

Geo Energy Resources

## MEDIA RELEASE

8 December 2021

### GEO ENERGY BUSINESS UPDATE AND VALUATION OF ITS OPERATING COAL ASSETS

- The Group expects a better performance and the highest quarterly results ever for 4Q2021, with coal prices expected to remain strong in December. ICI4 was US\$70.58 per tonne as at 6 December 2021.
- The combined valuation for its SDJ and TBR coal assets are estimated to be at US\$726 million as at 31 August 2021, in accordance with the Valuation and Mineral Assets (VALMIN) Code 2015 Edition.

Mr Tung Kum Hon, Chief Executive Officer and Executive Director of Geo Energy said:



**“Although coal prices decreased to US\$70.58 per tonne as at 6 December 2021 from a high of US\$154.61 per tonne as at 22 October 2021 following China’s market intervention policies, coal prices have since stabilised. The extreme cold this winter has driven demand and depleted supplies despite rising domestic coal production.<sup>1</sup> Price are still expected to remain high for the rest of 2021 and into 2022 based on the futures market.**

**4,200 GAR coal was trading at around US\$70.00-US\$75.00 per tonne FOB for December loading geared vessels, but around US\$68.00 per tonne FOB for January.<sup>2</sup>**

**We have achieved sales volume of over 2.3 million tonnes and a revenue of around US\$200 million in just two months for October and November 2021. The Group targets a sales volume of 1 - 1.2 million tonnes for December 2021. Riding on the strong coal prices and targeting total sales of up to 3.5 million tonnes for 4Q2021, we are expecting our highest quarterly performance ever.**

**Per the IQPR issued by the independent JORC Consultant on 3 December 2021, the Group’s operating coal assets – SDJ and TBR has combined coal resources of 101 million tonnes and combined proved and probable coal reserves of 77.3 million tonnes as at 31 August 2021. In accordance with the VALMIN code, the IQPR also reported an estimated combined valuation of US\$726 million for SDJ and TBR.**

**The above estimated valuation of our SDJ and TBR coal mines and the performance of the Group to-date has shown that our shares are undervalued.”**

End

#### 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.

<sup>1</sup> China’s coal crunch isn’t over yet as cold weather drives demand - MINING.COM

<sup>2</sup> McCloskey Fax Issue 1073, 3 December 2021

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](http://www.geocoal.com).

For more information please contact:

Romil SINGH, Shivam SARAF

[romil@financialpr.com.sg](mailto:romil@financialpr.com.sg), [shivam@financialpr.com.sg](mailto:shivam@financialpr.com.sg)

Tel: (65) 6438 2990 Fax: (65) 6438 0064