
ADDENDUM TO COAL MINING COOPERATION AGREEMENT – INCLUSION OF ADDITIONAL WORK BLOCK

The Board of Directors of Geo Energy Resources Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the announcement dated 24 September 2013 in relation to, *inter alia*, the coal mining cooperation agreement (the “**Mining Cooperation Agreement**”) entered into between the Company’s subsidiary, Geo Coal International Pte. Ltd. (“**GCI**”), and PT Parisma Jaya Abadi (“**PJA**”), wherein PJA and GCI agreed to cooperate with each other to produce coal in a specified area of approximately 150 hectares within the area of 5,000 hectares located in the Kedung Murung and Lebak Mantan Villages, Kota Bangun and Muara Wis District, Kutai Kartanegara Regency, East Kalimantan Province (the “**Concession Area**”).

Based on further exploration conducted by the parties, a further area of approximately 200 hectares (“**Work Block II**”) in the Concession Area was found to contain coal potential of a minimum of 6,800kcal/kg (GAR) with approximately 710,000 metric tonnes and an average stripping ratio of 1:15.

Accordingly, GCI has on 14 October 2013 entered into an addendum to the Mining Cooperation Agreement (the “**Addendum**”) with PJA pursuant to which the parties agreed to include Work Block II as part of the cooperation area. PJA guaranteed that the coal potential in Work Block II shall be approximately 710,000 metric tonnes with a minimum of 6,800kcal/kg (GAR) and an average stripping ratio of 1:15. In the event that the volume of coal produced from Work Block II amounts to less than 710,000 metric tonnes, PJA will at its discretion, allocate to GCI additional work blocks until the volume of coal produced reaches 710,000 metric tonnes or refund the down payment paid by GCI under the Addendum.

GCI was given an exclusive right to purchase the coal produced from Work Block II at (i) US\$61.55 per metric tonne of coal with a minimum calorific value of 6,800kcal/kg (GAR); and (ii) US\$71.55 per metric tonne of coking coal, both of which will be transacted on a FOB barge basis. GCI shall make an upfront payment of US\$2 million to PJA within 14 (fourteen) days from the date of the Addendum and a further US\$2.97 million by 30 November 2013.

The Addendum shall be effective from the date thereof until the production and sale of coal from Work Block II reaches 710,000 metric tonnes or the parties agree that the coal potential in Work Block II shall not be feasible to conduct further mining.

Barring unforeseen circumstances and subject to execution risks, the Addendum is expected to have a positive impact on the net tangible assets per share and earnings per share of the Group for the current financial year ending 31 December 2013.

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Addendum, other than through their shareholdings in the Company (if any).

BY ORDER OF THE BOARD

Charles Antonny Melati
Executive Chairman
14 October 2013

*The initial public offering of the Company’s shares was sponsored by Canaccord Genuity Singapore Pte. Ltd. (the “**Issue Manager**”). The Issue Manager assumes no responsibility for the contents of this announcement.*