

MEDIA RELEASE

26 July 2023

Geo Energy secures USD200 million transformational acquisition of controlling stake in a listed Indonesian coal mining group with over 300 million tonnes reserves, to emerge as one of the top coal players in Indonesia

- Value accretive acquisition of producing coal assets with over 300 million tonnes of reserves through a 58.65% controlling stake in PT Golden Eagle Energy Tbk (IDX: SMMT), rising to 75.00% stake subject to Mandatory Tender Offer to the public shareholders.
- Acquisition of 33.00% stake in PT Marga Bara Jaya, with ready-for-development world-class infrastructure that will unleash greater value for the Group.
- Transformational acquisition propels Geo Energy to achieve greater heights and strengthen its position in the Indonesian coal market and surrounding regions.

Singapore, 26 July 2023 – Geo Energy Resources Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) entered into conditional sales and purchase agreements (“**CSPAs**”) with the Rajawali Group, a conglomerate with diverse businesses in hospitality, media, infrastructure, mining and resources, to acquire 58.65% of PT Golden Eagle Energy Tbk (“**GEE**”), an Indonesian coal mining group listed on the Indonesia Stock Exchange, and 33.00% of PT Marga Bara Jaya (“**MBJ**” and together with GEE the “**Targets**”).

The Group’s equity stake in GEE can rise to 75.00% subject to a full acceptance of Mandatory Tender Offer (the “**MTO**”) made to the public shareholders. The Group also has an option to purchase an additional 25.70% stake in MBJ. The total consideration of this transaction, including the MTO is estimated to be around USD200 million.



About the Targets

Listed on the Indonesia Stock Exchange, GEE has been producing and trading high-quality coal of favourable low sulphur and low ash content through its subsidiary, PT Triaryani ("**TRA**"). The low sulphur and low ash content coal reserves attract strong demand from domestic and international markets, particularly Asia, and commands a premium above market price.

MBJ is in the business of developing and operating an integrated infrastructure (hauling road and jetty) for handling of coal logistics and transportation to the domestic and export markets. The ready-for-development integrated infrastructure stretching 92km connects key logistical locations providing access for TRA mining concession and other neighbouring coal mines in the surrounding area (South Sumatra) to international markets. The world-class hauling road and coal terminal at Lalan River has a targeted capacity of up to 50 million tonnes per year, with 25 million tonnes reserved for TRA coal per year.

MTO of GEE

Upon completion of this acquisition, the Group will make appropriate submissions, notifications and filings with the Indonesian Financial Services Authority (the "**OJK**") and subsequently launch the MTO. The MTO price is fixed at IDR1,255¹ per shares. The whole process of the MTO is expected to take around ten to twelve weeks, depending on the approval from the OJK.

Transformational Acquisitions

Commenting on these transformational acquisitions, Mr Charles Antonny Melati, Executive Chairman & Chief Executive Officer of Geo Energy stated: **"These major acquisitions will transform the Group to become one of the top coal players in Indonesia with long term sustainability of over 20 years mining life of reserves as well as strengthen our market presence globally. Furthermore, the new infrastructure will vertically integrate coal production with supply chain strength and unlock higher operational efficiency for the Group."**

With reserves of more than 300 million tonnes, the Group aims to expand its production to further fuel its strategic growth in the long term. Upon the completion of new infrastructure, the Group will be able to ramp up production to up to 25 million tonnes per year with lower costs and greater operational efficiency.

The Group is proud to announce this major transaction which will be subjected to shareholders' approval at the Extraordinary General Meeting ("EGM"). A circular setting out the relevant information on the transaction, together with a notice of the EGM to be convened, will be despatched to the shareholders in due course."

End

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

Geo Energy Resources Limited ("**Geo Energy**") is a major Indonesian coal producer with an established track record in operating coal mines, coal production and selling coal throughout the region. Geo Energy commenced its business in 2008 as a coal mining services provider and became a listed company on the Mainboard of the SGX in 2012, under the stock code: RE4 and is part of the Singapore FTSE-ST index.

Since then, Geo Energy has transitioned from being primarily a coal mining services provider to a coal producer that subcontracts its coal mining operations. This transition has allowed the Group to change the business model from operating as a relatively small-scale mining services provider in an environment of high capital expenditure and relatively low operational efficiency, with high dependence on owners of coal mining concessions, to being a low-cost coal producer with high-quality coal mining assets, working in collaboration with world-class business partners.

¹ Figures in IDR have been converted to USD based on USD1.00 : IDR15,028, which was the exchange rate as at 25 July 2023, extracted from Bank Indonesia's website.

The Group's investment strategy is mainly focused on acquisition of new mining concessions to increase production quantity and at the same time diversify its sources of coal. The Group owns four mining concessions through its wholly owned subsidiaries PT Bumi Enggang Khatulistiwa, PT Sungai Danau Jaya, PT Tanah Bumbu Resources and PT Surya Tambang Tolindo in Kalimantan, Indonesia.



For more information, please visit www.geocoal.com.

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