

Nomura
Bond Investor Road
show
27 June 2018



CREATING THE SPARK

Staying on Strategy for Sustainable Growth



FORWARD LOOKING STATEMENTS

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1Q2018 Highlights

3 Months – 31 March 2018

✔ **2018 Target**
11-12Mt production and sales

✔ **Value creation**
Cash Profit US\$13/t
Net margin 16%
EBITDA margin 24%

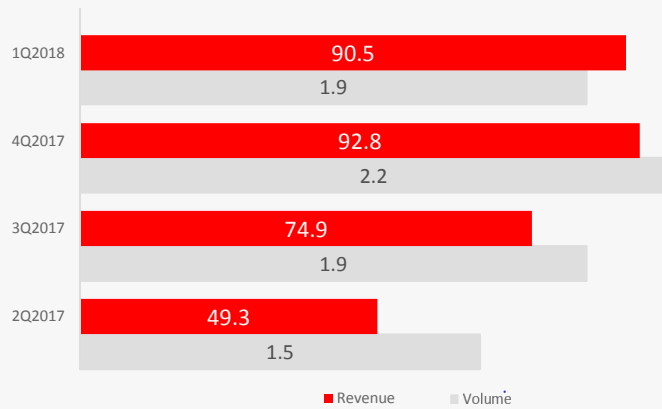
Financial Results

	Q12018	L12 Mths	2017
Revenue	US\$ 90.5m ↓	US\$ 317.1m	US\$ 316.3m
Underlying Net Profit	US\$ 14.3m ↓	US\$ 47.3m	US\$ 47.6m
Underlying EBITDA	US\$ 22.9m ↓	US\$ 83.0	US\$ 87.6m
Sales Volume – Coal Mining	1.9Mt ↓	7.5mt	7.7mt
ASP per tonne	US\$ 46.5 ↑	US\$ 42.4	US\$ 40.3
Cash Cost per tonne	US\$ 33.4 ↑	US\$ 29.9	US\$ 28.3

Mt - million ton ASP – Average Selling Price L12Mths – Last 12 months

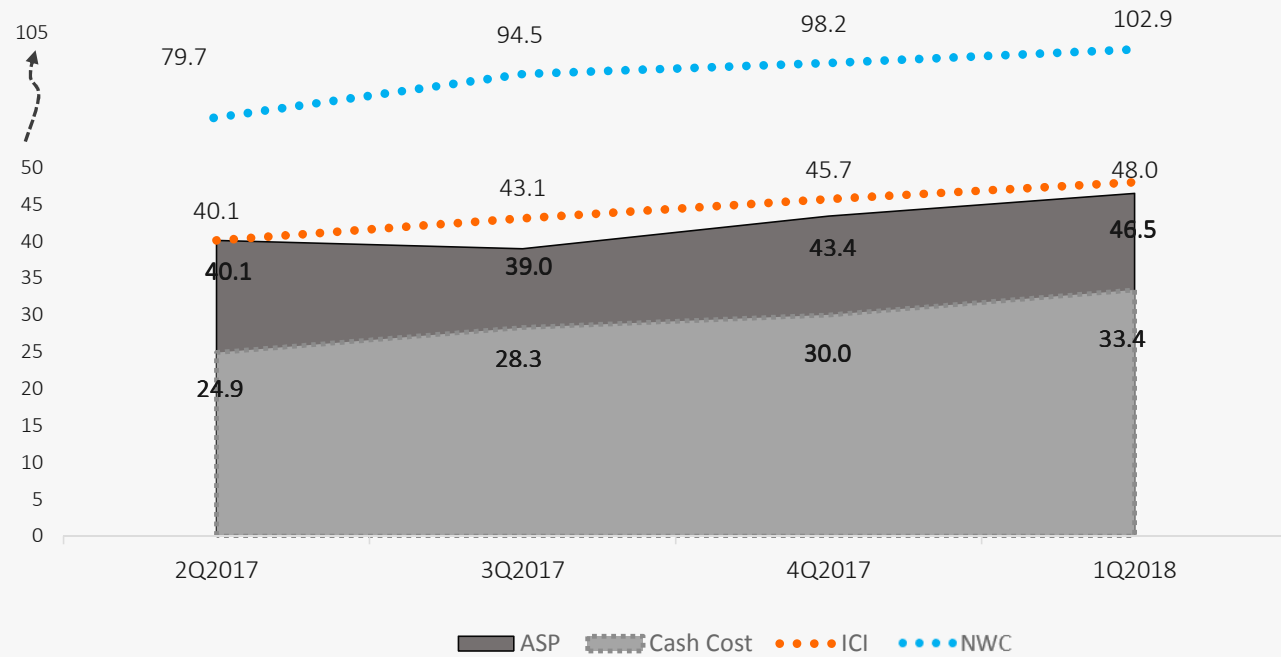
1Q2018 Highlights

3 Months – 31 March 2018



Revenue in the last 12 months ended 31 March 2018 was US\$307.5m

Average ICI4 Index vs Average Selling Price (4200 GAR) (US\$/tonne)



1Q2018 Highlights

3 Months – 31 March 2018

✔ **Strong Cash Position**
US\$247.9m

✔ **Low Net Gearing**
32%

Financial Position

	31.3.2018	31.12.2017
Cash and Cash Equivalents	US\$ 247.9m	US\$ 265.8m
Total Assets	US\$ 556.4m	US\$ 550.0m
Total Liabilities	US\$ 393.0m	US\$ 395.5m
Shareholders' Equity	US\$ 162.1m	US\$ 153.1m
NAV per share	US 12.2 cents	US 11.5 cents

FOR EQUITY INVESTORS

Market capitalisation was at **S\$279 million** as of 19 June 2018.

Geo Energy Share Price

0.21 SGD (19-06-2018)

OPEN	PREV CLOSE	VOLUME
0.22	0.22	217,100
MARKET CAP	DAY RANGE	52 WEEK RANGE
285.794M	0.21-0.22	0.21-0.31

Valuation



FOR BOND INVESTORS

The price of Senior Notes has traded well since its issuance and has been trading better than its peers despite the market condition.

US\$ Bond Price? (19-06-2018)

Current Ask Yield to Maturity ⓘ	Current Ask Yield to Worst ⓘ	Current Indicative Ask Price (USD)
9.314 %	9.314 %	95.416
Current Bid Yield to Maturity ⓘ	Current Bid Yield to Worst ⓘ	Current Indicative Bid Price (USD)
9.508 %	9.508 %	94.764

Valuation





01. Top 10 Coal Producer

Indonesia 2019



02. 11% Market Share

4200 GAR Coal in Internationally
2019



03. >150Mt Coal Reserves

LOM of more than 10 years 2018



04. ROE>20% Expansion of

Business
2018



What are our Competitive Strengths?

Competitive Strengths		
Superior asset characteristics	⊙	<ul style="list-style-type: none"> • High quality coal assets with low-ash and low-sulphur characteristics driving demand locally and internationally. • Thick coal seams make it effective to mine.
Low cash costs	⊙	<ul style="list-style-type: none"> • Close proximity to anchorage point. • Relatively low strip ratio.
Low cash requirement with strong source of liquidity from prepayment option	⊙	<ul style="list-style-type: none"> • Availability of prepayment from offtaker provides a valuable source of working capital. • Low maintenance CAPEX borne by Geo Energy, low working capital requirement.

What are our Challenges?

Challenges		
Small scale of operations	⤵	<ul style="list-style-type: none"> • SDJ and TBR are adequate to continue operations until 2023 under the mining plans. • To acquire multiple coal assets (producing or near-producing assets) to maintain production volumes past 2022.
Geographical concentration	⤵	<ul style="list-style-type: none"> • Unexpected heavy rainfall in a single region will impact Geo Energy’s overall production. • Exposure to regulatory risk that impacts the country or region.

What is our strategy for Sustainable Growth?

Growths		
Sales ramp-up	➤	<ul style="list-style-type: none"> • 11-12 million tonnes for SDJ and TBR in 2018. • 13-15 million tonnes for SDJ and TBR thereafter.
M&A and investments	➤	<ul style="list-style-type: none"> • Acquisition size of around US\$200-250 million with deferred payment based on KPIs. • Potentially expand coal reserves by 100 million tonnes and secure the right to logistics hauling and jetty use for 10 million tonnes of export and sales a year. • Investment parameters with strong cash profit margins and ability to generate cash flow quickly and a target ROI of over 20%.

What are the Risk Factors?

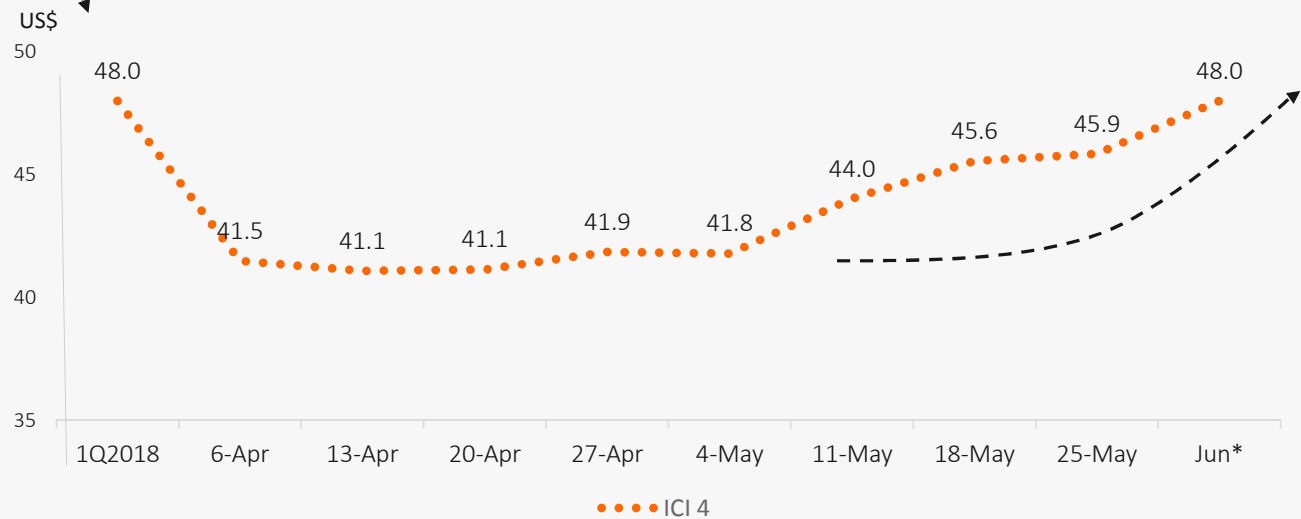
Risks		
Coal price fluctuations	⌋	<ul style="list-style-type: none"> • Rapid changes on current and future coal prices substantially affect Geo’s business and operations and financial performance. • Mitigated by nimble and cost competitive business model and strong outlook for the industry.
Operational risks	⌋	<ul style="list-style-type: none"> • BUMA bears the execution and CAPEX risk, provides onsite resources and robust contractual arrangement implies cost is tied to coal price with Geo Energy retaining majority of the upside. • Life of mine offtake with high quality partner reduces volume risk and provides cash flow stability (ie. ECTP).
Regulatory risks	⌋	<ul style="list-style-type: none"> • Geo Energy is subject to regulatory changes by Indonesia Government (such as Domestic Market Obligations, DMO).

Following the Indonesia government's announcement on the domestic price cap, prices fell in the month of March and April.

It gradually increased to US\$45.9 at end of May, with bid/offer price of around US\$48 in June.

Coal Price Updates

Indonesian 4,200 GAR / 3,800 NAR



*June 2018 estimated coal price is based on market bid and offer price

Coal Price Forward

Near term prices projected to soften but generally stable over next few years

Demand – generally positive

- Strong Asian power demand set to continue +
- Chinese demand looks set to remain strong +
- Indian demand looks like returning +
- SEA demand increasing rapidly +



Source: IHS Markit – HIS McCloskey 4,200 kc GAR FOB marker (M42)

Indonesia Major Coal Producers

Indonesia thermal coal production (MT)

We would be among the major coal producers in Indonesia with a targeted annual production of 11-12 million tonnes in 2018 and based on the latest JORC mining plan a 13-15 million tonnes for 2019 and beyond.

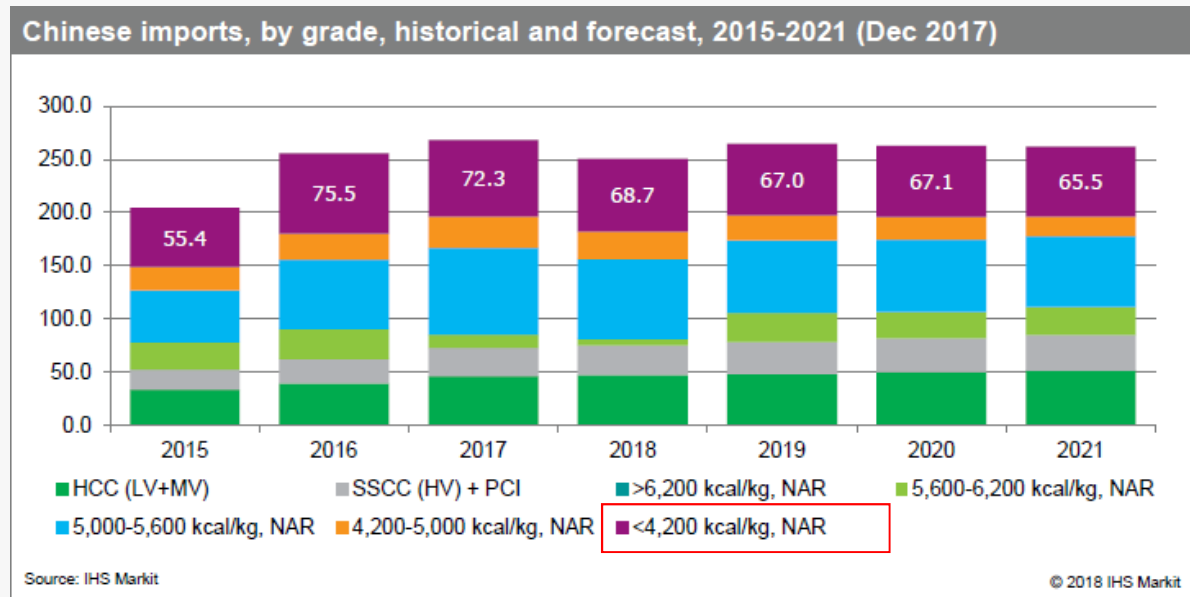
	Actual 2016	y-o-y	Actual 2017
Bumi Resources	86.5	-3.2%	83.7
Adaro Energy	52.6	-1.5%	51.8
Kideco	32.1	-0.3%	32.0
ITMG	25.6	-13.7%	22.1
Bukit Asam	19.6	23.5%	24.2
Bayan Resources	9.7	115.4%	20.9
Geo Energy	5.5	40%	7.7
Other Producers	207.9	8.9%	226.3

Source: Company presentations, ESDM

In 2017, Geo substantially contributed 10% of the coal sales in China market.

With a targeted annual production of 11-12 million tonnes in 2018 and a 13-15 million tonnes for 2019 and beyond, our coal sales to China is expected to hit at around 17% and 22% respectively.

Chinese Imports to Stabilise Over Time



Source: IHS Markit, HIS McCloskey 4,200 kc GAR FOB marker (M42)

DMO Regulations

The Government has given guidance on the minimum coal DMO of 25% of production plan. The Government has also given guideline that not fulfilling the DMO requirement will result in lower production and export quota in the following year.

The coal price for electricity (PLN) is capped at a US\$70/mt, with reference to the HBA index.

There has been discussion whereby mining companies that exceed their DMO obligations may sell/transfer DMO credits to a mining company that is unable to meet its DMO commitment.



Geo Energy's 2018 DMO is based on the RKAB production plan. The 25% guideline may only applied to Geo from 2019 onwards.



Geo Energy does not have existing PLN commitment. We can sell to cement manufacturing plant at a price higher than PLN price cap.



This can be an option if Geo Energy is required to buy credits. However, the pricing mechanism for DMO credits is still under discussion.

What has Analysts said about Geo?

Phillip Capital

“ Phillip Capital quoted Geo Energy **“Looking forward to good deal”** with a Buy rating and a target price of S\$0.410 and a total return of 87.7%.

KGI Securities

“ KGI says that Geo Energy **“On track for another record year”** by maintaining a Buy rating and a target price of S\$0.30 that implies on upside of 33.5%.

What has Rating Agencies said about Geo?

**US\$ DENOMINATED
FIXED RATE SENIOR
NOTES DUE 2022**

**144A / REG S NOTES
5NC3
NEW YORK LAW**

B+ by Fitch Ratings

B by Standard and
Poor's Ratings Services

B2 by Moody's Investors
Service

Fitch

Downgrades Geo to 'B' on delayed coal acquisition. However, they believe in our strong financial profile and well managed mining operations and offtake agreement.

They believe Geo's financial and liquidity profile is strong for its rating.

What has Rating Agencies said about Geo?

US\$ DENOMINATED
FIXED RATE SENIOR
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NEW YORK LAW

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Poor's Ratings Services

B2 by Moody's Investors
Service

S&P

Affirming a 'B' long term corporate credit rating on Geo.

The stable outlook reflects their expectation that Geo will maintain a sound cash buffer over the next 12 months, given the notes proceeds and steady cash flows from growing production.

What has Rating Agencies said about Geo?

US\$ DENOMINATED
FIXED RATE SENIOR
NOTES DUE 2022

144A / REG S NOTES
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NEW YORK LAW

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B2 by Moody's Investors
Service

Moody's

A ramp-up in production and stable coal prices will support Geo's credit profile.

Estimate that the **EBITDA** contribution from its TBR mine will help the company gradually **deleverage** from 2018 onwards.

Geo is undervalued compared to its peers.
Peer average P/E ratio: 8.1

Comparison with Peers

Trailing 12-months ended 31 Mar 2018 (In million USD)



Geo



Indika*



Bayan Resources



ITMG



Bukit Asam



Adaro



Bumi Resources

	308
Revenue	
	31
Net Profit	
EBITDA	83
Market Cap	221
P/E	5.9
	556
Assets	

	1,690
Revenue	
	312
Net Profit	
EBITDA	319
Market Cap	1,310
P/E	3.5
	3,740
Assets	

	1,288
Revenue	
	389
Net Profit	
EBITDA	581
Market Cap	2,501
P/E	6.3
	1,009
Assets	

	1,700
Revenue	
	254
Net Profit	
EBITDA	460
Market Cap	2,160
P/E	8.5
	1,373
Assets	

	1,536
Revenue	
	375
Net Profit	
EBITDA	552
Market Cap	3,320
P/E	8.5
	1,715
Assets	

	3,296
Revenue	
	461
Net Profit	
EBITDA	1,187
Market Cap	4,382
P/E	9.6
	6,769
Assets	

	334
Revenue	
	46
Net Profit	
EBITDA	84
Market Cap	570
P/E	12.1
	470
Assets	

*Includes other business

Source: Bloomberg, 19 June 2018

About Geo Energy

“

Geo Energy Resources Limited (“Geo Energy”) is listed on the Singapore Stock Exchange and part of the Singapore FTSE index.

The Group’s operations are primarily located in Indonesia. It is a coal mining specialist with an established track record in the operation of coal mining sites for the purpose of coal production and coal sales since 2008. It now owns major mining concessions and coal mines in East and South Kalimantan, with JORC marketable coal reserves of over 90 million tonnes.

GEO ENERGY RESOURCES LIMITED
(Bloomberg Ticker: GERL SP)

Thank You



For more information, please visit
www.geocoal.com

