

GEO

ENERGY RESOURCES

- **CREATING THE SPARK**
Staying on Strategy for Sustainable Growth
- **FORGING NEW GROUNDS**
Broadening our Investors and Business
- **DELIVERING VALUE**
Maximising Returns for our Investors



2Q2018 Results' Briefing
24 August 2018

FORWARD LOOKING STATEMENTS

This presentation 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 document 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 presentation. 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 presentation 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 presentation or that the information contained herein is correct as at any time subsequent to its date. No statement in this presentation is intended as a profit forecast or a profit estimate. This presentation 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 presentation does not constitute a recommendation regarding any securities.

Geo Energy's **performance remains strong** with second quarter revenue of US\$83.2 million, **underlying net profit of US\$13.8 million** and cash profit of US\$25.7 million.

Cash position as at 30 June 2018 of **US\$231.5 million**.

Declares an interim dividend of S\$0.01 per share.

Tung Kum Hon
Chief Executive Officer
24 August 2018

2Q2018 Highlights

6 Months – 30 June 2018

Revenue
US\$83m

	US\$
Total revenue	83.2m
Sales volume (tonnes)	2.0m
Average selling price (US\$/tonne)*	42
Average ICI Index price (US\$/tonne)	45
Increase in ICI index price over a 6-month period (%)	7%

* Average selling price lags ICI index price by 3-4 weeks based on shipping laycan date and less marketing discount

2Q2018 Highlights

6 Months – 30 June 2018

Revenue

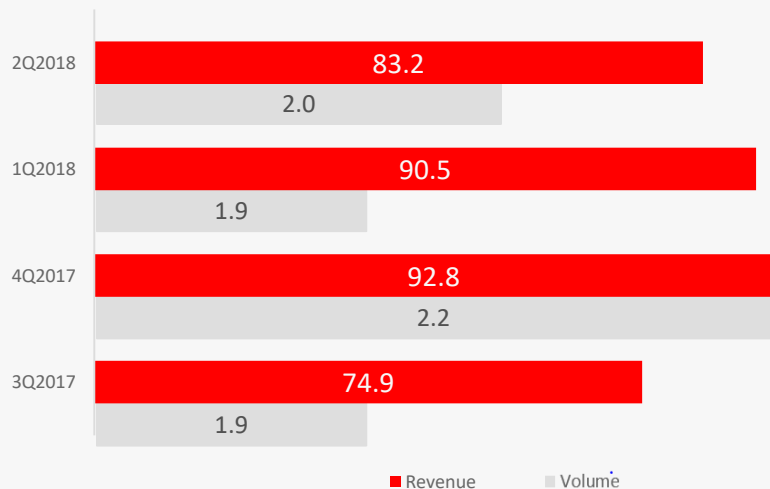
The Group recorded a revenue of **US\$83.2 million** in 2Q2018, **increased by US\$24.2 million or 41%** comparing with 2Q2017 due to higher volume sold and higher average selling price in 2Q2018.

Delivered 2.0 million tonnes of coal in 2Q2018 with an **average selling price per tonne of US\$42.**

Coal sales in 2Q2017 was 1.5 million tonnes.

2Q2018 Highlights

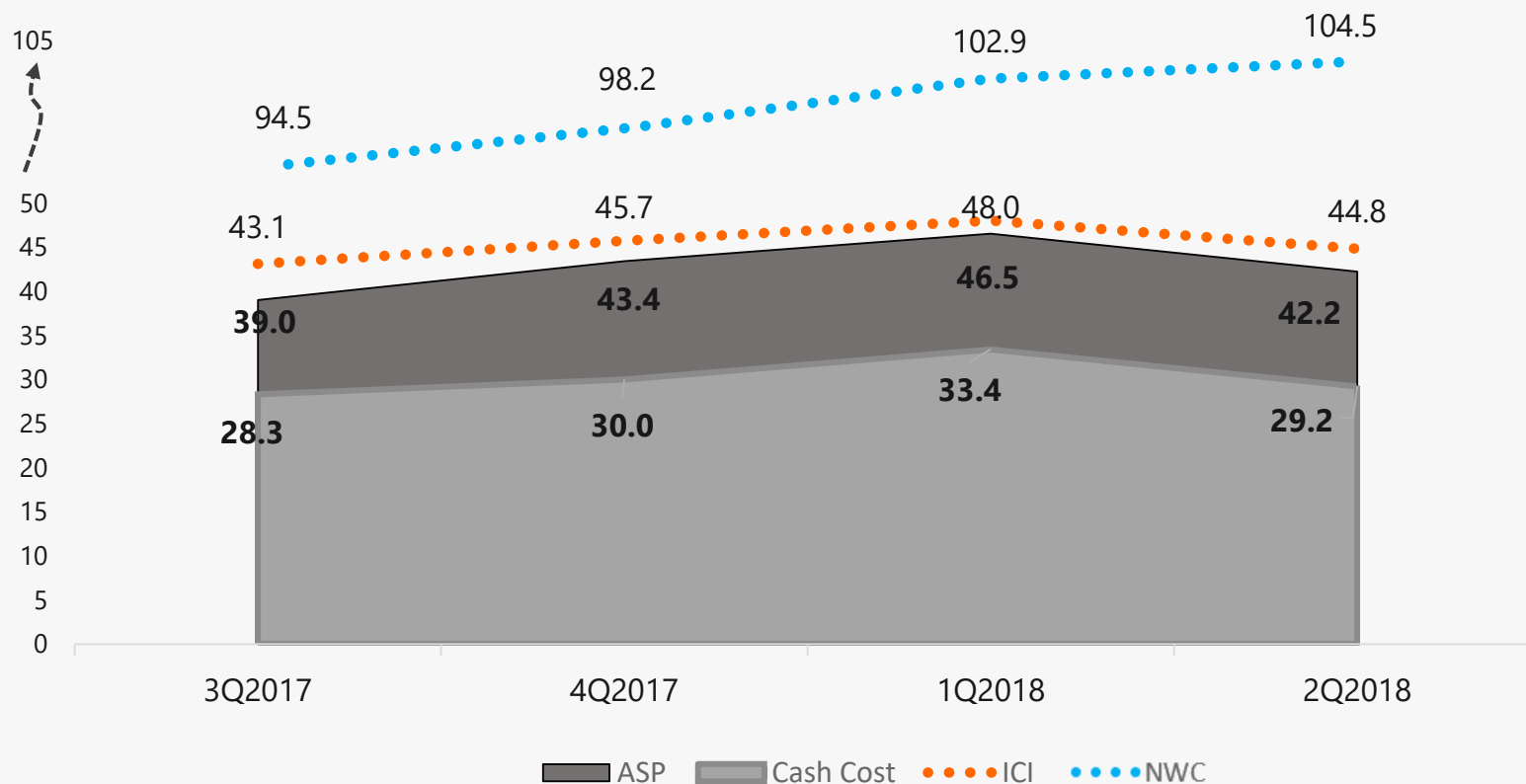
6 Months – 30 June 2018



Revenue in the last 12 months ended 30 June 2018 was US\$341.4m

Revenue

Average ICI4 Index vs Average Selling Price (4200 GAR) (US\$/tonne)



2Q2018 Highlights

6 Months – 30 June 2018

Coal mining segment contributed **100%** of the Group's revenue during the period.

Revenue Business Segments

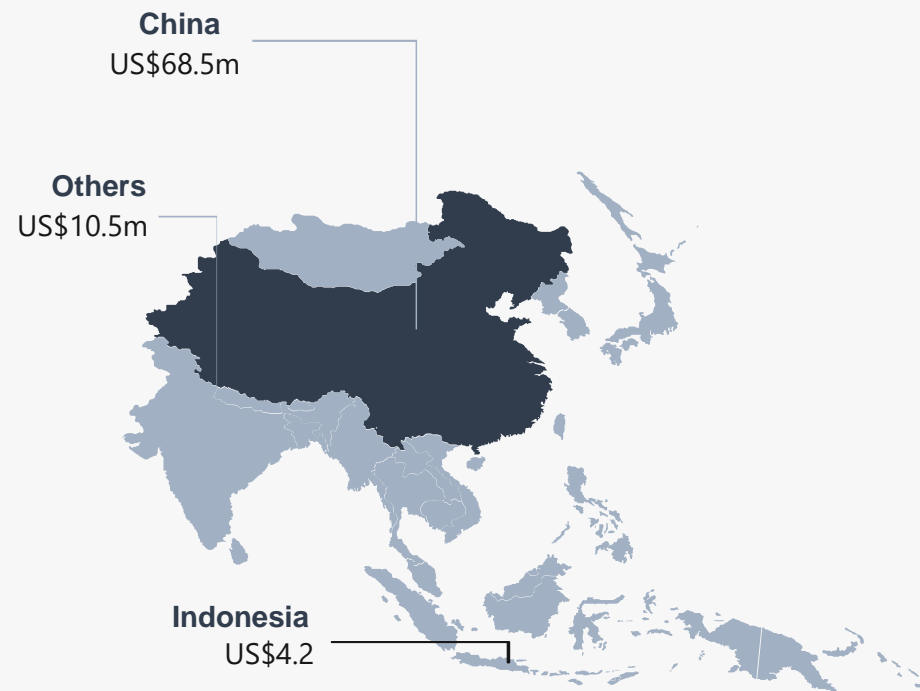


2Q2018 Highlights

6 Months – 30 June 2018

**China substantially
contributed 82%** of the
Group's revenue.

Revenue – Coal Mining Geographical Segments



2Q2018 Highlights

6 Months – 30 June 2018

**Cash profit of
US\$13 per tonne**

Underlying Net Profit

US\$ 14m

	US\$
Gross Profit	21.4m
Cash Profit	25.7m
Cash Profit per tonne	13.1
Underlying Net Profit*	13.8m

* Underlying net profit excludes the increase of finance cost on the US\$300 million 8.0% Senior Notes

2Q2018 Highlights

6 Months – 30 June 2018

Net Debt / EBITDA
of **2.6 times** as at 30
June 2018

Underlying EBITDA

	3Q2017	4Q2017	1Q2018	2Q2018
Gross Profit Margin (%)	21.6	19.3	24.2	25.7
Cash Profit Margin (%)	27.7	29.6	28.0	30.9
Underlying EBITDA (US\$m)	17.5	22.8	22.9	23.1
Net Debt (US\$m)	30.3	22.5	42.1	60.1
Cash (US\$m)	43.1	265.8	247.9	231.5
Net Debt / EBITDA (times)	1.73	0.99	1.8	2.6

2Q2018 Highlights

6 Months – 30 June 2018

Underlying Net Profit

Geo Energy's **gross profit increased by 12%** from US\$19.1 million in 2Q2017 to **US\$21.4 million** in 2Q2018.

Cash profit per tonne increased to US\$13 giving a cash **profit margin of 31%** in 2Q2018 mostly as a result of higher average selling price and higher volume of sales.

2Q2018 Highlights

6 Months – 30 June 2018

Operating Cash Flow

US\$4m

	US\$
Operating Cash Flows	4.3m
Investing Cash Flows	(8.8m)
Financing Cash Flows	(11.8m)
Net decrease in Cash and Cash Equivalents	(16.3m)
Cash and Cash Equivalents at 30 June 2018	226.5m

2Q2018 Highlights

6 Months – 30 June 2018

Operating Cash Flow

Cash and cash equivalents as at 30 June 2018 was **US\$226.5 million.**

Net decrease in cash and cash equivalents of **US\$16.3 million**
in 2Q2018.

Mainly due to addition to deferred stripping costs following the commencement of TBR coal mine operation and payment for Senior Notes interest.

2Q2018 Highlights

As of 30 June 2018

Total Assets
US\$ **534m**

	US\$
Total Assets	534.3m
Cash and cash equivalents	231.5m
Total Liabilities	362.6m
Shareholders' equity	170.4m
NAV (Net Assets Value) per share (S\$ Cents) *	17.5

* Based on number of issued shares of 1,329,273,113 and on an exchange rate of US\$:S\$ of 1.3679 as at 30 June 2018

2Q2018 Highlights

As of 30 June 2018

Total Assets

Total assets decreased by **US\$15.7 million** as at 30 June 2018 mainly due to payment of interest for the USD bonds and change in working capital.

2Q2018 Highlights

As of 30 June 2018

✓ **Strong Cash Position**
US\$231.5m

✓ **Low Net Gearing**
39%

Financial Position

	30.6.2018	31.12.2017
Cash and Cash Equivalents	US\$ 231.5m	US\$ 265.8m
Total Assets	US\$ 534.3m	US\$ 550.0m
Total Liabilities	US\$ 362.6m	US\$ 395.5m
Shareholders' Equity	US\$ 170.4m	US\$ 153.1m
NAV per share	US 12.8 cents	US 11.5 cents

2Q2018 Highlights

6 Months – 30 June 2018

Summary

Overall, the Group registered a **38% increase in underlying net profit** from US\$10.0 million in 2Q2017 to **US\$13.8 million** in 2Q2018.

Trading at 4.0x of our 2Q2018 underlying net profit based on current share price of S\$0.23 and exchange rate of 1.37 as of 16 August 2018.

Our market capitalisation was at **S\$306 million** as of 16 August 2018.

The price of our **Senior Notes has performed well** since its issuance and has been trading better than its peers despite the market condition.

Summary

2Q2018 Highlights

6 Months – 30 June 2018

The Group remains focused on several strategic objectives in 2018:

Strategic Objectives		Progress
Gaining momentum and staying on strategy for sustainable growth	➤	Delivered 2.0 million tonnes of coal in 2Q2018 and recorded a revenue of US\$83 million. First shipment of TBR's coal of over US\$2 million in August 2018.
Managing our cash cost base and creating operational leverage	➤	A combined mining plan of SDJ and TBR greatly improve the Group's mining efficiency and create synergistic effects on its cost of production.
Strengthening our capital position	➤	Total cash of US\$231.5 million as at 30 June 2018.
Returning value to shareholders	➤	Continue to drive growth and deliver stronger cash profits to enhance shareholder returns. Declared an interim dividend of S\$0.01 per share, which implied a 4.3% dividend yield based on share price of S\$0.23 as at 13 August 2018. Adopts a dividend policy.

Dividend Policy



Adopts a **dividend policy 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.



Return value to shareholders and investors by **committing to deliver dividends that increase over time** in tandem with our growth in earnings.

TBR Update



- Completed its **first shipment of coal of approximately 50,000 tonnes** to its domestic end-user who operates stainless-steel factories, nickel mines and smelters in Indonesia. Part of the Group's fulfilment of its domestic market obligation requirement set by the Indonesian government.
- Total TBR production was approximately 88,000 tonnes as at 31 July 2018.



- **Finalising the Life of Mine Coal Offtake** for TBR.
- Together with SDJ, the **Group targets its total production of 13-15 million tonnes in 2019** and beyond.

TBR Update



TBR Update



Acquisition Progress



- Currently **assessing M&A opportunities** to strengthen Geo's portfolio.
- Announcement will be made in due course.
- Two potential acquisitions:

Calorific value	4,800 GAR / 5,400 GAR
Location	Central Kalimantan
Coal reserves	50 – 100 million tonnes
Coal quality	SR 5
Expected coal production	3 – 10 million tonnes per annum

Equity Valuation

- ✓ Market capitalisation was at **S\$306 million** as of 16 August 2018.

Geo Energy Share Price

GERL:SP Singapore Geo Energy Resources Ltd (16-08-2018)		
0.23 SGD -0.01 -2.13% ▼		
OPEN	PREV CLOSE	VOLUME
0.23	0.23	839,900
MARKET CAP	DAY RANGE	52 WEEK RANGE
305.733M	0.23-0.23	0.21-0.31



Equity Valuation

Key Statistics (16-08-2018)

P/E Ratio	7.48	1 Year Return	-9.93%
Bloomberg (BEst) P/E Ratio	4.9169	30 Day Avg Volume	2,053,417
Bloomberg (BEst) PEG Ratio	--	EPS	0.02
Shares Outstanding	1.33B	Bloomberg (BEst) EPS Curr Yr	0.0340
Price to Book Ratio	1.3711	Dividend	4.35%
Price to Sales Ratio	0.6509	Last Dividend Reported	0.01

- ✓ The price of Senior Notes has traded well since its issuance and has been trading better than its peers despite the market condition.

US\$ Bond Price? (16-08-2018)

Current Ask Yield to Maturity ⓘ

10.117 %

Current Bid Yield to Maturity ⓘ

10.311 %

Current Ask Yield to Worst ⓘ

10.117 %

Current Bid Yield to Worst ⓘ

10.311 %

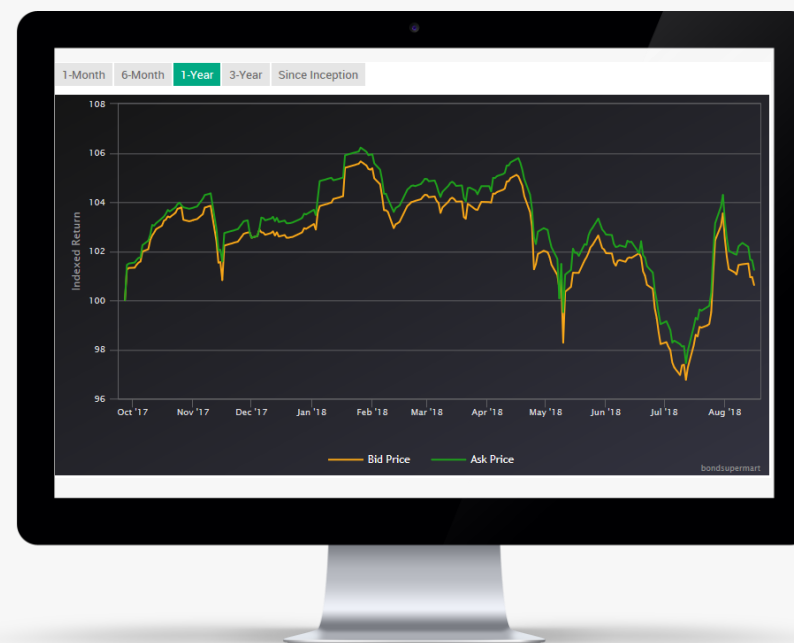
Current Indicative Ask Price (USD)

92.972

Current Indicative Bid Price (USD)

92.359

Bond Performance



An Industry Outlook

McCloskey Coal Report August 2018



- The **Indonesian government has increased its 2018 production target** by 25mt, in order to boost state revenues.
- The Indonesian Ministry of Energy and Mineral Resources has **revised its production target or RKAB upwards to 510mt, from 485mt**, and this will predominantly be for exports.
- **Indonesia prices were under downwards pressure**. Low rank activity increased with trades from \$40.50/t FOB to \$38.50/t FOB, basis 4,200kc GAR, for September loading geared vessels.

Source: IHS McCloskey Coal Report, Aug 2018

An Industry Outlook

Power

China continues to dominate power generation in the region, producing a total 3,184 TWh in Jan-Jun, up 8.3% on the year.

Coal-fired generation is also growing but in a moderately slower rate of 7.8%, as competition from renewables and gas increases.

ASIAN power demand for coal continues to rise with heavyweights China and India growing at faster rates than last year.

Asian power trends (GWh)									
	Period	Total power 2018	Total power 2017	Coal-fired 2018	Coal-fired 2017	Total power y-o-y change	Coal-fired y-o-y change	Coal's share of gen mix 2018	Coal's share of gen mix 2017
China	Jan-Jun	3,184,000	2,940,150	2,375,100	2,202,540	8.3%	7.8%	75%	75%
India	Jan-Jul	722,434	691,362	576,437	547,068	4.5%	5.4%	80%	79%
Japan	Jan-Mar	284,328	265,653	79,929	77,276	7.0%	3.4%	28%	29%
Malaysia	Jan-Jul	73,597	71,270	40,812	36,856	3.3%	10.7%	55%	52%
Philippines*	Jan-Jul	48,454	45,135	23,625	22,339	7.4%	5.8%	49%	49%
S.Korea	Jan-May	234,238	226,910	99,962	101,000	3.2%	-1.0%	43%	45%
Taiwan	Jan-May	113,702	106,598	42,417	44,900	6.7%	-5.5%	37%	42%
Thailand	Jan-May	85,254	83,270	15,537	15,273	2.4%	1.7%	18%	18%
Vietnam**	Jan-Jul	118,800	107,300	42,768	38,628	10.7%	10.7%	36%	36%

* Data is just for the two main grids ** estimated based on 36% market share Source: IHS Markit

© 2018 IHS Markit

Source: IHS McCloskey Coal Report, Aug 2018

An Industry Outlook

Mining



India coal production up 9% on year in January – July

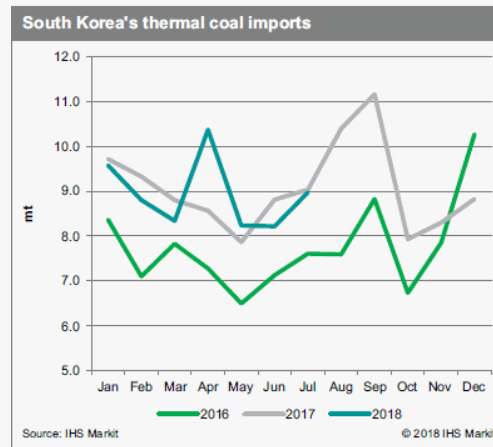
- The country's total coal production in January – July was 430.94mt (provisional), up 9% on the year from 395.84mt (revised).
- The **growth in domestic output has not dented imports, as demand from the power, steel and cement sectors has been high.**
- The country's **thermal coal imports rose 11%** on the year in January-June 2018, to 80.26mt (provisional) from 72.59mt in the same period prior.

Source: IHS McCloskey Coal Report, Aug 2018

Indonesia was once again the largest supplier

providing 3.02mt in July.

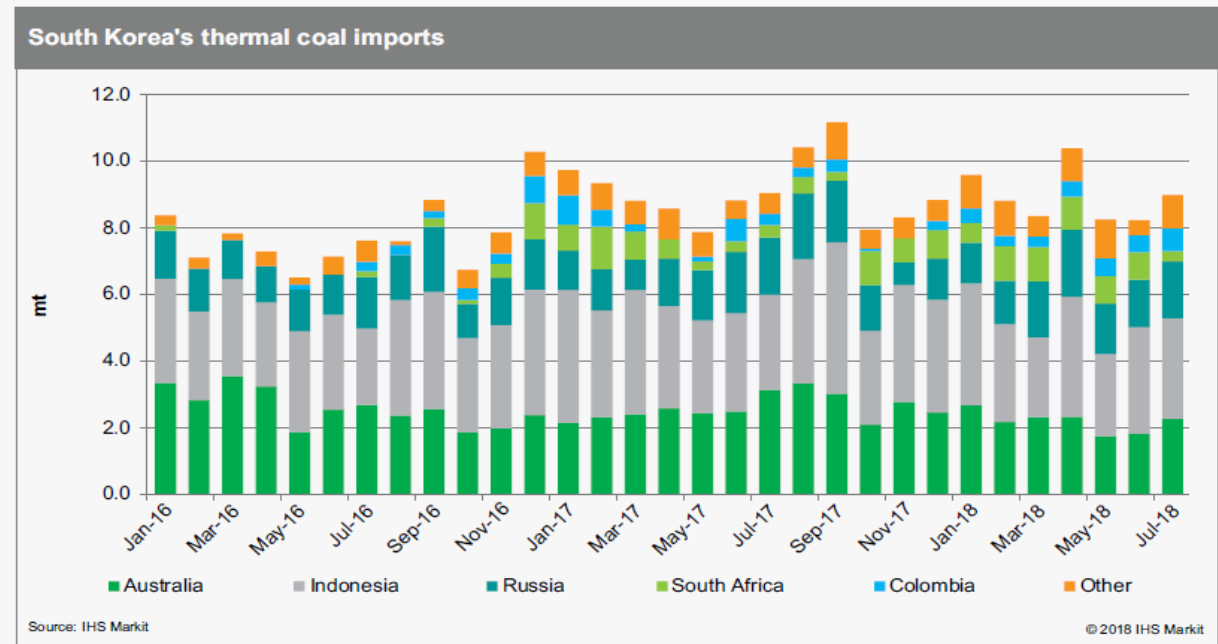
Australia remains the second largest supplier with 2.25mt delivered in July.



Source: IHS McCloskey Coal Report, Aug 2018

An Industry Outlook

South Korea thermal imports from Indonesia, Australia bounce in July.



We would be among the major coal producers in Indonesia with a targeted annual production of 11-12 million tonnes in 2018 and based on the latest JORC mining plan a 13-15 million tonnes for 2019 and beyond, with **a 4.5% of market share of total Indonesia coal exports of 297 million tonnes in 2017.**

Source: Company presentations, ESDM

Indonesia Major Coal Producers

Indonesia thermal coal production (MT)

	Actual 2016	y-o-y	Actual 2017
Bumi Resources	86.5	-3.2%	83.7
Adaro Energy	52.6	-1.5%	51.8
Kideco	32.1	-0.3%	32.0
ITMG	25.6	-13.7%	22.1
Bukit Asam	19.6	23.5%	24.2
Bayan Resources	9.7	115.4%	20.9
Geo Energy	5.5	40%	7.7
Other Producers	207.9	8.9%	226.3
Total	434	6.2%	461

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.**



FTSE ST China Indices

The FTSE ST Index Series includes two China themed indices – the FTSE ST China Index and the FTSE ST China Top Index.

The **FTSE ST China Index** is based on the underlying constituents of the FTSE ST All-Share Index, which have the majority of their sales revenue derived from or operating assets located in Mainland China. The **FTSE ST China Top Index** is a subset of the FTSE ST China Index and aims to capture the performance of the 20 largest Chinese-listed companies on the SGX Main Board by full market capitalisation.

Companies eligible for inclusion in the FTSE ST China Index and/or the FTSE ST China Top Index must feature in the FTSE ST All-Share Index and at each review derive either:

- At least 50% of their sales revenue from Mainland China; or,
- At least 50% of their operating assets are located in Mainland China.

About Geo Energy

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.

Thank You



For more information, please visit
www.geocoal.com

