16)
Amortisation of transaction costs of Senior Notes	2,327,016	617,198	277
Gain on redemption of Senior Notes	(40,048,251)	-	nm
Allowance for impairment on trade and other receivables under Cooperation Agreement	4,960,318	-	nm
Amortisation of deferred gain	(85,898)	(109,260)	(21)
Reversal of loss on financial asset carried at amortised cost	-	(41,802)	(100)
Depreciation of property, plant and equipment	4,984,675	4,068,077	23
Depreciation of right-of-use assets	121,726	35,196	246
Amortisation of deferred stripping costs	2,078,230	1,276,306	63
Share-based payment expense	74,999	213,649	(65)

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 31.3.2020 US$ (Unaudited)	Group 31.12.2019 US$ (Audited)	Company 31.3.2020 US$ (Unaudited)	Company 31.12.2019 US$ (Audited)
ASSETS				
Current assets				
Cash and bank balances	107,396,512	138,996,173	16,101,893	10,150,757
Trade and other receivables	35,433,017	26,809,630	41,908,769	49,009,479
Deposits and prepayments	53,635,052	57,204,960	172,587	196,287
Inventory	16,006,895	12,232,738	-	-
Total current assets	**212,471,476**	**235,243,501**	**58,183,249**	**59,356,523**
Non-current assets				
Trade and other receivables	6,032,243	11,013,697	-	3,140,278
Restricted cash deposits	3,650,132	4,288,088	-	-
Deposits and prepayments	21,438,595	23,282,989	105,397	105,397
Investment in subsidiaries	-	-	178,745,819	178,745,819
Deferred stripping costs	58,926,784	61,257,435	-	-
Property, plant and equipment	148,443,481	152,856,916	27,214	30,523
Right-of-use assets	1,121,413	1,248,349	865,641	961,750
Deferred tax assets	3,011,241	1,971,539	497,824	362,284
Other non-current asset	153,698	153,698	153,698	153,698
Total non-current assets	**242,777,587**	**256,072,711**	**180,395,593**	**183,499,749**
Total assets	**455,230,150**	**491,316,212**	**238,578,842**	**242,856,272**
LIABILITIES AND EQUITY				
Current liabilities				
Trade and other payables	104,532,642	81,245,997	139,769,491	140,041,499
Current portion of lease liabilities	428,018	458,951	391,461	392,672
Financial guarantee liability	-	-	1,576,536	1,580,855
Income tax payable	777,610	970,700	-	-
Total current liabilities	**105,738,270**	**82,675,648**	**141,737,488**	**142,015,026**

	Group		Company	
	31.3.2020 US$ (Unaudited)	31.12.2019 US$ (Audited)	31.3.2020 US$ (Unaudited)	31.12.2019 US$ (Audited)
LIABILITIES AND EQUITY (cont'd)				
Non-current liabilities				
Trade and other payables	1,811,683	1,939,667	-	-
Lease liabilities	464,422	571,312	461,648	558,362
Notes payable	183,750,139	277,292,469	-	-
Provisions	2,290,246	2,245,975	110,743	109,747
Financial guarantee liability	-	-	2,384,241	2,772,976
Deferred tax liabilities	5,783,820	3,309,309	-	-
Total non-current liabilities	**194,100,310**	**285,358,732**	**2,956,632**	**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 reserves	2,904,179	2,829,180	5,150,235	5,075,236
Translation reserve	5,804,365	5,131,676	4,464,506	4,464,506
Retained earnings (Accumulated losses)	40,172,621	8,864,033	(22,243,206)	(18,652,768)
Equity attributable to owners of the Company	**155,394,352**	**123,338,076**	**93,884,722**	**97,400,161**
Non-controlling interests	16,131	(56,244)	-	-
Total equity	**155,410,483**	**123,281,832**	**93,884,722**	**97,400,161**
Total liabilities and equity	**455,249,063**	**491,316,212**	**238,578,842**	**242,856,272**

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

	Group		Group	
	31.3.2020 US$ Secured (Unaudited)	31.3.2020 US$ Unsecured (Unaudited)	31.12.2019 US$ Secured (Audited)	31.12.2019 US$ Unsecured (Audited)
Amount repayable in one year or less, or on demand	45,732	382,286	79,694	379,257
Amount repayable after one year	2,773	184,211,788	12,949	277,850,832
	48,505	**184,594,074**	**92,643**	**278,230,089**

Details of any collateral and security:

As at 31 March 2020, certain lease liabilities of the Group's are secured by the leased assets — motor vehicles.

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 31 March 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$393,053 was credited to the Company's profit or loss during the financial period ended 31 March 2020.

As at 31 March 2020, the Group had repurchased US$111.9 million in principal amount of its Senior Notes, and further repurchased US$34.1 million in principal amount of its Senior Notes in April 2020, at US$66.5 million and US$15.0 million respectively, including accrued interests. 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$188.1 million as at 31 March 2020 and US$154.0 million in April 2020. In total, the Group recorded a gain on redemption of the Notes of US$64.5 million, of which US$5.3 million was recorded in 2019, US$40.0 million in the financial period ended 31 March 2020, and US$19.2 million in April 2020.

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	
	3 months ended 31.3.2020 US$ (Unaudited)	**3 months ended 31.3.2019 US$ (Unaudited)**
Operating activities		
Profit (loss) before income tax	**32,729,955**	**(10,600,984)**
Adjustments for:		
Depreciation of property, plant and equipment	4,984,675	4,068,077
Depreciation of right-of-use assets	121,726	35,196
Amortisation of deferred stripping costs	2,078,230	1,276,306
Gain on disposal of property, plant and equipment	(1,120)	(161)
Share-based payment expense	74,999	213,649
Reversal of loss on financial asset carried at amortised cost	-	(41,802)
Amortisation of deferred gain	(85,898)	(109,260)
Allowance for impairment on trade and other receivables under Cooperation Agreement	4,960,318	-
Gain on redemption of the Notes	(40,048,251)	-
Amortisation of transaction costs of Senior Notes	2,327,016	617,198
Interest expense	5,061,723	6,016,512
Interest income	(692,782)	(1,590,970)
Retirement benefit obligations	103,395	84,512
Net foreign exchange losses	1,577,820	633,442
Operating cash flows before movements in working capital	**13,191,806**	**601,715**
Trade and other receivables	(7,456,819)	(5,695,019)
Deposits and prepayments	5,030,275	(878,746)
Inventory	(3,180,282)	(4,781,441)
Trade and other payables	18,082,766	14,663,424
Cash generated from operations	**25,667,746**	**3,909,933**
Income tax paid	(1,123,941)	(508,271)
Income tax refund	943	-
Retirement benefit obligation paid	(2,775)	-
Net cash from (used in) operating activities	**24,541,973**	**3,401,662**
Investing activities		
Interest received	615,548	1,827,040
Addition to deferred stripping costs	-	(642,219)
Advance payments for purchase of property, plant and equipment	(294,174)	(776,682)
Purchase of property, plant and equipment	(356,668)	(160,178)
Proceeds from disposal of property, plant and equipment	1,272	3,935
Net cash (used in) from investing activities	**(34,022)**	**251,896**
Financing activities		
Decrease (increase) in deposits pledged	-	400,000
(Increase) decrease in restricted cash deposits	(5,297)	9,555
Interest paid for lease liabilities	(8,259)	(5,095)
Repayment of obligations under lease liabilities	(133,007)	(134,770)
Redemption of Senior Notes	(55,751,749)	-
Net cash (used in) from financing activities	**(55,898,312)**	**269,690**
Net (decrease) increase in cash and cash equivalents	**(31,390,361)**	**3,923,248**
Cash and cash equivalents at beginning of the period	133,996,173	197,190,402
Effect of exchange rate changes on the balance held in foreign currencies	(209,300)	20,045
Cash and cash equivalents at end of the period (Note A)	**102,396,512**	**201,133,695**

	Group	
	3 months ended 31.3.2020 US$ (Unaudited)	3 months ended 31.3.2019 US$ (Unaudited)
Note A		
Cash on hand and at banks	82,320,562	147,866,112
Deposits	25,075,950	58,267,583
Cash and bank balances	**107,396,512**	**206,133,695**
Restricted cash deposits (non-current)	3,650,132	3,485,246
	111,046,644	**209,618,941**
Less: Deposits pledged	(5,000,000)	(5,000,000)
Less: Restricted cash deposits (non-current)	(3,650,132)	(3,485,246)
Cash and cash equivalents	**102,396,512**	**201,133,695**

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	-	-	-	31,308,588	31,308,588	44,398	31,352,986
Other comprehensive income for the period	-	-	672,689	-	672,689	27,977	700,666
Transactions with owners, recognised directly in equity:							
Deemed capital contribution*	-	60,128	-	-	60,128	-	60,128
Share-based payment**	-	14,871	-	-	14,871	-	14,871
At 31.3.2020 (unaudited)	**106,513,187**	**2,904,179**	**5,804,365**	**40,172,621**	**155,394,352**	**16,131**	**155,410,483**
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	-	-	-	(8,713,610)	(8,713,610)	(3,779)	(8,717,389)
Other comprehensive income for the period	-	-	(98,802)	(9,772)	(108,574)	8,247	(100,327)
Transactions with owners, recognised directly in equity:							
Deemed capital contribution*	-	82,663	-	-	82,663	-	82,663
Share-based payment**	-	130,986	-	-	130,986	-	130,986
At 31.3.2019 (unaudited)	**106,513,187**	**2,232,895**	**4,766,431**	**51,801,506**	**165,314,019**	**184,682**	**165,498,701**

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	-	-	-	(3,590,438)	(3,590,438)
Transactions with owners, recognised directly in equity:					
Deemed capital contribution*	-	60,128	-	-	60,128
Share-based payment**	-	14,871	-	-	14,871
At 31.3.2020 (unaudited)	**106,513,187**	**5,150,235**	**4,464,506**	**(22,243,206)**	**93,884,722**
At 1.1.2019 (audited)	**106,513,187**	**4,265,302**	**4,464,506**	**3,051,111**	**118,294,106**
Profit for the period	-	-	-	517,181	517,181
Transactions with owners, recognised directly in equity:					
Deemed capital contribution*	-	82,663	-	-	82,663
Share-based payment**	-	130,986	-	-	130,986
At 31.3.2019 (unaudited)	**106,513,187**	**4,478,951**	**4,464,506**	**3,568,292**	**119,024,936**

* 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 grant 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 31 March 2020, the Company's share capital comprised 1,399,273,113 shares (31 December 2019: 1,399,273,113 shares). There were no outstanding convertibles or treasury shares as at 31 March 2020 and 31 March 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 31 March 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 31 March 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.

	31.3.2020	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	
	3 months ended 31.3.2020 (Unaudited)	**3 months ended 31.3.2019 (Unaudited)**
Earnings per share ("EPS")		
Earnings (Loss) for computing EPS (US$)	31,308,588	(8,713,610)
Weighted average number of ordinary shares (1)	1,399,273,113	1,399,273,113
Basic and diluted EPS based on weighted average number of ordinary shares (US cents) (2)	2.24	(0.62)
Basic and diluted EPS based on weighted average number of ordinary shares (SG cents) (3)	3.19	(0.84)

(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 and employee stock option 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 or the employee stock option respectively.

(3) Numbers were translated using the 31 March 2020 and 31 March 2019 of US$:S$ exchange rates of 1.4238 and 1.3556 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	
	31.3.2020 (Unaudited)	**31.12.2019 (Audited)**	**31.3.2020 (Unaudited)**	**31.12.2019 (Audited)**
Net asset value (US$)	155,394,352	123,338,076	93,884,722	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)	11.11	8.81	6.71	6.96
Net asset value per ordinary share (SG cent) [1]	15.81	11.87	9.55	9.38

(1) Numbers were translated using the 31 March 2020 and 31 December 2019 of US$:S$ exchange rates of 1.4238 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	
	3 months ended 31.3.2020 (Unaudited)	**3 months ended 31.3.2019 (Unaudited)**
Revenue		
Sales Volume – Coal Mining (million tonnes)	2.5	2.1
- SDJ	1.2	1.2
- TBR	1.3	0.9
Average Indonesian Coal Index Price (US$/tonne)	34.44	35.49
Average Selling Price (US$/tonne)	33.22	32.04
Production		
Production Volume (million tonnes)	2.6	1.9
- SDJ	1.1	1.0
- TBR	1.5	0.9
Strip Ratio (times)		
- SDJ	3.5	2.2
- TBR	3.6	5.5
Production Cash Cost (US$/tonne)	26.86	30.24
Cash Profit (US$/tonne)	**6.36**	**1.80**

Financial performance (1Q2020 vs. 1Q2019)

Revenue increased by US$22.1 million to US$87.8 million due to higher sales volume in 1Q2020 as compared to 1Q2019, and higher Average Selling Price ("ASP"). The appointment of Macquarie and Trafigura in 2019, as coal offtakers for our TBR and SDJ mines respectively, has given us a more competitive pricing, achieving a higher average selling price compared to the ICI price for 4,200 GAR coal being lower in 1Q2020. (1Q2020: US$34.44, 1Q2019: US$35.49).

The Group sold 1.2 million tonnes of 4,200 GAR coal from the SDJ coal mine and 1.3 million tonnes from the TBR coal mine, totalling 2.5 million tonnes of coal sold during the quarter. This was an increase from 4Q2019 and 1Q2019 of 1.9 million tonnes and 2.1 million tonnes respectively.

The average ICI price for 4,200 GAR coal was US$34.44 per tonne in 1Q2020, up from US$34.15 per tonne in 4Q2019 but down from US$35.49 in 1Q2019. Indonesian coal prices have been under pressure since the COVID-19 outbreak began in China at the start of the year. A short period of price surge was observed in February 2020 due to mine closures in China as a result of the outbreak. However, coal prices began to soften from early March 2020 as the COVID-19 pandemic became more widespread and countries globally introduced lockdowns, leading to weak demands for coal across the region. Meanwhile, Chinese ports rolled out new import controls measures despite the ongoing disruptions and uncertainty arising from the COVID-19.[1]

The Group recorded a **gross profit from coal mining segment** of US$8.8 million, compared to the gross losses of US$4.0 million in 4Q2019 and US$1.5 million in 1Q2019. This was mainly driven by increased volumes and reduction in production costs with our service providers in December 2019. The Group will continue discussions with our service providers to lower their fees and charges, especially in view of COVID-19 and the falling coal and crude oil prices affecting demand on coal. The Indonesian Rupiah ("IDR") depreciated by 18% against the US$ in 1Q2020, from 13,901 as at 31 December 2019 to 16,367 as at 31 March 2020 (31 March 2019: 14,244). About 40% of our production cash cost is in IDR.

Cash profit for coal mining averaged US$6.36 per tonne in 1Q2020 compared to an average of US$4.15 per tonne in 4Q2019 and US$1.80 per tonne in 1Q2019, due to the higher ASP and lower production cash cost.

The Group also recorded **gross and cash profit from coal trading segment** of US$0.3 million from sales of coal purchased from PT Titan Infra Energy ("TIE"), with whom the Group has entered into a coal purchase agreement for exports in 2020.

Group (All figures in US$'000 except as indicated)	**Coal mining**	**Coal trading**	**Coal mining management services**	**Total**
3 months ended 31.3.2020 (unaudited)				
Volume (tonnes)	2,481,981	145,860	-	2,627,841
Revenue	82,441	5,391	-	87,832
Cost of sales	(73,625)	(5,067)	-	(78,692)
Gross profit	8,816	324	-	9,140
Non-cash items:				
Depreciation & amortisation	6,964	-	-	6,964
Cash profit	**15,780**	**324**	**-**	**16,104**
3 months ended 31.12.2019 (unaudited)				
Volume (tonnes)	1,933,825	-	-	1,933,825
Revenue	64,210	-	-	64,210
Cost of sales	(68,220)	-	-	(68,220)
Gross loss	(4,010)	-	-	(4,010)
Non-cash items:				
Depreciation & amortisation	6,805	-	-	6,805
Allowance for inventory written down	1,382	-	-	1,382
Inventory loss written-off	3,858			3,858
Cash profit	**8,035**	**-**	**-**	**8,035**
3 months ended 31.3.2019 (unaudited)				
Volume (tonnes)	2,051,187	-	-	2,051,187
Revenue	65,726	-	-	65,726
Cost of sales	(67,192)	-	-	(67,192)
Gross loss	(1,466)	-	-	(1,466)
Non-cash items:				
Depreciation & amortisation	5,168	-	-	5,168
Cash profit	**3,702**	**-**	**-**	**3,702**

[1] McCloskey Coal Report- Issue 480 dated 6 Mar 2020

Profit before income tax of US$32.7 million includes:

- Other income of US$40.8 million. The increase of US$39.1 million was mainly due to the gain on redemption of Senior Notes of US$40.0 million. During the quarter, the Group repurchased US$95.8 million in principal amount of its Senior Notes ("Repurchase"). The aggregate amount paid for the repurchased notes including the accrued interest was US$55.8 million. The Repurchase reduced the Group's overall indebtedness and enhanced the credit profile of the Group. In addition, the Group believes that the Repurchase provides an opportunity to holders of the Senior Notes ("Noteholders") to gain liquidity that might not otherwise be available. The gain from the Repurchase 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 and proposed acquisitions of mining assets in 2019;

- General and administrative expenses of US$2.7 million. The decrease of US$1.0 million was mainly due to lower professional fees incurred;

- Other expenses of US$7.1 million. The increase of US$6.7 million was due to higher forex loss in the quarter (mostly from the depreciation of IDR against USD) and the allowance for impairment loss on trade and other receivables under Cooperation Agreement of US$5.0 million. The forex loss in 1Q2020 was mainly attributed to unrealised foreign exchange loss of US$1.7 million from balances denominated in IDR. In addition, in light of 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$7.4 million. The increase of US$0.8 million was mainly due to accelerated amortisation of transaction costs on repurchased Senior Notes, offset by the lower coupon interest from the lower outstanding principal amount of the Notes in 1Q2020; and

- Depreciation and amortisation of US$7.2 million. The increase of US$1.8 million was mainly due to higher volume of coal sales in the quarter and higher amortisation arising from the additions to TBR mine's deferred stripping costs in 2019.

Income tax expense amounted to US$1.4 million. Effective tax rate of 4% was mainly driven by non-taxable income from the gain on redemption of Senior Notes.

Overall, the Group recorded a profit of US$31.4 million for the period, mainly due to higher ASP and coal sales volume, higher other income and lower general and administrative expenses. These were partially offset by the higher other expenses and finance costs.

8.2 Financial Position

Group

Current Assets
Current assets decreased by US$22.8 million to US$212.5 million as at 31 March 2020.

Cash and bank balances decreased by US$31.6 million to US$107.4 million as at 31 March 2020, mainly due to repurchases of Senior Notes and income tax payment, offset by improved working capital.

Trade and other receivables of US$35.4 million as at 31 March 2020 comprise trade receivables of US$18.2 million and non-trade receivables of US$17.2 million. The increase of US$8.6 million from US$26.8 million as of 31 December 2019 was mainly due to increases in trade receivables by US$8.0 million and prepaid income tax for our Indonesian subsidiaries by US$1.3 million, offset by the decrease in other receivables by US$0.8 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.

Deposits and prepayments decreased by US$3.6 million to US$53.6 million as at 31 March 2020 mainly due to the reduction in coal offtake prepayment made to TIE as well as utilisation of amount prepaid for integrated mine support and infrastructure services.

Inventory increased by US$3.8 million to US$16.0 million as at 31 March 2020 due to higher production over sales volume in 1Q2020 and higher amortisation of deferred stripping costs of TBR mine in 1Q2020 due to the additions made throughout 2019.

Non-current Assets
Non-current assets decreased by US$13.3 million to US$242.8 million as at 31 March 2020, mainly due to (i) the allowance for impairment loss on trade and other receivables under Cooperation Agreement of US$5.0 million, (ii) decreases in property, plant and equipment by US$4.4 million and deferred stripping costs by US$2.3 million mainly due to depreciation and amortisation, (iii) deposits and prepayments by US$1.8 million and (iv) restricted cash deposits by US$0.6 million mainly due to the depreciation of IDR against USD as our restricted cash deposits are denominated in IDR. These were partially offset by the increase in deferred tax assets by US$1.0 million.

Current Liabilities
Current liabilities increased by US$23.1 million to US$105.7 million as at 31 March 2020, mainly due to the increase in trade and other payables by US$23.3 million, offset by the decrease in income tax payable by US$0.2 million. Increase in trade and other payables was mainly due to increases in accruals (due to services not yet billed by our mining contractor as at period end) and accrued interest on Senior Notes, offset by utilisation of advances received from customers.

Non-current Liabilities
Non-current liabilities decreased by US$91.3 million to US$194.1 million as at 31 March 2020, mainly due to the decreases in (i) Notes payable by US$93.5 million mainly from the repurchases in March 2020, partially offset by interests accrued for the period, (ii) lease liabilities by US$0.1 million and (iii) non-current portion of deferred gain (from the issuance of new ordinary shares and warrants in connection with the Offtake of TBR coal mine with Macquarie) by US$0.1 million, due to its amortisation being credited to the Group’s profit or loss. These were partially offset by the increase in deferred tax liability by US$2.5 million.

Contingent Liabilities

(A) In 2016, some subsidiaries were audited by Indonesian Tax Office (“ITO”). ITO assessed an underpayment of tax expenses of approximately US$3,900,000 (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) In 2015, one of the Group’s subsidiaries (the “Subsidiary”) commenced legal proceedings against a supplier (the “Supplier”) for receivables outstanding since 2014. The outstanding receivable pertained to a coal purchase prepayment paid to the Supplier, and the Subsidiary subsequently made an allowance for impairment loss on the receivable in 2015. The Supplier filed a counterclaim against the Subsidiary, however the Court has rendered a judgement in favour of the Supplier for a potential legal claim against the Subsidiary amounted to approximately US$2.5 million.

Taking reference from the legal advices, management holds the view that the counterclaim has no merit and is in the process of preparing for an appeal. No provision has been recognised as the management does not consider that there is any probable loss.

(C) As at 31 March 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$188,139,000 (31 December 2019: US$283,939,000).

<u>Company</u>

Current Assets
Current assets decreased by US$1.2 million to US$58.2 million as at 31 March 2020, mainly due to payment of operating expenses.

Current assets of US$58.1 million as at 31 March 2020 mainly comprised cash and bank balances of US$16.1 million, intercompany receivables of US$41.9 million and deposits and prepayments of US$0.1 million.

Non-current Assets
Non-current assets mainly comprised investment in subsidiaries of US$178.7 million, right-of-use assets of US$0.9 million and deferred tax assets of US$0.5 million. The decrease of US$3.1 million was mainly due to the allowance for impairment loss on other receivables of US$3.1 million.

Current Liabilities
Current liabilities decreased by US$0.3 million to US$141.7 million as at 31 March 2020. This was mainly due to decreases in intercompany payables.

Net current Liabilities
The Company's working capital was negative US$83.6 million, mainly due to the intercompany payables. Based on the Group's current financial performance and financial position as at 31 March 2020 with a total cash of US$107.4 million and positive working capital of US$106.7 million, the Company will be able to pay its debt as and when they fall due.

Non-current Liabilities
Non-current liabilities as at 31 March 2020 comprise financial guarantee liability, provision, and lease liabilities. The decrease of US$0.5 million to US$3.0 million was due to the amortisation of financial guarantee liability of US$0.4 million to the profit and loss as deemed guarantee income and reclassification of lease liabilities to current portion of US$0.1 million.

8.3 Cash Flow

Group

Cash Flow (1Q2020 vs. 1Q2019)

Net cash from operating activities was US$24.5 million. Operating cash flows before movements in working capital was an inflow of US$13.2 million. The Group further made income tax payments of US$1.1 million during the period. 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
Working capital movement was positive US$12.5 million in 1Q2020, an improvement from positive US$3.3 million in 1Q2019. The improvement in the working capital movement was mainly due to better credit terms negotiated for the Group's trade and other payables in 1Q2020 and utilisation of advance payments for purchase of coal which the Group made to TIE as the coal sales by TIE commenced in 1Q2020.

Net cash used in investing activities of US$34k was mainly due to purchase of PPE of US$0.4 million and advance payment for purchase of PPE of US$0.3 million, offset by interest received.

Net cash used in financing activities of US$55.9 million was mainly due to repurchases of Senior Notes of US$55.8 million and repayment of lease liabilities obligations.

Overall, total cash and cash equivalent as of 31 March 2020 was US$102.4 million, excluding the pledged deposits of US$5.0 million.

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

For the first quarter ended 31 March 2020, the Group has achieved coal sales of 1.2 million tonnes from SDJ and 1.3 million tonnes from TBR coal mines. This is in line with the Group's previously announced targeted production of 8 million tonnes of coal for both SDJ and TBR for 2020.

The target was based on the production quota received and set out in the Rencana Kerja Anggaran Biaya ("RKAB") - Work Plan and Budget, which specified the given export volumes and what is set aside for the Domestic Market Obligation ("DMO").

Given the current COVID-19 pandemic and the volatility in coal prices, the Group will continue to assess our operations and business viability. If the coal sale prices are below production costs, the Group could consider temporary suspension of part of our mining operations. If coal sale prices recover strongly and the Group decides to increase production, the Group will apply to increase the RKAB production quota.

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

The ICI for 4,200 GAR coal has shown a decrease of US$9.68 per tonne from US$33.83 per tonne on 27 December 2019 to US$24.15 per tonne on 8 May 2020. For 1Q2020, the average ICI price for 4,200 GAR coal was US$34.44 per tonne, up from US$34.15 per tonne in 4Q2019 but down from US$35.49 in 1Q2019.

Based on data from the Directorate General of Minerals and Coal, Indonesia produced just over 146.0 million tonnes in January-March. If production were to remain at this pace, Indonesian output would annualise at 584.0 million tonnes to the end of 2020, down from 616 million tonnes in 2019, but far higher than the 550.0 million tonnes limit that the government has set.[2] Thus, significant cut in production may be needed to prevent a further weakening of coal prices.

According to McCloskey coal report, thermal prices in Asia moved lower, as demand across the region remains weak and amid continued pressure on Chinese domestic prices. Power generation across Asia, including key markets such as China, India, South Korea, Vietnam, and Philippines, has taken a major hit from the COVID-19 pandemic, as industrial production has fallen amid temporary factory and business closures. Thermal coal demand is expected to take a considerable dent, with the latest IHS Markit forecast projecting a 43.4 million tonnes or a 5% drop in thermal coal imports across the key Asian markets to 785.0 million tonnes from 828.4 million tonnes in 2019.[2]

In view of the current COVID-19 pandemic, the Group is closely monitoring the implementation of measures to reduce people movements and interactions to stem the spread of COVID-19 in Indonesia. The Group's principal subsidiaries, SDJ and TBR, may temporarily suspend non-essential activities if they are significantly affected by these measures.

US crude oil futures collapsed below US$0 on 20 April 2020 for the first time in history, amid a coronavirus-induced supply glut, ending the day at a stunning minus US$37.63 a barrel as desperate traders paid to get rid of oil.[3] As an alternate source of energy to thermal coal, this have impacted on price outlook for thermal coal, partially mitigated by high switching costs in the technology used for power plants.

The falling crude oil prices and COVID-19 had impacted coal prices in the past weeks. Weak demand and an increasingly uncertain price outlook put further pressure on the low calorific value Indonesian coal market today. There are expectations that prices are likely to fall even further in the coming days, given the increasingly weak demand outlook.

Falling crude prices have also translated to lower costs for the Group, with a portion of our mining contractor costs linked to fuel price. The Group is currently having approximately 9% discount from fuel adjustment in our mining contractor costs. However, the lowered crude prices have not been fully reflected in fuel prices, being a processed downstream product of crude oil. Diesel and petroleum are refined products and while they are derived from crude oil, it has its own distinct market. Pump prices do not correlate one for one with crude oil.[4]

If coal sale prices are below the Group's production costs, the Group may consider suspending part of its mining and production activities at its SDJ and TBR coal mines. The Group is currently discussing with its mining contractor and other service providers to lower their fees and charges, especially in view of COVID-19 and the falling coal and crude oil prices affecting demand on coal. If we do so, the Group will focus on coal getting from current coal exposed and stockpiled inventory to meet its supply obligations to coal offtakers and better manage its working capital, without affecting Group's operations in the short-term.

Under the terms and conditions of the Senior Notes, the Company or its wholly-owned subsidiary, GCI, will be required to make an offer to purchase all outstanding Notes in the event that the Group does not meet certain minimum coal reserves requirements (as prescribed in the indenture governing the Notes) on or prior to 4 April 2021 (the "**Put Option**"). The Group currently does not meet such minimum coal reserves requirements.

As of 28 April 2020, the Group had reduced its indebtedness to US$154.0 million through the repurchasing of US$146.0 million in principal amount of the Notes. As announced on 28 April 2020, the Group's cash and bank balances as at 26 April 2020 was US$108.2 million.

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[2] McCloskey Coal Report, Issue 482, 17 April 2020

[3] Business Times, 21 April 2020, Oil price crashes into negative territory for the first time in history amid pandemic

[4] Straits Times, 22 April 2020, Oil price crashes into negative territory but may not benefit consumers

The Group will continue to explore potential acquisition(s) of coal assets in order to meet the minimum coal reserves requirements prior to April 2021. If such acquisition(s) materialise, GCI or the Company will not be required to make an offer to purchase the outstanding Notes in accordance with the Put Option. However, in view of the current challenging market conditions, the Group will be cautious in any potential acquisition(s). The Group is of the view that it has access to financial resources to pursue potential acquisition(s) of coal assets. 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 Singapore Exchange Securities Trading Limited.

In 1Q2020, the Group made a fair value impairment of US$5.0 million on certain trade and other receivables due to market disruptions caused by the current COVID-19 pandemic and the current depressed coal prices, which have affected many Indonesian mining companies' ability to operate and meet its financial obligations. If this situation persists, the Group may make further fair value impairments.

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 first quarter ended 31 March 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 recorded a net loss in 2019 and 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 first quarter ended 31 March 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

14 May 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 word-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.

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