GEO ENERGY GROUP
天然煤矿集团

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

SGX Announcement

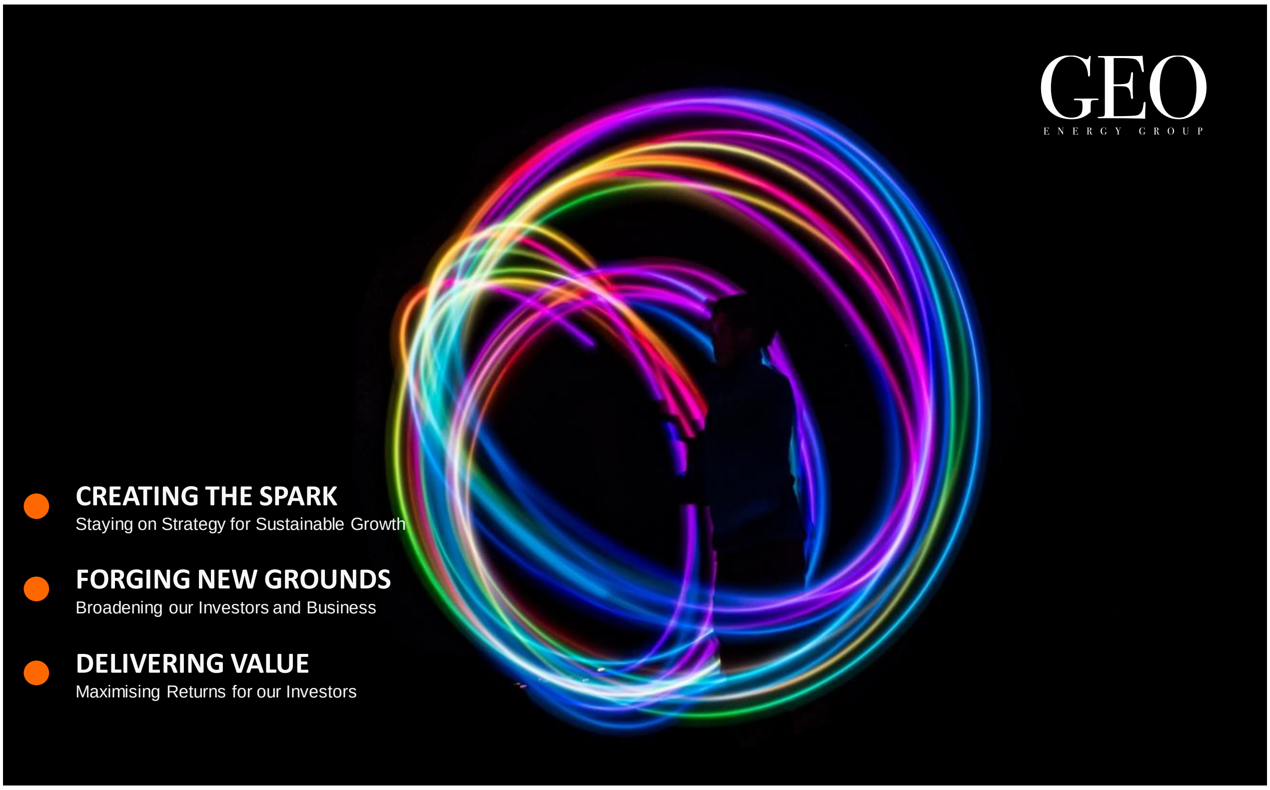
Geo Energy Resources Limited Results Announcement
Second Quarter and Six Months Ended 30 June 2018

FORWARD LOOKING STATEMENTS

This announcement contains statements that are, or may be deemed to be, "forward looking statements" which are prospective in nature. These forward looking statements may generally be identified by the use of forward looking terminology, or the negative thereof such as "plans", "expects" or "does not expect", "is expected", "seeks", "continues", "assumes", "is subject to, "budget", "scheduled", "estimates", "aims", "forecasts", "risks", "intends", "positioned", "predicts", "projects", "anticipates" or "does not anticipate", or "believes", or variations of such words or comparable terminology and phrases or statements that certain actions, events or results "may", "could", "should", "shall", "would", "might" or "will" be taken, occur or be achieved. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Forward-looking statements are not based on historical facts, but rather on current predictions, assumptions, expectations, beliefs, opinions, plans, objectives, goals, intentions and projections about future events, results of operations, prospects, financial condition and discussions of strategy, any of which could prove to be inaccurate. By their nature, forward looking statements involve known and unknown risks and uncertainties, many of which are beyond the control of Geo Energy Resources Limited ("Geo Energy"). Forward looking statements are not guarantees of future performance and may and often do differ materially from actual results. Important factors that could cause these uncertainties include, but are not limited to, those discussed in Geo Energy's Annual Report 2017 and/or the offering memorandum dated 27 September 2017 in relation to the US$300 million 8.00% senior notes due 2022 offering by Geo Coal International Pte. Ltd., a wholly-owned subsidiary of Geo Energy. Neither Geo Energy nor any of its associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. You are cautioned not to place undue reliance on these forward-looking statements which only speak as of the date of this announcement. Other than in accordance with its legal or regulatory obligations (including under the listing rules of the Singapore Exchange Securities Trading Limited), Geo Energy is not under any obligation and Geo Energy and its affiliates expressly disclaim any intention, obligation or undertaking to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. This announcement shall not, under any circumstances, create any implication that there has been no change in the business or affairs of Geo Energy since the date of this announcement or that the information contained herein is correct as at any time subsequent to its date. No statement in this announcement is intended as a profit forecast or a profit estimate. This announcement does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for any securities. The making of this announcement does not constitute a recommendation regarding any securities.

Results Review and Strategy Update

Second Quarter and Six Months Ended 30 June 2018



In light of the continued strong financial performance, Geo Energy adopts a dividend policy and declares an interim dividend of S$0.01 per ordinary share

Our Group remains encouraged by the continued strong financial performance, contributed mainly by SDJ in 2Q2018, as we recorded revenue of US$83 million and cash profit of US$25.7 million. Underlying net profit was US$13.8 million excluding the increase of finance cost on the US$300 million 8.0% Senior Notes compared to US$10.0 million in 2Q2017, an increase of 38% despite the challenging weather conditions in the first half of this year.

The Group continues to be focused on its strategic objectives to deliver and return value to our investors, adopting a dividend policy to declare dividends of at least 30% of the Group's profit attributable to Owners of the Company, subject to debt covenants and capital requirements needed to support growth and investments. The Group is committed to delivering dividends that increase over time in tandem with growth in earnings. Accordingly, the Group has declared an interim dividend of 1.00 SG Cents per ordinary share, representing dividend yield of 4.3% compared to the current share price of the Company as at 13 August 2018.

On 10 August 2018, the Group had announced its first shipment of approximately 50,000 tonnes of coal from its TBR coal mine to a subsidiary of Tsingshan Holding Group ("Tsingshan") in Indonesia. The agreement to supply coal to Tsingshan play an important role in the Group's fulfilment of the Indonesia Domestic Market Obligations ("DMO") requirement. The Group is finalising the Life of Mine Coal Offtake for TBR. In addition to the Group's current existing offtaker, Engelhart CTP (Singapore) Pte. Ltd. ("ECTP"), the Group will have its export sales for both SDJ and TBR's total targeted production of 13-15[1] million tonnes in 2019 and in the coming years secured. We are positive that we would be able to drive growth and deliver stronger cash profits to enhance our shareholder returns going forward.

Along with the Group's existing cash balance of US$231.5 million as of 30 June 2018 to invest in new coal assets and businesses and for working capital, we believe in continuing our growth momentum and staying on strategy for sustainable growth in the years ahead. Our aim is to become one of the top ten coal producers in Indonesia.

[1] In accordance to the TBR mining plan stated in the IQPR as at 31 December 2017.

2Q2018 AND 1H2018 HIGHLIGHTS

- SDJ coal shipments were 2.0 million tonnes in 2Q2018, higher than the 1.9 million tonnes sold in 1Q2018 and the 1.5 million tonnes sold in 2Q2017. Despite the higher tonnage of coal shipped, revenue decreased from 1Q2018 due to decrease in the Indonesian Coal Price Index ("ICI") price for 4,200 GAR from an average of US$48 per tonne in 1Q2018 to US$45 during the quarter, a decrease of 6%. Revenue increased by US$25.1 million to US$173.7 million in 1H2018, mainly due to higher volume of coal shipped and increase in the Average Selling Price ("ASP") of coal sales.

- Cash profit for coal mining segment for 2Q2018 averaged at US$13 per tonne (1Q2018: US$13 per tonne; 2Q2017: US$15 per tonne) against the ASP of US$42 per tonne for 4,200 GAR, giving a cash profit margin of 31%.

- Average production cash costs have decreased from US$33 per tonne in 1Q2018 to US$29 per tonne in 2Q2018, mainly due to the lower stripping ratio of mining in SDJ in 2Q2018. The stripping ratio for 2Q2018 was at 3.21 compared to 4.35 in 1Q2018. Overall average stripping ratio for SDJ in 2018 is projected to be 2.8.

- The Group performs well despite challenging weather conditions in the first half of this year. The rainfall recorded increased from 74mm in 1Q2018 to 306mm in 2Q2018 (314% increase), which had slowed down the SDJ coal production for two days.

- Overall, the Group's underlying net profit for 2Q2018 and 1H2018 were US$13.8 million (1Q2018: US$14.3 million; 2Q2017: US$10.0 million) and US$28.2 million (1H2017: US$24.6 million) respectively.

As shared in the previous quarter's announcement, we continue to remain focused on our strategic objectives in 2018:

- Gaining momentum and staying on strategy for sustainable growth;
- Managing our cash cost base and creating operational leverage;
- Strengthening our capital position and broadening our investors and business; and
- Returning value to shareholders.

Our market capitalisation as at 13 August 2018 was S$306 million. For our bondholders, the price of our Senior Note has traded well since its issuance and has been trading better than its peers despite recent market condition.

The start of coal production of TBR coal mine will drive the Group's overall growth in 2018 and contribute towards the Group's target production volume of 11 – 12 million tonnes for 2018, higher than the volume of 7.7 million tonnes achieved in 2017. The ramping up of TBR's production would build a strong platform for the Group's near-term growth. At the same time, we are working on new investments and acquisition of coal assets to strengthen our portfolio and further drive our growth in the longer term. We expect to make an announcement on this in due course.

Tung Kum Hon
Chief Executive Officer/Director

13 August 2018

Unaudited Financial Statements Announcement for the Second Quarter and Six Months Ended 30 June 2018

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF RESULTS FOR SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2018

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			Group		
	3 months ended 30.6.2018 US$ (Unaudited)	**3 months ended 30.6.2017 US$ (Unaudited)**	**% Change**	**6 months ended 30.6.2018 US$ (Unaudited)**	**6 months ended 30.6.2017 US$ (Unaudited)**	**% Change**
Revenue	83,183,822	58,947,139	41	173,731,163	148,624,744	17
Cost of sales	(61,820,330)	(39,819,330)	55	(130,462,562)	(104,346,461)	25
Gross profit	**21,363,492**	**19,127,809**	**12**	**43,268,601**	**44,278,283**	**(2)**
Other income	1,137,049	291,814	290	3,026,098	584,192	418
General and administration expenses	(2,782,878)	(2,571,793)	8	(5,331,494)	(4,799,801)	11
Other expenses	(1,131,658)	(408,428)	177	(2,817,494)	(2,351,786)	20
Finance costs	(7,538,450)	(1,168,369)	545	(15,219,616)	(2,577,193)	491
Profit before income tax	**11,047,555**	**15,271,033**	**(28)**	**22,926,095**	**35,133,695**	**(35)**
Income tax expense	(2,584,331)	(5,257,142)	(51)	(5,478,971)	(10,484,944)	(48)
Profit for the period	**8,463,224**	**10,013,891**	**(15)**	**17,447,124**	**24,648,751**	**(29)**
Other comprehensive income, net of tax:						
Item that may be subsequently reclassified to profit or loss:						
- Exchange differences on translation of foreign operations	(363,715)	(344,206)	6	(481,136)	(498,563)	(3)
Total comprehensive income	**8,099,509**	**9,669,685**	**(16)**	**16,965,988**	**24,150,188**	**(30)**

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

	Group			Group		
	3 months ended 30.6.2018 US$ (Unaudited)	**3 months ended 30.6.2017 US$ (Unaudited)**	**% Change**	**6 months ended 30.6.2018 US$ (Unaudited)**	**6 months ended 30.6.2017 US$ (Unaudited)**	**% Change**
Profit (loss) attributable to:						
Owners of the Company	8,474,282	10,002,858	(15)	17,458,356	24,642,167	(29)
Non-controlling interests	(11,058)	11,033	nm	(11,232)	6,584	nm
	8,463,224	**10,013,891**	**(15)**	**17,447,124**	**24,648,751**	**(29)**
Total comprehensive income attributable to:						
Owners of the Company	8,162,899	9,657,992	(15)	17,047,373	24,142,531	(29)
Non-controlling interests	(63,390)	11,693	nm	(81,385)	7,657	nm
	8,099,509	**9,669,685**	**(16)**	**16,965,988**	**24,150,188**	**(30)**

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

	Group			Group		
	3 months ended 30.6.2018 US$ (Unaudited)	**3 months ended 30.6.2017 US$ (Unaudited)**	**% Change**	**6 months ended 30.6.2018 US$ (Unaudited)**	**6 months ended 30.6.2017 US$ (Unaudited)**	**% Change**
Interest income	(1,137,049)	(111,464)	920	(2,472,813)	(209,883)	nm
Loss (gain) on disposal of property, plant and equipment (net)	5,779	(6,936)	nm	6,035	(21,310)	nm
Foreign exchange loss (net)	802,693	418,915	92	1,736,947	2,351,786	(26)
Coupon interest on Notes Payable	6,000,000	1,255,185	378	12,000,000	2,481,579	384
Amortised transaction costs of Notes Payable	1,510,052	69,647	nm	3,184,675	137,696	nm
Depreciation of property, plant and equipment	3,143,298	3,086,562	2	6,368,295	6,884,047	(7)
Amortisation of deferred stripping costs	421,894	410,526	3	732,255	910,802	(20)
Amortisation of prepayment	883,538	-	nm	883,538	-	nm
Share-based payment expense	107,754	-	nm	215,824	-	nm
Loss on financial asset carried at amortised cost	-	-	nm	577,564	-	nm

nm - 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

	Group		Company	
	30.6.2018 US$ (Unaudited)	31.12.2017 US$ (Restated)*	30.6.2018 US$ (Unaudited)	31.12.2017 US$ (Restated)*
ASSETS				
Current assets				
Cash and bank balances	231,494,082	265,770,740	38,886,782	40,574,203
Trade and other receivables	38,850,673	50,855,857	53,419,398	45,141,410
Deposits and prepayments	26,997,669	22,066,330	77,426	190,185
Inventory	8,046,125	7,677,179	-	-
Total current assets	**305,388,549**	**346,370,106**	**92,383,606**	**85,905,798**
Non-current assets				
Restricted cash deposits	3,709,464	4,146,072	-	-
Deposits and prepayments	27,790,702	5,993,338	88,457	91,978
Investment in subsidiaries	-	-	185,877,305	185,877,305
Deferred stripping costs	16,696,410	7,936,884	-	-
Deferred expenditure	64,316	-	-	-
Property, plant and equipment	175,533,706	181,599,647	130,491	114,448
Deferred tax assets	4,915,431	3,747,651	88,235	11,272
Other non-current asset	153,698	153,698	153,698	153,698
Total non-current assets	**228,863,727**	**203,577,290**	**186,338,186**	**186,248,701**
Total assets	**534,252,276**	**549,947,396**	**278,721,792**	**272,154,499**
LIABILITIES AND EQUITY				
Current liabilities				
Trade and other payables	63,044,660	92,180,890	163,764,170	166,423,237
Current portion of finance leases	132,153	110,273	18,226	17,825
Financial guarantee liability	-	-	1,576,536	1,576,536
Income tax payable	4,139,424	11,842,792	288,018	573,950
Total current liabilities	**67,316,237**	**104,133,955**	**165,646,950**	**168,591,548**
Non-current liabilities				
Finance leases	149,047	156,880	21,927	30,601
Notes payable	291,324,621	288,028,289	-	-
Provisions	2,007,839	1,707,800	103,335	101,131
Financial guarantee liability	-	-	5,148,578	5,930,367
Deferred tax liabilities	1,826,512	1,474,264	-	-
Total non-current liabilities	**295,308,019**	**291,367,233**	**5,273,840**	**6,062,099**
Capital, reserves and non-controlling interests				
Share capital	95,069,461	95,069,461	95,069,461	95,069,461
Capital and other reserve	1,087,586	871,762	711,394	495,570
Translation reserve	4,963,018	5,373,471	-	-
Retained earnings	69,276,964	51,819,138	12,020,147	1,935,821
Equity attributable to owners of the Company	**170,397,029**	**153,133,832**	**107,801,002**	**97,500,852**
Non-controlling interests	1,230,991	1,312,376	-	-
Total equity	**171,628,020**	**154,446,208**	**107,801,002**	**97,500,852**
Total liabilities and equity	**534,252,276**	**549,947,396**	**278,721,792**	**272,154,499**

* The figures were audited, aside from the restatement arising from the Group's adoption of the Singapore Financial Reporting Standards (International) ("SFRS(I)") on 1 January 2018. In transitioning to SFRS(I), the Group elected to reset the translation reserve to zero as at date of transition of 1 January 2017. Please refer to paragraph 4.

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

	Group		Group	
	30.6.2018 US$ Secured (Unaudited)	**30.6.2018 US$ Unsecured (Unaudited)**	**31.12.2017 US$ Secured (Audited)**	**31.12.2017 US$ Unsecured (Audited)**
Amount repayable in one year or less, or on demand	132,153	-	110,273	-
Amount repayable after one year	149,047	291,324,621	156,880	288,028,289
	281,200	**291,324,621**	**267,153**	**288,028,289**

Details of any collateral and security:

As at 30 June 2018, the Group's finance lease liabilities are secured by the leased assets, motor vehicles.

On 4 October 2017, the Company's subsidiary, Geo Coal International Pte. Ltd. ("GCI") issued US$300 million in aggregate amount of 8.0% Senior Notes due 2022. The proceeds of which was used to redeem the Medium Term Notes of S$100 million due in January 2018, and the remainder will be used to make potential acquisitions of coal mining assets and for working capital purposes. The Senior Notes are listed on the SGX. They are unsecured and guaranteed by the Company and certain subsidiaries of the Group ("Financial Guarantees"). The Financial Guarantees are effectively subordinated to secure obligations of each guarantor, to the extent of the value of assets serving as security. As at 30 June 2018, the Company recognised the fair value of its Financial Guarantee of US$7,887,000 on the statement of financial position as deemed investment in a subsidiary. Amortisation of the financial guarantee liability amounted to US$781,789 was credited to the Company's profit or loss during the six-month period ended 30 June 2018.

Please refer to the relevant announcements.

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

	Group		Group	
	3 months ended 30.6.2018 US$ (Unaudited)	**3 months ended 30.6.2017 US$ (Unaudited)**	**6 months ended 30.6.2018 US$ (Unaudited)**	**6 months ended 30.6.2017 US$ (Unaudited)**
Operating activities				
Profit before income tax	**11,047,555**	**15,271,033**	**22,926,095**	**35,133,695**
Adjustments for:				
Depreciation of property, plant and equipment	3,143,298	3,086,562	6,368,295	6,884,047
Amortisation of deferred stripping costs	421,894	410,526	732,255	910,802
Amortisation of prepayment	883,538	-	883,538	-
Loss (gain) on disposal of property, plant and equipment	5,779	(6,936)	6,035	(21,310)
Loss on financial asset carried at amortised cost	-	-	577,564	-
Share-based payment expense	107,754	-	215,824	-
Interest expense	7,538,450	1,168,369	15,219,616	2,577,193
Interest income	(1,137,049)	(111,464)	(2,472,813)	(209,883)
Retirement benefit obligations	119,326	70,608	234,777	159,520
Net foreign exchange (gains) losses	(477,667)	(1,352,151)	(199,575)	1,974,996
Operating cash flows before movements in working capital:	**21,652,878**	**18,536,547**	**44,491,611**	**47,409,060**
Trade and other receivables	6,525,182	18,786,519	12,121,864	315,499
Deposits and prepayments	4,136,675	(12,214,410)	(27,132,110)	(15,681,054)
Inventories	1,461,144	(1,515,150)	(364,703)	1,975,086
Trade and other payables	(17,066,316)	(27,033,004)	(29,024,572)	(25,462,425)
Cash generated from (used in) operations	**16,709,563**	**(3,439,498)**	**92,090**	**8,556,166**
Income tax paid	(12,361,067)	(2,110,903)	(13,994,473)	(3,216,398)
Income tax refund	-	114,458	-	114,458
Net cash from (used in) operating activities	**4,348,496**	**(5,435,943)**	**(13,902,383)**	**5,454,226**

	Group		Group	
	3 months ended 30.6.2018 US$ (Unaudited)	3 months ended 30.6.2017 US$ (Unaudited)	6 months ended 30.6.2018 US$ (Unaudited)	6 months ended 30.6.2017 US$ (Unaudited)
Investing activities				
Interest received	1,329,149	81,620	2,252,796	151,487
Addition to deferred stripping costs	(9,178,254)	-	(9,491,782)	-
Addition to deferred expenditure	(64,316)	-	(64,316)	-
Advance payments for purchase of property, plant and equipment	(911,151)	(2,651)	(991,962)	(52,419)
Deferred payment for acquisition of property, plant and equipment	-	-	-	(4,482,388)
Purchase of property, plant and equipment	(35,515)	(15,990,841)	(125,688)	(31,145,625)
Proceeds from disposal of property, plant and equipment	23,860	28,462	43,334	64,113
Net cash used in investing activities	**(8,836,227)**	**(15,883,410)**	**(8,377,618)**	**(35,464,832)**
Financing activities				
Increase in deposits pledged	-	(1,314,890)	(1,691,983)	(1,314,890)
Decrease in restricted cash deposits	240,942	-	143,828	-
Interest paid	(12,003,985)	-	(12,009,424)	(2,531,050)
Dividend paid	-	(8,772,446)	-	(8,772,446)
Repayment of obligations under finance leases	(29,705)	(24,295)	(79,040)	(31,654)
Net cash used in financing activities	**(11,792,748)**	**(10,111,631)**	**(13,636,619)**	**(12,650,040)**
Net decrease in cash and cash equivalents	**(16,280,479)**	**(31,430,984)**	**(35,916,620)**	**(42,660,646)**
Cash and cash equivalents at beginning of the period	242,879,532	51,542,906	262,462,723	62,761,457
Effect of exchange rate changes on the balance held in foreign currencies	(104,971)	1,719	(52,021)	12,830
Cash and cash equivalents at end of the period (Note A)	**226,494,082**	**20,113,641**	**226,494,082**	**20,113,641**
Note A				
Cash on hand and at banks	81,494,082	19,301,184	81,494,082	19,301,184
Deposits	150,000,000	7,168,406	150,000,000	7,168,406
Cash and bank balances	231,494,082	26,469,590	231,494,082	26,469,590
Restricted cash deposits (non-current)	3,709,464	595,350	3,709,464	595,350
	235,203,546	27,064,940	235,203,546	27,064,940
Less: Deposits pledged	(5,000,000)	(6,355,949)	(5,000,000)	(6,355,949)
Less: Restricted cash deposits (non-current)	(3,709,464)	(595,350)	(3,709,464)	(595,350)
Cash and cash equivalents	**226,494,082**	**20,113,641**	**226,494,082**	**20,113,641**

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	Share capital US$	Capital and other reserve US$	Translation reserve US$	Retained earnings US$	Equity attributable to owners of the Company US$	Non-controlling interests US$	Total US$
Balance at 1.1.2018 (audited)	95,069,461	871,762	(12,858,989)	70,051,598	153,133,832	1,312,376	154,446,208
Adjustment from adoption of SFRS(I)	-	-	18,232,460	(18,232,460)	-	-	-
Balance at 1.1.2018 As restated (unaudited)	95,069,461	871,762	5,373,471	51,819,138	153,133,832	1,312,376	154,446,208
Profit for the period	-	-	-	8,984,074	8,984,074	(174)	8,983,900
Other comprehensive income for the period	-	-	(99,600)	-	(99,600)	(17,821)	(117,421)
Transaction with owners, recognised directly in equity:							
Deemed capital contribution**	-	108,070	-	-	108,070	-	108,070
Balance at 31.3.2018 (unaudited)	**95,069,461**	**979,832**	**5,273,871**	**60,803,212**	**162,126,376**	**1,294,381**	**163,420,757**
Profit for the period	-	-	-	8,474,282	8,474,282	(11,058)	8,463,224
Other comprehensive income for the period	-	-	(310,853)	(530)	(311,383)	(52,332)	(363,715)
Transaction with owners, recognised directly in equity:							
Deemed capital contribution**	-	107,754	-	-	107,754	-	107,754
Balance at 30.6.2018 (unaudited)	**95,069,461**	**1,087,586**	**4,963,018**	**69,276,964**	**170,397,029**	**1,230,991**	**171,628,020**

Group	Share capital US$	Capital and other reserve US$	Translation reserve US$	Retained earnings US$	Equity attributable to owners of the Company US$	Non-controlling interests US$	Total US$
Balance at 1.1.2017 (audited)	89,670,842	316,251	(18,232,460)	52,681,429	124,436,062	221,683	124,657,745
Adjustment from adoption of SFRS(I)	-	-	18,232,460	(18,232,460)	-	-	-
Balance at 1.1.2017 As restated (unaudited)	89,670,842	316,251	-	34,448,969	124,436,062	221,683	124,657,745
Profit for the period	-	-	-	14,639,309	14,639,309	(4,449)	14,634,860
Other comprehensive income for the period	-	-	(154,770)	-	(154,770)	413	(154,357)
Balance at 31.3.2017 (unaudited)	**89,670,842**	**316,251**	**(154,770)**	**49,088,278**	**138,920,601**	**217,647**	**139,138,248**
Profit for the period	-	-	-	10,002,858	10,002,858	11,033	10,013,891
Other comprehensive income for the period	-	-	(344,866)	-	(344,866)	660	(344,206)
Transaction with owners, recognised directly in equity:							
Issue of share capital	13,000,000	-	-	-	13,000,000	-	13,000,000
Effects of acquisitions of subsidiaries	-	59,941	-	-	59,941	-	59,941
Dividend	-	-	-	(8,772,446)	(8,772,446)	-	(8,772,446)
Balance at 30.6.2017 (unaudited)	**102,670,842**	**376,192**	**(499,636)**	**50,318,690**	**152,866,088**	**229,340**	**153,095,428**

Company	Share capital US$	Capital and other reserve US$	Translation reserve US$	Retained earnings US$	Total US$
Balance at 1.1.2018 (audited)	95,069,461	495,570	-	1,935,821	97,500,852
Profit for the period	-	-	-	9,922,924	9,922,924
Transaction with owners, recognised directly in equity:					
Deemed capital contribution**	-	108,070	-	-	108,070
Balance at 31.3.2018 (unaudited)	**95,069,461**	**603,640**	**-**	**11,858,745**	**107,531,846**
Profit for the period	-	-	-	161,402	161,402
Transaction with owners, recognised directly in equity:					
Deemed capital contribution**	-	107,754	-	-	107,754
Balance at 30.6.2018 (unaudited)	**95,069,461**	**711,394**	**-**	**12,020,147**	**107,801,002**

Company	Share capital US$	Capital and other reserve US$	Translation reserve US$	Retained earnings US$	Total US$
Balance at 1.1.2017 (audited)	89,670,842	-	(4,464,506)	6,959,488	92,165,824
Adjustment from adoption of SFRS(I)	-	-	4,464,506	(4,464,506)	-
Balance at 1.1.2017 As restated (unaudited)	89,670,842	-	-	2,494,982	92,165,824
Loss for the period	-	-	-	(3,144,917)	(3,144,917)
Other comprehensive income for the period	-	-	(221,694)	-	(221,694)
Balance at 31.3.2017 (unaudited)	**89,670,842**	**-**	**(221,694)**	**(649,935)**	**88,799,213**
Profit for the period	-	-	-	1,681,334	1,681,334
Other comprehensive income for the period	-	-	(380,708)	-	(380,708)
Transaction with owners, recognised directly in equity:					
Issue of share capital	13,000,000	-	-	-	13,000,000
Dividend	-	-	-	(8,772,446)	(8,772,446)
Balance at 30.6.2017 (unaudited)	**102,670,842**	**-**	**(602,402)**	**(7,741,047)**	**94,327,393**

** Other reserve pertains to deemed capital contribution by Master Resources International Limited ("MRIL"), the substantial shareholder of the Company for issuance of shares to a director (and the Chief Executive Officer) of the Company, as share-based payment.

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

As at 30 June 2018, the Company's share capital comprised 1,329,273,113 shares (31 March 2018: 1,329,273,113). There were no outstanding convertibles or treasury shares as at 30 June 2018 and 30 June 2017.

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.

	30.6.2018	31.12.2017
Total number of issued shares (excluding treasury shares)	1,329,273,113	1,329,273,113

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 does 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, unless otherwise stated.

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

The Group has consistently applied the same accounting policies and methods of computation in the Group's financial statements for the current reporting period and year compared with the audited financial statements for the year ended 31 December 2017, except that the Group has adopted Singapore Financial Reporting Standards (International) ("SFRS(I)") on 1 January 2018 including the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2017 ("date of transition").

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

In transitioning to SFRS(I), the Group elected to reset the translation reserve to zero as at date of transition, and accordingly, has reclassified an amount of US$18,232,460 of translation reserve to the opening retained earnings as at 1 January 2017.

Other than the effect of the matter as described above, the adoption of new and revised standards did not have any material effect on the profit or loss and financial 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 dividend

	Group		Group	
	3 months ended 30.6.2018 (Unaudited)	**3 months ended 30.6.2017 (Unaudited)**	**6 months ended 30.6.2018 (Unaudited)**	**6 months ended 30.6.2017 (Audited)**
Earnings per share ("EPS")				
Earnings for computing EPS (US$)	8,474,282	10,002,858	17,458,356	24,642,167
Weighted average number of ordinary shares (1)	1,329,273,113	1,222,558,827	1,329,273,113	1,217,444,383
Basic and diluted EPS based on weighted average number of ordinary shares (US cents) (2)	0.64	0.82	1.31	2.02
Basic and diluted EPS based on weighted average number of ordinary shares (SG cents) (3)	0.87	1.14	1.80	2.81

(1) The calculation for the basic and diluted EPS is based on the weighted average number of ordinary shares in issue during the respective financial period.
(2) The basic and diluted EPS were the same as the Group did not have any potentially dilutive instruments for the respective financial period.
(3) Numbers were translated using the 30 June 2018 and 2017 exchange rates of 1.3679 and 1.3887 respectively

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

	Group		Company	
	30.6.2018 (Unaudited)	**31.12.2017 (Audited)**	**30.6.2018 (Unaudited)**	**31.12.2017 (Audited)**
Net Assets value (US$)	170,397,029	153,133,832	107,801,002	97,500,852
Number of issued shares	1,329,273,113	1,329,273,113	1,329,273,113	1,329,273,113
Net asset value per ordinary share (US cents)	12.82	11.52	8.11	7.33
Net asset value per ordinary share (SG cents) (1)	17.53	15.40	11.09	9.80

(1) Numbers were translated using the 30 June 2018 and 31 December 2017 exchange rates of 1.3679 and 1.3369 respectively

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

8.1 Income Statement

Financial performance (2Q2018 vs. 2Q2017)

Revenue increased by US$24.2 million to US$83.2 million due to higher volume sold in 2Q2018 as compared to 2Q2017 and higher Average Selling Price ("ASP").

The Group sold 1,969,557 tonnes of 4,200 GAR coal from the SDJ coal mine during the quarter, an increase from the 1,936,817 tonnes sold in 1Q2018 and 1,451,539 tonnes sold in 2Q2017.

The average ICI price for 4,200 GAR decreased from US$48.01 per tonne in 1Q2018 to US$44.84 per tonne in the quarter, a decrease of US$3.17 per tonne, against ASP of US$42.23 per tonne. As compared to 2Q2017 average index price of US$40.12 per tonne, an increase of US$4.72 per tonne or 12%, against ASP of US$40.11 per tonne.

Gross profit was higher at US$21.4 million compared to US$19.13 million in 2Q2017. Production costs was higher in 2Q2018 at US$61.8 million compared to US$39.8 million in 2Q2017. This was mainly due to the higher ICI in 2Q2018 as compared to 2Q2017, as some of the mining costs (about 50%) were pegged to the ICI.

In addition, stripping ratio of 3.21 was higher compared to stripping ratio of 3.09 in 2Q2017 but lower than stripping ratio of 4.35 in 1Q2018. Overall average stripping ratio for 2018 for SDJ is projected to be at 2.8. As such, the overburden costs for SDJ for the remainder of 2018 are projected to gradually decrease as the stripping ratio will be lower.

Cash profit for coal mining segment was an average of US$13.06 per tonne compared to an average of US$12.95 per tonne in 1Q2018 and US$15.24 per tonne in 2Q2017. The lower cash profit per tonne for the quarter as compared to 2Q2017 was mainly due to the higher cash costs of production.

Group (All figures in US$'000 except as indicated)	Coal mining	Coal trading	Coal mining management services	Total
3 months ended 30.6.2018 (unaudited)				
Volume (tonnes)	1,969,557	-	-	1,969,557
Revenue	83,184	-	-	83,184
Cost of sales	(61,820)	-	-	(61,820)
Gross profit	21,364	-	-	21,364
Non-cash items:				
Depreciation & amortisation	4,351	-	-	4,351
Cash profit	**25,715**	**-**	**-**	**25,715**
3 months ended 31.3.2018 (unaudited)				
Volume (tonnes)	1,936,817	-	-	1,936,817
Revenue	90,037	-	510	90,547
Cost of sales	(68,366)	-	(276)	(68,642)
Gross profit	21,671	-	234	21,905
Non-cash items:				
Depreciation & amortisation	3,419	-	-	3,419
Cash profit	**25,090**	**-**	**234**	**25,324**
3 months ended 30.6.2017 (unaudited)				
Volume (tonnes)	1,451,539	-	-	1,451,539
Revenue	58,215	-	732	58,947
Cost of sales	(39,429)	-	(390)	(39,819)
Gross profit	18,786	-	342	19,128
Non-cash items (depreciation & amortisation)	3,338	-	-	3,338
Cash profit	**22,124**	**-**	**342**	**22,466**

The Group's coal mining management service with PT Angsana Jaya Energi ("AJE"), a holder of coal mining permit in South Kalimantan, was completed in 1Q2018 and the Group has yet to sign any new coal mining management services with other parties.

Profit before income tax of US$11.0 million includes:

- Other income of US$1.1 million. The increase of US$0.8 million was mainly due to the interest income earned on short term investments and deposits from undeployed cash;

- General and administrative expenses of US$2.8 million. The increase of US$0.2 million was mainly due to higher staff costs in 2018 and share-based payments expense;

- Other expenses of US$1.1 million. The increase of US$0.7 million was mainly due to higher forex loss (US$0.7 million) and expenses relating to Corporate Social Responsibility engagements.

- Finance costs of US$7.5 million. The increase of US$6.4 million was mainly due to higher interest expense on the Senior Notes as compared to the Medium Term Note that was redeemed on 13 October 2017; and

- Depreciation and amortisation of US$4.4 million. The increase of US$1.0 million was due to higher volume of coal shipped in the quarter and amortisation of prepayment during the quarter.

Income tax expense decreased by US$2.7 million. Effective tax rate is 23% due to certain non-deductible expenses and adjustment recognised in current year in relation to finalisation of prior years' tax. Excluding these items, the Group's effective tax rate was 22%.

Overall, the Group's **profit for the period** decreased by US$1.6 million, mainly due the higher production costs, other expenses and finance costs, which was partially offset to higher ASP, increase in volume sold and other income. Excluding increased finance cost due to issuance of Senior Notes in 4Q2017, the Group's underlying net profit increased by US$3.8 million from US$10.0 million in 2Q2017 to US$13.8 million during the quarter.

Financial performance (1H2018 vs. 1H2017)

Revenue increased by US$25.1 million to US$173.7 million in 1H2018, mainly due to higher volume of coal shipped and increase in the ASP of coal sales. The Group sold 3,906,374 tonnes of coal from the SDJ coal mine, as compared to 3,664,432 tonnes in 1H2017. ASP of coal was US$44.34 per tonne against US$39.71 per tonne in 1H2017.

Gross profit was US$43.3 million. Excluding depreciation and amortisation, the Group's cash profit was US$51.0 million, of which US$50.8 million was contributed by the coal mining segment.

Cash profit for coal mining segment was US$13.01 per tonne in 1H2018 as compared with US$13.98 per tonne in 1H2017, due to higher production costs. Higher production costs were driven by higher stripping ratio and overburden removal in 1H2018. Stripping ratio increased from 3.19 in 1H2017 to 3.84 in 1H2018.

Group (All figures in US$'000 except as indicated)	**Coal mining**	**Coal trading**	**Coal mining management services**	**Total**
6 months ended 30 June 2018				
Volume (tonnes)	3,906,374	-	-	3,906,374
Revenue	173,221	-	510	173,731
Cost of sales	(130,187)	-	(276)	(130,463)
Gross profit	43,034	-	234	43,268
Non-cash items:				
Depreciation & amortisation	7,770	-	-	7,770
Cash profit	**50,804**	**-**	**234**	**51,038**
6 months ended 30 June 2017				
Volume (tonnes)	3,664,432	52,250	-	3,716,682
Revenue	145,510	2,097	1,018	148,625
Cost of sales	(101,750)	(2,045)	(552)	(104,347)
Gross profit	43,760	52	466	44,278
Non-cash item:				
Depreciation & amortisation	7,477	-		7,477
Cash profit	**51,237**	**52**	**466**	**51,755**

Profit before income tax of US$22.9 million includes:

- Other income of US$3.0 million. The increase of US$2.4 million was mainly due to the interest income earned on short term investments and deposits from undeployed cash;
- General and administrative expenses of US$5.3 million. The increase of US$0.5 million was mainly due to higher staff and other administrative costs as the Group expanded its operations and share-based payment expense;
- Other expenses of US$2.8 million. The increase of US$0.4 million was mainly due to loss on financial asset carried at amortised cost and higher expenses relating to Corporate Social Responsibility engagements;
- Finance costs of US$15.2 million. The increase of US$12.6 million was mainly due to higher interest expense on the Senior Notes as compared to the Medium Term Note that was redeemed on 13 October 2017; and
- Depreciation and amortisation of US$8.0 million. The increase of US$0.2 million was mainly due to amortisation of prepayment during the period, partially offset by decrease due to the change in estimated coal reserve in the SDJ coal mine.

Income tax expense decreased by US$5.0 million in 1H2018, in line with the decrease in the Group's profit before tax. Effective tax rate was 24% due to certain non-deductible expenses and adjustment recognised in current year in relation to finalisation of prior year's tax. Excluding these items, the effective tax rate was 21%.

The Group's **profit for the period** decreased by US$7.2 million, mainly due to higher production costs and finance costs, which were partially offset by higher other income and lower income tax expense. Overall, the Group's underlying net profit for 1H2018 was US$28.2 million (1H2017: US$24.6 million).

Underlying net profit and underlying EBITDA [(1)]

In order to provide additional insight and understanding of the performance of the Group, the following sets out the underlying net profit and underlying EBITDA. The differences between profit, underlying net profit and underlying EBITDA are as below:

	2Q2018 US$'000	2Q2017 US$'000	1H2018 US$'000	1H2017 US$'000
Profit for the period	**8,463**	10,014	**17,447**	24,649
Items excluded from profit:				
Share-based payment expense	**108**	-	**216**	-
Increased finance cost due to issuance of Senior Notes in 4Q2017 (net of tax)	**5,278**	-	**10,493**	-
Underlying net profit for the period	**13,849**	10,014	**28,156**	24,649
Net interest expense	**1,123**	1,057	**2,253**	2,367
Depreciation and amortisation	**4,449**	3,497	**7,984**	7,795
Income tax	**3,665**	5,257	**7,628**	10,485
Underlying EBITDA for the period	**23,086**	19,825	**46,021**	45,296

(1) EBITDA represents earnings before tax, interests, depreciation and amortisation.

8.2 Financial Position

Group

Current Assets
Current assets decreased by US$41.0 million to US$305.4 million as at 30 June 2018.

Cash and bank balances decreased by US$34.3 million to US$231.5 million as at 30 June 2018, mainly due to payment in relation to the agreement the Group entered with third parties for the provision of integrated coal mining support and infrastructure services from the SDJ and TBR coal mines to the point of anchorage for exporting coal, other payments for operating expenses and tax, offset by receipts from coal sales from ECTP.

Trade and other receivables of US$38.9 million as at 30 June 2018 comprise mainly trade receivables of US$27.9 million and non-trade receivables of US$11.0 million. The decrease of US$12.0 million from US$50.9 million as of 31 December 2017 was mainly due to receipt from coal sales from ECTP.

Deposits and prepayments increased by US$4.9 million to US$27.0 million as at 30 June 2018 mainly due to the payment made to third parties for the provision of integrated coal mining support and infrastructure services.

Inventories increased by US$0.4 million to US$8.0 million as at 30 June 2018 due to higher production costs.

Non-current Assets
Non-current assets increased by US$25.3 million to US$228.9 million as at 30 June 2018, mainly due to increases in deposits and prepayments by US$21.8 million (due to abovementioned payment for provision of integrated services), deferred stripping costs by US$8.8 million upon commencement of production at the TBR coal mine and deferred tax assets ("DTA") by US$1.2 million. These were partially offset by the decrease in property, plant and equipment ("PPE") by US$6.1 million mainly due to depreciation and restricted cash deposits by US$0.4 million.

Current Liabilities
Current liabilities decreased by US$36.8 million to US$67.3 million as at 30 June 2018, mainly due to decreases in trade and other payables by US$29.1 million and income tax payable by US$7.7 million. Decrease in trade and other payable was mainly caused by the decreases in advance from customers, accruals, other payables, interest accrued on Senior Notes and deposit received. These were partially offset by increase in trade payables.

Non-current Liabilities
Non-current liabilities increased by US$3.9 million to US$295.3 million as at 30 June 2018, which is mainly due to the interests accrued on the Senior Notes of US$3.3 million and increases in provisions by US$0.3 million and deferred tax liability ("DTL") by USD$0.3 million.

Contingent Liability
In 2016, some subsidiaries were audited by Indonesian Tax Office ("ITO"). ITO assessed an underpayment of tax expenses of approximately US$3.9 million (IDR53 billion) in respect of a subsidiary for capitalisation of an intercompany loan as equity.

Management has sought advice from professional tax consultants and legal firms in Jakarta, Indonesia. Closing Statements with our point of view had been submitted to the Court of Appeal in July 2018. Final decision is expected to be received within the next 12 months. No provision has been recognised in the financial statements as the Group does not consider that there is any probable loss.

Financial Guarantee
In October 2017, the Company and some subsidiaries have issued corporate guarantees to bondholders for Senior Notes issued of a subsidiary amounting to US$300,000,000.

Company

Current Assets
Current assets increased by US$6.5 million to US$92.4 million as at 30 June 2018, mainly due to increase in intercompany receivables by US$8.3 million, offset by decreases in cash and bank balances by US$1.7 million and deposits and prepayments by US$0.1 million.

Current assets of US$92.4 million as at 30 June 2018 mainly comprise cash and bank balances of US$38.9 million, intercompany receivables of US$50.2 million, refundable deposit of US$3.1 million to secure the rights to use a jetty, and deposits and prepayments of US$0.1 million.

Non-current Assets
Non-current assets mainly comprise investment in subsidiaries of US$185.9 million. The increase of US$0.1 million was mainly due to increase in DTA of US$0.1 million.

Current Liabilities
Current liabilities decreased by US$2.9 million to US$165.6 million as at 30 June 2018. This was mainly due to decreases in deposit received by US$3.0 million, accruals by US$1.1 million and income tax payable by US$0.3 million. These were partially offset by increase in intercompany payables by US$1.5 million to US$163.3 million.

Working Capital
Working capital was negative US$73.3 million, mainly due to the increase in intercompany payables. Based on the Group's current financial performance and financial position as at 30 June 2018 with a total cash of US$231.5 million and positive working capital of US$238.1 million, the Company will be able to pay its debt as and when they fall due.

Non-current Liabilities
Non-current liabilities as at 30 June 2018 comprise financial guarantee liability, provisions and finance leases. The decrease of US$0.8 million to US$5.3 million, was mainly due to the amortisation of financial guarantee liability of US$0.8 million to the profit and loss as deemed guarantee income.

8.3 Cash Flow

Group

Cash Flow (2Q2018 vs. 2Q2017)

Net cash from **operating activities** was US$4.3 million. Operating cash flows before movements in working capital was an inflow of US$21.7 million, mainly due to the Group's operating profit and the non-cash items. Less cash was used in Working Capital in 2Q2018 compared to 2Q2017 due to lower settlement of Trade and Other Payables amounting to US$17.1 million, comprising mainly advances from customers and refund of deposit received totalling US$15.0 million. Excluding these two items, the Group generated cash from working capital of

US$10.1 million. Overall, Working Capital has improved compared to 2Q2017. The Group also paid US$12.4 million of corporate tax during the period.

Net cash used in **investing activities** of US$8.8 million was mainly due to addition to deferred stripping costs of US$9.2 million following the commencement of TBR coal mine operation and advance payments for purchase of PPE of US$0.9 million. These were partially offset by interest received of US$1.3 million.

Net cash used in **financing activities** of US$11.8 million was mainly due to payment for Senior Notes interest of US$12.0 million during the quarter, offset by decrease in restricted cash deposits by US$0.2 million.

Overall, total cash and cash equivalent as of 30 June 2018 was US$226.5 million.

Cash Flow (1H2018 vs. 1H2017)

Net cash used in **operating activities** was US$13.9 million. Operating cash flows before movements in working capital was an inflow of US$44.5 million, mainly due to the Group's operating profit and the non-cash items. More cash was used in Working Capital. This was mainly due to more payment made to third parties for the provision of integrated coal mining support and infrastructure services and settlement of trade and other payables. The Group also paid US$14.0 million of corporate tax during the period.

Net cash used in **investing activities** of US$8.4 million was mainly due to addition to deferred stripping costs of US$9.5 million following the commencement of TBR coal mine operation, advance payments for purchase of PPE of US$1.0 million, addition to deferred expenditure of US$0.1 million and purchase of PPE of US$0.1 million. These were partially offset by interest received of US$2.3 million.

Net cash used in **financing activities** of US$13.6 million was mainly due to payment for Senior Notes interest of US$12.0 million during the period and increase in deposits pledged of US$1.7 million, offset by decrease in restricted cash deposits by US$0.1 million.

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

The Group has previously announced a target of 11-12 million tonnes for both SDJ and TBR in 2018.

The Group has achieved coal sales of 1,969,557 tonnes for the second quarter ended 30 June 2018 and a total of 3,906,374 tonnes for 1H2018. The TBR coal mine has commenced production in 2Q2018 albeit a slight delay, with a total production amounting to approximately 88,000 tonnes as at 31 July 2018.

Despite the slight delay in the commencement of the TBR coal mine, the Group continues to target a total production of 11-12 million tonnes for both SDJ and TBR in 2018.

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 ICI for 4,200 GAR coal has been stabilising above US$40.00 per tonne since mid-June 2017. The coal price continued to strengthen in the first quarter of 2018 and hit as high as US$51.04 in 23 February 2018. The average ICI for 4,200 GAR coal in the second quarter of 2018 was US$44.84 per tonne, a decrease of US$3.17 per tonne as compared to US$48.01 per tonne in 1Q2018.

Asian steam coal imports is set to rise over the next two decades, led by India and ASEAN, with power growth across Asia stimulating greater coal burn in the region[2]. According to IHS, near term thermal coal remains strong despite higher volatility. Even though China intends to switch to cleaner sources of fuels, 4,200 GAR coal with low ash and sulfur remain unique with no substitutes[3].

The Indonesian government has given guidance on the minimum coal Domestic Market Obligation ("DMO") to be 25% of approved production quota. As part of planning ahead, the Group has been working on domestic sales to first domestic end-users from industries such as cement, smelters and power plants. In August 2018, the Group

[2] SGX – Risk Management for Coal Trading, Bali Coaltrans 2018
[3] IHS Markit – Changing Pricing Landscape: A Risk Management tool for Indonesian low-rank coal, Bali Coaltrans 2018

has completed its first shipment of coal of approximately 50,000 tonnes from its TBR coal mine to PT Sulawesi Mining Investment, part of the Chinese state-owned enterprise group, Tsingshan Holding Group ("Tsingshan"). Tsingshan is a top 150 Chinese Enterprise, and produced a total output of over 7.5 million tonnes of stainless crude steel in 2017, registering sales revenue above RMB161.5 billion. This marks the start of a strong partnership and play an important role in the Group's fulfilment of its DMO quota going forward.

The Group is finalising the Life Of Mine Coal Offtake for TBR. Together with the Group's existing offtaker, Engelhart CTP (Singapore) Pte. Ltd. ("ECTP"), the Group will have its export sales for both SDJ and TBR's total targeted production of 13-15[4] million tonnes in 2019 and in the coming years secured. Based on the production mine plan and current cash profit margins of US$10-15 per tonne, the Group targets for an annual EBITDA in excess of US$150 million in 2019 and for the coming years. We are positive that we would be able to drive growth and deliver stronger cash profits to enhance our shareholder returns going forward.

With the Group's existing cash balance of over US$230 million as of 30 June 2018, the Group is currently exploring opportunities to optimise its coal assets portfolio, by acquiring additional coal mining concessions to complement the Group's portfolio of coal mining assets. The Group aims to increase its Proved and Probable reserves by 50-100 million tonnes with additional yearly production and sales of 5-10 million tonnes at a targeted return on investment in excess of 20%.

As part of the Group's strategic objectives to deliver value to our investors, the Directors are pleased to declare an interim dividend of S$0.01 per ordinary share. Further to that, the Group has also adopted a dividend policy to declare dividends of at least 30% of the Group's profit attributable to Owners of the Company, subject to debt covenants and capital requirements needed to support growth and investments. The Group is committed to delivering dividends that increase over time in tandem with growth in earnings.

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

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

The Directors are pleased to declare an interim dividend in respect of the financial period ended 30 June 2018.

(b)(i) Amount per share

Name of dividend:	Interim
Dividend type:	Cash
Dividend rate:	S$0.01 per ordinary share

(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

Dividend declared is tax exempt (one-tier).

(d) The date the dividend is payable

To be announced at a later date.

[4] In accordance to the TBR mining plan stated in the IQPR as at 31 December 2017.

(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

To be announced at a later date.

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

Not applicable.

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 second quarter and six months ended 30 June 2018.

14. Negative confirmation pursuant to Rule 705(5)

We, Charles Antonny Melati and Tung Kum Hon, being Directors of the Company, do hereby confirm, on behalf of the Board of Directors of the Company (the "Board") that, to the best of our knowledge, nothing has come to the attention of the Board which may render the unaudited financial results for the second quarter ended 30 June 2018 to be false or misleading in any material aspect.

15. 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.

On behalf of the Board of Directors

Charles Antonny Melati
Executive Chairman

Tung Kum Hon
Chief Executive Officer

13 August 2018

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

Geo Energy Resources Limited ("Geo Energy") is one of the major coal producers in Indonesia and is listed on the Singapore Stock Exchange and is part of the Singapore FTSE-ST China 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.

For more information, please visit www.geocoal.com

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