



**GEO ENERGY GROUP**

**GEO ENERGY RESOURCES LIMITED**

(Incorporated in the Republic of Singapore on 24 May 2010)  
(Company Registration Number 201011034Z)

**Unaudited Financial Statements Announcement for the Fourth Quarter and Twelve Months Ended 31 December 2015**

**PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF RESULTS FOR FOURTH QUARTER AND TWELVE MONTHS ENDED 31 DECEMBER 2015**

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

1(a) (i) Consolidated statement of profit or loss

	Group					
	3 months ended 31.12.2015 US\$ (Unaudited)	3 months ended 31.12.2014 US\$ (Unaudited)	Change + / (-) %	12 months ended 31.12.2015 US\$ (Unaudited)	12 months ended 31.12.2014 US\$ (Audited)	Change + / (-) %
<b>Revenue</b>	3,699,065	10,323,789	(64)	22,336,428	53,107,001	(58)
Cost of sales	(3,874,295)	(8,331,036)	(53)	(21,938,760)	(55,530,433)	(60)
<b>Gross (Loss) Profit</b>	(175,230)	1,992,753	(109)	397,668	(2,423,432)	(116)
Other income	1,943,858	2,328,449	(17)	3,517,094	3,380,907	4
General and administrative expenses	(1,572,570)	(1,699,785)	(7)	(6,960,138)	(8,404,907)	(17)
Other expenses	(5,262,111)	(2,999,410)	75	(7,251,748)	(3,240,780)	124
Finance costs	(1,867,500)	(2,161,346)	(14)	(7,934,941)	(5,243,069)	51
<b>Loss before income tax</b>	(6,933,553)	(2,539,339)	173	(18,232,065)	(15,931,281)	14
Income tax	405,178	(954,799)	(142)	1,644,883	3,150,959	(48)
<b>Loss after income tax</b>	(6,528,375)	(3,494,138)	87	(16,587,182)	(12,780,322)	30
Loss attributable to:						
Owners of the Company	(6,281,237)	(3,393,390)	85	(16,306,250)	(12,578,189)	30
Non-controlling interests	(247,138)	(100,748)	145	(280,932)	(202,133)	39
	(6,528,375)	(3,494,138)	87	(16,587,182)	(12,780,322)	30

1(a) (ii) Consolidated statement of profit or loss and other comprehensive income

	Group					
	3 months ended 31.12.2015 US\$ (Unaudited)	3 months ended 31.12.2014 US\$ (Unaudited)	Change + / (-) %	12 months ended 31.12.2015 US\$ (Unaudited)	12 months ended 31.12.2014 US\$ (Audited)	Change + / (-) %
<b>Loss after income tax</b>	(6,528,375)	(3,494,138)	87	(16,587,182)	(12,780,322)	30
Other comprehensive income, net of tax:						
<i>Items that may be subsequently reclassified to profit or loss</i>						
Exchange differences on translation	4,996,398	(1,516,384)	(429)	(1,429,296)	(1,441,418)	N.M.
<i>Items that will not be subsequently reclassified to profit or loss</i>						
Remeasurement of defined benefit obligations	154,332	(46,299)	(433)	154,332	(46,299)	(433)
<b>Total comprehensive income</b>	<u>(1,377,645)</u>	<u>(5,056,821)</u>	(73)	<u>(17,862,146)</u>	<u>(14,268,039)</u>	25
Total comprehensive income attributable to:						
Owners of the Company	(1,208,409)	(4,951,779)	(76)	(17,570,593)	(14,063,845)	25
Non-controlling interests	(169,236)	(105,042)	(61)	(291,553)	(204,194)	43
	<u>(1,377,645)</u>	<u>(5,056,821)</u>	(73)	<u>(17,862,146)</u>	<u>(14,268,039)</u>	25

**1(a) (iii) Profit before income tax is arrived at after charging/(crediting) the following:**

	<b>Group</b>					
	<b>3 months ended 31.12.2015 US\$ (Unaudited)</b>	<b>3 months ended 31.12.2014 US\$ (Unaudited)</b>	<b>Change + / (-) %</b>	<b>12 months ended 31.12.2015 US\$ (Unaudited)</b>	<b>12 months ended 31.12.2014 US\$ (Unaudited)</b>	<b>Change + / (-) %</b>
Other income:						
Interest income	(141,098)	(215,213)	(34)	(608,126)	(642,056)	(5)
Foreign exchange gain (net)	(1,438,283)	(1,901,293)	(24)	(2,575,546)	(2,361,350)	9
Gain on disposal of property, plant and equipment (net)	(161,382)	-	N.M.	-	-	-
Fair value gain on investment properties	-	(157,624)	(100)	-	(157,624)	(100)
Other expenses:						
Loss on disposal of property, plant and equipment (net)	-	1,856,791	(100)	1,870,526	1,987,855	(6)
Fair value loss on investment properties (net)	244,644	-	N.M.	244,644	-	N.M.
Impairment loss on sales and leaseback of property, plant and equipment	930,354	-	N.M.	930,354	-	N.M.
Allowance for doubtful debts	2,408,576	-	N.M.	2,408,576	30,994	N.M.
Impairment loss on advance payment for coal	1,617,436	-	N.M.	1,617,436	-	N.M.
Impairment loss on deferred expenditure	-	894,013	(100)	-	894,013	(100)
Loss on financial asset carried at amortised cost	-	248,606	(100)	-	248,606	(100)
Interest expense	1,867,500	2,161,346	(14)	7,934,941	5,243,069	51
Depreciation of property, plant and equipment	1,061,303	1,369,716	(23)	4,539,081	6,583,740	(31)

N.M. not meaningful

**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year**

	<b>Group</b>		<b>Company</b>	
	<b>31.12.2015</b>	<b>31.12.2014</b>	<b>31.12.2015</b>	<b>31.12.2014</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	12,415,628	13,339,167	8,700,645	12,875,141
Trade and other receivables	32,709,751	31,596,601	58,422,001	72,615,198
Deposits and prepayments	18,506,479	30,176,683	23,509	78,398
Inventories	5,417,048	4,768,975	-	-
<b>Total current assets</b>	<b>69,048,906</b>	<b>79,881,426</b>	<b>67,146,155</b>	<b>85,568,737</b>
<b>Non-current assets</b>				
Trade receivables	-	7,565,204	-	-
Deposits and prepayments	5,704,123	2,373,359	103,699	111,264
Investment in subsidiaries	-	-	97,554,117	72,554,117
Property, plant and equipment	131,869,944	115,130,106	236,999	218,141
Deferred stripping costs	1,446,472	-	-	-
Investment properties	3,336,335	3,484,058	2,827,455	3,484,058
Deferred tax assets	3,621,698	2,998,675	175,768	-
Other non-current asset	123,843	132,697	123,843	132,697
<b>Total non-current assets</b>	<b>146,102,415</b>	<b>131,684,099</b>	<b>101,021,881</b>	<b>76,500,277</b>
<b>Total assets</b>	<b>215,151,321</b>	<b>211,565,525</b>	<b>168,168,036</b>	<b>162,069,014</b>

	<b>Group</b>		<b>Company</b>	
	<b>31.12.2015</b>	<b>31.12.2014</b>	<b>31.12.2015</b>	<b>31.12.2014</b>
	<b>US\$</b> (Unaudited)	<b>US\$</b> (Audited)	<b>US\$</b> (Unaudited)	<b>US\$</b> (Audited)
<b><u>LIABILITIES AND EQUITY</u></b>				
<b>Current liabilities</b>				
Bank borrowings	-	264,854	-	264,854
Trade and other payables	39,639,092	13,432,330	22,113,841	11,116,943
Current portion of finance leases	6,559,195	9,704,519	14,396	-
Income tax payable	27,257	50,009	-	49,286
<b>Total current liabilities</b>	<b>46,225,544</b>	<b>23,451,712</b>	<b>22,128,237</b>	<b>11,431,083</b>
<b>Non-current liabilities</b>				
Finance leases	2,848,503	2,511,662	59,856	-
Notes payable	69,249,789	72,807,779	69,249,789	72,807,779
Provisions	990,475	1,355,269	88,225	90,032
Deferred tax liabilities	1,780,023	3,393,411	-	106,804
Other non-current liabilities	85,962	-	-	-
<b>Total non-current liabilities</b>	<b>74,954,752</b>	<b>80,068,121</b>	<b>69,397,870</b>	<b>73,004,615</b>
<b>Capital, reserves and non-controlling interests</b>				
Share capital	86,170,842	82,518,674	86,170,842	82,518,674
Other reserve	14,105	14,349	-	-
Revaluation reserve	776,632	776,632	776,632	776,632
Translation reserve	(22,946,814)	(21,528,139)	(4,324,438)	(4,186,712)
Retained earnings (Accumulated losses)	29,718,918	45,870,836	(5,981,107)	(1,475,278)
<b>Equity attributable to owners of the Company</b>	<b>93,733,683</b>	<b>107,652,352</b>	<b>76,641,929</b>	<b>77,633,316</b>
Non-controlling interests	237,342	393,340	-	-
<b>Total equity</b>	<b>93,971,025</b>	<b>108,045,692</b>	<b>76,641,929</b>	<b>77,633,316</b>
<b>Total liabilities and equity</b>	<b>215,151,321</b>	<b>211,565,525</b>	<b>168,168,036</b>	<b>162,069,014</b>

**1(b)(ii) Aggregate amount of group's borrowings and debt securities****Group**

	<b>31.12.2015</b>		<b>31.12.2014</b>	
	<b>Secured US\$</b>	<b>Unsecured US\$</b>	<b>Secured US\$</b>	<b>Unsecured US\$</b>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Amount repayable in one year or less, or on demand	6,559,195	2,250,344	9,969,373	2,411,241
Amount repayable after one year	2,848,503	69,249,789	2,511,662	72,807,779
<b>Total</b>	<b>9,407,698</b>	<b>71,500,133</b>	<b>12,481,035</b>	<b>75,219,020</b>

Details of collateral and security:

As at 31 December 2015, the Group's finance lease liabilities are secured by the leased assets.

In July 2014, the Group issued Medium Term Notes of S\$100 million. The Notes will mature in January 2018 and bear interest at a fixed rate of 7% per annum payable semi-annually in arrears. Separately, the Group has pledged a deposit of S\$3.5 million for the purpose of securing our coupon payment obligations.

**1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year**

	<b>Group</b>			
	<b>3 months ended 31.12.2015 US\$ (Unaudited)</b>	<b>3 months ended 31.12.2014 US\$ (Unaudited)</b>	<b>12 months ended 31.12.2015 US\$ (Unaudited)</b>	<b>12 months ended 31.12.2014 US\$ (Audited)</b>
<b>Operating activities</b>				
Loss before income tax	(6,933,553)	(2,539,339)	(18,232,065)	(15,931,281)
<b>Adjustments for:</b>				
Impairment of deferred expenditure	-	894,013	-	894,013
Depreciation of property, plant and equipment	1,061,303	1,369,716	4,539,081	6,583,740
(Gain) loss on disposal of property, plant and equipment	(161,382)	1,856,791	1,870,526	1,987,855
Impairment loss on sales and leaseback of property, plant and equipment	930,354	-	930,354	-
Impairment loss on advance payment for coal	1,617,436	-	1,617,436	-
Fair value loss (gain) on investment property	244,644	(157,624)	244,644	(157,624)
Allowance for doubtful debts	2,408,576	-	2,408,576	30,994
Loss on financial asset carried at amortised cost	-	248,606	-	248,606
Interest expense	1,867,500	2,161,346	7,934,941	5,243,069
Interest income	(141,098)	(215,213)	(608,126)	(642,056)
Retirement benefit obligations	(324,139)	(382,624)	(67,083)	38,116
Net foreign exchange losses (gains)	159,111	(1,553,821)	(2,624,473)	(4,057,237)
Operating cash flows before movements in working capital	728,752	1,681,851	(1,986,189)	(5,761,805)
Trade and other receivables	1,131,263	(2,097,471)	572,806	(10,428,507)
Deposits and prepayments	(4,760,819)	(1,254,259)	(2,829,219)	(4,005,197)
Inventories	(1,585,896)	124,165	(648,073)	10,201,717
Trade and other payables	24,275,777	(2,720,508)	25,775,250	(3,845,941)
Cash generated from (used in) operations	19,789,077	(4,266,222)	20,884,575	(13,839,733)
Income tax paid	(43,594)	(619,448)	(672,969)	(3,351,215)
Income tax refund	-	-	2,281,328	300,579
Retirement benefit obligation paid	(50,945)	(3,209)	(50,945)	(38,218)
Net cash from (used in) operating activities	19,694,538	(4,888,879)	22,441,989	(16,928,587)

	Group			
	3 months ended 31.12.2015 US\$  (Unaudited)	3 months ended 31.12.2014 US\$  (Unaudited)	12 months ended 31.12.2015 US\$  (Unaudited)	12 months ended 31.12.2014 US\$  (Audited)
<b>Investing activities</b>				
Interest received	95,740	101,554	972,143	240,518
Advance payments for purchase of property, plant and equipment	-	(141,691)	-	(600,542)
Purchase of property, plant and equipment	(17,023,470)	(22,769,541)	(20,687,041)	(49,837,895)
Addition to deferred stripping costs	(1,446,472)	-	(1,446,472)	-
Proceeds on disposal of property, plant and equipment	799,013	1,408,330	7,146,355	1,491,270
Net cash used in investing activities	(17,575,189)	(21,401,348)	(14,015,015)	(48,706,649)
<b>Financing activities</b>				
Increase in deposits pledged	(2,500,000)	-	(2,500,000)	(2,825,502)
Interest paid	(319,768)	(344,960)	(6,554,738)	(1,908,968)
Proceeds from bank borrowings	-	-	-	8,804,000
Repayment of bank borrowings	(63,139)	(65,178)	(253,664)	(9,066,248)
Proceeds from issuance of notes payable	-	-	-	80,593,166
Transaction costs pursuant to issuance of notes payable	-	-	-	(3,915,749)
Proceeds from issuance of shares	-	-	3,740,537	-
Share issuance expense	-	-	(88,369)	-
Repayment of amount due to a related party	-	-	-	(2,060,465)
Repayment of obligations under finance leases	(1,229,672)	(2,629,966)	(5,349,073)	(10,550,240)
Net cash (used in) from financing activities	(4,112,579)	(3,040,104)	(11,005,307)	59,069,994
Net decrease in cash and cash equivalents	(1,993,230)	(29,330,331)	(2,578,333)	(6,565,242)
Cash and cash equivalents at beginning of the period / year	9,322,218	41,500,981	10,666,464	17,814,850
Effect of exchange rate changes on cash balances held in foreign currencies	92,281	(1,504,186)	(666,862)	(583,144)
<b>Cash and cash equivalents at end of the period / year (Note A)</b>	<b>7,421,269</b>	<b>10,666,464</b>	<b>7,421,269</b>	<b>10,666,464</b>

**Notes to consolidated cash flow statement:**

Note A:

Cash and bank balances	7,417,371	1,198,919	7,417,371	1,198,919
Deposits	4,998,257	12,140,248	4,998,257	12,140,248
Total	12,415,628	13,339,167	12,415,628	13,339,167
Less: Deposit pledged	(4,994,359)	(2,672,703)	(4,994,359)	(2,672,703)
Cash and cash equivalents as per cash flow statement	7,421,269	10,666,464	7,421,269	10,666,464



1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

**Group – financial period ended 31.12.2015**

	<u>Share capital</u> US\$	<u>Other reserve</u> US\$	<u>Revaluation reserve</u> US\$	<u>Translation reserve</u> US\$	<u>Retained earnings</u> US\$	<u>Equity attributable to owners of the Company</u> US\$	<u>Non-controlling interests</u> US\$	<u>Total</u> US\$
<b>Balance at 1 January 2015</b>	82,518,674	14,349	776,632	(21,528,139)	45,870,836	107,652,352	393,340	108,045,692
Loss for the period	-	-	-	-	(10,025,013)	(10,025,013)	(33,794)	(10,058,807)
Share issuance	3,740,537	-	-	-	-	3,740,537	-	3,740,537
Share issuance expense	(88,369)	-	-	-	-	(88,369)	-	(88,369)
Other comprehensive income for the period	-	-	-	(6,337,171)	-	(6,337,171)	(88,523)	(6,425,694)
<b>Balance at 30 September 2015</b>	86,170,842	14,349	776,632	(27,865,310)	35,845,823	94,942,336	271,023	95,213,359
Loss for the period	-	-	-	-	(6,281,237)	(6,281,237)	(247,138)	(6,528,375)
Acquisition of subsidiary with non-controlling interests	-	-	-	-	-	-	135,311	135,311
Dilution of non-controlling interests	-	(244)	-	-	-	(244)	244	-
Other comprehensive income for the period	-	-	-	4,918,496	154,332	5,072,828	77,902	5,150,730
<b>Balance at 31 December 2015</b>	86,170,842	14,105	776,632	(22,946,814)	29,718,918	93,733,683	237,342	93,971,025

**Group – financial period ended 31.12.2014**

	<u>Share capital</u> US\$	<u>Other reserve</u> US\$	<u>Revaluation reserve</u> US\$	<u>Translation reserve</u> US\$	<u>Retained earnings</u> US\$	<u>Equity attributable to owners of the Company</u> US\$	<u>Non-controlling interests</u> US\$	<u>Total</u> US\$
<b>Balance at 1 January 2014</b>	82,518,674	14,349	776,632	(20,088,782)	58,495,324	121,716,197	587,627	122,303,824
Loss for the period	-	-	-	-	(9,184,799)	(9,184,799)	(101,385)	(9,286,184)
Non-controlling interests arising from acquisition of subsidiaries	-	-	-	-	-	-	9,907	9,907
Other comprehensive income for the period	-	-	-	72,733	-	72,733	2,233	74,966
<b>Balance at 30 September 2014</b>	82,518,674	14,349	776,632	(20,016,049)	49,310,525	112,604,131	498,382	113,102,513
Loss for the period	-	-	-	-	(3,393,390)	(3,393,390)	(100,748)	(3,494,138)
Other comprehensive income for the period	-	-	-	(1,512,090)	(46,299)	(1,558,389)	(4,294)	(1,562,683)
<b>Balance at 31 December 2014</b>	82,518,674	14,349	776,632	(21,528,139)	45,870,836	107,652,352	393,340	108,045,692

## Company – financial period ended 31.12.2015

	<u>Share capital</u> US\$	<u>Revaluation reserve</u> US\$	<u>Translation reserve</u> US\$	<u>Accumulated losses</u> US\$	<u>Total</u> US\$
<b>Balance at 1 January 2015</b>	82,518,674	776,632	(4,186,712)	(1,475,278)	77,633,316
Loss for the period	-	-	-	(2,931,238)	(2,931,238)
Share issuance	3,740,537	-	-	-	3,740,537
Share issuance expense	(88,369)	-	-	-	(88,369)
Other comprehensive income for the period	-	-	(460,396)	-	(460,396)
<b>Balance at 30 September 2015</b>	86,170,842	776,632	(4,647,108)	(4,406,516)	77,893,850
Loss for the period	-	-	-	(1,574,591)	(1,574,591)
Other comprehensive income for the period	-	-	322,670	-	322,670
<b>Balance at 31 December 2015</b>	86,170,842	776,632	(4,324,438)	(5,981,107)	76,641,929

## Company – financial period ended 31.12.2014

	<u>Share capital</u> US\$	<u>Revaluation reserve</u> US\$	<u>Translation reserve</u> US\$	<u>Accumulated losses</u> US\$	<u>Total</u> US\$
<b>Balance at 1 January 2014</b>	82,518,674	776,632	(3,359,822)	(1,100,388)	78,835,096
Loss for the period	-	-	-	(3,562,250)	(3,562,250)
Other comprehensive income for the period	-	-	(3,240)	-	(3,240)
<b>Balance at 30 September 2014</b>	82,518,674	776,632	(3,363,062)	(4,662,638)	75,269,606
Profit for the period	-	-	-	3,187,360	3,187,360
Other comprehensive income for the period	-	-	(823,650)	-	(823,650)
<b>Balance at 31 December 2014</b>	82,518,674	776,632	(4,186,712)	(1,475,278)	77,633,316

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year**

There were no changes in the Company's share capital of 1,185,050,891 shares between 30 September 2015 and 31 December 2015.

There were no outstanding convertibles or treasury shares as at 31 December 2015 and 31 December 2014.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	31 December 2015	31 December 2014
Total number of issued shares (excluding treasury shares)	1,185,050,891	1,157,050,891

- 1(d)(iv) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable. Our Company did not hold any treasury shares.

- 2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)**

The figures have not been audited nor reviewed by our Company's auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied**

Save as disclosed in Paragraph 5 below, our Group has consistently applied the same accounting policies and methods of computation in our Group's financial statements for the current reporting period as compared with the audited financial statements for the year ended 31 December 2014.

5. **If there are any changes in accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

The Group has adopted the applicable new and revised Financial Reporting Standards ("FRS") and Interpretations of Financial Reporting Standards ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2015. The adoption of these new/revised FRSs INT FRSs and amendments to FRSs has no material impact on the financial performance or position of the Group.

6. **Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

	Group			
	3 months ended 31.12.2015 (Unaudited)	3 months ended 31.12.2014 (Unaudited)	12 months ended 31.12.2015 (Unaudited)	12 months ended 31.12.2014 (Audited)
<b>Earnings per share ("EPS")</b>				
Earnings for computing EPS (US\$)	(6,281,237)	(3,393,390)	(16,306,250)	(12,578,189)
Weighted average number of ordinary shares <sup>(1)</sup>	1,185,050,891	1,157,050,891	1,172,163,220	1,157,050,891
Basic and diluted EPS based on weighted average number of ordinary shares (US cents) <sup>(2)</sup>	(0.53)	(0.29)	(1.39)	(1.09)

<sup>(1)</sup> The calculation for the basic and diluted EPS is based on the weighted average number of ordinary shares in issue during the respective financial periods.

<sup>(2)</sup> The basic and diluted EPS were the same as the Group did not have any potentially dilutive instruments for the respective financial periods.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year**

Net assets value ("NAV") per share	Group		Company	
	31.12.2015 (Unaudited)	31.12.2014 (Unaudited)	31.12.2015 (Unaudited)	31.12.2014 (Unaudited)
NAV (US\$)	93,733,683	107,652,352	76,641,929	77,633,316
Number of issued shares	1,185,050,891	1,157,050,891	1,185,050,891	1,157,050,891
NAV per ordinary share (US cents)	7.90	9.30	6.46	6.71

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of: (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

**Financial performance (4Q2015 vs. 4Q2014)**

Revenue decreased by US\$6.6 million from US\$10.3 million in 4Q2014 to US\$3.7 million in 4Q2015 mainly due to lower revenue from coal sales and mining services. Continued pressure in coal market contributed to the decrease in our top line.

Gross profit decreased by US\$2.2 million from gross profit of US\$2.0m in 4Q2014 to gross loss of US\$0.2 million in 4Q2015, mainly attributable to the lower margin from coal trading activities and losses incurred by mining services due to lower equipment capacity utilisation.

Other income, mainly comprising forex gain and interest income, decreased by US\$0.4 million, from US\$2.3 million in 4Q2014 to US\$1.9 million in 4Q2015, mainly due to reductions in forex gain and fair value gain on investment properties, offset by gain on disposal of property, plant and equipment in 4Q2015. The forex gain is mainly resulted from the strengthening of USD against SGD and IDR.

General and administrative expenses decreased marginally by US\$0.1 million, from US\$1.7 million in 4Q2014 to US\$1.6 million in 4Q2015, which was mainly due to cost cutting measures.

Other expenses increased by US\$2.2 million, from US\$3.0 million in 4Q2014 to US\$5.2 million in 4Q2015, mainly due to provisions made against receivables and coal purchase prepayment of US\$2.4 million and US\$1.6 million, respectively; impairment loss on sales and leaseback of property, plant and equipment of US\$0.9 million; and fair value loss on investment properties of US\$0.2 million. In comparison, the Group recorded a loss on disposal of property, plant and equipment; fair value gain on investment property; as well as one-off impairment of deferred expenditure and loss on financial asset carried at amortised cost in 4Q2014.

Finance costs decreased by US\$0.3 million, from US\$2.2 million in 4Q2014 to US\$1.9 million in 4Q2015, mainly due to weaker SGD against USD and lower amortised transactional costs pertaining to the notes payable denominated in SGD.

Depreciation decreased by US\$0.3 million, from US\$1.4 million in 4Q2014 to US\$1.1 million in 4Q2015. The decrease was mainly due to savings from disposal of old heavy equipment during the period.

Income tax expenses decreased by US\$1.4 million, from tax expense of US\$1.0 million in 4Q2014 to tax credit of US\$0.4 million in 4Q2015, in line with the losses incurred during the period. Tax expense was recorded in 4Q2014 as a result of de-recognition of deferred tax asset and other non-tax-adjustable items.

The Group's net loss increased by US\$0.5 million, from US\$3.5 million in 4Q2014 to US\$4.0 million in 4Q2015.

**Financial performance (FY2015 vs. FY2014)**

Revenue decreased by US\$30.8 million from US\$53.1 million in FY2014 to US\$22.3 million in FY2015 mainly due to lower revenue from coal sales and mining services. Continued pressure in coal market contributed to the decrease in our top line.

Gross profit improved to US\$0.4 million in FY2015, mainly attributable to the profit from coal trading activities offset by losses incurred by mining services due to lower equipment capacity utilisation. In FY2014, the Group incurred a gross loss of US\$2.4 million which mainly due to non-recurring unrealised loss from coal trading inventories, and one-off operational costs to streamline manpower and reallocate equipment capacity.

Other income, increased marginally by US\$0.1 million from US\$3.4 million in FY2014 to US\$3.5 million. Other income mainly comprised forex gain and interest income,

General and administrative expenses decreased by US\$1.4 million, from US\$8.4 million in FY2014 to US\$7.0 million in FY2015. The decrease was mainly due to cost cutting measures.

Other expenses increased by US\$4.1 million, from US\$3.2 million in FY2014 to US\$7.3 million in FY2015. The increase was mainly due to provisions made against receivables and coal purchase prepayment of US\$2.4 million and US\$1.6 million, respectively; losses incurred on disposal and impairment on sales and leaseback of US\$2.8 million relating to property, plant and equipment; and fair value loss on investment properties of US\$0.2 million. In comparison, the Group recorded one-off impairment of deferred expenditure, loss on financial asset carried at amortised cost and fair value gain on investment property in FY2014.

Finance costs increased by US\$2.7 million, from US\$5.2 million in FY2014 to US\$7.9 million in FY2015, mainly due to interest expense pertaining to the notes payable issued in July 2014.

Depreciation decreased by US\$2.1 million, from US\$6.6 million in FY2014 to US\$4.5 million in FY2015. The decrease was mainly due to savings from disposal of old heavy equipment during the year.

Income tax credit decreased by US\$1.6 million, from US\$3.2 million in FY2014 to US\$1.6 million in FY2015 mainly due to additional tax assessments of certain Indonesian entities relating to prior years.

The Group recorded a net loss of US\$16.6 million in FY2015 and US\$12.8 million in FY2014.

#### **Cash Flow (4Q2015 vs. 4Q2014)**

The Group recorded a net decrease in cash and cash equivalents of US\$2.0 million in 4Q2015 compared to a decrease of US\$29.3 million in 4Q2014, which arose mainly due to purchase of property, plant and equipment and debt repayments.

Net cash from operating activities in 4Q2015 was US\$19.7 million. Operating cash flows before movements in working capital was an inflow of US\$0.7 million, with further cash inflows of US\$19.1 million from our working capital movements.

Net cash used in investing activities in 4Q2015 of US\$17.6 million was mainly due to purchase of property, plant and equipment of US\$17.0 million, and addition to deferred stripping costs of US\$1.4 million; partially offset by proceeds on disposal of property, plant and equipment of US\$0.8 million and interest received of US\$0.1 million.

Net cash used in financing activities in 4Q2015 of US\$4.1 million was due to deposit pledged of US\$2.5 million, interest payment of US\$0.3 million and repayment of obligations under finance leases amounting to US\$1.2 million.

#### **Cash Flow (FY2015 vs. FY2014)**

The Group recorded a net decrease in cash and cash equivalents of US\$2.6 million in FY2015 compared to a decrease of US\$6.6 million in FY2014, which arose mainly due to purchase of property, plant and equipment and debt repayments, offset by the proceeds from the issuance of notes payable.

Net cash from operating activities in FY2015 was US\$22.4 million. Operating cash flows before movements in working capital was an outflow of US\$2.0 million and this was offset by cash inflows of US\$22.9 million from our working capital movements. Income tax refund of US\$2.3 million was received following the finalisation of tax assessment; partially offset by income tax paid of US\$0.7 million and payment for retirement benefit obligation of US\$0.1 million.

Net cash used in investing activities in FY2015 of US\$14.0 million was mainly due to purchase of property, plant and equipment of US\$20.7 million, and addition to deferred stripping costs of US\$1.4 million; partially offset by proceeds on disposal of property, plant and equipment of US\$7.1 million and interest received of US\$1.0 million.

Net cash used in financing activities in FY2015 of US\$11.0 million was mainly due to deposit pledged of US\$2.5 million, interest paid amounting to US\$6.6 million and repayments of obligations under finance leases and bank borrowing totalling US\$5.6 million; partially offset by the proceeds from issuance of shares of US\$3.7 million.

## **Financial Position - Group**

Current assets decreased by US\$10.9 million, from US\$79.9 million as at 31 December 2014 to US\$69.0 million as at 31 December 2015, mainly due to decreases in deposits and prepayments of US\$11.6 million and cash and cash equivalents of US\$0.9 million; partially offset by increases in trade and other receivables of US\$1.1 million and inventories of US\$0.6 million.

Non-current assets increased by US\$14.4 million, from US\$131.7 million as at 31 December 2014 to US\$146.1 million as at 31 December 2015, mainly due to increases in (i) property, plant and equipment of US\$16.7 million resulting from acquisition of mining property during the year, offset by disposal of old heavy equipment; (ii) deposits and prepayments of US\$3.3 million; (iii) deferred stripping costs of US\$1.4 million from the commencement of coal production at the SDJ mine in 4Q2015; and (iv) deferred tax assets of US\$0.6 million. These are partially offset by decreases in trade and other receivables of US\$7.6 million and investment properties of US\$0.1 million.

Current liabilities increased from US\$23.5 million as at 31 December 2014 to US\$46.2 million as at 31 December 2015, it mainly reflects the proceeds from coal sale prepayment and production guarantee deposit relating to SDJ mine, offset by repayments of borrowings and finance leases.

Non-current liabilities decreased by US\$5.1 million, from US\$80.1 million as at 31 December 2014 to US\$75.0 million as at 31 December 2015, mainly due to decrease in notes payable denominated in SGD resulting from weaker SGD against USD, and accrued interest paid during the year, reversal of timing difference in deferred tax liabilities and decrease in provisions; partially offset by increase in finance lease.

## **Financial Position - Company**

Current assets decreased by US\$18.5 million, from US\$85.6 million as at 31 December 2014 to US\$67.1 million as at 31 December 2015, mainly due to decreases in (i) cash and cash equivalents by US\$4.2 million; and (ii) trade and other receivables by US\$14.2 million, which was mainly due to repayments received for intercompany receivables.

Non-current assets increased by US\$24.5 million, from US\$76.5 million as at 31 December 2014 to US\$101.0 million as at 31 December 2015, mainly due to the acquisition of additional interest in BIR, which through its Indonesian subsidiaries, owns the SDJ mining concession; partially offset by the decrease in investment property by US\$0.7 million mainly due to fair value loss.

Current liabilities increased from US\$11.4 million as at 31 December 2014 to US\$22.1 million as at 31 December 2015, mainly due to higher non-trade intercompany payables and unpaid purchase consideration for the aforementioned acquisition of SDJ mining concession.

Non-current liabilities decreased by US\$3.6 million, from US\$73.0 million as at 31 December 2014 to US\$69.4 million as at 31 December 2015, mainly due to decrease in notes payable denominated in SGD, resulting from weaker SGD against USD, and accrued interest paid during the year.

### **9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

There is no material deviation in the actual results for the fourth quarter ended 31 December 2015 from what was previously discussed under paragraph 10 of the Company's financial statements for the third quarter ended 30 September 2015.

### **10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

The Indonesian coal mining industry continues to face pressure from an expansionary supply situation and weak demand, resulting in a general expectation of coal prices to remain relatively soft in the near future. The Indonesian Coal Reference Price (HBA) has decreased during the last three months from US\$58.21 in September 2015 to US\$53.51 in December 2015<sup>(1)</sup>.



On 14 December 2015, the Group's subsidiary, PT. Sungai Danau Jaya ("SDJ") has commenced coal production. Barring any unforeseen circumstances, the Group expects to produce up to 500,000 tonnes of coal by March 2016 and targets to produce more than 6 million tonnes in FY2016. Part of the output will be sold to BTG Pactual Commodities (Singapore) Pte Ltd through an offtake agreement announced in the last quarter. Please refer to the relevant announcements for further information. With the programme launched by the Indonesian government to address the country's electricity shortage, coal-fired power plants is potentially a new market for Geo Energy. The Group is actively looking to acquire new mines similar to SDJ to build up its reserves in order to supply coal to the power plants.

<sup>(1)</sup> Source: Coalspot.com - Indonesian Coal Reference Price (HBA)

**11. If a decision regarding dividend has been made:-**

**(a) Whether an interim (final) ordinary dividend has been declared**

None.

**(b)(i) Amount per share**

Not applicable.

**(b)(ii) Previous corresponding period**

None.

**(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country whether the dividend is derived**

Not applicable.

**(d) The date the dividend is payable**

Not applicable.

**(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined**

Not applicable.

**12. If no dividend has been declared/recommended, a statement to that effect**

No dividend has been declared or recommended for the financial year ended 31 December 2015.

**13. If the group has obtained a general mandate from shareholders for Interested Person Transactions ("IPT"), the aggregate value of such transactions as required under Rule 920 (1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect**

No IPT mandate has been obtained from shareholders. In addition, there was no IPT which value exceeded S\$100,000 during the fourth quarter and twelve months ended 31 December 2015.

**14. Use of proceeds from share placement**

In November 2015, the Company had applied the net proceeds of US\$3.7 million from the Group's share placement in June 2015 for working capital purposes in relation to the payment of the purchase consideration pertaining to the SDJ mining concession acquisition. Accordingly, the net proceeds from the Group's share placement in June 2015 has been fully utilised. Please refer to the relevant announcements for further information.

**15. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

For the purpose of resource allocation and assessment of segment performance, our Group's chief operating decision makers have focused on the business operating units which in turn, are segregated based on their services. This forms the basis of identifying the segments of our Group under FRS 108.

Operating segments are aggregated into a single reportable operating segment if they have similar economic characteristic, such as long-term average gross margins, and are similar in respect of nature of services and process, type of customers, method of distribution, and if applicable, the nature of the regulatory environment.

Our Group's reportable segments under FRS 108 are as follows:

<u>Segment</u>	<u>Principal activities</u>
Coal production	Sale of coal produced from operating our own coal mines.
Coal Trading	Purchase of coal with the intention to sell in the near future.
Mining services and others	Mining contracting and equipment rental services.

Segment revenue represents revenue generated from external and internal customers. Segment results represent the profit earned from each segment after allocating costs directly attributable to a segment as well as those that can be allocated on a reasonable basis. This is the measure reported to the chief operating maker for the purpose of resource allocation and assessment of segment performance.

Assets and liabilities are not allocated by segment as they are not considered critical by the chief operating decision maker in resource allocation and assessment of segment performance.

## Business segment – financial year ended 31.12.2015 (Unaudited)

	<u>Coal production</u> US\$	<u>Coal trading</u> US\$	<u>Mining service and others</u> US\$	<u>Eliminations</u> US\$	<u>Unallocated</u> US\$	<u>Total</u> US\$
<b>Revenue</b>						
External revenue	-	12,406,732	9,929,696	-	-	22,336,428
Inter-segment revenue	-	-	9,511	(9,511)	-	-
<b>Total revenue</b>	<u>-</u>	<u>12,406,732</u>	<u>9,939,207</u>	<u>(9,511)</u>	<u>-</u>	<u>22,336,428</u>
<b>Segment results</b>	-	744,521	(346,853)	-	-	397,668
Allocated amounts:						
Other income	-	-	201,278	-	-	201,278
Other expense	(26,702)	(2,522,937)	(4,357,101)	-	-	(6,906,740)
Unallocated amounts:						
Other income						3,315,816
General and administrative expense						(6,960,138)
Other expense						(345,008)
Finance costs						<u>(7,934,941)</u>
Loss before income tax						(18,232,065)
Income tax						<u>1,644,883</u>
<b>Loss for the year</b>						<u>(16,587,182)</u>
<b>Other segmental information</b>						
Depreciation of property, plant and equipment	-	-	3,721,799	-	817,282	4,539,081
Net loss on disposal of property, plant and equipment	-	-	1,900,155	-	(29,629)	1,870,526
Allowance for doubtful debt	26,702	905,501	1,476,373	-	-	2,408,576
Impairment loss on sales and leaseback	-	-	930,354	-	-	930,354
Impairment loss on advance payment for coal	-	1,617,436	-	-	-	1,617,436
Interest income on financial asset carried at amortised cost	-	-	(201,278)	-	-	(201,278)
Fair value loss on investment properties	-	-	-	-	244,644	244,644

## Business segment – financial year ended 31.12.2014 (Audited)

	<u>Coal production</u> US\$	<u>Coal trading</u> US\$	<u>Mining service and others</u> US\$	<u>Eliminations</u> US\$	<u>Unallocated</u> US\$	<u>Total</u> US\$
<b>Revenue</b>						
External revenue	3,342,710	26,326,166	23,438,125	-	-	53,107,001
Inter-segment revenue	-	-	956,320	(956,320)	-	-
Total revenue	<u>3,342,710</u>	<u>26,326,166</u>	<u>24,394,445</u>	<u>(956,320)</u>	<u>-</u>	<u>53,107,001</u>
<b>Segment results</b>	(4,643,801)	(227,274)	2,447,643	-	-	(2,423,432)
Allocated amounts:						
Other expense	(30,994)	-	(1,142,619)	-	-	(1,173,613)
Unallocated amounts:						
Other income						3,380,907
General and administrative expense						(8,404,907)
Other expense						(2,067,167)
Finance costs						<u>(5,243,069)</u>
Loss before income tax						(15,931,281)
Income tax						<u>3,150,959</u>
<b>Loss for the year</b>						<u>(12,780,322)</u>
<b>Other segmental information</b>						
Depreciation of property, plant and equipment	963,817	-	5,167,617	-	452,306	6,583,740
Loss on disposal of property, plant and equipment	-	-	-	-	1,987,855	1,987,855
Allowance for doubtful debt	30,994	-	-	-	-	30,994
Impairment of deferred expenditure	-	-	894,013	-	-	894,013
Loss on financial asset carried at amortised cost	-	-	248,606	-	-	248,606
Fair value gain on investment property	-	-	-	-	(157,624)	(157,624)

## Geographical segments

The Group's information about the segment revenue by geographical location is detailed below:

	Revenue	
	FY2015 US\$ (Unaudited)	FY2014 US\$ (Audited)
<u>Based on location of customer</u>		
Indonesia	10,564,787	34,397,077
People's Republic of China	-	15,012,713
Singapore	11,771,641	3,112,087
Republic of Korea	-	468,648
Switzerland	-	116,476
Total	<u>22,336,428</u>	<u>53,107,001</u>

Our Group's information about the segment assets by geographical location are detailed below:

	Non-current assets	
	FY2015 US\$ (Unaudited)	FY2014 US\$ (Audited)
Indonesia	133,588,297	124,067,952
Singapore	3,188,297	3,834,896
Total	<u>136,776,594</u>	<u>127,902,848</u>

## Major customer information

Our Group's revenue derived from customers who individually account for 10% or more of our Group's revenue is detailed below:

Customer	Coal production		Coal trading		Mining services and others	
	FY2015 US\$ (Unaudited)	FY2014 US\$ (Audited)	FY2015 US\$ (Unaudited)	FY2014 US\$ (Audited)	FY2015 US\$ (Unaudited)	FY2014 US\$ (Audited)
Top 1st	-	-	9,539,047	-	-	15,208,494
Top 2nd	-	1,514,476	635,090	7,449,239	6,704,885	-
Top 3rd	-	-	2,232,594	8,456,745	-	-
Top 4th	-	-	-	232,531	2,175,124	7,359,162
Top 5th	-	-	-	6,555,967	-	-

**16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

The Group's overall revenue decreased in FY2015 mainly due to lower revenue from coal sales and mining services, resulting from the continued decrease in coal price and softening of demand for coal with low calorific value. During the year, the Group entered into an offtake agreement with BTG Pactual Commodities, a coal trading company located in Singapore, which became the top contributor to the Group's revenue.

In FY2015, our Group's non-current assets in Indonesia increased by US\$9.5 million mainly due to the acquisition of the remaining shares of BIR which, through its Indonesian subsidiaries, owns the SDJ mining concession, and the commencement of coal production at the SDJ mine in 4Q2015. Our non-current assets in Singapore had decreased mainly due to the depreciation of SGD against USD.

**17. A breakdown of sales.**

	<b>Group</b>		
	<b>FY2015 US\$'000 (Unaudited)</b>	<b>FY2014 US\$'000 (Unaudited)</b>	<b>% increase/ (decrease)</b>
(a) Sales reported for first half year	12,181,413	34,596,804	(65)
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	(8,651,178)	(3,056,308)	183
(c) Sales reported for second half year	10,155,015	18,510,197	(45)
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	(7,936,004)	(9,724,014)	(18)

**18. Additional disclosure required for Mineral, Oil and Gas companies**

- (a) **Rule 705 (7)(a) – Details of exploration (including geophysical surveys), mining development and/or production activities undertaken by the Company and a summary of the expenditure incurred in those activities, including explanation for any material variances with previous projections, for the period under review. If there has been no exploration, development and/or production activity respectively, that fact must be stated**

In FY2015, our Group has not carried out any exploration and evaluation activities save for the coal produced totalling 45,493 tonnes in our SDJ mining concession.

- (b) **Rule 705 (7)(b) – Update on its reserves and resources, where applicable, in accordance with the requirements set out in Practice Note 4C, including a summary of reserves and resources as set out in Appendix 7D**

SDJ and BEK mining concession - the Company had on 14 April 2015 despatched a copy of the qualified person's report on the updated resource and reserve estimates as at 31 December 2014 ("QPR 2014") to update shareholders on its resource and reserve information. The QPR 2014 is contained in the Company's annual report for FY2014 ("AR 2014"). Soft copy of the AR 2014 is available on the SGXNET and the Company's website. As at 31 December 2015, there were no material changes on our coal reserves and resources compared to QPR 2014.

**19. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

No dividend has been declared or recommended in respect of FY2015 and FY2014.

**20. Confirmation Pursuant to Rule 720(1) of the Listing Manual**

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7.7 of the Listing Manual) under Rule 720(1) of the Listing Manual.

**21. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13)**

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Yanti Ng	32	Sister of Charles Antony Melati and Huang She Thong	Appointed in 2011 as Regional Operations and Administrative Manager. She is responsible for overseeing our Group's operational and administrative matters.	N.A.
Ng See Yong	37	Brother of Charles Antony Melati and Huang She Thong	Appointed in 2012 as Head of Corporate and Human Resource. He is responsible for our Group's human resource functions and organisational development.	N.A.
Lim Kok Wah, Eric	32	Brother-in-law of Charles Antony Melati and Huang She Thong	Appointed in 2013 as Marketing Manager. He is responsible for the sales and marketing functions of our Group.	N.A.

On behalf of the Board of Directors

Charles Antony Melati  
Executive Chairman

Tung Kum Hon  
Chief Executive Officer

26 February 2016