

MEDIA RELEASE

15 December 2021

GEO ENERGY INSTITUTING SHARE BUY-BACK

- The Valuation of our SDJ and TBR coal mines and the performance of the Group, as announced on 8 December 2021, has shown that our shares are undervalued.
- The Company has instituted a share buyback of its ordinary shares, as part of the Company's long term capital management.
- On 15 December 2021, the Company had bought back 2,300,000 shares from the open market, representing 21.6% of the 10,653,300 shares traded for the day, at a price of S\$0.315 – S\$0.32.
- The Group is committed to enhancing value for our shareholders, and one of our goals is to improve our return on equity. A share buyback will enhance the efficiency of our capital base.

Geo Energy announces today that it has instituted a share buyback of its ordinary shares as part of the Company's long term capital management, pursuant to the share buyback mandate approved by shareholders at the extraordinary general meeting held on 28 April 2021.

On 15 December 2021, the Company had bought back 2,300,000 shares from the open market, representing 21.6% of the 10,653,300 shares traded for the day, at a price of S\$0.315 - S\$0.32.

This is the first buyback for the Company. Geo Energy intends to execute the buybacks in a controlled and orderly manner over a reasonable period of time to minimise undue movement in the Company's share price. Geo Energy will be holding the repurchased shares as treasury shares.

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



“We are committed to enhancing value for our shareholders. The share buyback is part of the Company's long term capital management. Together with our dividend policy of at least 30% returns to our shareholders based on our earnings, subject to any capital requirements, embarking on a share buyback would increase value for our shareholders and strengthen our return on equity. Our cash balance as at 12 December 2021 was US\$164 million, after payment of US\$31 million interim dividends (S\$0.03 per share) on 29 November 2021 and prepaying US\$63 million of the US\$ Bonds with interest in October 2021.

China's imports unexpectedly accelerated as the country scrambled to restock depleted commodities like coal. Imports climbed 31.7% in November, the highest level in 2021 as fuel scrambled during the onset of winter to feed its power system which had been experiencing shortages.¹ Given that China still has limited energy capacity and will need time to build it up, energy-related imports will continue in the coming months.²

As previously announced on 8 December 2021, the JORC VALMIN valuation of our SDJ and TBR coal mines and the performance of the Group has shown that our shares are undervalued. We are expecting a better performance for the last quarter of 2021 and the highest quarterly results ever. With the commencement of our first share buyback, together with our dividend policy, we will continue to return surplus capital to our shareholders, enhance the efficiency of our capital base and increase value for our shareholders.”

¹ <https://www.reuters.com/world/china/china-nov-exports-rise-22-yy-imports-up-317-2021-12-07/>

² <https://www.businesstimes.com.sg/government-economy/chinas-export-growth-lost-steam-in-november-official>

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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.

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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