

## MEDIA RELEASE

18 October 2023

### **Geo Energy's share price rises by around 30% as it secures transformational acquisition, embarking rapid phase of growth**

- The value-accretive acquisition marks a new phase of growth for Geo Energy, with the future of thermal coal is expected to shift towards a calorific value of 4,000 GAR with low ash and low sulfur characteristics. Securing the sizeable 2P (Proved and Probable) reserves of around 275 million tonnes with such characteristics allows Geo Energy to strengthen its foothold in the domestic and international coal markets.
- These reserves were valued at a preferred value of US\$809 million based on 2023 variable coal forecast and a preferred value of US\$957 million based on a constant coal price as set out in the Independent Qualified Persons' Report and Valuation Report announced on 24 August 2023.
- The ready-for-development world-class infrastructure will enable Geo Energy to ramp up its production to 25 million tonnes per annum, as well as service neighbouring mines. This will distinguish Geo Energy as an integrated coal player and allow it to establish a dominant position in the region.

**Singapore, 18 October 2023 – Geo Energy Resources Limited** (the "Company", together with its subsidiaries, the "Group") has successfully completed the acquisition of 58.65% stake in PT Golden Eagle Energy Tbk ("GEE"), an Indonesian coal mining group listed on the Indonesia Stock Exchange, and 33.00% stake in PT Marga Bara Jaya ("MBJ") with ready-for-development infrastructure (together with GEE and MBJ, the "Acquisition").

Following the completion of the Acquisition, the Group will submit filings to the Indonesian Financial Services Authority (the "OJK") within 3 business days and launch the Mandatory Tender Offer (the "MTO") upon approval. The MTO price is IDR1,305.50 per share and is expected to be completed within the next 10 to 12 weeks, subject to the approval from the OJK. The Group's equity stake in GEE could rise up to 75.00% and the total consideration for the MTO and the Acquisition could rise up to USD200 million, assuming a 100% acceptance of the MTO.

Commenting on the successful completion of the Acquisition, Mr Charles Antonny Melati, Executive Chairman & Chief Executive Officer of Geo Energy said: **"Over the last month, we have seen Geo Energy's share price rise by around 30%. The completion of this value-accretive Acquisition marks this rapid phase of growth. It is aligned with our commitment and vision to bring Geo Energy's business to greater heights.**

**Even without including the valuation of the integrated infrastructure, the Triaryani asset alone has been valued at almost USD1 billion<sup>2</sup> as set out in the independent valuation report.**

**The USD220 million loan facilities from Bank Mandiri and our strong cash reserves will allow the Group to fund the mining and infrastructure development required to support and achieve the Triaryani mine's targeted production volume of 25 million tonnes annually. This will unlock the Group's value and generate long-term sustainable returns to our shareholders.**

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<sup>2</sup> Based on the preferred value of US\$809 million and US\$957 million as stated in the announcement. Please refer to the IQPR for more details.

**Coal remains the primary and cheapest source of electricity. With energy security increasingly becoming more important, the demand for coal continues to grow, with a peak expected to be reached only in 2030<sup>3</sup> or beyond.**

**The future of thermal coal is expected to shift towards a calorific value of 4,000 GAR with low ash and low sulfur characteristics. Triaryani's significant coal reserves of such characteristic will allow Geo Energy to establish its dominance in this market segment.**

**We believe that with the successful execution of our plans, Geo Energy's value will continue to rise toward realising our vision of bringing Geo Energy into a billion-dollar business."**

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#### **CAUTION IN TRADING**

Shareholders are advised to exercise caution in trading their shares. Shareholders should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

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

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<sup>3</sup> Financial Times: Peak fossil fuel demand will happen this decade, by Fatih Birol, executive director of IEA.