

Geo Energy Acquired 100% Stake in PT Surya Tambang Tolindo, a Semi-Coking Coal Mining Concession in East Kalimantan

- PT Surya Tambang Tolindo (“**Acquisition**” or “**Target**”) has a concession area of 4,600 hectares with a 20-years term which started in 2012
- Coal reserve increase by 800,000 metric tonne on a strip ratio of 17, boosted the Group’s coal reserves¹
- Broaden product range to a higher calorific value of coal of 7,200 GAR and enlarge its end-customer base to include supply of metallurgical coal with a current market price of more than US\$100 per metric tonne

SINGAPORE, 24 November 2016 – Geo Energy Resources Limited (“Geo Energy” or “the Group”), an integrated Indonesian coal mining group, has acquired an effective 100% equity interest in the Target through the Group’s subsidiary, PT STT Tunas Bara. The Target has an authorised capital of 5 billion Rupiah with an issued and paid-up capital of 3 billion Rupiah. Based on the unaudited financial statement as at 31 December 2015, the Target has a net asset value of US\$217,000. The Target has not commenced coal productions and is in the pre-production stage.

The Target is domiciled in Samarinda, Indonesia and the mining concession area is located at Besiq Village, Damai Sub-District, Kutai Barat Regency, East Kalimantan Province, Indonesia. Based on the current exploration and technical data on 1,200 ha of the 4,600 ha of the concession area, the estimated coal reserve is 800,000 metric tonne on a strip ratio of 17. Metallurgical coal, also known as coking coal, is used to produce coke, the primary source of carbon used in steelmaking.

The Acquisition is in line with the Group’s overall business strategy to increase its coal reserves, expand its business operations and become one of Indonesia’s top coal producers. In February 2016, the Group has also entered into a conditional sales and purchase agreement (“**CSPA**”) to acquire a 79.9% stake in PT Parisma Jaya Abadi (“**PJA**”) with an estimated calorific value of 6,700 to 8,100 kcal/kg². In March 2016, the Group has also announced a CSPA to acquire a 99.5% stake in PT Cahaya Lembusuna (“**CLS**”) with an estimated calorific value of 6,500 to 7,100 kcal/kg².

Both the proposed acquisitions of PJA and CLS represent the Group’s first forays into seeking higher calorific coal assets and in expanding its end-customer base. Both PJA and CLS are also located in East Kalimantan Province, Indonesia. As the Group’s PT Sungai Danau Jaya (“**SDJ**”) 4,200 GAR coal serves the

needs of power producers in China, this Acquisition would allow the Group to provide higher calorific coal to another set of customers – mainly the steel producers.

Commenting on the Acquisition, Mr Tung Kum Hon, Chief Executive Officer of Geo Energy said, ***"It has been our Group's core business strategy to expand our production levels and to increase our coal reserves. We are very pleased to complete this Acquisition on the back of a positive set of financial results in 3Q2016 since we started to commence coal production at SDJ. We expect to meet our target of 6 million tonnes of coal production in 2016.***

This Acquisition is in accordance with the Group's strategy to identify familiar coal mines with logistical advantages. The proposed acquisition was first announced in April 2013. However, our Group has taken the prudent step not to pursue the Acquisition further due to weaker coal prices back then. With the current Platts Index for semi-coking coal trading above US\$100 per metric tonne and our current estimated cash cost of sales of about US\$55 per metric tonne, our Group is confident of the Acquisition's earnings potential once we can kick-start production.

We recognised the need to expand our coal reserves specifically for the calorific value of 7,200 kcal/kg semi-coking coal. This grade of coal is commonly used in smelting plants for producing metals throughout the region, including China and Indonesia, due to its high calorific, low sulphur and ash content. This strategic Acquisition would widen our range of calorific coal and gain us access into a different customer segment to ride on the current coal prices.

As our Group aim to become one of largest coal producer in Indonesia, we would continue to seek acquisition opportunities in the region that complement our core strategy and to build up our coal reserves going forward."

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1 Based on the current exploration and technical data of PT Surya Tambang Tolindo

2 Based on a draft Limited Technical Assessment Report by PT Britminindo Utama Indonesia

The statements contained in this media release that are not historical facts are "forward-looking" statements. These forward-looking statements are subject to a number of substantial risks and uncertainties, many of which are beyond the Company's control and actual results and developments may differ materially from those expressed or implied by these statements for a variety of factors. These forward-looking statements are statements based on the Company's current intentions, beliefs and expectations about among other things, the Company's financial condition, prospects, growth, strategies and the industry in which the Company operates. Forward-looking statements are typically identified by the use of forward-looking terminology such as "believes", "expects", "may", "will", "could", "should", "intends", "estimates",

"plans", "assumes" or "anticipates" or the negative thereof or other variations thereon or comparable terminology, or by discussions of strategy that involve risks and uncertainties. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. In addition, from time to time, the Company or its representatives have made or may make forward-looking statements orally or in writing. Furthermore, such forward-looking statements may be included in, but are not limited to, press releases or oral statements made by or with the approval of an authorised executive officer of the Company. No assurance can be given that such future results will be achieved; actual events or results may differ materially from those expressed in or implied by these statements as a result of risks and uncertainties facing the Company and its subsidiaries. Many of these risks and uncertainties relate to factors that are beyond the Company's ability to control or estimate precisely, such as changes in taxation and fiscal policy, future market conditions, currency fluctuations, the behaviour of other market participants, the actions of governmental regulators and other risk factors such as the Company's ability to continue to obtain financing to meet its liquidity needs, changes in the political, social and regulatory framework in which the Company operates or in economic or technological trends or conditions, including inflation and consumer confidence, on a global, regional or national basis. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward looking statements. The forward-looking statements contained in this announcement speak only as of the date of this announcement and the Company undertakes no duty to update any of them publicly in light of new information or future events, except to the extent required by applicable law or regulation.

ABOUT GEO ENERGY RESOURCES LIMITED (Bloomberg Ticker: GERL SP)

Geo Energy Resources Limited ("**Geo Energy**") 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. The Geo Energy Group's operations are primarily located in Indonesia.

Geo Energy owns major mining concessions and coal mines in East and South Kalimantan, Indonesia with JORC marketable coal reserves of 53.5 million tonne.

For more information, please visit www.geocoal.com

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