



## **Geo Energy signed an agreement with BUMA for the provision of overburden removal at its TBR mine**

- PT Bukit Makmur Mandiri Utama ("**BUMA**") to provide overburden removal for the entire life of PT Tanah Bumbu Resources ("**TBR**") coal mine with a guaranteed minimum annual production volume.
- This agreement has an estimated contract value of over US\$500 million.

**SINGAPORE, 7 March 2018 – Geo Energy Resources Limited ("Geo Energy" and together with its subsidiaries, the "Group"), an integrated Indonesian coal mining group, is pleased to announce that the Group has entered into an agreement with BUMA for the provision of overburden removal (the "Agreement") at the Group's wholly owned coal mine, TBR. The Agreement will be for the entire Life of the Mine ("**LOM**") or until all the coal reserves have been fully extracted from TBR mining area and has an estimated contract value of over US\$500 million.**

BUMA, one of the largest mining services companies in Indonesia, is listed on the Jakarta Stock Exchange under PT Delta Dunia Makmur Tbk (IDX: DOID.JK). BUMA has been the mining services provider for the Group's PT Sungai Danau Jaya ("**SDJ**") mining concession since June 2015 and have consistently achieved the production targets set since SDJ commenced production in December 2015.

BUMA, as the coal mining services provider, generally undertakes all the mining operations including land clearing and overburden removal. The acquisition of TBR was completed on 23 June 2017, and in the combined SDJ and TBR Joint Ore Reserves Committee ("**JORC**") report, TBR has an estimated proved and probable ("**2P**") coal reserves of 47 million tonnes with a minimum average calorific value of not less than 4,200kcal/kg. Given that TBR is next to the SDJ mining concession, this is expected to improve the mining efficiency and create synergistic effects on its cost of production as TBR is next to the Group's SDJ mining concession.

Commenting on the Agreement for TBR, Mr Ronald Sutardja, Chief Executive Officer of BUMA said, ***“We are very honoured to again work with Geo Energy on the coal mining services for TBR mine. This is another major project for us, after the SDJ mine, which will span over a period of around 4-5 years. The site preparation and overburden removal is to commence in March 2018. The development of the mine and its first coal production is expected to be in 2Q2018 due to its slightly higher stripping ratio in the first year of mining. The stripping ratio is expected to drop in the second year due to the thickness and proximity of the coal seams and overall the stripping ratio we are working on averaged at 3.6 over the life of mine.”***



Commenting further on the Agreement with BUMA for TBR, Mr Tung Kum Hon, Chief Executive Officer of Geo Energy said, ***“We are excited to continue working with BUMA on our TBR coal production following the excellent services and support provided by BUMA on our SDJ coal mine since 2015. BUMA is the second largest mining contracting company and can mine efficiently at a very cost competitive rate.***

***TBR’s coal mine possesses similar qualities to SDJ, such as the thick coal seams, low strip ratio and close proximity to jetty.***

***Furthermore, BUMA working on both SDJ and TBR will be able to maximise the synergistic effect given that TBR is adjacent to SDJ. This will benefit the Group as most of the infrastructure and facilities are already in place for coal mining operations to commence. By signing the Agreement with BUMA, TBR is expected to commence production in 2Q2018. Separately, we are in advanced stages of discussions to finalise the coal offtake for our TBR mine. We will make an appropriate announcement once it is finalised.”***

*End*

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

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

The Group’s operations are primarily located in Indonesia. 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. It now owns major mining concessions and coal mines in East and South Kalimantan, with JORC marketable coal reserves of over 90 million tonnes.

For more information, please visit [www.geocoal.com](http://www.geocoal.com)

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