Hibiscus Petroleum

ANNUAL REPORT 2011/2012

EXPLORING NEW FRONTIERS

Our Vision is to be a respected independent oil and gas **Exploration & Production** company.

EXPLORING NEW FRONTIERS describes our mind-set...
It encompasses everything that we do as we challenge established technical and financial paradigms of the international oil and gas exploration and production industry. We do not always trek trodden paths but where there is no path, we hope to leave a trail.

Our Goal

Creating Value Through Our Knowledge And Experience.

Our Values

Enterprising
Trustworthy
Agile

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> About Us

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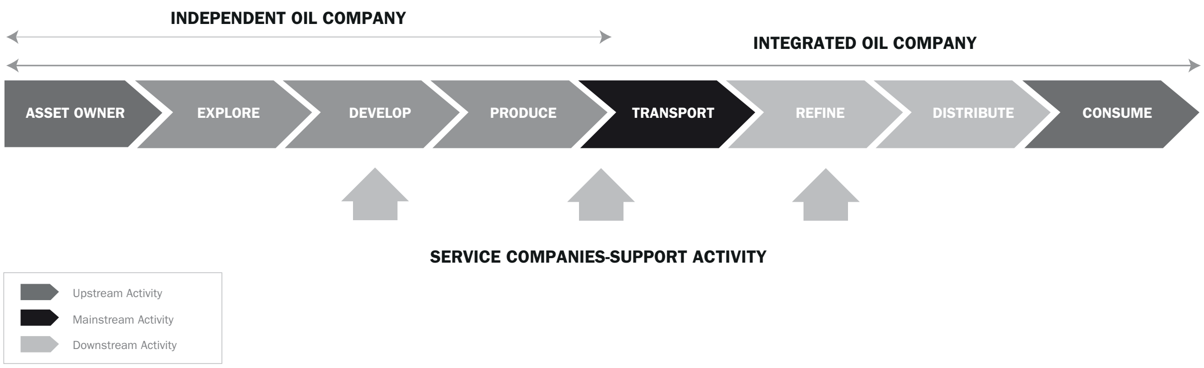

Hibiscus Petroleum Berhad (Hibiscus Petroleum or the Company) is Malaysia's first listed independent oil and gas exploration and production company. The Company was incorporated as a private limited company, Hibiscus Petroleum Sdn Bhd, on 5 December 2007, under the Companies Act, 1965. On 20 December 2010, it assumed its current name upon conversion into a public company. Hibiscus Petroleum was listed on the Main Market of Bursa Malaysia Securities Berhad on 25 July 2011 as the first Special Purpose Acquisition Company (SPAC) in South-East Asia.

Hibiscus Petroleum is principally an investment holding company focusing on the development of small and medium-sized oil and gas fields in the Middle East, South Asia, East Asia and Oceania regions.

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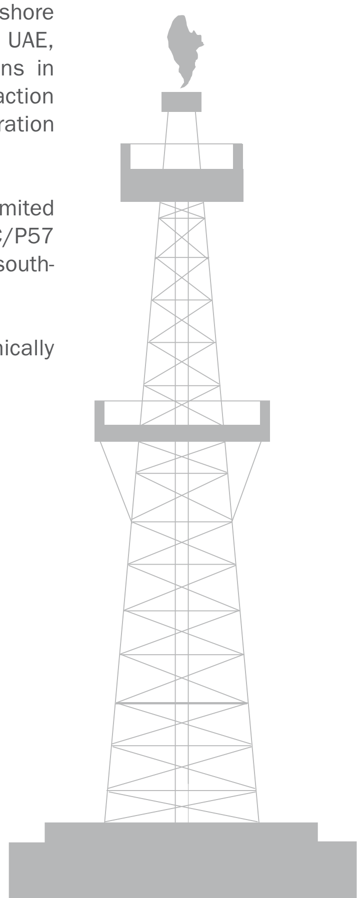
On 18 April 2012, Hibiscus Petroleum completed its first acquisition, a 35% equity stake in Lime Petroleum Plc (Lime), which has four concessions in the Middle East – RAK North Offshore and RAK Onshore in Ras Al Khaimah in the United Arab Emirates (UAE), Sharjah in the UAE, and Block 50 in Oman. Subsequently, Lime secured access to a further four concessions in Norway, which are subject to completion of certain conditions precedent in the transaction agreement. The Middle East and Norway concessions are at early to advanced exploration stages.

On 14 August 2012, the Company announced plans to acquire a 13% stake in 3D Oil Limited (3D Oil), an Australian Securities Exchange-listed company and a 50.1% stake in its VIC/P57 permit to obtain rights to explore the asset, located in the prolific Gippsland Basin off south-eastern Australia. The area includes the discovered West Seahorse field.

The Company seeks to develop a balanced portfolio of assets which are in geographically diverse locations.



> Chairman's Statement

ZAINUL RAHIM BIN MOHD ZAIN
Chairman

Dear Shareholders,

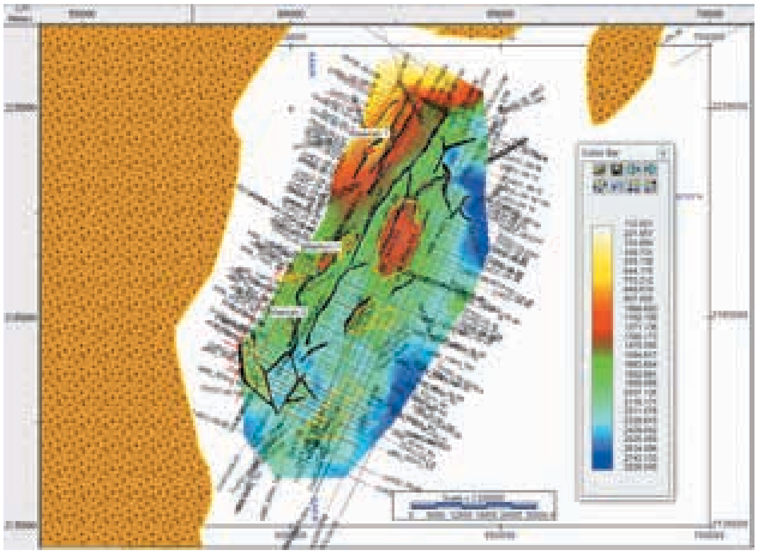
It gives me great pleasure to present Hibiscus Petroleum Berhad's (Hibiscus Petroleum) first Annual Report, following our listing on the Main Market of Bursa Malaysia Securities Berhad (Bursa Securities) on 25 July 2011. For any company, a listing is a milestone that heralds a new chapter in a continuing growth journey. However, for Hibiscus Petroleum, the listing was nothing less than the definitive moment when we, literally, were born.

As a special purpose acquisition company (SPAC), we had neither tangible assets nor any operations prior to our initial public offering (IPO). What we had, however, was a vision for the company and a leadership team with the knowledge, experience, business network and a deep-rooted desire to deliver that vision of developing Malaysia's first listed oil and gas exploration and production (E&P) company.

Our IPO

Our listing as a SPAC was reported as the first in Southeast Asia. Being a pioneer in this type of IPO approach meant that a great deal of awareness had to be created, in the region and in Malaysia, as to its value proposition to the investing community. The results were very encouraging. Our public offer of equity was over-subscribed by 3.8 times and we raised a total of RM234 million, far exceeding the minimum requirement of RM150 million required for a SPAC listing on the Main Market of Bursa Securities.

> **Chairman's Statement**



The Lime Qualifying Acquisition

Energised by the support we had from our shareholders for the IPO, we went ahead to identify an acquisition that would transform us from a SPAC into an operating E&P company. As part of the acquisition identification process, we had an established set of selection criteria and eventually your Board recommended an investment in Lime Petroleum PLC (Lime), as we perceived it to be a well-rounded package of potential that was not apparent in many other opportunities that we had reviewed. Hence, the investment in Lime became our Qualifying Acquisition.

The key differentiator in the Lime proposition is its business model. Capitalising on a suite of proprietary technologies (some of which utilise quite unique techniques to evaluate the geological sub-surface), Lime has secured potentially valuable concessions – originally three concessions in the Middle East (two in the United Arab Emirates and one in Oman) – at a low entry cost. These technologies are the platform which has enabled Lime to secure multiple concessions in a relatively short span of time, on relatively favourable fiscal terms.

The Hibiscus Petroleum – Lime partnership is built on another complementary feature. Whilst Lime's strength is clearly in prospect identification through its unique subsurface evaluation techniques, Hibiscus Petroleum trains its focus on the various elements of project execution that are critical to the E&P sector. We believe that the range of available in-house skillsets will stand the partnership in good stead in the coming years.

The Lime investment has shown significant positive development over the past few months. Since the transaction was first disclosed in October 2011, Lime has taken steps to take up various levels of equity in a further five concessions, four of them in Norway (subject to completion of certain conditions precedent in the transaction agreements) and one in the United Arab Emirates. The concessions on the Norwegian Continental Shelf geopolitically diversify our business risk profile, allow us partnerships with various established international E&P companies, and enhance our geographical footprint as a company.

Overall, we are extremely encouraged by the progress being shown by the Lime investment.

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Prospects

Our first year has passed in a flurry of activities, resulting in Hibiscus Petroleum, through the Lime investment, having access to eight concessions; four in the Middle East and four in the Norwegian Continental Shelf (subject to completion of certain conditions precedent in the transaction agreements). Over the next twelve months, our task is to convert the potential within our portfolio of assets into tangible value in a cost-effective, safe and environmentally sensitive manner. We have reviewed existing seismic lines and planned further seismic work and a multi-well drilling programme in the Middle East concessions, which we believe will have a positive impact directly for Lime and indirectly for Hibiscus Petroleum. I would like to stress that safety and sensitivity for the environment shall be important in-house project implementation considerations, not only because these are prime factors that host governments consider when awarding concessions in their countries, but also because we strongly believe safety and environment considerations are good business practices.

Independent of the Lime investment, Hibiscus Petroleum will, on its own, be seeking further opportunities in various regions. Our end objectives are to:

- possess a balanced portfolio of assets that are geographically diverse in location, and;
- have revenue originating from hydrocarbon production before the end of year 2013.

These are aggressive targets but we believe them to be achievable.

Corporate Activities

Our Company is a young organisation. We are not only addressing operational activities but also building the company from a corporate perspective. The processes and systems to ensure adequate technical and business risk management are being deployed together with systems to maintain strict internal controls.

We have also been continuously working on the disclosure component of our business. Being the first public quoted E&P company on Bursa Securities has prompted us to maintain an informative website with several innovative features. I would urge all of you to use our website as the source of reliable and current information on all matters relating to the Company.

We believe these fundamental steps which are being taken at this early stage will hold us in good stead as we evolve in size and geographical extent.

We also believe strongly that all responsible organisations have a duty to see to the well-being of the communities that support them. However, as a young company that has yet to generate significant levels of revenue, we have had to defer the implementation of a corporate social responsibility (CSR) programme. We hope that this is only a temporary position and we intend to fulfil our social obligations as soon as our financial position permits such an initiative.

Acknowledgements

Being the first SPAC in the region, I would like to formally thank the regulatory authorities in Malaysia, namely the Securities Commission and Bursa Securities, for having the foresight to implement the SPAC listing guidelines as a catalyst of entrepreneurship. I would also like to thank them for their support and guidance throughout our IPO journey.

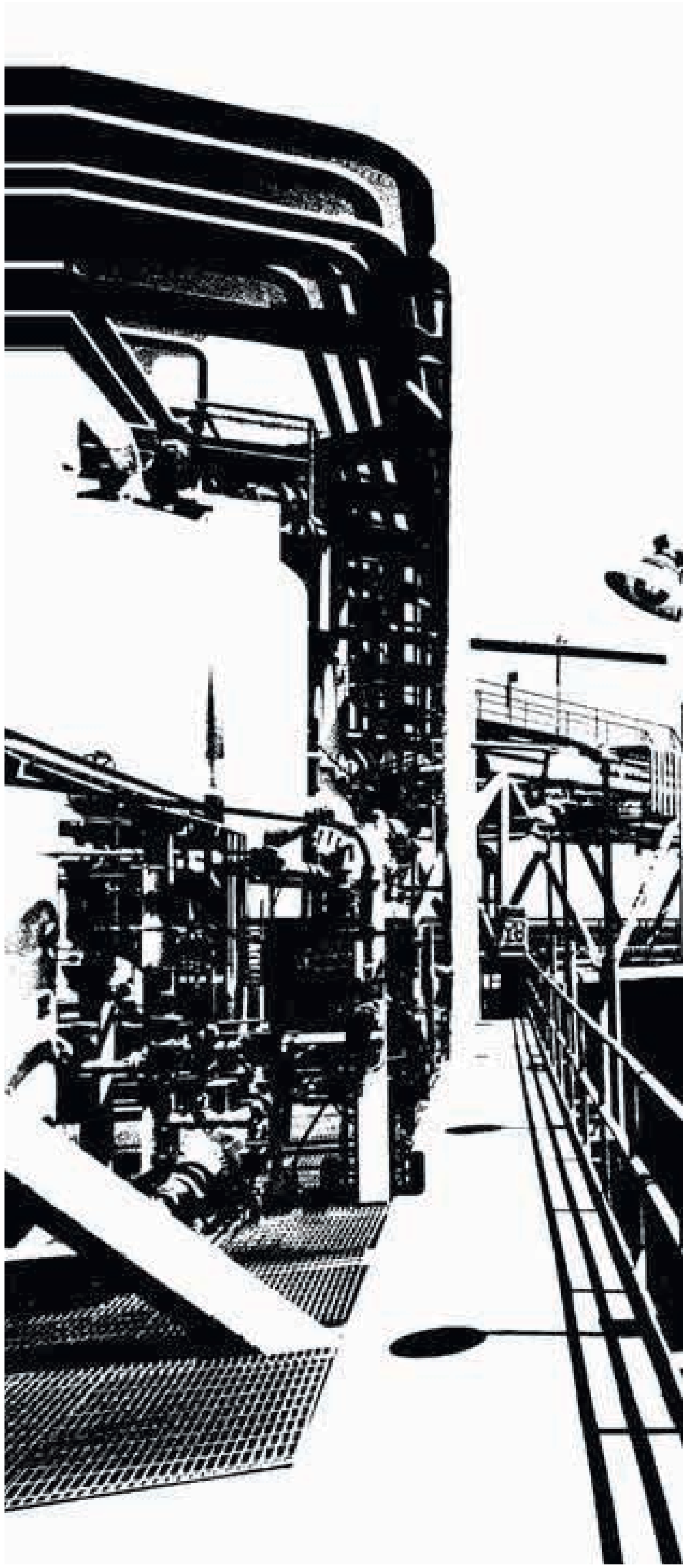
> Chairman's Statement

My thanks are also due to the investors who initially participated in the equity of our Company, even before we had submitted our application for an IPO to the Securities Commission. The faith they had in our vision and the initial capital they gave us allowed us to engage our legal and financial advisers and embark on this adventure.

I would also like to express my sincere appreciation to all our shareholders who made a leap of faith by investing in our SPAC during the IPO. Your overwhelming and continuous support over the past year has been appreciated, and I assure each and every one of you that your interests will always be at the heart of our operations.

I must also stress on the important roles played by our advisers during two crucial stages in the past year. In the first instance, Hong Leong Investment Bank Berhad guided us through our IPO process whilst RHB Investment Bank Berhad did the same through the Qualifying Acquisition. Our legal advisers, Murad Yee Partnership worked on the legal aspects of both the IPO and Qualifying Acquisition, as did our Company Secretaries, Tricor Corporate Services Sdn Bhd, and our Share Registrar, Tricor Investor Services Sdn Bhd. Our taxation and financial advice was provided by Messrs PricewaterhouseCoopers Taxation and Crowe Horwath, whilst a host of foreign-based advisers, namely SNR Denton, Appleby (Isle of Man) LLC, Lenz and Staehelin, Pareto Securities Asia Pte Ltd and Aker Geo AS also played very significant roles by providing specific expertise in a range of areas. All their combined, tireless efforts are very much appreciated.

Before I conclude, I would also like to express my sincere thanks to our business partner, Lime, and its shareholders Rex Oil & Gas Limited and Schroder & Co Banque S.A. We have truly enjoyed the experience of working with them and we look forward to a rewarding and long term business relationship.



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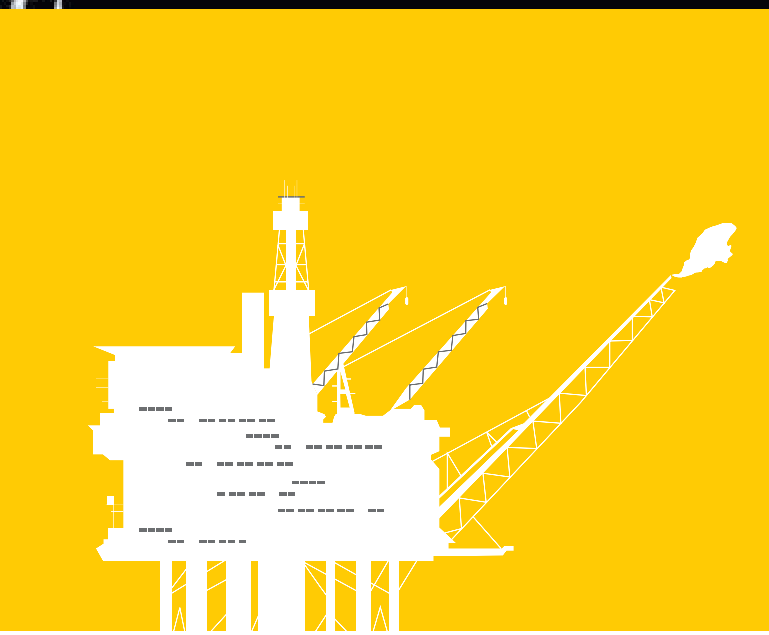

Finally, I would like to extend my gratitude to my fellow Board members, the Management and the entire team of Hibiscus Petroleum, for their commitment to the Company which has seen us progress this far within such a short period of time. With the level of dedication that has already been displayed, I have every confidence in Hibiscus Petroleum attaining its vision of becoming a 'respected independent E&P company'. Our journey has only just begun, and yet if our first year is a pointer, the future is set to be very exciting for all of us.

Thank you.

ZAINUL RAHIM BIN MOHD ZAIN
Chairman

management discussion
& analysis (MD&A)

"This Management Discussion & Analysis (MD&A) section formally covers the period from 1 April 2011 to 31 March 2012, during which time Hibiscus Petroleum Berhad (Hibiscus Petroleum or the Company) progressed from being a privately held entity into Malaysia's first listed Special Purpose Acquisition Company (SPAC) and then later transformed into a normal operating independent oil and gas exploration and production (E&P) company listed on the Main Market of Bursa Malaysia Securities Berhad (Bursa Securities)."

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DR KENNETH GERARD PEREIRA
Managing Director

The Initial Public Offering (IPO) was a turning point for the Company, providing us with the resources to acquire assets and commence operations. Despite the continuing economic and political uncertainties seen on the global business landscape, the Management believes that we have accomplished a considerable amount during the period under review, and, it is with pleasure that we provide a detailed review of our overall performance, with particular emphasis of the status of operations in this MD&A.

FINANCIAL REVIEW

The Group recorded revenue of RM8.0 million during the financial year ended 31 March 2012 from project management, technical and other services fees, and interest income. Project management, technical and other services fees were earned from the Lime Petroleum Plc (Lime) Group as our subsidiary, Hibiscus Oilfield Services Limited (Hibiscus Oilfield), had signed a project management and technical services agreement with Lime on 24 October 2011 to provide such services for Lime's existing and future oil and gas concessions in the Middle East. We also earned interest on the placement of proceeds raised from our IPO.

> Management Discussion & Analysis (MD&A)

"The Management is encouraged by the manner in which the Group has grown and expanded geographically within our first year as a listed entity."

During the financial year under review, total expenses before income tax amounted to RM12.3 million. This was substantially more than our expenses of RM1.2 million incurred during the previous financial year, as the Group had not commenced operations as a SPAC then. Of the total expenditure of RM12.3 million, RM5.7 million was costs attributed to the completion of our Qualifying Acquisition. Costs for this exercise comprised fees for legal, technical, financial, corporate and valuation advisory services in relation to due diligence activities, the execution of legal documents and various submissions to regulatory authorities. A further RM4.2 million was channeled towards the remuneration of our personnel. This was much higher than the RM0.5 million incurred during the previous year as we have had to expand our project management and technical team in order to provide services to the concession companies within the Lime Group. However, it should be highlighted that RM1.4 million of the Group's total remuneration expenses was recovered from Lime through the provision of project management, technical and other services.

An additional expense during the financial year was income tax amounting to RM0.5 million mainly arising from non-tax deductible expenses.

OUR BEGINNINGS

For approximately four months commencing April 2011, the Management was focused primarily on our IPO exercise. Being the first SPAC in the region, we were aware that we had to educate the investing community on the nature of SPACs, its in-built investment safeguards, and the value proposition of investing in our Company. There was also a requirement to brief investors on the nature of the oil and gas E&P sector, as there was no listed Malaysian independent E&P player. In the process of conducting these briefings, we met a large number of prospective investors, and took the opportunity to present to them our business model. The time and effort devoted to these activities paid dividends as we succeeded in raising RM234 million from our IPO on 25 July 2011. This sum meant that we raised an excess of RM84 million over the Securities Commission's stipulated minimum of RM150 million for a SPAC listing.

The IPO invoked two major changes for us. For a start, Hibiscus Petroleum was now public-quoted. Secondly, our business objectives immediately shifted from raising funds to identifying a suitable asset that, on acquisition, would qualify the Company to operate as a 'normal' Main Market listed entity.

Selection of a Target

Over a period of three months commencing from the date of our IPO, global equity markets generally declined. During this period, Hibiscus Petroleum was offered at least 14 investment opportunities in Oman, India, Vietnam, Indonesia, the Philippines, Australia, Papua New Guinea and Thailand. In order that we evaluated each opportunity in a structured manner, we established a set of criteria comprising:

- ***technical considerations***, such as the active or passive technical role of the Group, subsurface considerations, operational risks and exploitation issues;
- ***commercial considerations***, namely the fiscal terms of the concession, venture partners and financial returns. The Group also had to ensure that the total consideration to be paid was more than RM170 million (80.0% of the

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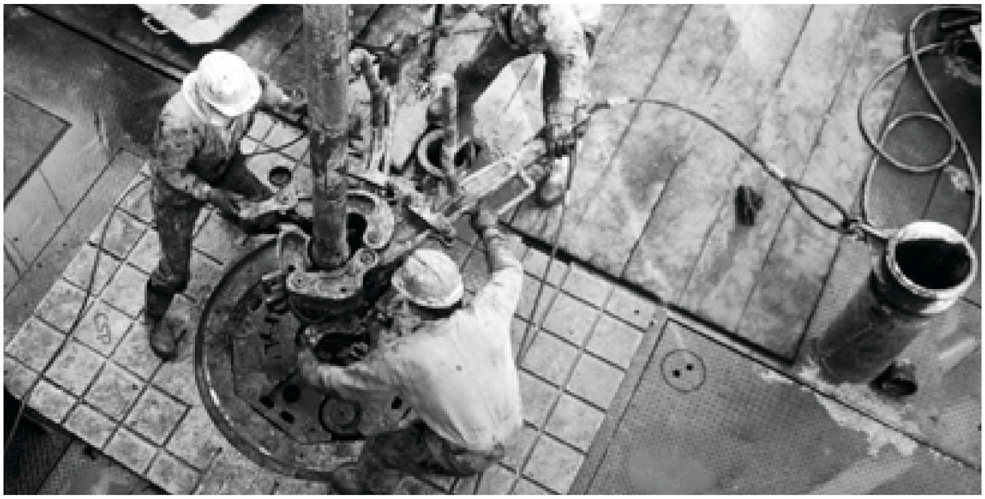


aggregate amount in the Trust Account) to qualify as a Qualifying Acquisition under the Securities Commission's guidelines; and

- ***geo-political considerations***, such as whether the prospects were located in politically stable and secure areas within our regions of interest, namely South Asia, the Middle East, East Asia and Oceania.

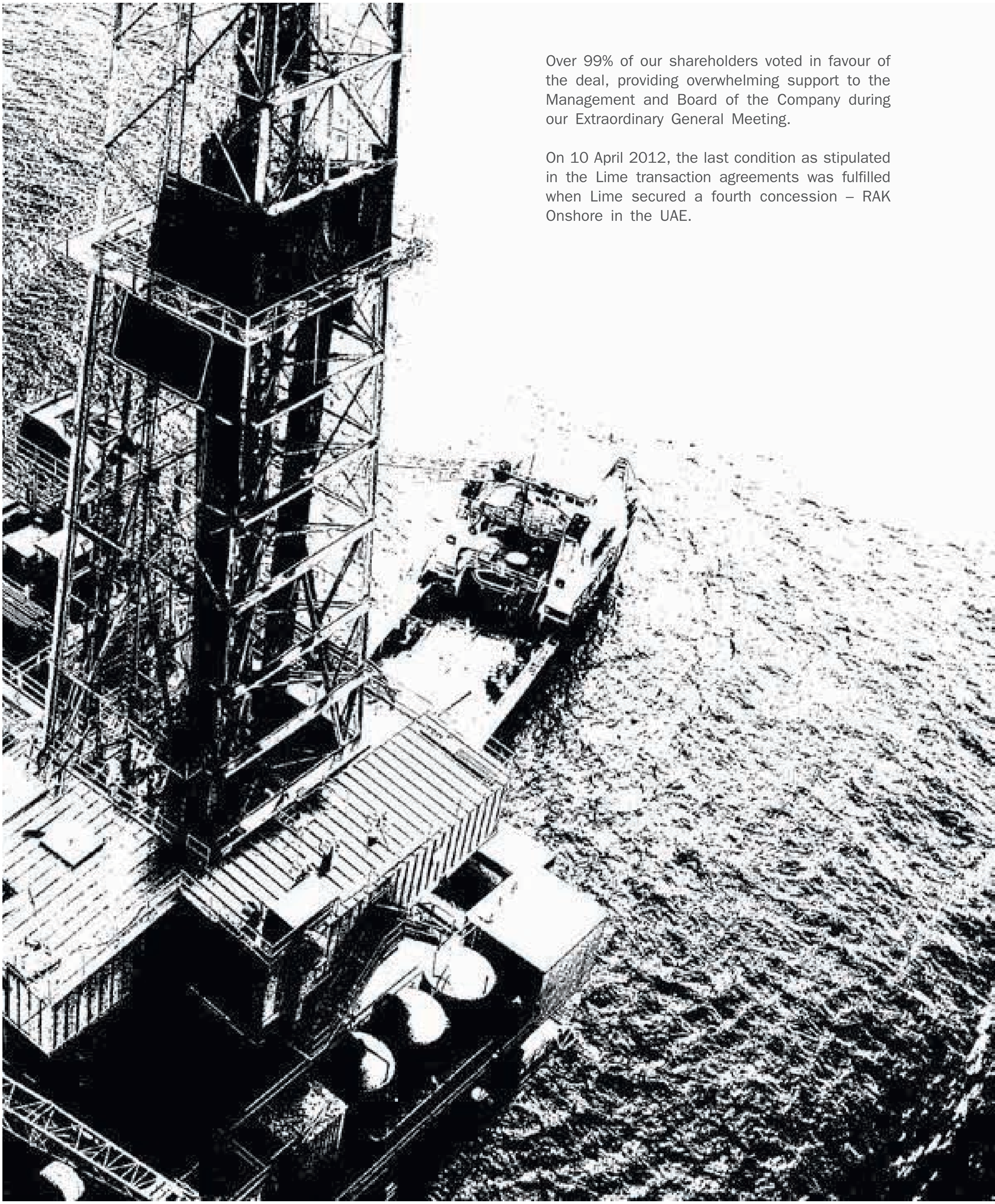
Using the above-mentioned criteria, four targets were shortlisted before we finally selected Lime as our proposed Qualifying Acquisition. After a comprehensive due diligence process, the Management recommended the Lime investment opportunity to our Board and shareholders.

THE LIME QUALIFYING ACQUISITION

On 24 October 2011, the Group, via our wholly-owned subsidiary Gulf Hibiscus Limited (Gulf Hibiscus), signed a conditional share subscription agreement to acquire a 27.2% equity stake (by way of a new issue of shares) in Lime for a cash consideration of USD50 million. Gulf Hibiscus also executed a conditional share purchase agreement with Lime's major shareholder, Rex Oil & Gas Limited (Rex), for the acquisition of a further 7.8% equity stake in Lime from Rex for a cash consideration of USD5 million. In addition, it was agreed that another USD5 million would be paid to Rex if a discovery of hydrocarbons is made and declared to be commercial before 31 December 2013 by an independent competent expert.

The Lime transaction comprised several components which made it an attractive investment opportunity. Firstly, it provides us with an opportunity to access high-potential acreage in the prolific petroleum basins of the Middle East (at the time of execution of the transaction agreements, Lime held concession rights to three assets located in Oman and the United Arab Emirates (UAE)). Secondly, these concessions were secured with minimal work commitments, with no obligation to drill exploration wells. Thirdly, the Project Management and Technical Services Agreement (PMTSA) executed between Lime and our wholly-owned subsidiary, Hibiscus Oilfield, allows us to contribute in a meaningful way towards the attainment of the joint venture's business objectives (it provides Hibiscus Petroleum project management control of Lime's existing and future oil and gas concessions in the Middle East). Finally, the Lime acquisition also gave the Group exclusive access to proprietary technologies from Rex (comprising Rex Gravity, Rex Seepage and Rex Virtual Drilling which help to better define the potential presence of liquid hydrocarbons in prospects prior to drilling), for fifteen countries in the Middle East.

> Management Discussion & Analysis (MD&A)



Over 99% of our shareholders voted in favour of the deal, providing overwhelming support to the Management and Board of the Company during our Extraordinary General Meeting.

On 10 April 2012, the last condition as stipulated in the Lime transaction agreements was fulfilled when Lime secured a fourth concession – RAK Onshore in the UAE.

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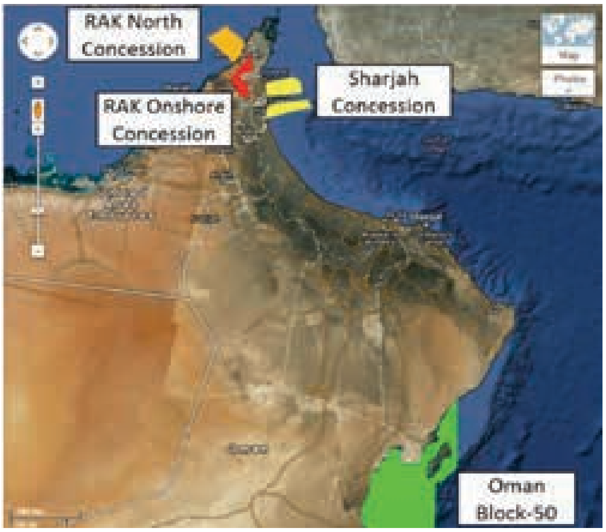
Figure 1: Lime Group's concessions in the Middle East



With the acquisition of Lime, the Company transformed into a full-fledged oil and gas E&P company on the Main Market of Bursa Securities on 18 April 2012.

Enhancement of the Lime Asset Portfolio

Following the execution of the Qualifying Acquisition agreements, Lime secured a fourth concession in the Middle East and equity interests in four concessions in Norway, whilst more favourable terms, to two of its existing agreements, were negotiated. None of these enhancements changed our purchase consideration for the 35% stake in Lime.

The addition of RAK Onshore into the Lime Middle East portfolio provides several benefits. Onshore concessions are attractive as they are generally cheaper to explore and develop and, in the event of drilling and appraisal success, are quicker to put into production. Furthermore, during the development and producing phases, onshore fields in a developed area have ready access to production, transport and storage facilities.

In the UAE, where RAK Onshore is located, the oil and gas infrastructure has been long established and includes a highly developed network of trunk gas pipelines covering more than 1,300 km.

Hibiscus Oilfield, together with Lime, has established a technical unit based in the Middle East. Therefore, having an additional concession in close proximity to existing assets allows for the optimal deployment of personnel to the region.

In the Norwegian Continental Shelf (NCS), Lime has executed agreements to secure a 50% stake in North Energy ASA's (North Energy) interests in four concessions for a purchase consideration of approximately Norwegian Krone (NOK) 31.8 million (equivalent to RM16.8 million) (if the transfer of interests is completed in 2012 and if the deal is completed in 2013, the purchase consideration will include Lime's share of actual costs incurred in 2012).

> Management Discussion & Analysis (MD&A)

Figure 2: Lime Group's concessions in Norway

Our entry into the NCS is a milestone for the Group, as the oil and gas basin here is both mature and prolific, enjoying a high level of E&P activity. Several exploration successes in this region in recent years have enabled Norway to become the third largest gas exporter and sixth largest oil exporter in the world.

This transaction further provides Lime the opportunity to work closely with North Energy on the existing concessions and opens the possibility of exploring new opportunities together in the farm-in market and/or via concession tenders. Lime will also benefit from its affiliation with the other partners of the concessions, all of which are experienced operators, namely Dong Energy, Gas de France, Grupa Lotos SA and Dana Petroleum Norway AS.

It should also be highlighted that the petroleum fiscal system in Norway is one of the most globally attractive, as it reimburses an investor 78% of exploration expenditure at the end of each year, irrespective of whether production is achieved. This substantially reduces the risked capital outlay of the Group for exploration activities. This is also in contrast to the fiscal regimes prevalent in most other countries where a certain portion of exploration expenditure may be recovered, but only upon production (which places all risks associated with exploration activities squarely on the prospecting companies).

The transaction agreements executed with North Energy are conditional upon, among others, Lime obtaining its pre-qualification status as an oil and gas exploration company in Norway as well as approval from the Ministry of Petroleum and Energy, Norway. Activities to secure both pre-qualification and the necessary approvals are being aggressively pursued.

As previously mentioned, in May 2012, Lime also successfully renegotiated two existing agreements. In the first instance, Lime secured a revision of the terms of the Exploration and Production Sharing Agreement (EPSA) between the Government of Ras Al Khaimah/Rakgas L.L.C. (Rakgas) and Dahan Petroleum Ltd governing the RAK North Offshore Concession. The revised EPSA provides more clarity on the method of administration of the EPSA and it also makes the necessary provisions for several structural changes that had taken place in the local business environment. The overall commercial impact of the contractual amendments made in the EPSA was assessed to be marginally in favour of Lime.

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Later in the same month, another Lime subsidiary, Lime Petroleum Ltd (Lime BVI), executed a revised Masirah Shareholders' Agreement with Petroci Holding (Petroci), as well as a Share Purchase Agreement in relation to a purchase of 100 shares in Masirah Oil Ltd (Masirah) by Petroci from Lime BVI for a consideration of USD1.8 million.

As a matter of background, Masirah holds 100% of the Block 50 Oman concession. When Hibiscus announced our investment in Lime last October, its subsidiary, Lime BVI held a 74% equity interest in Masirah, with the remaining 26% being held by Petroci. Under the previous option agreements, Lime BVI's equity interest in Masirah could have been reduced to 35% in the event that Petroci injected USD7.2 million to participate in the drilling of one offshore exploratory/stratigraphic well.

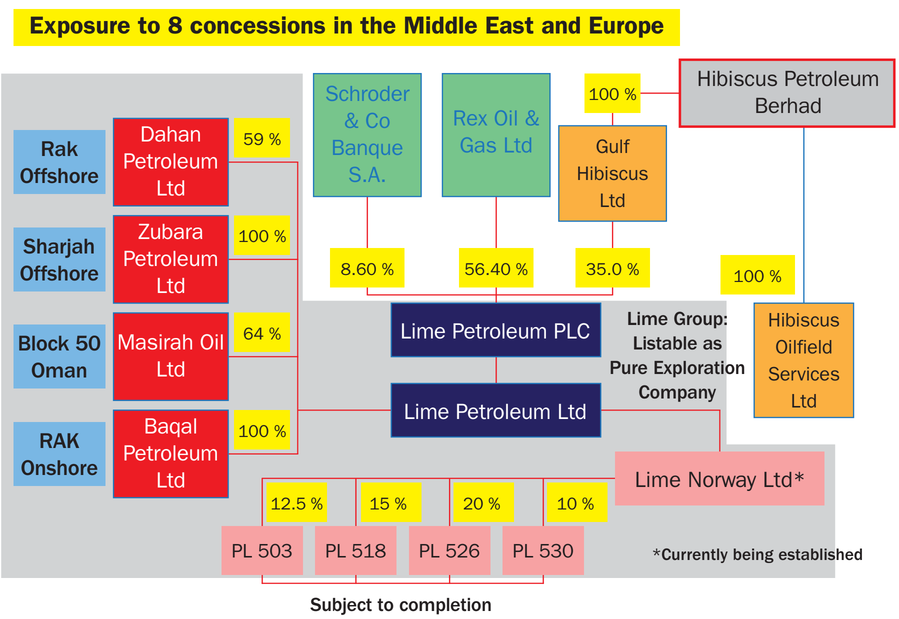
Under the revised agreements, Petroci injected USD1.8 million as its unconditional non-refundable contribution towards its further participation in Masirah and consequently, Lime BVI's equity interest in Masirah has been only reduced to 64%.

We are very pleased with this outcome at it increases Lime BVI's share of recoverable resources from Block 50, Oman. The increase in Lime BVI's equity stake in Masirah increases the net risked recoverable resources of Lime Group by approximately 41%. Based on current data, Block 50 Oman is viewed as one of the most prospective of the concessions secured in the Middle East.

Group Structure of Hibiscus Petroleum

Through Lime, over the past year, we have acquired four concessions in the Middle East while another four concessions in Norway are in the pipeline. Our concession portfolio in the Middle East provides us with an opportunity to pursue high-impact exploration targets in the most prominent hydrocarbon producing region globally. In Norway, meanwhile, we are being presented the opportunity to develop our exploration skillsets alongside established industry players in a very favourable fiscal regime.

Figure 3: Current Group Structure of Lime Group



> **Management Discussion & Analysis (MD&A)**

Figure 4: Middle East Structure of the Lime Group

Concession	SPV	Parties/Participating Interests
Block 50 Oman	Masirah Oil Ltd	Lime BVI 64% Petroci 36%
Ras Al Khaimah Offshore	Dahan Petroleum Ltd	Lime BVI 59% Schroder & Co Banque S.A 25% Right Ally Ltd 16%
Ras Al Khaimah Onshore	Baqal Petroleum Ltd	Lime BVI 100%
Sharjah East Coast Offshore	Zubara Petroleum Ltd	Lime BVI 100%

Figure 5: Norway Structure of the Lime Group

Concession	SPV	Parties/Participating Interests
PL 530	Lime Norway	GDF Suez E&P Norge AS 40% Discover Petroleum AS 20% Rocksource ASA 20% North Energy 10% Lime Norway 10%
PL 518	Lime Norway	Dong Energy 40% Discover Petroleum AS 20% North Energy 15% Lime Norway 15% Sagex Petroleum Norge AS 10%
PL 526	Lime Norway	North Energy 20% Noreco 20% Dana Petroleum Norway AS 20% E.ON Ruhrgas Norge AS 20% Lime Norway 20%
PL 503	Lime Norway	Lotos Exploration and Production Norge AS 25% Edison International Spa 25% Skagen44 AS 25% North Energy 12.5% Lime Norway 12.5%

OPERATIONS REVIEW: MIDDLE EAST CONCESSIONS

IT SHOULD BE NOTED THAT THE INFORMATION PRESENTED BELOW REFLECTS THE TECHNICAL INTERPRETATION OF ASSETS AT A PARTICULAR INSTANT IN TIME, AFTER THE CONSIDERATION OF AVAILABLE DATA, AT THAT TIME. TECHNICAL INTERPRETATIONS MAY VARY FROM TIME TO TIME AS MORE DATA OR A BETTER UNDERSTANDING OF THE RELEVANT GEOLOGICAL SETTING BECOMES AVAILABLE.

i. Block 50, Oman (Offshore)

Sub-Surface Evaluation

Lime had inherited legacy seismic data from the previous holders of Block 50 in Oman. These datasets have been reprocessed and reinterpreted using modern techniques over the past year. The reprocessing work were carried out by seismic processing company Spectrum of the United

Kingdom. More specifically, a full geological evaluation of the southern part of the block around the Masirah Bay area, was carried out. This seismic data, acquired by Hunt Oil in 2004 and 2006, was mainly used for the initial geological interpretation. Available logs from the three wells in the area (SMPA-1, Maimun-1 and SMPB-1) were used for correlation and evaluation of reservoir properties.

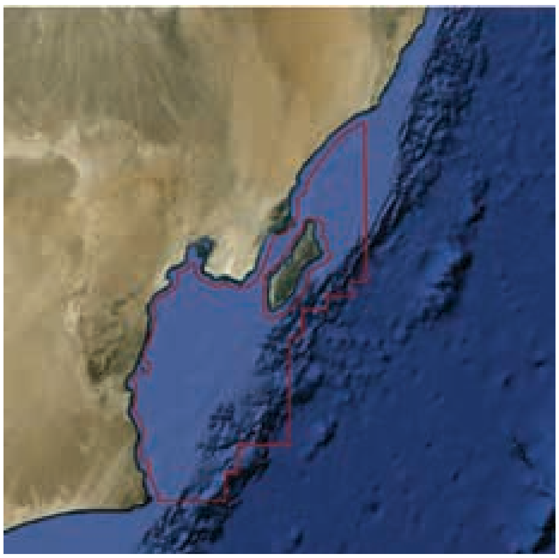
In addition, gravity data and magnetic data acquired by Hunt Oil were used to validate structural elements and to define the extent of the ophiolite and the associated mélange feature. This study is being performed by Swedish consultancy, GeoVista.

Based on this preliminary work, a number of prospects and leads have been identified. In addition, more seismic acquisition work was carried out in 2012 as tabulated below:

Period	Field Work Programme	Service Provider	Status
17 May – 1 Jul 2012	560 km 2D and 346 km^2 3D seismic	BGP International Equipment (M.E) FZE	Completed

This additional seismic acquisition work will be used to validate the results obtained from the vintage third party datasets. This work is currently on-going and is anticipated to contribute to the selection of final drilling locations within the block.

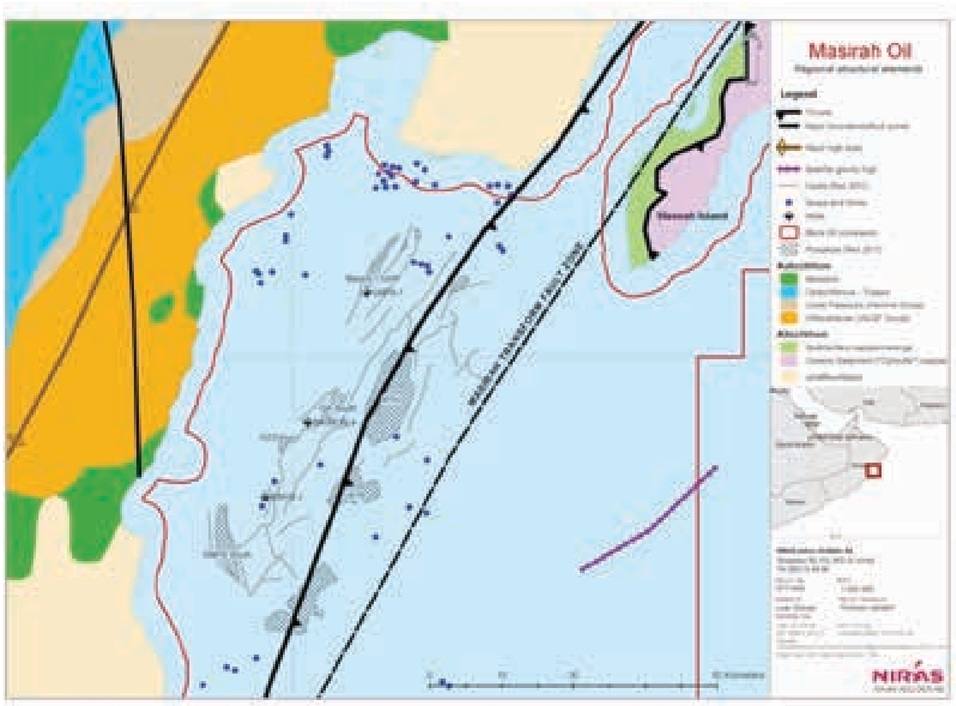
Figure 6: Location of Oman, Block 50 Concession



US Dept of State Geographer; ©2012 Google; Data SIO, NOAA, U.S. Navy, NGA, GEBCO; ©2012 Cnes/Spot Image

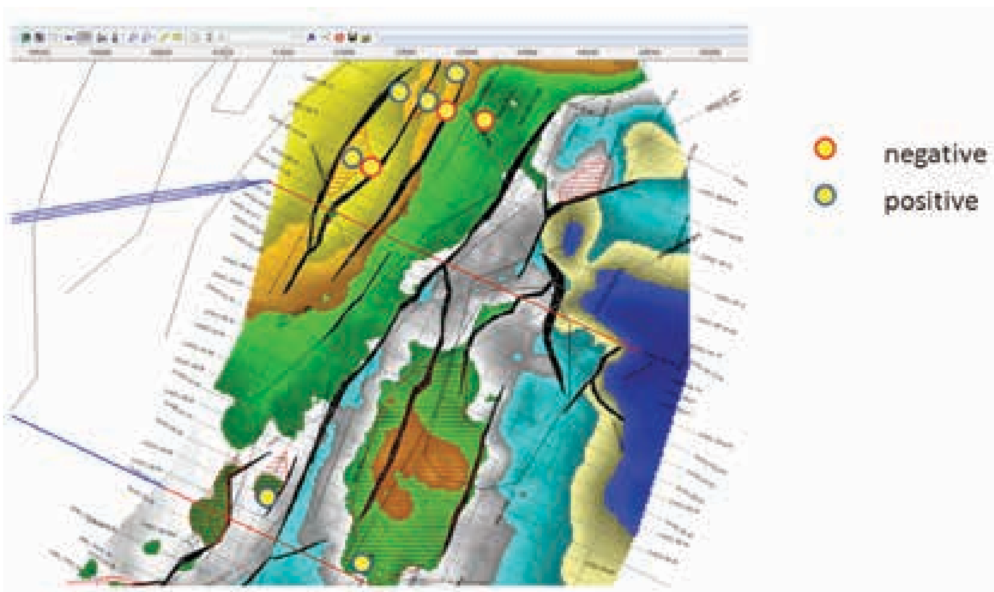
> Management Discussion & Analysis (MD&A)

Figure 7: Identified Prospects in Block 50 Oman



Virtual Drilling has also been carried out using legacy seismic data over all the identified leads. This technique, proprietary to Rex, uses responses from the low frequency band of conventional seismic data to identify resonance signatures from reservoir fluids. Using this methodology, positive indications of hydrocarbon accumulations have been seen over the identified prospects and leads.

Figure 8: Virtual Drilling Results at Top Natih Formation



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The exploration work conducted to date has confirmed the large main leads previously identified by Hunt Oil below the mélange. In addition, two new smaller leads were identified west of the mélange. Direct hydrocarbon indications in the form of Amplitude versus Offset (AVO) on seismic data, which opens another opportunity, were found southwest of Maimun-1.

The following geological and geophysical studies were awarded to aid in high-grading the different prospects:

- AVO: PSS Geo, Norway
- Basin Modeling and Reservoir Studies: Prime Energy, Dubai, UAE
- Fault Seal/Trap Studies: RDR, Leeds, United Kingdom

Preliminary reports have been received. The basin modeling confirms the possibility of an active petroleum system under the mélange section and further confirms the possibility of paths for the hydrocarbons to migrate to the identified prospects and leads. A petrophysics study (which has also been undertaken) indicates that the formations in the identified leads are likely to have good reservoir and seal properties.

The data available to-date provides good exploration elements for prospecting and is a good basis to further mature the leads. These results, combined with positive indicators from Rex's virtual drilling tests, lead us to be confident in planning our first few exploration wells.

A further review (using conventional and Virtual Drilling techniques) of seismic data acquired by Lime in 2012, will be performed to confirm the viability of the identified prospects and leads as drillable targets, before a final decision is made to invest in the drilling of at least two exploration wells in Block 50, Oman in late 2012 and early 2013.

Well Engineering

Commencing August 2011, a drilling scoping study was initiated by Lime and performed by a third party service contractor in anticipation of our drilling programme in Block 50 in Oman. In December 2011, several companies quoted for the drilling project management services. Following a technical and commercial evaluation of the submissions, SPD LLC (SPD), a division of Petrofac, was selected. Hibiscus Petroleum representatives have since been assigned to the SPD office in Dubai to work on developing the drilling strategy, in addition to the well engineering plan and overseeing of the tender process.

The Ministry of Oil and Gas of the Sultanate of Oman has reviewed all tender strategies for the two exploration wells to be drilled, and the majority of the tenders have been initiated. Discussions are on-going with drilling rig contractors and a contract for detailed geo-technical site surveys will be awarded in the near term.

Together with SPD, we have also conducted a logistics study and identified the preferred base of operations. In the next few months, we will focus on making this option as cost-effective as possible.

Meanwhile, submissions for all the required regulatory approvals for the work programme are on-going.

ii. RAK North (Offshore)

The Ras Al Khaimah North offshore block covers 1,200km^2 off the northwest coast of the Emirate of Ras Al Khaimah. The producing Saleh field is located within the block, but is excluded from the concession.

> Management Discussion & Analysis (MD&A)

Figure 9: Location of the RAK North (Offshore) Concession

US Dept of State Geographer; ©2012 Google; Data SIO, NOAA, U.S. Navy, NGA, GEBCO; ©2012 Cnes/Spot Image

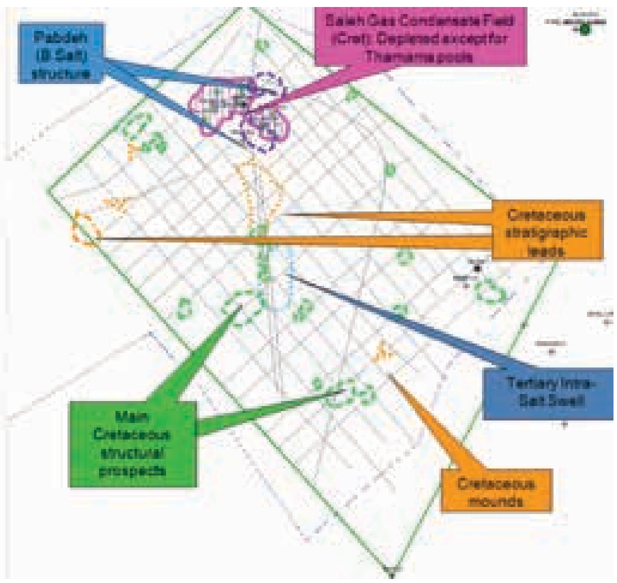
Subsurface Evaluation

During the first half of 2012, conventional interpretation of 2D seismic data acquired by Lime in 2010 was completed. The project had an extensive scope covering:

- Regional structural geology and lithology
- Placing RAK North in a regional geological setting
- Interpreting the new seismic data
- Integrating available wells
- Defining volumetrics and risking of identified prospects

The various studies have defined some conventional Cretaceous prospects with moderate risk.

Figure 10: RAK North Map of Prospects & Leads



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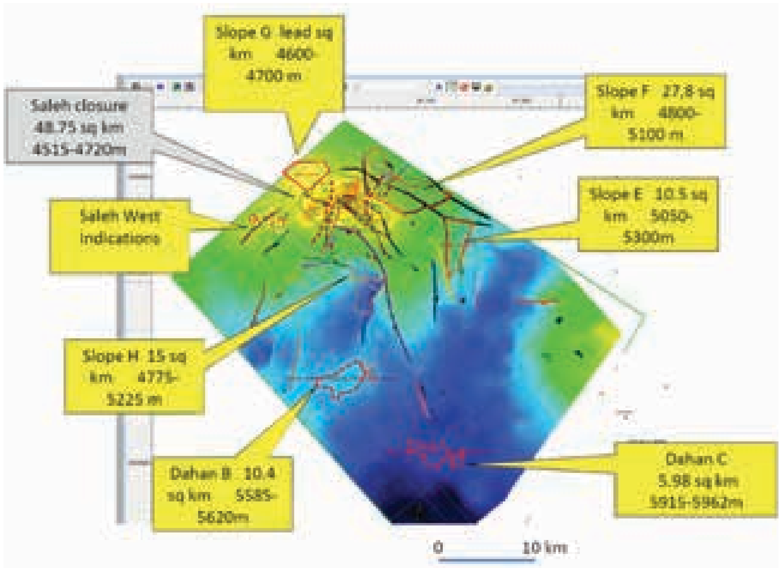
An extensive seismic resonance analysis was initiated using Rex's Virtual Drilling technique. It suggested that fluids could be found in the Thamama formation to the east and north of the Saleh field. This play was previously unidentified using conventional geological interpretation. A reinterpretation of the seismic data was initiated to integrate the Virtual Drilling results with conventional geological interpretation. Using a more detailed analysis of the seismic dataset, and through a review of literature on a carbonate reservoir depositional model in the region, a new possible prospect setting was identified which supports the Virtual Drilling results.

Figure 11: Leads/Prospects Identified Through Conventional Analysis Integrated with Additional Leads/Prospects Identified by Virtual Drilling



A seismic study involving AVO analysis and well-driven inversion was initiated to investigate if these methods can give indications of increased porosity over the new plays, thus support the findings from the Virtual Drilling. Results of a post-stack inversion indicate high porosity in the Thamama formation at the F-prospect, while the basin south of the Saleh field shows very low porosity. This conclusion may suggest negative implications for the Dahan B and C prospects which had been previously identified.

In 2012, further seismic data was acquired by Lime as tabulated below:

Period	Field Work Programme	Service Provider	Status
03 March – 06 April 2012	147km 2D and 121 km² 3D	BGP International Equipment (M.E) FZE	Completed

A further Inversion study will be performed on the new 3D seismic data acquired in March 2012. In addition, the following studies have been initiated to further improve the prospectivity of this concession:

- Reservoir petrophysics and diagenesis study
- Fault seal/trap study
- Pressure prediction study

> **Management Discussion & Analysis (MD&A)**

Well Engineering

As in Oman, a drilling scoping study was initiated by a third party service provider AGR in August 2011. They reviewed all the relevant offset wells and produced a preliminary well design and a budgetary cost estimate. The results indicate that it would be challenging to drill an exploration well in this concession since the target formations are deep, have high pressures and temperatures and, in some cases, produce hydrogen sulphide (H2S) and carbon dioxide (CO2).

Work is currently on-going with SPD for the preliminary well design to identify the long lead items required. At the same time, a market survey is under way to source rigs that are able to drill in a safe and efficient manner taking into account the anticipated challenges.

iii. RAK Onshore

Figure 12: Location of the RAK Onshore Concession

US Dept of State Geographer; ©2012 Google; Data SIO, NOAA, U.S. Navy, NGA, GEBCO; ©2012 Cnes/Spot Image

The Ras Al Khaimah onshore concession is situated in the south of the Emirate of Ras Al Khaimah. At present, minimal data are available about the block. A scouting party has visited the area in order that a design for a seismic shoot can be done. The seismic shoot over this concession is planned for 2013.

iv. Sharjah East Coast (Offshore)

This 1,600km^2 concession is located off the east coast of the Emirate of Sharjah.

Figure 13: Location of the Sharjah East Coast (Offshore) Concession

US Dept of State Geographer; ©2012 Google; Data SIO, NOAA, U.S. Navy, NGA, GEBCO; ©2012 Cnes/Spot Image

Subsurface Evaluation

Based on reports from the previous operator of this concession, there is large potential prospectivity in the conventional Middle East Cretaceous structural traps and further opportunities in a very exciting second play-type of a Miocene turbidite setting.

A seismic acquisition campaign was undertaken by Lime in 2012 as tabulated below:

Period	Field Work Programme	Service Provider	Status
18 Feb – 24 Feb 2012	78 km 2D	BGP International Equipment (M.E) FZE	Completed
10 Apr – 4 May 2012	446 km^2 3D	BGP International Equipment (M.E) FZE	Completed

The seismic datasets acquired between 18 February and 4 May 2012 are being processed and should be ready for interpretation in October 2012. Both types of prospects have already been identified on the raw 2D seismic data and preliminary Virtual Drilling results are encouraging.

OPERATIONS REVIEW: NORWAY

IT SHOULD BE NOTED THAT THE INFORMATION PRESENTED BELOW REFLECTS THE TECHNICAL INTERPRETATION OF ASSETS AT A PARTICULAR INSTANT IN TIME, AFTER THE CONSIDERATION OF AVAILABLE DATA, AT THAT TIME. TECHNICAL INTERPRETATIONS MAY VARY FROM TIME TO TIME AS MORE DATA OR A BETTER UNDERSTANDING OF THE RELEVANT GEOLOGICAL SETTING BECOMES AVAILABLE.

> **Management Discussion & Analysis (MD&A)**

Lime entered into agreements on 2 May 2012 to secure 50% of North Energy's equity interests in four concessions totaling 3,412 km^2 located in the Norwegian Continental Shelf of Norway. All the concessions are not operated by Lime. They were selected based on a preliminary Virtual Drilling evaluation performed on seismic acquired by the operators of the various blocks. The current work programme involves further Virtual Drilling work to determine the viability of the assets and the optimal location of exploration wells to be drilled.

CONCLUDING REMARKS

The work programme for the year under review and the subsequent period has been performed with no safety related incidents. Furthermore, the programme was fulfilled within the planned budgets.

In terms of resources, the data presented in Figure 14 tabulates the estimated current volumes and their categorisation.

Figure 14: Resources Currently Attributed to Lime Group of Companies

Middle East including increased shareholding in Masirah (Source: Aker Geo)

Asset	Net Unrisked Best Estimate Recoverable Resources to Lime (mmboe)	Net Risked Best Estimate Recoverable Resources to Lime (mmboe)
RAK North Concession	60.9	13.4
Sharjah Concession	426.0	55.0
Block 50 Concession	2,276.7	248.6
RAK Onshore Concession	TBA	TBA
Total (Excludes RAK Onshore)	2,763.6	317.0

Norway (Source: Company internal estimates)

Asset	Net Unrisked Best Estimate Recoverable Resources to Lime (mmboe)	Net Risked Best Estimate Recoverable Resources to Lime (mmboe)
PL 503	123.0	16.5
PL 518	17.6	2.6
PL 526	75.4	12.7
PL 530	10.1	3.2
Total	226.1	35.0

FUTURE PLANS AND PROSPECTS

Hibiscus Petroleum has focused on developing its position in Lime over the past year. This has allowed an early creation of value and capital appreciation of the equity held by our shareholders. The next phase of our growth strategy is two-pronged:

- As detailed in the previous section, we will continue our work as Project Manager on Lime Group's work programme for 2012 comprising seismic acquisition, processing and interpretation, geological studies and pre-drilling activities; and

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- We will evaluate the acquisition of development and/or producing oil/gas fields to balance our portfolio with more moderate and low-risk assets.

The Management believes that the current uncertainty in the global markets and a softening of oil prices provide an ideal opportunity to acquire the desired type of assets that will result in the balancing of our portfolio. As part of our growth strategy to pursue development and/or producing oil and gas assets, the Company will require funding and has therefore launched a Convertible Redeemable Preference Shares (CRPS) issue exercise to raise up to RM210.0 million on 2 August 2012.

This instrument has been structured in a manner that does not penalise our current shareholders as CRPS investors subscribe at a premium over the prior 5-day volume weighted average market price. At the same time, new investors have been provided with various safeguards and features (including redemption provisions and a conversion option) which have been incorporated into the scheme. The funds raised will be placed with an independent custodian and will only be disbursed to the Company after an external expert confirms that certain minimum project investment criteria have been met.

Up to 3 August 2012, Hibiscus Petroleum had entered into six conditional subscription agreements that would raise RM74.5 million out of the total maximum of RM210.0 million.

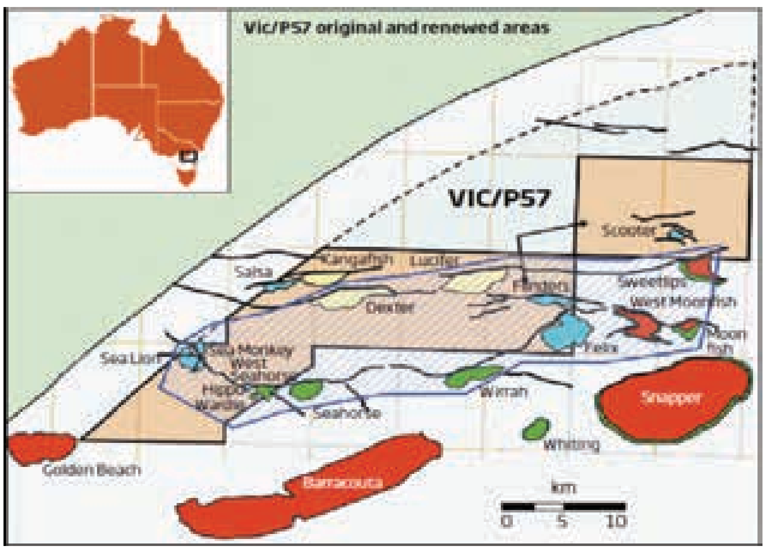
VIC/P57 & 3D OIL TRANSACTION

Consistent with the strategy to utilise CRPS funds on development assets to balance our overall portfolio from a risk perspective, Hibiscus Petroleum and our wholly-owned subsidiary, Oceania Hibiscus Sdn Bhd (OHSB) acquired, through an issue of new shares, a 13% equity stake in an Australian Securities Exchange-listed company, 3D Oil Limited (3D Oil), for a cash consideration of approximately AUD2.0 million.

Carnarvon Hibiscus Pty Ltd (CHPL), a wholly-owned subsidiary of OHSB, simultaneously signed a conditional farm-in agreement with 3D Oil for the acquisition of a 50.1% unencumbered legal and beneficial right, title and interest in the exploration permit VIC/P57 (VIC/P57) and any petroleum recovered from the permit area, for a purchase price of approximately AUD13.5 million. Apart from this investment, we shall also be injecting a further AUD13.5 million to fund our share of the joint operating activities.

At this time, the above-mentioned transaction is subject to various approvals which will be sought in due course. On completion, CHPL will formally become the operator of the VIC/P57 concession.

Figure 15: Location of the VIC/P57 Concession



> Management Discussion & Analysis (MD&A)

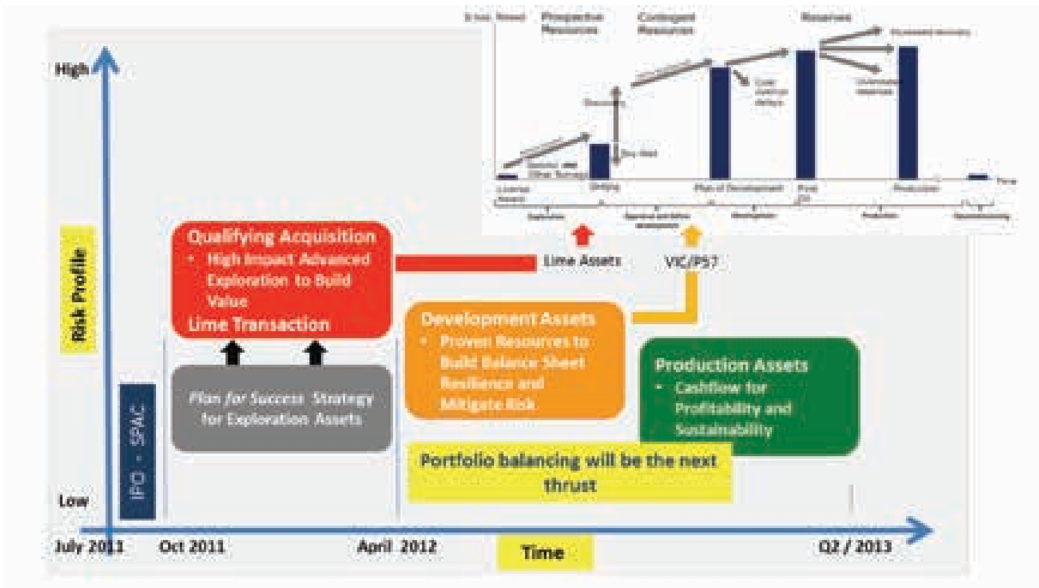
The VIC/P57 licence is located in the prolific Gippsland Basin, which represents the most productive hydrocarbon province in Australia. Initial resource estimates of more than 4 billion barrels of oil and condensate reserves and 9.8 trillion cubic feet of gas reserves are associated with this province and it has produced approximately two-thirds of Australia's cumulative oil production and one-third of its gas production to date.

First oil from VIC/P57 is targeted for mid 2014, subject to obtaining relevant approvals and the availability of rig and production facilities. The field life is estimated to be approximately thirteen years but the economic life of the field will be probably somewhat shorter, depending on the development solution that is selected.

The subscription and purchase consideration, combined with our initial investment in the joint operating activities, totals AUD29 million and will be funded via available internal funds and proceeds raised from the CRPS issue.

Most significantly, this acquisition allows the Group to progress along the exploration and production value chain, as depicted below.

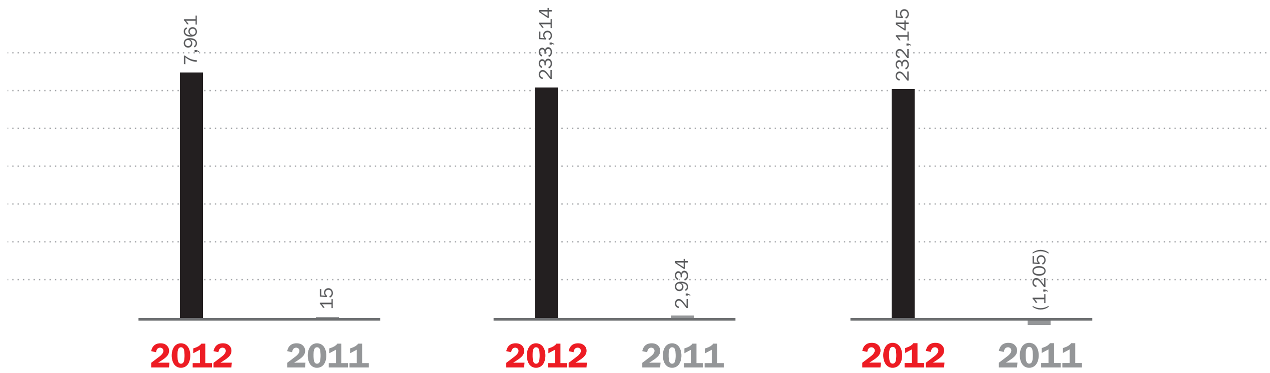
Figure 16: Strategic Approach of the Hibiscus Petroleum Group



The Management is encouraged by the manner in which the Group has grown and expanded geographically within our first year as a listed entity. Aggressive targets have been set and we look forward positively to the future.

> Financial Highlights

	31.3.2012 RM'000	31.3.2011 RM'000
Revenue	**7,961**	15
Loss after taxation	**(4,884)**	(1,194)
Loss per share (RM)	**(0.03)**	(5,969)
Total assets	**233,514**	2,934
Shareholders' equity	**232,145**	(1,205)
Net assets value per share (RM)	**0.56**	(6,023)



Revenue (RM'000)

Total Assets (RM'000)

Shareholders' Equity (RM'000)

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> CALENDAR OF EVENTS

2011

> 20 APRIL 2011

Securities Commission's Approval of Initial Public Offering (IPO)

Received the Securities Commission's approval for Hibiscus Petroleum's flotation on the Main Market of Bursa Malaysia Securities Berhad (Bursa Securities).

> 30 JUNE 2011

Launch of IPO Prospectus

Launched the IPO Prospectus.

> 25 JULY 2011

Listing on the Main Market of Bursa Securities

Listed on the Main Market of Bursa Securities under Special Purpose Acquisition Company (SPAC) listing rules (Stock code: 5199/HIBISCS).

> 24 OCTOBER 2011

Signing of Qualifying Acquisition Agreements

Hibiscus Petroleum's wholly-owned subsidiaries, Gulf Hibiscus Limited and Hibiscus Oilfield Services Limited, signed various agreements in relation to its Qualifying Acquisition, being a 35% equity interest in Lime Petroleum Plc (Lime) (transaction referred to as Qualifying Acquisition)

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2012

> 16 FEBRUARY 2012

Securities Commission's Approval of the Qualifying Acquisition

Received the Securities Commission's approval of the Qualifying Acquisition.

> 21 MARCH 2012

Shareholders' Approval of the Qualifying Acquisition

Received shareholders' approval of the Qualifying Acquisition.

> 10 APRIL 2012

New Onshore Ras Al-Khaimah Concession and Revised Terms of Existing Ras Al- Khaimah Offshore Concession

Lime's wholly-owned subsidiary, Baqal Petroleum Ltd, signed an Exploration and Production Sharing Agreement (EPSA) with the government of Ras Al-Khaimah in the United Arab Emirates for an onshore concession.

Lime's subsidiary, Dahan Petroleum Ltd, executed revised EPSAs for RAK North Offshore concession, located offshore in Ras Al-Khaimah.

> 18 APRIL 2012

Completion of the Qualifying Acquisition.

> 2 MAY 2012

Concessions in Norway

Lime entered into agreements with North Energy ASA to secure interests in 4 concessions in Norway.

> 23 MAY 2012

Increased Stake in Masirah Oil Ltd (Masirah)

Lime's subsidiary, Lime Petroleum Limited (Lime BVI) executed a revised Masirah Shareholders' Agreement with Petroci Holding, increasing Lime BVI's stake in Masirah from a potential 35% to 64%.

> 24 JULY 2012

Audited Financial Report

Release of Audited Financial Report for the financial year ended 31 March 2012.

> 2 & 3 AUGUST 2012

Launch of Proposed Private Placement of Convertible Redeemable Preference Shares (CRPS)

Announced proposed private placement of up to RM210 million new CRPS and entered into conditional subscription agreements with six investors for the subscription of CRPS totalling RM74.5 million.

> 14 AUGUST 2012

Proposed Acquisition of 3D Oil Limited (3D Oil) Shares and Interest in Permit

Signed two agreements with Australian Securities Exchange-listed 3D Oil for a 13.0% equity interest in 3D Oil and a 50.1% farm-in interest in exploration permit VIC/P57.

> Corporate Information

BOARD OF DIRECTORS

Zainul Rahim bin Mohd Zain
Non-Independent,
Non-Executive Chairman

Dr Kenneth Gerard Pereira
Managing Director

Dr Rabi Narayan Bastia
Non-Independent,
Non-Executive Director

Zainol Izzet bin Mohamed Ishak
Independent, Non-Executive Director

Datin Sunita Mei-Lin Rajakumar
Independent, Non-Executive Director

Roushan Arumugam
Independent, Non-Executive Director

Tay Chin Kwang
Independent, Non-Executive Director

Audit Committee

Chairperson
Datin Sunita Mei-Lin Rajakumar

Members
Zainul Rahim bin Mohd Zain
Zainol Izzet bin Mohamed Ishak
Tay Chin Kwang

Nomination Committee

Chairman
Zainol Izzet bin Mohamed Ishak

Members
Zainul Rahim bin Mohd Zain
Datin Sunita Mei-Lin Rajakumar

Remuneration Committee

Chairman
Zainul Rahim bin Mohd Zain

Members
Zainol Izzet bin Mohamed Ishak
Datin Sunita Mei-Lin Rajakumar

Company Secretaries

Lim Hooi Mooi (MAICSA 0799764)
Tan Bee Hwee (MAICSA 7021024)

Registered Office

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Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel: 603-2264 8888
Fax: 603-2282 2733

Principal Place Of Business

2nd Floor
Syed Kechik Foundation Building
Jalan Kapas, Bangsar
59100 Kuala Lumpur
Tel: 603-2092 1300
Fax: 603-2092 1301
Website: www.hibiscuspetroleum.com

Auditors

Crowe Horwath
Chartered Accountants
Level 16, Tower C, Megan Avenue II
12 Jalan Yap Kwan Seng
50450 Kuala Lumpur

Share Registrar

Tricor Investor Services Sdn Bhd
Level 17, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur
Tel : 603-2264 3883
Fax : 603-2282 1886

Principal Banker

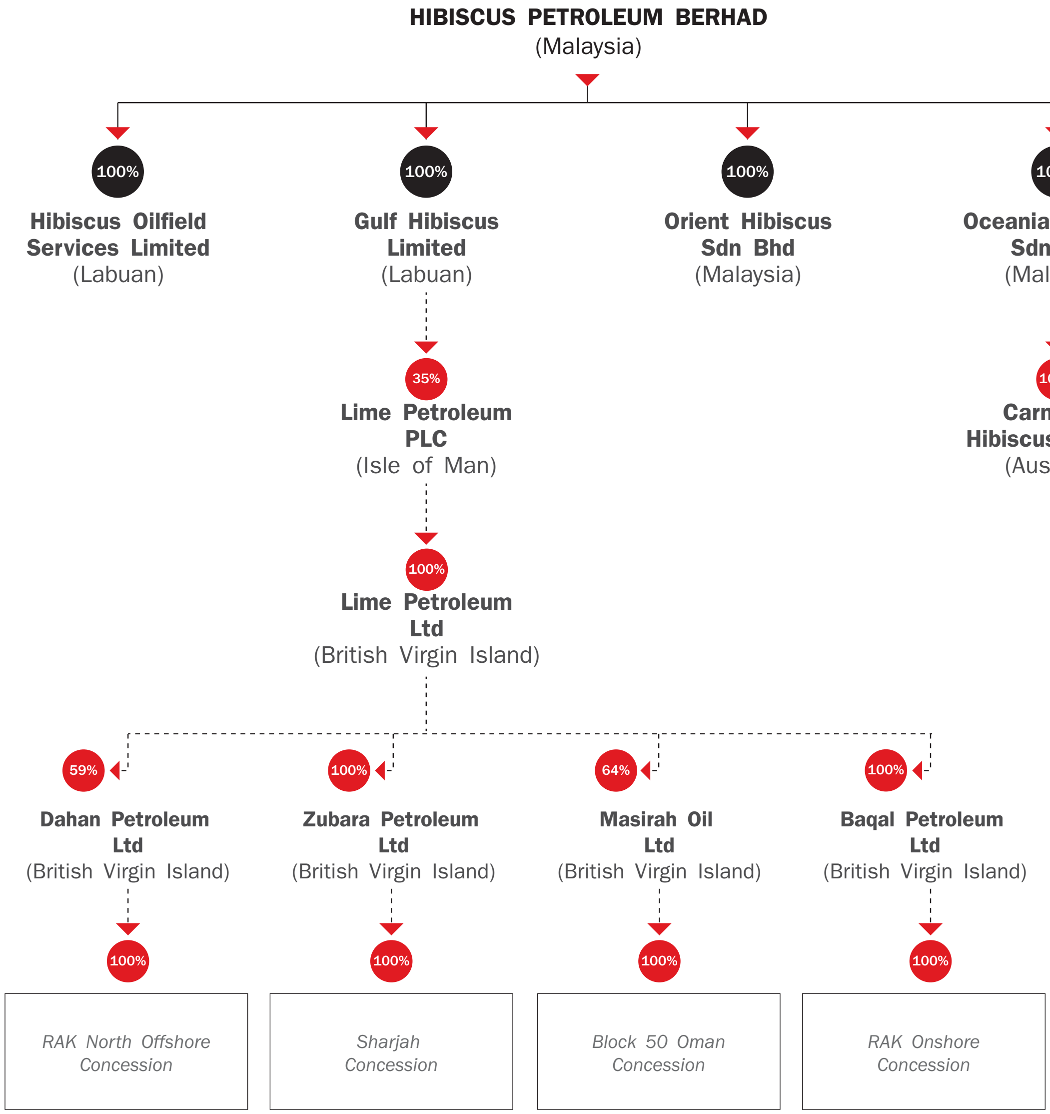
RHB Bank Berhad

Stock Exchange Listing

The Main Market of Bursa Malaysia
Securities Berhad
Stock Name: HIBISCS
Stock Code: 5199

> Corporate Structure

(As at 31 July 2012)



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Board of Directors

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Standing, left to right,

Zainol Izzet bin Mohamed Ishak
Independent, Non-Executive Director

Dr Kenneth Gerard Pereira
Managing Director

Zainul Rahim bin Mohd Zain
Non-Independent, Non-Executive Chairman

Datin Sunita Mei-Lin Rajakumar
Independent, Non-Executive Director

Roushan Arumugam
Independent, Non-Executive Director

Dr Rabi Narayan Bastia
Non-Independent, Non-Executive Director

Tay Chin Kwang
Independent, Non-Executive Director

> Profile of Board of Directors

Zainul Rahim bin Mohd Zain
Non-Independent, Non-Executive Chairman

Zainul Rahim bin Mohd Zain, a Malaysian aged 59, was appointed to the Board on 14 December 2010. He graduated with a Bachelor of Engineering, majoring in Mechanical Engineering, from the University of Western Australia, Australia.

Zainul began his career at Shell Malaysia Exploration and Production (SM-EP) in 1978 as a Wellsite Petroleum Engineer. He held various positions in drilling engineering, petroleum engineering, and information management & technology in SM-EP and during his two assignments in the Netherlands. He was General Manager of SM-EP's Business Services (1997), Technical Services (1999) and the Sarawak Business Unit (2000), before being appointed as Deputy Chairman and Executive Director of Shell Malaysia in December 2001. In July 2003, he double-hatted as Shell Asia Pacific Region's Transition Director, based in Singapore. In November 2005, he was appointed to the position of Chairman of Shell companies in Egypt and Managing Director of Shell Egypt N.V., before retiring from the Shell Group on 30 June 2008.

During his tenure as Deputy Chairman of Shell Malaysia, he sat on the boards of 12 companies, including Shell Malaysia Ltd, Shell MDS Sdn Bhd, Shell Trading Sdn Bhd, Sarawak Shell Bhd, Sabah Shell Petroleum Company Ltd and CS Mutiara Sdn Bhd. He was also Chairman, Director and member of various NGOs, including the Society of Petroleum Engineers AsiaPac, Business Council for Sustainable Development Malaysia, Petroleum Industry of Malaysia Mutual Aid Group, and Malaysian International Chamber of Commerce and Industry. While in Egypt, he chaired Shell Egypt's Country Coordination Team and Shell Express CNG, and sat on the boards of Shell Egypt N.V., Shell Egypt Deepwater B.V., and Bapetco.

Zainul sat on the Supervisory Committee of Sime Darby's Energy & Utilities Division for two years till mid 2010. He currently sits on the boards of UKM Holdings Sdn Bhd, Bank Pembangunan Malaysia Bhd, Petronas Carigali Sdn Bhd, Camco International Ltd, Camco South East Asia Ltd, and CSEA Clean Energy Sdn Bhd.

Zainul had attended all six Board meetings which were held in the financial year ended 31 March 2012. He is also a member of the Audit, Nomination and Remuneration Committees of the Company.

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Dr Kenneth Gerard Pereira
Managing Director

Dr Kenneth Gerard Pereira, a Malaysian aged 54, has been the Managing Director of Hibiscus Petroleum Berhad since 13 September 2010. He holds a Bachelor of Science (Honours) degree in Engineering from the University of Bath, United Kingdom; a Masters in Business Administration from Cranfield Institute of Technology, United Kingdom; and a Doctorate in Business Administration from the University of South Australia, Australia. His doctorate research topic was entitled "Start-up, Survival and Growth Strategic Actions of Initially Small Oil and Gas Exploration and Production Companies".

Dr Kenneth has 24 years' experience in the oil and gas industry, both in the services, and exploration and production sectors. He began his career with Schlumberger Overseas S.A in 1983 as a Field Service Engineer working in Brunei, Thailand, France, Libya, Italy, Norway and Tunisia. In 1990, he joined the Sapura Group, overseeing the service of telecommunication products and later, moved to the Group Corporate Planning Department. In 1997, he was appointed as Vice President of Energy Sector Projects and initiated the building of the oil and gas services business of the company under the Sapura Energy Sendirian Berhad (Sapura Energy) banner. Between 1997 and 2001, several service based businesses in the oil and gas value chain were grown organically or acquired and by 2001, the annual revenue of the oil and gas service business of the Sapura Group was in excess of RM100 million. In 2003, the Sapura Group successfully acquired Crest Petroleum Berhad (Crest Petroleum) and he became the Chief Operating Officer (COO) of SapuraCrest Petroleum Bhd, an oil and gas services public company listed on the Main Board of Bursa Malaysia Securities Berhad.

In 2008, Dr Kenneth became Managing Director of Interlink Petroleum Ltd, an oil and gas exploration and production company listed on the Mumbai Stock Exchange (2009 to 2011). In 2009, he was appointed to the board of STP Energy Pte Ltd, a privately held Singaporean company with offshore oil and gas exploration interests in New Zealand.

Dr Kenneth holds directorships in all of Hibiscus Petroleum's subsidiaries, Lime Petroleum Plc and other various private companies. In July 2012, he was appointed Chairman of the board of Lime Petroleum Plc.

Dr Kenneth is also currently the Chairman of the Development Committee of the Malaysian Hockey Confederation.

Dr Kenneth had attended all six Board meetings in the financial year ended 31 March 2012.

> Profile of Board of Directors

Dr Rabi Narayan Bastia
Non-Independent, Non-Executive Director

Dr Rabi Narayan Bastia, an Indian national, aged 53, was appointed to the Board on 15 September 2010. Dr Rabi holds a Bachelor of Science (1st Class Honours) degree in Applied Geology from the Indian Institute of Technology, Kharagpur, India; a Bachelor of Science (1st Class Honours) degree in Petroleum Exploration & Reservoir Management from the Norwegian Technological University, Norway; a PhD in Petroleum/Structural Geology from the Indian Institute of Technology, Kharagpur, India and a Doctor of Science degree in Petroleum Geology from Indian School of Mines, Dhanbad, (examined by Alberta University, Canada and Oklahoma University in the USA).

Dr Rabi commenced work as a geoscientist with the Oil and Natural Gas Corporation (ONGC) in India and has worked in different capacities and at various locations during his 16 years with ONGC. In 1996, he started the exploration and production (E&P) business in Reliance Industries Limited, a member of the Reliance Group, India's largest private sector enterprise, and his last position was as the Head of the Exploration Management Team for Reliance Industries Limited (Reliance). The highlights of his career include the gas discovery of the Krishna-Godavari basin in 2002, the Mahanadi Basin gas discovery in North East Coast of India in 2003, and oil and gas discovery in the deep waters of the Cauvery basin in India in 2007. After heading the exploration group of Reliance for more than 16 years, he has currently taken up some very distinguished and challenging international and domestic assignments. He is the global head of exploration in Lime Petroleum Plc, a company incorporated in the Isle of Man which has major operations in the Middle-East and the North Sea. In addition, he holds the Directorship in Oil Field Instrumentation Pvt Ltd, India, and is the President (E&P) in OilMax Energy Pvt Ltd, India.

Dr Rabi was conferred the title of "Padmashree" by the Government of India in 2007, a title awarded by the Government of India to Indian citizens to recognise their distinguished contribution in various spheres of activity. Dr Rabi was awarded the Leadership and Excellence Award in E&P by Oceantex in 2010, the Infraline Service to Nation Award in Energy Excellence in 2007, the Ruchi Bharat Gaurav Samman by the state of Orissa, India in 2007, the Gold Medal during the AEG Conference in 2006, the National Mineral Award for significant contribution in the field of hydrocarbon exploration from the Geological Society of India, Bangalore in 2003 and the Young Scientist Award from the Indian National Science Academy in 1990 for best scientific paper. He has been awarded the Top 100 Educators by IBC, Cambridge, United Kingdom in 2009 and conferred the Who's Who in the World by American Continental Research in 2008. Dr Rabi is a director of Synergy Oil & Gas Consultancy Private Limited, a private Indian company. He is also a member of numerous professional institutions such as the American Association of Petroleum Geologists, Society of Exploration Geophysicists, International Geological Congress, Society of Petroleum Engineers, Society of Geoscientists and Allied Technologist, Indian Geological Congress, Society of Petroleum Geophysicists, Association of Indian Petroleum Geologists.

Dr Rabi had attended three of six Board meetings which were held during the financial year ended 31 March 2012.

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Zainol Izzet bin Mohamed Ishak
Independent, Non-Executive Director

Zainol Izzet bin Mohamed Ishak, a Malaysian aged 51, was appointed to the Board on 13 September 2010. He holds a Bachelor of Arts in Actuarial Studies from Macquarie University, Sydney and a Masters in Business Administration from Cranfield Institute of Technology, United Kingdom.

In his early career, Izzet served in several local and international companies including American Express, Seccolor (M) Industries, Kassim Chan & Co and Hymans Robertson & Co, Consulting Actuaries, London.

Izzet joined the Sapura Group as General Manager of Corporate Planning in 1992. He was part of the team to establish Sapura Digital Sdn Bhd, one of the pioneer operators of digital cellular operators in the country. In 1994, he became the CEO of Sapura Digital Sdn Bhd and was subsequently appointed to lead Sapura Energy Group in 1997. He was appointed CEO of SapuraCrest Petroleum Bhd in July 2003 pursuant to the acquisition of Crest Petroleum Berhad by Sapura Energy from Renong Berhad.

Izzet is currently the Group Managing Director of Perisai Petroleum Teknologi Bhd, a company listed on the Main Market of Bursa Malaysia Securities Berhad. He also holds directorship in various private companies.

Izzet had attended all six Board meetings for the financial year ended 31 March 2012. He is also a member of the Audit, Nomination and Remuneration Committees of the Company.

Datin Sunita Mei-Lin Rajakumar
Independent, Non-Executive Director

Datin Sunita Mei-Lin Rajakumar, a Malaysian aged 44, was appointed to the Board on 14 December 2010. She graduated with a Bachelor of Law (Honours) from the University of Bristol, United Kingdom. She qualified as a Member of the Institute of Chartered Accountants (England & Wales) in 1994.

Datin Sunita commenced work as an Assistant Manager at Ernst & Young (London) in 1990 under their Audit and Insolvency Division. In 1994, she joined RHB Sakura Merchant Bankers Berhad's Corporate Finance Department.

Datin Sunita became a Consultant for MIMOS Berhad (MIMOS) in 2000 where she advised MIMOS on the structuring of a multi-million dollar venture capital fund focused on foreign technology-related portfolio companies and the documentation required for the establishment of the fund. When the Encipta Limited venture capital fund was established in 2002, as a wholly owned subsidiary of MIMOS, her company, Artisan Encipta Ltd (Artisan Encipta) was mandated to independently manage the venture fund for MIMOS until 2008.

Since 2005, she has also been the Director and owner of Surprise Voice Sdn Bhd (Surprise Voice), the Executive Producer of Malaysia's first opera which premiered in March 2006.

Datin Sunita is presently the Principal and Director at Artisan Encipta, a position that she has held since 2002. It is now an organisation which provides consulting services on monitoring and improving national innovation ecosystems. Through Artisan Encipta, she was appointed an Independent Consultant for the King Abdulaziz City for Science and Technology, based in Riyadh, Kingdom of Saudi Arabia.

Presently, Datin Sunita serves as a trustee of the following charity foundations: Yayasan Seni, Yayasan myNadi and Hai-O Foundation at Hai-O Enterprise Berhad. She is also the chairman of the audit committee at Hai-O Enterprise Berhad.

Datin Sunita had attended all six Board meetings which were held in the financial year ended 31 March 2012. She is also a member of the Audit, Nomination and Remuneration Committees of the Company.

> Profile of Board of Directors

Roushan Arumugam
Independent, Non-Executive Director

Roushan Arumugam, a Malaysian aged 40, is a corporate representative of a major shareholder of Hibiscus Petroleum comprising the combined interest of Littleton Holdings Pte Ltd and Sri Inderajaya Holdings Sdn Bhd. He holds a MA in English Language and Literature from St. Catherine's College, Oxford University, United Kingdom; a Masters in Business Administration (MBA) from Imperial College Business School, Imperial College, University of London, United Kingdom; and a MA in Law from the University of Bristol, United Kingdom.

Roushan commenced work in 1995 as an Internal Systems Risk Management Consultant at Price Waterhouse, London. In 1997, he joined Caspian Securities Limited as an Analyst, Emerging Markets Equity Research. After completing an MBA, Roushan joined Deutsche Bank A.G. London in 1999 as an Associate with its Investment Banking Division. Later, in 2001, he became a Manager in Debt Capital Markets Division at Nomura Advisory Services Sdn Bhd.

Since September 2005, Roushan has been an Investment Consultant to the Arumugam Family Office. He also manages an investment vehicle, Littleton Holdings Pte Ltd.

Currently, Roushan serves as a board member of South Pickenham Estate Company Limited, Pneumacare Limited and Sri Inderajaya Holdings Sdn. Bhd. He is also a Domus Fellow of St. Catherine's College, University of Oxford and a Trustee of the East West Trust at St. Catherine's College.

Roushan was appointed to the Board on 25 July 2011. He had attended all four Board meetings since his appointment.

Other Information:
None of the Directors has
- Any family relationship with any Director and/or Major Shareholder of the Company.
- Any conflict of interest with the Company.
- Any conviction for offences for the past 10 years other than traffic offences.

Tay Chin Kwang
Independent, Non-Executive Director

Tay Chin Kwang, a Singaporean aged 46, was appointed to the Board on 14 June 2012. He is also a member of the Audit Committee. He graduated with a Bachelor of Accountancy from the National University of Singapore.

He is a Certified Public Accountant and is a fellow member of the Institute of Certified Public Accountants of Singapore. Chin Kwang currently holds the position of Finance Director of Ezra Holdings Limited, a leading offshore contractor and provider of integrated offshore solutions for the oil and gas industry listed on the Singapore Exchange. He is also a director of various companies in countries such as Singapore, Thailand, Norway and Nigeria.

Chin Kwang started his career with Ernst & Young in Singapore and currently has over 22 years of experience in various accounting, finance management and business advisory functions across a broad spectrum of industries. His wealth of experience in corporate and business structuring, merger and acquisition and corporate finance has empowered him to excel in leadership positions throughout his career.

> Management Team

Standing, left to right:

Elike Mawuli, *Head of Drilling*

Azleen Rosemy Ahmad, *General Manager – Corporate Finance*

Dr Pascal Josephus Petronella Hos, *Head of Petroleum Engineering*

Ir Mohd Iwan Jefry bin Abdul Majid, *Head of New Ventures*

David Jayakumar Richards, *Head of Geoscience*

Christopher Russell Dyas, *Head of Projects*

Sittting, left to right:

Dr Kenneth Gerard Pereira, *Managing Director*

Joyce Theresa Sunita Vasudevan, *Chief Financial Officer*

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> Profile of Management Team

Dr Kenneth Gerard Pereira
Managing Director

Please refer to page 37 of the Annual Report.

Joyce Theresa Sunita Vasudevan
Chief Financial Officer

Joyce Theresa Sunita Vasudevan, a Malaysian aged 44, graduated with a Bachelor of Economics, majoring in Accounting, from LaTrobe University, Melbourne, Australia. She is a member of the Australian Society of Certified Practising Accountants and the Malaysian Institute of Accountants.

She has more than 20 years' experience in various areas of audit, corporate finance and finance. She started her career as an auditor with Ernst & Young in 1989 and after almost 5 years in audit, Joyce worked in the Corporate Finance department at two investment banks, Malaysian International Merchant Bankers Berhad in 1996 and RHB Sakura Merchant Bankers Berhad from 1997 to 2000. She was involved in numerous projects for government-linked companies and public listed companies including acquisitions, initial public offers, corporate restructurings, equity issuances and valuation exercises.

In 2000, Joyce joined Carlsberg Brewery Malaysia Berhad, where she headed the Business Analysis & Planning Department and was tasked with the set-up of the new department to drive business plans, formulate sales, marketing, production and competitive business models to aid in management decisions, evaluate prospective investments and develop a company-wide balanced scorecard system.

In 2006, she joined SapuraCrest Petroleum Berhad, where she headed the Strategic & Operations Planning Unit of the Chief Operating Officer's (COO) Office, and was responsible for the development of various systems including management reporting, project monitoring, key performance indicators and key processes. She also assisted the COO in driving a Group-wide reorganisation of its operations.

Joyce joined the Company on 1 January 2011 and currently sits on the boards of Hibiscus Upstream Sdn Bhd, Orient Hibiscus Sdn Bhd, Oceania Hibiscus Sdn Bhd, Hibiscus Oilfield Services Limited, Gulf Hibiscus Limited, Carnarvon Hibiscus Pty Ltd, Lime Petroleum Limited, Zubara Petroleum Limited and Baqal Petroleum Limited.

Dr Pascal Josephus Petronella Hos
Head of Petroleum Engineering

Dr Pascal Josephus Petronella Hos, a Dutch national aged 41, was appointed as Head of Petroleum Engineering on 14 February 2011. He graduated with a Bachelor of Science degree in Mechanical Engineering and a PhD in Mechanical Engineering, from Rice University, Texas, USA.

Dr Pascal has more than 10 years' experience in reservoir engineering, production technology and rock mechanics in major local and foreign companies. He is also experienced in project management, well and reservoir management, reserves reporting, field development planning and project execution.

Dr Pascal started his career in 1995 as a Wireline Research Engineer in Schlumberger Sugar Land Technology Center, Houston, Texas, USA where his key achievement was the development of statistical data analysis software for a new multi-phrase fluid velocity wireline logging tool. In 1996, he worked as a PhD Researcher with the NASA Johnson Space Center, USA, where he discovered a form of heat transfer, which only occurs in zero gravity environments which led to a redesign of the oxygen storage tanks used on board the space shuttles.

In 2001, Dr Pascal joined Shell International EP, Netherlands, as a Reservoir Engineer/Research Project Manager, where he was leading the research, development and deployment of an in-house fractured water injection modelling tool. He also delivered training for operating unit and technology center staff on basic rock and fracture mechanics, injection induced formation damage, use of modelling tools and associated data gathering requirements.

In 2006, Dr Pascal joined Sarawak Shell Berhad (SSB) as Senior Reservoir Engineer under the Sabah Inboard Reservoir Management team, where he was in charge of reservoir management for the Barton and St. Joseph fields. His responsibilities included day-to-day field optimatisation through surveillance planning, dynamic simulation and analytical data analysis. In 2007, he became the Subsurface team lead for the Barton Water Injection Redevelopment project of SSB which involved the remote management of an integrated team in Shell Technology India in Bangalore. Dr Pascal was responsible for delivering a study from the feasibility stage through to the final approved field development plan.

In 2007, he was appointed as the regional expert for water flooding and water injection projects for Shell in Asia-Pacific with the view to bringing further standardisation in water flooding developments and operational design across the region.

In the years between 2008 and 2010, he had led various projects for SSB, namely the St. Joseph Redevelopment project as the Subsurface team lead for the execution phase, where he implemented complex offshore water flooding into a brownfield setting. He led a team through the drilling of 5 infill producers and 6 horizontal smart water injectors. He delivered an additional two infill projects, one appraisal well and general Well and Reservoir Management of the field.

In 2009, Dr Pascal took on the role of Water Flood Manager where he was accountable for the development, planning, execution and start-up of water flood projects in St Joseph and Barton project and the planning of the Gumusut-Kakap and Malikai projects in Malaysia. There, he managed the interfaces between subsurface, engineering, drilling, operations, maintenance, subsea and developed in-house expertise in the field of water flooding.

Dr Pascal sits on the boards of Dahan Petroleum Limited and Masirah Oil Limited.

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Ir Mohd Iwan Jefry bin Abdul Majid
Head of New Ventures

Ir Mohd Iwan Jefry bin Abdul Majid, a Malaysian aged 41, is the Head of New Ventures. He is a Petroleum Engineer with 20 years of experience in the oil and gas exploration and production industry. He obtained his Bachelor's degree in Petroleum and Natural Gas Engineering from Pennsylvania State University, USA and a Master degree in Petroleum Engineering from Imperial College of London, United Kingdom.

Ir Mohd Iwan began his career with Petronas Carigali Sdn Bhd from 1992 to 2000. From 1992 to 1993, he was involved in various field development projects and offshore well testing operations. In 1996, he was assigned as the Reservoir Engineer for the Dulang Field Phase 2 Development Project located offshore in Peninsular Malaysia. In 1997, he was part of a special task force to turn around the Dai Hung oilfield in Vietnam. Later in 1997, he was appointed the Team Leader to undertake the Heglig Field Development Study project in Sudan. In 1998, he was assigned to the Joint Venture Department, managing PSC (Production Sharing Contract) blocks operated by Exxon Mobil Corporation in Peninsular Malaysia.

In 2001, he joined Talisman Energy (Malaysia) Limited as the Reservoir Engineer involved in the PM3 and PM305 exploration and production enhancement activities. Later in 2002, he joined Petroleum Development Oman where he was a member of an integrated multidisciplinary reservoir management team for the heavy oil development in South Oman.

In 2005, Ir Mohd Iwan joined Schlumberger Overseas S.A. in Jakarta as the Subsurface Consulting Manager where he was responsible for the subsurface consulting services business in Indonesia, serving major clients such as Chevron Corporation, Total SA, ConocoPhillips Company, Inpex Corporation, Eni S.p.A, PT Medco Energi Internasional Tbk and PT. Pertamina (Persero). In 2008 to 2009, he became the Subsurface Consulting Manager for Schlumberger Overseas S.A. in Kuala Lumpur and managed the petroleum engineering and geosciences consultancy business for the East Asia Geomarket which provided services to national oil companies such Petronas, PTT Exploration and Production Public Limited Company and Petrovietnam Exploration & Production.

His past engagements in Petronas Carigali Sdn Bhd, Talisman Energy (Malaysia) Limited, Petroleum Development Oman and Schlumberger Overseas S.A. took him beyond the Malaysian shores to South East Asia, Middle East and North Africa. He has an extensive business network within the upstream oil and gas industry, domestically and regionally.

Ir Mohd Iwan has been with the Company since 1 January 2011.

David Jayakumar Richards
Head of Geoscience

David Jayakumar Richards, a Malaysian aged 48, graduated with a B.Sc (Honors 2nd Class Upper) in Earth Science from Universiti Kebangsaan Malaysia (National University of Malaysia).

David has 23 years of experience as a petroleum geoscientist in the exploration, development, production and planning phases of the oil and gas industry (15 years with a major operating company and 8 years with small operating companies). He started work as a geologist in 1989 with Sun Oil Far East Malaysia Incorporated performing acreage evaluations in Pearl River (China), Taranaki (New Zealand), Potwar (Pakistan), Godavari (India) and Thai Basins before moving to Exxon Mobil Exploration & Production Malaysia Incorporated where he worked for 15 years in the exploration, development, production and planning segments. From 2006 to 2010, he was involved in the exploration and development of gas resources for Carigali-Hess Operating Company Sdn Bhd in the jointly operated area between Malaysia and Thailand. His previous position prior to joining Hibiscus Petroleum Berhad was as Senior Geologist with Newfield Sarawak Malaysia Incorporated.

He has been involved in providing planning, mapping, geo-modelling, resource/reserve assessments, geologic risk evaluation, seismic interpretation and evaluation, and operations monitoring of drilling and completion of field operations. In addition, he also has experience in integrating evaluations of various seismic data in combination with sequence stratigraphy, fault analysis, reservoir pressure, RFT/MDT sample and petrophysics in geoscientific interpretation.

David joined the Company on 5 October 2011 and he sits on the Board of Carnarvon Hibiscus Pty Ltd.

Christopher Russell Dyas
Head of Projects

Christopher Russell Dyas, a British national, aged 53, is the Head of Projects. He graduated with an MSc in Thermal Power from Cranfield Institute of Technology, United Kingdom and Master in Business Administration (MBA) at the Cranfield School of Management.

Chris has 29 years of experience in E&P engineering and projects. He also has contractual and financial experience with skills in assessing companies and projects, and developing business plans.

Chris started his career in 1983 with Cooper Energy Services (now a subsidiary of Rolls-Royce) heading the Testing Department, testing industrial gas turbines and gas compression equipment primarily for the oil and gas industry. He was responsible for the in-house commissioning and performance testing of turbo-machinery

> Profile of Management Team

units. He headed a team of engineers and technicians including factory QA/QC personnel. He also undertook the build of turbo-machinery units in Norway and carried out on-site client training.

In 1986, he joined Marathon Oil (UK) Ltd as a Maintenance and Rotating Equipment Engineer, responsible for various offshore facilities systems and spent time offshore during the commissioning and initial production on the Brae B platform where he was responsible for identifying system problems in the early stages, and implementing solutions prior to full production.

After completing an MBA in 1990, he joined Atlantic Power and Gas in Aberdeen, Scotland and was at the forefront of risk – reward based contracting in the offshore oil and gas services sector.

In 1994, he joined the Gas Turbine Division of Wood Group in Aberdeen, Scotland as Business Development and Marketing Manager. He was the focal point within the division in the bidding of onshore and offshore maintenance contracts for the group and played the lead role in developing new concepts of risk based contracts for turbo-machinery. He was instrumental in opening up new business in Asia where he championed long-term service contracting for oil, gas and power production clients. As Marketing Manager, he initiated a review of market activities of all division companies leading to a step change in market approach and raising the profile and awareness of the company internationally.

In 2000, he moved to Kuala Lumpur, Malaysia as General Manager for the Asia-Pacific region heading a business development team in gas turbine services.

In 2002, he joined SapuraCrest Petroleum Berhad as Project Director/ General Manager, where he was engaged in the bidding and execution of several brownfield and greenfield projects related to oil and gas services, and led a project in India for the refurbishment of offshore platforms.

Chris assumed his current position in the Company since 1 January 2012.

Elike Mawuli
Head of Drilling

Elike Mawuli, a dual Australian and Ghanaian citizen, aged 33, graduated with a Bachelor of Engineering (Mechatronics) and a Master in Engineering Management, both from Queensland University of Technology, Australia. He is also a member of the Institute of Engineers Australia and the Project Management Institute.

Elike has over ten years' experience in the oil and gas sector, in both onshore and offshore drilling, well design and well servicing operations, and has worked in various operating environments in Papua New Guinea, Australia, Indonesia, and East Timor. Whilst working in Papua New Guinea, he was exposed to high cost land wells in extremely remote heli-supported locations. In Australia, he has worked on exploration and appraisal wells in the Bowen, Surat, Browse, Bonaparte and Cooper-Eromanga basins. In Indonesia, he was involved in exploration activities in East Java while in East Timor, he was involved in planning deepwater wells in the Timor Leste Exclusive Area (TLEA).

Elike has both conventional and non-conventional oil and gas experience, and has provided consultancy services on the use of drilling technologies to other industries, mainly the coal industry in Queensland and New South Wales.

Elike has worked for both small and large operators, and on a number of new start-up operations where he set up the systems required to ensure cost effective and efficient commencement of operations. Companies he has worked for in the past include Santos Limited, InterOil Corporation, Upstream Petroleum, Oil Search Limited, Eni Australia Limited, and Talisman Energy.

Elike joined the Group on 1 January 2012.

Azleen Rosemy Ahmad
General Manager, Corporate Finance

Azleen Rosemy Ahmad, a Malaysian aged 43, holds a Bachelors of Science in Actuarial Science and Finance from the Wharton Business School, University of Pennsylvania, USA, and holds a Master in Business Administration from the University of Nottingham.

She has 20 years' experience in various areas of corporate finance, finance and general management. She began her career as a management consultant with PriceWaterhouseCoopers in 1992 before joining the Corporate Finance Department of RHB Sakura Merchant Bankers Berhad in 1995. During her career as management consultant and corporate adviser, she was involved in numerous projects for government agencies and public listed companies including privatisation exercises, local and foreign mergers and acquisition exercises, valuation exercises, initial public offerings, rights issues and mandatory general offers for both local and foreign companies.

In 2001, she assumed the post of Finance & Administration Manager of RCM Engineering & Services Sdn Bhd. Six years later, she joined SapuraCrest Petroleum Berhad (SapuraCrest) in the Strategic & Operations Planning Unit, where she was part of the team to implement the operational reorganisation of SapuraCrest Group's Offshore Construction business, to develop & monitor the financial performance indicators of the business units and to develop & monitor the key performance indicators of Directors/Heads of the business units. She also led the team for the cost optimisation exercise of the SapuraCrest Group.

Azleen joined the Company on 15 February 2012.

> Statement Of Corporate Governance

The Board of Directors is entrusted with the responsibility of safeguarding the Group's resources in the interests of its shareholders by exercising due and reasonable care.

The Board recognises that its primary role is to protect and promote the interests of its shareholders, with the overriding objective of enhancing the long term value of the Group. In this regard, the Board remains focused and committed to maintaining high standards of corporate governance whilst ensuring that the appropriate management of risks is undertaken by leveraging on Management's knowledge and experience.

As a Special Purpose Acquisition Company (SPAC) during the financial year ended 31 March 2012, the Group was compliant with the requirements and principles of corporate governance documented in:

- Paragraph 15.25 of Bursa Malaysia Securities Berhad's (Bursa Securities) Main Market Listing Requirements (MMLR)
- Malaysian Code of Corporate Governance 2007

Board and Board Committees

1. **Principal Responsibilities of the Board**

   The Board functions on the principle that all significant and material matters are addressed by the Board as it is accountable under the law for the Group's activities, strategy and financial performance. The Board plays an active role in reviewing and adopting the strategic business plans for the Group, by ensuring that the strategies proposed by the Management are discussed at length and critically examined by the Directors, who are provided with sufficient information to enable their discharge of duties with reasonable care, skill and diligence.

   The Board also serves as a panel to provide effective oversight on the assessment of principal risks and the appropriate systems to manage these risks, as well as reviewing the adequacy and integrity of the Group's internal control systems to safeguard shareholders' investments and the Group's assets.

   In addition, the Group's business performance and results are reviewed periodically by the Board via reports received from the Management. More importantly, the Board ensures that Senior Management positions within the Group are filled by employees who subscribe to the highest standards of ethics and corporate behaviour.

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2. **Composition of the Board**

The Board currently comprises seven Directors including four Independent Non-Executive Directors who have been selected based on their calibre, extensive experience and expertise in a diverse range of sectors, as well as their ability to add strength to the stewardship of the Group. Five of the seven Directors also possess significant exposure to the oil and gas industry.

All Directors will submit themselves for re-election at least every 3 years at a shareholders' meeting.

The Board has established the role of the Chairman as separate and distinct from the role of the Managing Director to ensure an effective balance of authority and accountability. The Chairman's main responsibility is to provide overall leadership to the Board while the Managing Director is responsible for ensuring that the Group's corporate and business objectives are achieved.

The profile of each Director is presented in the Board of Directors' profile on pages 36 to 40 of this Annual Report.

To complement its skills and knowledge, the Board has the right to seek independent professional advice on matters relating to the fulfilment of its roles and responsibilities. The costs of procuring such services are borne by the Group.

During deliberations at Board meetings, any Director who is faced with conflict of duties or conflict of interests, must declare the conflict, and refrain from participating in the discussion of such papers. During the financial year under review which ended on 31 March 2012, there were no arising situations of conflict of duties or interests.

For the financial year under review, the Board is satisfied with the existing number and composition of its Directors and is of the view that its members have the necessary mix of skills, knowledge and experience to enable the Board to discharge its duties in an effective and competent manner in addition to providing balance and independence to the Board.

3. **Board Meetings and Supply of Information**

Under the terms of reference adopted by the Board, the Board was to hold a minimum of three Board meetings during the financial year under review. However, in view of the number of key matters to be discussed which required the Board's deliberation, an additional three meetings were called. Almost all the Directors had attended all Board meetings held.

The details of the attendance of the Directors during the financial year under review are as follows:

Name of Director	Attendance
Zainul Rahim bin Mohd Zain	6/6
Dr Kenneth Gerard Pereira	6/6
Dr Rabi Narayan Bastia	3/6
Zainol Izzet bin Mohamed Ishak	6/6
Datin Sunita Mei-Lin Rajakumar	6/6
Roushan Arumugam*	4/4
Tay Chin Kwang**	0/0

* Appointed on 25 July 2011
** Appointed on 14 June 2012

Each Director is provided a copy of the meeting agenda, together with the set of Board papers to be deliberated, several days prior to the Board meeting, to facilitate informed decision making. The Board papers contain pertinent quantitative and qualitative information, to enable the Directors to substantively assess the subject matter at hand prior to attending the Board meeting for further discussions and eventual decision making.

The Chairman presides at all meetings of Directors. The Managing Director leads the presentation of the Board papers and provides comprehensive and concise explanations on material factors. All decisions made at Board meetings are through a simple majority.

All proceedings of the Board meetings are minuted and circulated to all Directors for their perusal prior to the confirmation of minutes. Upon confirmation, the minutes of meeting are signed by the Chairman of the meeting in accordance with the provisions of the Companies Act 1965. Minutes of the Board meeting which include the decisions made at the Board meeting and the resolutions passed, are properly maintained by the Company Secretary.

The Board has access to the employees of the Group as well as unrestricted and immediate access to all information relating to the Group's business affairs, for the efficient discharge of its duties and responsibilities. Full access is also provided to the services of the Company Secretary. In addition, the Board is at liberty to engage other professional services at the Group's expense at reasonable cost, and may even invite external parties with relevant experience to attend the Board meetings, if required, and to brief the Board thereof.

The Board also has direct communication channels with the external auditors of the Group.

The above supply of information demonstrates that the Board is fully aware of, and acts on, any matters for decision to ensure proper direction and control of the Group. The Group's Limits of Authority clearly establish the authority of the Board and the Management for effective governance.

4. **Training and Development of Directors**

In compliance with Bursa Securities' MMLR, the Directors are mindful that they are required to attend suitable training programmes to keep abreast with the current developments of the industry as well as the applicable statutory and regulatory requirements.

Every new Director has attended the *Mandatory Accreditation Programme* (MAP) within four months of the Company's listing or date of appointment, and procured a certificate from the programme organiser.

The Directors had also individually attended several training courses to strengthen their particular skill sets and knowledge in order to effectively discharge their duties.

The collective set of courses attended by the Board (on individual member basis) include the following:

- *SEAPEX Exploration Conference*, a widely recognised premium petroleum upstream event in Southeast Asia, which serves as a forum for high quality technical presentations relevant to Southeast Asia and petroleum geology courses, and provides excellent networking opportunities to meet and discuss business opportunities with colleagues and peers.
- *The Corporate Governance and Boardroom Issues in Challenging Times, and Governance and Risk Management Practices for the Financial Markets in the 21st Century*, which cover the duties and responsibilities of Directors in challenging times.
- *Corporate Governance* week organised by the Securities Commission, which addressed topics such as shareholders' rights, and the next corporate governance agenda for Asia.
- *New Corporate Governance Blueprint and Regulatory Update Seminar* held in December last year, which highlighted the need for compliance to the blueprint.
- *Advocacy Sessions on Disclosure for CEOs and CFOs* organised by Bursa Securities earlier this year which focused on the importance of transparency and disclosure.
- *Detecting Red Flags in Creative Accounting* to better identify the key risk areas of potential misstatements in the financial statements, as well as to better adopt a prudent approach in interpreting financial statements.
- *Innovate or Die: Strategies in Rapidly Changing Market* and the *Asean-China Symposium 2011*, which emphasised the need to keep up-to-date with the current developments in the market.
- *Creating Cross Border Champions*, to facilitate understanding of national and organisational cultural differences in order to build long-term relationships with international partners and negotiate more effectively.
- *Introduction to Exploration Petroleum Geology* which described the basic elements required for a working petroleum system, how the data required for assessment of each of these elements is acquired, how volumes of leads and prospects are calculated and how each of the elements is assigned a probability of success to calculate an overall geological chance of success for making an exploration discovery.

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5. **New Appointment or Re-election of Directors**

In line with the Malaysian Code of Corporate Governance, the Nomination Committee consists entirely of Non-Executive Directors, two of whom are also Independent Directors.

The members of the Nomination Committee are Zainol Izzet bin Mohamed Ishak (Chairman), Zainul Rahim bin Mohd Zain and Datin Sunita Mei-Lin Rajakumar.

The Nomination Committee appraises the nominees for Directorship, Board Committee membership and candidates for Senior Management recommended by Managing Director, by evaluating the candidate's skills, knowledge, expertise, experience, professionalism and integrity. Other factors considered include the desirable balance of skill sets available amongst the current board members, as well as the current Group structure and requirements.

Upon the completion of their appraisal, recommendations are submitted to the Board for a final decision.

The Nomination Committee is also tasked with conducting an annual review of the performance of the Board as a whole and each individual Director. Based on their recommendation, the Board is then responsible to decide whether to table the proposed re-election of a Director at the next annual general meeting, notwithstanding that specific Directors are required to retire by rotation at the meeting.

In accordance with the Articles of Association of the Company, at least one-third of the Directors shall retire by rotation at each Annual General Meeting once every three years but shall be eligible for re-election.

6. **Directors' Remuneration**

In conducting its annual appraisal, the Nomination Committee is to provide its findings to the Remuneration Committee for their annual evaluation of the overall remuneration policy for Directors and Senior Management. The Remuneration Committee is to then submit its recommendations of the appropriate remuneration package or adjustment to the package of Executive Director(s) and Senior Management to the Board for approval. The compensation package for Non-Executive Directors is decided by the Board as a whole.

In compliance with the Malaysian Code of Corporate Governance, the Remuneration Committee wholly comprises Non-Executive Directors. The Remuneration Committee members are the same as the Nomination Committee members, namely Zainul Rahim bin Mohd Zain (Chairman), Zainol Izzet bin Mohamed Ishak and Datin Sunita Mei-Lin Rajakumar.

The Remuneration Committee and the Board remain supportive of the Group's corporate objectives and is aligned with the interest of shareholders, while taking into account the necessity of ensuring the attractiveness of the remuneration packages to attract and retain individuals of high calibre within the Group.

Further details of the Directors' remuneration and fees (including benefits in-kind) for the financial year ended 31 March 2012 are as disclosed in Note 20 of the Financial Report section on page 93 of this Annual Report.

Committees Established by the Board

Several Board Committees have been established to assist the Board in discharging its duties. Each committee operates under their respective terms of reference.

The functions and terms of reference of Board Committees, as well as authority delegated by the Board to these committees, are reviewed from time to time to ensure that they are relevant and up-to-date.

These committees have the authority to examine particular issues and report to the Board their recommendations. The ultimate responsibility for the final decision on most matters lies with the entire Board.

- **Audit Committee**

  The Audit Committee consists exclusively of Non-Executive Directors, the majority of whom are Independent Directors.

  The duties and responsibilities of the Audit Committee include the review of the interim and full year financial statements, and adequacy of the internal financial controls in place within the Group. Further obligations of the Audit Committee are contained in the Terms of Reference of the Audit Committee as set out under the Audit Committee Report on pages 52 to 53 of this Annual Report.

  Details of attendance of members at Audit Committee meetings held during the financial year ended 31 March 2012 are set out under the Audit Committee Report on page 51 of this Annual Report.

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- **Nomination Committee**

  The key responsibilities of Nomination Committee are outlined in Section 5 above.

  The attendance of members at the Nomination Committee meeting held during the financial year ended 31 March 2012, is reflected below:

Name of Director	Attendance
Zainol Izzet bin Mohamed Ishak *(Chairman)*	1/1
Zainul Rahim bin Mohd Zain	1/1
Datin Sunita Mei-Lin Rajakumar	1/1

  The Nomination Committee has met once during the financial year, and is in compliance with its Terms of Reference with regard to the minimum number of meeting times.

- **Remuneration Committee**

  The key responsibilities of the Remuneration Committee are outlined in Section 6 above.

  As the Qualifying Acquisition of the Company was only completed on 18 April 2012, after the conclusion of the financial year, the Remuneration Committee did not hold any meetings as it had already been agreed that prior to the completion of the Qualifying Acquisition, the Executive Director and Senior Management Team would not receive any increments or performance incentives.

Accountability and Audit

1. **Financial Reporting**

   It is the Board's objective to present a balanced and understandable assessment of the Group's position and prospects. This aim also applies to other price sensitive reports prepared. The Directors' responsibility statement is enclosed on page 57 of this Annual Report.

2. **Internal Control**

   A sound system of internal controls is maintained and implemented by the Group to safeguard shareholders' investment and the Group's assets. The Board is cognisant of the importance of such controls, as further elaborated under the Statement of Internal Control by the Directors on pages 54 to 55 of this Annual Report.

3. **Relationship with the Auditors**

   The external auditors, Messrs Crowe Horwath, have continued to report to members of the Company on their audit opinion which are included as part of the Group's financial reports with respect to their audit on the financial year's statutory financial statements. In doing so, the Group has established a transparent arrangement with the auditors to meet the auditors' professional requirements. From time to time, the auditors may highlight to the Audit Committee and the Board on matters that require the Board's attention. The report by the Audit Committee on the review of the audit reports is enclosed at pages 51 and 53 of this Annual Report.

   Messrs Crowe Horwath has expressed their intention not to seek re-election as external auditors of the Company and the resolution for the appointment of the new external auditors will be tabled at the forthcoming Annual General Meeting for the year ended 31 March 2012.

   Crowe Horwath advised that "The Group's major contributor in terms of results and assets in the next financial year will be the Lime Petroleum Plc Group with most of its operations located in the Middle East Region. This group is presently audited by another firm of auditors. Our firm's policies require us to audit the subsidiaries or companies which contribute significantly to the results or assets of the group when we sign off the group financial statements.

   However, as our affiliate firms do not presently have the required resources to perform the audit of the Lime Petroleum Plc Group, we wish to advise that we will not seek re-appointment as the auditors of the Company at the forthcoming Annual General Meeting when our term ends."

Relationships with Shareholders

1. **Engagement with Shareholders**

   The Group is fully committed to observing the principles of corporate governance in maintaining transparency and accountability to all stakeholders. This commitment is manifested by the fair disclosure practice observed Group-wide to provide clear, comprehensive and timely information to all stakeholders via a medium which is readily accessible to all (such as Bursa LINK and the corporate website www.hibiscuspetroleum.com).

   In the strict observance with the disclosure requirements of Bursa Securities, announcements are made via Bursa LINK, together with the release of the half yearly reports and Annual Report.

During the Initial Public Offering (IPO) process, the Management had held numerous briefings to institutional investors, analysts, fund managers, remisiers and high net-worth individuals in its efforts to educate the investing community on new structures/niche sectors such as the SPAC structure and the E&P industry, both of which were new in Malaysia. Fact sheets on SPACs and the E&P industry were also distributed during the briefings, and posted on the Group's corporate website.

For the Qualifying Acquisition exercise, a comprehensive circular with full details of the transaction was issued to shareholders. Being cognisant of the complexity of the Qualifying Acquisition transaction and the E&P industry, the Board and the Management had arranged a video presentation which sets out the key facts of the transaction in graphic and simple terms to facilitate the understanding of the shareholders. The video has been uploaded on the corporate website.

In addition, the Management engaged with the media to further explain the SPAC structure as well as the E&P industry in a bid to disseminate additional information to a wider audience.

The Group's website (www.hibiscuspetroleum.com) also serves as an avenue for the public and the investing community to have access to information such as the corporate profile, updates on the strategic, operational and corporate developments, announcements and press releases, as well as contact details of a member of Management who is available for providing responses to any clarification sought. The Board has designated the Chief Financial Officer as the person to whom concerns from the shareholders and/or queries from the public can be conveyed. The Chief Financial Officer may be contacted at **joyce@hibiscuspetroleum.com.**

Under all circumstances, the Group upholds the strictest standards of confidentiality with regards to undisclosed material information and continually observes the dissemination of information to shareholders and the general public in a timely and fair manner.

2. Extraordinary General Meeting (EGM)

The Company held an EGM on 21 March 2012 with the main objective of addressing shareholder queries in respect of the Qualifying Acquisition in order to seek shareholder approval to proceed with the Qualifying Acquisition.

At the EGM, prior to obtaining shareholders' approval in excess of 99% in favour of the Qualifying Acquisition (as verified by the Independent Scrutineers), the Chairman and Managing Director also responded to queries by the shareholders on the future plans of the Group post-Qualifying Acquisition.

The Board generally welcomes shareholder engagement as it provides an opportunity to assess market expectations and more significantly, is an effective method of educating our shareholders of the technical complexities and risks of the industry sector in which we operate.

This Statement is made in accordance with the resolution of the Board of Directors dated 27 August 2012.

> Audit Committee Report

From left to right:

Datin Sunita Mei-Lin Rajakumar
Independent, Non-Executive Director

Tay Chin Kwang
Independent, Non-Executive Director

Zainul Rahim bin Mohd Zain
Non-Independent, Non-Executive Chairman

Zainol Izzet bin Mohamed Ishak
Independent, Non-Executive Director

The Audit Committee of Hibiscus Petroleum Berhad (Hibiscus Petroleum or the Company) is pleased to present their Audit Committee Report for the financial year ended 31 March 2012 in compliance with paragraph 15.15 of Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Securities).

Composition Of Audit Committee And Attendance

The Audit Committee was formed by the Board pursuant to its meeting on 26 February 2011. The attendance of members at the Audit Committee meetings held during the financial year ended 31 March 2012, is reflected below:

Name	Designation	Directorship	Attendance at Committee Meetings
Datin Sunita Mei-Lin Rajakumar	Chairperson	Independent Non-Executive Director	2/2
Zainul Rahim bin Mohd Zain	Member	Non-Independent Non-Executive Director (Chairman)	2/2
Zainol Izzet bin Mohamed Ishak	Member	Independent Non-Executive Director	2/2
Tay Chin Kwang*	Member	Independent Non-Executive Director	0/0

* Appointed on 14 June 2012

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> Audit Committee Report

Terms Of Reference

The Audit Committee is governed by the Terms of Reference, an extract of which is stated below.

1.0 Objectives

The Audit Committee shall assist the Board in:

(a) complying with specified accounting standards and required disclosure as administered by Bursa Securities, relevant accounting standards bodies, and any other laws and regulations as amended from time to time;

(b) presenting a balanced and comprehensible assessment of the Company's position and prospects;

(c) establishing a formal and transparent structure for maintaining an appropriate relationship with the Company's auditors; and

(d) maintaining a sound system of internal controls to safeguard shareholders' investments and the Company's assets.

2.0 Powers

In carrying out its duties and responsibilities, the Audit Committee shall have the following rights:

(a) the explicit authority to investigate any matter within its Terms of Reference;

(b) access to the resources which are required to perform its duties;

(c) full, free and unrestricted access to any information, records, properties and personnel of the Company;

(d) direct communication channels with the external and internal auditors;

(e) ability to obtain independent professional or other advice, and to invite external parties with relevant experience to attend the Audit Committee meetings, if required, and to brief the Audit Committee thereof;

(f) ability to convene meetings with external and internal auditors, or both, whenever deemed necessary, excluding the attendance of other Directors and employees of the Company;

(g) promptly report to Bursa Securities where a matter reported by the Audit Committee to the Board has not been satisfactorily resolved resulting in a breach of the MMLR; and

(h) the attendance of any particular Audit Committee meeting by other Directors and employees of the Company shall be at the Audit Committee's invitation and discretion, and specific to that relevant meeting only.

3.0 Duties And Responsibilities

External Audit

(a) Nominate and recommend the external auditors for appointment, to consider the adequacy of experience, resources, audit fee and any issue regarding resignation or dismissal of the external auditors;

(b) Review with the external auditors, the nature, scope and plan of the audit before the audit commences and report the same to the Board;

(c) Ensure co-ordination if more than one audit firm is involved in the audit;

(d) Review with the external auditors, their audit report and report the same to the Board;

(e) Review with the external auditors, their evaluation of the system of internal controls and report the same to the Board;

(f) Review the assistance given by the employees of the Company to the external auditors and report the same to the Board;

(g) Review any letter of resignation from the external auditors and report the same to the Board;

(h) Review whether there is reason, supported by grounds, to believe that the external auditors are not suitable for reappointment and report the same to the Board;

(i) Discuss problems and reservations, if any, arising from the interim and final audits, and any matter which the external auditors wishes to discuss in the absence of the Management, where necessary; and

(j) Discuss and review the external auditor's management letter and management response.

Internal Audit

(a) Review and report the same to the Board on the adequacy of the scope, functions and resources of the internal audit function, and that it has the necessary authority to carry out its work;

(b) Review and report the same to the Board on the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken, and whether or not appropriate action is taken on the recommendations of the internal audit function;

(c) Ensure that appropriate action is taken on the recommendations of the internal auditors, where necessary;

(d) Review the assistance and co-operation given by the employees of the Company to the internal auditors;

(e) Review any appraisal or assessment of the performance of the internal auditors;

(f) Approve any appointment or termination of the internal auditors; and

(g) Inform itself of the resignation of internal auditors and request the resigning firm to submit its reasons for resigning.

Risk Assessment

During the risk assessment process, the following shall be considered:

(a) Principal risks and the process of identification, evaluation and management of the principal risks;

(b) Effectiveness of internal control systems deployed by the Management to address those risks;

(c) Corrective measures undertaken to remedy failings and/or weaknesses;

(d) Further requirement for extensive monitoring;

(e) Ability of the Company to meet changes in significant risks and respond to constant changes to the business and/or external environment;

(f) Scope and quality of the Management's ongoing monitoring of risks and the work of internal audit, and other assurance service providers on the robustness of the risk management process;

(g) Communication and monitoring of risk assessment results to the Board; and

(h) Actual and potential impact of any failing or weakness, particularly those related to financial performance or conditions affecting the Company.

Others

(a) Prior to the approval of the Board, review the quarterly and year-end financial statements and report the same to the Board, focusing particularly on:

   i. any major changes in accounting policies and practices;
   ii. significant and unusual events;
   iii. the going concern assumption; and
   iv. compliance with accounting standards and other statutory requirements.

(b) Review any related party transactions and conflict of interest situation that may arise within the Company including any transaction, procedure or course of conduct that raises questions of management integrity and report the same to the Board;

(c) Discuss and review the major findings of any internal investigations and the Management's response;

(d) Review the statement with regard to the state of internal controls of the Company and report the same to the Board;

(e) Oversee the Company's internal control structure to ensure operational effectiveness and efficiency, reduce risk of inaccurate financial reporting, protect the Company's assets from misappropriation and encourage legal and regulatory compliance;

(f) Submit recommendations, where necessary, to the Board for approval;

(g) Perform any other work that it is required or empowered to do by statutory legislation or guidelines as prepared by the relevant government authorities; and

(h) Consider other topics as defined by the Board.

Summary Of The Audit Committee Activities For The Financial Year Ended 31 March 2012

During the financial year ended 31 March 2012, the following activities were carried out:-

(a) Reviewed the audited financial report for the financial year ended 31 March 2011 of the Group as well as the statutory auditors' report thereon prior to submission to the Board for their consideration and approval, upon being satisfied that, inter alia, they were drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable approved Financial Reporting Standards (FRS) issued by the Malaysian Accounting Standards Board;

(b) Reviewed, sought management and external auditors' explanations, and approved the half-yearly financial results including the related announcements to Bursa Securities for the period ended 30 September 2011 before recommending the same for approval by the Board upon being satisfied that, it complies with the applicable approved FRS, MMLR of Bursa Securities and other relevant regulatory requirements.

(c) Discussed with external auditors of the Group on the following:-

- key findings from their review of the audited financial statements and the half-yearly financial results of the Group; and
- any other pertinent issues which in the opinion of the external auditors should be highlighted to the Audit Committee.

(d) Oversaw the poll at the Company's Extraordinary General Meeting on 21 March 2012 and worked with the Company Secretary and Independent Scrutineers to ensure voting on Qualifying Acquisition was conducted appropriately and transparently.

Internal Audit Function

The internal audit function was not established during the financial year as the Company remained a Special Purpose Acquisition Company.

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> Statement on Internal Control

Responsibility

The Board of Directors recognises the importance of sound internal control and risk management systems to safeguard shareholders' investments and the Group's assets. The Board affirms its overall responsibility for the Group's internal control and risk management systems, which include the establishment of an appropriate control environment and framework as well as reviewing its adequacy and integrity. The internal control and risk management systems of the Group were based on the status of the Company as a Special Purpose Acquisition Company (SPAC) during the financial year.

To facilitate its responsibilities, the Board had tasked the Management to identify and assess principal risks faced by the Group and thereafter design, implement and monitor appropriate systems to manage those risks. As there are limitations that are inherent in any internal control and risk management systems, the system designed can manage rather than eliminate risks that impact the achievement of the Group's business objectives. Accordingly, it can only provide reasonable but no absolute assurance against material misstatement or loss. The system of internal control covers, inter alia, financial, operational and compliance controls, as well as risk management procedures.

Key Elements Of The Internal Control And Risk Management Systems Of The Company

In view of the Company's status as a SPAC, the Company did not establish an Internal Audit Department function during the financial year. Nonetheless, there is an ongoing process for identifying, evaluating, monitoring and managing risks faced by the Group. This process has been in place throughout the year under review, and is applied consistently throughout the Group and is regularly reviewed.

The Group's internal control and risk management systems during the financial year encompassed, amongst others, the following key policies and processes which were suited to the Company's status as a SPAC:-

1. Identification and Completion of the Qualifying Acquisition

a. *Selection and review of targets for the Qualifying Acquisition*

An extensive identification and selection process of target opportunities was conducted by the Management after the Company's listing on 25 July 2011. The Management had reviewed at least 14 opportunities relating to oil and gas exploration and production prospects located in Oman, India, Vietnam, Indonesia, Philippines, Australia, Papua New Guinea and Thailand. Of these, four were shortlisted before the Board finally selected the acquisition of a 35% equity stake in Lime Petroleum Plc (Lime) as the Company's Qualifying Acquisition (Lime Acquisition).

The Board and the Management selection criteria was based on the broad strategy of the Group, as had been set out in the Company's Prospectus dated 30 June 2011, and a more detailed consideration of other factors under the following criteria:-

- Technical criteria (for example, passive or active technical role of the Company, subsurface considerations and risks, operational risks, environmental and exploitation considerations);
- Commercial criteria (for example, fiscal terms of concessions, venture partners, financial returns).
- Geo-political criteria (for example, whether the prospects considered were located in politically stable and secure areas within the Company's regions of interest namely South Asia, Middle East, East Asia and Oceania); and
- SPAC listing criteria wherein the Board had to ensure that the total consideration to be paid resulted, in aggregate of at least RM170 million (being 80% of the aggregate amount in the Trust Account) being expended so that the recommendation would be suitable as a Qualifying Acquisition. Under the Equity Guidelines issued by the Securities Commission, a Trust Account is to be maintained by an independent custodian, to hold and deal with part of the Initial Public Offering (IPO) trust proceeds (being 90% of the gross proceeds raised by our Company in the IPO, including accrued interest) on behalf of our Company. The fair market value of a Qualifying Acquisition is required to be at least 80% of the aggregate amount then on deposit in the Trust Account.

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b. *Execution and completion of the Lime Acquisition as a Qualifying Acquisition*

Extensive technical, legal and financial due diligence reviews were carried out by independent external experts prior to execution of the transaction agreements in relation to the Lime Acquisition. Experienced local and foreign advisors were appointed to perform such reviews and to provide advice on legal, financial, technical and regulatory matters.

Comprehensive reports with respect to the Lime Acquisition were presented to the Board. Key advisors were also invited to brief the Board on their findings on the Lime Acquisition. After extensive discussions and reviews, the Board deliberated and approved the Lime Acquisition, which was then recommended to the Company's shareholders at the Extraordinary General Meeting (EGM) on 21 March 2012, for their approval. The voting procedure at the EGM was by way of poll, and verified by independent scrutineers.

2. Clear and Structured Organisational Reporting Lines

The Group has a well-defined organisation structure that is aligned to its business requirements and also to ensure check and balance through segregation of duties. Clear reporting lines and authority limits govern the approval process, driven by Limits of Authority set by the Board.

All key strategic, business and investment plans are approved and monitored by the Board. Comprehensive Board papers, which include both financial and non-financial matters such as cashflow forecasts, business strategies, corporate exercises, and any other key matters to consider of the Group, were escalated to the Board for deliberation and approval.

3. Strategic Business Planning, Budgeting and Reporting

The Group's overall strategic business plan that maps out its objectives and business direction, with focus on the Lime Group, was presented by the Management to the Board for their deliberation and clearance. The Management has provided the Board with regular updates on the corporate activities as well as the progress of work activities within the Lime Group performed by the Hibiscus Petroleum Group in its capacity as Project Manager of the Middle East concessions of the Lime Group. The Management also regularly reviewed with the Board, issues covering, but not restricted to, strategy, performance, resources and standards of business conduct.

4. Cash investments and Monitoring

Under the Equity Guidelines issued by the Securities Commission, the cash in the Trust Account raised from the IPO may only be invested in securities issued by the Malaysian government, money market instruments and AAA-rated papers prior to the completion of the Qualifying Acquisition. After taking into consideration key factors such as returns, tenure and risks, the Management had recommended, and the Board had approved, the investment of the proceeds raised in the most suitable money market instrument.

In view of the limited cash available to the Group prior to the completion of the Qualifying Acquisition, cashflows were closely monitored, and reported to the Board on a regular basis.

5. Limits of Authority (LOA)

The Board's approving authority is delegated to the Management through a clear and formally defined LOA which deal with areas of corporate, financial, operational, human resource, and work plan and budget. The LOA is the primary instrument that governs and manages the Group's business decision process. Whilst the objective of the LOA is to empower the Management, the key principle adhered to in its formulation is to ensure that a system of internal controls of checks and balance are incorporated therein. The LOA is periodically reviewed and updated to ensure its relevance to the Group's business.

As required by paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the external auditors have reviewed this Statement on Internal Control. Their review was performed in accordance with Recommended Practice Guide (RPG) 5 issued by the Malaysian Institute of Accountants. Based on their review, the external auditors have reported to the Board that nothing has come to their attention which causes them to believe that this statement is inconsistent with their understanding of the process the Board has adopted in their review of the adequacy and integrity of internal control of the Group. RPG 5 does not require the external auditors to, and they did not, consider whether this statement covers all risks and controls, or to form an opinion on the effectiveness of the Group's risk and control procedures.

> Additional Compliance Information

1. Material Contracts Involving Directors and Major Shareholders' Interest

Save as disclosed below, there were no other material contracts of the Company and its subsidiaries involving directors' and major shareholders' interest, either still subsisting at the end of the financial year or entered into since the end of the previous financial year:

(a) Deed Poll between Hibiscus Petroleum and the Warrants-B holders dated 8 June 2011 which governs the subscription and exercise of the Warrants-B into ordinary shares of the Company.

(b) The Service Agreement between Hibiscus Petroleum and Dr Kenneth Gerard Pereira dated 1 January 2011 to appoint him as Managing Director of Hibiscus Petroleum.

2. Non-Audit Fees

During the financial year under review, non-audit fees paid to external auditors of the Company amounted to RM143,000.

> The Board Of Directors' Responsibility Statement

In Respect Of The Preparation Of The Financial Statements

The Board of Directors is required by the Companies Act, 1965 to prepare financial statements for each financial year which have been made out in accordance with the applicable approved accounting standards in Malaysia, that give a true and fair view of the financial position of the Group and of the Company at the end of the financial year and of the results and cash flows of the Group and of the Company for the financial year then ended.

The Board of Directors consider that in preparing the financial statements of the Group and of the Company:

- appropriate accounting policies have been used and consistently applied;
- reasonable and prudent judgments and estimates were made;
- all applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965 have been complied with; and
- the going concern basis used is appropriate and valid.

The Board of Directors has responsibility for ensuring that the Group keeps accounting records which disclose with reasonable accuracy the financial position of the Group and of the Company to enable them to ensure the financial statements comply with the Companies Act, 1965.

The Board of Directors has overall responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and for the implementation and continued operation of adequate accounting and internal control systems for the prevention of fraud and other irregularities.

The Board is satisfied that it has met its obligation to present a balanced and comprehensible assessment of the Group's position and prospects in the Directors' Report at pages 59 to 63 and the Financial Statements from pages 67 to 104 of this Annual Report.

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> Directors' Report

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2012.

Principal Activities

The Company is principally engaged in the business of investment holding and the provision of project management, technical and other services relating to the oil and gas exploration and production industry. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

Results

	The Group RM	The Company RM
Loss after taxation for the financial year	(4,884,245)	(4,921,097)
Attributable to:-		
Owners of the Company	(4,884,245)	(4,921,097)

Dividends

No dividend was paid since the end of the previous financial year and the directors do not recommend the payment of any dividend for the current financial year.

Reserves And Provisions

All material transfers to or from reserves or provisions during the financial year are disclosed in the financial statements.

Issues Of Shares And Debentures

During the financial year,

(a) the Company increased its authorised capital from 89,000,000 ordinary shares to 2,400,000,000 ordinary shares of RM0.01 each, and from 11,000,000 Redeemable Convertible Preference Shares ("**RCPS**") to 100,000,000 RCPS of RM0.01 each.

(b) the Company increased its issued and paid-up share capital from RM2 to RM4,180,479 by way of the following:-

(i) conversion of 8,361,120 RCPS into 83,611,200 new ordinary shares of RM0.01 each;

(ii) capitalisation of initial investors' utilisation amount into 6,666,667 new ordinary shares of RM0.01 each at an issue price of RM0.45 per share;

(iii) subscription by the initial investors of 15,555,555 new ordinary shares of RM0.01 each at an issue price of RM0.45 per share;

(iv) public issue pursuant to the Company's listing of 312,214,300 new ordinary shares of RM0.01 each at an issue price of RM0.75 per share.

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company; and

(c) there were no issues of debentures by the Company.

Options Granted Over Unissued Shares

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

Warrants

Warrants-A
The Warrants-A were issued in registered form and are constituted by the Warrants-A Deed Poll. The Warrants-A are listed on the Main Market of Bursa Malaysia and are exercisable anytime during the period commencing from 18 April 2012 up to 24 July 2014.

The terms of Warrants-A are disclosed in Note 11 to the financial statements. As at 31 March 2012, all Warrants-A remained unexercised.

Warrants-B
The Warrants-B were issued in registered form and are constituted by the Warrants-B Deed Poll. The Warrants-B are not listed and are exercisable anytime during the period commencing from 18 April 2012 up to 24 July 2014.

The terms of Warrants-B are disclosed in Note 11 to the financial statements. As at 31 March 2012, all Warrants-B remained unexercised.

Note:-
The Warrants-B are held by Hibiscus Upstream Sdn. Bhd. ***("Hibiscus Upstream")****, a company set up to hold ordinary shares of RM0.01 each and Warrants-B of the Company on behalf of the Company's non-independent directors and management team. Presently, there is a 50% moratorium imposed on the sale, transfer or assignment of shares and Warrants-B held by Hibiscus Upstream, which expires on 17 April 2013.*

The ordinary shares issued from the exercise of warrants shall rank pari passu in all respects with the existing issued ordinary shares of the Company except that they shall not be entitled to any dividends, distributions, rights, allotments and/or any other forms of distribution where the entitlement date of which precedes the relevant date of the allotment and issuance of the new shares arising from the exercise of warrants.

Bad And Doubtful Debts

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that actions had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and satisfied themselves that there are no known bad debts and that no allowance for impairment losses on receivables is required.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or the allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

Valuation Methods

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

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Current Assets

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that any current assets other than debts, which were unlikely to be realised in the ordinary course of business, including their values as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

Contingent And Other Liabilities

At the date of this report, there does not exist:-

(i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

Change Of Circumstances

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

Items Of An Unusual Nature

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year.

Directors

The directors who served since the date of the last report are as follows:-

Zainul Rahim Bin Mohd Zain
Dr Kenneth Gerard Pereira
Dr Rabi Narayan Bastia
Zainol Izzet Bin Mohamed Ishak
Datin Sunita Mei-Lin Rajakumar
Roushan A/L Arumugam (Appointed on 25.7.2011)
Tay Chin Kwang (Appointed on 14.6.2012)

> **Directors' Report**

Directors' Interests

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in ordinary shares in the Company and its related corporations during the financial year are as follows:-

	Number Of Ordinary Shares Of RM0.01 Each			
	At 1.4.2011	Allotted/ Bought	Sold	At 31.3.2012
Indirect Interests:-				
Dr Kenneth Gerard Pereira*	200	83,611,200	–	83,611,400
Datin Sunita Mei-Lin Rajakumar**	–	100,000	–	100,000
Roushan A/L Arumugam***	–	30,415,000	–	30,415,000

Deemed interested via his 57.41% equity interest in Hibiscus Upstream.
** *Deemed interested via her spouse's (Datuk Dr Jeyaindran C Sinnadurai) shareholdings in the Company.*
*** *Deemed interested via his 90% equity interest in Littleton Holdings Pte. Ltd.*

	Number Of RCPS Of RM0.01 Each			
	At 1.4.2011	Bought	Exercised	At 31.3.2012
Indirect Interest:-				
Dr Kenneth Gerard Pereira*	10,555,000	–	(8,361,120)	2,193,880

* *Deemed interested via his 57.41% equity interest in Hibiscus Upstream.*

	Number Of Warrants-A			
	At 1.4.2011	Allotted/ Bought	Sold	At 31.3.2012
Indirect Interests:-				
Datin Sunita Mei-Lin Rajakumar**	–	1,000,000	–	1,000,000
Roushan A/L Arumugam***	–	23,000,000	–	23,000,000

	Number Of Warrants-B			
	At 1.4.2011	Allotted	Sold	At 31.3.2012
Indirect Interest:-				
Dr Kenneth Gerard Pereira*	–	83,611,200	–	83,611,200

* *Deemed interested via his 57.41% equity interest in Hibiscus Upstream.*
** *Deemed interested via her spouse's (Datuk Dr Jeyaindran C Sinnadurai) warrant holdings in the Company.*
*** *Deemed interested via his 90% equity interest in Littleton Holdings Pte. Ltd.*

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Directors' Benefits

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as shown in the financial statements, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 21 to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate other than the warrants issued by the Company.

Significant Events During/Subsequent To The Financial Year

The significant events during/subsequent to the financial year are disclosed in Note 26 to the financial statements.

Signed In Accordance With A Resolution Of The Directors
Dated 23 July 2012

Dr Kenneth Gerard Pereira **Zainol Izzet Bin Mohamed Ishak**

> Statement By Directors

We, Dr Kenneth Gerard Pereira and Zainol Izzet Bin Mohamed Ishak, being two of the directors of Hibiscus Petroleum Berhad, state that, in the opinion of the directors, the financial statements set out on pages 67 to 104 are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company at 31 March 2012 and of their results and cash flows for the financial year then ended.

The supplementary information set out in Note 28 which is not part of the financial statements, is prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed In Accordance With A Resolution Of The Directors
Dated 23 July 2012

Dr Kenneth Gerard Pereira

Zainol Izzet Bin Mohamed Ishak

> Statutory Declaration

I, Joyce Theresa Sunita Vasudevan, being the officer primarily responsible for the financial management of Hibiscus Petroleum Berhad, do solemnly and sincerely declare that the financial statements set out on pages 67 to 104 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
Joyce Theresa Sunita Vasudevan
at Kuala Lumpur in the Federal Territory
on this 23 July 2012

Joyce Theresa Sunita Vasudevan

Before me

Mohammad Roslan Bin Mustafa
COMMISSIONER FOR OATHS

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> Independent Auditors' Report

To The Members Of Hibiscus Petroleum Berhad
(Incorporated in Malaysia) Company No: 798322-P

Report On The Financial Statements

We have audited the financial statements of Hibiscus Petroleum Berhad, which comprise the statements of financial position as at 31 March 2012 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 67 to 104.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 March 2012 and of their financial performance and cash flows for the financial year then ended.

> Independent Auditors' Report
To The Members Of Hibiscus Petroleum Berhad

Report On Other Legal And Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia ("**Act**"), we also report the following:-

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.

(b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(c) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

The supplementary information set out in Note 28 on page 105 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Horwath
Firm No: AF 1018
Chartered Accountants

Lee Kok Wai
Approval No: 2760/06/14 (J)
Chartered Accountant

Kuala Lumpur
23 July 2012

> Statements Of Financial Position

At 31 March 2012

	Note	The Group	The Company	
		2012 RM	2012 RM	2011 RM
Assets				
NON-CURRENT ASSETS				
Investments in subsidiaries	5	**–**	**169,862,008**	–
Investment in a jointly controlled entity	6	**12,258,000**	**–**	–
Equipment	7	**659,756**	**659,756**	6,063
		12,917,756	**170,521,764**	6,063
CURRENT ASSETS				
Other receivables, deposits and prepayments		**217,179**	**213,042**	411,795
Amounts owing by subsidiaries	8	**–**	**1,842,899**	–
Amount owing by a jointly controlled entity	9	**1,854,930**	**–**	–
Fixed deposits with licensed banks	10	**50,016,303**	**50,016,303**	2,303,649
Cash and bank balances		**168,507,696**	**168,467,289**	212,745
		220,596,108	**220,539,533**	2,928,189
TOTAL ASSETS		**233,513,864**	**391,061,297**	2,934,252
Equity And Liabilities				
EQUITY				
Share capital	11	**4,180,479**	**4,180,479**	2
Other reserves	12	**234,053,243**	**235,367,598**	–
Accumulated losses		**(6,089,018)**	**(6,125,870)**	(1,204,773)
		232,144,704	**233,422,207**	(1,204,771)
NON-CURRENT LIABILITY				
Deferred tax liabilities	13	**41,000**	**41,000**	–
CURRENT LIABILITIES				
Other payables and accruals		**627,495**	**609,850**	83,523
Amounts owing to subsidiaries	8	**–**	**156,289,500**	–
Amounts owing to related parties	9	**–**	**–**	3,000,000
Provision for taxation		**481,277**	**479,352**	–
Redeemable Convertible Preference Shares ("**RCPS**")	14	**219,388**	**219,388**	1,055,500
		1,328,160	**157,598,090**	4,139,023
TOTAL LIABILITIES		**1,369,160**	**157,639,090**	4,139,023
TOTAL EQUITY AND LIABILITIES		**233,513,864**	**391,061,297**	2,934,252

The annexed notes form an integral part of these financial statements.

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> Statements Of Comprehensive Income

For The Financial Year Ended 31 March 2012

	Note	The Group	The Company	
		2012 RM	2012 RM	2011 RM
REVENUE	15	**7,961,142**	**6,927,300**	15,409
Administrative expenses		**(6,269,513)**	**(5,282,620)**	(902,368)
Other expenses		**(6,049,944)**	**(6,041,765)**	(306,931)
LOSS BEFORE TAXATION	16	**(4,358,315)**	**(4,397,085)**	(1,193,890)
Income tax expense	17	**(525,930)**	**(524,012)**	–
LOSS AFTER TAXATION		**(4,884,245)**	**(4,921,097)**	(1,193,890)
Other comprehensive expenses, net of tax:-				
Foreign currency translation		**(1,314,355)**	**–**	–
TOTAL COMPREHENSIVE EXPENSES FOR THE FINANCIAL YEAR		**(6,198,600)**	**(4,921,097)**	(1,193,890)
LOSS AFTER TAXATION ATTRIBUTABLE TO:-				
Owners of the Company		**(4,884,245)**	**(4,921,097)**	(1,193,890)
TOTAL COMPREHENSIVE EXPENSES ATTRIBUTABLE TO:-				
Owners of the Company		**(6,198,600)**	**(4,921,097)**	(1,193,890)
LOSS PER SHARE (SEN)				
Basic	18	**(3.43)**		
Diluted	18	**Not Applicable**		

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> Statements Of Changes In Equity

For The Financial Year Ended 31 March 2012

	<— Non-Distributable			—>		
	Share Capital RM	Share Premium RM	Warrant Reserve RM	Foreign Exchange Reserve RM	Accumulated Losses RM	Total RM
The Group						
At 1.4.2010	2	–	–	–	(10,883)	(10,881)
Loss after taxation/ Total comprehensive expenses for the financial year	–	–	–	–	(1,193,890)	(1,193,890)
At 31.3.2011/1.4.2011	2	–	–	–	(1,204,773)	(1,204,771)
Loss after taxation	**–**	**–**	**–**	**–**	**(4,884,245)**	**(4,884,245)**
Other comprehensive expenses, net of tax:						
Foreign currency translation	**–**	**–**	**–**	**(1,314,355)**	**–**	**(1,314,355)**
Total comprehensive expenses for the financial year	**–**	**–**	**–**	**(1,314,355)**	**(4,884,245)**	**(6,198,600)**
Contributions by owners of the Company:-						
– Conversion of RCPS	**836,112**	**–**	**–**	**–**	**–**	**836,112**
– Capitalisation of initial investors' utilisation amount and subscription by initial investors	**222,222**	**3,111,111**	**6,666,667**	**–**	**–**	**10,000,000**
– Public issue pursuant to Company's listing ("**Public Issue**")	**3,122,143**	**137,374,292**	**93,664,290**	**–**	**–**	**234,160,725**
– Share issuance costs	**–**	**(3,269,257)**	**(2,179,505)**	**–**	**–**	**(5,448,762)**
At 31.3.2012	**4,180,479**	**137,216,146**	**98,151,452**	**(1,314,355)**	**(6,089,018)**	**232,144,704**

The annexed notes form an integral part of these financial statements.

> Statements Of Changes In Equity
For The Financial Year Ended 31 March 2012

	<—— Non-Distributable ——>				
	Share Capital RM	Share Premium RM	Warrant Reserve RM	Accumulated Losses RM	Total RM
The Company					
At 1.4.2010	2	–	–	(10,883)	(10,881)
Loss after taxation/Total comprehensive expenses for the financial year	–	–	–	(1,193,890)	(1,193,890)
At 31.3.2011/1.4.2011	2	–	–	(1,204,773)	(1,204,771)
Loss after taxation/Total comprehensive expenses for the financial year	**–**	**–**	**–**	**(4,921,097)**	**(4,921,097)**
Contributions by owners of the Company:-					
– Conversion of RCPS	**836,112**	**–**	**–**	**–**	**836,112**
– Capitalisation of initial investors' utilisation amount and subscription by initial investors	**222,222**	**3,111,111**	**6,666,667**	**–**	**10,000,000**
– Public Issue	**3,122,143**	**137,374,292**	**93,664,290**	**–**	**234,160,725**
– Share issuance costs	**–**	**(3,269,257)**	**(2,179,505)**	**–**	**(5,448,762)**
At 31.3.2012	**4,180,479**	**137,216,146**	**98,151,452**	**(6,125,870)**	**233,422,207**

The annexed notes form an integral part of these financial statements.

> Statements Of Cash Flows

For The Financial Year Ended 31 March 2012

	Note	The Group	The Company	
		2012 RM	2012 RM	2011 RM
Cash Flows For Operating Activities				
Loss before taxation		**(4,358,315)**	**(4,397,085)**	(1,193,890)
Adjustments for:-				
Depreciation of equipment		**115,489**	**115,489**	357
Interest income		**(6,112,381)**	**(6,112,381)**	(15,409)
Unrealised loss on foreign exchange		**11,702**	**3,523**	–
Listing expenses		**216,456**	**216,456**	306,576
Qualifying Acquisition expenses		**5,706,297**	**5,706,297**	–
Operating loss before working capital changes		**(4,420,752)**	**(4,467,701)**	(902,366)
Decrease/(Increase) in other receivables, deposits and prepayments		**194,616**	**198,753**	(411,795)
Increase in other payables and accruals		**294,275**	**276,623**	71,703
Increase in amount owing by a subsidiary		**–**	**(814,919)**	–
Increase in amount owing by a related party		**(1,854,930)**	**–**	–
Cash Used In Operations		**(5,786,791)**	**(4,807,244)**	(1,242,458)
Income tax paid		**(3,660)**	**(3,660)**	–
Net Cash Used In Operating Activities		**(5,790,451)**	**(4,810,904)**	(1,242,458)
Cash Flows (For)/From Investing Activities				
Purchase of equipment		**(769,182)**	**(769,182)**	(6,420)
Interest received		**6,112,381**	**6,112,381**	15,409
Qualifying Acquisition expenses paid		**(5,456,593)**	**(5,456,593)**	–
Investments in subsidiaries		**–**	**(169,862,008)**	–
Investment in a jointly controlled entity		**(12,258,000)**	**–**	–
Net Cash (Used In)/Generated From Investing Activities		**(12,371,394)**	**(169,975,402)**	8,989
Cash Flows From Financing Activities				
Advances from related parties		**–**	**–**	3,000,000
Advances from subsidiaries		**–**	**156,305,338**	–
Proceeds from issuance of ordinary shares		**241,160,726**	**241,160,726**	–
Proceeds from issuance of RCPS		**–**	**–**	1,055,500
Share issuance costs paid		**(5,448,763)**	**(5,448,763)**	–
Listing expenses paid		**(216,456)**	**(216,456)**	(306,576)
Net Cash Generated From Financing Activities		**235,495,507**	**391,800,845**	3,748,924
Net Increase In Cash And Cash Equivalents		**217,333,662**	**217,014,539**	2,515,455
Effects Of Foreign Currency Translation And Loss On Foreign Exchange		**(1,326,057)**	**(1,047,341)**	–
Cash And Cash Equivalents At Beginning Of The Financial Year		**2,516,394**	**2,516,394**	939
Cash And Cash Equivalents At End Of The Financial Year	19	**218,523,999**	**218,483,592**	2,516,394

The annexed notes form an integral part of these financial statements.

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> Notes To The Financial Statements

For The Financial Year Ended 31 March 2012

1. General Information

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office and principal place of business are as follows:-

Registered office	:	Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur.
Principal place of business	:	2nd Floor, Syed Kechik Foundation Building, Jalan Kapas, Bangsar, 59100 Kuala Lumpur.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 23 July 2012.

2. Principal Activities

The Company is principally engaged in the business of investment holding and the provision of project management, technical and other services relating to the oil and gas exploration and production industry. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. Basis Of Preparation

The financial statements of the Group and of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Financial Reporting Standards ("**FRS**") and the Companies Act, 1965 in Malaysia.

(a) During the current financial year, the Group has adopted the following new accounting standards and interpretations (including the consequential amendments):-

FRSs and IC Interpretations (including the Consequential Amendments)

FRS 1 (Revised) First-time Adoption of Financial Reporting Standards
FRS 3 (Revised) Business Combinations
FRS 127 (Revised) Consolidated and Separate Financial Statements
Amendments to FRS 1 (Revised) Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 1 (Revised) Additional Exemptions for First-time Adopters
Amendments to FRS 2 Scope of FRS 2 and FRS 3 (Revised)
Amendments to FRS 2 Group Cash-settled Share-based Payment Transactions
Amendments to FRS 5 Plan to Sell the Controlling Interest in a Subsidiary
Amendments to FRS 7 Improving Disclosures about Financial Instruments
Amendments to FRS 138 Consequential Amendments Arising from FRS 3 (Revised)
IC Interpretation 4 Determining Whether An Arrangement Contains a Lease
IC Interpretation 12 Service Concession Arrangements
IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17 Distributions of Non-cash Assets to Owners
IC Interpretation 18 Transfers of Assets from Customers
Amendments to IC Interpretation 9: Scope of IC Interpretation 9 and FRS 3 (Revised)
Annual Improvement to FRSs (2010)

3. Basis Of Preparation (Cont'd)

(a) The adoption of the above accounting standards and interpretations (including the consequential amendments) did not have any impact on the Group's financial statements, other than the following:-

(i) FRS 3 (Revised) – *Business Combinations* introduces significant changes to the accounting for business combinations, both at the acquisition date and post-acquisition, and requires greater use of fair values. In addition, all transaction costs, other than share and debt issue costs, will be expensed as incurred. This revised standard has been applied prospectively during the current financial year.

(ii) Amendments to FRS 7 – *Financial Instruments: Disclosures* expand the disclosure requirements in respect of fair value measurements and liquidity risk. In particular, the amendments require additional disclosure of fair value measurements by level of a fair value measurement hierarchy, as shown in Note 25 (e) to the financial statements. Comparatives are not presented by virtue of the exemption given in the amendments.

(iii) Amendments to FRS 101 (Revised) – *Presentation of Financial Statements* also clarify that an entity may choose to present the analysis of the items of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements. The Group has chosen to present the items of other comprehensive income in the statement of changes in equity.

(iv) FRS 127 (Revised) – *Consolidated and Separate Financial Statements* requires accounting for changes in ownership interests by the group in a subsidiary, whilst maintaining control, to be recognised as an equity transaction. When the group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. The revised standard also requires all losses attributable to the non-controlling interests to be absorbed by the non-controlling interests instead of by the parent. The Group has applied FRS 127 (Revised) prospectively during the current financial year with no financial impact on the financial statements of the Group, but may impact the accounting of its future transactions or arrangements.

(v) Annual Improvements to FRSs (2010) contain amendments to 11 accounting standards that result in accounting changes for presentation, recognition or measurement purposes. These amendments have no material impact on the financial statements of the Group upon their initial application except for the classification of the RCPS as current liability based on when cash settlement is required to be made, notwithstanding the fact that the Group could be required by the counterparty to settle in cash at any time subject to the sufficiency of funds (whether through profits or a new issue of shares or otherwise) which can be lawfully applied towards the redemption of the RCPS at the relevant time.

(b) The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments) that have been issued by the Malaysian Accounting Standards Board ("**MASB**") but are not yet effective for the current financial year:-

FRSs and IC Interpretations (including the Consequential Amendments)	Effective Date
FRS 9 Financial Instruments	1 January 2015
FRS 10 Consolidated Financial Statements	1 January 2013
FRS 11 Joint Arrangements	1 January 2013
FRS 12 Disclosure of Interests in Other Entities	1 January 2013
FRS 13 Fair Value Measurement	1 January 2013
FRS 119 (Revised) Employee Benefits	1 January 2013
FRS 124 (Revised) Related Party Disclosures	1 January 2012
FRS 127 (2011) Separate Financial Statements	1 January 2013
FRS 128 (2011) Investments in Associates and Joint Ventures	1 January 2013
Amendments to FRS 1 (Revised): Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	1 January 2012
Amendments to FRS 1 (Revised): Government Loans	1 January 2013

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3. Basis Of Preparation (Cont'd)

(b)

FRSs and IC Interpretations (including the Consequential Amendments) (Cont'd)	Effective Date
Amendments to FRS 7: Disclosures – Transfers of Financial Assets	1 January 2012
Amendments to FRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to FRS 9: Mandatory Effective Date of FRS 9 and Transition Disclosures	1 January 2015
Amendments to FRS 101 (Revised): Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to FRS 112: Recovery of Underlying Assets	1 January 2012
Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
IC Interpretation 15 Agreements for the Construction of Real Estate	Withdrawn on 19 November 2011
IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to IC Interpretation 14: Prepayments of a Minimum Funding Requirement	1 July 2011

The Group's next set of financial statements for the annual period beginning on 1 April 2012 will be prepared in accordance with the Malaysian Financial Reporting Standards ("**MFRSs**") issued by the MASB that will also comply with International Financial Reporting Standards ("**IFRSs**"). As a result, the Group will not be adopting the above accounting standards and interpretations (including the consequential amendments) that are effective for annual periods beginning on or after 1 January 2012.

(c) Following the issuance of MFRSs (equivalent to IFRSs) by the MASB on 19 November 2011, the Group will be adopting these new accounting standards in the next financial year. The possible change of the accounting policies is expected to have no material impact on the financial statements of the Group upon their initial application.

4. Significant Accounting Policies

(a) Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:-

(i) Depreciation of Equipment

The estimates for the residual values, useful lives and related depreciation charges for equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

The Group anticipates that the residual values of its equipment would be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount.

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, and therefore future depreciation charges may be revised.

(ii) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

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4. Significant Accounting Policies (Cont'd)

(a) Critical Accounting Estimates and Judgements (Cont'd)

(iii) Impairment of Non-Financial Assets

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(iv) Impairment of Trade and Other Receivables

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its loans and receivables financial assets and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgement to evaluate the adequacy of the allowance for impairment losses. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

(b) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 March 2012.

A subsidiary is defined as a company in which the parent company has the power, directly or indirectly, to exercise control over its financial and operating policies so as to obtain benefits from its activities.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are separately disclosed in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position. Total comprehensive income is attributed to non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

At the end of each reporting period, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity and attributed to owners of the parent.

Upon loss of control of a subsidiary, the profit or loss on disposal is calculated as the difference between:-

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and

(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained profits) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 139: Financial Instruments – Recognition and Measurement.

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4. Significant Accounting Policies (Cont'd)

(b) Basis of Consolidation (Cont'd)

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred also includes the fair value of a contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs, other than the costs to issue debt or equity securities, are expensed as incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

The Group has applied the FRS 3 (Revised) in accounting for business combinations from 1 April 2011 onwards. The change in accounting policy has been applied prospectively in accordance with the transitional provisions provided by the standard.

(c) Currency Translation

(i) Functional and Presentation Currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia, which is the functional and presentation currency of the Company.

(ii) Transactions and Balances

Transactions in a currency other than the functional currency are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rate at the reporting date are recognised in profit or loss.

Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

(iii) Translation of Group Entities' Financial Statements

The results and financial position of all the Group entities (none of which has the currency of hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:-

- Assets and liabilities are translated at the closing exchange rates at the reporting date;
- Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- All resulting currency translation differences are recognised in other comprehensive income and accumulated in the foreign exchange reserve.

On the disposal of a foreign operation, the cumulative amount recognised in other comprehensive income relating to that particular foreign operation is reclassified from equity to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

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4. Significant Accounting Policies (Cont'd)

(d) Financial Instruments

Financial instruments are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(i) Financial Assets

The Group classifies its financial assets in the following categories: at fair value through profit and loss, held-to-maturity, loans and receivables, and available-for-sale. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

- *Financial Assets at Fair Value Through Profit or Loss*

  This category has two subcategories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified as held for trading if it is acquired principally for the purpose of selling in the short term. Financial assets designated as at fair value through profit or loss at inception are those that are managed and their performances are evaluated on a fair value basis, in accordance with a documented Group investment strategy.

  Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are presented as current assets if they are either held for trading or are expected to be realised within 12 months after the reporting date.

  As at the end of the financial year, there were no financial assets classified under this category.

- *Held-to-Maturity Financial Assets*

  Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. If the Group were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. They are presented as non-current assets, except for those maturing within 12 months after the balance sheet date which are presented as current assets.

  As at the end of the financial year, there were no financial assets classified under this category.

> **Notes To The Financial Statements**
For The Financial Year Ended 31 March 2012

4. Significant Accounting Policies (Cont'd)

(d) Financial Instruments (Cont'd)

(i) Financial Assets (Cont'd)

- *Loans and Receivables Financial Assets*

  Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the reporting date which are presented as non-current assets. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

- *Available-for-Sale Financial Assets*

  Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless the investment matures or management intends to dispose of the assets within 12 months after the reporting date.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount in other comprehensive income relating to that asset is reclassified to profit or loss.

Trade receivables that are factored out to banks and other financial institutions with recourse to the Group are not derecognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as borrowings.

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately as expenses.

(ii) Financial Liabilities

All financial liabilities are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

(iii) Equity Instruments

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(iv) Redeemable Convertible Preference Shares ("RCPS")

FRS 132 – *Financial Instruments: Presentation* requires the Company as an issuer of a financial instrument to classify the instrument either as a liability or equity in accordance with the substance of the contractual arrangement on initial recognition. Consequently, RCPS, which amongst other conditions are redeemable at the option of the holder of the RCPS and carry non-cumulative dividend obligations, are classified as current liabilities under such circumstances. The RCPS are not entitled to any dividend.

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4. Significant Accounting Policies (Cont'd)

(e) Investments in Subsidiaries

Investments in subsidiaries are carried at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amounts of the investments is recognised in profit or loss.

(f) Investment in a Jointly Controlled Entity

A jointly controlled entity is a joint venture that involves the establishment of a corporation, partnership or other entity in which the Group has an interest. A joint venture is a contractual arrangement whereby the Group and one or more of other parties undertake an economic activity that is subject to joint control, which is the contractually agreed sharing of control over an economic activity, and exists only when the strategic, financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control.

An investment in a jointly controlled entity is accounted for using the equity method, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the jointly controlled entity. The profit or loss of the Group includes its share of the profit or loss of the jointly controlled entity.

If the Group's share of losses of a jointly controlled entity equals or exceeds its interest in the jointly controlled entity, the Group discontinues recognising its share of further losses. The interest in a jointly controlled entity is the carrying amount of the investment in the jointly controlled entity under the equity method together with any long term interests that, in substance, form part of the Group's net investment in the jointly controlled entity. After the Group's interest is reduced to zero, additional losses are provided for, and a liability is recognised, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the jointly controlled entity.

Unrealised gains on transactions between the Group and the jointly controlled entity are eliminated to the extent of the Group's interest in the jointly controlled entity. Unrealised losses are eliminated unless cost cannot be recovered.

On the disposal of the investment in a jointly controlled entity, the difference between the net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

(g) Equipment

Equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses, if any.

The costs of an item of equipment initially recognised include purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:-

Furniture and fittings	10%
Office equipment	20 – 33.33%
Office renovation	10%

> Notes To The Financial Statements
For The Financial Year Ended 31 March 2012

4. Significant Accounting Policies (Cont'd)

(g) Equipment (Cont'd)

The depreciation method, useful lives and residual values are reviewed, and adjusted as appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the equipment. The effects of any revision are recognised in profit or loss when the changes arise.

Subsequent expenditure relating to equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of parts that are replaced is derecognised. All other repair and maintenance expenses are recognised in profit or loss when incurred.

On disposal of an item of equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss.

(h) Impairment

(i) Impairment of Financial Assets

All financial assets (other than those categorised at fair value through profit or loss), are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. For an equity instrument, a significant or prolonged decline in the fair value below its cost is considered to be objective evidence of impairment.

An impairment loss in respect of held-to-maturity investments and loans and receivables financial assets is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the fair value reserve. In addition, the cumulative loss recognised in other comprehensive income and accumulated in equity under fair value reserve, is reclassified from equity to profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss made is recognised in other comprehensive income.

(ii) Impairment of Non-Financial Assets

The carrying values of assets, other than those to which FRS 136 – *Impairment of Assets* does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that these assets may be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value-in-use, which is measured by reference to discounted future cash flow.

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset.

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4. Significant Accounting Policies (Cont'd)

(h) Impairment (Cont'd)

(ii) Impairment of Non-Financial Assets (Cont'd)

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at its revalued amount. A reversal of an impairment loss on a revalued asset is credited to other comprehensive income. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the statements of comprehensive income, a reversal of that impairment loss is recognised as income in the statements of comprehensive income.

(i) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, fixed deposits with licensed banks, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(j) Provisions

Provisions are recognised when the Group has a present obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation.

(k) Income Taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences on investments in subsidiaries, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:-

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination is or a transaction which is recognised directly in equity. Deferred tax arising from business combination is adjusted against goodwill on acquisition, if any.

> Notes To The Financial Statements
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4. Significant Accounting Policies (Cont'd)

(l) Employee Benefits

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(i) Short-term Benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

(ii) Defined Contribution Plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Employee Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(m) Revenue

(i) Project Management, Technical and Other Services

Revenue is recognised upon the rendering of the project management, technical and other services relating to the oil and gas exploration and production industry, and when the outcome of the transaction can be reliably measured.

(ii) Interest Income

Interest income is recognised on an accrual basis.

(n) Related Parties

A party is related to an entity if:-

(i) directly, or indirectly through one or more intermediaries, the party:-
- controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
- has an interest in the entity that gives it significant influence over the entity; or
- has joint control over the entity;

(ii) the party is an associate of the entity;

(iii) the party is a joint venture in which the entity is a venturer;

(iv) the party is a member of the key management personnel of the entity or its parent;

(v) the party is a close member of the family of any individual referred to in (i) or (iv);

(vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or

(vii) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

Close members of the family of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

(o) Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

5. Investments In Subsidiaries

	The Company	
	2012 RM	**2011 RM**
Unquoted shares in Malaysia, at cost	**169,862,008**	–

The details of the subsidiaries are as follows:-

Name of Company	Principal Activities	Country of Incorporation	Effective Equity Interest 2012	Effective Equity Interest 2011
Gulf Hibiscus Limited ("**Gulf Hibiscus**")	Investment holding	Malaysia	**100%**	–
Hibiscus Oilfield Services Limited ("**Hibiscus Oilfield**")	Provision of project management, technical and other services	Malaysia	**100%**	–
Orient Hibiscus Sdn. Bhd. ("**Orient Hibiscus**")	Dormant	Malaysia	**100%**	–

6. Investment In A Jointly Controlled Entity

	The Group
	2012 RM
Unquoted shares outside Malaysia, at cost	**12,258,000**

Investment in a jointly controlled entity of the Group represents a 3.1% equity interest in Lime Petroleum Plc ("**Lime**") pursuant to the fulfillment of all Tranche One conditions as set out in the conditional share subscription agreement dated 24 October 2011 between Gulf Hibiscus and Lime. The status of the qualifying acquisition is disclosed in Note 26(b) of the financial statements.

As the Group has the ability to exercise significant influence over Lime since November 2011 through its representation on the board of Lime, which requires unanimous consent of the parties sharing control regardless of the equity interest held, the Group has classified its investment in Lime as an investment in a jointly controlled entity. However, as at 31 March 2012, the Group has not recognised its post-acquisition change in its share of net assets in Lime as the impact has been assessed to be immaterial.

> Notes To The Financial Statements
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7. Equipment

The Group/The Company	At 1.4.2011 RM	Additions RM	Depreciation Charge RM	At 31.3.2012 RM
Net Book Value				
Furniture and fittings	**–**	**120,028**	**(10,075)**	**109,953**
Office equipment	**6,063**	**501,094**	**(92,477)**	**414,680**
Office renovation	**–**	**148,060**	**(12,937)**	**135,123**
	6,063	**769,182**	**(115,489)**	**659,756**

	At 1.4.2010 RM	Addition RM	Depreciation Charge RM	At 31.3.2011 RM
Net Book Value				
Office equipment	–	6,420	(357)	6,063

The Group/The Company	At Cost RM	Accumulated Depreciation RM	Net Book Value RM
At 31.3.2012			
Furniture and fittings	**120,028**	**(10,075)**	**109,953**
Office equipment	**507,514**	**(92,834)**	**414,680**
Office renovation	**148,060**	**(12,937)**	**135,123**
	775,602	**(115,846)**	**659,756**
At 31.3.2011			
Office equipment	6,420	(357)	6,063

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8. Amounts Owing By/(To) Subsidiaries

	The Company	
	2012 RM	**2011 RM**
Amounts owing by subsidiaries:-		
Current		
Trade	**814,919**	–
Non-trade	**1,027,980**	–
	1,842,899	–
Amounts owing to subsidiaries:-		
Current		
Non-trade	**(156,289,500)**	–

The trade balance is receivable on demand and is to be settled in cash.

The non-trade balances represent unsecured interest-free advances and payments made on behalf. The amounts owing are receivable or repayable on demand and are to be received or settled in cash.

9. Amounts Owing By A Jointly Controlled Entity/(To) Related Parties

	The Group	The Company	
	2012 RM	**2012 RM**	**2011 RM**
Amount owing by a jointly controlled entity:-			
Current			
Trade	**1,854,930**	–	–
Amounts owing to related parties:-			
Current			
Non-trade	**–**	–	(3,000,000)

The amount owing by a jointly controlled entity is in relation to the provision of project management, technical and other services relating to the oil and gas exploration and production industry. The amount is unsecured and is to be settled in cash.

In the previous financial year, the amount owing to related parties was unsecured, interest-free and was advanced to the Company to defray expenses prior to the Company's listing. In the event that the Company's listing exercise had not been successful, the amount owing would have been waived by the related parties. As the Company's listing exercise was successful, the amount owing was subsequently capitalised into ordinary shares with detachable warrants.

10. Fixed Deposits With Licensed Banks

The weighted average effective interest rate of the fixed deposits with licensed banks of the Group and of the Company at the end of the reporting period is 3.4% (2011: 3.0%) per annum. The fixed deposits have a maturity period of 30 days (2011: 30 days).

> Notes To The Financial Statements
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11. Share Capital

The movements in the authorised share capital of the Company are as follows:-

	2012			2011		
	Par Value RM	Number Of Shares	Share Capital RM	Par Value RM	Number Of Shares	Share Capital RM
ORDINARY SHARES						
At 1.4.2011/2010	**0.01**	**89,000,000**	**890,000**	1.00	1,000,000	1,000,000
Increase during the financial year	**0.01**	**2,311,000,000**	**23,110,000**	–	–	–
Sub-division of the par value of ordinary shares of RM1.00 each into RM0.01 each	–	–	-	0.01	99,000,000	–
Divided into RCPS	–	–	–	0.01	(11,000,000)	(110,000)
At 31.3.2012/2011	**0.01**	**2,400,000,000**	**24,000,000**	0.01	89,000,000	890,000

The movements in the issued and paid-up share capital of the Company are as follow:-

	2012			2011		
	Par Value RM	Number Of Shares	Share Capital RM	Par Value RM	Number Of Shares	Share Capital RM
ORDINARY SHARES						
At 1.4.2011/2010	**0.01**	**200**	**2**	1.00	2	2
Capitalisation of initial investors' utilisation amount and subscription by initial investors	**0.01**	**22,222,222**	**222,222**	–	–	–
Public Issue	**0.01**	**312,214,300**	**3,122,143**	–	–	–
Conversion of RCPS	**0.01**	**83,611,200**	**836,112**	–	–	–
Sub-division of the par value of ordinary shares of RM1.00 each into RM0.01 each	–	–	–	0.01	198	–
At 31.3.2012/2011	**0.01**	**418,047,922**	**4,180,479**	0.01	200	2

During the financial year,

(a) the Company increased its authorised capital from 89,000,000 ordinary shares to 2,400,000,000 ordinary shares of RM0.01 each.

(b) the Company increased its issued and paid-up share capital from RM2 to RM4,180,479 by way of the following:-

(i) conversion of 8,361,120 RCPS into 83,611,200 new ordinary shares of RM0.01 each;

(ii) capitalisation of initial investors' utilisation amount into 6,666,667 new ordinary shares of RM0.01 each at an issue price of RM0.45 per share;

(iii) subscription by the initial investors of 15,555,555 new ordinary shares of RM0.01 each at an issue price of RM0.45 per share; and

(iv) Public Issue of 312,214,300 new ordinary shares of RM0.01 each at an issue price of RM0.75 per share.

The new ordinary shares issued rank pari passu in all respects with the existing shares of the Company.

11. Share Capital (Cont'd)

Warrants

Salient terms of Warrants-A

The Warrants-A were issued in registered form and are constituted by the Warrants-A Deed Poll. The Warrants-A are listed on the Main Market of Bursa Malaysia and are exercisable anytime during the period commencing from 18 April 2012 up to 24 July 2014.

Total issued : 334,436,522
Exercise price : RM0.50 per Warrant-A

As at 31 March 2012, all Warrants-A remained unexercised.

Salient terms of Warrants-B

The Warrants-B were issued in registered form and are constituted by the Warrants-B Deed Poll. The Warrants-B are not listed and are exercisable anytime during the period commencing from 18 April 2012 up to 24 July 2014.

Total issued : 83,611,200
Exercise price : RM0.10 per Warrant-B

As at 31 March 2012, all Warrants-B remained unexercised.

Note:-
The Warrants-B are held by Hibiscus Upstream, a company set up to hold ordinary shares of RM0.01 each and Warrants-B of the Company on behalf of the Company's Non-Independent Directors and management team. Presently, there is a 50% moratorium imposed on the sale, transfer or assignment of shares and Warrants-B held by Hibiscus Upstream, which expires on 17 April 2013.

The ordinary shares issued from the exercise of warrants shall rank pari passu in all respects with the existing issued ordinary shares of the Company except that they shall not be entitled to any dividends, distributions, rights, allotments and/or any other forms of distribution where the entitlement date of which precedes the relevant date of the allotment and issuance of the new shares arising from the exercise of warrants.

12. Other Reserves

(a) Share Premium

The movements in the share premium of the Group and of the Company are as follows:-

	The Group/The Company	
	2012 RM	**2011 RM**
At 1.4.2011/2010	**–**	–
Capitalisation of initial investors' utilisation amount and subscription by initial investors	**3,111,111**	–
Public Issue	**137,374,292**	–
	140,485,403	–
Share issuance costs	**(3,269,257)**	–
At 31.3.2012/2011	**137,216,146**	–

The share premium is not distributable by way of dividends and may be utilised in the manner set out in Section 60(3) of the Companies Act, 1965.

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12. Other Reserves (Cont'd)

(b) Warrant Reserve

The movements in the warrant reserve of the Group and of the Company are as follows:-

	The Group/The Company	
	2012 RM	2011 RM
At 1.4.2011/2010	–	–
Capitalisation of initial investors' utilisation amount and subscription by initial investors	6,666,667	–
Public Issue	93,664,290	–
	100,330,957	–
Share issuance costs	(2,179,505)	–
At 31.3.2012/2011	98,151,452	–

The warrant reserve arose from the allocation of proceeds received from the initial investors and Public Issue by reference to the fair value of the Warrants, amounting to RM0.30 per Warrant and net of share issuance costs incurred in relation to the listing exercise.

(c) Foreign Exchange Reserve

The foreign exchange reserve arose from the translation of the financial statements of subsidiaries in Labuan and is not distributable by way of dividends.

13. Deferred Tax Liabilities

	The Group/The Company	
	2012 RM	2011 RM
At 1.4.2011/2010	–	–
Recognised in profit or loss (Note 17)	41,000	–
At 31.3.2012/2011	41,000	–
The deferred tax liabilities are attributable to the following:-		
Accelerated capital allowances over depreciation	84,000	–
Provision for unutilised annual leave	(43,000)	–
	41,000	–

14. RCPS

	The Group/The Company					
	2012			2011		
	Par Value RM	Number Of Shares	Share Capital RM	Par Value RM	Number Of Shares	Share Capital RM
AUTHORISED						
At 1.4.2011/2010	**0.01**	**11,000,000**	**110,000**	–	–	–
Divided from ordinary shares	**–**	**–**	**–**	0.01	11,000,000	110,000
Increase during the financial year	**0.01**	**89,000,000**	**890,000**	–	–	–
At 31.3.2012/2011	**0.01**	**100,000,000**	**1,000,000**	0.01	11,000,000	110,000
ISSUED AND PAID-UP						
At 1.4.2011/2010	**0.01**	**10,555,000**	**105,550**	–	–	–
Issued and paid-up during the financial year	**–**	**–**	**–**	0.01	10,555,000	105,550
Conversion of RCPS during the financial year	**0.01**	**(8,361,120)**	**(83,611)**	–	–	–
At 31.3.2012/2011	**0.01**	**2,193,880**	**21,939**	0.01	10,555,000	105,550
SHARE PREMIUM						
At 1.4.2011/2010			**949,950**			–
Addition during the financial year			**–**			949,950
Conversion of RCPS during the financial year			**(752,501)**			–
At 31.3.2012/2011			**197,449**			949,950
Total liability component of RCPS			**219,388**			1,055,500

The RCPS are classified as current liabilities as the RCPS are redeemable at the option of the RCPS holders. The remaining RCPS are not convertible into ordinary shares of the Company.

The principal terms of the RCPS are as follows:-

(a) Dividend Rights — The RCPS are not entitled to any dividend.

(b) Convertibility — The RCPS were convertible on the basis of 1 RCPS: 10 ordinary shares with 10 Warrants-B ("Shares"). After receipt of the approval from the Securities Commission ("SC") for the Initial Public Offering ("IPO"), 5,557,000 RCPS were converted into Shares of the Company. Pursuant to the IPO, 2,804,120 RCPS were converted into such number of Shares so that the holder held a total number of Shares equivalent to 20% of the enlarged issued and paid-up ordinary share capital of the Company as at the date of listing. Other than as stated above, the holder is not entitled to convert any additional RCPS into ordinary shares of the Company.

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14. RCPS (Cont'd)

The principal terms of the RCPS are as follows (Cont'd):-

(c) Redeemability

Subject to compliance with the requirements of Section 61 of the Companies Act 1965 ("**Act**"), all RCPS (unless earlier converted into Shares) shall be fully redeemable at the option of the holder, at the Redemption Price:

(a) on the date falling 12 months after the date of issue of the RCPS if the approval from the SC is not received by the Company by then; or

(b) on the date falling 14 business days after the Company's receipt of any letter from the SC rejecting or stating its non-approval of the Company's application for the IPO; or

(c) on any date after the Listing;

whichever occurs first.

The Company shall use its reasonable endeavours to ensure that it has sufficient funds (whether through profits or a new issue of shares or otherwise), which can be lawfully applied towards redemption of the RCPS at the relevant time.

No RCPS redeemed by the Company shall be capable of reissue.

(d) Redemption Price

RM0.10 per RCPS

(e) Voting Rights

The RCPS shall entitle the holder to the voting rights as referred to in Section 148 (2) of the Act and, to the fullest extent permitted by the Act in relation to preference shares, all other statutory voting rights.

(f) Status

The RCPS is not listed or quoted on any stock exchange.

15. Revenue

	The Group	The Company	
	2012 RM	2012 RM	2011 RM
Project management, technical and other services fees	**1,848,761**	**814,919**	–
Interest income	**6,112,381**	**6,112,381**	15,409
	7,961,142	**6,927,300**	15,409

Revenue represents interest income from fixed deposits and fees from the provision of project management, technical and other services relating to the oil and gas exploration and production industry. Revenue is recognised on an accrual basis.

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16. Loss Before Taxation

	The Group	The Company	
	2012 RM	2012 RM	2011 RM
Loss before taxation is arrived at after charging/(crediting):-			
Audit fee			
– for the financial year	**57,596**	**40,000**	5,000
– underprovision in the previous financial year	**3,000**	**3,000**	–
– others	**8,000**	**8,000**	5,000
Depreciation of equipment	**115,489**	**115,489**	357
Directors' remuneration			
– fees	**24,000**	**24,000**	2,000
– salaries	**739,284**	**739,284**	184,821
– defined contribution plan	**88,716**	**88,716**	22,179
– other benefits	**48,575**	**48,575**	–
Listing expenses	**216,456**	**216,456**	306,576
Qualifying Acquisition expenses	**5,706,297**	**5,706,297**	–
Rental expenses	**127,628**	**127,628**	5,801
Staff costs			
– salaries	**3,080,756**	**2,245,446**	280,108
– defined contribution plan	**152,878**	**152,878**	14,787
– other benefits	**123,615**	**123,615**	–
Unrealised loss on foreign exchange	**11,702**	**3,523**	–
Interest income	**(6,112,381)**	**(6,112,381)**	(15,409)

17. Income Tax Expense

	The Group	The Company	
	2012 RM	2012 RM	2011 RM
Current tax:-			
– Malaysian tax	**481,270**	**479,352**	–
– underprovision in the previous financial year	**3,660**	**3,660**	–
	484,930	**483,012**	–
Deferred tax (Note 13):-			
– relating to originating and recognition of temporary differences	**41,000**	**41,000**	–
	525,930	**524,012**	–

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17. Income Tax Expense (Cont'd)

A reconciliation of income tax expense applicable to the loss before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and the Company is as follows:-

	The Group	The Company	
	2012 RM	2012 RM	2011 RM
Loss before taxation	**(4,358,315)**	**(4,397,085)**	(1,193,890)
Tax at the statutory tax rate of 25%	**(1,089,579)**	**(1,099,271)**	(298,473)
Tax effects of:-			
Non-deductible expenses	**1,611,849**	**1,619,623**	298,473
Underprovision in the previous financial year	**3,660**	**3,660**	–
Income tax expense for the financial year	**525,930**	**524,012**	–

18. Loss Per Share

The basic loss per share for the financial year ended 31.3.2012 is arrived at by dividing the Group's loss attributable to the owners of the Company of RM4,884,245 by the weighted average number of ordinary shares in issue during the financial year of 142,592,714 shares.

The fully diluted loss per share for the Group in the current financial year was not presented as the assumed conversion from the exercise of Warrants-A and Warrants-B would be anti-dilutive.

19. Cash And Cash Equivalents

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following:-

	The Group	The Company	
	2012 RM	2012 RM	2011 RM
Fixed deposits with licensed banks (Note 10)	**50,016,303**	**50,016,303**	2,303,649
Cash and bank balances	**168,507,696**	**168,467,289**	212,745
	218,523,999	**218,483,592**	2,516,394

20. Directors' Remuneration

(a) The aggregate amounts of emoluments received and/or receivable by directors of the Group and of the Company during the financial year are as follows:-

	The Group	The Company	
	2012 RM	**2012 RM**	**2011 RM**
Executive director:			
Salaries	**739,284**	**739,284**	184,821
Defined contribution plan	**88,716**	**88,716**	22,179
Other benefits	**48,575**	**48,575**	–
	876,575	**876,575**	207,000
Non-executive directors:			
Fees	**24,000**	**24,000**	2,000
	900,575	**900,575**	209,000

(b) Details of directors' emoluments of the Group and of the Company received/receivable for the financial year in bands of RM50,000 are as follows:-

	The Group/The Company	
	2012	**2011**
Executive director:-		
RM200,001 – RM250,000	**–**	1
RM850,001 – RM900,000	**1**	–
Non-executive directors:-		
Below RM50,000	**2**	2
	3	3

21. Related Party Disclosures

(a) Identities of related parties

The related parties are:-

(i) its subsidiaries and a jointly controlled entity as disclosed in Note 5 and Note 6 to the financial statements; and

(ii) the directors/officers who are the key management personnel.

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21. Related Party Disclosures (Cont'd)

(b) In addition to the information detailed elsewhere in the financial statements, the Group and the Company carried out the following significant transactions with the related parties during the financial year:-

	The Group	The Company	
	2012 RM	2012 RM	2011 RM
Project management, technical and other fees receivable from:-			
– a subsidiary	–	814,919	–
– a jointly controlled entity	1,848,761	–	–

(c) Key management personnel compensation

	The Group	The Company	
	2012 RM	2012 RM	2011 RM
Short term benefits:-			
Included under Director's remuneration			
– salaries	739,284	739,284	184,821
– defined contribution plan	88,716	88,716	22,179
– other benefits	48,575	48,575	–
Included under staff costs			
– salaries	1,638,736	1,638,736	280,108
– defined contribution plan	107,307	107,307	14,787
– other benefits	92,148	92,148	–

22. Operating Segments

Operating segments are presented in respect of the Group's business and geographical segments. The primary format, business segment, is based on the Group's management and internal reporting structure. Pursuant to the Project Management and Technical Services Agreement signed between Hibiscus Oilfield and Lime on 24 October 2011, the fees payable to Hibiscus Oilfield in consideration for the project management, technical and other services to the Lime Group is on an actual cost basis plus a margin of 7%.

Business segments

The activities of the Group are in the following main business segments:-

(i) Project Management — Provision of project management, technical and other services relating to the oil and gas exploration and production industry

(ii) Investment holding — Investment in companies owning/operating oil and gas concessions

22. Operating Segments (Cont'd)

Geographical segments

The Group has activities in the following principal geographical areas:-

(i) Malaysia — Investment in companies owning/operating oil and gas concessions

(ii) Overseas — Provision of project management, technical and other services relating to the oil and gas exploration and production industry

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of the customers. Segment assets are based on the geographical location of assets.

(a) By Business Segments

2012	Project Management RM	Investment Holding RM	Elimination RM	Group RM
REVENUE				
Project management, technical and other services fees				
– from external customer	1,848,761	–	–	1,848,761
– inter-segment	–	814,919	(814,919)	–
Interest income	–	6,112,381	–	6,112,381
Consolidated revenue	1,848,761	6,927,300	(814,919)	7,961,142
RESULTS				
Segment results	133,273	(10,603,969)	–	(10,470,696)
Interest income	–	6,112,381	–	6,112,381
Consolidated profit/(loss) before taxation	133,273	(4,491,588)	–	(4,358,315)
Income tax expense				(525,930)
Consolidated loss after taxation				(4,884,245)
ASSETS				
Consolidated total assets	1,879,329	233,441,885	(1,807,350)	233,513,864
LIABILITIES				
Segment liabilities	1,817,080	837,153	(1,807,350)	846,883
Unallocated liabilities				522,277
Consolidated total liabilities				1,369,160
OTHER INFORMATION				
Capital expenditure	–	769,182	–	769,182
Depreciation of equipment	–	115,489	–	115,489
Unrealised loss on foreign exchange	8,179	3,523	–	11,702

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22. Operating Segments (Cont'd)

(a) By Business Segments (Cont'd)

2011	Project Management RM	Investment Holding RM	Elimination RM	Group RM
REVENUE				
Interest income	–	15,409	–	15,409
Consolidated revenue	–	15,409	–	15,409
RESULTS				
Segment results	–	(1,209,299)	–	(1,209,299)
Interest income	–	15,409	–	15,409
Consolidated loss after taxation	–	(1,193,890)	–	(1,193,890)
ASSETS				
Consolidated total assets	–	2,934,252	–	2,934,252
LIABILITIES				
Consolidated total liabilities	–	4,139,023	–	4,139,023
OTHER INFORMATION				
Capital expenditure	–	6,420	–	6,420
Depreciation of equipment	–	357	–	357

(b) By Geographical Segments

	Revenue		Non-Current Assets	
	2012 RM	2011 RM	2012 RM	2011 RM
Malaysia	**6,112,381**	15,409	**659,756**	6,063
Isle of Man	**1,848,761**	–	**–**	–
	7,961,142	15,409	**659,756**	6,063

23. Capital Commitments

	The Group	The Company	
	2012 RM	2012 RM	2011 RM
Approved and contracted for:-			
Purchase of software	**76,092**	**76,092**	–

24. Operating Lease Commitments

The future minimum lease payments under the non-cancellable operating leases are as follows:-

	The Group/The Company	
	2012 RM	**2011 RM**
Within one year	**237,300**	127,628
Later than one year but not later than five years	**341,171**	284,261
	578,471	411,889

25. Financial Instruments

The Group's activities are exposed to a variety of market risks (including foreign currency risk, interest rate risk and equity price risk), credit risks and liquidity risks. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Financial Risk Management Policies

The Group's policies in respect of the major areas of treasury activity are as follows:-

(i) Market Risk

Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than Ringgit Malaysia. The currencies giving rise to this risk are primarily United States Dollar. Foreign currency risk is monitored closely on an on-going basis to ensure that the net exposure is at an acceptable level.

The Group's exposure to foreign currency is as follows:-

The Group	United States Dollar RM	Ringgit Malaysia RM	Total RM
2012			
Financial assets			
Amount owing by a jointly controlled entity	**1,854,930**	**–**	**1,854,930**
Other receivables and deposits	**–**	**73,400**	**73,400**
Fixed deposits with licensed banks	**–**	**50,016,303**	**50,016,303**
Cash and bank balances	**156,336,016**	**12,171,680**	**168,507,696**
	158,190,946	**62,261,383**	**220,452,329**
Financial liabilities			
RCPS	**–**	**219,388**	**219,388**
Other payables and accruals	**14,645**	**612,850**	**627,495**
	14,645	**832,238**	**846,883**
Net financial assets	**158,176,301**	**61,429,145**	**219,605,446**
Less: Net financial assets denominated in the respective entities' functional currencies	**(1,880,690)**	**(61,429,145)**	**(63,309,835)**
	156,295,611	**–**	**156,295,611**

> Notes To The Financial Statements
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25. Financial Instruments (Cont'd)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risk (Cont'd)

Foreign Currency Risk (Cont'd)

The Company	United States Dollar RM	Ringgit Malaysia RM	Total RM
2012			
Financial assets			
Other receivables and deposits	–	73,400	73,400
Amounts owing by subsidiaries	–	1,842,899	1,842,899
Fixed deposits with licensed banks	–	50,016,303	50,016,303
Cash and bank balances	156,295,611	12,171,678	168,467,289
	156,295,611	64,104,280	220,399,891
Financial liabilities			
RCPS	–	219,388	219,388
Amount owing to a subsidiary	156,289,500	–	156,289,500
Other payables and accruals	–	609,850	609,850
	156,289,500	829,238	157,118,738
Net financial assets	6,111	63,275,042	63,281,153
Less: Net financial assets denominated in the respective entities' functional currency	–	(63,275,042)	(63,275,042)
	6,111	–	6,111

In the previous financial year, the Company does not have any material foreign currency transactions, assets or liabilities and hence is not exposed to any significant or material currency risks.

Foreign currency risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies as at the end of the financial year, with all other variables held constant:-

	The Group	The Company	
	2012 Increase/ (Decrease) RM	2012 Increase/ (Decrease) RM	2011 Increase/ (Decrease) RM
Effects on loss after taxation			
United States Dollar:			
– strengthened by 5%	7,814,781	306	–
– weakened by 5%	(7,814,781)	(306)	–
Effects on equity			
United States Dollar:			
– strengthened by 5%	7,814,781	306	–
– weakened by 5%	(7,814,781)	(306)	–

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25. Financial Instruments (Cont'd)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risk (Cont'd)

Interest Rate Risk

The Company does not have any interest-bearing borrowings and hence is not exposed to interest rate risk. Surplus funds are placed with licensed financial institutions at the most favourable interest rates.

Equity Price Risk

The Company does not have any quoted investments and hence is not exposed to equity price risk.

(ii) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by monitoring the timely receipt of receivables on an on-going basis. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

Impairment is estimated by management based on prior experience and the current economic environment.

Credit risk concentration profile

The Group's major concentration of credit risk relates to the amount owing by a related party which constituted 99% of its total receivables as at the end of the financial year.

Exposure to credit risk

As the Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets as at the end of the financial year.

The exposure of credit risk for trade balances owing by a jointly controlled entity by geographical region is as follows:-

	The Group	The Company	
	2012 RM	2012 RM	2011 RM
Isle of Man	**1,854,930**	–	–

Ageing analysis

The ageing analysis of the Group's trade balances owing by a jointly controlled entity at the end of the reporting period is as follows:-

The Group	Gross Amount RM	Carrying Value RM
2012		
Not past due	**1,854,930**	1,854,930

The Group uses ageing analysis to monitor the credit quality of the trade receivables. Any receivables having significant balances past due or more than 30 days, which are deemed to have higher credit risk, are monitored closely.

In the previous financial year, the Company did not have any exposure to credit risk, or the risk of counterparties defaulting, arising from receivables.

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25. Financial Instruments (Cont'd)

(a) Financial Risk Management Policies (Cont'd)

(iii) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances.

The following table sets out the maturity profile of the financial liabilities as at the end of the financial year based on contractual undiscounted cash flows:-

The Group	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM
2012			
RCPS	**219,388**	**219,388**	219,388
Other payables and accruals	**627,495**	**627,495**	627,495
	846,883	**846,883**	846,883

The Company	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM
2012			
RCPS	**219,388**	**219,388**	**219,388**
Other payables and accruals	**609,850**	**609,850**	**609,850**
Amount owing to a subsidiary	**156,289,500**	**156,289,500**	**156,289,500**
	157,118,738	**157,118,738**	**157,118,738**

The Company	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM
2011			
RCPS	1,055,500	1,055,500	1,055,500
Other payables and accruals	83,523	83,523	83,523
Amounts owing to related parties	3,000,000	3,000,000	3,000,000
	4,139,023	4,139,023	4,139,023

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25. Financial Instruments (Cont'd)

(b) Capital Risk Management

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The debt-to-equity ratio of the Group as at the end of the financial year is not presented as its cash and cash equivalents exceeded the total debts.

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity (total equity attributable to owners of the Company) equal to or not less than the 25% of the issued and paid-up share capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

(c) Classification of Financial Instruments

	The Group	The Company	
	2012 RM	2012 RM	2011 RM
Financial assets			
Loans and receivables financial assets			
Other receivables and deposits	**73,400**	**73,400**	37,308
Amounts owing by subsidiaries	**–**	**1,842,899**	–
Amount owing by a jointly controlled entity	**1,854,930**	**–**	–
Fixed deposits with licensed banks	**50,016,303**	**50,016,303**	2,303,649
Cash and bank balances	**168,507,696**	**168,467,289**	212,745
	220,452,329	**220,399,891**	2,553,702
Financial liabilities			
Other financial liabilities			
Other payables and accruals	**627,495**	**609,850**	83,523
RCPS	**219,388**	**219,388**	1,055,500
Amounts owing to related parties	**–**	**–**	3,000,000
Amount owing to a subsidiary	**–**	**156,289,500**	–
	846,883	**157,118,738**	4,139,023

(d) Fair Values of Financial Instruments

All financial instruments are carried at amounts not materially different from their fair values as at 31 March 2012.

Fair value estimates are made at a specific point in time and based on relevant market information and information about the financial instruments. These estimates are subjective in nature, involve uncertainties and matters of significant judgement and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

(e) Fair Value Hierarchy

As at 31 March 2012, there were no financial instruments carried at fair values.

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26. Significant Events During/Subsequent To The Financial Year

(a) LISTING OF HIBISCUS PETROLEUM BERHAD

The Company was listed on the Main Market of Bursa Malaysia on 25 July 2011 as a Special Purpose Acquisition Company.

The Company had raised a total of RM11 million prior to its IPO and RM234 million from its IPO exercise.

(b) QUALIFYING ACQUISITION

Execution of agreements

The Company executed the following agreements relating to its Qualifying Acquisition on 24 October 2011:-

- A conditional share subscription agreement ("**SSA**") between Gulf Hibiscus and Lime to subscribe for 76,923,077 new shares in Lime ("**Lime Shares**"), representing 27.2% of the enlarged issued and paid-up share capital of Lime, for a cash consideration of USD50 million*. The consideration of USD50 million was payable in two tranches, namely USD4 million under Tranche One and USD46 million under Tranche Two upon fulfillment of the respective Tranche One and Tranche Two conditions.
- A conditional share purchase agreement ("**SPA**") between Gulf Hibiscus and Rex Oil & Gas Ltd ("**Rex**") for Gulf Hibiscus to acquire 22,153,846 Lime Shares from Rex representing 7.8% of the enlarged issued and paid-up share capital of Lime for a cash consideration of USD5 million*. Upon receipt of independent confirmation of commercial discovery of a well no later than 2013, a discovery bonus amount of USD5 million would also be payable to Rex.

(Collectively, the SSA and SPA shall hereinafter be referred to as the "**Lime Acquisition**").

* *The total actual consideration paid in RM amounted to RM169.9 million.*

In conjunction with the Lime Acquisition, on the same date:-

- Gulf Hibiscus had entered into a shareholders' agreement with Rex, Schroder & Co Banque S.A and Lime; and
- Hibiscus Oilfield had entered into a project management and technical services agreement with Lime for Hibiscus Oilfield to provide project management, technical and other services to Lime in relation to Lime's existing and future oil and gas concessions in the Middle East region.

At the time of the execution of these agreements, Lime had controlling interests in 3 concession companies with concession rights in the following offshore oil and gas exploration assets:

- RAK North Offshore Concession in Ras Al Khaimah ("**RAK**"), United Arab Emirates ("**UAE**");
- Offshore Sharjah East Coast Concession in Sharjah, UAE; and
- Block 50 Concession Area in the Sultanate of Oman.

Pursuant to the fulfillment of all Tranche One conditions as set out in the SSA and the payment of the Tranche One amount of USD4 million, 6,605,128 new shares in Lime representing 3.1% of the then issued and paid-up share capital of Lime, were issued to Gulf Hibiscus on 8 November 2011.

Completion of Qualifying Acquisition

The Lime Acquisition was approved by the SC on 16 February 2012, and by the shareholders of the Company at the Extraordinary General Meeting held on 21 March 2012.

Following the fulfillment of the last condition precedent under the SSA and SPA, being a fourth concession secured by Lime on 10 April 2012, as disclosed in Note 26(c) to the financial statements, the Lime Acquisition was completed on 18 April 2012.

Pursuant to the achievement of this milestone, the Company transformed into a full-fledged oil and gas exploration and production company on the Main Market of Bursa Malaysia.

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26. Significant Events During/Subsequent To The Financial Year (Cont'd)

(c) SIGNIFICANT CORPORATE DEVELOPMENTS UNDER LIME AFTER EXECUTION OF QUALIFYING ACQUISITION AGREEMENTS

(i) Fourth Concession Secured in the Middle East Region

On 10 April 2012, Lime secured a fourth concession in the Middle East region, namely the RAK Onshore Concession located onshore in RAK, in the UAE through its wholly-owned subsidiary, Baqal Petroleum Ltd.

(ii) Execution of a Revised EPSA for RAK North Offshore Concession

On 10 April 2012, Lime, via its subsidiary, Dahan Petroleum Ltd ("**Dahan**") executed the following agreements in relation to its existing RAK North Offshore Concession.

(i) The Amended and Restated Exploration & Production Sharing Agreement ("**EPSA**") between The Government of RAK and Dahan;

(ii) The Amended and Restated Petroleum Concession Agreement for the Saleh Area between The Government of Ras Al Khaimah, Rakgas L.L.C., DNO Al Khaleej Limited ("**DNO**") and Dahan; and

(iii) The Deed of Amendment between The Government of Ras Al Khaimah, Rakgas L.L.C., DNO and Dahan.

(iii) Proposed Acquisition of Participating Interests in 4 Concessions in Norway

- On 2 May 2012, Lime signed transaction agreements with North Energy ASA to secure 50% of North Energy ASA's interests in 4 concessions in the Norwegian Continental Shelf in Norway ("**Proposed Transfer of Norwegian Interests to Lime**").
- The purchase consideration for the Proposed Transfer of Norwegian Interests to Lime is approximately NOK31.8 million (equivalent to approximately USD5.5 million or RM16.8 million)** if the transfer is completed in 2012. It will increase to approximately NOK31.8 million plus Lime's share of actual costs incurred in 2012 if the transfer is completed in 2013.

** *The exchange rates used as of the date of the announcement to Bursa Malaysia on 4 May 2012 i.e. NOK1 : USD0.1741 : RM0.5272*

The completion of the Agreements is conditional upon, inter-alia, approval from the Ministry of Petroleum and Energy in Norway and the approval of Lime's application to obtain Pre-Qualification status as an oil and gas exploration company in Norway in order to jointly participate with North Energy ASA, the license holder in partner-operated licenses in the Norwegian Continental Shelf.

The Agreements are to be completed prior to the long-stop date of 1 July 2013 ("Long–Stop Date"), after which the obligations of the parties to complete the Proposed Transfer of Norwegian Interests to Lime shall cease for any of the 4 concessions that have not been transferred prior to the Long-Stop Date.

(iv) Increase in Lime's Equity Stake in Masirah Oil Limited ("Masirah")

On 23 May 2012, Lime's subsidiary, Lime Petroleum Limited ("**Lime BVI**") executed a revised Masirah Shareholders' Agreement with Petroci Holding ("**Petroci**"). On the same date, Lime BVI also entered into the following agreements with Petroci:

(i) Share Purchase Agreement in relation to the purchase of 100 shares in Masirah by Petroci from Lime BVI; and

(ii) Call Option Termination Agreement to terminate the earlier Call Option Agreement dated 5 August 2010 which entitled Petroci to purchase 390 shares in Masirah from Lime BVI.

Pursuant to the revised agreements, Petroci had made a payment of USD1.83 million on 31 May 2012 in exchange for 100 shares in Masirah. Currently Lime BVI and Petroci hold 64% and 36% respectively in Masirah.

> **Notes To The Financial Statements**
For The Financial Year Ended 31 March 2012

26. Significant Events During/Subsequent To The Financial Year (Cont'd)

(d) ACQUISITION/INCORPORATION OF SUBSIDIARIES

(i) On 16 August 2011, the Company acquired the entire issued and paid-up share capital of Orient Hibiscus to facilitate the streamlining of the future activities of the Group;

(ii) On 17 October 2011, the Company established two wholly-owned companies in Labuan, being Gulf Hibiscus and Hibiscus Oilfield, to facilitate its participation in its Qualifying Acquisition exercise;

(iii) On 3 April 2012, the Company incorporated a subsidiary company, Oceania Hibiscus Sdn. Bhd. ("**Oceania Hibiscus**"), with an initial authorised share capital of RM100,000 comprising 100,000 ordinary shares of RM1.00 each with an initial paid-up share capital of RM2 comprising 2 ordinary shares of RM1.00 each; and

(iv) On 5 April 2012, Oceania Hibiscus incorporated a subsidiary company in Australia, Carnarvon Hibiscus Pty Ltd, which has an initial paid-up share capital of AUD95 comprising 95 ordinary shares of AUD1.00 each.

27. Comparative Figures

The following figures have been reclassified to conform with the presentation of the current financial year:-

	The Company	
	As Restated RM	As Previously reported RM
Statements of Cash Flows (Extract):-		
Net cash used in operating activities	(1,242,458)	(1,549,034)
Net cash generated from financing activities	3,748,924	4,055,500

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28. Supplementary Information – Disclosure Of Realised And Unrealised Profits/Losses

The breakdown of the accumulated losses of the Group and of the Company as at the end of the reporting period into realised and unrealised profits/(losses) is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants, as follows:-

	The Group	The Company	
	2012 RM	2012 RM	2011 RM
Total accumulated losses:-			
Realised	**(6,036,316)**	**(6,081,347)**	(1,204,773)
Unrealised	**(52,702)**	**(44,523)**	–
	(6,089,018)	**(6,125,870)**	(1,204,773)

> Analysis Of Shareholdings
As at 31 July 2012

Authorised Share Capital	:	RM25,000,000.00
Paid-up Share Capital	:	RM4,401,373.02
Type of Shares	:	437,943,422 Ordinary Shares of RM0.01 each and 2,193,880 Redeemable Convertible Preference Shares of RM0.01 each
No. of Shareholders	:	2,873
Voting Rights	:	One vote for every share

Distribution Of Shareholders

Category	No. of Shareholders	No. of Shares	% of Total Shareholdings
Less than 100	5	87	0.00
100 – 1,000	664	461,702	0.11
1,001 – 10,000	1,418	7,223,800	1.65
10,001 – 100,000	651	21,854,200	4.99
100,001 to less than 5% of issued shares	130	205,882,533	47.01
5% and above of issued shares	5	202,521,100	46.24
Total	2,873	437,943,422	100.00

Substantial Shareholders
Substantial Shareholders as per Register maintained under Section 69L of the Companies Act, 1965 as at 31 July 2012

No.	Name	Direct		Indirect	
		No. of Ordinary Shares	%	No. of Ordinary Shares	%
1	Hibiscus Upstream Sdn Bhd	83,611,400	19.09	–	–
2	Dr Kenneth Gerard Pereira (1)	–	–	83,611,400	19.09
3	Lee Chye Tek Lionel	40,000,000	9.13	–	–
4	Littleton Holdings Pte Ltd	30,415,000	6.94	–	–
5	Roushan Arumugam (2)	–	–	30,415,000	6.94
6	Mercury Pacific Marine Pte Ltd	27,977,700	6.39	–	–
7	Picadilly Middle East Limited	26,667,000	6.09	–	–

Notes:

(1) Dr Kenneth Gerard Pereira's indirect interest via Hibiscus Upstream Sdn Bhd which holds the entire 83,611,400.

(2) Roushan Arumugam's indirect interest of 30,415,000 in Hibiscus Petroleum Shares comprises:

- *24,265,000 Hibiscus Petroleum Shares held under Maybank Nominees (Asing) Sdn Bhd – DBS Bank for Littleton Holdings Pte Ltd*
- *150,000 Hibiscus Petroleum Shares held under ECML Nominees (Asing) Sdn Bhd for Littleton Holdings Pte Ltd*
- *6,000,000 Hibiscus Petroleum Shares held under Citigroup Nominees (Asing) Sdn Bhd Exempt AN for Citibank NA Singapore (Julius Baer) for Littleton Holdings Pte Ltd*

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Directors' Shareholdings

Directors' Shareholdings as per Register maintained under Section 134 of the Companies Act, 1965 as at 31 July 2012

		Direct		Indirect	
No.	Name	No. of Ordinary Shares	%	No. of Ordinary Shares	%
1	Zainul Rahim bin Mohd Zain	–	–	–	–
2	Dr Kenneth Gerard Pereira (1)	–	–	83,611,400	19.09
3	Dr Rabi Narayan Bastia	–	–	–	–
4	Zainol Izzet bin Mohamed Ishak	–	–	–	–
5	Datin Sunita Mei-Lin Rajakumar	–	–	–	–
6	Roushan Arumugam (2)	–	–	30,415,000	6.94
7	Tay Chin Kwang	–	–	–	–

Notes:

(1) Dr Kenneth Gerard Pereira's indirect interest via Hibiscus Upstream Sdn Bhd which holds the entire 83,611,400.

(2) Roushan Arumugam's indirect interest of 30,415,000 in Hibiscus Petroleum Shares comprises:

- *24,265,000 Hibiscus Petroleum Shares held under Maybank Nominees (Asing) Sdn Bhd – DBS Bank for Littleton Holdings Pte Ltd*
- *150,000 Hibiscus Petroleum Shares held under ECML Nominees (Asing) Sdn Bhd for Littleton Holdings Pte Ltd*
- *6,000,000 Hibiscus Petroleum Shares held under Citigroup Nominees (Asing) Sdn Bhd Exempt AN for Citibank NA Singapore (Julius Baer) for Littleton Holdings Pte Ltd*

> Analysis Of Shareholdings
As at 31 July 2012

List of Top 30 Shareholders as at 31 July 2012

No.	Name	No. of Shares	% of Total Shareholdings
1	Hibiscus Upstream Sdn Bhd	83,611,400	19.09
2	UOBM Nominees (Asing) Sdn Bhd United Overseas Bank Nominees (Pte) Ltd for Lee Chye Tek Lionel (UBA0828)	40,000,000	9.13
3	ECML Nominees (Asing) Sdn Bhd Pledged Securities Account for Mercury Pacific Marine Pte Ltd (001)	27,977,700	6.39
4	Picadilly Middle East Limited	26,667,000	6.09
5	Maybank Nominees (Asing) Sdn Bhd DBS Bank for Littleton Holdings Pte Ltd (211400)	24,265,000	5.54
6	Citigroup Nominees (Asing) Sdn Bhd Exempt AN for Citibank NA, Singapore (Julius Baer)	21,500,000	4.91
7	Tericon Solutions Ltd	20,000,000	4.57
8	Muhammad Syafiq Baljit bin Abdullah	19,460,500	4.44
9	Gud Run International Incorporated	18,769,000	4.29
10	Jurunature Sdn Bhd	18,594,200	4.25
11	Gurmit Singh A/L Sajjan Singh	12,849,700	2.93
12	Maison binti Shaik Abdul Rahman	6,600,400	1.51
13	Sri Inderajaya Holdings Sdn Bhd	6,500,000	1.49
14	Silicon Designs (M) Sdn Bhd	6,200,000	1.42
15	Kelrix Sdn Bhd	5,784,589	1.32
16	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Maison binti Shaik Abdul Rahman	4,000,000	0.91
17	Ivory Matrix Sdn Bhd	3,888,888	0.89
18	HSBC Nominees (Asing) Sdn Bhd Exempt AN for Coutts & Co Ltd (Sg Branch)	3,790,000	0.87
19	Geo Distinction Sdn Bhd	3,650,000	0.83
20	Mohamad Azmadi bin Fadzil	2,800,000	0.64
21	HLG Nominee (Tempatan) Sdn Bhd Pledged Securities Account for M.Guna Seger A/L Muniandy	2,640,100	0.60
22	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Khaw Ah Lai (E-SLY)	2,315,000	0.53
23	Shamsuddin bin Abdul Kadir	2,135,500	0.49
24	HLG Nominee (Tempatan) Sdn Bhd Pledged Securities Account for Khasnoor binti Abdul Khalid	2,100,000	0.48
25	Arumugam A/L A Packiri	2,000,000	0.46
26	HLG Nominee (Tempatan) Sdn Bhd Pledged Securities Account for Ruslan bin Ibrahim	2,000,000	0.46
27	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for SMB Resources Sdn Bhd	2,000,000	0.46
28	SJ Holdings Sdn Bhd	1,565,500	0.36
29	Au Wei Lien	1,328,000	0.30
30	Yassin Bee binti Abdul Rashid	1,292,400	0.29
		376,284,877	85.92

> Analysis Of Warrants-A Holdings

As at 31 July 2012

No. of Warrants-A Issued	:	334,436,522
No. of Warrants-A Exercised	:	19,895,500
No. of Warrants-A Unexercised	:	314,541,022
Maturity Date	:	24 July 2014
Rights of the Warrants-A Holder	:	The Warrants-A holders are not entitled to any voting rights or to participate in any distribution and/or offer of further securities in our Company until and unless such Warrants-A holders exercise their Warrants-A into new Shares.

Distribution Of Warrants-A Holders

Category	No. of Warrants-A Holders	No. of Warrants-A	% of Total Warrants-A Holdings
Less than 100	2	75	0.00
100 – 1,000	512	323,400	0.10
1,001 – 10,000	1,045	5,780,000	1.84
10,001 – 100,000	700	25,205,300	8.01
100,001 and above	183	283,232,247	90.04
Total	**2,442**	**314,541,022**	**100.00**

Directors' Warrants-A Holdings

Directors' Warrants-A holdings as per Register maintained under Section 134 of the Companies Act, 1965 as at 31 July 2012

No.	Name	Direct		Indirect	
		No. of Warrants-A	%	No. of Warrants-A	%
1	Dr Kenneth Gerard Pereira	–	–	–	–
2	Zainol Izzet bin Mohamed Ishak	–	–	–	–
3	Dr Rabi Narayan Bastia	–	–	–	–
4	Datin Sunita Mei-Lin Rajakumar(1)	–	–	1,125,000	0.36
5	Zainul Rahim bin Mohd Zain	–	–	–	–
6	Roushan Arumugam(2)	–	–	23,000,000	7.31
7	Tay Chin Kwang	–	–	–	–

Note:

(1) Deemed interest via her husband's (Datuk Dr Jeyaindran C Sinnadurai) shareholdings in Hibiscus Petroleum Berhad.

(2) Deemed interested via his 100% equity interest in Littleton Holdings Pte Ltd.

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> Analysis Of Warrants-A Holdings
As at 31 July 2012

List of Top 30 Warrants-A Holders as at 31 July 2012

No.	Name	No. of Warrants-A	% of Total Warrants-A Holdings
1	Lee Chye Tek Lionel	37,649,500	11.97
2	Muhammad Syafiq Baljit bin Abdullah	36,475,300	11.60
3	ECML Nominees (Asing) Sdn Bhd Pledged Securities Account for Mercury Pacific Marine Pte Ltd (001)	29,600,000	9.41
4	Picadilly Middle East Limited	26,667,000	8.48
5	Maybank Nominees (Asing) Sdn Bhd DBS Bank for Littleton Holdings Pte Ltd (211400)	23,000,000	7.31
6	Tericon Solutions Ltd	20,000,000	6.36
7	Gud Run International Incorporated	13,334,000	4.24
8	Kelrix Sdn Bhd	8,569,889	2.72
9	Silicon Designs (M) Sdn Bhd	5,600,000	1.78
10	Maison binti Shaik Abdul Rahman	4,001,700	1.27
11	Ivory Matrix Sdn Bhd	3,888,888	1.24
12	Lim Chin Sean	3,500,000	1.11
13	ECML Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Ai Ling	3,000,000	0.95
14	ECML Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Liew Yoon Peck	2,882,200	0.92
15	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank for Kwee Sow Fun (M96022)	2,449,600	0.78
16	B K Mohanan Menon	2,000,000	0.64
17	Mohan A/L Arunasalam	2,000,000	0.64
18	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank for Lim Ai Ling (MY0582)	1,820,000	0.58
19	HLG Nominee (Tempatan) Sdn Bhd Pledged Securities Account for Khasnoor binti Abdul Khalid	1,750,000	0.56
20	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Maison binti Shaik Abdul Rahman	1,725,000	0.55
21	Jurunature Sdn Bhd	1,612,800	0.51
22	SJ Sec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Kwee Sow Fun (SMT)	1,563,500	0.50
23	Lai Ngan Foong	1,207,900	0.38
24	Affin Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Jeyaindran A/L C. Sinnadurai	1,125,000	0.36
25	Au Wei Lien	1,070,000	0.34
26	Gurmit Singh A/L Sajjan Singh	850,000	0.27
27	Geo Distinction Sdn Bhd	800,014	0.25
28	Gurdeep Singh A/L Sardara Singh	800,000	0.25
29	Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Kok Tiu Wan	800,000	0.25
30	Faridah binti Hashim	770,000	0.24
	TOTAL	**240,512,291**	**76.46**

> Analysis Of Warrants-B Holdings

As at 31 July 2012

No. of Warrants-B Issued	:	83,611,200
No. of Warrants-B Exercised	:	–
No. of Warrants-B Unexercised	:	83,611,200
Maturity Date	:	24 July 2014
Rights of the Warrants-B Holder	:	The Warrants-B holders are not entitled to any voting rights or to participate in any distribution and/or offer of further securities in our Company until and unless such Warrants-B holders exercise their Warrants-B into new Shares.

Distribution Of Warrants-B Holders

Category	No. of Warrants-B Holders	No. of Warrants-B	% of Total Warrants-B Holdings
1 – 99	–	–	–
100 – 1,000	–	–	–
1,001 – 10,000	–	–	–
10,001 – 100,000	–	–	–
100,001 and above	1	83,611,200	100.00
Total	**1**	**83,611,200**	**100.00**

Directors' Warrants-B Holdings

Directors' Warrants-B holdings as per Register maintained under Section 134 of the Companies Act, 1965 as at 31 July 2012

No.	Name	Direct		Indirect	
		No. of Warrants-B	%	No. of Warrants-B	%
1	Dr Kenneth Gerard Pereira(1)	–	–	83,611,200	100.00
2	Zainol Izzet bin Mohamed Ishak	–	–	–	–
3	Dr Rabi Narayan Bastia	–	–	–	–
4	Datin Sunita Mei-Lin Rajakumar	–	–	–	–
5	Zainul Rahim bin Mohd Zain	–	–	–	–
6	Roushan Arumugam	–	–	–	–
7	Tay Chin Kwang	–	–	–	–

Note:

(1) Deemed interested via his 57.41% equity interest in Hibiscus Upstream Sdn Bhd.

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> Notice Of The Second Annual General Meeting

2nd

NOTICE IS HEREBY GIVEN that the Second Annual General Meeting of the Company will be held at PJ Hilton Hotel, Kristal Ballroom, 1st Floor, West Wing, No. 2, Jalan Barat, 46200 Petaling Jaya, Selangor Darul Ehsan on 26 September 2012 at 10.00 am to transact the following businesses:-

Agenda

As Ordinary Business

1. To receive the Audited Financial Report of the Company and of the Group and the Reports of the Directors and the Auditors thereon for the financial year ended 31 March 2012; **(Refer to Explanatory Note 1)**

2. To approve Directors' fees for the financial year ended 31 March 2012; **[Resolution 1]**

3. To re-elect the following Directors who retire pursuant to Article 101 of the Company's Articles of Association:

   3.1 Mr Roushan Arumugam **[Resolution 2]**

   3.2 Mr Tay Chin Kwang **[Resolution 3]**

4. To re-elect the following Director who retires pursuant to Article 123 of the Company's Articles of Association:

   4.1 En Zainol Izzet Bin Mohamed Ishak **[Resolution 4]**

5. To appoint Messrs. PricewaterhouseCoopers as Auditors for the Company in place of the retiring Auditors, Messrs. Crowe Horwath and to authorise the Directors to fix their remuneration. **[Resolution 5]**

As Special Business

To consider and if thought fit, to pass the following resolutions:-

6. **AUTHORITY TO ALLOT AND ISSUE SHARES** **[Resolution 6] (Refer to Explanatory Note 2)**

   "THAT subject always to the Companies Act, 1965, the Articles of Association of the Company and the approvals of the relevant regulatory authorities, the Directors be and are hereby empowered pursuant to Section 132D of the Companies Act, 1965, to issue new ordinary shares of RM0.01 each in the Company at any time and from time to time and upon such terms and conditions to such persons and for such purposes as the Directors may in their discretion deem fit PROVIDED THAT the aggregate number of new ordinary shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the total issued share capital of the Company for the time being and that such authority shall, unless revoked or varied by an ordinary resolution by the shareholders of the Company in a subsequent general meeting, commence upon the passing of this resolution and expire at the next annual general meeting of the Company AND THAT the Directors are further authorised to do all such things and upon such terms and conditions as the Directors may deem fit and expedient in the best interest of the Company to give effect to the issuance of new ordinary shares under this resolution including making such applications to Bursa Malaysia Securities Berhad for the listing of and quotation for the new ordinary shares to be issued pursuant to this resolution."

As Special Resolution

7. **PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY** **[Special Resolution 1] (Refer to Explanatory Note 3)**

   "THAT the proposed amendments to the Articles of Association of the Company as per Appendix 1 as contained in the Annual Report be and are hereby approved."

8. To transact any other business that may be transacted at an annual general meeting of which due notice shall have been given in accordance with the Company's Articles of Association and the Companies Act, 1965.

By order of the Board
HIBISCUS PETROLEUM BERHAD

LIM HOOI MOOI (MAICSA 0799764)
TAN BEE HWEE (MAICSA 7021024)
Joint Company Secretaries

Kuala Lumpur
4 September 2012

Explanatory Notes

1. ***Item 1 of the Agenda***
   This Agenda item is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

2. ***Item 6 of the Agenda***
   The proposed resolution 6 is a new general mandate sought from the shareholders, which if passed, will give the Directors authority to allot and issue new ordinary shares in the Company up to an amount not exceeding 10% of the issued share capital of the Company for such purposes as the Directors may in their discretion deem expedient in the best interest of the Company, subject to compliance with the relevant regulatory requirements. The approval is sought to avoid any delay and additional cost involved in convening a general meeting to specifically approve such issue of shares. This authority, unless earlier revoked or varied by the shareholders of the Company at a subsequent general meeting, will expire at the next annual general meeting.

   The purpose of this general mandate is for possible fund raising exercises including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, repayment of borrowings and/or acquisitions.

3. ***Item 7 of the Agenda***
   The proposed Special Resolution 1 is to comply with the recent amendments to the Listing Requirements of Bursa Malaysia Securities Berhad and deletion of Articles pertaining to a Special Purpose Acquisition Company since the Company had completed its Qualifying Acquisition on 18 April 2012.

Notes:-

1. *The purpose of determining who shall be entitled to attend this meeting in accordance with Articles 65(b) and 65(c) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors as at 19 September 2012 and only Depositors whose names appear on such Record of Depositors shall be entitled to attend the said meeting.*

2. *A proxy may but need not be a member and/or a qualified legal practitioner, an approved company auditor or a person approved by the Registrar of Companies.*

3. *To be valid, the Form of Proxy duly completed must be deposited at Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than 48 hours before the time for holding the meeting Provided That in the event the member(s) duly executes the Form of Proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy, Provided Always that the rest of the Form of Proxy, other than the particulars of the proxy have been duly completed by the member(s).*

4. *A member shall be entitled to appoint at least one (1) proxy to attend and vote at the meeting. Where a member appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*

5. *Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of our Company standing to the credit of the said securities account.*

6. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. Where the exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.*

7. *If the appointor is a corporation, the Form of Proxy must be executed under its common seal or under the hands of an officer or attorney duly authorised.*

8. *If the Form of Proxy is signed under the hands of an officer duly authorised, it should be accompanied by a statement reading "signed as authorised officer under Authorisation Document which is still in force, no notice of revocation having been received". If the Form of Proxy is signed under the attorney duly appointed under a power of attorney, it should be accompanied by a statement reading "signed under Power of Attorney which is still in force, no notice of revocation having been received". A copy of the Authorisation Document or the Power of Attorney, which should be valid in accordance with the laws of the jurisdiction in which it was created and is exercised, should be enclosed in the Form of Proxy.*

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> Notice Of The Second Annual General Meeting

APPENDIX 1

Proposed Amendments to the Articles of Association of the Company

"THAT the proposed amendments, modifications, deletions and/or additions to the Articles of Association of the Company as set out below be hereby approved:

(i) the following definitions shall be deleted under Article 2:

Words	**Meaning**
Custodian	The custodian appointed by the Company to administer the Trust Account in accordance with the SC Equity Guidelines.
Hibiscus Upstream	Hibiscus Upstream Sdn Bhd (Company No. 834544-M) (formerly known as Hibiscus Upstream Technologies Sdn Bhd), a company which, as at the date of adoption of these Articles, is owned by the Management Team.
Initial Investors' Subscription Agreements	The subscription agreements entered into by the Company and each of the Initial Investors in relation to their subscription of Shares.
Initial Investors	Geo Distinction Sdn Bhd, Kelrix Sdn Bhd, Ivory Matrix Sdn Bhd and Oriental Miracle Sdn Bhd (including their respective successors and permitted assigns).
Initial Investors Moratorium and Non-Entitlement Obligations	Refers to: (a) the irrevocable contractual moratorium under the relevant Initial Investors' Subscription Agreements and these Articles prohibiting each of the Initial Investors from selling, transferring, assigning or disposing in any way the whole or any part of the Relevant Initial Investors' Shares at all times prior to the Company's successful completion of a Qualifying Acquisition in accordance with these Articles and the SC Equity Guidelines; and (b) the irrevocable contractual obligation of each of the Initial Investors (pursuant to the relevant Initial Investors' Subscription Agreements and these Articles) to irrevocably waive and/or renounce all its rights and entitlements to receive or participate in any distribution of monies or assets whatsoever attributable to or in connection with the Relevant Initial Investors' Shares arising from: (i) any liquidation or winding-up of the Company, as long as no Qualifying Acquisition has been successfully completed in accordance with these Articles and the SC Equity Guidelines; or (ii) any exchange of securities in the Company (whether through share buy-back or otherwise) pursuant to Paragraph 6.18 of the SC Equity Guidelines, if the Initial Investor votes against a Qualifying Acquisition at the relevant general meeting convened by the Company to consider such Qualifying Acquisition.
IPO Directors	The Directors as at the Listing Date, as set out in the prospectus for the IPO.
IPO Independent Directors	The independent Directors as at the Listing Date, as set out in the prospectus for the IPO.
Management Team	The Directors (but excludes independent Directors) and the management team of the Company comprising Dr Kenneth Gerard Pereira (NRIC No. 580718-10-6431), Dr Pascal Josephus Petronella Hos (Dutch Passport BU7R7R4K9), Ir Mohd Iwan Jefry bin Abdul Majid (NRIC No. 700910-10-5889) and Joyce Theresa Sunita Vasudevan (NRIC No. 671007-01-5772) (and/or such other officers or employees of the Company as may be so designated as part of the Management Team by the board of Directors from time to time), as defined under and for purposes of the SC Equity Guidelines.
Permitted Investments	Investments in securities issued by the Malaysian government, money market instruments and AAA-rated papers, as defined under the SC Equity Guidelines.

Permitted Time Frame	Thirty-six (36) months from the Listing Date.
Public Issue	The public issue of between 200,000,000 and up to 400,000,000 Ordinary Shares ("Public Issue Shares") together with between 200,000,000 and up to 400,000,000 warrants-A on the basis of 1 warrant-A for every 1 Public Issue Share subscribed at the price of RM0.75 each, pursuant to the IPO.
Relevant Initial Investors' Shares	The Shares subscribed by each of the Initial Investors pursuant to their respective Initial Investors' Subscription Agreements.
SPAC	A special purpose acquisition company, as described under the SC Equity Guidelines.

(ii) the existing Article 59 shall be amended/altered in the following manner:

Existing Article 59	**New Article 59**
Subject to and in accordance with the provisions of the Act and such other relevant law, regulation or guideline for the time being in force, the Company is allowed and shall have power, to the fullest extent permitted, to purchase any of its own shares and thereafter, the Directors may resolve and shall have the fullest power to deal with such purchased shares in accordance with the provisions of the Act and such other relevant law, regulation or guideline (including but not limited to paragraph 12.25 of the Listing Requirements, with regard to share buy-back by a SPAC).	Subject to and in accordance with the provisions of the Act and such other relevant law, regulation or guideline for the time being in force, the Company is allowed and shall have power, to the fullest extent permitted, to purchase any of its own shares and thereafter, the Directors may resolve and shall have the fullest power to deal with such purchased shares in accordance with the provisions of the Act and such other relevant law, regulation or guideline.

(iii) the existing Articles 61A, 61B and 61C be hereby deleted in its entirety.

(iv) the existing Article 92(2) shall be amended/altered in the following manner:

Existing Article 92(2)	**New Article 92(2)**
A Member shall be entitled to appoint at least (1) proxy to attend and vote at the same meeting.	A Member shall be entitled to appoint **up to two (2) proxies** to attend and vote at the same meeting. **A proxy appointed to attend and vote at a meeting shall have the same rights as the Member to speak at the meeting.**

(v) the following new Article 92(5) shall be inserted after Article 92(4):

Article 92(5)

Where a Member is an exempt authorised nominee which holds Ordinary Shares for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds. An "exempt authorised nominee" refers to an authorised nominee as defined under the Depositories Act which is exempted from compliance with the provisions of subsection 25A(1) of the Depositories Act.

(vi) the existing Article 185 be hereby deleted in its entirety."

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> Letter of Nomination

To all Members,

NOTICE IS HEREBY GIVEN THAT in accordance with Section 172(12) of the Companies Act, 1965, Messrs. PricewaterhouseCoopers of Level 10, 1 Sentral, Jalan Travers, KL Sentral, P.O Box 10192, 50706 Kuala Lumpur has been nominated for appointment as the Company's Auditors at the forthcoming Annual General Meeting of the Company.

By order of the Board

LIM HOOI MOOI (MAICSA 0799764)
TAN BEE HWEE (MAICSA 7021024)

Date: 4 September 2012

The Board of Directors
HIBISCUS PETROLEUM BERHAD
Level 18, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur

Date: 27 August 2012

Dear Sirs,

NOMINATION OF AUDITORS

We, Hibiscus Upstream Sdn Bhd, being a shareholder of Hibiscus Petroleum Berhad, hereby give notice pursuant to Section 172(11) of the Companies Act, 1965, of our nomination of Messrs. PricewaterhouseCoopers of Level 10, 1 Sentral, Jalan Travers, KL Sentral, P.O Box 10192, 50706 Kuala Lumpur, as Auditors of the Company in place of the retiring Auditors, Messrs. Crowe Horwath at the forthcoming Annual General Meeting of the Company.

Thank you.

Yours faithfully,
For and on behalf of
HIBISCUS UPSTREAM SDN BHD

DR KENNETH GERARD PEREIRA
Director

HIBISCUS Petroleum

HIBISCUS PETROLEUM BERHAD
(798322-P)

CDS Account No.

> Form Of Proxy

I/We ____

I.C. No./Passport/Company No. ______________________________

being a member of **HIBISCUS PETROLEUM BERHAD** ("**HIBISCUS PETROLEUM**" or "**Company**"), hereby

appoint ____

______________________________ I.C. No./Passport No. ______________

of ____

or failing him, ______________________ I.C. No./Passport No. ______________

of ____

or failing him, the CHAIRMAN OF THE MEETING as my/our proxy, to vote for me/us on my/our behalf at the SECOND ANNUAL GENERAL MEETING of our Company to be held at PJ Hilton Hotel, Kristal Ballroom, 1st Floor, West Wing, No. 2, Jalan Barat, 46200 Petaling Jaya, Selangor Darul Ehsan on 26 September 2012 at 10.00 am or at any adjournment thereof, on the following resolutions referred to in the Notice of the Second Annual General Meeting by indicating an "X" in the space provided below:-

Item	Agenda			
1.	To receive the Audited Financial Report for the financial year ended 31 March 2012 and the Reports of Directors and Auditors thereon.			
	Ordinary Resolutions	**Resolution**	**FOR**	**AGAINST**
2.	To approve Directors' fees for the financial year ended 31 March 2012.	1		
3.1	To re-elect Mr Roushan Arumugam who retires as a Director of the Company pursuant to Article 101 of the Company's Articles of Association.	2		
3.2	To re-elect Mr Tay Chin Kwang who retires as a Director of the Company pursuant to Article 101 of the Company's Articles of Association.	3		
4.1	To re-elect En Zainol Izzet Bin Mohamed Ishak who retires as a Director of the Company pursuant to Article 123 of the Company's Articles of Association.	4		
5.	To appoint Messrs. PricewaterhouseCoopers as Auditors for the Company in place of the retiring Auditors, Messrs. Crowe Horwath and to authorise the Directors to fix their remuneration.	5		
6.	Authority to Allot and Issue Shares.	6		
	Special Resolution	**Resolution**	**FOR**	**AGAINST**
7.	Proposed Amendments to the Articles of Association of the Company.	1		

Dated this __________ day of ______________ 2012.

Signature/Common Seal	
Number of shares held	
Date	

For appointment of two proxies, percentage of shareholdings to be represented by the proxies			
	No. of shares	**Percentage**	
Proxy 1			%
Proxy 2			%
		100	%

Notes:

1. *A proxy may but need not be a member and/or a qualified legal practitioner, an approved company auditor or a person approved by the Registrar of Companies.*

2. *To be valid, the Form of Proxy duly completed must be deposited at Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than 48 hours before the time for holding the meeting Provided That in the event the member(s) duly executes the Form of Proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy, Provided Always that the rest of the Form of Proxy, other than the particulars of the proxy have been duly completed by the member(s).*

3. *A member shall be entitled to appoint at least one (1) proxy to attend and vote at the meeting. Where a member appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*

4. *Where a member is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991, it may appoint one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of our Company standing to the credit of the said securities account.*

5. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*

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Please fold here to seal

affix
postage
stamp

Share Registrar

Tricor Investor Services Sdn Bhd
Level 17, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur

Please fold here to seal

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