HIBISCUS PETROLEUM BERHAD
Registration Number: 200701040290 (798322-P)

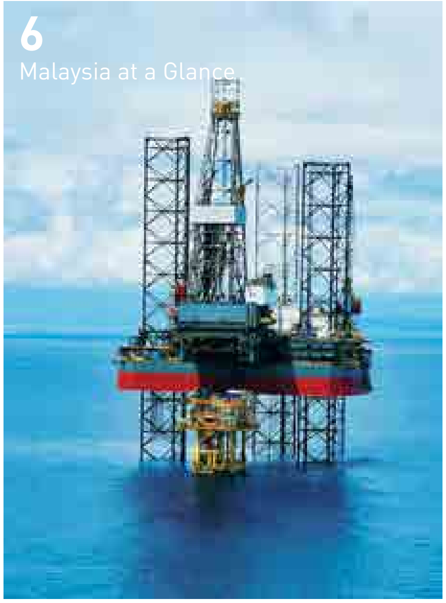
DELIVERING VOLUMES, ENHANCING VALUE

ANNUAL REPORT
2023/2024

INSIDE THIS REPORT

Delivering Volumes, Enhancing Value

A vibrant painting of a hibiscus flower superimposed over the Malaysian flag is this year's Annual Report 2023/2024 cover design. It symbolises Hibiscus Petroleum Berhad's sustainable growth as Malaysia's first listed independent oil and gas exploration and production company. As the national emblem of Malaysia, the hibiscus flower embodies the rich cultural heritage of the nation and our deep-rooted connection to the country, community and environment in which we operate, as well as our responsible approach as an energy company of the future. The tagline 'Delivering Volumes, Enhancing Value' encapsulates our strategic focus on prioritising operational excellence and reflects our dedication to fostering growth that is both sustainable and value-accretive for all stakeholders.



INTRODUCTION

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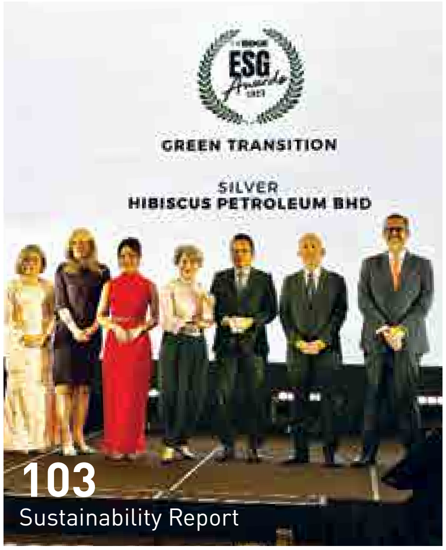
For more information, visit:
www.hibiscuspetroleum.com

LEADERSHIP

GOVERNANCE



CORPORATE DISCLOSURES

14TH ANNUAL GENERAL MEETING

14TH ANNUAL GENERAL MEETING

Venue:
Tricor Business Centre
Gemilang Room, Unit 29-01
Level 29, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur, Malaysia

Date:
Wednesday, 27 November 2024

Time:
9.30 a.m.

Cover Painting by SM Raja

Title

Bunga Kebangsaan ii

Year of Painting

2024

Artist Biography

Muhammad Riduan Raja Yunus (SM Raja), born on 16 September 1995 in Pasir Puteh, Kelantan, has been passionately engaged in the arts from a young age. He graduated from Universiti Sains Malaysia in 2019 with a degree in Arts and Design, focusing particularly on painting and sculpture.

After graduation, SM Raja moved to Shah Alam to advance his career as a professional artist. He is currently active as a full-time artist in Kuala Lumpur and Selangor. He frequently participates in group exhibitions at galleries such as Segaris Art Centre, Titik Merah and Galeri Prima, among others. Additionally, he has won several competitions, including the 3R Competition (2016), the Nando's Art Initiative (2017) and was shortlisted for the UOB Painting of the Year (2017).

ABOUT US

Hibiscus Petroleum Berhad (Hibiscus Petroleum) is Malaysia's first listed independent oil and gas exploration and production company headquartered in Kuala Lumpur. Our key activities are focused on monetising producing oil and gas fields and growing our portfolio of exploration, development and producing assets in areas of our geographical focus: Malaysia, Vietnam, countries in Asia Pacific, the United Kingdom and Australia.

As an operator of offshore oil and gas producing fields, our efforts are focused on safely enhancing value from the assets in which we have economic interests.

Our growth strategy in the current oil and gas market is to leverage on opportunities that are present within our portfolio of existing assets and make quality acquisitions on a selective basis, thus delivering sustainable returns to our shareholders. We also bid for new licences, specifically if they cover areas in close proximity to the infrastructure that we operate.

We are committed towards upholding high standards of safety and environmental management. We also prioritise corporate governance and transparency, whilst expanding our business on strong technical and commercial foundations.

Hibiscus Petroleum is headquartered in Kuala Lumpur and our securities are listed on the Main Market of Bursa Malaysia Securities Berhad. Hibiscus Petroleum is a constituent on the FTSE4Good Bursa Malaysia Index as well as the FTSE4Good Bursa Malaysia Shariah Index. Hibiscus Petroleum securities have been classified as being Shariah-compliant by the Shariah Advisory Council of the Securities Commission Malaysia.

FY2024 Group Highlights

MARKET CAPITALISATION[1]:
RM1.86 billion
FY2023: RM1.74 billion ▲6.9%

REVENUE:
RM2.72 billion
FY2023: RM2.34 billion ▲15.8%

NET ASSETS[1]:
RM3.10 billion
FY2023: RM2.69 billion ▲15.3%

CASH[1]:
RM962.4 million
FY2023: RM1.18 billion ▼18.4%

NET 2P RESERVES[2]:
57.4 MMboe
FY2023: 67.0 MMboe ▼14.3%

NET PRODUCTION RATE:
20,912 boe/day
FY2023: 20,017[4,5] boe/day ▲4.5%

EBITDA:
RM1.32 billion
FY2023: RM1.27 billion ▲4.0%

PROFIT AFTER TAXATION:
RM467.1 million
FY2023: RM400.5 million ▲16.6%

DEBT[1]:
RM371.5 million
FY2023: RM456.8 million ▼18.7%

CAPITAL EXPENDITURE:
RM743.7 million
FY2023: RM516.8 million ▲43.9%

NET 2C RESOURCES[2]:
114.3 MMboe
FY2023: 60.6 MMbbl ▲88.6%

NET UNIT PRODUCTION COSTS[3]:
USD27/boe
FY2023: USD26/boe ▲9%

Notes:

1 As at 30 June 2024 for FY2024, as at 30 June 2023 for FY2023.
2 As at 1 July 2024 for FY2024, as at 1 July 2023 for FY2023.
3 Weighted average production volume and operating expenditure based on net entitlement/working interest in the PM3 CAA PSC, the Kinabalu Oil PSC, the Block 46 Cai Nuoc PSC, the PM305 PSC, the PM314 PSC, the North Sabah PSC and the Anasuria Cluster.
4 Combined average daily net production rate (post validation by the regulator) is the sum of the average daily net production rate of the PM3 CAA PSC, North Sabah PSC, Kinabalu Oil PSC, Anasuria Cluster, Block 46 Cai Nuoc PSC, PM305 PSC and PM314 PSC, for the period from 30 June 2023 to 30 June 2024.
5 Figures adjusted following PSC Statement audit and Petroliam Nasional Berhad's review.

Key:

- FY2024 – Financial year ended 30 June 2024.
- FY2023 – Financial year ended 30 June 2023.
- EBITDA – Earnings Before Interest, Taxes, Depreciation and Amortisation.
- 2P Reserves – Proven and probable oil and gas reserves.
- 2C Resources – Best estimate contingent oil and gas resources.
- MMboe – Million barrels of oil equivalent.
- MMbbl – Million barrels.
- boe – Barrels of oil equivalent.
- RM – Ringgit Malaysia.
- USD – United States Dollar.
- PSC – Production Sharing Contract.

Hibiscus Petroleum Group operates or jointly operates production sharing contracts or concessions in Malaysia, Vietnam, the United Kingdom and Australia. Our portfolio consists of production, development and exploration assets. We are also investing selectively in non-operated opportunities with reputable operating partners.

MALAYSIA

Our journey in Malaysia commenced with the 2011 North Sabah Enhanced Oil Recovery Production Sharing Contract (North Sabah PSC). SEA Hibiscus Sdn Bhd (SEA Hibiscus) took on the role of operator for the North Sabah PSC on 31 March 2018. During our tenure as operator, we have effectively overseen the implementation of a range of production enhancement initiatives, leading to a significant increase in gross oil production sales.

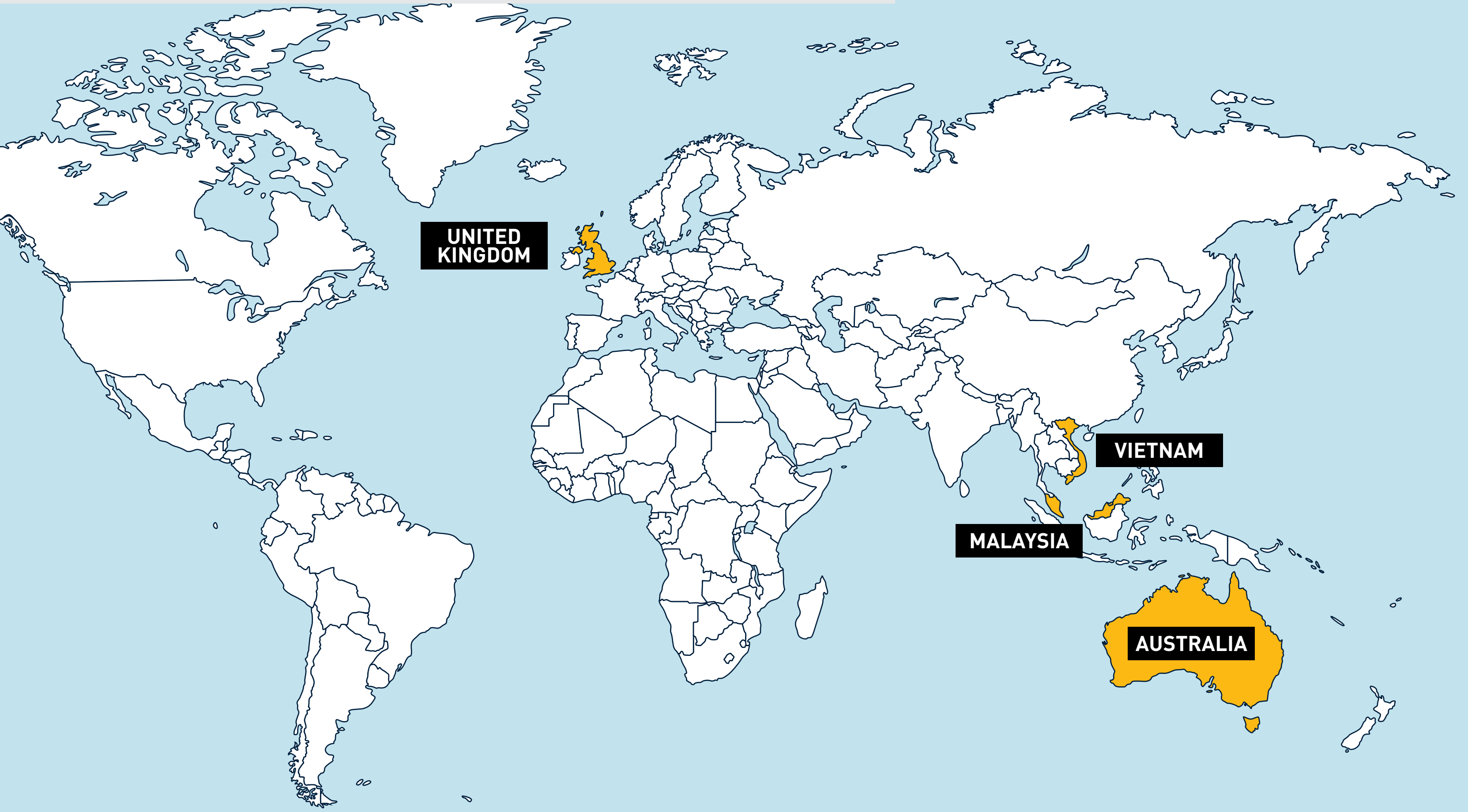
In January 2022, we achieved a significant milestone by finalising the acquisition of interests in three Malaysian Production Sharing Contracts (PSCs) from Repsol Exploración, S.A. (Repsol). This move marked a substantial expansion of our presence and operations within the Malaysian oil and gas sector.

We secured interest and operatorship in the PKNB Cluster PSC by Petroliam Nasional Berhad (PETRONAS) in July 2024, our first direct PSC award. This was followed by the completion of a farm-in agreement with PETRONAS Carigali Sdn Bhd (PETRONAS Carigali) for interest in the PM327 PSC in September 2024, one of the largest exploration blocks offshore Peninsular Malaysia.

Looking ahead, our vision includes the diligent execution of activities on additional prospects that we have identified. These endeavours, including the SF30 Waterflood Phase 2 project, are designed to counteract the natural decline of our production and sustain the upward growth trajectory of our oil and gas production. Of particular significance is that both the Kinabalu Oil PSC and the North Sabah PSC contribute their crude oil to the Labuan Crude Oil Terminal, a facility managed and operated by SEA Hibiscus. This seamless synergy across our assets further solidifies our prominent position in the Malaysian oil and gas landscape.

MALAYSIA-VIETNAM COMMERCIAL ARRANGEMENT AREA

Acquisition of the PM3 Commercial Arrangement Area (CAA) PSC from Repsol was completed in January 2022 and lies within the CAA established between Malaysia and Vietnam. It is our largest source of gas production, with gas being piped to Malaysia and Vietnam. Production enhancement projects, including the longest well drilled in Malaysia and two successful exploration discoveries, have been effective in improving production.



VIETNAM

We completed the acquisition of the Block 46 Cai Nuoc PSC (Block 46) from Repsol in January 2022 as part of the same acquisition which included three Malaysian PSCs and the PM3 CAA PSC. It lies adjacent to PM3 CAA PSC and oil produced from Block 46 is processed at the PM3 CAA facilities.

UNITED KINGDOM

The United Kingdom Continental Shelf (UKCS) is home to Hibiscus Petroleum's first producing asset – the Anasuria Cluster, a group of producing oil and gas fields and associated infrastructure. We jointly operate this asset via our jointly-controlled entity, Anasuria Operating Company Limited. Expanding our footprint in the North Sea, we acquired the discovered oilfields of Marigold West and Sunflower in 2018 and expect this development asset, together with the Teal West development, to deliver a step change to our UKCS production volumes in the near future. In the 32nd and 33rd UKCS Licensing Round, we were also awarded the Kildrummy and Crown licences which we hope will eventually become part of the Greater Marigold Area Development.

AUSTRALIA

In the Bass Strait, we operate the VIC/RL17 petroleum retention lease (previously known as the VIC/L31 production licence). We also have indirect interests in five other licences through our interest in 3D Energi Limited (formerly known as 3D Oil Limited).

MALAYSIA AT A GLANCE

On 31 March 2018, SEA Hibiscus Sdn Bhd (SEA Hibiscus) successfully assumed the role of operator of the North Sabah Production Sharing Contract (PSC) from Shell. As operator, SEA Hibiscus is responsible for the day-to-day operations, maintenance and conduct of production enhancement activities carried out on the asset.

The North Sabah PSC is our second producing asset, providing us with a further revenue stream after the Anasuria Cluster. It has enabled us to strengthen our technical and operating capabilities, profitability and balance sheet.

Through execution of production enhancement projects since the acquisition, we have been realising the considerable potential within the fields of the North Sabah PSC.

On 24 January 2022, we completed the acquisition and transfer of operatorship of three Malaysian PSCs: Kinabalu Oil, PM305 and PM314. Together with the PM3 Commercial Arrangement Area (CAA) PSC and Block 46 Cai Nuoc PSC acquired in the same transaction, these assets have brought about a step change to our oil and gas production volumes.

In July 2024, we were directly awarded our first PSC by PETRONAS, with 65% participating interest and operatorship in the PKNB Cluster PSC containing four discovered gas fields. Further, we completed a farm-in agreement with PETRONAS Carigali for 30% participating interest in the PM327 PSC, one of the largest exploration blocks offshore Peninsular Malaysia. Both the PKNB Cluster and PM327 PSCs offer tie-back opportunities to the PM3 CAA facilities, presenting significant production growth potential and operational and cost efficiencies in the future.

HIGHLIGHTS

	KINABALU OIL	NORTH SABAH
AVERAGE UPTIME[1]	83%	90%
AVERAGE NET DAILY PRODUCTION RATE[1]	3,286 bbl/day	4,828 bbl/day
AVERAGE UNIT PRODUCTION COST[1]	USD 17.5/bbl	USD 21.6/bbl
LTIR[1,3]	0	0.05
2P OIL RESERVES[2]	6.4 MMstb	18.4 MMstb
2C OIL RESOURCES[2]	-	8.9 MMstb
LONG-TERM PARTNERSHIP WITH PETRONAS CARIGALI		

Notes:

1. For the financial year ended 30 June 2024.
2. As at 1 July 2024. Reserves and resources for North Sabah are based on SEA Hibiscus' current estimated net entitlement, based on RPS Energy's report dated August 2023, adjusted for actual production in the 12 months ended 30 June 2024. Reserves for Kinabalu Oil are based on FIPC Group's current estimated net entitlement, based on RPS Energy's report dated August 2022, adjusted for actual production in the 24 months ended 30 June 2024.
3. LTIR represents the frequency of lost time injuries (LTI) which include fatalities, permanent disabilities or workhours lost due to workplace incidents per 200,000 hours worked by both employees and contractors.
4. Minimal reportable data for PM314 and PM305 PSCs as PM314 is no longer operating and the Group's participating interest in PM305 ceased in March 2024.

Key:

- 2P Oil Reserves – Proven and probable oil reserves.
- 2C Oil Resources – Best estimate contingent oil resources.
- bbl – Barrels.
- MMstb – Million stock tank barrels.
- LTIR – Lost Time Injury Rate.
- USD – United States Dollar.
- FIPC – Fortuna International Petroleum Corporation.
- RPS Energy – RPS Energy Consultants Limited.

NORTH SABAH PSC: OFFSHORE AND ONSHORE FACILITIES

St Joseph

Barton

South Furious

SF30 - New Wellhead Platform as part of SF30 Water Injection Project

SF30

Labuan Crude Oil Terminal (LCOT)

MALAYSIA AT A GLANCE (CONTINUED)

NORTH SABAH PSC

Asset Name:
North Sabah PSC

Licence:
2011 North Sabah Enhanced Oil Recovery Production Sharing Contract

Hibiscus Petroleum's Interest:
50%

Operator:
SEA Hibiscus

Non-operating Partner:
PETRONAS Carigali

Asset Location:
33km from Kota Kinabalu, Malaysia

Water Depth:
18-60m

Field Life Cycle:
Production

Producing Fields:
St Joseph, South Furious, SF30, Barton

Development Type:
Fixed platforms with dry trees, inter-field pipelines and a trunk line to Labuan Crude Oil Terminal (LCOT)

Acquisition Date:
31 March 2018

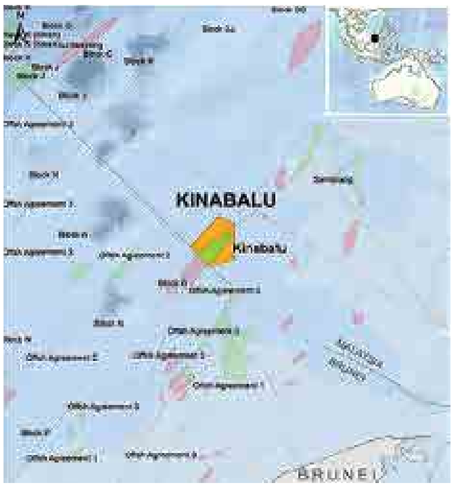
Office Locations:
Kuala Lumpur, Kota Kinabalu, Labuan

Awards:

(i) PETRONAS Focused Recognition Award – Awarded in December 2023 to SEA Hibiscus' Chief Executive Officer (CEO) and Chief Operating Officer (COO) respectively for effectively contributing to being an excellent partner to PETRONAS Carigali.

(ii) PETRONAS Focused Recognition Award – Awarded in May 2024 for effectively closing audit gaps in the 2021 Tier 2 Integrated Operational Asset Integrity Assurance (IOAIA) audit, leading to continuous improvement in Asset Integrity and Reliability for North Sabah facilities.

KINABALU OIL PSC



Asset Name:
Kinabalu Oil PSC

Licence:
2012 Kinabalu Oil Production Sharing Contract

Hibiscus Petroleum's Interest:
60%

Operator:
Hibiscus Oil & Gas Malaysia Limited

Non-operating Partner:
PETRONAS Carigali

Asset Location:
Offshore Sabah

Water Depth:
56m

Field Life Cycle:
Production

Producing Fields:
Kinabalu Main, Kinabalu East, Kinabalu Far East

Development Type:
Fixed platforms with oil pipeline to LCOT and gas pipeline to Samarang Platform

Acquisition Date:
24 January 2022

Office Locations:
Kuala Lumpur, Kota Kinabalu

Awards:

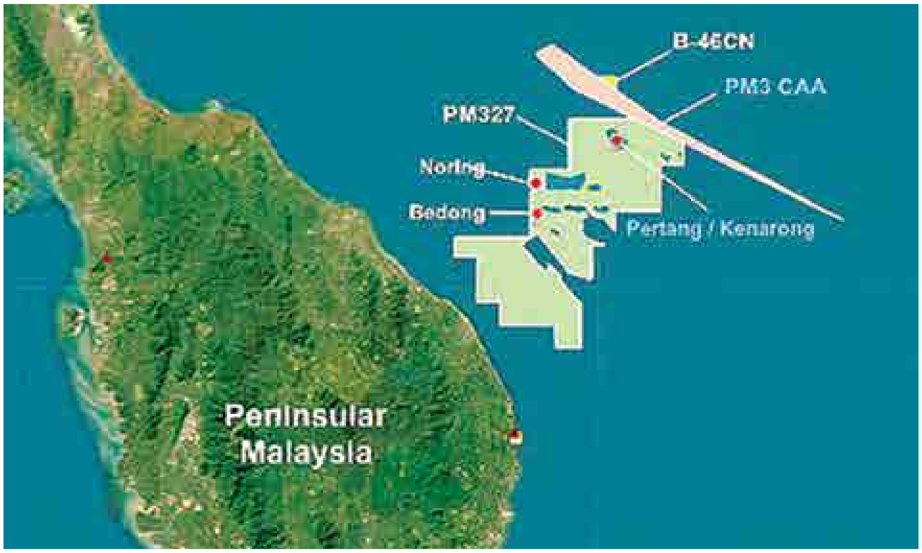
(i) PETRONAS Focused Recognition Award – Awarded in March 2024 for outstanding performance in the Kinabalu Redevelopment Phase 3, including the pioneering use of Autonomous Inflow Control Valves (AICV) in Malaysia.

(ii) MPM Wells Appreciation Townhall – Received awards in March 2024 for achieving the lowest drilling cost per foot for a development well in Malaysia; delivering the country's longest well; and for Malaysia's first AICV installation.

(iii) PETRONAS Malaysia Upstream Awards 2024: Awarded Wells Excellence – GOLD award and for Project Delivery Excellence – GOLD award.

(iv) PETRONAS Focused Recognition Award – Awarded in May 2024 for the successful completion of the Logistics Sharing Agreement between PETRONAS Carigali and Hibiscus Malaysia.

PKNB CLUSTER PSC



Asset Name:
PKNB Cluster PSC

Licence:
PKNB Cluster Production Sharing Contract

Hibiscus Petroleum's Interest:
65%

Operator:
Hibiscus Oil & Gas Malaysia Limited

Joint Venture Partner:
PETRONAS Carigali

Asset Location:
Offshore Peninsular Malaysia

Water Depth:
65–75m

Field Life Cycle:
Development

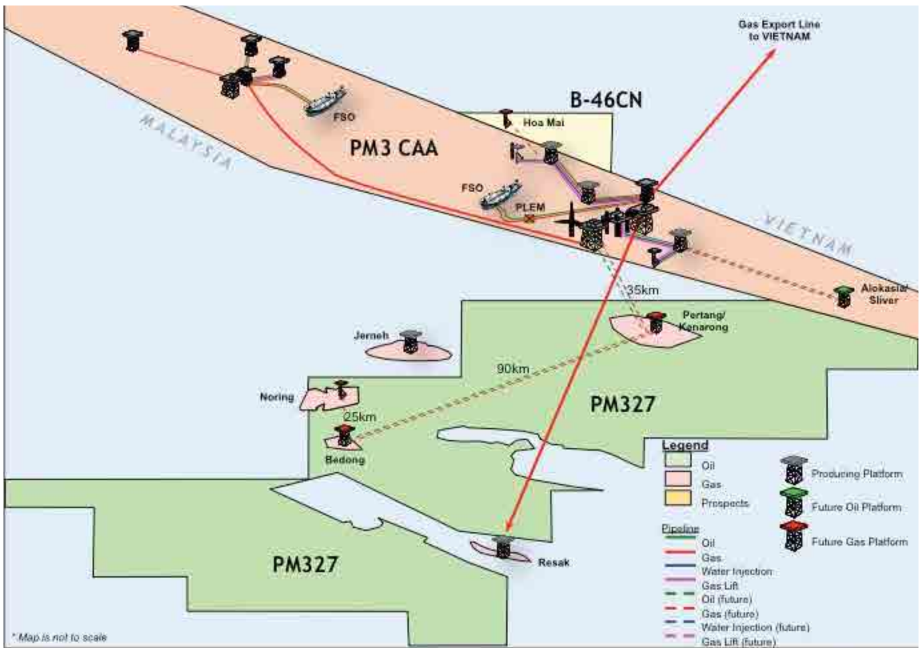
Discovered Fields:
Pertang, Kenarong, Noring, Bedong

Development Type:
Future tie-backs to PM3 CAA facilities

Effective Date:
1 July 2024

Office Locations:
Kuala Lumpur

PM327 PSC



Asset Name:
PM327 PSC

Licence:
PM327 Production Sharing Contract

Hibiscus Petroleum's Interest:
30%

Operator:
PETRONAS Carigali

Asset Location:
Offshore Peninsular Malaysia

Water Depth:
20–75m

Field Life Cycle:
Exploration

Development Type:
Potential future tie-backs to PM3 CAA facilities

Farm-In Date:
5 July 2024

Office Locations:
Kuala Lumpur, Kemaman

MALAYSIA-VIETNAM COMMERCIAL ARRANGEMENT AREA AT A GLANCE

On 24 January 2022, we completed the acquisition and transfer of operatorship in the PM3 Commercial Arrangement Area (CAA) PSC as part of the same acquisition which included the three Malaysian PSCs and one Vietnamese PSC. The PM3 CAA PSC has allowed us to diversify our production to include gas.

Production enhancement projects under our operatorship, including the longest well drilled in Malaysia, have unlocked higher oil and gas production, while our gas exploration wells have also proved successful.

HIGHLIGHTS

AVERAGE UPTIME[1]	**90%**
AVERAGE NET DAILY OIL AND CONDENSATE PRODUCTION RATE[1]	**3,216 bbl/day**
AVERAGE NET DAILY GAS PRODUCTION RATE[1]	**7,298 boe/day**
AVERAGE UNIT PRODUCTION COST[1]	**USD13.8/boe**
LTIR[1,3]	**0**
2P OIL RESERVES[2]	**3.1 MMstb**
2P GAS RESERVES[2]	**49.0 Bscf**
IMPORTANT SOURCE OF GAS FOR MALAYSIA AND VIETNAM	

Notes:

1 For the financial year ended 30 June 2024.

2 As at 1 July 2024, based on FIPC Group's current estimated net entitlement, as per RPS Energy's report dated August 2023 and adjusted for actual production during the 12 months ended 30 June 2024.

3 LTIR represents the frequency of lost time injuries (LTI) which include fatalities, permanent disabilities or workhours lost due to workplace incidents per 200,000 hours worked by both employees and contractors.

Key:

- 2P Oil or Gas Reserves – Proven and probable oil or gas reserves.
- bbl – Barrels.
- boe – Barrels of oil equivalent.
- MMstb – Million stock tank barrels.
- Bscf – Billions of standard cubic feet of gas.
- LTIR – Lost Time Injury Rate.
- USD – United States Dollar.
- FIPC – Fortuna International Petroleum Corporation.
- FSO – Floating Storage and Offloading.
- RPS Energy – RPS Energy Consultants Limited.

PM3 CAA PSC

Asset Name:
PM3 CAA PSC

Licence:
PM3 Commercial Arrangement Area Production Sharing Contract

Hibiscus Petroleum's Interest:
35%

Operator:
Hibiscus Oil & Gas Malaysia Limited

Non-operating Partners:
PETRONAS Carigali, PetroVietnam Exploration Production Corporation Limited

Asset Location:
CAA between Malaysia and Vietnam

Water Depth:
56m

Field Life Cycle:
Production

Producing Fields:
Bunga Orkid, Bunga Pakma, Bunga Raya, Bunga Seroja, Bunga Kekwa, Bunga Tulip, Bunga Lavatera, Bunga Aster

Development Type:
Fixed platforms with gas pipelines to Peninsular Malaysia and Vietnam, oil export via FSO Orkid and FSO PM3 CAA

Acquisition Date:
24 January 2022

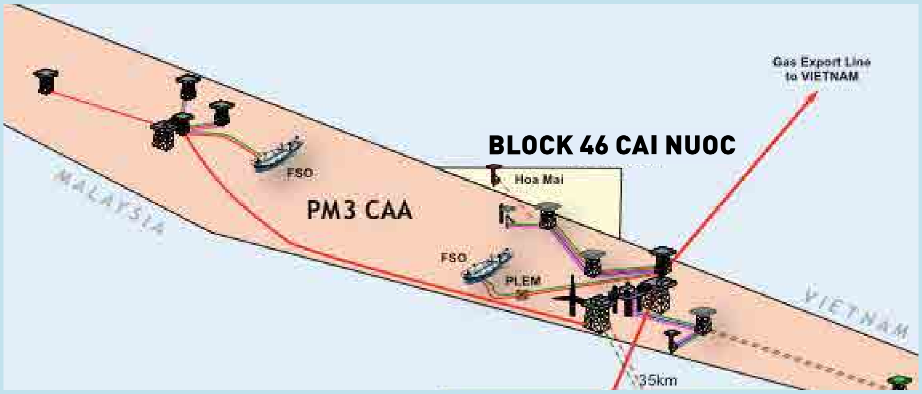
Office Locations:
Kuala Lumpur, Kota Bharu, Kemaman

Awards:

(i) Certificate of Merit from PetroVietnam - Awarded in January 2024 in recognition of our excellence in operating and managing petroleum operations in Vietnam 2023.

(ii) PETRONAS Focused Recognition Award – Awarded in March 2024 for successfully delivering the 2023 PM3 projects on time and within budget, while meeting target volumes.

VIETNAM AT A GLANCE



We acquired Block 46 Cai Nuoc PSC from Repsol on 24 January 2022 as part of the same acquisition which included three Malaysian PSCs and the PM3 CAA PSC. It lies adjacent to PM3 CAA and oil produced from Block 46 Cai Nuoc PSC flows into the PM3 CAA facilities.

HIGHLIGHTS

AVERAGE UPTIME[1]	**90%**
AVERAGE NET DAILY OIL PRODUCTION RATE[1]	**143 bbl/day**
AVERAGE UNIT PRODUCTION COST[11]	**USD 39.9/bbl**
LTIR[1,3]	**0**
2P OIL RESERVES[2]	**0.2 MMstb**

Notes:
1 For the financial year ended 30 June 2024.
2 As at 1 July 2024, based on FIPC Group's current estimated net entitlement, as per RPS Energy's report dated August 2023 and adjusted for actual production during the 12 months ended 30 June 2024.
3 LTIR represents the frequency of lost time injuries (LTI) which include fatalities, permanent disabilities or workhours lost due to workplace incidents per 200,000 hours worked by both employees and contractors.

Key:
- 2P Oil Reserves – Proven and probable oil reserves.
- bbl – Barrels.
- MMstb – Million stock tank barrels.
- Bscf – Billions of standard cubic feet of gas.
- LTIR – Lost Time Injury Rate.
- USD – United States Dollar.
- FIPC – Fortuna International Petroleum Corporation.
- RPS Energy – RPS Energy Consultants Limited.

BLOCK 46 CAI NUOC PSC

Asset Name:
Block 46 Cai Nuoc PSC

Licence:
Block 46 Cai Nuoc Production Sharing Contract

Hibiscus Petroleum's Interest:
70%

Operator:
Talisman Vietnam Limited*

Non-operating Partners:
PetroVietnam Exploration Production Corporation Ltd

Asset Location:
Offshore Vietnam

Water Depth:
56m

Field Life Cycle:
Production

Producing Field:
Cai Nuoc

Development Type:
Tie-back to PM3 CAA facilities

Acquisition Date:
24 January 2022

Office Location:
Kuala Lumpur

Note:
* Talisman Vietnam Limited is undergoing a name change. The legal entity is currently part of Hibiscus Petroleum pending the name change.

UNITED KINGDOM AT A GLANCE

On 10 March 2016, Hibiscus Petroleum through our wholly-owned subsidiary, Anasuria Hibiscus UK Limited (Anasuria Hibiscus) acquired our first producing asset – a package of geographically focused producing fields and associated infrastructure located in the North Sea, United Kingdom (UK), collectively known as the Anasuria Cluster (Anasuria). Anasuria delivers production that generates positive cashflow with infield future development opportunities and exploration upside.

The addition of the Teal West discovery, an award to Hibiscus Petroleum as part of the UK Continental Shelf (UKCS) 32nd Licensing Round is a positive development which should contribute to an increase in Anasuria's production by CY2025.

Expanding our footprint in the North Sea, Anasuria Hibiscus acquired the discovered Marigold West and Sunflower oilfields on 16 October 2018. This shallow-water development asset will deliver a step change to our production volumes and revenue generating capacity in the future.

Additionally, in line with our efforts to aggregate 2C oil resources at a competitive unit cost per barrel (as part of an area-wide development), we applied for (and were awarded), the Kildrummy discovery (as part of the UKCS 32nd and 33rd Licensing Rounds). Kildrummy lies in close proximity to the Marigold West and Sunflower fields. In addition, we were awarded the discovered Crown field in the 33rd UKCS Licensing Round.

On 15 September 2023, Anasuria Hibiscus and Caldera Petroleum UK Limited executed a Unitisation and Unit Operating Agreement (UUOA) with Ithaca Energy Limited for their interest in a field called Marigold East. The combined unit is called 'Marigold'.

We have now established two potential production hubs in the UK. The existing Anasuria Cluster, which includes the Fyne and Teal West fields, and the Greater Marigold Area Development (GMAD), which encompasses the Marigold, Sunflower, Kildrummy and Crown fields. Our optimised approach towards developing the UK Quad 15 area through GMAD positions as well as a second potential production hub, aligned with the UK government's strategy to maximise economic recovery while reducing the carbon intensity of the host assets.

HIGHLIGHTS

ANASURIA AVERAGE UPTIME[1]	**86%**
AVERAGE NET DAILY PRODUCTION RATE[1]	**2,141 boe/day**
AVERAGE UNIT PRODUCTION COST[1]	**USD 29.4/boe**
LTIR[1,3]	**0**
2P OIL RESERVES[2]	**20.2 MMbbls**
2P GAS RESERVES[2]	**5.4 Bscf**
2C OIL RESOURCES[2]	**50.4 MMbbls**
PERSONNEL WORKING ON ANASURIA OPERATIONS[4]:	**148**
DEDICATED PROJECT TEAM FOR HIBISCUS UK ASSETS:	**26**

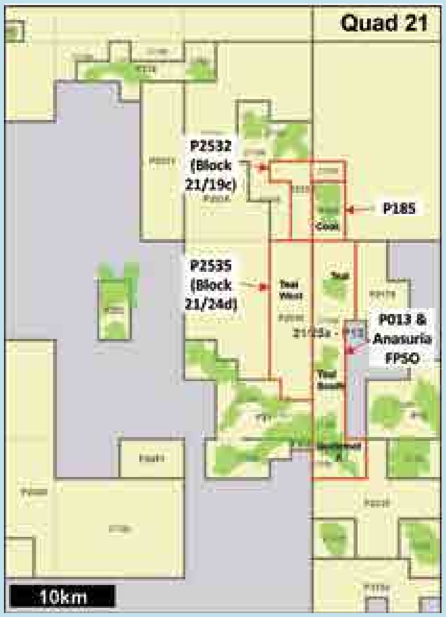
Notes:

1 For the financial year ended 30 June 2024.
2 As at 1 July 2024, based on internal estimates.
3 LTIR represents the frequency of lost time injuries (LTI) which include fatalities, permanent disabilities or workhours lost due to workplace incidents per 200,000 hours worked by both employees and contractors.
4 As at 30 September 2023, consists of personnel in the Anasuria Operating Company Limited and personnel dedicated to Anasuria operations from Petrofac Facilities Management Limited.

Key:

- 2P Oil or Gas Reserves – Proven and probable oil or gas reserves.
- 2C Oil or Gas Resources – Best estimate contingent oil or gas resources.
- boe – Barrels of oil equivalent.
- MMbbl – Million barrels.
- Bscf – Billions of standard cubic feet of gas.
- LTIR – Lost Time Injury Rate.
- USD – United States Dollar.
- ROSPA – Royal Society for the Prevention of Accidents.
- FPSO – Floating, Production, Storage and Offloading Vessel.
- NSTA – North Sea Transition Authority, UK.
- RPS Energy – RPS Energy Consultants Limited.
- CY – Calendar year.

ANASURIA CLUSTER



Asset Name:
Anasuria Cluster

Licence:
P013, P185, P2535, P2451, P2532

Asset Location:
United Kingdom Central North Sea, ~175km east of Aberdeen

Water Depth:
~94m

Acquisition/Award Date:
Anasuria: 10 March 2016
P2535 and P2532: 1 December 2020
P2451: 21 November 2023

Office Locations:
Kuala Lumpur, Aberdeen

Awards:
Safety
(i) Offshore Energies UK Offshore Safety Awards 2024 – Awards for Maritime Safety and Sharing and Learning.
(ii) Patron's Award – Awarded by ROSPA for 25 consecutive Gold awards.

1) P013 and Anasuria FPSO

Hibiscus Petroleum's Interest:
50%

Operator:
Anasuria Operating Company Limited, jointly owned by Anasuria Hibiscus UK Limited (Anasuria Hibiscus) and Ping Petroleum UK PLC (Ping Petroleum)

Field Life Cycle:
Production

Producing Fields:
Teal, Teal South, Guillemot A

Development Type:
Subsea tie-back to Anasuria FPSO

2) P185

Hibiscus Petroleum's Interest:
19.3%

Operator:
Ithaca Energy (UK) Limited (Ithaca Energy)

Field Life Cycle:
Production

Producing Field:
Cook

Development Type:
Subsea tie-back to Anasuria FPSO

3) P2535 (Block 21/24d)

Hibiscus Petroleum's Interest:
100%

Operator:
Anasuria Hibiscus

Field Life Cycle:
Development

Discovered Field:
Teal West

Schematic of the Anasuria Field Layout and Infrastructure.

4) P2451 (Block 21/28b)

Hibiscus Petroleum's Interest:
42.5%

Operator:
Anasuria Hibiscus

Joint Venture Partners:
Ping Petroleum, Rapid Oil Production Ltd

Field Life Cycle:
Development

Discovered Field:
Fyne

5) P2532 (Block 21/19c)

Hibiscus Petroleum's Interest:
19.3%

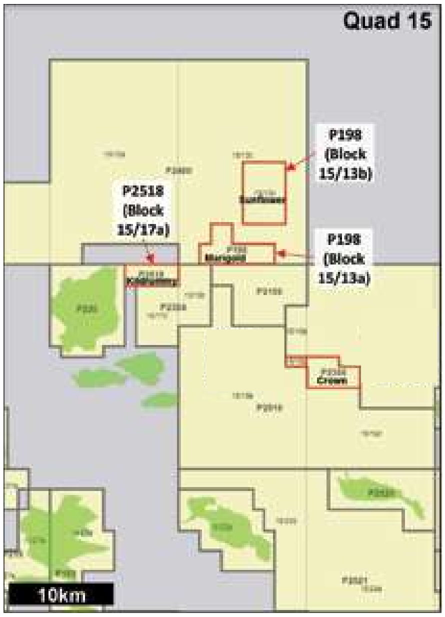
Operator:
Ithaca Energy

Field Life Cycle:
Exploration

Prospects:
Cook West as potential extension of the current Cook Field

UNITED KINGDOM AT A GLANCE (CONTINUED)

GREATER MARIGOLD AREA DEVELOPMENT



Asset Name:
Marigold, Sunflower, Kildrummy, Crown and Cross

Licences:
P198, Blocks 15/13a and 15/13b
P2518, Blocks 15/17a and 15/12a
P2608, Blocks 15/18a and 15/19a
P2635, Blocks 15/13c and 15/18c

Asset Location:
UK Central North Sea, ~250km northeast of Aberdeen

Water Depth:
~140m

Office Locations:
Kuala Lumpur, Aberdeen

1) **P198 (Blocks 15/13a and 15/13b)**
The P198 licence includes our interests in Marigold and Sunflower fields.

Hibiscus Petroleum's Interest in Marigold:
On 15 September 2023, Anasuria Hibiscus and Caldera Petroleum UK Limited (Caldera Petroleum) executed a Unitisation and Unit Operating Agreement (UUOA) with Ithaca Energy to recognise their interests in a field called Marigold East. The combined unit is called 'Marigold' and our interests are:

Anasuria Hibiscus: 61.25%

Hibiscus Petroleum's Interest in Sunflower:
Anasuria Hibiscus: 87.5%

Operator:
Anasuria Hibiscus

Joint Venture Partner:
Caldera Petroleum

Field Life Cycle:
Development

Discovered Fields:
Marigold and Sunflower

Acquisition Date:
16 October 2018

2) **P2518 (Blocks 15/17a and 15/12a)**

Hibiscus Petroleum's Interest:
100%

Operator:
Anasuria Hibiscus

Field Life Cycle:
Development

Discovered Field:
Kildrummy

Award Date:
15 January 2021 (southern part of Kildrummy) and 30 January 2024 (northern part of Kildrummy)

3) **P2608 (Blocks 15/18a and 15/19a)**

Hibiscus Petroleum's Interest:
100%

Operator:
Anasuria Hibiscus

Field Life Cycle:
Development

Discovered Field:
Crown

Award Date:
23 February 2024

4) **P2635 (Blocks 15/13c and 15/18c)**

Hibiscus Petroleum's Interest:
100%

Field Life Cycle:
Exploration

Prospect:
Cross

Effective Date:
4 June 2024

AUSTRALIA AT A GLANCE

Hibiscus Petroleum, through our wholly-owned subsidiary Carnarvon Hibiscus Pty Ltd (Carnarvon Hibiscus) has interests in one licence located in the prolific oil and gas producing province of the Bass Strait of Australia.

We also have a 9.34% interest in the listed shares of 3D Energi Limited (3D Energi) (formerly known as 3D Oil Limited), a company listed on the Australian Stock Exchange. Through 3D Energi, we have indirect exposure to five additional exploration licences.

HIGHLIGHTS

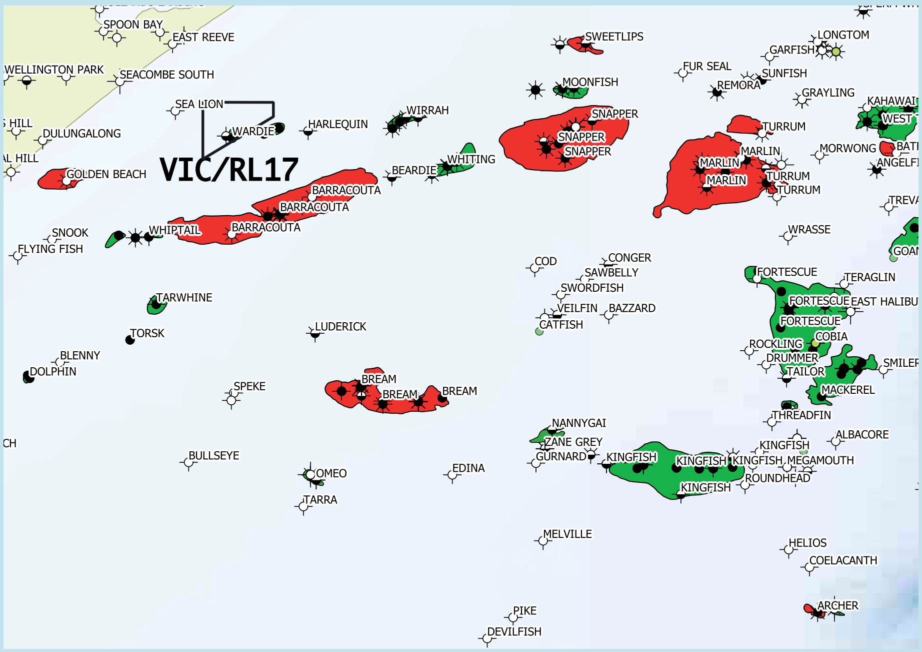
NUMBER OF LICENCES[1]	**1**
2C OIL RESOURCES[1]	**8.0 MMbbl**
WELLS DRILLED[1]	**1 exploration well**

Note:
[1] Based on Hibiscus Petroleum's direct interest in VIC/RL17.

Key:
- 2C Oil Resources – Best estimate contingent oil resources.
- MMbbl – Million barrels.

GIPPSLAND BASIN

1) VIC/RL17 Petroleum Retention Lease (previously known as VIC/L31)



Hibiscus Petroleum's Interest:
100%

Water Depth:
50m

Operator:
Carnarvon Hibiscus

Field Life Cycle:
Development

Asset Location:
Gippsland Basin, Offshore Victoria

Discovered Field:
West Seahorse

2) Investments:

3D Energi, a company listed on the Australian Stock Exchange is an associate company of Hibiscus Petroleum. As of 1 October 2023, Hibiscus Petroleum holds 9.34% indirect interest in 3D Energi. 3D Energi holds interests in five licences:

A. VIC/P74
100%

Location:
Gippsland Basin, adjacent to Kingfish field, the largest oil field in Australia

B. T/49P
20%

Location:
Otway Basin, adjacent to the Thylacine and Geographe gas fields

C. WA-527-P
100%

Location:
Bedout sub-basin, adjacent to the recent significant oil discovery at Dorado field

D. VIC/P79
20%

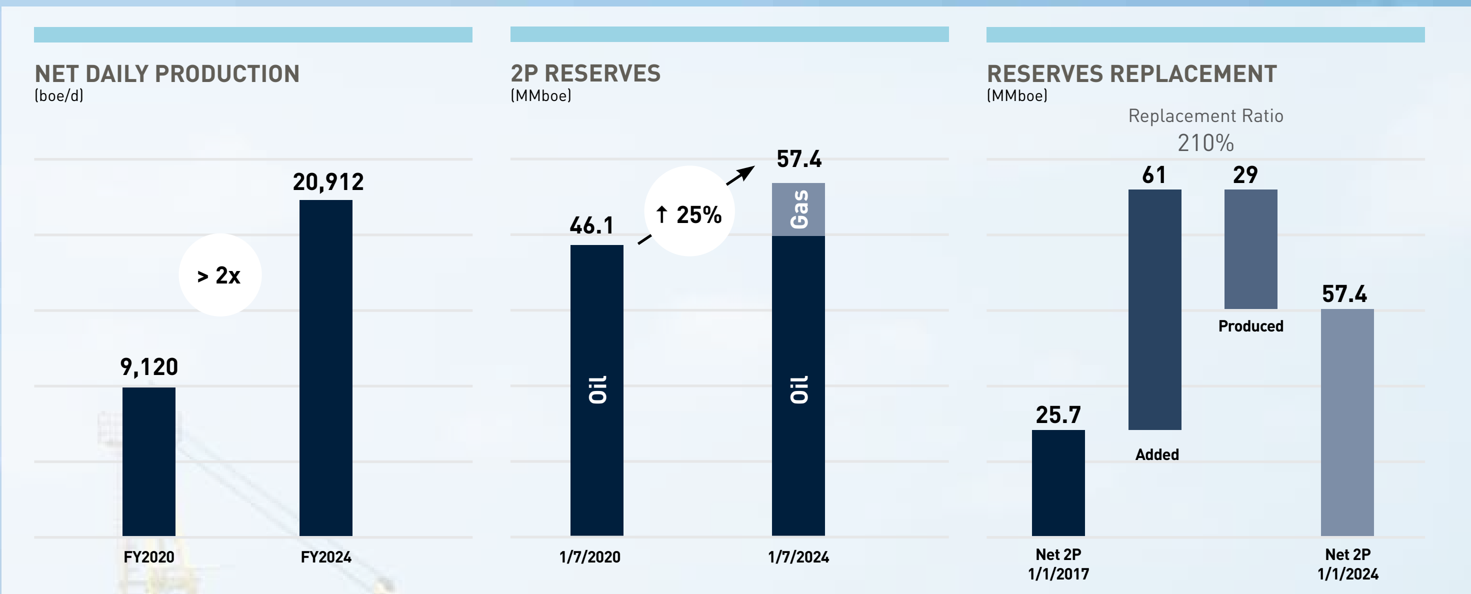
Location:
Otway Basin, adjacent to the Thylacine and Geographe gas fields

E. GSEL 759
100%

Location:
20km Southeast of Mount Gambier and proximal to the South East Pipeline System

DELIVERING VOLUME GROWTH

We have more than doubled our net daily production and increased 2P reserves by 25% since FY2020.



NET DAILY PRODUCTION
(boe/d)
9,120
20,912
> 2x
FY2020
FY2024
2P RESERVES
(MMboe)
46.1
57.4
↑ 25%
Oil
Gas
Oil
1/7/2020
1/7/2024
RESERVES REPLACEMENT
(MMboe)
Replacement Ratio
210%
25.7
61
29
57.4
Added
Produced
Net 2P
1/1/2017
Net 2P
1/1/2024

DELIVERING VOLUMES, ENHANCING VALUE

DEAR SHAREHOLDERS,

Since my last statement for our Annual Report 2022/2023, there have been clear signals that our world is faced with competing issues that impact our business landscape. On one hand, there is a powerful global movement relentlessly pursuing the climate change mitigation agenda whilst on the other, reliable projections show that there will be an even greater reliance on traditional energy sources for at least the next twenty-five years.

At the macro level, there is an increasing level of geopolitical uncertainty. In addition, growing population levels, an increase in the energy usage per capita (particularly in emerging economies) and developments in Artificial Intelligence based applications (which enhance productivity at the cost of increased energy use), coupled with the intermittency problem faced by the primary renewable technologies of wind and solar, are just some of the factors that give our Board the confidence that the oil and gas industry will continue to play an important role in the energy space for decades to come.

Given these underlying fundamentals, we have focused our efforts on increasing production volumes and reserves whilst always keeping in mind that we are expected to deliver enhanced value to our stakeholders. Over the following paragraphs, I would like to highlight some of our initiatives in these areas.

KEY INITIATIVES

Value Enhancement Through the Integration of Business Units and Project Execution

- Integration

  Over the course of the financial year ended 30 June 2024 (FY2024), there have been tangible signs that the overall business performance of our Company has been improving significantly. A key performance target for FY2024 was to integrate the operations of our North Sabah business unit (under the SEA Hibiscus Sdn Bhd legal entity) with the assets and human resources which were acquired from Repsol Exploración, S.A. in January 2022. This was a delicate endeavour as we strove to undertake a nationwide business integration exercise without impacting the morale or motivation of our people.

  The integrated organisation commenced operations under the Hibiscus Malaysia banner on 1 April 2024. Reviewing the safety, operational and financial metrics delivered in FY2024, which will be discussed in the paragraphs below and the pages that follow, I believe that the Company successfully met its objective of delivering a smooth integration. I wish to thank all our staff for their perseverance and dedication towards achieving this goal. We believe that this effort establishes a solid and resilient platform for further growth and value enhancement.

- SF30 - Project Execution

  Through our quarterly Corporate and Business Updates, you would have noticed disclosures reporting the progress of the SF30 Waterflood Project being undertaken by Hibiscus Malaysia over the past year. The scope of this project includes the:

  - fabrication of a wellhead platform;
  - transportation and installation of the platform at the SF30 field, offshore North Sabah;
  - drilling of oil producing and water injection wells; and
  - conversion and installation of a Water Injection Facility (WIF).

This project has been progressing smoothly and work related to the fabrication and installation of the wellhead platform has been completed. An interesting feature of this wellhead platform is that it utilised, for its topsides, a great deal of equipment that had been salvaged from a facility that had been recently decommissioned. We are particularly pleased with the outcome of this initiative as it promotes the concept of a circular economy and is one of the first Malaysian deployments of such an environmentally friendly approach in offshore oilfield development. We expect to realise the benefits from the SF30 Waterflood Project in late calendar year (CY) 2024.

- Teal West Development

  In the United Kingdom (UK), we will continue with the execution of the Teal West project. We are targeting the Teal West well to achieve first oil in late calendar year (CY) 2025. Even though a new tax legislation may be introduced in the UK which could reduce, or delay returns on this project, your Board and Leadership Team have decided to continue with the implementation of the project.

Value Creation Through Exploration, Merger and Aquisition (M&A) Initiatives, a New Production Sharing Contract (PSC) Award and Share Buy-Backs

- Exploration in Malaysia

  In 2023, our Board of Directors sanctioned the drilling of five exploration targets offshore Peninsular Malaysia and Sabah. We are pleased to report that two of these exploration wells, Bunga Aster and Bunga Lavatera, yielded commercial discoveries. It was particularly advantageous that both the Bunga Aster and Bunga Lavatera wells were drilled from existing platforms, thus enabling them to be put on production immediately after the wells were completed.

  In the North Sabah area, our exploration related activities were not as successful. Two wells, pursuing three targets were drilled. Two of the targets yielded disappointing results whilst data from the third opportunity is still being evaluated.

“Block B MLJ is expected to add (net to Hibiscus) up to 21.7 MMboe to the Group’s reserves as at 1 January 2024, an increase of 35.6% from 60.9 MMboe to 82.6 MMboe, while total daily production of oil, condensate and gas is expected to increase (net to Hibiscus) by circa 7,865 boe per day based on CY2024 estimates.”

ZAINUL RAHIM BIN MOHD ZAIN
Chair of the Board

CHAIRMAN'S STATEMENT (CONTINUED)

- **M&A Activities**

  In June 2024, our Company announced that its wholly-owned subsidiary, Simpor Hibiscus Sdn Bhd (Simpor Hibiscus), entered into a conditional Share Purchase Agreement (SPA) with TotalEnergies Holdings International B.V. (TotalEnergies). This SPA covered the proposed acquisition of the entire equity interest in TotalEnergies EP (Brunei) B.V. (TotalEnergies Brunei) for a total cash consideration of USD259.4 million.

  TotalEnergies Brunei holds a 37.5% operated interest in the Block B Maharajalela Jamalulalam (MLJ) field, a high-quality gas asset located offshore Brunei. Other parties holding the remaining interest in this asset include Shell Deepwater Borneo BV (formerly known as Shell Deepwater Borneo Limited) (35.0%) and Brunei Energy Exploration Sdn Bhd (27.5%), a company owned by the Brunei Minister for Finance Corporation.

  Block B MLJ is expected to add (net to Hibiscus) up to 21.7 million barrels of oil equivalent (MMboe) to the Group's reserves as at 1 January 2024, an increase of 35.6% from 60.9 MMboe to 82.6 MMboe, while total daily production of oil, condensate and gas is expected to increase (net to Hibiscus) by circa 7,865 boe per day based on CY2024 estimates. We believe that our entry into a neighbouring country that values investment in its oil and gas resources bodes well for the future of Hibiscus Petroleum Berhad.

- **Award of a New Malaysian PSC**

  In July 2024, our Company was awarded a 65% participating interest and operatorship in the PKNB Cluster Production Sharing Contract (PKNB Cluster PSC) by Petroliam Nasional Berhad (PETRONAS). The remaining interest in the PKNB Cluster PSC was awarded to PETRONAS Carigali Sdn Bhd (PETRONAS Carigali). The PKNB Cluster PSC was awarded with a contract duration of 24 years, commencing 1 July 2024. We are grateful to PETRONAS for awarding us this PSC, which is our first direct PSC award in Malaysia.

  The PKNB Cluster comprises four discovered gas fields, namely Pertang, Kenarong, Noring and Bedong, located in shallow waters between 65 and 75 metres depth offshore the east coast of Peninsular Malaysia. The fields covered by the PKNB Cluster PSC are within tie-back distance of the PM3 Commercial Arrangement Area PSC (PM3 CAA PSC) which is operated by our subsidiary, Hibiscus Oil & Gas Malaysia Limited. Our objective is to optimally monetise the hydrocarbon resources and to unlock synergies that exist as a result of these fields being in close proximity to the infrastructure of PM3 CAA PSC.

- **Exploration Collaboration on PM327 PSC**

  In August 2024, our Company's indirect wholly-owned subsidiary, Straits Hibiscus Sdn Bhd, signed an agreement to acquire a 30% participating interest in the PM327 PSC through a farm-in arrangement with PETRONAS Carigali. This acquisition was completed on 30 September 2024, pursuant to the securing of regulatory approvals and fulfilment of conditions precedent.

  The PM327 PSC, one of the largest exploration blocks offshore Peninsular Malaysia, covers an area of over 12,500 square kilometres with water depths ranging from 20 to 75 metres. Exploration activities, which began in 2023, include new 3D seismic acquisition and phased drilling of exploration wells. The proximity of PM327 to our PM3 CAA PSC provides significant synergistic opportunities.

- **Share Consolidation**

  In FY2024, our Company announced and successfully completed a Share Consolidation exercise. This consolidation, which involved consolidating every five existing shares into two, was completed on 20 October 2023. On this date, 804,967,428 consolidated shares were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad. The issued share capital remains unchanged at RM166,013,524.78, while the number of shares have been adjusted from 2,012,418,743 to 804,967,428.

"This is the third consecutive year that our EBITDA levels have surpassed the RM1 billion mark, and the second year in which our revenue has surpassed the RM2 billion threshold."

This initiative aims to reduce share price volatility and attract a broader range of investors that seek price stability and growth, reflecting our commitment to long-term value creation and market stability.

- Share Buy-Back

  Whilst we have a mandate from our shareholders to acquire up to 10% of our shares from the open market, we have been cautious in our approach, always ensuring that both our operational cashflow obligations and our desire to deliver dividends to our shareholders are fulfilled. Over FY2024, we acquired approximately 6.4 million shares at an average unit cost per share of RM2.53 and as of 30 September 2024, we have acquired approximately 18.61 million shares at an average cost of RM2.12 per share.

  We will continue to seek your mandate to maintain this option as a tool to deliver value, but I would like to stress that this tool will be invoked selectively.

"In addition, during FY2024, the Group declared several interim single-tier dividends, totalling to 7.5 sen per ordinary share, meeting the guidance of a minimum total dividend per share of 7.5 sen over the course of FY2024. I am also pleased to be able to report that the Group is proposing, for the consideration of our shareholders during our 14th Annual General Meeting to be held on 27 November 2024, a final single-tier dividend of 1.0 sen per ordinary share. Looking forward, we hope that our FY2025 results will be similarly strong, if not even stronger. On 12 September 2024, we announced our dividend guidance for FY2025, targeting a minimum payout of 8.0 sen per ordinary share if the average Brent price reaches at least USD70 per barrel and 10.0 sen per share if it exceeds USD80 per barrel."

OUR FINANCIAL PERFORMANCE

- Financial Results

  Oil prices have fluctuated over the course of FY2024, with the Brent benchmark ranging between a low of USD73.24 per barrel (bbl) and a high of USD96.55 per bbl. Gas prices have also correspondingly fluctuated. Against this backdrop, our Group is pleased with our financial results for FY2024. We have reported a Profit After Taxation (PAT) of RM467.1 million on the back of a revenue of circa RM2.7 billion and an Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA) of RM1.3 billion. This is the third consecutive year that our EBITDA levels have surpassed the RM1 billion mark, and the second year in which our revenue has surpassed the RM2 billion threshold.

- Dividends

  In addition, during FY2024, the Group declared several interim single-tier dividends, totalling to 7.5 sen per ordinary share, meeting the guidance of a minimum total dividend per share of 7.5 sen over the course of FY2024. I am also pleased to be able to report that the Group is proposing, for the consideration of our shareholders during our 14th Annual General Meeting to be held on 27 November 2024, a final single-tier dividend of 1.0 sen per ordinary share. Looking forward, we hope that our FY2025 results will be similarly strong, if not even stronger. On 12 September 2024, we announced our dividend guidance for FY2025, targeting a minimum payout of 8.0 sen per ordinary share if the average Brent price reaches at least USD70 per bbl and 10.0 sen per share if it exceeds USD80 per barrel.

OUR AWARDS AND SAFETY PERFORMANCE

- HSSE – Health, Safety, Security and Environment

  Our work environment and growing business footprint demand constant vigilance and attention. To continue to be recognised as a responsible operator depends on our capability and track record to provide a safe, healthy and secure workplace for our employees and business partners. Our safety performance for FY2024, reflects a performance comparable with the top tier operators in the industry, recording zero fatalities and 0.02 Lost Time Injury Rate (LTIR) in all our operated assets, across all locations.

Period: 1 July 2023 to 30 June 2024

	UK	CAA	Malaysia	Australia	Group
Fatality	0	0	0	0	0
LTIR*	0	0	0.05	0	0.02

Note:

* LTIR represents the frequency of lost time injuries (LTI), which includes fatalities, permanent disabilities or work hours lost due to workplace incidents, per 200,000 hours worked by both employees and contractors.

CHAIRMAN'S STATEMENT (CONTINUED)

The key HSSE initiatives that were conducted in FY2024 are detailed in the Sustainability Report section of this Annual Report 2023/2024.

- Awards

  Whilst we have been honoured with several awards over the course of FY2024, I would like to specifically mention the following:

  - Our Group was awarded two **Gold Awards, for Projects Delivery Excellence** and **Wells Excellence** at the Malaysia Upstream Awards 2024 event. These awards, received from the Malaysian regulator Petroliam Nasional Berhad (PETRONAS), benchmark our performance against that of all Exploration and Production companies operating in Malaysia; and
  - In the UK, our team conducting Anasuria operations was awarded a **Gold Award** and the **Patron's Award for CY2023 health and safety performance** by the Royal Society for the Prevention of Accidents (ROSPA).

  We believe that our HSSE performance is the outcome of our consistent and relentless diligence across the various assets that we operate and a push towards a safer workplace that starts with our leadership. It takes a great deal of dedication to deliver the performance that wins such recognition, and hence we are very honoured and proud to have been selected to receive these awards.

OUR THANKS

FY2024 has been an eventful twelve months. Much has been achieved and that gives us a foundation and the confidence that the 2026 Mission of the Company will be achieved. In delivering these achievements, the participation of the Board in administering its duties has been increasingly significant.

The Board has also had to increase its oversight of our business from an Environmental, Social and Governance (ESG) perspective. Our stakeholders are continuously raising their expectations, particularly in the areas of corporate governance and transparency. In this regard, we are pleased to have maintained our constituency in the FTSE4Good Bursa Malaysia Index. We will continue our efforts to remain in this Index provided that in doing so, our investment of resources in this area will deliver tangible rewards to all our stakeholders.

As always, I am pleased to state that it has truly been a pleasure to work with my fellow Board members who have continuously discharged their duties with utmost care and dedication. As I have reported in the preceding paragraphs, a significant number of both exploration and development projects had been executed, or are being undertaken this year, with long-term benefits to the Company. Furthermore, the M&A transaction which was executed with TotalEnergies also involved a significant spend. Collectively, both capital projects and M&A investment activities involved a total spend exceeding RM2.5 billion. This number exceeds our market capitalisation and hence maintaining oversight of the technical and commercial details of these activities was intense, requiring high quality, robust discussions and meticulous reviews.

On several occasions, Board meetings were called at very short notice to enable the necessary steer to be provided to the Leadership Team. Once again, I would like to recognise the flexibility and cooperation shown by my fellow Directors in accommodating the requests of Management for Board engagement so that critical decisions could be made promptly.

Once again, my thanks to my fellow Board members for their dedication and individual contributions.

I have reported in the preceding paragraphs that in June 2024, our indirect wholly-owned subsidiary, Simpor Hibiscus, entered into a conditional Share Purchase Agreement with TotalEnergies. In this regard, I would like to extend my thanks to TotalEnergies for divesting this asset to our Company. On completion of this transaction, we believe that this opportunity will provide us with a long runway of growth opportunities.

I would also like to take this opportunity to record our thanks to the relevant regulators in Malaysia, namely the Securities Commission Malaysia, Bursa Malaysia Securities Berhad and Bank Negara Malaysia. They have all assisted us at all stages of our growth with timely approvals for various corporate exercises.

Our industry-specific regulators also deserve special mention, namely PETRONAS of Malaysia, PetroVietnam of Vietnam, the North Sea Transition Authority (NSTA) of the UK, the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) of the Commonwealth of Australia and the Australian National Offshore Petroleum Titles Administrator (NOPTA). We have also recently commenced engagement with the Petroleum Authority of Brunei Darussalam (PAB) as we undertake activities to transfer the operatorship of the Block B MLJ field. In this regard, we wish to thank PAB for the cooperation and welcome extended to us during this transition.

You would also have noted that in July 2023, our Company announced that the Offshore Petroleum Regulator for Environment and Decommissioning (OPRED) of the UK had issued their Environmental Approval for our Teal West Project. We would like to thank OPRED for this approval and their cooperation to date.

This approval, the first to be issued in the UK after more than a year, paved the way for the award of a Production Consent for the same project some weeks later. With these approvals in hand, the Teal West Project in the UK North Sea will be executed over the course of CY2024 and CY2025.

The continuous support of the various regulators has been instrumental in our success.

At the asset level, we work with our partners and co-venturers. On behalf of the Board, I would like to extend our thanks to each of them – PETRONAS Carigali, Ping Petroleum UK PLC, Ithaca Energy (UK) Limited, PetroVietnam Exploration Production Corporation Limited, Caldera Petroleum (UK) Limited, and 3D Energi Limited (formerly known as 3D Oil Limited) – for their support and cooperation over the past year. Going forward, I wish to recognise the role that is going to be played by Shell Deepwater Borneo BV (formerly known as Shell Deepwater Borneo Limited) and Brunei Energy Exploration Sdn Bhd. These future partners hold 35% and 27.5% respectively in the Block B MLJ field in Brunei and we look forward to working with each of you.

The partnerships and relationships that we have with the oil trading groups of Trafigura Pte Ltd, BP Oil International Limited and PETCO Trading Labuan Company Limited have also been instrumental in assisting us in the achievement of many milestones over the years. Much of what we have done would not have been possible without your timely and positive support. For this, on behalf of the Group, I would like to thank each of you.

This past financial year has been operationally extremely active. To assist us in achieving our objectives, we have relied on our contractors and their contractors. To each of you, thank you for your support and commitment in helping us achieve our operational aspirations and safety related goals.

In recent years, it has become increasingly difficult for participants in the oil and gas industry to secure financial facilities in support of growth and operations. In 2022, we secured our maiden debt facilities from a consortium of international banks, and we continue to build ever strengthening relationships with these banks and others, including reputable Malaysian domestic banks. We have received tremendous support in this area from HSBC Bank Malaysia Berhad, HSBC Amanah Malaysia Berhad, Bank of China (Malaysia) Berhad and the Industrial and Commercial Bank of China (Malaysia) Berhad. In recent months, we have also received encouraging signs that Bank Islam Malaysia Berhad will become our first domestic relationship bank and we look forward to this partnership being crystalised. On behalf of the Company, thank you to all our banking partners for your confidence in us.

I would also like to extend my thanks to the Management Team and all our employees. As a team, you have raised performance standards each year. We have now shifted from being accepted as a regional participant in the industry to a company that is respected as one of the primary regional independent oil companies. We cannot be complacent, particularly in the areas of HSSE. Most significantly, I encourage each of you to see your role in the Company as a purposeful mission and not just a job. That is how we shall achieve something that will benefit all our stakeholders in the long-term.

Finally, on behalf of the Board, I would also like to extend our thanks to all our stakeholders, in particular our shareholders. Thank you most sincerely for your continued patience, trust and support.

We believe that when we look back, we will assess CY2024 as the year in which we took some important strides forward. We are building strong relationships with reputable business partners and regulators, and they are becoming part of our growth story. In addition, we are supported by a competent and cohesive team, ever ready to embark on a new challenge.

Our aspiration is to build a brand that is synonymous with competence, professionalism and good governance, and I would like to thank each and everyone of you for being part of this journey. Amid all the global uncertainties and challenges, we are looking forward positively to FY2025 and, as always, we look forward to your continuing support.

Thank you.

ZAINUL RAHIM BIN MOHD ZAIN
Chair of the Board
7 October 2024

MANAGEMENT DISCUSSION AND ANALYSIS

1. OVERVIEW OF OUR BUSINESS AND OPERATIONS

A. Our Business

Hibiscus Petroleum Berhad (Hibiscus Petroleum or Company) and our subsidiaries (Group) remain focused on creating value for all our stakeholders by safely and efficiently finding and producing hydrocarbons, and bringing these resources to market. Our primary areas of operations cover offshore oil and gas fields in Southeast Asia and in the United Kingdom (UK) North Sea. The financial year ended 30 June 2024 (FY2024) has been extremely productive from both operational and business development standpoints. As elaborated in the Chairman's Statement of this Annual Report 2023/2024, the following key initiatives were pursued:

- Integration – combination of operations, under the Hibiscus Malaysia banner, of our North Sabah business unit (under the SEA Hibiscus legal entity) with the assets and human resources which were acquired from Repsol Exploración S.A. in 2022.

- South Furious (SF) 30 Project Development – execution of a secondary recovery (water injection) project around the SF30 field in North Sabah.

- Teal West Development – tieback of an oilfield back to the Anasuria Floating Production Storage and Offloading (FPSO) facility in the UK North Sea.

- Exploration in Malaysia – drilling of five exploration wells offshore Malaysia, two of which have been determined to be commercially viable and are already in production (Bunga Aster and Bunga Lavatera, which was discovered in 2023).

- Merger and Acquisition (M&A) Activities – execution of a conditional Share Purchase Agreement (SPA) with TotalEnergies Holdings International B.V. for the proposed acquisition of the entire equity interest in TotalEnergies EP (Brunei) B.V. (TotalEnergies Brunei) for a total cash consideration of USD259.4 million. The proposed acquisition is for TotalEnergies Brunei's 37.5% operated interest in the Block B Maharajalela Jamalulalam (MLJ) field, a high-quality gas asset located offshore Brunei.

- Award of a New Malaysian Production Sharing Contract – the award of a 65% participating interest and operatorship in the Pertang, Kenarong, Noring and Bedong (PKNB) Cluster Production Sharing Contract (PKNB Cluster PSC) by Petroliam Nasional Berhad (PETRONAS), our first direct award of a Production Sharing Contract (PSC) in Malaysia. The tenure of this PSC is 24 years and ends in 2048.

- PM327 PSC Farm-in – In August 2024, our wholly-owned subsidiary, Straits Hibiscus Sdn Bhd (Straits Hibiscus) signed an agreement to acquire a 30% Participating Interest in the Block PM327 PSC through a farm-in arrangement with the operator, PETRONAS Carigali Sdn Bhd (PETRONAS Carigali). Interest in the PM327 PSC was initially awarded to PETRONAS Carigali and E&P Malaysia Venture Sdn Bhd (both wholly-owned subsidiaries of PETRONAS) in 2023, with a contract duration of 28 years. The PM327 PSC is one of the largest exploration blocks offshore Peninsular Malaysia, covering an area of more than 12,500 square kilometres, in water depths ranging from 20 to 75 metres. It is located to the south of the PM3 Commercial Arrangement Area PSC (PM3 CAA PSC), offering potential tie-in synergies for commercial discoveries in the northern region of the PM327 PSC.

We believe that our interests in the PKNB Cluster and PM 327 PSCs are significant building blocks towards the creation of a gas production hub around the PM3 CAA PSC and in conjunction with other activities being pursued, will provide the Company with a strong, sustainable business foundation going forward.

B. Macro Trends

The oil and gas industry remains a sector that is continuously impacted by macroeconomic factors. Geopolitical tensions, a slow-down in projected economic activity in China, military confrontations in several parts of the world, an impending United States (US) presidential election, climate change activism coupled with the tendency of governments to build-in populist climate policies as part of their regulatory framework, an increasing level of judiciary involvement in emissions related matters and, the pace of advancement of technology, are all factors that are directly or indirectly impacting oil supply or demand balances. In addition, industry related M&A activity is also on the rise as companies rationalise their asset portfolios and consolidate their businesses in pursuit of operational efficiencies.

In the paragraphs below, some of the key macro trends impacting the oil and gas industry are categorised.

- <u>Energy Transition and Decarbonisation Pressures</u>

  There is a global push, particularly in developed economies, towards increasing the use of renewable or clean energy sources within the energy mix. Governments and industry are investing in initiatives, through subsidies and incentives that enable a transitioning away from fossil fuels as part of a wider Climate Change Agenda.

- <u>Geopolitical Factors</u>

  The current conflict in Ukraine began on 24 February 2022 when Russian military forces entered the country from Belarus, Russia and Crimea. Prior to the invasion, there had already been eight years of conflict in eastern Ukraine between Ukrainian Government forces and Russia-backed separatists. For the oil and gas industry, this conflict caused a restructuring of both global oil and gas trade as sanctions were applied on Russian originating hydrocarbons. At the time of the commencement of the conflict, Russia had been supplying Western Europe with more than 30% of its gas supply. Additional supply of piped gas from Norway and liquified natural gas (LNG) from the US and the Middle East (primarily Qatar) have reduced the European supply shortfalls.

"Our progress this past year has positioned us to achieve our 2026 Mission to grow and maintain net production in a band between 35,000 and 50,000 boe/d whilst building our 2P Reserves base to 100MMboe. We also believe that we are gradually becoming the prominent Independent Oil and Gas Company for the Southeast Asia region."

DR KENNETH GERARD PEREIRA
Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

In addition to this war in Europe, the long-standing tensions in Gaza between Israel and Hamas have escalated at the end of last year, resulting in significant casualties and humanitarian crisis. Given the importance of the surrounding area from an oil and gas supply chain perspective, each escalation or stand-down of military activity has caused volatility in crude oil prices.

Both these issues have impacted energy security of supply considerations for the global community at large. In response, some nations are aggressively seeking a degree of long-term energy independence by investing in renewable or clean energy supply technologies, but most projections show that oil and gas will have a significant role to play in the energy mix for several decades.

- Technological Advancements

  The introduction of Artificial Intelligence (AI) based computer processing capability has led to forecasts of increased productivity and efficiency in all facets of daily life. It is anticipated that AI related innovations will drive an increase in demand for even more power. Notwithstanding the additional power requirements brought about by new technology innovations like AI, renewable initiatives, despite considerable investment, seem unable to keep up with the current growth in energy demand.

- Financial Institutions Withdrawing Support of Greenfield Oil and Gas Developments

  More banks, particularly those with European roots are withdrawing financial support of greenfield oil developments. New gas developments are still able to secure some levels of financing but decarbonisation initiatives and objectives, associated with the new projects, generally need to be demonstrated.

- Regulatory Intervention

  Stricter environmental regulations and policies aimed at reducing carbon footprints are being imposed by host regulators. These enhancements are affecting the implementation approach and investment thesis of new projects.

- Shifting Investment Patterns

  There is a growing trend of equity investors shying away from taking positions in public quoted oil and gas exploration and production companies, driven mainly by environmental, social and governance (ESG) considerations. There is also a change in consumer spending patterns with a rise in use, in certain markets, of electric vehicles and products which demonstrate increased levels of energy efficiency.

- China Economic Slow Down

  Since early 2024, indicators have been pointing to China's economy growing at a much slower than expected rate. Western observers have put forward a variety of causes for this slowdown with chief among them being China's protracted real estate crisis, Chinese leader Xi Jinping's tightening grip on the economy, tariffs being applied on Chinese exports, and the follow-on impact of the movement controls imposed as part of the COVID-19 pandemic response. Official data showed that the world's second-largest economy grew 4.7% from April to June 2024, its slowest since the first quarter of 2023 and missing a 5.1% analyst forecast. A 'negative wealth effect' from falling property and stock prices, as well as low wage growth appears to be dragging consumer consumption. As far as exports are concerned, relationship difficulties with the major Western trading blocs in the Americas and Europe have caused the imposition of tariffs on exports, thus curtailing demand for Chinese goods further.

- US Economic Considerations

  An extended period of high interest rates, imposed by the Federal Reserve Bank to manage inflation, had begun to cause fears of a recession in the US. However, on 18 September 2024, the US Central Bank lowered interest rates for the first time in more than four years, reducing the key lending rate by 0.5 percentage points. This reduction in borrowing costs is expected to enhance investment and consumption in the US. It is also expected that a further reduction in interest rates may be forthcoming before the end of 2024.

  In the near term, a US presidential election is on the horizon. Whilst the economic and trade policies of each of the nominated candidates are uncertain, both are expected to enhance import tariffs on products originating from China. This will likely exacerbate the economic situation in China.

- **The Malaysian Situation**

  As of the publication of this Annual Report 2023/2024, it has been almost two years since the 'Unity' government has been on seat. There is now a renewed focus on the implementation of long-term policies, focusing mainly on good governance, sustainable development and racial harmony under the framework termed 'Malaysia MADANI'. For several years, the performance of the Malaysian Ringgit was a cause of macro concern, but since the middle of 2024, it has appreciated more than 10% against the US Dollar, making it the best emerging market currency, according to a Bloomberg report. Whilst most Malaysians are celebrating the recovery of the currency, after nearing historic lows, others are concerned that export dollars, translated into the Ringgit will result in lower financial performance metrics for businesses.

  Government policy also appears to be focussed on slowly reducing a reliance on subsidies in the country, which should allow the government more financial capacity to address new areas of economic growth. On the sustainability front, there continues to be a strong emphasis placed on the initiatives as itemised in the National Energy Transition Roadmap (NETR). In addition, there seems to be strong government will to pursue those who are, or have been engaged in corrupt practices.

C. Our Positioning

Over the past nine years, our Company has evolved through the timely acquisitions of mature assets which have identifiable opportunities that may be exploited by an efficient operator to enhance value. At an internal Strategic Planning Conference in mid 2023, the Board and Leadership of the Company affirmed its commitment towards pursuing the disclosed objectives of our 2026 Mission. As stated in Section A of this MD&A, a strong business foundation has been established and the elements that will enable the achievement of our 2026 Mission are in place.

In a 'Business as Usual' scenario, it is plausible that the Company will achieve the lower end targets of its 2026 Mission by the end of 2025. Given this scenario, the Leadership Team of the Company intends to recalibrate our position and disclose a revised set of growth targets in early 2025. In doing so, we will be vigilant of risks that may negatively impact the Company.

From developments reported in Section A of this MD&A, in the coming months and years we expect our growth to be delivered through our traditional activities, i.e.:

- Mid-life asset (brownfield) production enhancement;
- New developments;
- Nearfield exploration related activities; and
- Portfolio management (M&A – acquisitions and divestments).

1. Brownfield Operations

This business area covers our operations or joint operations of mid-life producing assets. These activities are currently our primary source of cashflow. Our business objective for this class of assets, during the current Energy Transition, is to make investments and technical enhancements that, in the first instance, arrest the natural decline in production, and secondly, enhance output in a cost-efficient manner, thereby extending the economic life of oil or gas fields in our portfolio. In addition, when making such investments, we need to ensure that our carbon intensity metrics do not increase.

Our producing assets:

- the Anasuria Cluster in the UK sector of the North Sea;
- Sabah, East Malaysia, specifically Kinabalu Oil and North Sabah (comprising St. Joesph, Barton, SF30 and South Furious); and
- the Commercial Arrangement Area (CAA) between Peninsular Malaysia and Vietnam

fall into this category of our business. Within these brownfield clusters, there are growth opportunities and several of these, SF30 Waterflood project being a prime example, are being pursued.

In conclusion, our target in this area is clear – our mid-life asset operations need to be conducted safely, cost effectively and show a reducing trend in greenhouse gas (GHG) emissions. In addition, cashflow generated in this sphere of our business must be optimally deployed in accordance with our Capital Allocation Framework (more explicitly defined in Section 5 of this MD&A).

2. New Developments

This area of our business covers assets in which we have an interest but are yet to be put into production. For these assets, defined development concepts are being assessed and timelines to convert them to income generators are being determined. Material financial and human resources are being deployed to progress business objectives for these assets.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

- **UK North Sea: Greater Marigold Area Development (GMAD)**

  In September 2023, the Unitisation and Unit Operating Agreement (UUOA) was executed by the various licensees of the Marigold West and Marigold East fields. This unitised area, now called Marigold, opens the concept of an integrated development of the Marigold Unit, Sunflower, Kildrummy and Crown fields. Called the GMAD, detailed work is currently being undertaken to advance this concept to a Field Development Plan (FDP).

- **UK North Sea: Fyne**

  In April 2024, the North Sea Transition Authority (NSTA), did not object to our submitted Concept Select Report (CSR) for an alternative development plan for the Fyne field. Our CSR identifies the Anasuria FPSO as the selected production facility, for Fyne hydrocarbons. In addition, the NSTA approved the extension of the Licence P2451 containing the Fyne oil field, until 30 September 2026. A condition of the licence extension is that by 30 September 2026, Anasuria Hibiscus UK Limited (Anasuria Hibiscus), as operator of the Fyne development, will have to achieve an approved FDP and Production Consent on behalf of the licensees. Anasuria Hibiscus, working with our partners, plan to submit the draft FDP and Environmental Statement in calendar year (CY) 2024, in the event of a successful, updated, economic assessment of the Fyne project.

  First oil from the Fyne development is expected in CY2027/CY2028.

- **UK North Sea: Teal West Development**

  In September 2023, all regulatory approvals required for a Final Investment Decision (FID) related to this project were received. In mid 2024, the project was sanctioned after meticulous review. First oil is currently scheduled for late 2025.

- **Malaysia: PKNB Cluster PSC**

  As stated in Section A of this MD&A, in July 2024, our Company was awarded a 65% interest and operatorship in the PKNB Cluster PSC by PETRONAS. The remaining interest in this PSC is held by PETRONAS Carigali. Our current role as operator of this PSC is to progress work towards the submission of an FDP within a 2-year period.

3. **Near-Field Exploration**

   Seismic datasets around the producing licences that we operate in Malaysia are constantly being analysed. Over the FY2024 period, we drilled several exploration targets, both in Peninsular Malaysia and Sabah. The results from these exploration wells have been disclosed in detailed in other sections of this MD&A.

   In August 2024, our Company also formed into the PM327 PSC in Malaysia. Information on this farm-in is disclosed in Section A of this MD&A.

4. **Portfolio Management**

   As part of our efforts to enhance shareholder value, our Business Development team continuously scans the market to accrete value for our shareholders.

   In June 2024, the Company announced the acquisition of an additional producing asset. We signed a conditional SPA to acquire the shares of TotalEnergies EP (Brunei) B.V. from TotalEnergies Holdings International B.V., giving us an effective 37.5% interest in the Block B MLJ field, located offshore Brunei Darussalam. The key benefits of the proposed acquisition are that it:

   - increases our 2P reserves and daily production by 36% and 37% respectively;
   - enhances the gas component of our daily production to approximately 49% of total group production; and
   - exposes us to the potential of unlocking further opportunities in Brunei.

   In addition, the Company also relinquishes licences that have come to the end of their tenure or their economic useful life. In this regard, Hibiscus Oil & Gas Malaysia Limited (HML)'s participation in the PM305 PSC ended on 17 March 2024, with an outstanding facilities decommissioning scope involving the engineering, preparation, removal and disposal of conductor casings and platform topsides and jackets removal. HML's participation in the PM314 PSC ended on 5 September 2020, with all abandonment obligations required to be carried out per the PSC terms completed.

D. Sustainability Considerations

Since the United Nations Climate Change Conference (COP26) which was held in Glasgow, the level of Sustainability related reporting has intensified. The cost of public disclosure, to standards that are being driven by developed economies, is considerable. Whilst the Sustainability narrative covers several areas, the primary focus relates to matters concerning the environment.

As far as the oil and gas industry is concerned, we note that:

- it is now becoming an accepted fact that both oil and gas have a role to play in the energy mix of the majority of nations. In particular, gas and LNG are becoming increasingly significant in the energy security formula globally. In its latest World Oil Outlook 2024, the Organisation of Petroleum Exporting Countries (OPEC) has made it clear that peak oil demand is not on the horizon. Despite ongoing efforts around the Energy Transition, OPEC forecasts that global oil demand will grow significantly to over 120 million barrels of oil per day with the majority of growth originating from non Organisation for Economic Co-operation and Development (OECD) countries.

- many of our larger and more reputable peers are dialling back from environmental related targets previously established and disclosed.

Generally, we also note that investment and impact funds, set up to make responsible investments, are returning seed capital to investors as it becomes increasingly difficult to identify clean energy opportunities that fulfil expected returns.

In our market, the Securities Commission, Malaysia launched the National Sustainability Reporting Framework (NSRF). For our organisation, operating at more than 40 locations (post Brunei acquisition), the future cost of data collection and reporting in the future is going to be considerable.

On the 'social' responsibilities front, our Company will continue to work with the communities present in the areas in which we operate and to reiterate, we will continue to strive to maintain high levels of corporate governance and transparency in the manner we manage the organisation.

Health and Safety are always of primary consideration in everything that we do and a good performance record supports our licence to operate in this business. The Sustainability Report within this Annual Report 2023/2024 covers all our specific activities and statistics in this area. Whilst we have won operational and safety performance awards in all markets in which we operate during the FY2024, we realise that we cannot be complacent as the environment in which we work is inherently unsafe.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

E. Our Assets

Jurisdiction	Malaysia				Malaysia-Vietnam Commercial Arrangement Area (CAA)	Vietnam
Fiscal System	PSC				PSC	PSC
Licence Name	North Sabah PSC 2011 North Sabah Enhanced Oil Recovery PSC	Kinabalu Oil PSC 2012 Kinabalu Oil PSC	PKNB Cluster PSC	PM327 PSC	PM3 CAA PSC PM3 CAA Area PSC	Block 46 Cai Nuoc PSC
Fields	Producing: St Joseph, South Furious, SF30, Barton	Producing: Kinabalu Main, Kinabalu East, Kinabalu Far East	Discovered: Pertang, Kenarong, Noring, Bedong	–	Producing: Bunga Orkid, Bunga Pakma, Bunga Raya, Bunga Seroja, Bunga Kekwa, Bunga Tulip, Bunga Lavatera, Bunga Aster Exploration: Greater Central Area, Greater Silver Area	Producing: Cai Nuoc Discovered: Hoa Mai
Licence Tenure	2040	2032	2048	2051	2027	2027
Direct Interest	50.0%	60.0%	65.0%	30.0%	35.0%	70.0%
Operatorship	Operated	Operated	Operated	Non-operated	Operated	Operated
Asset Type	Production	Production	Development	Exploration	Production	Production
Facilities/ Infrastructure	21 Platforms/ Structures[1], 146 Wells[1], 1 Crude Oil Terminal	2 Platforms[1], 36 Wells[1]	-	–	14 Platforms/ Structures[1], 143 Wells[1], 2 FSOs[1]	9 Wells[1]
Net Oil Reserves and Resources (MMbbl)	2P Reserves: 18.4[2] 2C Resources: 8.9[2]	2P Reserves: 6.4[3]	–	–	2P Reserves: 3.1[5]	2P Reserves: 0.2[3]
Net Gas Reserves and Resources (Bscf)	–	–	2C Resources: 282.0[5]	–	2P Reserves: 49.0[3]	–

Notes:

1 As of January 2024.
2 As of 1 July 2024, based on the current estimate net entitlement of SEA Hibiscus, derived from RPS Energy Consultants Limited's report dated August 2023 for the PSC life, adjusted for actual production.
3 As of 1 July 2024, based on the current estimate net entitlement of the FIPC Group, derived from RPS Energy Consultants Limited's report dated August 2022 for the PSC life, adjusted for actual production in the 24 months ended 30 June 2024 and incremental 2P Reserves from new projects.
4 As of 1 July 2024, based on the participating interest of Anasuria Hibiscus, derived from RPS Energy Consultants Limited's report dated August 2020.
5 As of 1 July 2024, based on internal estimates.
6 Post execution of UUOA on 15 September 2023.

United Kingdom										Australia
Concession										Concession
Anasuria Cluster (or Anasuria)					Greater Marigold Area Development					Bass Strait Cluster
P013 – Teal, Teal South and Guillemot A	P185 – Cook	P2535 – Block 21/24d	P2451 – Block 21/28b	P2532 – Block 21/19c	P198 – Block 15/13a	P198 – Block 15/13b	P2518 – Blocks 15/17a & 15/12a	P2608 – Blocks 15/18a & 15/19a	P2635 – Blocks 15/13c & 15/18c	VIC/RL17
Producing: Teal, Teal South, Guillemot A	Producing: Cook	Discovered: Teal West	Discovered: Fyne	Prospects: Cook West as potential extension of the current Cook field	Discovered: Marigold	Discovered: Sunflower	Discovered: Kildrummy	Discovered: Crown	Prospect: Cross Lead: Hydrocarbon northwest of the Marigold field	Discovered: West Seahorse
Life of Field	Life of Field	Life of Field	Life of Field	Life of Field	Life of Field	Life of Field	Life of Field	Life of Field	Life of Field	2026
50.0%	19.3%	100.0%	42.5%	19.3%	61.25%[6]	87.5%	100%	100%	100%	100%
Jointly-operated	Non-operated	Operated	Operated	Non-operated	Operated	Operated	Operated	Operated	To be operated	Operated
Production	Production	Development	Development	Exploration	Development	Development	Development	Development	Exploration	Development
13 Subsea Wells[1], 1 FPSO[1]		–	–	–	–	–	–	–	–	–
2P Reserves: 20.9[5]			2C Resources: 4.0[5]	Subsurface studies yet to commence	2C Resources: 32.5[5,6]	2C Resources: 5.5[4]	2C Resources: 3.9[5]	2C Resources: 4.4[5]	Subsurface studies yet to commence	2C Resources: 8.0[5]
2P Reserves: 11.3[5]		–	–	Subsurface studies yet to commence	–	–	–	–	Subsurface studies yet to commence	–

Key:

- FPSO - Floating Production, Storage and Offloading vessel.
- FSO - Floating Storage and Offloading vessel.
- 2P Reserves - Proven and probable reserves.
- 2C Resources - Best estimate contingent resources.
- MMbbl - Million barrels.
- Bscf - Billion standard cubic feet.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

F. Our Sales and Customers

The fields of the Anasuria Cluster, North Sabah and those under the Peninsula Hibiscus Sdn Bhd (Peninsula Hibiscus) Group of companies, produce a combination of oil, condensate, gas and water daily. Of value to us are the oil, condensate and gas components of this fluid stream. This fluid stream undergoes a process of separation prior to being sold. Separated oil is sold in parcels called 'cargoes'. Gas is either sold to third parties, used on our facilities for power generation or injected into some of our fields as part of increased oil recovery activities. A small volume of gas is flared.

Water, produced from our fields, is treated to reduce the oil-in-water content to ensure that it is in compliance with local environmental standards. We take great care in monitoring the relevant levels to ensure that we do not breach permissible concentrations in the treated water which is subsequently discharged to the sea.

In FY2024, we sold a total of circa 5.2 MMbbl of oil and condensate and 2.7 million barrels of oil equivalent (MMboe) of gas. Of those volumes, 5.2 MMboe originated from assets under the Peninsula Hibiscus group, 1.8 MMbbl from North Sabah, and 0.8 MMboe was sold from the Anasuria Cluster.

For the assets under the Peninsula Hibiscus Group, oil and condensate are mainly sold through an offtake arrangement with PETCO Trading Labuan Company Ltd, a subsidiary of PETRONAS, whilst gas is sold to PETRONAS and the Vietnam Oil and Gas Group (PetroVietnam). Gas produced from the PM3 CAA asset is an important energy source for both Malaysia and Vietnam.

In North Sabah, oil is lifted from the Labuan Crude Oil Terminal (LCOT) and is sold directly to Trafigura Pte Ltd (Trafigura), a large global commodities trader.

For the Anasuria Cluster, we have appointed BP Oil International Limited (BPOI) to lift our cargoes and to market our oil to refineries in Europe. The parent organisation of BPOI is BP p.l.c., a global energy company. To date, BPOI has successfully marketed all our cargoes at competitive prices.

Excess produced gas from the Anasuria Cluster is exported through the Fulmar Gas Line, which is part of the SEGAL (Shell Esso Gas and Associated Liquids) system, to the St Fergus gas terminal. Sales gas deliveries from the St Fergus gas terminal are an important component of the UK daily gas requirements.

We are pleased with our oil and gas trading arrangements for our producing assets. Our direct counterparties are financially strong and have a large pool of reputable clients. Working with major global players also ensures transparency and has allowed us to gradually develop business relationships with some of the largest global oil trading organisations.

G. Financial Performance

In FY2024, Company revenue reached a record of RM2.7 billion for the full financial year. Contribution from the Peninsula Hibiscus Group's assets was instrumental in achieving this milestone, while the North Sabah and Anasuria Cluster assets also continued to deliver strong performance.

On the back of strong revenue levels, the Group achieved an EBITDA and a profit after tax (PAT) of RM1.3 billion and RM467 million, respectively for FY2024, representing a 4% and 17% year-on-year growth from the EBITDA and PAT recorded for FY2023, respectively.

Our Company upholds a strong dividend distribution policy, rewarding shareholders whilst also receiving funds to ensure sustainable growth. For FY2024, interim dividends amounting to 7.5 sen per ordinary share have been declared. In addition, a final dividend of 1.0 sen per share has also been declared which is subject to shareholders' approval at the 14th Annual General Meeting. Assuming that this final dividend distribution is approved by shareholders, total dividends declared for FY2024 will be 8.5 sen per ordinary share.

Looking ahead, the Group has set a minimum dividend target for FY2025 of 8.0 sen per share (with Brent prices ≥USD70 per barrel) and 10.0 sen per share (with Brent prices ≥USD80 per barrel), representing dividend yields of 4.1% and 5.1%, respectively.

Prudent cashflow management, loyal shareholders and careful sequencing of investments into opportunities and projects have continued to be key in ensuring that we maintain a degree of financial independence. Whilst profits are extremely important, Management's focus remains on delivering strong and sustainable EBITDA levels as long-term business continuity is of the highest priority. The delivery of a robust free cashflow profile will allow the implementation of our disclosed Capital Allocation Framework as described in Section 5 of this MD&A, driving simultaneously growth and enhancement of shareholder returns on investment whilst maintaining financial discipline.

H. Share Performance

Figure 1 tabulates the share price performance of the Company over the past five years. As of the date of this report (7 October 2024), our share price is at RM2.34 per ordinary share and our market capitalisation is approximately RM1,822.85 million.

Financial Year End	Unit	30 June 2024	30 June 2023	30 June 2022	30 June 2021	30 June 2020
Year High	**RM**	**2.87**	**1.160**	**1.490**	**0.735**	**1.130**
Year Low	RM	2.15*	0.815	0.605	0.445	0.260
Year Close	**RM**	**2.33**	**0.865**	**1.000**	**0.685**	**0.615**
Trading Volume	Mil	1,143	3,675	7,164	6,616	11,214
Market Capitalisation (As at the Year End)	RM Mil	1,861	1,741	2,012	1,370	977
Oil Price at Year Close	USD/bbl	86	75	115	75	41

Figure 1: Hibiscus Petroleum's share performance over the last five financial years.
Note: *Adjusted to reflect the effect of the share consolidation of every five shares into two consolidated shares, which was completed on 20 October 2023.

- Share Price Volatility

  Over the past 12-month period up to and including 30 June 2024, our shares have been trading at a closing price range of between RM2.15 and RM2.87. The relatively high levels of float combined with daily fluctuations in crude oil prices open our shares to the vulnerability of speculative day-to-day trading and short selling, causing share price volatility. Price volatility attracts short-term investors, something, as a Company, we generally do not desire.

  To counter these short-term investors, the Company is promoting our shares to funds that take on long-term perspective of our industry and we are encouraging them to learn more about us.

2. REVIEW OF OPERATING ACTIVITIES

A. Peninsular Malaysia, Vietnam, CAA and Kinabalu (Assets held under Peninsula Hibiscus Group) and Straits Hibiscus

1. PSC Operations

Fortuna International Petroleum Corporation (FIPC), through its wholly-owned subsidiaries, together with Straits Hibiscus owns participating interests in five PSCs:

- 2012 Kinabalu Oil PSC
- PM3 CAA PSC
- Block 46 Cai Nuoc PSC
- PKNB Cluster PSC
- PM327 PSC

All interests except for those in PM327 PSC are operated by HML, a member of the FIPC group of companies. PM327 PSC is operated by Straits Hibiscus.

Throughout FY2024, there were various production enhancement and exploration drilling programmes conducted. The Company drilled the final water injector in the North Bunga Orkid H4 Development (BOC-28), one successful exploration well in the Bunga Aster field, and 2 oil development wells in Kinabalu.

Two extensive major maintenance campaigns in the Kinabalu Oil PSC and the PM3 CAA PSC were undertaken in FY2024 and at the start of FY2025. The objective was to catch-up on existing preventive and corrective maintenance backlogs to assure asset safety and integrity.

2. Awards

HML received the following PETRONAS Focused Recognition Awards (FRAs):

- Awarded in March 2024 for successfully delivering the 2023 PM3 projects on time and within budget, while meeting target volumes
- Awarded in May 2024 for the successful completion of the Logistics Sharing Agreement between PETRONAS Carigali and Hibiscus Malaysia
- Received awards in March 2024 for achieving the lowest drilling cost per foot for a development well in Malaysia; delivering the country's longest well; and for Malaysia's first autonomous inflow control valve installation

HML also received the following Malaysia Upstream Awards for the period under review:

- Wells Excellence – GOLD award
- Project Delivery Excellence – GOLD award

In addition, HML received the Certificate of Merit from PetroVietnam – Awarded in January 2024 in recognition of our excellence in operating and managing petroleum operations in Vietnam.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

3. Projects

PM3 CAA PSC: Bunga Aster Oil Exploration Well

As announced on 24 April 2024, we successfully completed the drilling of the Bunga Aster-1 exploration well. The Bunga Aster-1 well encountered approximately 17.5 metres of oil-bearing sandstone with up to 46 metres of potential oil column. Multiple oil samples were collected during the logging campaign. Initial assessments indicate good reservoir characteristics. This marks the second significant discovery within a 12-month period, following the discovery at the Bunga Lavatera well in 2023.

The decision to drill the well from the existing Bunga Orkid-D platform enabled quick monetisation of this discovery, with first oil being achieved on 4 May 2024. The Bunga Aster-1 well produced at an initial gross oil rate of 2,989 bbl/day but production was subsequently reduced to 2,100 bbl/day for reservoir management purposes. Preliminary estimates indicate an initial gross oil in-place volume of between 21 MMbbl to 84 MMbbl. An appraisal well is planned in CY2025 to confirm the full extent of the oil accumulation at the Bunga Aster field.

In light of this positive result, we will progress with a thorough evaluation and appraisal of the discovery to further define the size of the reservoir. The Bunga Aster discovery will add additional reserves and oil production to the PM3 CAA PSC, thereby extending the overall economic life of the PM3 CAA area. We plan to continue exploring other near-field prospects in the PM3 CAA PSC over the next three years, working together with various stakeholders, under the stewardship of Malaysia Petroleum Management under PETRONAS.

Kinabalu Oil PSC Projects

We successfully drilled 2 oil development wells at Kinabalu Oil field in FY2024. The wells were completed with Autonomous Inflow Control Valves (AICVs) to reduce excessive gas production and initially flowed at a total oil rate of 2,000 bbl/day. However, one of the wells subsequently experienced higher than expected water production and is therefore contributing lower oil production.

We are also in the process of implementing the Kinabalu Electrical Submersible Pump (ESP) Pilot Project, with 2 wells to undergo a workover. They will each be completed with a Wireline Retrievable ESP system. This completion system will allow the wells to be produced at a much higher production rate and result in incremental oil recovery. Start up of the ESPs are planned for November 2024.

Overall, during FY2024, the Kinabalu Oil PSC production levels did not meet expectations. Reliability issues on the high-pressure compressor and limited production enhancement work due to crane unavailability contributed to this performance. Delayed commencement of the 2024 production enhancement campaign and higher water production from the newly drilled oil producers also contributed to the lower oil production for FY2024.

4. Outlook

The PM3 CAA PSC has the potential to become an areal hub over the next decade, aggregating production from exploration and production opportunities that are planned to be developed in close proximity of existing infrastructure. Management is working actively with the regulatory authorities in both Vietnam and Malaysia to extend the tenure of the PM3 CAA licence so that current production levels are maintained. This licence extension is seen as a key enabler of future growth of the Company.

B. Malaysia – The North Sabah PSC

1. Operations

For the North Sabah PSC, when compared to the previous year, average facilities uptime for FY2024 is at 90%. This is lower compared to performance achieved in FY2023 of 94%. A higher level of offshore activities, including projects, drilling and the lower reliability of the St Joesph gas compressor contribute to the lower uptime performance in FY2024.

It should be noted that average net oil production rate in FY2024 increased from an average of 4,716 bbl/day in FY2023 to an average of 4,828 bbl/day, a small increment of 2% and that average operating expenditure per bbl (OPEX/bbl), or unit operating cost, for FY2024 increased by 7.5% compared to FY2023 due to increased expenditure being incurred on maintenance related activities.

2. Awards

The North Sabah asset received the following PETRONAS FRAs:

- Awarded in December 2023 to SEA Hibiscus' Chief Executive Officer (CEO) and Chief Operating Officer (COO) respectively for effectively contributing to being an excellent partner to PETRONAS Carigali
- Awarded in May 2024 for effectively closing audit gaps in the 2021 Tier 2 (IOAIA) audit, leading to continuous improvement in Asset Integrity and Reliability for North Sabah facilities
- Demonstrated high commitment towards excellent Production Enhancement and Idle Wells reactivation activities in 2023 with YEP of 1.59 kbbl/day, 20% higher than WPB 2023 target of 1.3 kbbl/day
- Silver Arrow Award for MPM Wells Management 2023 Performance Award
- Significant achievement in managing Wells unplanned downtime with a decrease from 0.31% to 0.26%, an improvement of more than 15% against MPM target of 5% annually

3. Projects

<u>SF30 Waterflood Phase 2 Project Development Plan</u>

On 19 December 2022, PETRONAS approved the SF30 Waterflood Phase 2 FDP, which entailed the drilling of 6 water injectors and 5 oil infill wells at the SF30 field over 2 years, CY2023 and CY2024. The objective of the water injection project is to increase production and reserves recovery via pressure support and to sweep stranded oil into existing and new oil producers. The 11 wells are being drilled from a newly installed wellhead platform, bridge linked to an existing jacket. The wellhead platform was fabricated and has been installed offshore. Offshore commissioning of the jacket facilities is currently ongoing with operations related to drilling are also ongoing concurrently.

A new leased water injection facility (WIF) is expected to be introduced to the field in late 2025.

<u>South Furious Exploration Drilling Campaign</u>

The campaign initially kicked off at the SF Ungu well location on 29 October 2023 and drilling was carried out on both the SF Ungu and the SF Ungu ST wells from this site. The drilling of the third exploration target of this campaign, the SF Merah well, started on 19 January 2024 and completed on 5 March 2024. At the SF Ungu location, several samples of gas and oil were individually recovered at the Ungu prospect location and are currently undergoing post-well laboratory analysis.

For the SF Ungu ST location, an assessment was performed on the hydrocarbon samples collected. The conclusion derived from this work was that hydrocarbon volumes seen in this well would not likely achieve commercial viability and exploration costs were written off in accordance with accepted accounting practices.

For the SF Merah prospect, evaluation and sampling efforts recovered one sample of gas which was sent for further laboratory analysis. Even though a sample of gas was recovered and brought to surface, an assessment performed concluded that hydrocarbon volumes seen in this well would not achieve commercially viable economic thresholds and exploration costs were written off in accordance with accepted accounting practices.

4. Outlook

As a responsible operator, we will continue to collaborate with our joint venture partner, PETRONAS Carigali, and the Malaysian regulator, PETRONAS, to develop viable opportunities within the boundaries of the North Sabah PSC. For FY2025, the focus will be on the safe and efficient execution of the SF30 Waterflood Phase 2 project and conduct an in-depth review of the data collated from the SF Ungu well.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

C. UK Continental Shelf

- **The Anasuria Cluster**

Operations

Our interest in the Anasuria Cluster is held by Anasuria Hibiscus and the fields are operated by the Anasuria Operating Company Limited (AOCL). From both an operational and safety perspective, performance has met expectations over the period under review. In addition, whilst AOCL may be regarded as a small operator, since we have taken over as duty holder of operations, our performance has placed us as a top quartile operator in the UK North Sea.

During the reporting period, AOCL focused on optimising production levels and enhancing operational efficiency. AOCL achieved net oil production of 0.7 MMboe. During the same period, net gas export was 84 kboe. Most significantly, for the FY2024, Anasuria achieved top quartile uptime with an Operating Efficiency of 94.8% and a Production Efficiency of 85.5%.

It is also important to note that on a calendar basis in 2023 (January to December), AOCL achieved its highest ever production efficiency. When ranked against the other twenty-three producing operators in the UK North Sea, AOCL demonstrated the highest uptime (Production Efficiency) of any oil producing company.

Health, Safety & Environment

The AOCL Health, Safety & Environment metrics are reported in detail in the Sustainability Report section of this Annual Report. However, it is significant to note that several inspections were conducted by the UK Health and Safety Executive (HSEx) during the period, covering the following areas:

- Process Safety Leadership
- HSEx Offshore Inspection
- HQ Maintenance Records and Procedures
- Annual Diving Review
- Annual Pipelines Inspection

From the above audits, only seven items were raised most of which have been closed. In addition, no Improvement Notices were issued by the authorities.

AOCL has maintained its environmental focus with an overall reduction in emissions of approximately 40% over the last five years. During the reporting period, all emissions were within permitted limits.

Projects

During the period, the asset was subject to a series of improvements and investments:

- Integrity: AOCL replaced its mooring chains in August 2023. This operation was crucial for maintaining the integrity and safety of the FPSO and involved a multi vessel offshore campaign. The project was delivered on time and within budget. In addition, AOCL replaced the shipside valves on the FPSO. This was crucial for ensuring the integrity of the offshore production system. The replacement aimed to enhance operational efficiency and safety.

- Technological Advancements: AOCL invested in its onboard IT systems moving the ownership of all IT services from a third party provider to AOCL, thereby upgrading all hardware and software to improve communications. This project was delivered successfully on time and within budget. AOCL also installed the 'Starlink' satellite technology offshore which improved the internet service onboard by tenfold at one-sixth of the annual cost.

- **Teal West**

Anasuria Hibiscus holds equity interest in, and is operator of, the Teal West licence. The base development plan for the Teal West field is to drill an oil producer well followed by the drilling of a water injector approximately 12 to 18 months after first oil. The Teal West field is planned to be produced to the Anasuria FPSO – about 4km away – where well fluids will be processed and exported via the Anasuria infrastructure.

The key commercial elements governing the tie-in of the Teal West wells to the Anasuria FPSO are covered in an agreement for the Transportation, Processing and Operating Services (TPOSA) between AOCL and Anasuria Hibiscus. This TPOSA was executed in March 2023.

Further progress was achieved when our Environmental Statement for this project was approved by the UK Government Authorities on 7 July 2023. The UK Government's NSTA subsequently approved the FDP on 1 August 2023 and a Production Consent for the Teal West field was issued to Anasuria Hibiscus.

The drilling of the initial Teal West development well is planned to commence in mid CY2025. It is forecasted that facilities related to the subsea tie-back will be installed in the third quarter of CY2025 with first oil from the development expected in late CY2025.

In addition, the tie-back to be undertaken at the Anasuria FPSO in 2025 were simplified when a 'Double Block & Bleed' valve manifold was installed at the FPSO during the annual shutdown at the FPSO in August 2024. This isolation valve system will permit the drilled Teal West well to be brought online without a specific shutdown at the Anasuria FPSO.

D. Australia – Bass Strait

Our Bass Strait asset comprises a 100% interest in the VIC/RL17 Petroleum Retention Lease for the West Seahorse field (VIC/RL17) (previously known as the VIC/L31 Production Licence).

In addition, we have a 9.34% interest in the equity of 3D Energi Limited (3D Energi), a company listed on the Australian Stock Exchange. At this point in time, we do not foresee any future investment in our Australian assets.

3. REVIEW OF FINANCIAL RESULTS AND FINANCIAL POSITION

A. Statements of Profit or Loss

For the current twelve-month period, i.e. from 1 July 2023 to 30 June 2024 (FY2024), the Group reported profit after taxation (PAT) of RM467.1 million. This represents a 16.6% year-on-year growth from the PAT posted in the previous FY2023 of RM400.5 million.

The strong PAT recorded in FY2024 was attained on the back of a revenue of RM2,715.7 million, which was the highest ever recorded over a full financial year. It was 15.8% higher than the revenue posted in FY2023 of RM2,344.8 million. The higher revenue in FY2024 was driven by the higher volume of crude oil sold by the Group's producing oil and gas assets. The Group sold 7.85 MMboe in FY2024 comprising of 5.17 MMbbl of oil and 2.69 MMboe of gas. In FY2023, a total of 7.12 MMboe was sold, comprising of 4.48 MMbbl of oil and 2.64 MMboe of gas.

FY2024's EBITDA amounted to RM1,321.1 million. This signified that the Group's EBITDA exceeded the RM1 billion mark for a third consecutive financial year.

The Group's oil and gas producing assets in FY2024, which include the Peninsula Hibiscus Group's assets (comprising the 2012 Kinabalu Oil PSC, the PM3 CAA PSC, the PM305 PSC, the PM314 PSC and the Block 46 Cai Nuoc PSC), the North Sabah PSC and the Anasuria Cluster all contributed favourably to the strong financial performance.

Both the Group's total assets and shareholders' funds as at 30 June 2024 amounted to RM6,604.3 million and RM3,100.4 million respectively. Total assets grew by RM405.8 million (or by 6.5%) while shareholders' funds improved by RM410.6 million or by 15.3% when compared to that recorded as at 30 June 2023. Included in shareholders' funds as at 30 June 2024 are retained earnings of RM2,613.7 million.

The favourable operational performance and relatively strong oil, condensate and gas prices resulted in positive cash flows being generated from our producing oil and gas assets and contributed to a favourable net current assets position, recorded as at 30 June 2024, amounting to RM756.0 million.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

The financial results of each of the Group's operating segments are detailed below:

OPERATING SEGMENTS	FY2024	FY2023	Variance	
	RM'000	RM'000	RM'000	%
Malaysia – North Sabah				
Revenue	807,555	626,780	180,775	29
EBITDA	325,129	274,034	51,095	19
PBT	245,358	136,870	108,488	79
Taxation	(111,085)	(40,531)	(70,554)	(174)
PAT	134,273	96,339	37,934	39
Malaysia – Kinabalu and Others				
Revenue	571,424	510,681	60,743	12
EBITDA	233,308	248,576	(15,268)	(6)
PBT	138,072	175,443	(37,371)	(21)
Taxation	(34,574)	(68,402)	33,828	49
PAT	103,498	107,041	(3,543)	(3)
CAA				
Revenue	974,893	784,205	190,688	24
EBITDA	600,627	511,248	89,379	17
PBT	341,391	294,854	46,537	16
Taxation	(93,686)	(33,959)	(59,727)	(176)
PAT	247,705	260,895	(13,190)	(5)
UK				
Revenue	342,501	347,255	(4,754)	(1)
EBITDA	209,840	249,765	(39,925)	(16)
PBT	106,410	136,902	(30,492)	(22)
Taxation	(31,553)	(159,419)	127,866	80
PAT/(LAT)	74,857	(22,517)	97,374	-
Vietnam				
Revenue	-	66,539	(66,539)	(100)
(LBITDA)/EBITDA	(1,159)	6,598	(7,757)	-
(LBT)/PBT	(5,224)	2,258	(7,482)	-
Taxation	1,915	(8,012)	9,927	-
LAT	(3,309)	(5,754)	2,445	42
Australia				
Revenue	-	-	-	-
LBITDA	(1,607)	(7,803)	6,196	79
LBT	(1,944)	(7,966)	6,022	76
Taxation	-	-	-	-
LAT	(1,944)	(7,966)	6,022	76

OPERATING SEGMENTS	FY2024	FY2023	Variance	
	RM'000	RM'000	RM'000	%
Investment holding and group activities				
Revenue	19,361	9,370	9,991	107
LBITDA	(45,040)	(12,722)	(32,318)	(254)
LBT	(85,985)	(26,275)	(59,710)	(227)
Taxation	(1,971)	(1,245)	(726)	(58)
LAT	(87,956)	(27,520)	(60,436)	(220)
Group				
Revenue	2,715,734	2,344,830	370,904	16
EBITDA	1,321,098	1,269,696	51,402	4
PBT	738,078	712,086	25,992	4
Taxation	(270,954)	(311,568)	40,614	13
PAT	467,124	400,518	66,606	17

Figure 2: Analysis of the Group's financial performance by operating segments.

Notes to Figure 2:
EBITDA - Earnings before interest, taxes, depreciation and amortisation.
LBITDA - Loss before interest, taxes, depreciation and amortisation.
PBT - Profit before taxation.
LBT - Loss before taxation.
PAT - Profit after taxation.
LAT - Loss after taxation.

1. Malaysia – North Sabah

The Company's indirect wholly-owned subsidiary, SEA Hibiscus, holds a 50% participating interest in North Sabah.

The revenue attained by the North Sabah operating segment in FY2024 of RM807.6 million was significantly higher than FY2023's RM626.8 million, by 28.8%. In FY2024, 1,814,638 bbls of crude oil were sold at an average realised oil price of USD94.83 per bbl as compared to 1,478,688 bbls of crude oil sold at an average realised oil price of USD94.03 per bbl in FY2023.

The North Sabah segment's healthy gross profit margin recorded in FY2024 of 64.7% was marginally higher than FY2023's gross profit margin of 63.3%. It was mainly driven by the high average realised price attained for its crude oil sold in FY2024.

The annual planned major maintenance campaign for CY2024 commenced in March 2024 and was completed in July 2024. The costs associated with this planned activity contributed to the slightly higher average OPEX per bbl for FY2024 of USD21.66.

The average OPEX per bbl also incorporated the cost impact of the major maintenance campaign for CY2023 that took place from April 2023 to August 2023. In addition, several well intervention and underwater pipeline inspection campaigns were executed in FY2024.

The impact of the abovementioned events on North Sabah's production rate was partly mitigated by the enhanced performance of the wells at both the Barton and SF30 fields.

The OPEX per bbl in FY2023 included amounts incurred for the annual planned major maintenance campaigns for CY2022 and CY2023. CY2022's campaign took place between March 2022 and August 2022. Apart from the planned annual maintenance activities, this campaign also covered catch-up activities of lower priority maintenance work carried over from previous years. The planned major maintenance campaign for CY2023 took place from April 2023 to August 2023. In addition, a well intervention campaign was conducted between March 2023 and September 2023.

In the financial quarter ended 31 December 2023, as mentioned in other sections of this MD&A, SEA Hibiscus commenced an exploration drilling campaign to pursue three exploration

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

targets, namely SF Ungu, SF Ungu ST and SF Merah, to evaluate prospective Near Field exploration targets within the boundaries of the North Sabah permit. The campaign commenced at the SF Ungu well location on 29 October 2023 and drilling was carried out on both the SF Ungu and the SF Ungu ST wells from this site. The drilling of the third and final exploration target of this campaign, the SF Merah well, started on 19 January 2024 and completed on 5 March 2024. All costs relating to this campaign were funded by internal resources and the costs associated with the campaign have been included in SEA Hibiscus' cost recovery pool.

The data and samples collected for the three wells were assessed or are being assessed. Data gathered and assessments performed on the samples collected for two of the three wells, namely SF Ungu ST and SF Merah, concluded that hydrocarbon volumes detected in these wells will likely be insufficient to achieve commercial viability. Following this assessment, RM82.6 million in exploration costs incurred for both wells, net to SEA Hibiscus, were written off to profit or loss during FY2024. The net impact to the segment's results after taxation, taking into account the tax benefit arising from this charge was RM51.2 million.

The EBITDA of RM325.1 million was delivered after charging a supplemental payment of RM65.9 million, payable to PETRONAS and sales tax imposed by the Sabah State Government (SbST) on crude oil sold in FY2024 of RM40.5 million.

PBT for the North Sabah segment in FY2024 was RM245.4 million. It was derived mainly after deducting the following items from EBITDA, all of which are non-cash in nature:

- Amortisation of intangible assets and depreciation of oil and gas assets of RM52.3 million;
- Depreciation of right-of-use assets of RM14.4 million; and
- Unwinding of discount on provision for decommissioning costs of RM6.5 million.

The tax regime under which Malaysian oil and gas activities are governed, and is thus applicable to SEA Hibiscus, is the Petroleum (Income Tax) Act 1967 (PITA). The provisions of PITA are applied to net taxable petroleum income at the rate of 38.0%. Total net tax expenses in FY2024 amounted to RM111.1 million.

The resulting effective tax rate (ETR) over the PBT of 45.3% was higher than that PITA rate. The total net tax expenses of RM111.1 million included an additional tax provision for Year of Assessment (YA) 2023 of RM9.8 million. The additional provision was made after having completed the assessment of the actual tax position and the filing of the tax return for YA2023 to the Inland Revenue Board of Malaysia (IRB).

2. Malaysia – Kinabalu and Others

	FY2024			FY2023		
	Kinabalu	Others*	Total	Kinabalu	Others*	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	560,009	11,415	571,424	493,657	17,024	510,681
EBITDA	226,843	6,465	233,308	214,883	33,693	248,576
PBT	131,500	6,572	138,072	140,833	34,610	175,443
Taxation	(33,829)	(745)	(34,574)	(60,854)	(7,548)	(68,402)
PAT	97,671	5,827	103,498	79,979	27,062	107,041

	Variance (FY2024 vs FY2023)					
	Kinabalu	Others*	Total	Kinabalu	Others*	Total
	RM'000	RM'000	RM'000	%	%	%
Revenue	66,352	(5,609)	60,743	13	(33)	12
EBITDA	11,960	(27,228)	(15,268)	6	(81)	(6)
PBT	(9,333)	(28,038)	(37,371)	(7)	(81)	(21)
Taxation	27,025	6,803	33,828	44	90	49
PAT	17,692	(21,235)	(3,543)	22	(78)	(3)

* Consists of PM305 and PM314.

The Malaysia – Kinabalu and Others segment consists of the Kinabalu, PM305 and PM314 PSCs. The Group has 60% participating interests in all these three PSCs.

During FY2024, this segment contributed RM571.4 million to our Group's revenue from the sale of crude oil. This was 11.9% higher than the revenue attained in FY2023.

FY2024's revenue consisted of the following:

- Kinabalu – 1,296,685 bbls of crude oil sold at an average realised oil price of USD92.03 per bbl; and
- PM305 and PM314 – 27,090 bbls of crude oil sold at an average realised oil price of USD89.79 per bbl.

Kinabalu

The Group's Kinabalu segment achieved a strong gross profit margin of 69.1% in FY2024, which exceeded the gross profit margin in FY2023 of 67.0%. This was despite a lower average realised oil price obtained for its crude oil sold in FY2024 when compared to FY2023. The average realised oil price in FY2024 was USD92.03, which was USD8.53 or 8.5% lower than USD100.56 in FY2023.

The stronger gross profit margin in FY2024 was driven by improvements in Kinabalu's operational performance throughout the financial year.

Kinabalu's net oil production rate in FY2024 was an average of 3,301 bbls per day, representing a significant 29.9% improvement compared to 2,542 bbls per day in FY2023. The high production rate achieved in FY2024 was mainly the result of the following activities/initiatives being achieved/ delivered:

- First oil from the KNWD-18 and KNWD-08ST1 infill wells in August 2023 and October 2023 respectively, which added to the PSC's production;
- Improved production as a result of a successful gas lift optimisation plan being executed in prior periods; and
- Successful rectification in July 2023, of the issues encountered with a high pressure gas compressor that had led to insufficient gas lift supply (since January 2023) to the oil wells.

The upsides in production delivered by the abovementioned activities/initiatives mitigated the impact of the following events that occurred during FY2024:

- Annual planned major maintenance campaign for CY2023 and CY2024, which took place from 29 July 2023 to 5 August 2023 and from 26 June 2024 to 5 July 2024 respectively;
- Integrity issues at the KN-114 well in relation to a storm choke in early January 2024 which limited flow (that was duly rectified in May 2024); and
- An outage experienced at a high pressure compressor in early January 2024 (that was duly rectified in February 2024).

The OPEX per bbl of USD15.76 recorded for Kinabalu in FY2024 (compared to USD17.39 in FY2023) included costs incurred for the following activities:

- Annual planned major maintenance campaign for CY2023 and CY2024;
- A higher tariff incurred as a result of higher production levels;
- A one-off repair cost of a high pressure gas compressor; and
- Higher level of well intervention activities.

On the contrary, Kinabalu's operational performance in FY2023 was adversely affected by outages experienced with its high-pressure compressor between September 2022 and July 2023. Issues encountered with this compressor affected the supplies of gas lift to the producing oil wells. The PSC's operations were also impacted by activities related to the CY2022 annual planned major maintenance campaign that took place from 29 July 2022 to 9 August 2022, during which production facilities were shut down. There was also a slower than planned production ramp up post the shutdown period caused by certain technical issues encountered with the high pressure gas compressor tubular bracing installation.

The Group had, during FY2024, as part of an annual process, assessed the recoverable amounts of its oil and gas assets included in the Group's non-current assets. Following the assessments, the Group recognised a provision for impairment in relation to the Kinabalu Oil PSC amounting to RM61.0 million (pre-tax). The impact to the segment's results after taxation (after omitting the related tax impact) was RM37.2 million.

The segment reported an EBITDA of RM226.8 million in FY2024 after charging the abovementioned provision for impairment, supplemental payment (payable to PETRONAS) and SbST of RM61.0 million, RM58.3 million and RM28.0 million respectively.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

The following non-cash items were deducted from EBITDA to derive a PBT of RM131.5 million:

- Amortisation of intangible assets and depreciation of oil and gas assets of RM89.9 million;
- Depreciation of right-of-use assets of RM2.9 million; and
- Unwinding of discount on provision for decommissioning costs of RM2.3 million.

Taxation

The tax regime governing Kinabalu is PITA, at the rate of 38.0%.

In addition, this PSC is subject to income tax obligations in Barbados. HML which holds a participating interest in Kinabalu was incorporated under the Barbados Companies Act and accordingly, HML is registered with the Barbados Revenue Authority (BRA) and files its Barbados tax returns on the basis that it is a tax resident in Barbados and therefore subject to tax on its worldwide income. The Barbados tax rate follows a sliding scale rate ranging from 1.0% to 5.5%. This was reduced to a flat minimum tax rate of 1.0% on taxable income for HML and Hibiscus Oil & Gas Malaysia (PM3) Limited (HMP) when both HML and HMP received approvals to their applications for unilateral double tax relief from the BRA in January 2024, as further explained below.

A third tax regime applicable to Kinabalu is Corporate (Income Tax) Act 1967 (CITA), at the rate of 24.0%. It is computed on interest income received on inter-company advances and from bank deposits.

RM'000	PITA	CITA	Barbados tax	Total
Total	(40,090)	(1,572)	7,833	(33,829)
Income tax	-	(1,572)	168	(1,404)
- Provision	-	(1,572)	(1,008)	(2,580)
- Reversal of overprovisions in current and prior YAs due to unilateral tax relief	-	-	1,176	1,176
Deferred tax	(40,090)	-	7,665	(32,425)
- Deferred tax liabilities	10,080	-	8,383	18,463
- Reversal/(recognition)	1,085	-	(1,506)	(421)
- Net reversal of overprovisions in current and prior YAs	8,995	-	-	8,995
- Reversal of overprovisions in current and prior YAs due to unilateral tax relief	-	-	9,889	9,889
- Deferred tax assets	(50,170)	-	(718)	(50,888)

(i) PITA

The ETR over PBT on the back of a RM40.1 million tax expense in FY2024 was 30.5%. This was lower than the 38.0% PITA rate mainly due to a reversal of an overprovision of tax for YA2023 amounting to RM12.5 million. The amount overprovided was ascertained after having completed the assessment of the actual tax position for YA2023 prior to filing the tax return to the IRB by the due date of 31 August 2024.

Note that whilst Kinabalu was in a taxable position in FY2024, the segment does not need to pay any taxes under PITA as there were sufficient tax losses brought forward to fully offset the tax payable.

(ii) Barbados tax

Barbados income tax was computed at the entity level (i.e. HML in the case for Kinabalu) and then allocated to the respective PSCs in the entity based on the respective PSCs' result before taxation position (computed based on the tax rules applicable to the Barbados tax regime).

Following the completion of the acquisition of the entire equity interest in FIPC (Fortuna International Acquisition) in January 2022, HML and HMP applied to the BRA for foreign tax credit relief under Section 83A (1) of the Barbados Income Tax Act (BITA) in respect of tax obligations under PITA in Malaysia for both HML and HMP. The foreign tax credit under Section 83A (1) of the BITA is not a newly introduced benefit and has been effective since Income Year (IY) 2005. This provision permits taxes payable in a country other than Barbados on profits, income or gains derived from sources in that country to be allowed as a credit against taxes payable in Barbados on such profits, income or gains. However, Section 83A (4) of the BITA imposes limits on the utilisation of the foreign tax credit, and thus the foreign tax credit cannot reduce the tax payable entirely. Instead, a flat minimum tax rate of 1.0% on taxable income is applicable (instead of a sliding scale rate ranging from 1.0% to 5.5%).

In January 2024, HML's and HMP's application on their eligibility for foreign tax credit was approved by the BRA, leading to a unilateral double tax relief being granted to both companies. As a result, the Barbados income tax rate is a flat minimum rate of 1.0% on taxable income. This was immediately applied to IY2023 and was retrospectively applied to any prior IYs impacted by this change. The Group together with our appointed external tax advisors finalised the revised tax payable brought about by this relief for IY2023 and all impacted prior IYs during FY2024. The relevant revised tax returns were submitted to the BRA in March 2024. The adjustments (i.e. a credit/gain to profit or loss) for the reversal of overprovisions and overpayments of Barbados taxes relating to Kinabalu for the relevant IYs which amounted to RM11.1 million (i.e. RM1.2 million income tax and RM9.9 million deferred tax) were made in FY2024.

Others

The segment reported a gross profit of RM7.0 million for FY2024, on the back of RM11.4 million in revenue. The revenue in FY2024 was RM5.6 million lower when compared to the RM17.0 million reported for FY2023. This was due to the lower volume of crude oil sold.

The revenue recognised in FY2024 was from PM305 via crude oil produced from the Murai oil field, which is situated in a non-operated unitised area of the ASCU under the Unitisation and Unit Operating Agreement (UUOA) between the PM305 PSC contractors and the Gas PSC contractors. On 17 March 2024, HML ceased its participating interest in the UUOA and agreed to share the decommissioning costs of one well from the Murai oil field which ceased production in December 2023. The net cost to the Group was RM1.2 million and it represented the final settlement of HML's obligation prior to our exit from the UUOA. No similar obligation is expected to recur after this settlement.

This segment's high gross profit margin in FY2024 of 61.3% was largely driven by the high average realised oil price achieved.

EBITDA and PAT attained were RM6.5 million and RM5.8 million respectively. They were boosted by the recognition of a RM5.0 million gain after successfully obtaining confirmation from the joint venture partner that a potential tax-related liability that was previously included in the segment's accruals was no longer applicable.

The segment's profitability in FY2024 was adversely impacted by the following:

- A downward adjustment to the underlift crude oil movement account amounting to RM1.5 million brought about by a revision made to the estimated settlement price applied on the underlift crude oil balance after having received an updated price proposed by the host government in writing; and
- A one-off charge relating to PM305's well decommissioning costs of RM1.2 million as mentioned above.

For information, the PM305 and PM314 PSCs ceased production on 5 September 2019. Decommissioning of the wells within these PSCs was completed in August 2022. The outstanding facilities decommissioning scope involving firstly the engineering, preparation, removal and disposal of conductor casings and secondly, platform topsides and jackets removal are expected to be completed between June 2025 and September 2025. The estimated costs relating to the remaining scope have been accrued for and upon completion, will be reimbursed from the abandonment cess fund which Repsol Exploración, S.A. (Repsol) had previously contributed to, as required by the regulators.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

In FY2023, the following transactions were recognised as gains in the profit or loss:

- A reversal of over accrued wells decommissioning costs amounting to RM10.4 million upon finalisation of the decommissioning contract with the relevant vendor;
- Previously, Repsol had paid its contribution to cover future facilities decommissioning costs (to be incurred at the end of the production life) into an abandonment cess fund as required by the regulator. Facilities pre-decommissioning work for the South Angsi A Platform commenced in 2019 and were previously expensed to the profit or loss by Repsol. As at 31 December 2022, costs incurred in relation to such facilities pre-decommissioning work of RM10.0 million have been reclassified as a receivable as they will be reimbursed from the abandonment cess fund subsequent to an agreement on the costs relating to the scope of work with the regulator. Accordingly, this amount has been recognised as a gain in the profit or loss in December 2022; and
- A reversal of over accrued costs amounting to RM2.6 million was recorded upon the completion of the wells decommissioning work relating to PM305 and PM314 in the first quarter of FY2023.

<u>Taxation</u>

The tax regime under which Malaysian oil and gas activities are governed and is thus applicable to the PM305 and PM314 PSCs, is PITA, at 38.0%.

Like Kinabalu, these PSCs are also subject to income tax obligations in Barbados and CITA (at 24.0%).

RM'000	PITA	CITA	Barbados tax	Total
Total	(1,084)	(40)	379	(745)
Income tax	-	(40)	360	320
- Provision	-	(40)	394	354
- Reversal of net overprovisions in current and prior YAs due to unilateral tax relief	-	-	(34)	(34)
Deferred tax	(1,084)	-	19	(1,065)
- Deferred tax liabilities	104	-	13	117
- (Recognition)/reversal	(83)	-	12	(71)
- True up for a prior YA	187	-	-	187
- Reversal of overprovisions in current and prior YAs due to unilateral tax relief	-	-	1	1
- Deferred tax assets	(1,188)	-	6	(1,182)

(i) PITA

In FY2024, a net tax expense of RM1.1 million was recorded. It resulted in a 'normalised' ETR of 71.1% over a 'normalised' PBT of RM1.5 million. The 'normalised' PBT was arrived at after omitting the RM5.0 million gain from the reversal of a potential tax-related liability explained above.

The 'normalised' ETR was higher than the PITA rate of 38.0% mainly due to unrealised foreign exchange losses of RM2.1 million being non-tax deductible.

(ii) Barbados tax

Barbados income tax was computed at the entity level (i.e. HML in the case for PM305 and PM314) and then allocated to the respective PSCs in the entity based on the respective PSCs' result before taxation position (computed based on the tax rules applicable to the Barbados tax regime).

As explained in the Kinabalu segment's Barbados tax section above, the Group together with our appointed external tax advisors finalised the revised tax payable brought about by the unilateral double tax relief granted by the BRA for IY2023 and all impacted prior IYs during FY2024 and the relevant revised tax returns have been submitted to the BRA. The adjustments (i.e. a credit/gain to profit or loss) for the reversal of overprovisions and overpayments of Barbados income and deferred taxes relating to PM305 and PM314 of RM0.03 million were made in FY2024.

3. CAA

The CAA segment represents the Group's investment in its 35% participating interest in PM3 CAA, located within the CAA between Malaysia and Vietnam, acquired as part of the Fortuna International Acquisition. The investment includes the management of the operations relating to the production of petroleum from eight oil and gas fields (namely Bunga Orkid, Bunga Pakma, Bunga Lavatera, Bunga Kekwa, Bunga Raya, Bunga Seroja, Bunga Tulip and Bunga Aster).

The PM3 CAA PSC contributed RM974.9 million to the Group's FY2024 revenue from the sale of crude oil and gas. This revenue comprised the following:

- Crude oil – RM541.5 million (1,272,926 bbls at an average realised oil price of USD90.64 per bbl); and
- Gas – RM433.4 million (15,608 million standard cubic feet (MMscf) at an average realised price of USD5.92 per thousand standard cubic feet (scf)).

The total revenue generated by PM3 CAA in FY2024 exceeded the RM784.2 million achieved in FY2022 by RM190.7 million or 24.3%.

PM3 CAA's revenue from the sale of crude oil and gas in FY2023 of RM784.2 million consisted of the following:

- Crude oil – RM433.5 million (1,020,802 bbls at an average realised oil price of USD94.21 per bbl); and
- Gas – RM350.7 million (15,220 MMscf at an average realised price of USD5.11 per thousand scf).

During FY2024, the PM3 CAA segment recorded a strong gross profit and gross profit margin of RM593.5 million and 60.9% respectively. This favourable performance was largely driven by the high average realised prices obtained for the sale of both crude oil and gas.

The OPEX per boe in FY2024 of USD12.99 was fairly consistent with that recorded in FY2023 of USD13.02 despite a higher level of planned and unplanned activities carried out in FY2024. It was due to more favourable operational performance and higher production levels attained in FY2024.

The average uptime and the average net oil equivalent production rate achieved in FY2024 were 90% and 10,350 boe per day respectively, compared to 89% and 9,569 boe per day respectively achieved in FY2023.

Business performance in FY2024 was boosted by the following events:

- First oil achieved from the Bunga Aster well in May 2024;
- Sustained oil production from the H4 reservoirs through optimised water injection;
- Stable gas lift operations and successful well work activities in the PM3 Southern field; and
- First gas produced from the gas producer well BPA-7.

These favourable developments were partly offset by the impact of activities related to the following:

- Annual planned major maintenance campaign for CY2023, which took place between 16 August 2023 and 26 August 2023;
- The shutdown of the Bunga Orkid D platform from 23 March 2024 to 28 March 2024 to facilitate the move-in of the PV DRILLING III rig for the Bunga Aster-1 exploration well drilling; and
- The shut-in of the Bunga Kekwa C well from 21 April 2024 to 17 May 2024 due to pipeline integrity issues encountered.

Operational expenditure incurred included costs associated with the following:

- Annual planned major maintenance campaign for CY2023;
- Major execution phase of the FSO Orkid and the FSO PM3 CAA life extension project, including the repair of hull structure and piping, and upgrading of accommodation facilities and drainage system;
- Preventive maintenance work for valve, pump and machinery and pipeline and turbo machinery maintenance;

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

- Platform and vessel major painting campaign;
- Pipelines repair works;
- Membrane and mercury removal units change out;
- Fire water pump change-out and rectification; and
- Slickline and well integrity works completed for 53 wells.

FY2023's operational performance had been adversely impacted by the effect of the CY2022 annual planned major maintenance campaign, which took place from 20 August 2022 to 2 September 2022. In addition, oil production was also impacted by activities related to the mobilisation of a drilling rig to the Bunga Raya B platform for an infill well drilling programme.

This segment achieved an EBITDA of RM600.6 million in FY2024. The EBITDA included a gain of RM11.4 million due to a reversal of a provision for penalties relating to PITA made by Repsol prior to the Fortuna International Acquisition. Omitting the abovementioned penalties would result in a 'normalised' EBITDA and 'normalised' PBT of RM589.2 million and RM330.0 million respectively.

The segment's PBT was arrived at after deducting the following non-cash items from EBITDA:

- Amortisation of intangible assets and depreciation of oil and gas assets of RM201.4 million;
- Depreciation of right-of-use assets of RM38.2 million; and
- Unwinding of discount on provision for decommissioning costs of RM11.2 million.

Taxation

The tax regime applicable to PM3 CAA is PITA, at 38.0%.

In addition, it is also subject to income tax obligations in Barbados and CITA (at 24.0%).

RM'000	PITA	CITA	Barbados tax	Total
Total	(96,963)	(7,209)	10,486	(93,686)
Income tax	(113,597)	(7,209)	1,634	(119,172)
- Provision	(129,773)	(7,209)	(7,385)	(144,367)
- Net reversal of overprovisions in current and prior YAs	16,176	-	-	16,176
- Reversal of net overprovisions in current and prior YAs due to unilateral tax relief	-	-	9,019	9,019
Deferred tax	16,634	-	8,852	25,486
- Deferred tax liabilities	32,847	-	13,606	46,453
- Reversal	41,563	-	6,698	48,261
- True up for a prior YA	(8,716)	-	-	(8,716)
- Reversal of overprovisions in current and prior YAs due to unilateral tax relief	-	-	6,908	6,908
- Deferred tax assets	(16,213)	-	(4,754)	(20,967)

(i) PITA

During FY2024, the segment recognised a net tax expense of RM97.0 million, delivering an ETR over PBT of 28.5%.

The following were significant adjustments made on taxes during FY2024:

- PITA YA2018 – In December 2023, the IRB completed its audit on the tax return for PITA submitted and issued a Notice of Additional Assessment for YA2018. Following this, an overprovision for additional tax of RM8.1 million prior to the FIPC Acquisition was reversed;

- PITA YA2023 – Additional provision of tax of RM3.9 million upon finalisation of the tax return due to be submitted to the IRB by 31 August 2024; and
- PITA YA2019 to YA2024 – Reversal of overprovision of taxes of RM3.2 million upon the reassessment of the provisions in the respective YAs.

Omitting the impact of the abovementioned adjustments resulted in a 'normalised' net tax expense of RM104.4 million for FY2024, delivering a 'normalised' ETR over a 'normalised' PBT of 31.6%.

The lower 'normalised' ETR compared to the PITA rate was mainly due to overhead income received by HML as operator allowed under the Joint Operating Agreements of RM33.3 million that is non-taxable under PITA as it is taxed in Barbados instead.

(ii) Barbados tax

Barbados income tax was computed at the entity levels of both HML and HMP in the case for PM3 CAA, and then allocated to the respective PSCs in the accounts of the entity based on the respective PSCs' result before taxation position (computed based on the tax rules applicable to the Barbados tax regime).

As explained in the Barbados tax section included in the Kinabalu operating segment, the Group together with our appointed external tax advisors finalised the revised tax payable position brought about by the unilateral double tax relief granted by the BRA in January 2024 for IY2023 and prior IYs during FY2024. The relevant revised tax returns were submitted to the BRA in March 2024. The adjustments (i.e. a credit/ gain to profit or loss) in FY2024 to reverse the overprovisions and overpayments of Barbados taxes relating to PM3 CAA for IY2023 and prior years amounted to RM15.9 million (i.e. RM9.0 million income tax and RM6.9 million deferred tax).

4. UK

The UK segment reported total revenue amounting to RM342.5 million in FY2024, which was RM4.8 million lower than revenue of RM347.3 million attained in FY2023.

The segment's lower revenue was caused by the significantly lower average selling price for the sale of gas. Total revenue generated from the sale of gas in FY2024 amounted to RM24.2 million, compared to RM75.1 million attained in FY2023.

Revenue generated from the sale of crude oil in FY2024 amounted to RM318.3 million as compared to RM272.2 million attained in FY2023. There was higher crude oil volume sold at a higher average realised oil price in FY2024 when compared to that secured in FY2023. In FY2024, 754,487 bbls of crude oil were sold at an average oil price per bbl of USD87.90 per bbl whilst in FY2023, 725,294 bbls were sold at an average oil price per bbl of USD81.19.

In FY2024, from this segment of the Group's business, we attained a gross profit and an EBITDA of RM237.7 million and RM209.8 million respectively. The gross margin was 69.4% while the EBITDA margin 61.3%. Though these profitability margins were reasonably high, they were lower compared to FY2023, when the gross profit and EBITDA margins were 75.7% and 71.9% respectively.

In FY2024, the segment's production was adversely impacted by the following events:

- A short, planned outage to extend the life of the Anasuria FPSO in August 2023, which involved the replacement of three mooring chains (which were approaching the end of their safe service utilisation), a turret winch wire and shipside valves;
- Shut-in of the GUA-P5 well since May 2023 caused by a hydraulic oil supply issue to the subsurface safety valve, which was successfully rectified in July 2024;
- Shutdown of the Anasuria FPSO for 15 days in October 2023 to execute planned maintenance, which was successfully completed; and
- Shut-in of the oil producer well in the Cook field in late April 2024 and May 2024 due to blockages of the corrosion inhibitor chemical injection line in the umbilical.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Operationally for the Anasuria Cluster, there were minimal interruptions to production encountered when heavy rainfall from Storm Babet affected the North Sea in the second half of October 2023.

Additional operational expenditure was incurred during FY2024 for health and safety related activities. Some of the costs were for additional pre-scheduled inspection activities carried out by the regulators, in addition to a routine annual inspection by the Offshore Petroleum Regulator for Environment and Decommissioning. A part of the inspection scope coincided with the Anasuria Operating Company having assumed the role as the duty holder of the Anasuria FPSO (since the second half of CY2022). Such inspections by the regulators are expected to return to a normal cadence (i.e. annual offshore inspection per year and minor onshore inspections as required) in due course.

In addition, costs incurred for the replacement of offshore equipment and parts have been included in FY2024.

Largely due to abovementioned events, the average OPEX per boe recorded for FY2024 of USD29.36 was higher than the USD22.75 achieved in FY2023. In addition, the average daily oil equivalent production rate in FY2024 of 2,141 boe per day was lower compared to 2,415 boe per day delivered in FY2023.

PBT recorded for the segment of RM106.4 million was arrived at after deducting the following non-cash items from EBITDA:

- Amortisation of intangible assets and depreciation of oil and gas assets of RM71.6 million; and
- Unwinding of discount on provision for decommissioning costs and contingent consideration of RM26.2 million and RM1.5 million respectively.

Taxation – Ring fenced corporation tax (RFCT), supplementary charge (SC), Energy Profits Levy (EPL)

RM'000	Ring fenced		Non-ring fenced	Total
	RFCT and SC	EPL		
Total	(30,868)	8,704	(9,389)	(31,553)
Income tax	(24,519)	(2,397)	(9,389)	(36,305)
Deferred tax	(6,349)	11,101	-	4,752
- Deferred tax liabilities	(17,314)	23,660	-	6,346
- Recognition	(46,008)	(1,448)	-	(47,456)
- Reversal	28,694	25,108	-	53,802
- Deferred tax assets	10,965	(12,559)	-	(1,594)

(i) Ring fenced

The tax regime which applies to the exploration for, and production of, oil and gas in the UK, and is thus applicable to Anasuria Hibiscus, currently comprises of the RFCT and the SC. The current rates for the RFCT and the SC are set at 30.0% and 10.0% respectively.

In addition, the EPL regime, which took effect from 26 May 2022, introduced an additional 25.0% levy on UK oil and gas profits on top of the RFCT and the SC. The EPL rate was revised upwards to 35.0% with effect from 1 January 2023. The EPL regime will apply until 31 March 2028.

The Energy Security Investment Mechanism (ESIM), which was legislated on 24 May 2024, provides that the EPL will permanently be disapplied if average oil and gas prices are both at or below the ESIM price threshold for two consecutive quarters. The ESIM threshold prices were calculated using a 20-year historic average to 31 December 2022 and are set at USD71.40 per bbl of oil and GBP0.54 per therm of gas. These threshold prices will be indexed annually from 1 April 2024 using the preceding December's Consumer Prices Index in the UK.

On 9 July 2024, a new UK Government came to power and on 29 July 2024, that UK Government published a policy paper setting out proposed changes to the existing

EPL regime which they intend to include in the Autumn Budget to be held on 30 October 2024. These proposed changes will be included in the Finance Bill to be issued after the 30 October 2024 Autumn Budget and will have effect from 1 November 2024, but at this stage, it is unclear when they will become law. Accordingly, the impact that may be brought about by the proposed changes has not been included in Anasuria Hibiscus' taxation reported for FY2024 as they were not enacted or substantively enacted on 30 June 2024.

The proposed changes to the current regime are:

- The EPL rate be revised upwards to 38.0%;
- The EPL regime to apply until 31 March 2030; and
- The removal of the 29.0% uplift available for certain categories of capital expenditure which currently results in a 129.0% offset against taxable EPL income.

The policy paper also announced that the UK Government is likely to introduce restrictions on the set off of capital expenditure against taxable EPL income. Currently, a great deal of our capital expenditure can be fully offset against taxable income under the RFCT, the SC and the EPL regime in the financial year in which they are incurred. There are currently no details of the tax provisions that will be pronounced into law, but the UK Government has confirmed that any changes will only apply for EPL purposes and that there will be no change to the relief for RFCT and SC provisions.

The UK Government has confirmed that the decarbonisation uplift will remain, but it is uncertain whether the full 80.0% uplift will be retained. The UK Government has also stated that they do intend to retain the ESIM.

- RFCT and SC

  The UK segment recorded a net tax charge of RM30.9 million for RFCT and SC in FY2024. This resulted in an effective tax rate over PBT of 29.0%, which was lower than the statutory rates of 40.0%. It was mainly caused by non-ring fenced income (mainly interest income earned from the restricted cash placed in trust for decommissioning the facilities of the Anasuria Cluster) that was not brought to tax under RFCT and SC and additional allowances in relation to capital expenditure incurred, as provided under the SC regime.

- EPL

  In FY2024, Anasuria Hibiscus recorded RM2.4 million income taxation liability arising from the EPL regime.

  Besides, there was a recognition of net deferred tax credit of RM11.1 million attributable to the EPL regime that was recognised mainly due to the reversal of deferred tax liabilities recognised on taxable temporary differences expected to reverse during the window for which the EPL regime applies, i.e. up to 31 March 2028.

  The Group's intention remains to phase our UK capital expenditure programme such that we optimise the incentives offered as part of the EPL regime. It is also clear that the UK Government is incentivising decarbonisation initiatives within the UK oil and gas sector, and this is encouraging us to identify further opportunities that will reduce our overall carbon footprint.

(ii) Non-ring fenced

Non-ring fenced taxation in the UK applies to income generated that does not arise from the exploration and production of oil and gas. In Anasuria Hibiscus, it would be the interest income earned from its restricted cash that was placed in trust for its obligations for decommissioning the facilities of the Anasuria Cluster. Such interest income is subject to tax at 45.0%. The segment recorded a net tax charge in FY2024 in relation to this amounting to RM9.4 million.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

5. Vietnam

The Vietnam operating segment consists of the Group's investment in its 70% interest in Block 46, a tie-back asset to PM3 CAA located in Vietnamese waters, which was acquired as part of the Fortuna International Acquisition. Block 46 contains the producing Cai Nuoc field and the undeveloped Hoa Mai field. PVEP (a wholly-owned subsidiary of Vietnam Oil and Gas Group) holds the remaining participating interest in Block 46.

In FY2024, the Vietnam segment recorded a LAT of RM3.3 million.

No crude oil was sold in FY2024.

Expenses reflected in profit or loss mainly comprised of the depreciation of oil and gas assets and the unwinding of discount on the provision for decommissioning costs.

A LAT amounting to RM5.8 million was recorded for FY2023 despite the sale of 125,521 bbls of crude oil, at an average realised oil price of USD98.45 per bbl.

Block 46's opening underlift inventory acquired as part of the Fortuna International Acquisition (Acquired Underlift Inventory) of 81,418 bbls was incorporated into the Group's financial statements at its fair value, in accordance with the provisions of MFRS 3 'Business Combinations' (and revalued at the prevailing crude oil price at the end of each financial period in accordance with the provisions of MFRS 9 'Financial Instruments'). As the crude oil offtake that took place in October 2022 was the first offtake undertaken by Block 46 since Completion Date, the 'cost' of the Acquired Underlift Inventory included in the cost of sales for this offtake was higher than would have been the case had the weighted average costs been used, by approximately RM27.0 million.

It should be noted that a 'normalised' EBITDA for Block 46 after omitting the impact of the 'consumption' of the Acquired Underlift Inventory valued at a higher 'cost' would have been approximately RM33.6 million whilst a 'normalised' PBT would have been approximately RM29.2 million.

For Block 46, Vietnam income tax of 50.0% is paid by the PSC.

In FY2024, a deferred tax credit of RM1.9 million was recorded by the segment, primarily due to the recognition of deferred tax assets which arose from movements in the provision for decommissioning costs. In addition, as explained in Kinabalu's Barbados tax section above, the Group together with our appointed external tax advisors finalised the revised tax payable position brought about by the unilateral double tax relief granted by the BRA in January 2024 for YA2024 and prior IYs. Accordingly, overprovisions and overpayments of RM0.5 million were adjusted to profit or loss.

6. Australia

The Australia operating segment recorded a LAT of RM1.9 million in FY2024.

Included in the LAT were mainly costs incurred for professional fees, project management fees, administrative expenses and share of results of the associate.

The AUD, being the segment's functional currency, had appreciated against the USD during FY2024 when compared to 30 June 2023. The period-end retranslation of the segment's USD-denominated payables resulted in an unrealised foreign exchange gain of RM0.2 million. A significant portion of such USD denominated payables are to inter-companies.

FY2024's LAT was much lower than FY2023's LAT of RM8.0 million.

The LAT in FY2023 was largely driven by a provision for decommissioning costs, amounting to RM6.5 million, associated with two legacy exploration wells, namely West Seahorse-3 and Wardie-1, in the undeveloped West Seahorse field. This will be done under a revised work programme submitted to the Australian National Offshore Petroleum Titles Administrator (NOPTA) for the VIC/RL17 Petroleum Retention Lease (VIC/RL17) for the period between November 2023 and November 2026. The full decommissioning work involves removing the West Seahorse-3 wellhead and the Wardie-1 conductor which is sticking above the mudline at the seafloor. Upon completion of the full decommissioning work, which is to be undertaken during the first half of CY2025, the Group plans to return the VIC/RL17 permit to NOPTA by 4 November 2026.

7. Investment holding and group activities

The LAT recorded for this segment in FY2024 amounted to RM88.0 million, which was higher by RM60.5 million when compared to a LAT of RM27.5 million incurred in FY2023.

Total interest expenses amounting to RM39.5 million were incurred on a term loan in FY2024, which was drawn down via two tranches in FY2023, the first in December 2023 and the second in March 2023. Such interest expenses amounted to just RM5.9 million in FY2023.

There were also higher amounts incurred in FY2024 for corporate expenses, business development activities and professional and consultancy fees.

In addition, net foreign exchange gains of RM2.9 million were recognised in FY2024 while in FY2023, the equivalent gains were RM12.1 million, higher by RM9.2 million. Such foreign exchange differences arose mainly from the appreciation of the USD against the RM. This positively impacted the period-end retranslation of the inter-company balances.

In FY2024, the segment reported a tax expense of RM2.0 million, charged on interest income earned.

B. Statements of Financial Position

1. Non-current Assets

The Group's non-current assets as at 30 June 2024 amounted to RM4,269.2 million, representing an increase of RM161.6 million from RM4,107.6 million as at 30 June 2023.

Capital expenditure invested in North Sabah in FY2024 recognised as part of the Group's non-current assets amounted to RM238.5 million. They were mainly for the SF30 Waterflood Phase 2 development project and the SF Ungu exploration programme. This amount was arrived at after excluding RM82.6 million (pre-tax) costs related to two exploration wells, namely SF Ungu ST and SF Merah, which was written off to profit or loss in FY2024.

In addition, RM178.8 million was invested in Kinabalu for the ongoing redevelopment project involving a development drilling campaign and debottlenecking activities, the KN-119 well hydraulic workover unit fishing work, a canned installed pumping system project and electrical submersible pump pilot activities. This was partly offset by an impairment taken for Kinabalu in FY2024 amounting to RM61.0 million.

There was also an amount of RM112.3 million invested in PM3 CAA for the Bunga Lavatera and Bunga Aster-1 exploration well drilling campaigns and the PM3 CAA workover scope.

In the UK, capital expenditure invested in FY2024 for Anasuria Cluster, Teal West, and the Marigold and Sunflower fields amounted to RM53.0 million, RM48.4 million and RM9.9 million respectively.

An amount of RM9.6 million was also capitalised in the UK, when the farm-in for Licence P2451 (which holds the undeveloped Fyne field) was completed. This amount included the net present value of the purchase consideration related to this farm-in.

The restricted cash and bank balances maintained by Anasuria Hibiscus for decommissioning activities in the Anasuria Cluster increased by RM52.8 million due to additional monies being deposited into the designated trust over FY2024.

During FY2024, net unrealised foreign exchange gains which arose from the year-end retranslation of the Group's non-current assets denominated in non-MYR currencies amounted to RM41.5 million. The USD had appreciated against the RM as at 30 June 2024 when compared to 30 June 2023 and this positively affected the quarter-end retranslation of these non-current assets.

The above transactions, that increased the non-current assets balance, were partly offset by depreciation and amortisation of equipment, intangible assets and right-of-use assets (by RM476.2 million), lower deferred tax assets (by RM16.8 million) and lower non-current lease receivables from PM3 CAA's and North Sabah's partners (by RM9.6 million).

2. Current Assets

As at 30 June 2024, the Group's current assets amounted to RM2,335.2 million, which was RM244.3 million higher than the balance as at 30 June 2023 of RM2,090.9 million.

The Group's other receivables, deposits and prepayments balance as at 30 June 2024 increased by RM397.9 million. Included in other receivables was a RM231.3 million (or USD49.0 million) deposit paid in June 2024 for the

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

proposed acquisition of the entire equity interest in TotalEnergies EP (Brunei) B.V. (Proposed Acquisition). In addition, the other receivables balances in PM3 CAA, North Sabah and PM305 as at 30 June 2024 increased by RM116.3 million, RM28.9 million and RM23.1 million respectively when compared to their respective balances as at 30 June 2023, mainly due to higher amounts to be reimbursed by the respective joint venture partners.

The trade receivables balance increased by RM137.1 million, from RM411.4 million as at 30 June 2023 to RM548.5 million as at 30 June 2024. The balances at the end of the respective reporting periods were impacted by the timing of receipts of proceeds from crude oil offtakes and the sale of gas from the Group's producing assets.

The above transactions, that increased the Group's current assets balance, were partly offset by lower cash and bank balances by RM271.6 million. The Group has re-invested its available funds fairly significantly into its oil and gas assets during FY2024 via several planned activities and has utilised equivalent to RM231.3 million as a deposit for the Proposed Acquisition.

3. Total Liabilities

Total liabilities decreased marginally from RM3,508.8 million as at 30 June 2023 to RM3,503.9 million as at 30 June 2024.

The outstanding borrowings of the Group as at 30 June 2024 reduced by RM113.4 million when compared to 30 June 2023 mainly as a result of repayments made. These borrowings include lease liabilities and an outstanding term loan facility.

In addition, as at 30 June 2024, there were lower outstanding operations-related payables and accrual balances recorded for the UK and Kinabalu by RM28.9 million and RM26.8 million respectively.

The abovementioned decreases in the total liabilities balance were largely offset by higher outstanding taxation liabilities and operations-related payables and accruals balances.

The provision for taxation balance as at 30 June 2024 increased by RM80.5 million due to additional provisions made during FY2024. The Group's deferred tax balance was also higher by RM14.1 million due to additional deferred tax liabilities recognised on capital expenditure invested.

Operations-related payables and accruals balances in North Sabah and PM3 CAA as at 30 June 2024 were higher by RM73.3 million and RM3.1 million respectively when compared to 30 June 2023, mainly due to higher capital expenditure invested throughout FY2024.

4. Total Equity

The total equity of the Group as at 30 June 2024 increased by RM410.6 million when compared to 30 June 2023.

This was mainly attributable to net earnings generated by the producing oil and gas assets of the Group, partly offset by RM68.1 million dividends declared throughout FY2024. This amount consisted of the third interim and final single-tier dividends declared in respect of FY2023, which amounted to RM10.1 million and RM10.0 million respectively and a total of RM48.0 million for the first, second and third interim single-tier dividends of 2.00 sen per ordinary share each declared in respect of FY2024.

The Group is required to revalue the assets and liabilities of subsidiaries that have functional currencies which are denominated in currencies other than RM at each reporting date. The resulting unrealised foreign exchange differences are required to be posted to other reserves. As at 30 June 2024, the Group had recognised the resulting unrealised favourable foreign exchange differences from this revaluation exercise amounting to RM27.8 million due to the appreciation of the USD compared to 30 June 2023.

During FY2024, the Company repurchased 6,385,200 of its issued ordinary shares from open market on Bursa Malaysia Securities Berhad. The cost of repurchasing the shares amounted to RM16.1 million and they are currently held as treasury shares.

C. Statements of Cash Flows

1. Cash flows from operating activities

The Group's net cash generated from operating activities amounted to RM978.6 million.

It comprised mainly the aggregate of funds received from operations at the Group's producing oil and gas assets in Malaysia and the UK, partly offset by group-wide operational expenditure, payment of taxation obligations and payment of decommissioning liabilities.

2. **Cash flows used in investing activities**

Net cash utilised by the Group for investing activities amounted to RM913.9 million.

During the financial quarter ended 30 June 2024, a deposit amounting to RM231.3 million (or USD49.0 million) was paid for the Proposed Acquisition.

Amounts invested in various capital expenditure programmes by North Sabah, Kinabalu, Anasuria Hibiscus, PM3 CAA and Vietnam amounted to RM321.1 million, RM178.8 million, RM127.9 million, RM112.3 million and RM1.2 million respectively.

3. **Cash flows from financing activities**

During FY2024, net cash used in the Group's financing activities amounted to RM385.1 million.

It was mainly for payments made in respect of the Group's lease liabilities and term loan (both principal and interest), which amounted to RM168.3 million and RM133.2 million respectively.

In addition, the Company paid RM67.3 million dividends during FY2024 and RM16.2 million was utilised to repurchase 6,385,200 of its issued ordinary shares.

4. KEY RISKS AND MITIGATIONS

At Hibiscus Petroleum, effective risk management is essential to our business' continued success and sustainability. We recognise that our operations are exposed to a variety of risks – whether operational, financial, regulatory, global climate change policies, safety or environmental. To address these challenges, our Executive Risk Management Committee (ERMC), operating within a Board-approved risk management framework, continuously assesses our risk landscape and implements strategies to mitigate potential threats.

While eliminating risks entirely is not always possible, we remain committed to minimising their impact through rigorous monitoring and control measures. Below, in no order of priority, we outline our key risks and mitigation strategies:

Key Risks	Mitigation Strategies
Price Volatility and Market Dynamics in the Global Oil and Gas Industry	• Employ real-time analytics to track oil and gas price trends for price forecasting and operational planning, including deferment of non-critical capital expenditure and maintenance programmes, and capitalising on higher price periods by locking in the selling price of some of our production. • Continuously streamline processes and optimise resource allocation through automation. • Expand our footprint in emerging markets while enhancing productivity in existing operations. • Incorporate conservative price projections for due diligence process on new investments to ensure their viability under varying market conditions building resilient portfolio. • Closely monitor key suppliers' ongoing financial capabilities to ensure continuous operational performance and resource availability with no business disruption.
Liquidity Constraints and Access to Funding	In addition to the mitigation strategies highlighted under the risk of price volatility and evolving dynamics in the global oil and gas industry: • Conduct holistic annual business planning, setting realistic and balanced budgets, which are rigorously monitored with clear lines of accountability to ensure financial discipline across our organisation. • Maintain strict oversight of Group-wide cashflow to ensure the availability of adequate resources, while remaining vigilant about potential foreign exchange risks. We prioritise financial and capital discipline to ensure sustainable growth whilst maintaining relatively low gearing levels. • Continue to build strong relationships with established financial institutions and oil offtakers for continued access to sources of funding.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Key Risks	Mitigation Strategies
Health, Safety, Security and Environment (HSSE) Risks	• Dedicated to upholding strict compliance with HSSE standards. This commitment encompasses maintaining strict compliance with the requirements of the HSSE management system, conducting thorough risk assessments and implementing periodic audits and inspections to safeguard our people, assets, the environment and communities. • Continuous HSSE awareness through training sessions and programmes to sustain a strong HSSE culture. • Actively collaborate with our key stakeholders, including oil and gas regulators, partners, local authorities and communities, to protect our environment and assets. This collaboration aims to address potential threats such as oil spills and damage from external activities, ensuring alignment with broader environmental expectations. • Our HSSE function leads the review and activation of essential components of our Emergency Response Plan and Business Continuity Plan, particularly in addressing health threats. We remain aligned with governmental, industry and medical directives to ensure safety of our workforce and the resilience of our operations. • Prioritise preventative and planned maintenance programmes by ongoing monitoring and predictive maintenance strategies. This includes regular inspections, testing, and strict adherence to industry standards to enhance asset integrity and operational efficiency.
Cybersecurity Threats Data Breaches	We adopt a zero-trust approach to cybersecurity, continuously enhancing our information technology (IT) security systems. Our cybersecurity programmes are designed to mitigate any potential data breach vulnerabilities from both internal and external sources, with regular audits and reviews ensuring ongoing protection. Continuous monitoring, regular updates and awareness sessions reinforce our defences against emerging cyber threats, safeguarding critical digital assets and data.
Misalignment of Business Interests	• Foster transparent communication with our partners to ensure alignment in business interests, enabling the joint maximisation of asset value. • Our investments are carefully planned through robust due diligence process, ensuring alignment with our Group's operational and financial capabilities. We prioritise long-term partnerships with carefully selected business partners.
Breach of Business Integrity and Compliance Standards	• Uphold a zero-tolerance approach to bribery and corruption, reinforced by continuous training on our *Code of Conduct and Ethics (Code*), and *Anti-Corruption & Anti-Bribery Policy*. • Regular internal audits ensure adherence to our governance policies across all business segments. We actively manage corruption risks to uphold our compliance standards. • Our established *Whistle Blower Policy* enables stakeholders to confidentially report any misconduct related to governance, legal, or business practices, ensuring accountability.
Regulatory Changes Related to GHG Emissions and Climate Change Compliance	• Commitment to achieving Net Zero emissions by 2050, with a 50% reduction in our Scopes 1 and 2 emissions by 2030, as part of our comprehensive energy transition strategy. • A specialised division coordinates decarbonisation efforts, focusing on reducing our carbon footprint, evaluating low-carbon investment opportunities and enhances governance on climate-related matters. • Prioritise reducing GHG emissions while delivering value to stakeholders, ensuring our environmental strategies align with the evolving regulatory landscape and stakeholder expectations.
Human Capital Management and Talent Retention	• Amidst industry-wide changes, we recognise the importance of competitive compensation by conducting annual Group-wide remuneration reviews to ensure our compensation packages remain attractive, and aligned with market trends. We undertook several initiatives this year in line with the integration of our Malaysian businesses, including harmonising our rewards structure to ensure equitable compensation for our people. • Intensify our focus on developing a comprehensive succession plan to safeguard critical roles and ensure a robust pool of skilled and future-ready talent. • Creating an engaging, inclusive and collaborative work environment remains key. We focus on employee well-being, mental health and work-life balance to improve retention and maintain high morale. • Transparent communication channels and regular performance evaluations allow us to stay aligned with employee aspirations, helping us adapt strategies for growth and career advancement within our organisation.

5. OUR FUTURE: OBJECTIVES AND STRATEGIES FOR CREATING VALUE

A. Build Reputation as a Respected and Responsible Operator of Mid-life Assets in the Southeast Asia Region and Elsewhere

The Group has been gradually developing a profile as a responsible and respected operator of oil and gas assets in mid-life. This is being achieved by:

- remaining focused on our core business whilst protecting our base assets as a source of positive cashflow;
- delivering strong operational metrics;
- delivering on our commitments;
- utilising 'best practice' corporate governance principles; and
- being a responsible corporate citizen.

Post the completion of the proposed TotalEnergies Brunei acquisition, the Group will be delivering circa 100,000 boe/day in gross production and about 30,000 boe/day in net production. More than 95% of this production will be operated or jointly operated.

The objective going forward will be to continue to positively build our business profile, particularly in the Asia Pacific region, always cognisant of the associated business risks and HSSE considerations in all that we do. As part of this strategy, we will focus on building trust and strong working relationships with regional regulators so that we are considered as the regional independent oil and gas exploration and production partner of choice.

B. Build Profile in the Equity and Debt Capital Markets

Our growth, whether organic or through business development initiatives will be dependent on our capacity to access funding in the equity and debt markets. The debt capital markets are becoming increasingly reluctant to support organisations operating in the fossil fuel extraction business and given this situation, we will have to increase our decarbonisation efforts as a means of securing traditional banking support. We will also strengthen business relationships with oil trading organisations as they will become an increasingly important component of our Group's funding solutions.

To support investment in our equities, our investors will desire consistent returns vide dividend payouts. Thus, the objective going forward will be to strive to deliver a reasonable dividend yield to loyal shareholders. To provide clarity on our capital allocation and dividend distribution policies, the Company disclosed its Capital Allocation Framework (see Figure 3). In addition, specific guidance has been provided for potential FY2025 dividend distribution.

CAPITAL ALLOCATION FRAMEWORK

Guiding principles assuming USD70 bbl Brent, selective and disciplined deployment

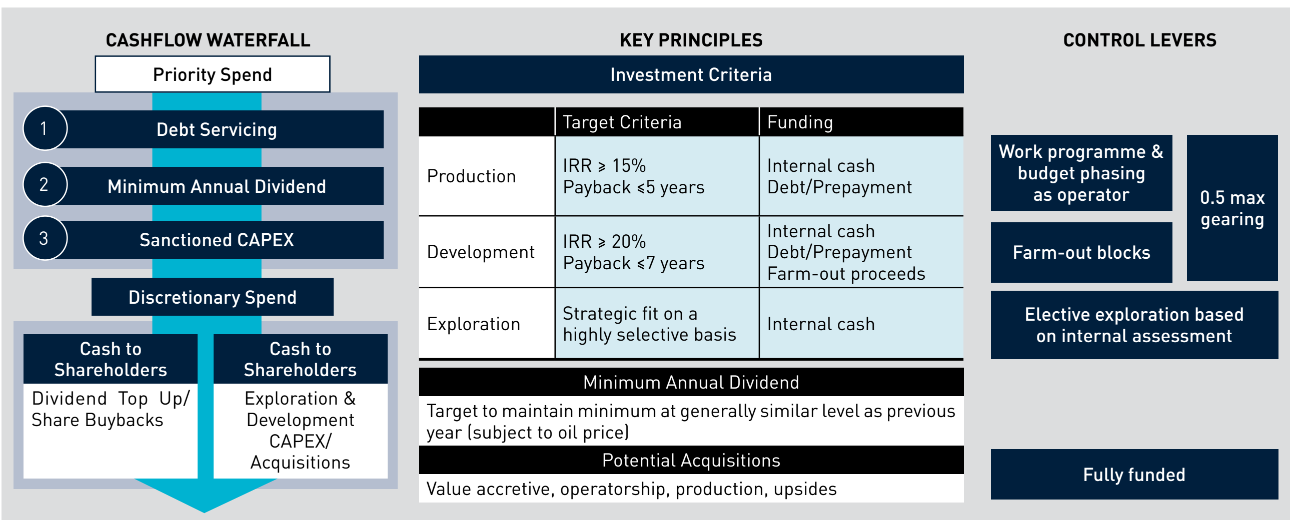


Figure 3: Hibiscus Petroleum's Capital Allocation Framework.

As an addition means of enhancing equity value, we have also sought approval from our shareholders to buy-back our own shares.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

C. Future Growth Opportunities

We are grateful for having been awarded the PKNB Cluster PSC and being invited to participate in the equity of the PM327 exploration block, both in Malaysia and with PETRONAS Carigali as a partner. Both these opportunities provide future growth catalysts for the Group as they are close to existing infrastructure that we already operate at the PM3 CAA. In addition, we are diligently working on an extension of the PM3 CAA PSC so that it becomes the long-term hub that will enable the cost-effective development of the surrounding fields of the PKNB Cluster PSC and PM327 (if there are viable discoveries). As far as the PKNB Cluster PSC fields are concerned, the base resource is expected to be mainly gas, with a reasonable level of longevity, once again delivering value for our shareholders. Projections show that in the coming years, there will be a requirement for more gas in the West Malaysia so we are confident that our gas production will have a market.

Whilst our interests in PM327 comes with exploration related risks, we have not been able to ignore the fact that it is a large block, adjacent to infrastructure that we operate and is in acreage with a 'good oil and gas address'. Several targets have been identified by the operator, PETRONAS Carigali. We will work with the operator to high-grade these opportunities so that they may be drilled in due course.

In addition, we believe that the proposed acquisition of the TotalEnergies Brunei assets presents an immense opportunity for the Group to grow our business in a country in which oil and gas plays an important economic role. Existing opportunities in the country are mature, ideal for a company with our business model to establish a prime position in the years to come. As part of this acquisition, we are inheriting a competent workforce. We believe that this nucleus of human capital will play an important role in optimising production from the assets that have been acquired and for developing new opportunities in the country, going forward.

D. Focus on Operations

In a volatile oil price environment, it is going to be increasingly important to focus on operations, minimising facilities downtime and maximising production, without any compromise on safety or care for the environment. We are also evaluating how AI based predictive tools will be able to play a role optimising operational performance.

E. Sustainability

Our approach and efforts in the area of sustainability are reflected in the Group's *Sustainability Policy*. It is the intention of the Group to continue to uphold high ESG standards. An honest and pragmatic approach towards the reduction in our carbon footprint is also an area of constant focus. In addition, a commitment to the safety and well-being of our employees and contractors, and a relentless pursuit of transparency and governance in the conduct of our business coupled with an awareness of the concerns of our community will be the foundation from which we deliver the Group's Vision in a sustainable manner.

6. CONCLUDING REMARKS

Our business is continuously impacted by material uncertainties impacting the world. Governments are implementing policies which are highlighting the urgency of climate change resulting in cautious levels of investment in the oil and gas industry. On the other hand, military conflicts in key geographies, are causing energy security concerns. There are also clear signs that the current sprint towards a Net Zero World has resulted in a fragile, future energy balance. Large requirements in future (near-term) demand seem unfulfilled and without a current commitment of investment (see Figures 4 and 5 below).

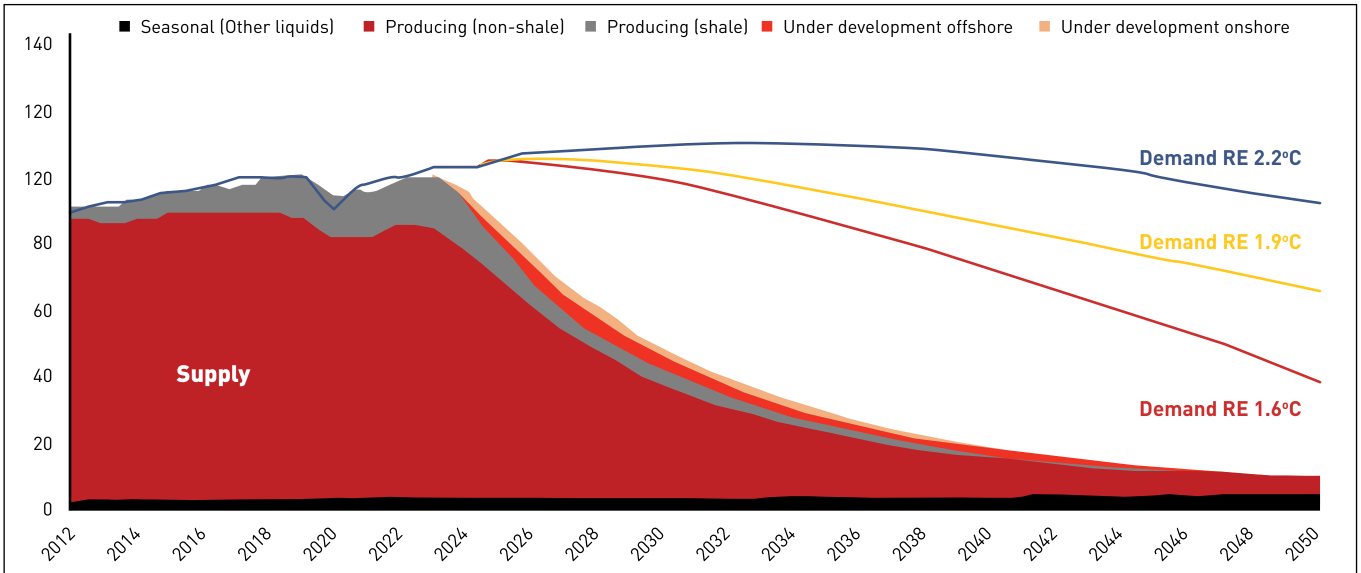
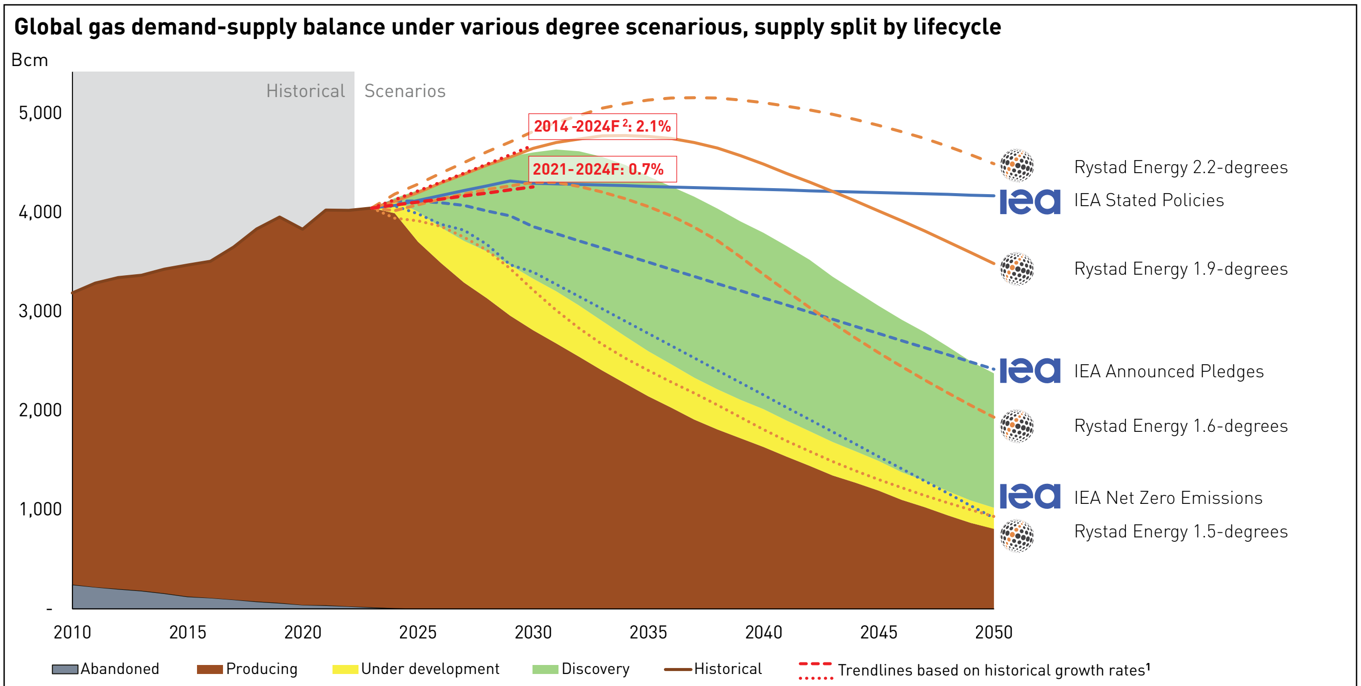


Figure 4: Liquids supply from producing wells and developments vs total liquids demand.
Source: Rystad Energy.



Notes:

[1] This analysis considers two trendlines: the 2021-2024F and the 2014-2024F trendline. Each uses a consistent annual growth rate towards 2030, which is calculated as the average of the annual growth rates of the historical years considered.

[2] The 2014-2024F trendline excludes COVID impacted years 2020 and 2021 from the average growth rate calculation to adjust for the unusually low and high growth rates observed in the respective years.

Figure 5: Global gas demand-supply balance under various degree scenarios.
Sources: Rystad Energy research and analysis; Global Gas Report 2024; International Energy Agency (IEA), International Gas Union and Snam.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Prior to 2022, OPEC+ had lost its position as the swing producer and market maker to the US shale industry. Over the past year, that position of influence appears to have returned to OPEC+. OPEC+ continues to curtail production to stabilise crude prices at a sustainable level. Whilst some stakeholders would like to see lower energy costs, this move by OPEC+ ensures that the long-term development of new resources remains viable and profitable, preventing oil price shocks while keeping energy costs at reasonable levels for consumers.

In conclusion, we believe that the Company is on a strong business foundation. However, we remain continuously aware of our responsibility to operate safely, with great care for the environment. Our progress this past year has positioned us to achieve our 2026 Mission to grow and maintain net production in a band between 35,000 and 50,000 boe/d whilst building our 2P Reserves base to 100 MMboe. We also believe that we are gradually becoming the prominent Independent Oil and Gas Company for the Southeast Asia region.

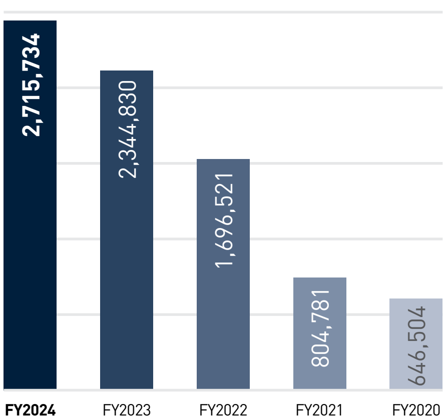
DR KENNETH GERARD PEREIRA
Managing Director
7 October 2024

FINANCIAL HIGHLIGHTS

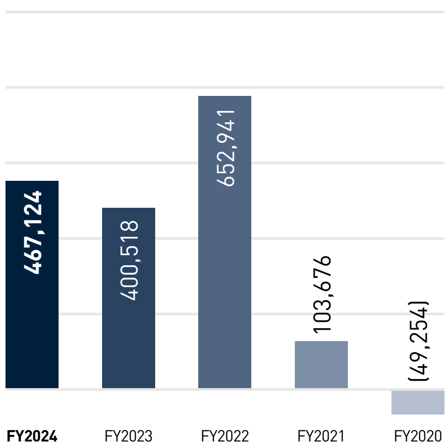
FINANCIAL YEAR ENDED (FY)	30.06.2024 RM'000	30.06.2023 RM'000	30.06.2022 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
Revenue	**2,715,734**	2,344,830	1,696,521	804,781	646,504
Profit/(loss) after taxation	**467,124**	400,518	652,941	103,676	(49,254)
Total assets	**6,604,339**	6,198,528	5,512,418	2,788,043	2,426,152
Shareholders' equity	**3,100,390**	2,689,759	2,202,017	1,473,922	1,221,307
Net assets per share*	**RM3.88**	RM3.34	RM2.74	RM1.84	RM1.92
Basic earnings/(loss) per share*	**58.22 sen**	49.76 sen	81.27 sen	14.77 sen	(7.75 sen)

* *For comparative purpose, the net assets per share and basic earnings/(loss) per share for prior financial years had been adjusted to reflect the effect of the share consolidation of every five shares into two consolidated shares completed on 20 October 2023.*

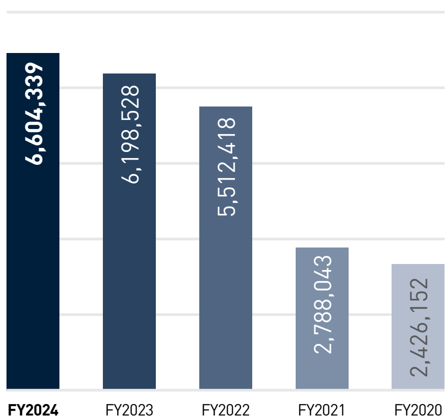
REVENUE
(RM'000)



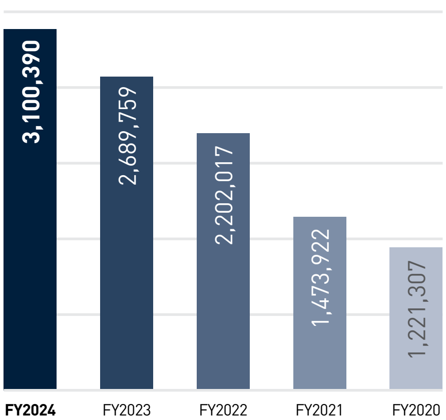
PROFIT/(LOSS) AFTER TAXATION
(RM'000)



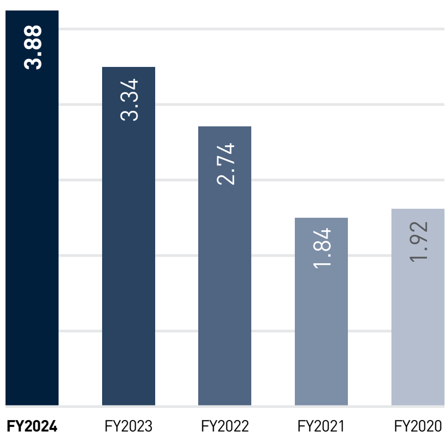
TOTAL ASSETS
(RM'000)



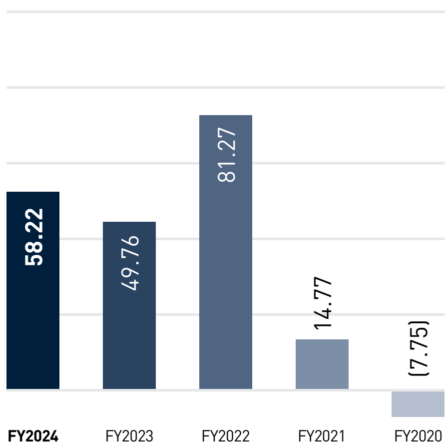
SHAREHOLDERS' EQUITY
(RM'000)



NET ASSETS PER SHARE
(RM)



BASIC EARNINGS/(LOSS) PER SHARE
(SEN)



INCREASING COMPETENCE AND CONTINUOUS IMPROVEMENT STARTS WITH SHARING KNOWLEDGE AND EXPERIENCES

We are building the future leaders of our organisation.

They are driving our growth agenda.

CALENDAR OF EVENTS

22 November 2023

Corporate:
Hibiscus Petroleum Berhad (Hibiscus Petroleum or the Company or the Group) announced the following:

- Earnings before interest, taxes, depreciation and amortisation (EBITDA) of RM393.0 million and a profit after taxation (PAT) of RM154.3 million for the financial quarter ended 30 September 2023 on the back of RM746.6 million revenue and an average realised oil price of USD96.94 per barrel;
- Declaration of a first interim single-tier dividend of 2.0 sen per ordinary share for the financial year ending 30 June 2024 (FY2024); and
- Offer of award for three blocks in the United Kingdom (UK) North Sea comprising the Crown discovery and northern part of the Kildrummy discovery in the 33rd UK Offshore Licensing Round.

North Sabah:
Received PETRONAS Focused Recognition commendations in August 2023 for:

- SEA Hibiscus Sdn Bhd (SEA Hibiscus)' Well Intervention and Integrity Team demonstrating high commitment towards excellent Production Enhancement and Idle Well Reactivation activities in 2023;
- SEA Hibiscus' Well Intervention and Integrity Team for significant achievement in managing Wells UPC with outstanding improvement; and
- Effectively contributing to an excellent Work Programme and Budget 2024 submission.

2 February 2024

Anasuria Hibiscus UK Limited (Anasuria Hibiscus), an indirect wholly-owned subsidiary of Hibiscus Petroleum, was offered awards of two blocks/part blocks (namely Blocks 15/13c and 15/18c) in Tranche 2 of the Licensing Round by the UK North Sea Transition Authority (NSTA) on 31 January 2024. Subject to the finalisation and execution of documents for the award of these blocks, Anasuria Hibiscus has secured a contiguous block in Quad 15 containing stranded oil discoveries, hydrocarbon leads and prospects that will support the commercial viability of the ongoing development planning of Marigold and Sunflower oil fields.

20 February 2024

Corporate:
Hibiscus Petroleum announced the following:

- EBITDA of RM325.3 million and a PAT of RM102.3 million for the financial quarter ended 31 December 2023, on the back of RM627.6 million revenue and an average realised oil and condensate price of USD90.21 per bbl; and
- Declaration of a second interim single-tier dividend of 2.0 sen per ordinary share for the FY2024. The Group is aiming to declare a minimum total dividend per share of 7.5 sen over the course of FY2024.

Peninsula Hibiscus Group (Peninsula Hibiscus):

- Received the Award of Merit from PetroVietnam at the annual Partnership Meeting in Ho Chi Minh City (January 2024); and
- Petroliam Nasional Berhad (PETRONAS) Focused Recognition commendation received for Kinabalu's Redevelopment Phase 3 Team delivering two new wells through a successful drilling campaign (November 2023).

North Sabah:
Received PETRONAS Focused Recognition commendations for:

- SEA Hibiscus' Well Intervention and Integrity Team demonstrating high commitment towards excellent Production Enhancement and Idle Well Reactivation activities in 2023 (October 2023); and
- SEA Hibiscus' Chief Executive Officer and Chief Operating Officer, respectively for effectively contributing to being an excellent partner to PETRONAS Carigali Sdn Bhd (PETRONAS Carigali) (December 2023).

26 February 2024

Hibiscus Petroleum announced that the NSTA on 23 February 2024 advised that the P2608 Licence Agreement (Agreement) for block 15/18a and block 15/19a has been fully executed. The effective date of the Agreement is 21 February 2024.

20 March 2024

Anasuria Hibiscus received approval from the NSTA for the request to extend the second term of the P2451 Licence from 31 March 2024 to 30 September 2026 (a 30-month extension). As a condition of the P2451 Licence extension, the NSTA expects Anasuria Hibiscus to have achieved an approved Field Development Plan and Production Consent by 30 September 2026.

24 April 2024

Hibiscus Petroleum announced that its wholly-owned subsidiary, Hibiscus Oil & Gas Malaysia Limited (HML), as the operator of the PM3 Commercial Arrangement Area Production Sharing Contract (PSC) (PM3 CAA PSC), has successfully completed the drilling of the Bunga Aster-1 exploration well. The Bunga Aster-1 well encountered approximately 17.5 metres of oil bearing sandstone with up to 46 metres of potential oil column. Multiple oil samples were collected during the logging campaign. Initial assessments indicate good reservoir characteristics. This marked the second significant discovery within a 12-month period, following the discovery of Bunga Lavatera in 2023. First oil production is expected to begin in May 2024.

21 May 2024

Corporate:
Hibiscus Petroleum announced the following:
- EBITDA of RM300.2 million and a PAT of RM101.8 million for the financial quarter ended 31 March 2024, on the back of RM603.5 million revenue and an average realised oil and condensate price of USD91.20 per barrel; and
- Declared a third interim single-tier dividend of 2.0 sen per ordinary share for FY2024, with a total of 6.0 sen having been declared to date.

Malaysian Operations:
Successful drilling of Bunga Aster-1 well with first oil having commenced on 4 May 2024, with incremental gross production of 2,100 bbl per day.

Received the following awards from PETRONAS at their annual MPM Wells Appreciation Townhall, recognising our achievements in safety and production operations in Malaysia:
- Lowest Drilling Cost per Foot – Development Well;
- Delivery of the Longest Well in Malaysia; and
- Innovative Petroleum Arrangement Contractor – First Autonomous Inflow Control Valve (AICV) Installation in Malaysia.

10 June 2024

The Company announced that the NSTA had, on 9 June 2024 advised that the P2635 Licence Agreement with Anasuria Hibiscus for block 15/13c and block 15/18c had been fully executed effective 4 June 2024.

14 June 2024

Simpor Hibiscus Sdn Bhd, an indirect wholly-owned subsidiary of Hibiscus Petroleum, entered into a conditional Share Purchase Agreement with TotalEnergies Holdings International B.V. for the proposed acquisition of the entire equity interest in TotalEnergies EP (Brunei) B.V. (TotalEnergies Brunei) for a total cash consideration of USD259.4 million. The proposed acquisition is for TotalEnergies Brunei's 37.5% operated interest in the Block B Maharajalela Jamalulalam field, a high-quality gas asset located offshore Brunei. This acquisition is expected to bring the gas production share of the Group's portfolio to almost 50%, in line with the Group's energy transition strategy of acquiring gas-weighted assets in stable regulatory jurisdictions. Furthermore, this transaction marks a significant step towards the Group's aspiration of becoming a net-zero emissions producer by 2050.

24 June 2024

3D Energi Limited (3D Energi) (formerly known as 3D Oil Limited), an associate company of Hibiscus Petroleum, announced the successful negotiation of an amendment to farm-out agreements with its ConocoPhillips Australia Joint Venturers (and operators) of VIC/P79 and T/49P exploration permits in offshore Commonwealth waters of the Otway Basin. 3D Energi retains a 20% participating interest in both permits.

26 July 2024

HML was awarded a 65% participating interest and operatorship in PKNB Cluster PSC by PETRONAS. The remaining participating interest is held by PETRONAS Carigali Sdn Bhd (PETRONAS Carigali). The effective date of the PKNB Cluster PSC is 1 July 2024 with a contract duration of 24 years. This PKNB Cluster PSC consists of four Discovered Resource Opportunities, namely Pertang, Kenarong, Noring and Bedong fields.

23 August 2024

Straits Hibiscus Sdn Bhd, the Company's indirect wholly-owned subsidiary, signed an agreement to acquire a 30% participating interest in the Block PM327 PSC (PM327 PSC) through a farm-in arrangement with PETRONAS Carigali. The PM327 PSC, being one of the largest exploration blocks offshore Peninsular Malaysia, is located to the south of the PM3 CAA PSC.

CALENDAR OF EVENTS (CONTINUED)

27 August 2024

Corporate:
Hibiscus Petroleum announced the following:
- EBITDA of RM302.6 million and PAT of RM108.7 million for the financial quarter ended 30 June 2024, on the back of RM738.0 million revenue and an average realised oil and condensate price of USD89.58 per bbl; and
- Declared a fourth interim single-tier dividend of 1.5 sen per ordinary share for FY2024, with a total of 7.5 sen having been declared to date, meeting the guidance of a minimum total dividend per share set earlier.

Malaysian Operations:
Announced receipt of the following awards:
Two Focused Recognitions from PETRONAS in March 2024 for:
- Successfully delivering the 2023 PM3 projects within budget, on schedule and meeting target volumes; and
- Excellent performance and successful project on Kinabalu Redevelopment Phase 3, including the first application of AICV in Malaysia.

Two awards at the Malaysia Upstream Awards 2024 in May 2024:
- Project Delivery Excellence - Gold Award; and
- Wells Excellence - Gold Award.

Two Focused Recognitions from PETRONAS in May 2024 for:
- Successful completion of Logistics Sharing Agreement between PETRONAS Carigali and Hibiscus Malaysia; and
- Steering the implementation of 2021 Tier 2 audit gap closure resulting in continual improvement of Asset Integrity and Reliability for North Sabah facilities.

Anasuria Hibiscus:
Announced receipt of the following awards:
Two awards from the Royal Society for the Prevention of Accidents (ROSPA) in May 2024:
- Gold Award – for calendar year 2023 health and safety performance of the Anasuria Floating Production Storage and Offloading facility – 25th consecutive annual award; and
- Patron's Award – for 25 consecutive Gold Awards.

Awards from Offshore Energies UK at their Offshore Safety Awards 2024 in July 2024 for:
- Maritime Safety; and
- Sharing and Learning.

12 September 2024

Hibiscus Petroleum announced the recommendation of a final single-tier dividend of 1.0 sen per ordinary share in respect of FY2024, subject to shareholders' approval at the 14th Annual General Meeting.

Additionally, the Company announced a dividend guidance for FY2025, targeting a minimum payout of 8.0 sen per ordinary share if the average Brent price reaches USD70 per bbl and 10.0 sen per ordinary share if it exceeds USD80 per bbl.

The Company also hosted its 2nd Investor Day with the key theme of 'Delivering Volumes, Enhancing Value'. The event objectives included showcasing Hibiscus Petroleum's future growth prospects (both near-term and long-term) and how the Company will be improving shareholder returns. This Investor Day was attended by over 120 external attendees.

7 October 2024

Hibiscus Petroleum announced that the Proposed Farm-In for a 30% Participating Interest in PM327 PSC had received regulatory approvals from PETRONAS, via Malaysia Petroleum Management. The condition precedents were fulfilled as of 30 September 2024, completing the farm-in.

CORPORATE INFORMATION

BOARD OF DIRECTORS
Zainul Rahim bin Mohd Zain
- Non-Independent Non-Executive Chair

Dr Kenneth Gerard Pereira
- Managing Director

YBhg Dato' Sri Roushan Arumugam
- Non-Independent Non-Executive Director

Thomas Michael Taylor
- Senior Independent Non-Executive Director

YBhg Dato' Dr Zaha Rina Zahari
- Independent Non-Executive Director

Emeliana Dallan Rice-Oxley
- Independent Non-Executive Director

Zaidah binti Ibrahim
- Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE
Thomas Michael Taylor
- Chair

YBhg Dato' Dr Zaha Rina Zahari
- Member

YBhg Dato' Sri Roushan Arumugam
- Member

NOMINATING COMMITTEE
YBhg Dato' Dr Zaha Rina Zahari
- Chair

YBhg Dato' Sri Roushan Arumugam
- Member

Thomas Michael Taylor
- Member

Emeliana Dallan Rice-Oxley
- Member

Zaidah binti Ibrahim
- Member

REMUNERATION COMMITTEE
YBhg Dato' Sri Roushan Arumugam
- Chair

Thomas Michael Taylor
- Member

Emeliana Dallan Rice-Oxley
- Member

Zaidah binti Ibrahim
- Member

COMPANY SECRETARIES
Khoo Ming Siang (MAICSA 7034037)
(SSM PC No. 202208000150)

Law Wei Leng (MAICSA 7064862)
(SSM PC No. 202108000506)

REGISTERED OFFICE
Unit 521, 5th Floor, Lobby 6
Block A, Damansara Intan
No. 1, Jalan SS20/27
47400 Petaling Jaya
Selangor Darul Ehsan
Tel : +603-7732 0792
Email : cosec@aquilla.com.my

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

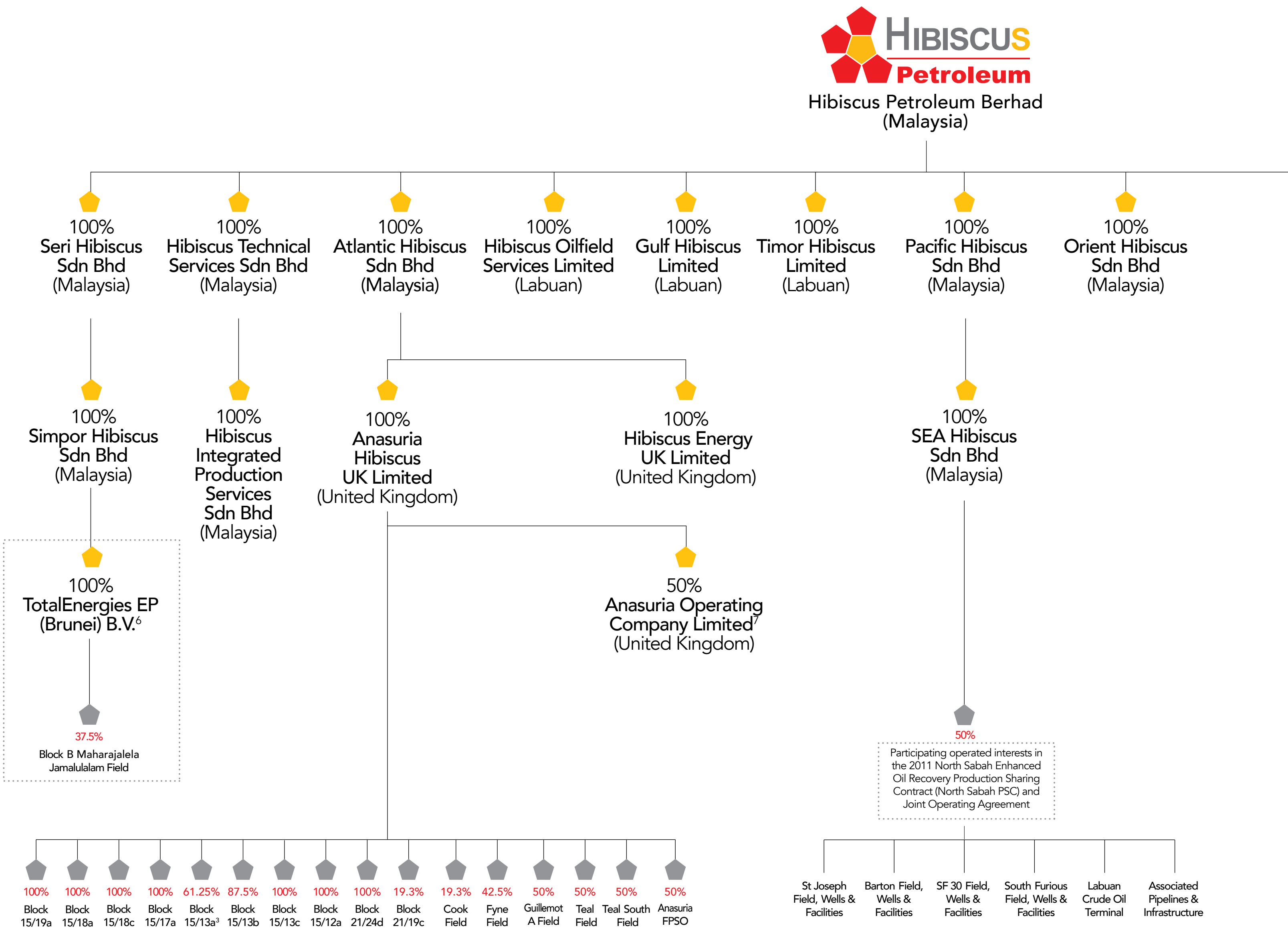
AUDITORS
PricewaterhouseCoopers PLT
(LLP0014401-LCA & AF 1146)
Level 10, Menara TH 1 Sentral
Jalan Rakyat
Kuala Lumpur Sentral
P.O. Box 10192
50706 Kuala Lumpur
Tel : +603-2173 1188
Fax : +603-2173 1288

STOCK EXCHANGE LISTING
The Main Market of Bursa Malaysia Securities Berhad
Stock Name : HIBISCS
Stock Code : 5199
Sector : Energy
Sub-sector : Oil and Gas Producers

SHARE REGISTRAR
Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : +603-2783 9299
Fax : +603-2783 9222
Email : is.enquiry@my.tricorglobal.com

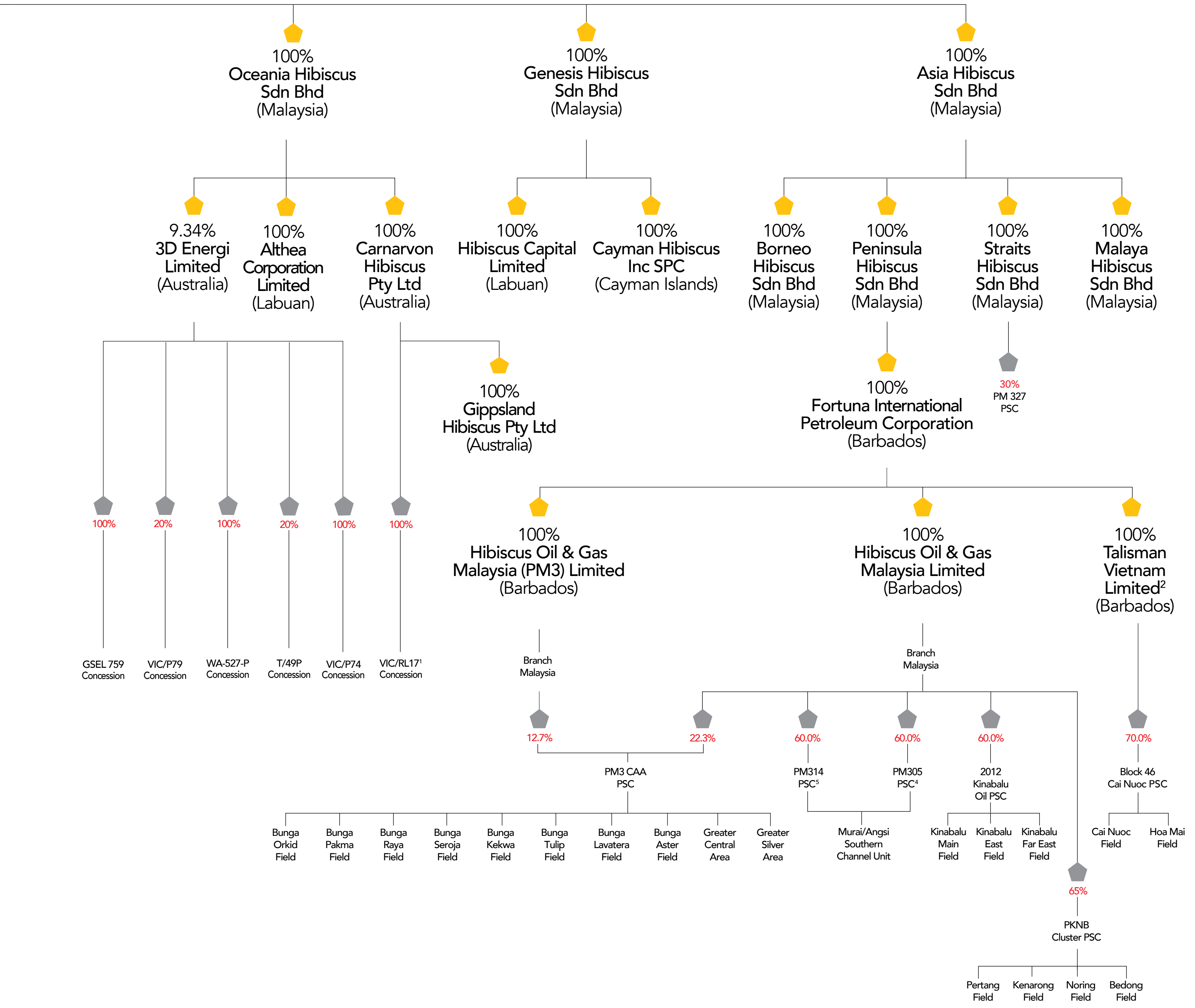
PRINCIPAL BANKERS
HSBC Bank Malaysia Berhad
HSBC Amanah Malaysia Berhad
Industrial and Commercial Bank of China (Malaysia) Berhad
Bank of China (Malaysia) Berhad

CORPORATE STRUCTURE
(as at 7 October 2024)



Notes:

1. Previously known as the VIC/L31 production licence.
2. Entity to be renamed.
3. As of 30 June 2023, Hibiscus Petroleum Berhad held a participating interest of 87.5% through Anasuria Hibiscus UK Limited (Anasuria Hibiscus). Subsequently on 15 September 2023, a Unitisation and Unit Operating Agreement (UUOA) was executed between Anasuria Hibiscus, Caldera Petroleum (UK) Limited and Ithaca Energy (UK) Limited. Under the UUOA, Anasuria Hibiscus' interest in the Marigold unit is 61.25%.
4. The Group's participating interest in PM305 ceased on 17 March 2024. The Group is obliged to complete the abandonment obligations for wells and facilities per the Production Sharing Contract (PSC) terms of PM305. All well abandonment obligations required to be carried out were completed in August 2022. The remaining abandonment obligations of the South Angsi-A facility are estimated to be completed by September 2025.
5. The Group's participating interest in PM314 ceased on 5 September 2020 and all abandonment obligations required to be carried out per the PSC terms of PM314 were completed in August 2022.
6. Subject to completion of the proposed acquisition announced on 14 June 2024.
7. Anasuria Operating Company Limited performs the following functions:
   - Duty holder for the Anasuria FPSO.
   - Operator for the Teal, Teal South and Guillemot A fields.


100%
Oceania Hibiscus
Sdn Bhd
(Malaysia)
100%
Genesis Hibiscus
Sdn Bhd
(Malaysia)
100%
Asia Hibiscus
Sdn Bhd
(Malaysia)
9.34%
3D Energi
Limited
(Australia)
100%
Althea
Corporation
Limited
(Labuan)
100%
Carnarvon
Hibiscus
Pty Ltd
(Australia)
100%
Hibiscus Capital
Limited
(Labuan)
100%
Cayman Hibiscus
Inc SPC
(Cayman Islands)
100%
Borneo
Hibiscus
Sdn Bhd
(Malaysia)
100%
Peninsula
Hibiscus
Sdn Bhd
(Malaysia)
100%
Straits
Hibiscus
Sdn Bhd
(Malaysia)
100%
Malaya
Hibiscus
Sdn Bhd
(Malaysia)
100%
Gippsland
Hibiscus Pty Ltd
(Australia)
100%
Fortuna International
Petroleum Corporation
(Barbados)
30%
PM 327
PSC
100%
GSEL 759
Concession
20%
VIC/P79
Concession
100%
WA-527-P
Concession
20%
T/49P
Concession
100%
VIC/P74
Concession
100%
VIC/RL17[1]
Concession
100%
Hibiscus Oil & Gas
Malaysia (PM3) Limited
(Barbados)
100%
Hibiscus Oil & Gas
Malaysia Limited
(Barbados)
100%
Talisman
Vietnam
Limited[2]
(Barbados)
Branch
Malaysia
Branch
Malaysia
12.7%
22.3%
PM3 CAA
PSC
60.0%
PM314
PSC[5]
60.0%
PM305
PSC[4]
60.0%
2012
Kinabalu
Oil PSC
70.0%
Block 46
Cai Nuoc PSC
Bunga
Orkid
Field
Bunga
Pakma
Field
Bunga
Raya
Field
Bunga
Seroja
Field
Bunga
Kekwa
Field
Bunga
Tulip
Field
Bunga
Lavatera
Field
Bunga
Aster
Field
Greater
Central
Area
Greater
Silver
Area
Murai/Angsi
Southern
Channel Unit
Kinabalu
Main
Field
Kinabalu
East
Field
Kinabalu
Far East
Field
Cai Nuoc
Field
Hoa Mai
Field
65%
PKNB
Cluster PSC
Pertang
Field
Kenarong
Field
Noring
Field
Bedong
Field

BOARD OF DIRECTORS
(As at 1 October 2024)

ZAINUL RAHIM BIN MOHD ZAIN
Non-Independent Non-Executive Chair

Malaysian	71	Male

DATE APPOINTED TO THE BOARD
14 December 2010

DATE OF LAST RE-ELECTION
14 December 2021

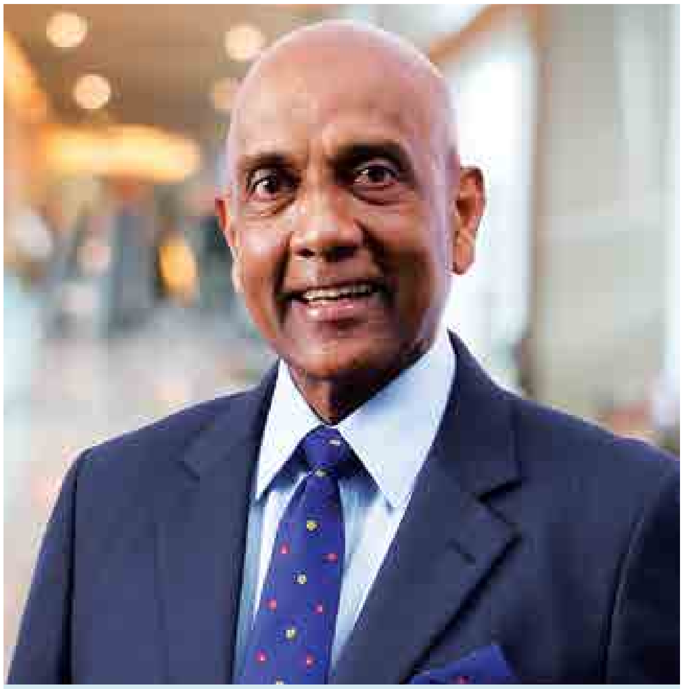
ACADEMIC/PROFESSIONAL QUALIFICATION(S):
B. Eng majoring in Mechanical Engineering, University of Western Australia, Australia

PRESENT DIRECTORSHIP(S) IN OTHER COMPANIES:

Listed Entity:
Nil

Other Public Companies:
- Non-Executive Director, Standard Chartered Saadiq Berhad
- Chair, Malaysian Dutch Business Council

WORK EXPERIENCE AND/OR PAST DIRECTORSHIP(S) AND/OR APPOINTMENT(S):
- 46 years of experience in the oil and gas exploration and production (E&P) industry
- Chair, Cenergi SEA Berhad
- Director, redT Energy Plc
- Director, PETRONAS Carigali Sdn Bhd
- Director, Bank Pembangunan Malaysia Berhad
- Director, UKM Holdings Sdn Bhd
- Adviser, Sime Darby Energy & Utilities Division
- Chairman, Shell companies in Egypt
- Managing Director, Shell Egypt N.V
- Deputy Chairman, Shell Malaysia



DR KENNETH GERARD PEREIRA

Managing Director

Malaysian	66	Male

DATE APPOINTED TO THE BOARD
13 September 2010

DATE OF LAST RE-ELECTION
5 December 2023

ACADEMIC/PROFESSIONAL QUALIFICATION(S):

- Doctorate in Business Administration, University of South Australia, Australia
- Masters in Business Administration (MBA), Cranfield University, United Kingdom
- B.Sc (Honours) in Engineering, Bath University, United Kingdom

PRESENT DIRECTORSHIP(S) IN OTHER COMPANIES:

Listed Entity:
Nil

Other Public Companies:
Nil

WORK EXPERIENCE AND/OR PAST DIRECTORSHIP(S) AND/OR APPOINTMENT(S):

- 36 years of experience in the oil and gas industry (both in services and E&P)
- Founded Hibiscus Petroleum Berhad in 2010 and was appointed to the Board in September 2010 as Managing Director
- Managing Director, Interlink Petroleum Ltd, an oil and gas E&P company listed on the BSE (formerly known as Bombay Stock Exchange)
- Chief Operating Officer (COO), SapuraCrest Petroleum Berhad (now part of Sapura Energy Berhad Group)
- Vice President, Energy Sector Projects of Sapura Energy Sdn Bhd
- Various positions at Sapura Group of companies
- Previously worked for Schlumberger Overseas (as a Field Engineer in North Africa, Asia and Europe)

BOARD OF DIRECTORS (CONTINUED)

(As at 1 October 2024)

YBHG DATO' SRI ROUSHAN ARUMUGAM

Non-Independent Non-Executive Director

Malaysian	52	Male

DATE APPOINTED TO THE BOARD

25 July 2011

DATE OF LAST RE-ELECTION

5 December 2023

ACADEMIC/PROFESSIONAL QUALIFICATION(S):

- MBA, Imperial College Business School, Imperial College, London, United Kingdom
- MA in Law, University of Bristol, United Kingdom
- MA in English Language and Literature, St. Catherine's College, Oxford University, United Kingdom

MEMBERSHIP ON THE BOARD COMMITTEES:

- Chair, Remuneration Committee
- Member, Nominating Committee
- Member, Audit and Risk Management Committee

PRESENT DIRECTORSHIP(S) IN OTHER COMPANIES:

Listed Entity:

Nil

Other Public Companies:

- Director, South Pickenham Estate Company Ltd

OTHER PRESENT APPOINTMENT(S):

- Director, Sri Inderajaya Holdings Sdn Bhd
- Member of the Advisory Board of Oakhouse Partners

WORK EXPERIENCE AND/OR PAST DIRECTORSHIP(S) AND/OR APPOINTMENT(S):

- 25 years of experience in the financial services industry
- Investment Banker, Nomura Advisory Services, Malaysia
- Investment Banker, Deutsche Bank, London, United Kingdom
- Analyst, Emerging Markets Equity Research, Caspian Securities Ltd, London, United Kingdom
- Consultant, Price Waterhouse, London, United Kingdom
- Domus Fellow, St. Catherine's College, Oxford University, United Kingdom
- Trustee, East West Trust, St. Catherine's College, United Kingdom

THOMAS MICHAEL TAYLOR

Senior Independent Non-Executive Director

British	68	Male

DATE APPOINTED TO THE BOARD
1 August 2016

DATE OF LAST RE-ELECTION
1 December 2022

ACADEMIC/PROFESSIONAL QUALIFICATION(S):
- MA, Engineering, University of Cambridge, United Kingdom
- Member of the Chartered Institute of Management Accountants

MEMBERSHIP ON THE BOARD COMMITTEES:
- Chair, Audit and Risk Management Committee
- Member, Nominating Committee
- Member, Remuneration Committee

PRESENT DIRECTORSHIP(S) IN OTHER COMPANIES:

Listed Entity:
Nil

Other Public Companies:
Nil

OTHER PRESENT APPOINTMENT(S):
Nil

WORK EXPERIENCE AND/OR PAST DIRECTORSHIP(S) AND/OR APPOINTMENT(S):
- 40 years of oil and gas industry experience
- Finance Director, Sakhalin Energy Investment Company
- Finance Director, Shell Malaysia
- Finance Director, Brunei Shell Petroleum
- Held board memberships in oil and gas companies, in all sectors of the industry in Malaysia, Brunei, Russia, Hungary and France

BOARD OF DIRECTORS (CONTINUED)

(As at 1 October 2024)

YBHG DATO' DR ZAHA RINA ZAHARI

Independent Non-Executive Director

Malaysian	62	Female

DATE APPOINTED TO THE BOARD

15 September 2017

DATE OF LAST RE-ELECTION

5 December 2023

ACADEMIC/PROFESSIONAL QUALIFICATION(S):

- Doctorate in Business Administration, Hull University, United Kingdom, focusing on capital markets research and specialising in derivatives
- MBA, Hull University, United Kingdom
- B.A (Hons) Accounting and Finance, Leeds, United Kingdom
- Global Leadership Development Programme, International Centre Leadership in Finance (ICLIF)

MEMBERSHIP ON THE BOARD COMMITTEES:

- Chair, Nominating Committee
- Member, Audit and Risk Management Committee

PRESENT DIRECTORSHIP(S) IN OTHER COMPANIES:

Listed Entities:

- Chair, Manulife Holdings Berhad
- Chair, Pacific & Orient Berhad
- Director, IGB Berhad
- Director, Keck Seng (Malaysia) Berhad

Other Public Companies:

- Chair, Manulife Investment Management (M) Berhad
- Chair, Pacific & Orient Insurance Co Bhd
- Director, Mizuho Bank (Malaysia) Berhad
- Director, Pacific & Orient Properties Limited
- Director, Kuala Lumpur Business Club

OTHER PRESENT APPOINTMENT(S):

- Member, Appeals Committee of Bursa Malaysia Berhad
- Director, Sage 3 Capital Sdn Bhd
- Director, FWU Malaysia Sdn Bhd
- Director, L'Oreal Malaysia Sdn Bhd
- Director, Sri Communications Sdn Bhd

WORK EXPERIENCE AND/OR PAST DIRECTORSHIP(S) AND/OR APPOINTMENT(S):

- More than 35 years of experience in financial (including Islamic), commodities and securities industry and the developing of the Malaysian Financial Market, M&A in insurance and Takaful companies
- More than 15 years of experience as an Independent Board member of listed financial institutions as well as companies in the oil and gas and property industries
- Licensed by Securities Commission of Malaysia for corporate advisory services
- Chief Executive Officer, RHB Securities Sdn Bhd
- COO, Kuala Lumpur Options and Financial Futures Exchange
- Head of Exchanges, KLSE, MESDAQ, MDEX, Labuan Offshore Financial Exchange
- Consultant, Financial Technologies Middle East based in Bahrain (BFX)
- SV President, Royal Bank of Scotland Group, Singapore
- Member, Global Board of Adviser for XBRL Board Member, Commodity and Monetary Exchange of Malaysia
- Director, Hong Leong Industries Berhad
- Director, Tanah Makmur Berhad
- Director, MyCreative Ventures Sdn Bhd
- Director, Zurich Insurance Malaysia Berhad
- Director, MIMB Investment Bank Berhad
- Director, EON Capital Berhad
- Director, EON Bank Berhad
- Director, MAA Takaful Berhad
- Director, Malaysian Assurance Alliance Berhad
- Director, MAA Holdings Berhad
- Director, MAA International Assurance Ltd
- Board Member, Trustee for Malaysia AIDS Foundation
- Market Participants Committee (MPC) of Bursa Malaysia Berhad

EMELIANA DALLAN RICE-OXLEY

Independent Non-Executive Director

Malaysian	61	Female

DATE APPOINTED TO THE BOARD
5 October 2022

DATE OF LAST RE-ELECTION
1 December 2022

ACADEMIC/PROFESSIONAL QUALIFICATION(S):
- Advanced Management Programme, Harvard Business School, United States of America
- Professional Certification in Decision Quality and Risk Management, Stanford University, Stanford, California, United States of America
- B.Sc in Geology, University of South Carolina, United States of America

MEMBERSHIP ON THE BOARD COMMITTEES:
- Member, Nominating Committee
- Member, Remuneration Committee

PRESENT DIRECTORSHIP(S) IN OTHER COMPANIES:

Listed Entity:
- Director, TGS ASA
- Director, Affin Bank Berhad

Other Public Companies:
Nil

OTHER PRESENT APPOINTMENT(S):
Nil

WORK EXPERIENCE AND/OR PAST DIRECTORSHIP(S) AND/OR APPOINTMENT(S):
- 37 years of experience in the oil and gas E&P industry
- Distinguished Achievement Award for Individuals (Offshore Technology Conference Asia 2022)
- 2019 Female Executive of the Year, Asia Pacific Energy Assembly
- Vice President, Exploration, Upstream, PETRONAS
- Vice President, Exploration Malaysia, PETRONAS
- Senior General Manager, Exploration Malaysia, PETRONAS
- Exploration Portfolio and Planning Manager for Asia Pacific region for Shell
- Held various technical and managerial roles for Shell in Malaysia, United Kingdom, Brazil, United States of America and Latin America
- Director, PGS ASA
- Director, PETRONAS Management Training Sdn Bhd
- Director, PETRONAS Gas Berhad
- Director, PETRONAS E&P Overseas Ventures Sdn Bhd and various PETRONAS Carigali Overseas' private limited companies

BOARD OF DIRECTORS (CONTINUED)

(As at 1 October 2024)

ZAIDAH BINTI IBRAHIM

Independent Non-Executive Director

Malaysian	64	Female

DATE APPOINTED TO THE BOARD
1 January 2023

DATE OF LAST RE-ELECTION
5 December 2023

ACADEMIC/PROFESSIONAL QUALIFICATION(S):

- B.Eng in Electrical & Electronics Engineering, University of Wales, Institute of Science & Technology, United Kingdom
- Global Leader Forum, Executive Education of Columbia University in the City of New York
- New Leader Program, Executive Education of Thunderbird School of Global Management

MEMBERSHIP ON THE BOARD COMMITTEES:

- Member, Nominating Committee
- Member, Remuneration Committee

PRESENT DIRECTORSHIP(S) IN OTHER COMPANIES:

Listed Entity:
Nil

Other Public Companies:
Nil

WORK EXPERIENCE AND/OR PAST DIRECTORSHIP(S) AND/OR APPOINTMENT(S):

- 33 years of experience in the oil and gas industry, predominantly in ExxonMobil global businesses in North America, Europe, West Africa, Middle East and Asia Pacific
- Director, Imperial Oil Resources and Manager, Production, Upstream, Imperial Oil Ltd, Calgary, Canada
- Manager, Management of Change, Transformation Initiative, Upstream, Imperial Oil Ltd, Calgary, Canada
- Member, Alberta Executive Committee of Canadian Association of Petroleum Producers (CAPP)
- Manager, Planning and Business Analysis, ExxonMobil Global Production Company, Houston, United States of America
- Manager, Global Operations, ExxonMobil Global Production Company, Houston, United States of America
- Manager, Operations, ExxonMobil Canada Ltd, Halifax & St John's, Canada
- Manager, Operations Technical, Esso Australia Ltd, Melbourne, Australia
- Manager, (Special Projects, Operations, Operations Technical, Asset Leader), ExxonMobil Exploration & Production Malaysia Inc, Kuala Lumpur, Malaysia

Declarations:

1. **Family Relationship with Director and/or Major Shareholder**
   None of the Directors has any family relationship with any Director and/or major shareholder of Hibiscus Petroleum Berhad (Hibiscus Petroleum).

2. **Conflict of Interest**
   None of the Directors has any conflict of interest or potential conflict of interest with Hibiscus Petroleum or its subsidiaries during the financial year which is material pursuant to the Main Market Listing Requirements and Companies Act 2016.

3. **Conviction of Offences**
   None of the Directors has been convicted for offences within the past 5 years other than traffic offences, if any.

4. **Public Sanction/Penalty**
   None of the Directors has any public sanction or penalty imposed on them by any regulatory body* during the financial year ended 30 June 2024.

5. **Attendance at Board Meetings**
   The details of attendance of each Director at Board Meetings are set out on page 93 of this Annual Report 2023/2024.

Note:

* Regulatory bodies refers to any regulator that regulates Hibiscus Petroleum or its subsidiaries or any authority or organisation which regulates the business activity of Hibiscus Petroleum or its subsidiaries. This includes Bursa Malaysia Securities Berhad, the Securities Commission of Malaysia, Bank Negara Malaysia, the Companies Commission of Malaysia, the Employees Provident Fund, the Inland Revenue Board, the Department of Environment and the local municipal councils, amongst others.

LEADERSHIP TEAM, MANAGEMENT TEAM AND TECHNICAL EXPERTS

Leadership Team (As at 1 October 2024)

1 **Dr Kenneth Gerard Pereira**
Managing Director

2 **Yip Chee Yeong**
Chief Financial Officer

3 **Dr Pascal Hos**
Country Head, Malaysia and Vietnam

4 **Joyce Vasudevan**
Head, Corporate Finance

5 **Deepak Thakur, CFA**
Vice President, Economics and Business Planning

6 **Kevin Robinson**
Vice President, Project Assurance and Asset Oversight

7 **Chong Chee Seong**
Vice President, Strategic Ventures

8 **Mohammed Farroukh Abdul Aziz**
Country Head, Brunei

9 **Lim Kock Hooi**
Group General Counsel

10 **Stewart McMickle**
Vice President, New Ventures

11 **Syarifah Aliza Syed Azauddin**
Vice President,
Corporate Governance and Sustainability Reporting

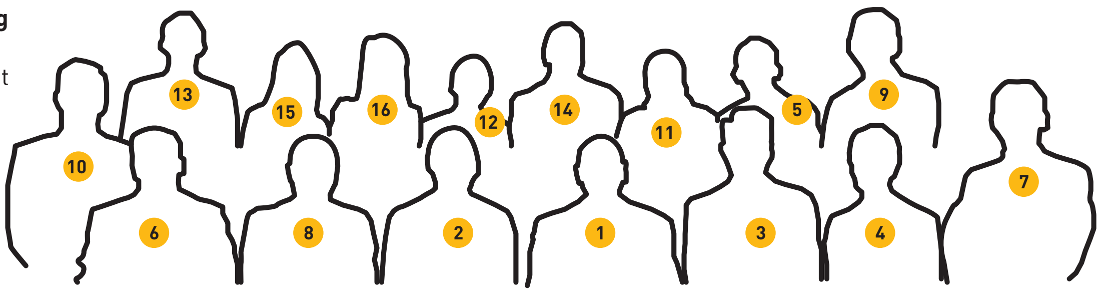
12 **Noor Ashiah Yang**
Vice President,
Group Human Capital

13 **Clifford Lang**
Project Director/General Manager,
Hibiscus Energy UK Limited

14 **Dr Ambrose Gerard Corray**
Vice President,
InfoTech and Digitalisation

15 **Lai Wai Peng**
Vice President,
Business Transformation

16 **Lily Ling Leong Shuang**
Vice President,
Corporate Development



DR KENNETH GERARD PEREIRA
Managing Director

Malaysian | 66 | Male

Please refer to page 69 of this Annual Report 2023/2024.

YIP CHEE YEONG
Chief Financial Officer (CFO)

Malaysian | 50 | Male

DATE APPOINTED TO CURRENT DESIGNATION:
1 June 2019

QUALIFICATION(S):
- Member of the Malaysian Institute of Accountants, Malaysia and Fellow Member of the Association of Chartered Certified Accountants, United Kingdom
- B.A (Honours) in Accounting and Finance, Middlesex University, London, United Kingdom

WORKING EXPERIENCE:
- Joined Hibiscus Petroleum Berhad (Hibiscus Petroleum) in November 2013 and held the position of Vice President, Finance and Group Controller before his appointment as CFO.
- Has over 30 years of accounting and finance experience in various industries, namely oil and gas, manufacturing, technology, services, risk consulting, audit and taxation.
- Was previously CFO at Microsoft Malaysia, responsible for company-wide financial management and was a key member of the senior management team.

DR PASCAL HOS
Country Head, Malaysia and Vietnam

Dutch | 53 | Male

DATE APPOINTED TO CURRENT DESIGNATION:
1 January 2024

QUALIFICATION(S):
- Doctorate in Mechanical Engineering, Rice University, Texas, United States of America
- B.Sc in Mechanical Engineering, Rice University, Texas, United States of America

WORKING EXPERIENCE:
- Joined Hibiscus Petroleum in February 2011 as Head of Petroleum Engineering and a co-founder. Redesignated as Chief Operating Officer (COO) of HiRex Petroleum Sdn Bhd in October 2014.
- Subsequently re-designated as Vice President, New Ventures on May 2016 before being appointed as the Chief Executive Officer (CEO), SEA Hibiscus Sdn Bhd in September 2017, followed by Senior Vice President of New Ventures in March 2021 prior to commencing current role.
- Has over 24 years of experience in general management, field development, reservoir engineering, production technology and rock mechanics in major local and foreign companies. Includes experience in project management, field development planning, development project execution, well and reservoir management and reserves reporting.
- Previously worked at Schlumberger Sugar Land Technology Center, NASA Johnson Space Center, Shell International EP and Sarawak Shell Berhad.

LEADERSHIP TEAM, MANAGEMENT TEAM AND TECHNICAL EXPERTS (CONTINUED)

Leadership Team (As at 1 October 2024)

JOYCE VASUDEVAN

Head, Corporate Finance

Malaysian | 56 | Female

DATE APPOINTED TO CURRENT DESIGNATION:
2 September 2020

QUALIFICATION(S):
- B.Economics, majoring in Accounting, La Trobe University, Melbourne, Australia

WORKING EXPERIENCE:
- Joined Hibiscus Petroleum on 1 January 2011 as co-founder and CFO. Re-designated as Vice President, Strategy Development in 2015 and is currently Head, Corporate Finance.
- Has more than 33 years of experience in audit, corporate finance, finance, business planning, operations planning, debt and equity fund raising, investor relations, media relations and strategy development.
- Worked in the Corporate Finance departments at Malaysian International Merchant Bankers Berhad and RHB Sakura Merchant Bankers Berhad and was involved in numerous projects including acquisitions, corporate restructurings, equity issuances and valuation exercises.
- Set up and headed the new Business Analysis and Planning Department at Carlsberg Brewery Malaysia Berhad and was tasked to drive business plans, formulate sales, marketing, production and competitive business models and evaluate prospective investments.
- Headed the Strategic and Operations Planning Unit of the COO's Office at SapuraCrest Petroleum Berhad (now part of Sapura Energy Group) and was responsible for co-driving a group-wide reorganisation of all its business units.

Others:
- Sits on the Finance Committee and Investment Committee of Women's Fund Asia, a non-profit organisation with headquarters in Sri Lanka and Australia.

DEEPAK THAKUR, CFA

Vice President, Economics and Business Planning

Indian | 41 | Male

DATE APPOINTED TO CURRENT DESIGNATION:
1 February 2020

QUALIFICATION(S):
- Chartered Financial Analyst (CFA), CFA Institute, Charlottesville, Virginia, United States of America
- Master of Business Administration (MBA) (Major in Finance), Indian Institute of Management (IIM), Bangalore, India
- B. Tech in Petroleum Engineering, Indian Institute of Technology (IIT), Dhanbad, India

WORKING EXPERIENCE:
- Joined Hibiscus Petroleum in March 2012.
- Over 17 years of experience in the oil and gas industry in a career dedicated to developing financial models and cashflows, performing valuation and sensitivity analysis, debt funding, corporate planning, financial due diligence and reservoir engineering.
- Previously worked with Essar Group - Business Leadership Programme (BLP), Morgan Stanley and Prize Petroleum Ltd in India on multiple oil and gas opportunities based in South East Asia, United Kingdom, Australia, Africa and India.

KEVIN ROBINSON

Vice President, Project Assurance and Asset Oversight

British and American | 68 | Male

DATE APPOINTED TO CURRENT DESIGNATION:
1 September 2020

QUALIFICATION(S):
- M.Sc in Geochemistry, University of Leeds, United Kingdom
- B.Sc (Honours) in Geology, University of Sheffield, United Kingdom

WORKING EXPERIENCE:
- Joined Hibiscus Petroleum in April 2019.
- Has over 46 years of experience in Upstream Oil and Gas mainly in Exploration, Development, New Ventures and Management.
- As Vice President Asia – built a significant E&P Business in Malaysia from 2004 to 2019 for Newfield Exploration and then Sapura E&P developing 10 oilfields and 1 gas field with peak production of 75,000 barrels per day. Also discovered 9 TCF of commercial gas in Sarawak with 11 gas discoveries which have subsequently been developed and the gas sold to the LNG plant in Bintulu, Sarawak.
- Expanded Sapura's E&P business outside Malaysia signing 9 exploration permits in Australia, New Zealand and Mexico. Also discovered and developed 2 oilfields in China for Newfield from 1997 to 2004.
- Prior to 2004, worked for Oryx, Huffco and Newfield as a Petroleum Geologist and Geochemist on projects in Southeast Asia, Australia, China, South America and North Sea with numerous commercial discoveries, field developments and acquisitions.
- Started career with Core Laboratories working at the wellsite and then built a successful Geoscience Lab Business in Southeast Asia, China and Australia.

CHONG CHEE SEONG
Vice President, Strategic Ventures

Malaysian | 47 | Male

DATE APPOINTED TO CURRENT DESIGNATION:
1 January 2024

QUALIFICATION(S):
- Master in Mechanical Engineering, University of Cambridge, United Kingdom
- MA in Engineering, University of Cambridge, United Kingdom

WORKING EXPERIENCE:
- Joined Hibiscus Petroleum Group in December 2017 as the COO of SEA Hibiscus and appointed CEO in March 2021, prior to assuming current role in January 2024.
- Has over 23 years work experience in the oil and gas industry.
- Joined ExxonMobil Exploration & Production Malaysia Inc in 2001 in the Development Projects Department as a Mechanical Engineer and subsequently transitioned through various technical and leadership roles, including assignments in Reservoir Engineering, Production Planning, Operations and Integrity Management.
- Previously worked at Newfield Malaysia (later acquired by Sapura Energy) initially as Business Planning Manager, subsequently assuming technical and operations responsibilities for the company's crude oil Production Sharing Contracts (PSCs) as its Oil Assets Manager.

MOHAMMED FARROUKH ABDUL AZIZ
Country Head, Brunei

Malaysian | 52 | Male

DATE APPOINTED TO CURRENT DESIGNATION:
1 August 2024

QUALIFICATION(S):
- M.Sc in International Management, King's College London, United Kingdom
- B.Eng (Honours) in Mechanical Engineering, University of Warwick, United Kingdom

WORKING EXPERIENCE:
- Joined SEA Hibiscus in January 2023.
- Over 26 years of experience in the oil and gas industry in general management, strategic planning, asset management, development and production operations, financial performance management, risk mitigation and Health, Safety, Security and Environment (HSSE) management, procurement and stakeholder management.
- Previously worked in ExxonMobil, Petronas Carigali, Murphy Oil and SapuraOMV Malaysia.
- Recent roles in Hibiscus were as the COO for SEA Hibiscus where he was managing and supporting business activities in exploration, development and production operations of the North Sabah fields and as the Head of Contracts & Procurement for Hibiscus Malaysia managing all contracting activities for Malaysia operations.

LIM KOCK HOOI
Group General Counsel

Malaysian | 67 | Male

DATE APPOINTED TO CURRENT DESIGNATION:
7 March 2017

QUALIFICATION(S):
- LLB (Honours), University of London, United Kingdom
- B.Sc (Honours) in Applied Geology, University of Malaya, Malaysia
- Fellow of the Chartered Institute of Arbitrators, United Kingdom

WORKING EXPERIENCE:
- Joined Hibiscus Petroleum in October 2014.
- A petroleum geologist for 9 years prior to retraining as a lawyer. Over 34 years of experience in oil and gas law practice, with 16 years as an external legal counsel and 18 years as an in-house legal counsel in a senior leadership team role.
- Member of the management team of Caelus Energy Asia, as the Senior Vice President for Legal for the Asia-Pacific region prior to joining Hibiscus Petroleum.

LEADERSHIP TEAM, MANAGEMENT TEAM AND TECHNICAL EXPERTS (CONTINUED)

Leadership Team (As at 1 October 2024)

STEWART MCMICKLE

Vice President, New Ventures

American | 58 | Male

DATE APPOINTED TO CURRENT DESIGNATION:
1 June 2023

QUALIFICATION(S):
- MBA (Finance), Tulane University, United States of America
- B.Sc in Mechanical Engineering, Louisiana Tech University, United States of America

WORKING EXPERIENCE:
- Joined Hibiscus Petroleum in March 2023.
- Over 33 years' experience in the oil and gas industry involving upstream business analysis, LNG and gas marketing, business development and acquisition/divestment of oil and gas properties. Early career spent in project engineering and maintenance engineering assignments in oil refineries.
- Worked in diverse roles including Marketing Manager for RasGas in Qatar, Divestment Manager accountable for sale of late life producing properties onshore US and offshore Gulf of Mexico, Middle East Business Development Executive focused on UAE, Iraq and Oman and Project Executive for international divestment campaigns.
- Previously worked in Chevron, Mobil and ExxonMobil.

SYARIFAH ALIZA SYED AZAUDDIN

Vice President, Corporate Governance and Sustainability Reporting

Malaysian | 49 | Female

DATE APPOINTED TO CURRENT DESIGNATION:
1 August 2024

QUALIFICATION(S):
- MBA, International Islamic University, Malaysia
- B.A (Honours) in Accountancy and Finance, Lancaster University, United Kingdom

WORKING EXPERIENCE:
- Joined Hibiscus Petroleum in September 2011. Initially held the position of Senior General Manager, Corporate Finance, Secretarial and Regulatory Compliance. Currently, she is Vice President, Corporate Governance and Sustainability Reporting.
- Has over 27 years of experience in various areas of corporate finance, corporate governance, corporate sustainability, corporate strategy including Environmental, Social and Governance (ESG), private equity, asset management, audit, risk, investor relations and general management encompassing production of Annual Report.
- Recognised the importance of sustainability early on and in 2017, mobilised the Hibiscus team to embrace the practical changes needed which has resulted in several recognitions for ESG performance obtained for the Company.
- Previously the Deputy Head, Alternative Investment Group at KFH Asset Management Sdn Bhd, a subsidiary of Kuwait Finance House (Malaysia) Berhad (KFHMB) and also worked with the International Business Team of KFHMB.
- Prior to that, she served at Artisan Encipta (M) Sdn Bhd (the venture capital arm of MIMOS Berhad).
- Career commenced in the Renong Berhad Group of companies, where she was instrumental in the Commercial and Marketing Department's efforts in its transportation unit, after having an initial stint in internal audit.

NOOR ASHIAH YANG

Vice President, Group Human Capital

Malaysian | 56 | Female

DATE APPOINTED TO CURRENT DESIGNATION:
1 February 2023

QUALIFICATION(S):
- B.A in Economics (Honours), Laurentienne University, Sudbury, Canada

WORKING EXPERIENCE:
- Joined Hibiscus Petroleum in February 2023.
- Over 26 years' experience in various areas of human capital namely organisational development, talent management, reward and compensation, employee engagement/industrial relations, corporate governance and ESG.
- Previously worked at Velesto Energy Berhad as Vice President of Human Resources and headed human capital functions for various oil and gas and energy companies including Bumi Armada, SapuraCrest, Petra Energy, Dialog, Eden Group and Renong Group.

CLIFFORD LANG

Project Director/General Manager, Hibiscus Energy UK Limited

British | 63 | Male

DATE APPOINTED TO CURRENT DESIGNATION:
1 December 2023

QUALIFICATION(S):
- B.Sc (Honours) Offshore Mechanical Engineering, Heriot-Watt University, Scotland

WORKING EXPERIENCE:
- Joined Hibiscus in November 2018 as a consultant for the Marigold project before becoming staff in January 2023.
- Over 38 years' experience in the oil and gas industry, in asset management and senior drilling and completions roles.
- Worked globally with extensive drilling and completions experience in the North Sea, deepwater offshore West of Shetland, Faroes Islands, Australia and Brasil, offshore in SE Asia (Indonesia/ Malaysia) and India, HTHP wells offshore in UK and India together with land drilling experience in Thailand/ India/North Africa and Kurdistan regions.
- Project/Asset Manager for onshore PSC blocks in Indonesia. Project managed Pre-Front End Engineering Design (FEED) & FEED for gas/liquid plant including rights-of-way for gas pipelines, commercial GSA, drilling of appraisal and development wells.
- Previously worked for Marathon Oil, Hess (Project Manager, Director of Europe/Eurasia/North Africa and Kurdistan) & Cairn India (Head of Drilling).

DR AMBROSE GERARD CORRAY

Vice President, InfoTech and Digitalisation

Malaysian | 67 | Male

DATE APPOINTED TO CURRENT DESIGNATION:
1 August 2023

QUALIFICATION(S):
- Doctorate in Business Administration (DBA), Southern Cross University, Australia
- MBA, Southern Cross University, Australia
- B.Sc (Honours) in Mechanical Engineering, King's College London, United Kingdom

WORKING EXPERIENCE:
- Managed Corporate Services function (Human Capital and InfoTech) and now focused on InfoTech and Digitalisation strategy deployment in Hibiscus Group.
- Instrumental in Hibiscus Petroleum's successful North Sabah asset acquisition and transitions from Shell in 2018 and Repsol assets in Malaysia and Vietnam from Repsol (Spain) in 2021 and ongoing Brunei asset acquisition and integration in 2024.
- 41 years of oil and gas industry global experience. Previously worked with Schlumberger, GE Oil & Gas; oil companies as Vice President, E&P/COO at Interlink Petroleum (BSE listed) and CEO of Loyz Energy (Catalist listed); Director, Loyz Australia. Managed USA drilling activities in Colorado and North Dakota as Joint Venture leader of US, Singapore and European exploration companies.
- Managed Schlumberger Omnes, Network Solutions and Schlumberger Sema for Southeast Asia/Australia providing services in the telecommunications, oil and gas and banking sectors.
- Career began as field engineer progressing to senior management and director roles, over a 20-year span with SLB. Subsequent role as Regional Manager (Asia Pacific with General Electric, GE).
- Founded Petrosearch Pte Ltd, a Singapore-based company providing consulting, human capital, training and other services to the oil and gas businesses.
- University academic supervisor to Doctoral researchers in the oil and gas and management sectors.

LAI WAI PENG

Vice President, Business Transformation

Malaysian | 47 | Female

DATE APPOINTED TO CURRENT DESIGNATION:
6 March 2023

QUALIFICATION(S):
- B.Sc in Chemical Engineering, National University Malaysia
- Advanced Management Program, Harvard Business School

WORKING EXPERIENCE:
- Joined Hibiscus Petroleum in March 2023.
- Over 23 years' experience in the oil and gas industry with proven track record of establishing, creating value and monetising successful operated upstream oil and gas company.
- Worked in diverse roles across commercial, mergers and acquisitions, corporate finance, economics, strategy and planning, business development and Head of Business Unit in Malaysia, United Kingdom and Australia.
- Spent her career working in Accenture, Shell United Kingdom, Woodside Energy and Ping Petroleum.

LEADERSHIP TEAM, MANAGEMENT TEAM AND TECHNICAL EXPERTS (CONTINUED)

Leadership Team (As at 1 October 2024)

LILY LING LEONG SHUANG

Vice President, Corporate Development

Malaysian | 41 | Female

DATE APPOINTED TO CURRENT DESIGNATION:
1 May 2023

QUALIFICATION(S):
- Fellow Member of the Association of Chartered Certified Accountants, United Kingdom
- B.A (Honours) in Accounting, University of Hertfordshire, United Kingdom

WORKING EXPERIENCE:
- Joined Hibiscus Petroleum in January 2020.
- Has 21 years of diversified experience in investment banking, corporate finance, investor relations, corporate strategy, media relations, corporate communications, advisory and investment consulting, corporate social responsibility, finance and audit.
- Was with Sapura Energy Berhad prior to joining Hibiscus Petroleum, working on corporate finance and investor relations and led the RM4 billion rights issue exercise in 2019.
- Previously a Director of Corporate Finance at CIMB Investment Bank, involved in the structuring, planning and execution of corporate finance transactions for 8 years, covering mergers and acquisitions, debt and equity capital markets, including two major initial public offerings with combined transaction value of RM19.1 billion.
- Career commenced at Ernst & Young, leading the audit of companies in various industries.

Declarations:

1. **Family Relationship with Director and/or Major Shareholder**
   None of the Leadership Team has any family relationship with any Director and/or major shareholder of Hibiscus Petroleum Berhad (Hibiscus Petroleum or Company).

2. **Conflict of Interest**
   None of the Leadership Team has any conflict of interest or potential conflict of interest with Hibiscus Petroleum or its subsidiaries during the financial year which is material pursuant to the Main Market Listing Requirements and Companies Act 2016.

3. **Conviction of Offences**
   None of the Leadership Team has been convicted for offences within the past 5 years other than traffic offences, if any.

4. **Public Sanction/Penalty**
   None of the Leadership Team has any public sanction or penalty imposed on them by any regulatory body* during the financial year ended 30 June 2024.

5. **Directorship in Public Companies and Listed Issuers**
   None of the Leadership Team has any directorship in other public companies or listed issuers

Note:

* Regulatory body refers to any regulator that regulates Hibiscus Petroleum or its subsidiaries or any authority or organisation which regulates the business activity of Hibiscus Petroleum or its subsidiaries. This includes Bursa Malaysia Securities Berhad, the Securities Commission Malaysia, Bank Negara Malaysia, the Companies Commission of Malaysia, the Employees Provident Fund, the Inland Revenue Board, the Department of Environment and the local municipal councils, amongst others.

LEADERSHIP TEAM, MANAGEMENT TEAM AND TECHNICAL EXPERTS (CONTINUED)

Management Team (As at 1 October 2024)

1 **Jack Lim**
Group Internal Auditor

2 **Vivian Phang Mun Yee**
Senior General Manager,
Human Capital

3 **Meera Surin Derpall**
Senior General Manager,
Contracts and Procurement

4 **Michele Toh**
Assistant General Counsel

5 **Liew Shau Teng**
Group Financial Controller

6 **Jenny Poh**
Deputy General Manager,
Corporate Secretarial

7 **Farrah Ashrina Asshari**
Assets Controller

8 **Doreen Hong**
Senior Manager,
Corporate Finance

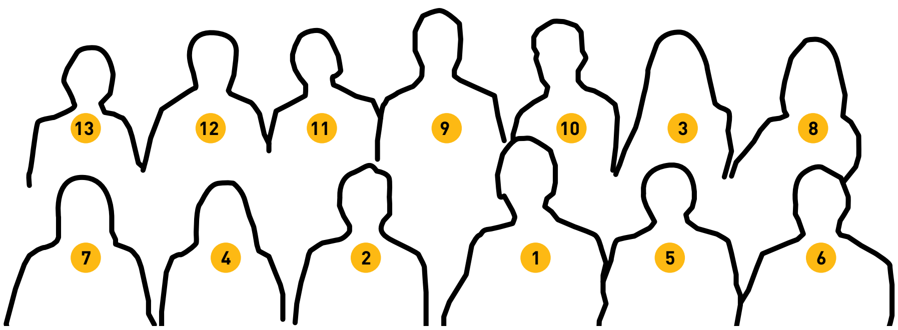
9 **Shaun Ho**
Senior Manager,
Corporate Finance

10 **Yew Por Chong**
Senior Manager,
New Ventures

11 **Calbert Loh**
Senior Manager,
Group Treasury

12 **Joel Sheng**
Information Techology (IT)
Manager and System Administrator

13 **Catherine Chow**
Treasury Advisor



LEADERSHIP TEAM, MANAGEMENT TEAM AND TECHNICAL EXPERTS (CONTINUED)

Hibiscus Malaysia - Senior Management Team (As at 1 October 2024)

1 **Dr Pascal Hos**
Country Head, Malaysia and Vietnam

2 **Mike Fox**
Head, Operated Asset - Peninsular

3 **Edmund Ang**
Head, Operated Asset - Sabah

4 **Abu Bakar Hanfi Abdul Mannan**
Head, HSSE - Peninsular

5 **Mohammad Hatta Rizal Mansor**
Head, HSSE - Sabah

6 **Devarajan Indran**
Head, Technical Services

7 **Suresh Vasudevan**
Head, Planning and Commercial

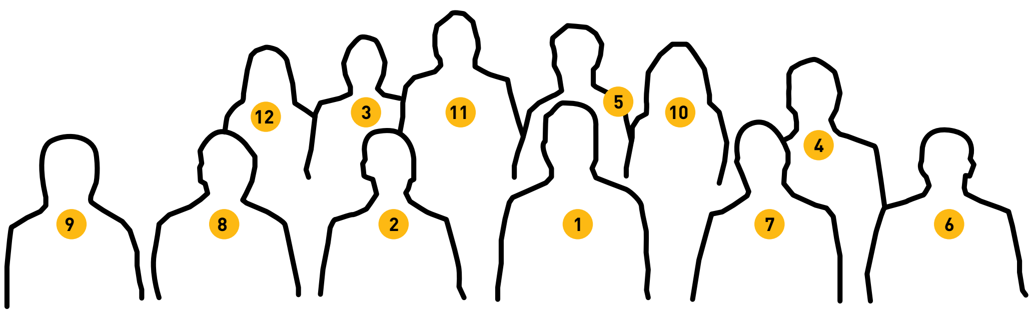
8 **Vincent Lee**
Head, Finance

9 **Nurzalina Jamaluddin**
Head, Decarbonisation

10 **Bhavani Manickam**
Head, Legal

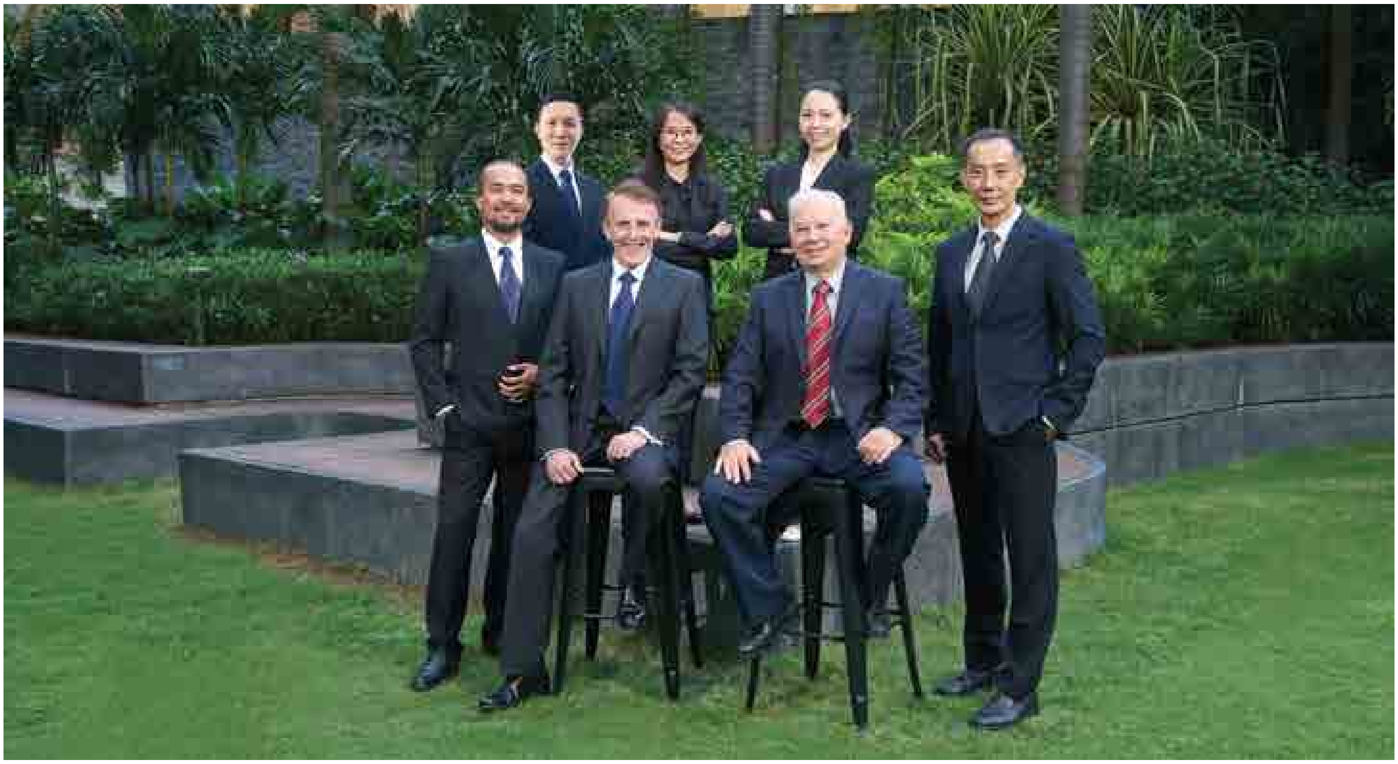
11 **Thevindran Thevaraj**
Head, Infotech

12 **Kalavathy Mahintheran**
Head, Human Capital



LEADERSHIP TEAM, MANAGEMENT TEAM AND TECHNICAL EXPERTS (CONTINUED)

Production/Development Projects - Anasuria Cluster, Teal West, Marigold and Sunflower Cluster Team (As at 1 October 2024)



1 **Kevin Robinson**
Vice President, Project Assurance and Asset Oversight

2 **Clifford Lang**
Project Director/General Manager, Hibiscus Energy UK Limited

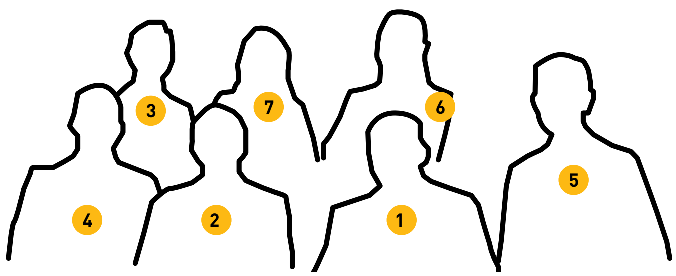
3 **Eric Tioe**
Project Manager, Teal West and Fyne

4 **Mohd Fadzil Harun**
Senior Reservoir Engineer

5 **Yap Siew Chee**
Senior Geoscientist

6 **Chan Sine Yee**
Finance Manager

7 **Yee Shen Yann**
Asset Coordinator



ROBUST GOVERNANCE PRACTICES GUIDE ALL THAT WE DO

We value the trust placed on us by our stakeholders. We insist on being transparent and timely with our disclosures.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

At Hibiscus Petroleum Berhad (Hibiscus Petroleum or the Company), our Board of Directors (Board) is entrusted with the responsibility of safeguarding the resources of the Company and its subsidiaries (Group) in the best interests of its shareholders. This involves exercising due diligence and reasonable care in its oversight of the Group.

This Statement provides a concise summary of how our Group has implemented the principles and practices of Corporate Governance (CG) outlined in the Malaysian Code on Corporate Governance 2021 (MCCG).

We have achieved this through the application of the following three key MCCG principles and practices:

(i) Leadership and effectiveness of the Board: Strong emphasis is placed on the ability of our Board to discharge its fiduciary duties and leadership functions with good governance and efficacy. The Company supports this fundamental role of the Board by providing the necessary tools including relevant training to ensure that our Directors are aided, as necessary, to provide strategic direction to the Group and incorporate sustainability considerations in their decision-making.

(ii) Effective audit and risk management: We prioritise the implementation of robust internal controls and risk management practices within our organisation to facilitate the identification, assessment and management of risks effectively. In doing so, we believe the Group's assets are better protected to safeguard our shareholders' interests.

(iii) Integrity in corporate reporting and meaningful relationships with stakeholders: We maintain a high level of integrity in our corporate reporting processes. We strive to provide accurate and timely information to our stakeholders, to maintain their trust and confidence in the Group's Leadership Team. Furthermore, we prioritise forging meaningful relationships with our stakeholders, taking into account their perspectives and concerns in deciding a course of action.

By adhering to these three key principles and practices, we demonstrate our commitment to upholding strong CG standards at Hibiscus Petroleum.

In the June 2024 review, Hibiscus Petroleum retained its place on the FTSE4Good Bursa Malaysia (F4GBM) Index, a status we first achieved in December 2020. Our overall Environmental, Social and Governance (ESG) rating has improved, notably for the score attained for the Environment pillar. We also continue to be listed on the FTSE4Good Bursa Malaysia Shariah Index. These consistent results highlight our ongoing commitment to sustainability and ethical practices in all areas of our business and has facilitated the maintenance of the Green Lane Policy (GLP) status awarded to us by Bursa Malaysia Securities Berhad (Bursa Securities) in December 2019. This status provides the Company with significant privileges, including the issuance of 'non-complex' circulars without prior vetting by Bursa Securities and expedited processing for 'complex' circulars not covered by exemptions. Maintaining our GLP status allows Hibiscus Petroleum to streamline stakeholder engagement, ensuring efficient communication that aligns with regulatory requirements.

This Statement is prepared in compliance with Bursa Securities' Main Market Listing Requirements (MMLR)[1]. It is intended to be read alongside Hibiscus Petroleum's CG Report for the financial year ended 30 June 2024 (FY2024) (CG Report), which can be accessed on our corporate website at https://www.hibiscuspetroleum.com. The CG Report provides comprehensive information on how the Company has implemented each Practice outlined in the MCCG during FY2024. It includes details of any alternative measures taken to achieve the desired outcomes as prescribed by the MCCG.

We encourage stakeholders to access comprehensive information about our governance practices and performance by referring to the following reports:

(1) Statement on Risk Management and Internal Control on pages 189 to 195 of this Annual Report 2023/2024.

(2) Reports from the following Board Committees:
  (i) Audit and Risk Management Committee (ARMC) on pages 185 to 188 of this Annual Report 2023/2024;
  (ii) Nominating Committee (NC) on pages 176 to 180 of this Annual Report 2023/2024; and
  (iii) Remuneration Committee (RC) on pages 181 to 184 of this Annual Report 2023/2024.

(3) Sustainability Report, pages 103 to 175 of this Annual Report 2023/2024.

These documents, collectively referred to as the 'Reports', provide further insights into Hibiscus Petroleum's governance and sustainability initiatives.

Explanations for Departures from MCCG Practices

Our Company upholds the principles outlined in the MCCG to maintain high standards of CG. While we largely adhere to the recommended practices, we have made justified departures in two specific areas that we believe serve the best interests of the Company and its stakeholders:

(i) Practice 1.4: Chairman's Participation in Board Committees

The MCCG recommends that the Chairman of the Board should not be a member of any of the Board Committees to ensure independence and impartiality in decision-making. However, we depart from this practice by allowing the Chair of the Board to participate in all Board Committee meetings by invitation.

We believe that our Chair's extensive experience, deep understanding of our Company's strategic direction and valuable insights significantly enhance the effectiveness of our Board Committees. The Chair's participation is limited to hearing deliberations to understand the rationale behind recommendations, without having the same points repeated at Board meetings. This approach facilitates more efficient Board discussions, without compromising the independence and objectivity of Board Committees' recommendations.

Note:

[1] Compliance with Paragraphs 15.08A(3) and 15.25 as well as Practice Note 9 of the MMLR on the preparation of the Nominating Committee Report and disclosure of CG related information.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

(ii) Practice 8.2: Non-Disclosure of Top 5 Senior Management's Remuneration Components

The MCCG encourages disclosure of the top 5 Senior Management's remuneration components, including salary, bonus, benefits-in-kind and other emoluments, within specified salary bands of RM50,000. However, we choose not to disclose this information on a named basis due to strategic considerations aimed at maintaining a competitive edge in attracting and retaining top talents.

Additionally, we prioritise the personal security and privacy of our Senior Management personnel. Public disclosure of specific compensation details could potentially expose them to security risks and breaches of privacy.

Despite not disclosing individual figures, our compensation structure remains robust, transparent, competitive and aligned with industry standards. Governance processes ensure that remuneration decisions uphold fairness and accountability.

In both instances, our decisions reflect careful consideration of what best serves our Company and stakeholders. We remain committed to transparency and accountability, reinforcing our dedication to responsible CG practices through these disclosures.

This Statement, together with our CG Report and the aforementioned Reports, reaffirms our commitment to responsible business practices.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

(I) BOARD LEADERSHIP AND COMPANY PURPOSE

Our Board is committed to enhancing the Group's performance and sustainable value, ensuring transparency and accountability to our stakeholders. We achieve this by meticulously aligning our strategic plans and budgets to foster long-term value creation, incorporating economic, environmental and social considerations essential for sustainability. The Board defines clear targets, objectives, values and strategies, allocating resources effectively to prioritise our strategic initiatives.

Throughout FY2024, our Group has navigated challenges including the fluctuations in oil prices influenced by geopolitical tensions and heightened regulatory scrutiny on emissions. We have also integrated operations within our Malaysian/Vietnam business unit to maintain progress and success in a dynamic global landscape. Our focus on business agility and the welfare of our people has been instrumental in sustaining growth, refining operational practices and consistently delivering value to our stakeholders.

Our CG Framework

Our commitment to good governance is fundamental to our operations. At Hibiscus Petroleum, we have established a robust CG framework and adhere strictly to a defined set of values. This framework ensures compliance with all applicable laws and regulations while mitigating risks and fostering ethical behaviour throughout our organisation. We are dedicated to upholding high standards of business integrity, ethics and professionalism.

Central to our corporate culture are our core values: tenaciousness, environmental responsibility, a people focused approach, agility and trustworthiness (TEPAT). These values guide every decision and action we take, exemplified first by our Board. They embody these principles, setting a standard for ethical leadership and responsible corporate citizenship within our industry.

TENACIOUS

Hibiscus succeeds because our people take ownership and are relentless in pursuit of our goals.

ENVIRONMENTALLY RESPONSIBLE

Our decision-making and actions shall safeguard the environment as far as reasonably practicable.

PEOPLE FOCUSED

We can only succeed when everyone works as one, with common objectives in a safe, secure and respectful work environment.

AGILE

Our uniqueness lies in our readiness to act and our ability to be flexible, balanced and adaptive to change.

TRUSTWORTHY

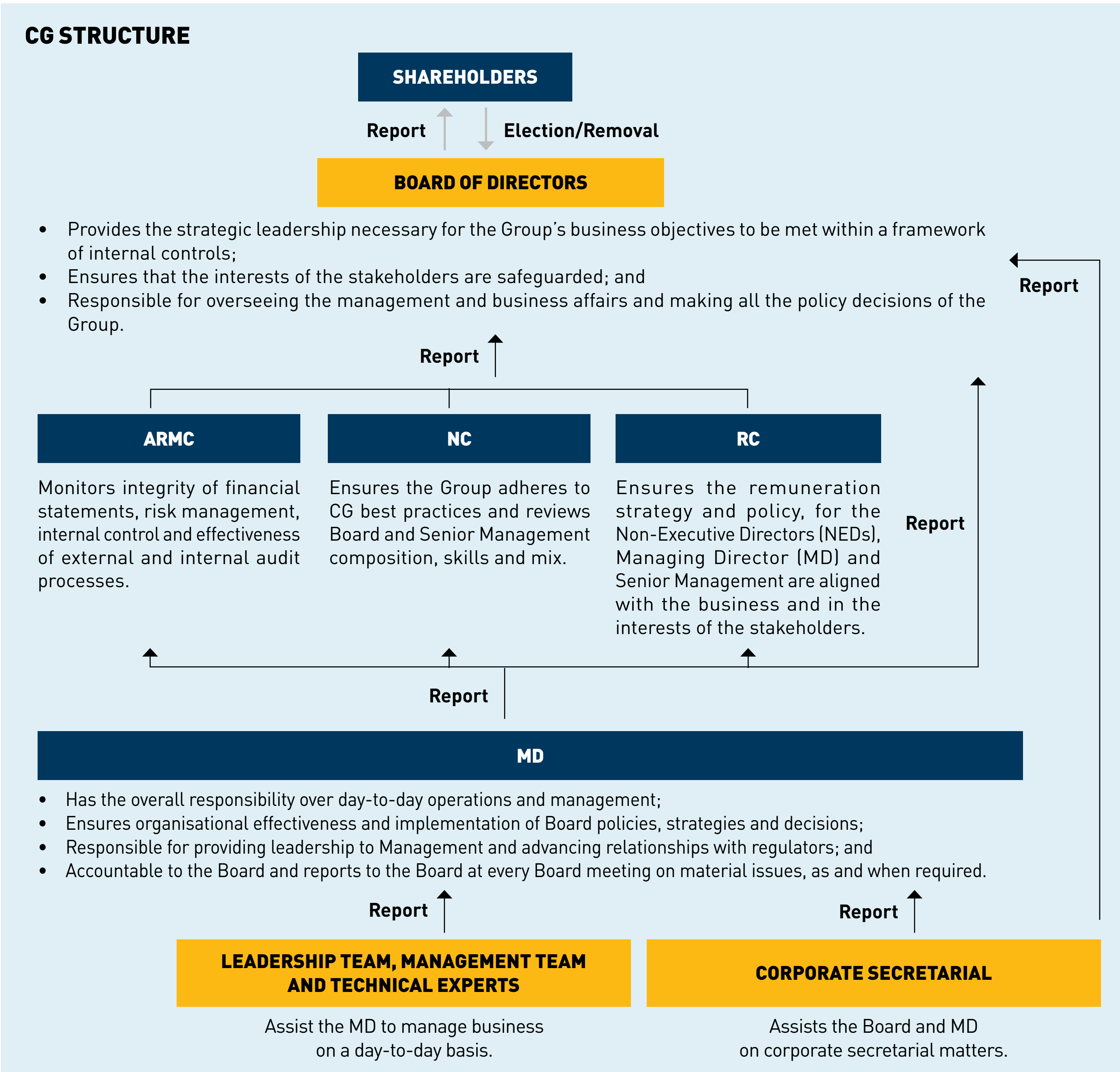
We believe that trust and integrity are fundamental prerequisites to being a respected and valuable company.

Our Board operates within a well-defined governance framework that includes established procedures, clear lines of responsibility and delegated authorities. This framework ensures the effective implementation of the approved strategy and the assessment and mitigation of key risks.

Within this governance framework, our Board exercises its oversight function, ensuring that the approved strategy is executed efficiently and that risks are identified, evaluated and effectively managed. The procedures and lines of responsibility within the framework provide clarity and guidance to the Management Team and employees, facilitating the smooth implementation of strategic initiatives. By maintaining a strong governance framework, our Board demonstrates its commitment to accountability, transparency and the pursuit of sustainable value creation for the Group.

Furthermore, our Board values engagement with the Group's stakeholders. It ensures that there are sufficient channels for stakeholder input and that their perspectives are taken into consideration during decision-making processes. This commitment to stakeholder engagement fosters a more inclusive approach and enables our Board to make informed decisions that align with the interests and expectations of various stakeholders.

Our CG structure is as depicted below:



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

Division of Responsibilities

The leadership responsibilities within our Board are divided between the Chair and the MD. The Chair is responsible for overseeing the overall effectiveness of the Board, while the MD is in charge of managing the day-to-day operations of the business. The MD also collaborates with the Board to develop strategic plans and leads the implementation of those plans together with the Leadership Team.

To enhance independent oversight, one of our NEDs serves as the Senior Independent Director. This individual is chosen based on his demonstrated independence and strong character traits, as assessed by the Board.

To facilitate effective business management, the Board has delegated authority to the MD through an approved *Limits of Authority (LOA)* framework. This framework allows the MD to delegate authority to Senior Management across the Group, empowering them to fulfil their responsibilities effectively.

The *LOA* framework is integral to our corporate structure, providing a clear and structured approach to decision-making and operational management. Regular reviews and updates of the *LOAs* are conducted to maintain their relevance and suitability for the Group's evolving business needs.

On 23 July 2024, we updated our corporate *LOA* to align with our organisation's evolving objectives, enhancing governance and accountability. Additionally, effective 1 April 2024, both SEA Hibiscus Sdn Bhd (SEA Hibiscus)'s *LOA* and Peninsula Hibiscus Sdn Bhd (Peninsula Hibiscus)'s *LOA* were revised to optimise effectiveness within their respective subsidiaries, defining authority and decision-making processes tailored to each subsidiary's operations.

Furthermore, the Marigold-Sunflower Project *LOA* was adjusted on 5 December 2023 to meet project-specific requirements, providing necessary guidelines for efficient project execution. Similarly, Anasuria Hibiscus UK Limited (Anasuria Hibiscus) (Mid-sized Assets) *LOA* was revised on the same date.

On 7 July 2024, the Board approved the adoption of Peninsula Hibiscus' *LOA* by Straits Hibiscus Sdn Bhd (Straits Hibiscus), enabling effective management of project operations.

The *LOA* framework extends to our project entities, including Anasuria Hibiscus and Carnarvon Hibiscus Pty Ltd. These entities have their own *LOAs*, tailored to the specific project requirements, ensuring effective project management and decision-making.

Additionally, our joint operating entities, such as Anasuria Operating Company Limited, also adhere to the *LOA* framework. This entity has established guidelines and processes that facilitate collaboration, coordination and effective decision-making among the joint venture partners.

Overall, the *LOA* framework serves as a fundamental tool in our CG structure, providing clarity, accountability and facilitating the internal control process across the Group. Regular reviews and updates ensure that the *LOAs* remain aligned with our strategic objectives, enabling efficient operations in a dynamic business environment.

Strategic Planning and Implementation

As part of our strategic planning and implementation, our Board conducted a review of the matters reserved for its decision-making and examined the criteria outlined in the MMLR and the MCCG to gauge whether additional self-regulation measures should be employed to complement market regulation.

To ensure effective governance, the Board has delegated specific responsibilities to three Board Committees: the ARMC, NC and the RC. The Board is confident that these committees have adequate resources and time to carry out their duties effectively. The *Terms of Reference (TOR)* for each committee undergoes periodic review, revision and approval by the Board. The Chairs of each committee regularly report on their activities to the Board. Detailed *TORs* for each Board Committee is accessible on our corporate website.

The powers of the Board are governed by our Company's *Constitution*, which outlines the decision-making processes of the Board and the rights of shareholders to attend and vote at general meetings. Directors have access to our Management Team and as necessary, they can seek advice and information from independent advisors to discharge their responsibilities.

Board Administration

Our Board is supported by two company secretaries who are responsible for providing essential policies, processes, information and resources to ensure the effective and efficient functioning of the Board. They oversee compliance with all Board procedures and offer advisory support to Directors as needed, serving as secretaries to the ARMC, NC and RC. This includes maintaining direct access with the Chairs of these Board Committees to facilitate communication between the Board and Management.

Effective 24 July 2024, a change in company secretaries occurred when the company secretarial provider then, who had assisted us for over 11 years, was unable to continue to support the Company's requirements. New company secretaries were appointed on the same date to ensure continuity of provision of corporate secretarial services. At this juncture, we wish to record our appreciation to the previous company secretarial provider for their dedicated service to the Company over many years.

Discharging Board Responsibilities

Throughout FY2024, our Board conducted 14 regular meetings, with one dedicated to an extensive review of our long-term business strategy. The depth of review and the Directors' commitment to allocating appropriate amounts of time to do the same are a testament of the Board's responsibility towards fulfilling its fiduciary duties diligently. In addition to these meetings, our Board held frequent sessions to discuss proposed plans on funding, asset acquisitions and arising developments, enabling the Board to provide valuable guidance to the Leadership Team.

In January 2024, the Board approved several strategic actions to accelerate our Mission 2022 to 2026, aiming to further position the Group as a respected, valuable and responsible company with a competent, motivated and content workforce. Under the strategic theme of '***Delivering Volumes, Enhancing Value***', a key initiative embodying this action, is Hibiscus Petroleum's targeted entry into Brunei through the proposed acquisition of TotalEnergies EP (Brunei) B.V., by our indirect wholly-owned subsidiary, Simpor Hibiscus Sdn Bhd, which was announced on 14 June 2024. This proposed acquisition is expected to significantly enhance our portfolio by boosting proved plus probable reserves (2P reserves) by 36%, increasing contingent resources (2C resources) by 12% and adding a net production rate of 7,865 barrels of oil equivalent per day (boe/d), primarily gas. This strategic move is crucial for achieving our Mission 2026.

As part of our continuous focus on production growth and efficiency, the Board has also been closely overseeing the acquisition and integration of the PKNB Cluster Production Sharing Contract (PSC) and monitoring developments related to the PM327 PSC. These projects are essential in bridging our production targets and improving operational sustainability while contributing to our overall portfolio balance.

Concurrently, we are committed to our ESG goals, including our initiative towards net zero by 2050. By 2030, we target to reduce 50% of our greenhouse gas (GHG) Scopes 1 and 2 emissions, against a FY2020 baseline. Our decarbonisation efforts include a fuel switch from diesel to solar and small wind turbines, membrane upgrades for hydrocarbon recovery, reusing decommissioned topside platforms, upgrading compressors in Kinabalu to reduce flaring and exploring carbon storage feasibility in our PSC for the PM3 Commercial Arrangement Area (PM3 CAA).

The Board is committed to maintaining our Shariah-compliant status, as reaffirmed in the May 2024 assessment by the Securities Commission of Malaysia (Securities Commission) and enhancing our ESG ratings per the June 2024 results released by FTSE Russell. This achievement of maintaining our constituency on the F4GBM and FGBM Shariah Indices underscore the ongoing efforts to improve our ESG practices. Our goal is to ensure that our business practices consistently uphold the higher standards of CG and sustainability.

Our Board played a crucial role in guiding the Management Team in its efforts to streamline operations, optimise efficiency and execute asset development projects on budget. This guidance extended to overseeing Management's enhancement of opportunities within our existing licenses safely and viably coupled with evaluating potential acquisitions based on their value propositions.

In the pursuit of mergers and acquisitions (M&A) and new ventures to bridge production gaps and achieve Mission 2026 targets, the Board actively supported Management. This support included a material acquisition in Brunei (ongoing) and efforts to optimise operations in the UK, particularly by maximising recovery from Anasuria Cluster and aggressively pursuing strategies for Marigold and Sunflower licence extensions. Emphasising our commitment to sustainability, the Board also supported Management in advancing emission reduction initiatives and exploring commercially viable carbon capture and storage (CCS) models.

To ensure rigorous performance monitoring and evaluation, the Board approved key performance indicators (KPIs) at Group, Corporate and Business unit levels, serving as vital benchmarks for human capital appraisals and guiding our group business performance monitoring. In summary, our Board remains committed to thorough reviews and addressing crucial arising matters to ensure effective governance for the sustained success of the Group.

Board and Board Committee Meetings and Attendance

During FY2024, the Directors showed exceptional commitment with the majority maintaining perfect attendance at both our Board and Board Committee meetings, actively participating in deliberations on presented agendas.

The attendance of Directors at Board and Board Committee meetings for FY2024 is summarised below:

Director	Board	ARMC	NC	RC
Zainul Rahim bin Mohd Zain	100% (14/14)	n/a	n/a	n/a
Dr Kenneth Gerard Pereira	100% (14/14)	n/a	n/a	n/a
YBhg Dato' Sri Roushan Arumugam	92.86% (13/14)	100% (9/9)	100% (4/4)	100% (2/2)
Thomas Michael Taylor	100% (14/14)	100% (9/9)	100% (4/4)	100% (2/2)
YBhg Dato' Dr Zaha Rina Zahari	100% (14/14)	100% (9/9)	100% (4/4)	n/a
Emeliana Dallan Rice-Oxley	92.86% (13/14)	n/a	100% (4/4)	100% (2/2)
Zaidah binti Ibrahim	100% (14/14)	n/a	100% (4/4)	100% (2/2)

Notes:

n/a denotes 'not applicable' as the Director is not a member of the Board Committee during FY2024.

% The figures represent the percentage of meeting attendance for each Director at the respective meetings held during FY2024.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

The Directors' dedication to fulfilling their responsibilities are integral to maintaining effective governance and oversight, reflecting their commitment to upholding the highest standards of corporate ethics and responsibility.

Promoting Good Business Conduct

Hibiscus Petroleum maintains stringent ethical standards through our updated *Code of Conduct and Ethics (Code)*, revised in June 2023 to enhance Conflict of Interest (COI) disclosures as per the amended MMLR. This ensures transparent and diligent management of any arising conflict, preserving the impartiality of our decision-making processes.

We uphold a zero-tolerance stance on corruption with our *Anti-Corruption and Anti-Bribery (ACAB) Policy*, reinforced through regular training sessions that cover the latest corporate liability provisions under Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (amended 2018). Refresher ACAB training and assessment quizzes are conducted periodically, with 99.15% compliance achieved as at 31 August 2024.

Ethical standards are evident in our contracts with contractors, joint venture partners and stakeholders, affirming our commitment to integrity. Hibiscus Petroleum maintains a *Whistle Blower Policy*, enabling employees and stakeholders to confidentially report any improper conduct or known organisational practice(s)/wrongdoing(s) for investigation by the Group Internal Auditor. An update of any findings is then provided to the ARMC and the Board of Directors.

Aligned with global human rights and labour norms, our *Anti-Modern Slavery Policy* underscores our pledge to combat modern slavery. This policy can be viewed on our corporate website.

To prevent insider trading, our Directors and employees, including Principal Officers[2], are reminded of their obligation to refrain from trading in Hibiscus Petroleum's securities when in possession of price-sensitive information, governed by our robust *Policy with Regard to Insider Dealing*.

In maintaining the highest standards of Directorship, Hibiscus Petroleum adheres to a *Fit and Proper Policy for the Appointment and Re-election of Directors*, ensuring appointees demonstrate the requisite qualities, integrity, competence and dedication to effectively fulfil their roles.

Driving Sustainability through Strategic Partnerships

At Hibiscus Petroleum, sustainability is central to our vision for a resilient future. We are committed to integrating partnership strategies and fostering trusted long-term relationships to meet global energy demands responsibly. Our commitment extends beyond compliance to encompass safe, efficient and socially and environmentally responsible practices.

Central to our strategy is cultivating strong relationships and partnerships in countries in which we operate; namely Malaysia, Vietnam, the UK and Australia, where we actively engage with local stakeholders. These collaborations align our operations with national development priorities, foster economic growth and create opportunities for local businesses and investments. We are also committed to enhancing local skills and capabilities, contributing to community development and empowerment.

Our sustainability framework is integrated into our CG standards and practices. Guided by our Directors and the Business Sustainability Management Committee, we ensure that sustainability considerations are embedded throughout our operations. This approach aligns with global frameworks such as the United Nations' Sustainable Development Goals (SDGs), addressing challenges like climate change, environmental stewardship and social equity.

Transparency and open communication are fundamental to our approach. Our *Sustainability Policy* and *Climate Change Framework* provide clear guidelines for our sustainable practices, underscoring our commitment to positive change. These documents are publicly accessible on our corporate website, promoting accountability and understanding among stakeholders.

An Integrated Approach to Sustainability

At Hibiscus Petroleum, sustainability is not just a concept but a practical guide for our actions. We continuously innovate to minimise our environmental footprint, enhance social well-being and pursue the creation of long-term value for all stakeholders. By embracing sustainability as an overarching principle, we advance towards a shared future of growth and resilience.

Additionally, our *Environment Policy* focuses on optimising energy and resource usage, supported by proactive crisis management and sustainable action plans. Such efforts reflect our dedication to balancing shareholder objectives with environmental stewardship and ethical responsibilities to our broader community.

Board Oversight and Sustainability Reporting

Our Board actively reviews and approves material sustainability matters that impact our business, ensuring robust ESG practices. For detailed insights into our sustainability performance, please refer to our Sustainability Report in the Annual Report 2023/2024.

(II) BOARD COMPOSITION, SUCCESSION AND EVALUATION

Our Board is committed to maintaining a highly skilled and experienced Leadership Team that drives the success of our Group. The NC plays a crucial role in overseeing the appointment and succession planning of Directors and Senior Management. We prioritise diversity and inclusivity, as underscored by our *Diversity Policy* which values individuals from diverse backgrounds, skills and experiences. Board appointments are merit-based, focusing on the potential value each candidate brings to our Group. Our *Fit and Proper Policy for the Appointment and Re-election of Directors* guides our selection process, ensuring we select the most qualified individuals for Board positions.

Note:

[2] Principal Officers in relation to a listed issuer or its major subsidiary means the chief executive who is not a director, the chief financial officer or any other employee of the listed issuer or its major subsidiary respectively who has access or is privy to price-sensitive information in relation to the listed issuer.

Hibiscus Petroleum takes pride in its diverse and inclusive Board of Directors. Comprising individuals from various age groups, ethnic background and professional fields—including oil and gas, business administration, finance, engineering, accounting, audit and law—our Board leverages diverse perspectives, knowledge and skills to effectively steward and manage the Company.

Recognising the inherent value of diversity, our Board believes that embracing different perspectives and experiences fosters a culture of innovation, creativity and critical thinking. This enables us to adapt to stakeholder needs and dynamic business environments, enhancing company performance and providing Hibiscus Petroleum with a competitive advantage. Our inclusive approach ensures that all Board members' voices are heard, respected and valued, fostering open dialogue, collaboration and the consideration of new ideas and solutions which ultimately enhance our Group's overall performance.

In our ongoing commitment to diversity and expertise on the Board, we have achieved a balanced representation, including a 43% presence of female directors. Among our seven Directors, four are Independent NEDs (INEDs), comprising 57% of our Board, while the remaining three are Non-Independent Directors, including our Non-Executive Chair. This composition aligns with established governance frameworks, ensuring a diverse and inclusive leadership at Hibiscus Petroleum.

Further information about the backgrounds and qualifications of our Directors can be found on pages 68 to 75 of our Annual Report 2023/2024.

The charts below provide a visual representation of the diversity and composition within our current Board, showcasing the range of skills, experience, ethnic background and independence represented as of 1 October 2024 (except for the age and gender chart):

Note:
The age disclosure is as of 30 June 2024 and gender disclosure is as of 30 June of the respective financial year-end.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

Strengthening Governance

In accordance with regulatory requirements and the MCCG guidelines which encourage a tenure limit of 9 years for Independent Directors, shareholders' approval will be sought at the upcoming 14th Annual General Meeting (AGM) in 2024 for Mr Thomas Michael Taylor to continue serving as an Independent Director as he is approaching the end of his 9-year term on 31 July 2025, accompanied by comprehensive justifications.

The NC has reviewed Mr Taylor's performance and recommends his retention in this role. His extensive experience and leadership, particularly as Chair of the ARMC, has proven invaluable. Mr Taylor's contributions in guiding the Board and Management on financial matters, policies and governance practices, together with his strategic insights into major acquisitions and operations, underscore the importance of his continued involvement.

Re-election Recommendations for Directors at the 14th AGM

Encik Zainul Rahim Mohd Zain and Puan Emeliana Dallan Rice-Oxley have the full support and recommendation of the Board to be re-elected at the upcoming 14th AGM. The Board recognises their exceptional contributions and believes that their re-election will bring continued stability, expertise and valuable perspectives to the Board and its Committees.

Each of these Directors has demonstrated a strong commitment to the Group's success and has played an instrumental role in driving our strategic objectives forward. Their diverse backgrounds and wealth of experience have enriched our decision-making processes and helped navigate complex business challenges.

The Board has conducted a thorough assessment of the performance and qualifications of these Directors in accordance with our governance framework. They have completed the necessary *Fit and Proper* declarations, validating their ongoing suitability for the roles they serve. The Board is satisfied that they meet the requisite standards of competence, character and integrity.

The Board firmly believes that their re-election will be in the best interests of the shareholders and the Group as a whole. Their ongoing dedication, industry knowledge and expertise will continue to enhance the governance practices and contribute to the long-term sustainability and growth of the Group.

The recommendation for the re-election of these Directors is subject to the approval of shareholders at the 14th AGM. We encourage all shareholders to exercise their voting rights and support the re-election of these esteemed individuals, as their continued presence on the Board will ensure the continuity of effective leadership and stewardship for the benefit of all stakeholders.

Board Effectiveness and Performance Assessment for FY2024

To maintain and enhance Board effectiveness, we conduct regular performance reviews for all Directors, ensuring their contributions are in line with the Group's strategic objectives. In FY2024, we carried out an internal evaluation to assess the performance of our Board. This involved Directors completing detailed questionnaires that examined both individual and collective performance, with the process facilitated by the company secretaries.

The evaluation revealed a positive diversity of perspectives, skills and experiences within the Board, fostering a constructive environment where arising matters and challenges are effectively addressed. It also highlighted areas for improvement, including advancing our succession planning strategy. Such insights have been integrated into our future meeting agendas to continually enhance our governance practices.

The Board remains committed to preserving a strong and diverse composition, effective succession planning and rigorous governance. We value the dedication and expertise of our Directors, whose guidance is crucial in steering the Group towards sustainable growth and long-term success.

Directors' Continuing Education Programme

At Hibiscus Petroleum, our commitment to continuous learning and development is reflected in the proactive engagement of our Board members in various training programmes throughout FY2024. These included seminars, conferences and webinars, all designed to provide our Directors with valuable insights and knowledge.

This dedication to ongoing education is crucial in enhancing our Board's decision-making capabilities and guiding the Company effectively. Our Corporate Secretarial team ensures that Directors are informed about relevant external training opportunities, and the annual Board assessment process assists in identifying areas where additional training could be beneficial.

Our Directors have successfully completed the mandatory Accreditation Programme (MAP) as required by Bursa Securities. In FY2024, several Directors have also completed the MAP Part II: Leading for Impact (LIP), as initiated by Securities Commission and required by Bursa Securities. This programme equips directors with crucial skills to effectively address sustainability risks and opportunities. Through their active participation in these programmes, our Directors demonstrate their dedication to staying updated with industry best practices and upholding the highest standards of CG at Hibiscus Petroleum.

In addition to external training, our Directors also benefit from regular updates on the market outlook, competitive landscape and changes to accounting standards which are provided by our MD, Management Team and external auditors, ensuring that our Directors stay informed and are equipped to make well-informed decisions.

In addition, our Directors had actively participated in the 2024 Group Business Plan session in January 2024, engaging in strategic discussions with Management and contributing to the Company's long-term vision. In September 2024, our Directors were also involved in the 2nd Hibiscus Investor Day, where they engaged with stakeholders and investors. This event provided an opportunity for them to update stakeholders on Hibiscus' progress and facilitated the fostering of stronger relationships.

We recognise the growing importance of sustainability considerations in our business and operations and organised training programmes for the Board and Management to keep them informed about current developments and challenges related to sustainability so that they are well-prepared to address arising sustainability concerns and make informed choices, aligned with our commitment to environmental and social responsibility.

Directors' Remuneration Framework

The RC is responsible for determining the remuneration of NEDs, Executive Directors and Senior Management at Hibiscus Petroleum. The RC reviews the Directors' *Remuneration Policy* and the remuneration policies for Senior Management to ensure that rewards align with the successful delivery of the Group's Scorecard and KPIs.

In line with the Company's policy, Executive Directors appointed to the Boards of associate and subsidiary companies are required to surrender any remuneration, fees, expenses or benefits received from those entities to Hibiscus Petroleum, provided that the individuals are adequately protected and indemnified from claims and liabilities incurred while discharging their duties lawfully in the best interests of the respective companies within the Group on whose Board they serve.

NEDs' remuneration is structured around fixed fees based on their roles on the Board and its Committees. In addition, NEDs receive meeting allowances and are reimbursed for reasonable expenses, such as travel and accommodation, incurred while discharging their duties. The Company has a process in place for reimbursing these expenses.

The RC conducts an annual review of the Board's remuneration to ensure competitiveness. This review considers remuneration benchmarks from comparable companies in the oil and gas sector, as well as factors such as the Group's complexity, performance, individual responsibilities, contributions and the nature of their duties. The proposed remuneration is subject to approval by shareholders at the 14th AGM.

Individual Directors do not participate in discussions or decisions regarding their own remuneration. The RC's review, including market comparisons and fee structures, informs the Board's recommendations.

For the period from the day after the 14th AGM in November 2024 until the next AGM in 2025, the Board has reviewed and proposed adjustments to the remuneration fees for the Chairman and NEDs, in line with our *Directors' Remuneration Policy*, ensuring fairness, transparency and alignment with business performance.

The adjustments are proposed due to the enhanced scope of governance responsibilities arising from:

1. *Business Growth Achievements*: Significant developments, such as the successful integration of our North Sabah business unit with assets acquired from Repsol Exploración, S.A., the advancement of the SF30 Waterflood project, the commercial discoveries of Bunga Aster and Bunga Lavatera fields, the pending acquisition of TotalEnergies EP (Brunei) B.V. Additionally, the award of the PKNB Cluster PSC and the new blocks awarded in the 33rd UK Offshore Licensing Round highlight the NEDs' crucial role in overseeing the complex transactions and guiding Management through these substantial achievements. Their leadership and contributions have been instrumental in driving these successes and shaping the Group's future direction.

2. *Growth in Technical Oversight*: Given the growth in the business footprint, with each new opportunity introducing greater technical complexities requiring very detailed review and oversight. This includes strategic initiatives such as PM327 PSC farm-in arrangement and further optimisation of assets like PKNB Cluster PSC and Block B MLJ field in Brunei.

3. The operational expansion and initiatives have increased the responsibilities of the NEDs, supporting the need for adjustments to their remuneration.

4. *Financial Performance*: Strong financial performance and successful production and exploration results underscore the Board's effective oversight.

5. *Governance and Risk Management*: NEDs' role in overseeing corporate actions, such as the Share Consolidation and Share Buy-Backs whilst maintaining high governance standards.

In addition, at the 13th AGM, shareholders approved medical coverage for NEDs. This benefit will be re-presented for approval at the 14th AGM in November 2024. The continued provision of this benefit supports the well-being of our NEDs, which is important for their continued effectiveness and commitment in their roles.

The proposed remuneration structure, including medical coverage will be presented for shareholders' approval at the 14th AGM. The fixed fees and meeting allowances will be paid quarterly in arrears for the period following the 14th AGM until the next AGM in 2025.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

Type of Fees/Meeting Allowances/Other Benefits	Existing Rate	Proposed Rate for the period from the day after the 14th AGM in November 2024 until the date of the next AGM in the year 2025	Increase (%)
Non-Executive Chair's Annual Fee	RM330,000	RM375,000	Approximately 14%
NEDs' Annual Fees (excluding the Chair of the Board)	RM180,000	RM200,000	Approximately 11%
Meeting Allowances for the Chair For each meeting of the Board and the Board Committee attended by a NED serving as the Chair of the meeting	RM4,500 per meeting	No change proposed	Not applicable
Meeting Allowances for a Member For each meeting of the Board and the Board Committee attended by a NED serving as a member of the meeting	RM3,500 per meeting	No change proposed	Not applicable
Specific Meeting Allowances For each specific meeting attended by a NED, which involves interactions with third parties on behalf of the Company, in addition to the regular Board and Board Committee meetings or attendance at meetings with the Group's personnel at the specific request of the Chair of the Board	RM3,500 per meeting	No change proposed	Not applicable
Other benefits for NEDs Total limit for medical coverage * The coverage will be provided through either company-secured insurance and/or directly by the Company up to the total specified capped limit	RM500,000 limit*	No change proposed	Not applicable

Please note that the actual remuneration figures for FY2024 will be disclosed in the relevant financial statements and CG Report.

MD's Remuneration

The remuneration of our MD is determined in line with the terms outlined in his employment contract, which was approved by our Board. The package is designed to align with the MD's responsibilities and contributions to the Company, as well as his qualifications, experience, strategic targets and the Group's overall performance.

For a detailed breakdown of the MD's remuneration, please refer to the Audited Financial Statements for FY2024 on pages 279 to 280 of this Annual Report 2023/2024.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Internal Control and Risk Management

Our Board recognises the critical importance of implementing and maintaining a robust system of internal controls. These controls are meticulously designed to protect the Company's assets, mitigate risks, ensure compliance with regulatory requirements and uphold sound governance practices. The Board is actively involved in the development and enforcement of policies, procedures and frameworks that underpin our internal control environment.

The ARMC plays a pivotal role in overseeing the effectiveness of our internal controls. The ARMC monitors both the external audit of reserves and resources and the internal audit programme. By conducting thorough reviews of financial reporting, risk management practices and internal audit processes, the ARMC ensures that risks are promptly identified, managed and communicated.

To further bolster the capabilities of the ARMC, we have established the Executive Risk Management Committee (ERMC). Comprising Senior Management members, the ERMC supports the ARMC by taking on specific responsibilities related to risk oversight. Through regular meetings and collaborative discussions, the ERMC contributes to the identification, assessment and management of risks and aids in developing robust risk management frameworks and effective mitigation strategies.

Our internal control systems undergo comprehensive annual assessments to ensure they address evolving risks effectively. Continuous improvements are made as needed, reflecting our Board's commitment to responsible governance. By maintaining and enhancing our internal control systems, Hibiscus Petroleum reinforces its ability to manage risks, protect shareholder interests and achieve its business objectives in a responsible and transparent manner.

Business Sustainability Management Committee

Our Board has entrusted the Business Sustainability Management Committee with the oversight and responsibility for environmental stewardship, occupational and process safety, asset security and overall governance. This committee is tasked with reviewing and shaping our sustainability strategies, priorities and key initiatives, as well as overseeing related policies and programmes. It also plays a crucial role in monitoring progress and fostering responsible practices throughout our operations. By steering our sustainability efforts, the committee is integral to the achievement of our aspiration to become a net-zero emissions producer by 2050.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Our Board places great importance in maintaining transparent and timely communication with our stakeholders. We are committed to providing adequate and timely disclosure of relevant information, including financial, organisational, governance and transaction-related updates. To ensure consistency and adherence to best practices, our Group has established comprehensive *Corporate Disclosure Policies and Procedures*. Our Group's spokespersons strictly adhere to these policies, ensuring that all communications align with our disclosure guidelines.

We understand the importance of shareholder engagement and recognise it as part of our fiduciary duties to our shareholders. Leveraging the power of information technology, we employ various channels to disseminate information to our stakeholders. Through various platforms, such as our website, investor portals, webcasts and digital communication tools, we provide access to a wealth of information, including our annual reports, quarterly reports, corporate and business updates, notices of general meetings, investor briefing slides, press releases, public announcements and responses to frequently asked questions.

We have further improved the accessibility and transparency of our disclosures by dedicating specific sections on our corporate website to financial results and CG. These sections serve as centralised resources for stakeholders to access key information related to our financial performance, governance practices and risk management initiatives. By consolidating this information in a user-friendly format, we aim to enhance stakeholders' understanding of our Group's operations, strategies and progress.

Furthermore, we recognise the importance of ongoing engagement with our stakeholders. Through proactive and open communication, we encourage feedback, questions and constructive dialogue from shareholders, analysts, investors, customers, employees and other relevant stakeholders. We are committed to addressing their enquiries and concerns in a timely and transparent manner, strengthening our relationships and building trust.

By maintaining clear and consistent communication practices, we strive to provide stakeholders with the information they need to make well-informed decisions about our Group. We believe that effective communication not only enables stakeholders to assess our activities but also fosters a deeper understanding of our business, values and commitment to sustainable growth. As we continue to engage with our stakeholders, we remain dedicated to transparency, accountability and responsible CG practices.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

Conduct of General Meetings

General meetings are a key platform for engaging with our shareholders. Both our EGM and 13th AGM were conducted virtually on 5 October 2023 and 5 December 2023 respectively. This format leveraged technology for effective engagement, enabling shareholders to actively participate and contribute to the decision-making processes, regardless of their location.

Online voting facilities provided a secure and convenient method for shareholders to cast their votes for both the EGM and 13th AGM. The virtual format supported the submission of shareholder questions both in advance and during the meetings, fostering interactive and informative sessions.

The proceedings were managed with transparency and enabled communication and engagement with our shareholders. Conducting these meetings virtually proved to be highly effective, allowing shareholders to interact with the Board and Management from remote locations conveniently. This approach aligned with the Securities Commission's guidance, which encourages the use of technology for general meetings and conforms to the Malaysian Government's directives. Through virtual meetings, we successfully convened the EGM and 13th AGM to obtain the necessary approvals from our shareholders for the proposed resolutions tabled.

We remain dedicated to keeping our shareholders informed through regular updates, financial reports, and other pertinent information via various digital channels. We encourage all shareholders and stakeholders to stay connected and utilise these platforms to engage with us, ensuring transparent and effective communication.

As the situation evolves, we will continually assess and adapt our approach to holding future general meetings in accordance with prevailing regulations and guidelines. With approximately 16,800 shareholders as of 30 September 2024, we would like to be able to maximise participation amongst our investors.

Enhanced Shareholder Engagement

To ensure thorough preparation and participation, we issued the Notice of the EGM 14 days in advance and the Notice of the 13th AGM more than 28 days prior to the respective meetings. This provided shareholders ample time to plan their attendance and submit proxy forms if needed. The virtual format of both the EGM and the 13th AGM expanded our reach, enabling shareholders from outside the Klang Valley to engage and vote.

Shareholders were invited to submit questions ahead of and during the meetings, promoting interactive and informative sessions that fostered meaningful dialogue between shareholders and the Board.

Engaging and Productive EGM and 13th AGM: Insights, Discussions and Shareholder Participation

An EGM was conducted on 5 October 2023 to seek shareholders' approval for the proposed consolidation of every 5 existing ordinary shares in Hibiscus Petroleum into 2 new ordinary shares (Consolidated Shares). This proposed share consolidation aimed to streamline the Company's share structure.

The EGM was held virtually, facilitating efficient decision-making and enabling shareholders to participate and vote online via the remote electronic voting system. During the meeting, the Board presented the proposal and provided comprehensive explanations on the initiative. The EGM provided a platform for shareholders to engage in the decision-making process and reaffirm their support for the Company's strategic direction.

The virtual EGM held on 5 October 2023 saw active participation from over 217 shareholders and proxies, representing 47.30% of the Company's issued share capital. This strong turnout highlighted shareholders' support and interest in the Company's performance and strategic initiatives.

At the 13th AGM, our MD delivered a comprehensive presentation on the Group's financial results and significant accomplishments. The virtual nature of the meeting proved successful, as it attracted a significant level of engagement. Approximately 284 shareholders and proxies, representing 49.75% of our Company's issued share capital, actively participated in the virtual gathering.

The entire Board, including the MD and Leadership Team, attended the 13th AGM, either physically at the Broadcast venue or online, demonstrating their commitment to engaging with shareholders. They responded to inquiries pertaining to the Group's performance, financials, business operations and CG, ensuring transparency and accountability. The question-and-answer session was effectively moderated by Deloitte Business Advisory Sdn Bhd, an independent moderator appointed for the AGM, further facilitating constructive discussions between shareholders and the Board.

The notable turnout at both the EGM and 13th AGM highlighted the strong support and interest of our shareholders in the Company's performance.

The effective use of the virtual format for both meetings enabled broader shareholder participation, regardless of location and enhanced engagement and transparency. We value and appreciate our shareholders' active involvement and their valuable contributions during these meetings.

Smooth and Secure E-Polling Process at the EGM and 13th AGM

The voting process at both the EGM and 13th AGM was conducted effectively and securely through e-polling. Tricor Investor & Issuing House Services Sdn Bhd, our share registrar, managed the electronic voting process and ensured its accuracy. To uphold transparency and the integrity of the results, Deloitte Business Advisory Sdn Bhd was appointed as the scrutineer to independently verify the poll outcomes.

Availability of AGM Minutes for Stakeholder Access

As part of our commitment to transparency and accountability, the minutes of our AGM is made available on our corporate website to provide a valuable resource for shareholders and other interested parties to peruse the presentation delivered and the outcome/decisions of such meetings.

Engagement and Communication with Stakeholders

Furthermore, our Board actively invites stakeholders to engage with us and share any queries or concerns they may have. Shareholders and other stakeholders are encouraged to contact the Chair of the Board, Encik Zainul Rahim bin Mohd Zain, or our Senior INED, Mr Thomas Michael Taylor, for any enquiries or issues.

For convenience, the contact details for both individuals are provided below. We are committed to maintaining open lines of communication, fostering strong relationships with our stakeholders and ensuring that their voices are heard and addressed effectively.

Contact Information

Encik Zainul Rahim bin Mohd Zain
(Chair of the Board)
Email : zainulrahim@hibiscuspetroleum.com
Tel : +603 2092 1300
Fax : +603 2092 1301

Mr Thomas Michael Taylor
(Senior INED)
Email : tmiketaylor@hibiscuspetroleum.com
Tel : +603 2092 1300
Fax : +603 2092 1301

Shareholder Information - 14th AGM

We are pleased to announce that the 14th AGM of our Company is scheduled to take place at 9.30 a.m. on Wednesday, 27 November 2024. The Notice of the 14th AGM, containing the agenda and proposed resolutions, can be found on pages 309 to 315 of this Annual Report 2023/2024.

The Notice of the 14th AGM will be sent to our shareholders by 29 October 2024. In addition, this notice together with the Form of Proxy, Administration Guide, Annual Report 2023/2024 and the CG Report can be downloaded from our Company website (https://www.hibiscuspetroleum.com). This digital access ensures the immediate availability of essential documents and promotes efficiency in communication.

In ensuring the AGM-related documents are issued on 29 October 2024, we provide more than the required 21-day notice period and exceed the 28-day recommendation by the MCCG in order to allow our shareholders ample time to review the proposed resolutions, make necessary arrangements to attend the AGM, or appoint proxies as they deem appropriate. Our shareholders' active participation and engagement in the 14th AGM are highly valued.

In accordance with our commitment to environmental sustainability and in line with the evolving global landscape, we strongly encourage all shareholders to opt for electronic communications for the receipt of these important documents. Embracing electronic delivery not only reduces paper consumption but also aligns with the recommendations set forth by the MCCG to encourage digital engagement.

To further support our sustainability efforts, we have adopted a 'print-on-request' approach for the Annual Report 2023/2024. A shareholder who prefers a physical copy can request for it, reducing resource costs in addition to minimising our carbon footprint.

To align with governance practices and enhance shareholder engagement, we will conduct our 14th AGM in a virtual format. Following MCCG recommendations, the meeting will be held via live streaming and online remote voting. This format ensures broader participation from shareholders, regardless of their location, and supports our commitment to transparency and accessibility. Embracing these digital tools allows us to efficiently meet stakeholder expectations and adapt to the evolving business environment.

CG Priorities: Strengthening Practices and Processes for the Future

At Hibiscus, CG is integral to ensuring transparency, accountability, and sustainable growth. We are committed to enhancing our governance practices through a comprehensive roadmap of short-term (1 to 2 years) and long-term (3 to 5 years) initiatives, including the following:

Short-Term Goals (1 to 2 Years):

- *Reviewing CG Policies*: We will assess and refine our corporate governance policies to ensure they meet current best practices.
- *Targeted Training*: Providing focused training for our Board and Management to enhance their effectiveness.
- *Stakeholder Communication*: Improving how we engage with and communicate to our stakeholders.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

Long-Term Objectives (3 to 5 Years):

- *Sustainability Integration*: Embedding sustainability considerations further into our strategic planning.
- *Technological Advancements*: Leveraging new technologies to stay competitive in a rapidly evolving business environment.
- *Continuous Evaluation*: Establishing a framework for ongoing assessment and enhancement of governance practices.

Our firm commitment to these priorities will reinforce our reputation as a responsible and sustainable organisation. By upholding strong governance principles and fostering a culture of integrity, we aim to deliver enduring value for our shareholders, stakeholders and the wider community.

We are pleased to confirm that the Group remains dedicated to a robust governance framework, maintaining transparency, integrity and high standards across all levels of our organisation. This commitment strengthens trust, builds confidence and protects the interests of our valued shareholders and stakeholders.

The Board's approval of this CG Overview Statement on 1 October 2024 underscores our dedication to upholding transparent and responsible CG practices.

SUSTAINABILITY REPORT

Our vision is to be a Respected, Valuable and Responsible Energy Company. In pursuit of our vision, we remain committed to conducting our business efficiently, responsibly and ethically.

SUSTAINABILITY REPORT (CONTINUED)

1. INTRODUCTION/EXECUTIVE SUMMARY

This Sustainability Report (Report) details Hibiscus Petroleum Berhad (Hibiscus Petroleum or Company) and its subsidiaries (Group)'s continuing commitment to Environmental, Social and Governance (ESG) practices for the period from 1 July 2023 to 30 June 2024 (FY2024), unless otherwise specified. As an integral component of our FY2024 corporate reporting, this Report highlights elements of our strategies, initiatives and performance in managing our business efficiently, responsibly and ethically, in line with our vision to be a Respected, Valuable and Responsible Energy Company. The elements highlighted are linked to business sustainability-related matters.

The Group is cognisant of the importance of sustainability-related matters, both in terms of how they impact our ability to create business value and how our operations may impact the economy, climate, environment and people. We are committed to addressing these effects and understanding evolving stakeholders' expectations to achieve the right balance between delivering value to our shareholders, attaining economic success, protecting the environment and fulfilling our ethical obligations towards the communities in locations where the Group is present.

After the latest assessment conducted in June 2024, Hibiscus Petroleum continues to maintain its constituency on the FTSE4Good Bursa Malaysia (F4GBM) Index. Since its inclusion in December 2020, the Group has demonstrated its good ESG practices. In fact, the Company has attained improved scores, particularly for the Environmental pillar. Hibiscus Petroleum has also preserved its position on the F4GBM Shariah Index.

As part of our routine disclosure practices, we consistently provide timely updates on our operations. We align our business practices with the United Nations Sustainable Development Goals (UN SDGs) and we make efforts to address the expectations of our stakeholders. Where possible, we strive to provide both quantitative as well as qualitative data to support our responses on sustainability matters.

This Report should be read together with the other reports included in this Annual Report 2023/2024 which cover aspects of sustainability, namely our Management Discussion and Analysis, our Corporate Governance (CG) Overview Statement, CG Report and the Statement on Risk Management and Internal Control (SORMIC).

<u>Scope and Basis of Scope</u>

The Group is committed to being transparent about its reporting boundaries, which focuses on areas where we have operational control and were actively operating as of 30 June 2024. For all these areas, corruption-related risks have been assessed (100%) for three financial years (FY2022, FY2023 and FY2024):

- The 2011 North Sabah Enhanced Oil Recovery Production Sharing Contract (PSC), located in Malaysia (North Sabah PSC), which includes our Labuan Crude Oil Terminal (LCOT);
- PM3 Commercial Arrangement Area (CAA) PSC in Malaysia*;
- Block 46 Cai Nuoc PSC (Block 46 PSC) located in Vietnamese waters*;
- Kinabalu Oil PSC in Malaysia*;
- The Anasuria Cluster in the North Sea, the United Kingdom (UK) (Anasuria Cluster), which includes the operation of Anasuria Floating Production Storage and Offloading (FPSO); and
- Corporate Headquarters in Kuala Lumpur (KL), Malaysia.

Note:
* Assessment was carried out from 25 January 2022 (post-acquisition completion).

For clarity, Block 46 PSC is accounted for under the PM3 CAA PSC as the Block 46 production wells are tied-back to PM3 CAA's facilities. For PM3 CAA PSC, Block 46 PSC and Kinabalu Oil PSC, the performance data available only commenced from 25 January 2022 upon the PSCs coming under the Group's operatorship.

In addition, there is no reportable data for PM314 and PM305 PSCs as PM314 is no longer operating, while there are only remaining abandonment obligations for PM305 (expected completion by September 2025).

The Group also has operations in the United Kingdom Continental Shelf (UKCS) vide Anasuria Operating Company Limited (AOCL). As an operator in one of the most technically demanding operating environments in the world, AOCL is supported by Petrofac Facilities Management Limited (Petrofac) as the Integrated Service Provider (ISP). Petrofac was previously the Duty Holder of the offshore facility from 2016, prior to AOCL's successful transition to the role on 10 June 2022.

AOCL is equally owned by the Anasuria concessionaires i.e. Anasuria Hibiscus UK Limited (Anasuria Hibiscus) and Ping Petroleum UK PLC (PPUK).

Framework and Standards

This Report has been prepared in accordance with Bursa Malaysia Securities Berhad (Bursa Securities)' Main Market Listing Requirements (MMLR) with reference to the Sustainability Reporting Guide and Toolkit (3rd Edition).

In addition, this Report adopted applicable guidance from, or is aligned to, the following:

- ESG themes and indicators utilised by the FTSE4Good Index;
- UN SDGs;
- Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard; and
- Global Warming Potential (GWP) factors, premised on the Intergovernmental Panel on Climate Change (IPCC)'s Fifth Assessment Report.

Furthermore, the Group's Environmental Management System (EMS) is certified based on ISO 14001:2015 and our GHG accounting reports Scopes 1, 2 and 3 emissions within our operational control guided by each local regulatory framework in the relevant countries' operations. Moreover, an independent third-party annual audit report was conducted on Anasuria Cluster's GHG emissions data as part of a mandatory requirement for the UK Emissions Trading Scheme (ETS) reporting process.

Performance Data Table from ESG Reporting Platform

The following performance data table from the ESG Reporting Platform highlights the mandatory common sustainability matters:

Indicator	Measurement Unit	FY2022	FY2023	FY2024
Bursa (Anti-corruption)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Senior Management	Percentage	100.00%	100.00%	100.00%
Middle Management	Percentage	99.08%	98.65%	98.68%
Executive	Percentage	99.20%	99.78%	99.58%
Non-Executive	Percentage	100.00%	100.00%	98.69%
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00%	100.00%	100.00%
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0
Bursa (Community/Society)				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	1,346,610.00	1,162,148.00	1,410,741.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	66,769	98,093	46,556
Bursa (Diversity)				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Senior Management Between 19 to 29	Percentage	0.00%	0.00%	0.00%
Senior Management Between 30 to 39	Percentage	17.00%	0.00%	0.00%

Internal assurance

SUSTAINABILITY REPORT (CONTINUED)

Indicator	Measurement Unit	FY2022	FY2023	FY2024
Senior Management Between 40 to 49	Percentage	25.00%	50.00%	50.00%
Senior Management Between 50 to 59	Percentage	25.00%	29.00%	33.00%
Senior Management 60 and above	Percentage	33.00%	21.00%	17.00%
Middle Management Between 19 to 29	Percentage	0.00%	0.00%	0.00%
Middle Management Between 30 to 39	Percentage	23.00%	14.00%	11.00%
Middle Management Between 40 to 49	Percentage	47.00%	44.00%	45.00%
Middle Management Between 50 to 59	Percentage	25.00%	34.00%	33.00%
Middle Management 60 and above	Percentage	5.00%	8.00%	11.00%
Executive Between 19 to 29	Percentage	10.00%	10.00%	9.00%
Executive Between 30 to 39	Percentage	39.00%	47.00%	42.00%
Executive Between 40 to 49	Percentage	31.00%	29.00%	36.00%
Executive Between 50 to 59	Percentage	18.00%	12.00%	11.00%
Executive 60 and above	Percentage	2.00%	2.00%	2.00%
Non-Executive Between 19 to 29	Percentage	10.00%	16.00%	14.00%
Non-Executive Between 30 to 39	Percentage	44.00%	47.00%	42.00%
Non-Executive Between 40 to 49	Percentage	31.00%	24.00%	31.00%
Non-Executive Between 50 to 59	Percentage	13.00%	12.00%	12.00%
Non-Executive 60 and above	Percentage	2.00%	1.00%	1.00%
Gender Group by Employee Category				
Senior Management Male	Percentage	67.00%	57.00%	58.00%
Senior Management Female	Percentage	33.00%	43.00%	42.00%
Middle Management Male	Percentage	73.00%	80.00%	81.00%
Middle Management Female	Percentage	27.00%	20.00%	19.00%
Executive Male	Percentage	67.00%	62.00%	64.00%
Executive Female	Percentage	33.00%	38.00%	36.00%
Non-Executive Male	Percentage	87.00%	91.00%	96.00%
Non-Executive Female	Percentage	13.00%	9.00%	4.00%
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	80.00%	57.00%	57.00%
Female	Percentage	20.00%	43.00%	43.00%
Between 50 to 65	Percentage	60.00%	71.00%	71.00%
Between 66 to 75	Percentage	40.00%	29.00%	29.00%
Bursa (Energy management)				
Bursa C4(a) Total energy consumption	Megawatt	371,895.00	414,858.00	6,568,612.00
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00	0.00	0.02
Bursa C5(c) Number of employees trained on health andsafety standards	Number	400	572	721

Internal assurance

Indicator	Measurement Unit	FY2022	FY2023	FY2024
Bursa (Labour practices and standards)				
Bursa C6(a) Total hours of training by employee category				
Senior Management	Hours	202	295	440
Middle Management	Hours	3,266	7,136	8,834
Executive	Hours	9,072	21,787	19,870
Non-Executive	Hours	5,092	11,692	8,908
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	9.00%	9.00%	21.00%
Bursa C6(c) Total number of employee turnover by employee category				
Senior Management	Number	0	2	2
Middle Management	Number	1	7	22
Executive	Number	33	63	65
Non-Executive	Number	2	5	6
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	65.00%	73.00%	83.00%
Bursa (Data privacy and security)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
Bursa (Water)				
Bursa C9(a) Total volume of water used	Megalitres	25.650000	41.760000	76.190000

Notes:

1 The figures at C4(a) are in megawatt-hour.

2 The figures at C8(a) were deemed not to be relevant as Hibiscus Petroleum operates in the upstream segment of the energy industry and does not store any personal identifiable information of customers.

3 During our data entry into the Bursa ESG reporting platform, we noted the following: (i) internal assurance of the above indicators can only be shown for the current financial year and (ii) a change in the measurement unit used for C4(a) compared to the measurement unit stated in the Bursa Securities' Sustainability Reporting Guide. As all the above indicators have been internally assured for a period of three financial years, we have opted to provide the above table as part of our commitment to enhanced disclosures. We also wish to advise that in view of the measurement unit change for C4(a), the values for this indicator are shown in an alternative measurement unit in section 6.3 of the Report.

4 Further details on the above indicators can be found at the relevant sections of this Report.

Internal assurance

SUSTAINABILITY REPORT (CONTINUED)

Statement of Assurance from Internal Audit

- Scope:
  The audit is designed to provide assurance over the accuracy, completeness and reliability of the sustainability disclosures, as well as adherence to Bursa Securities' Sustainability Reporting Guide and internal policies. To achieve this, a risk-based audit approach was employed, focusing on the controls and processes established for the collection, collation and presentation of sustainability information.

- Subject Matter:
  The subject matters covered by the internal review include the following 18 indicators of which 9 are the main common indicators:

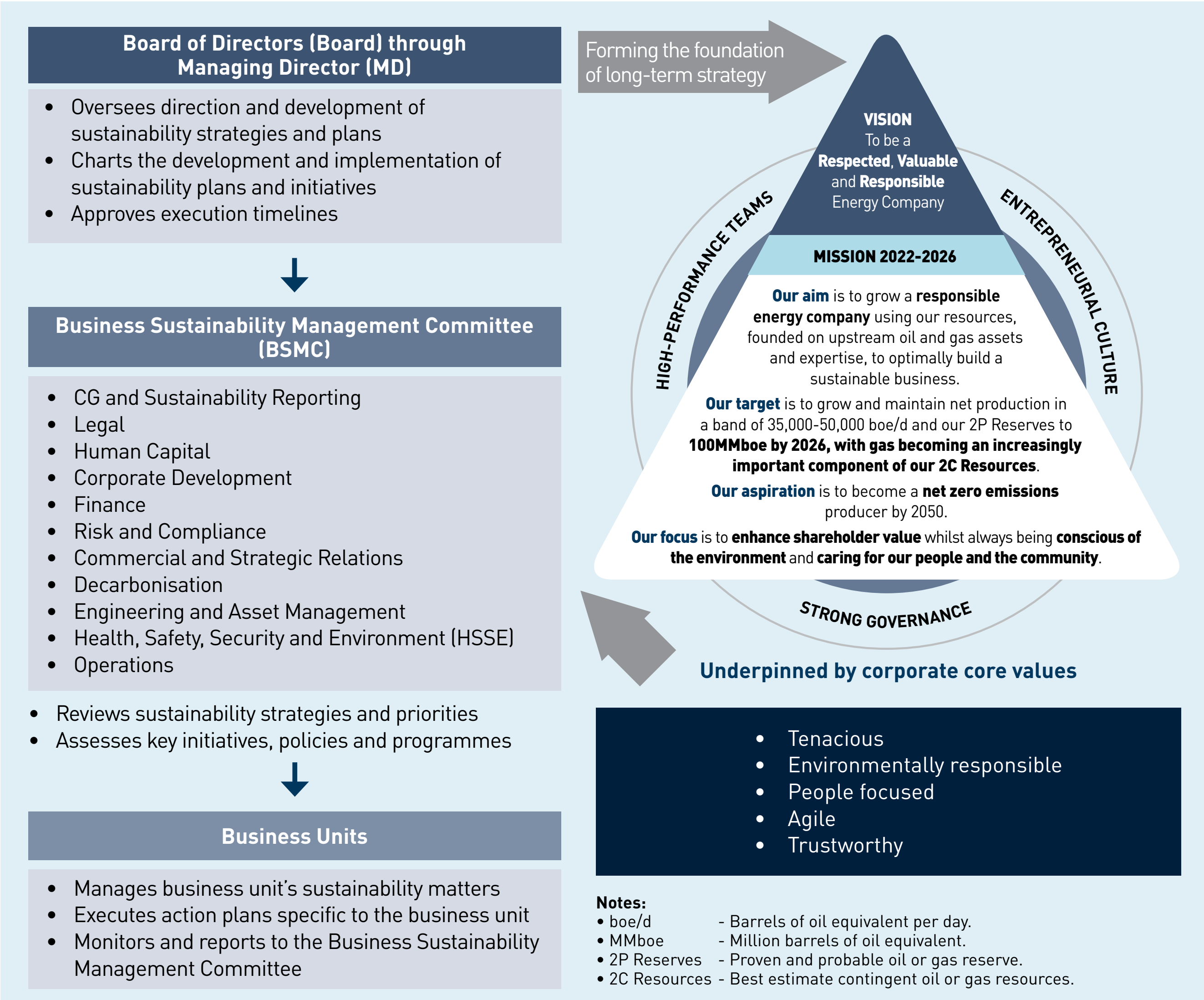
COMMON SUSTAINABILITY MATTERS

C1. Anti-corruption	**C2. Community/ Society**	**C3. Diversity**	**C4. Energy Management**	**C5. Health and Safety**	**C6. Labour Practices and Standards**	**C7. Supply Chain Management**	***C8. Data Privacy and Security**	**C9. Water**
COMMON SUSTAINABILITY INDICATORS								
C1(a): Percentage of employees who have received training on anti-corruption by employee category **C1(b):** Percentage of operations assessed for corruption-related risks **C1(c):** Confirmed incidents of corruption and action taken	**C2(a):** Total amount invested in the community where the target beneficiares are external to the listed issuer **C2(b):** Total number of beneficiaries of the investment in communities	**C3(a):** Percentage of employees by gender and age group, for each employee category **C3(b):** Percentage of directors by gender and age group	**C4(a):** Total energy consumption	**C5(a):** Number of work-related fatalities **C5(b):** Lost time incident rate **C5(c):** Number of employees trained on health and safety standards	**C6(a):** Total hours of training by employee category **C6(b):** Percentage of employees that are contractors or temporary staff **C6(c):** Total number of employee turnover by employee category **C6(d):** Number of substantiated complaints concerning human rights violations	**C7(a):** Proportion of spending on local suppliers	***C8(a):** Number of substantiated complaints concerning breaches of customer privacy and losses of customer data **As Hibiscus Petroleum operates in the upstream segment of the energy industry, the C8(a) prescribed indicator was deemed not to be relevant.*	**C9(a):** Total volume of water used

The audit provided limited assurance that the sustainability data presented in this Report is consistent with internal records as an information source and is not materially misstated. Additionally, opportunities for continuous improvement have been identified and communicated to Management for implementation.

2.0 OUR APPROACH TO SUSTAINABILITY

Sustainability Governance



Hibiscus Petroleum's Sustainability Governance Structure.

We operate within an established framework of oversight and reporting, underpinned by our core values. The tone of driving and managing sustainability throughout the organisation is set from the top through our Board and MD. Our BSMC, which meets monthly, comprises senior representatives from all key business units and departments. This inclusive and robust structure ensures that there is regular guidance on the direction, management and reporting of important business sustainability matters.

Our actions are guided by the Group's Vision and Mission, as well as our *Sustainability Policy*[1]. The *Sustainability Policy*, together with our *Environment Policy*[2], affirm our commitment to the integration of ESG (including tax governance) considerations into our business processes and outlines our position pertaining to sustainability matters.

Our *Sustainability Policy* is aligned with the UN SDGs and their call to a Decade of Action.

Notes:

1 Our *Sustainability Policy* can be accessed at https://ir2.chartnexus.com/hibiscuspetroleum/docs/sustainability/Sustainability-Policy.pdf.

2 Our *Environment Policy* can be accessed at https://ir2/chartnexus.com/hibiscuspetroleum/docs/sustainability/Environment-Policy.pdf.

SUSTAINABILITY REPORT (CONTINUED)

Materiality Review

We conducted an annual materiality review exercise in FY2024 to determine our most significant business sustainability matters, which further influence and shape our strategy, targets and reporting. Our material business sustainability matters are specifically those areas over which we have a degree of influence, are important to our stakeholders and can significantly affect our Group's risk profile, potential liabilities, maintenance of our licences to operate, reputation and access to capital.

1 Identification of Business Sustainability Matters
- Conducted review of:
  - Internal and external sources of information
  - Feedback and input from stakeholders obtained through regular interactions

2 Prioritisation of Material Business Sustainability Matters
- Determined relative importance and materiality of business sustainability matters through impact assessment

3 Review and Validation of Material Business Sustainability Matters
- List of material business sustainability matters were reviewed and approved by the Board

Materiality Review Process.

Identification of Business Sustainability Matters

In order to better understand the issues related to business sustainability that are relevant to our stakeholders and our Group, we conducted a review of the following during the past financial year:

- Our current business strategy;
- Risk registers from our existing risk assessment and management processes; and
- Sustainability topics as reported by selected peers within the oil and gas exploration and production industry.

Stakeholder inclusiveness is also a core element of our sustainability model. To this end, we took into account the input received through regular interactions with our key stakeholders during our materiality review process.

Our Key Stakeholders

- Board and Management
- Employees
- Joint Venture Partners
- Contractors
- Suppliers
- Shareholders and Investment Community
- Governments and Regulators
- Communities

3.0 PRIORITISATION AND VALIDATION OF MATERIAL BUSINESS SUSTAINABILITY MATTERS

After the initial identification of material sustainability issues, we performed internal reviews with Senior Management and the Board to shortlist and finalise key material themes, initiatives currently being performed (and those planned for action), as well as related qualitative and quantitative indicators to measure our performance.

Whilst the criteria used for our impact assessment included how issues could affect our stakeholders and our Group's business, we have particularly worked to uphold our safety policy and business ethics principles.

The Group considers ESG factors in our strategic decision-making process and takes a holistic approach to sustainability in support of the identified material indicators within each ESG pillar. Our operating principle is that any activity that we undertake or strategy that we implement must deliver a valuable outcome for our key stakeholders.

Framework

Governance

Ensure the Company operates in a transparent, accountable and ethical manner

Strategy and Targets

Environment		**Social**	
Minimise the environmental impact where we operate and build resilience for the Energy Transition		Uplift the living standards in areas where we operate	
Portfolio Resilience Increasing Natural Gas Reserves in our portfolio of hydrocarbon assets	**Decarbonisation** • Net Zero by 2050 • 50% reduction by 2030	**Safety** • Zero Fatality • Zero Lost Time Injury Frequency (LTIF)	**Community** Valuing social capital

UN SDGs

Demonstrates our commitment to the UN SDGs and our response to their call for a Decade of Action

In our commitment to targeting the most impactful sustainability initiatives, we employ a rigorous process for prioritising material business sustainability matters. This comprehensive approach incorporates engagement with diverse stakeholders and utilises a well-established materiality assessment framework that considers ESG factors to develop a clear prioritisation matrix. The final assessment undergoes a validation process, including Senior Management review and an assurance process, to ensure its accuracy and effectiveness.

Our material business sustainability matters are discussed and approved by our Board.

4.0 OUR MATERIAL SUSTAINABILITY MATTERS

The list of material business sustainability matters, together with our progress in addressing the risks and opportunities related to each of these matters and their links to UN SDGs are summarised below:

Material Matters	Highlights for FY2024	Related UN SDGs	Detailed Discussion Location
Business Ethics	• Established *Anti-Corruption and Anti-Bribery (ACAB) Policy, Code of Conduct and Ethics, Whistle Blower Policy* and *Anti-Modern Slavery Policy*; and • There were no incidents of bribery nor corruption in FY2024.	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	CG Overview Statement pages 88 to 102, SORMIC sections pages 189 to 195 and CG Report. All the documents are available on our corporate website.

SUSTAINABILITY REPORT (CONTINUED)

Material Matters	Highlights for FY2024	Related UN SDGs	Detailed Discussion Location
Health and Safety	<u>Occupational</u> • Continued strict enforcement of our *Health, Security, Safety and Environment (HSSE) Policy*[3] as well as the *Drug and Alcohol Policy* introduced in January 2020; • Maintained zero work-related fatality record in FY2024; and • Achieved Integrated Management System (IMS) certification on 18 January 2024 for the implementation of ISO 45001:2018 Occupational Health and Safety (OH&S) Management System. <u>Process Safety and Asset Integrity</u> • Adopted Process Safety Framework in managing asset integrity across value chain and continued efforts to improve our process safety culture; and • North Sabah PSC assets have been awarded the IMS certification, recognising the implementation of ISO 14001:2015 EMS standards under the scope of petroleum storage and exploration. <u>Crisis and Emergency Preparedness</u> • Continued implementation of robust emergency preparedness and response systems across the Group; • Maintained action plans capable of responding to any arising emergency, as contained in the Group's Crisis Management Plan; and • Performed annual emergency response and preparedness exercises, including training and drills to ensure readiness and skillfulness of employees involved.	3 GOOD HEALTH AND WELL-BEING 8 DECENT WORK AND ECONOMIC GROWTH	OH&S section pages 117 to 123, Process Safety and Asset Integrity section pages 124 to 126 and Crisis and Emergency Preparedness section pages 127 to 129.
Climate Change and GHG Emissions	• Remain committed to our aspirational target of becoming a Net Zero Producer by 2050 as outlined in the Group's *Climate Change Framework (CCF)*, with an interim target for reducing 50% of our Scopes 1 and 2 emissions by 2030, against FY2020 baseline; • Ongoing implementation of the Advance Membrane Phase 2 at PM3 CAA PSC following the successful implementation of the Phase 1 trials to recover the hydrocarbons from the Acid Gas Removal Unit (AGRU). Expecting a reduction of around 200,000 to 500,000 tonnes of CO_2e per annum; • Completed Phase 1 of the Carbon Capture and Storage (CCS) study on reservoir candidates screening, storage capacity and flow assurance study. Phase 2 on CCS feasibility and overall CCS concept study is ongoing and expected to complete by end of 2024; • Ongoing implementation to upgrade low-pressure and high-pressure compressors in Kinabalu Complex which will allow more production gas to be sent to the Semarang platform and reduce flaring; • Recorded a total net absolute GHG emissions of 6,703,195 tonnes of CO_2e in FY2024, a 20% reduction against FY2020 baseline; and • North Sabah PSC assets were awarded IMS certification for the implementation of ISO 14001:2015 EMS.	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 13 CLIMATE ACTION	Climate Change and GHG Emissions Management section pages 133 to 141.

Note:
3 Our *HSSE Policy* can be found at https://ir2.chartnexus.com/hibiscuspetroleum/docs/sustainability/HSSE-Policy.pdf.

Material Matters	Highlights for FY2024	Related UN SDGs	Detailed Discussion Location
Energy Use	• Implemented fuel switching initiative from diesel gensets to a hybrid of solar photovoltaic (PV) panels and/or small wind turbines in unmanned platforms at North Sabah, PM3 CAA and Kinabalu Oil PSCs; • Anasuria and PM3: Switching to energy efficient light emitting diode (LED) lights; • Improved our disclosure on our energy consumption for all our assets; and • To look into different sources of fuel for power generation such as fuel cells.	7 AFFORDABLE AND CLEAN ENERGY 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Energy Management section page 142.
Effluents and Waste	• Handling of hazardous waste as per the Environmental Quality (Scheduled Wastes) Regulations, 2005 and the Group's Waste Management Procedure; • Conducted initiatives to promote circularity including a Reuse and Recycling (R&R) Campaign and establishing a R&R Temporary Storage Area in LCOT, and formalising a contract for recovery of scheduled waste by Peninsula Hibiscus Sdn Bhd (Peninsula Hibiscus); • Conducted annual monitoring of seawater and groundwater quality at our facilities for reporting to the Department of Environment (DOE) of Malaysia; • Food waste decomposition initiative at LCOT using three food decomposers, transforming food scraps into nutrient-rich fertiliser for gardening; • Conduct a waste minimisation campaign to use reusable containers and bottles, implementing plastic bottle segregation and recycling initiatives with an appointed contractor; and • In 2024, AOCL introduced a new recycling option on the Anasuria FPSO to enable 100% recycling of clothing (e.g. coveralls, towels, sheets), thereby reducing the amount of waste AOCL puts into the landfill.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 14 LIFE BELOW WATER	Waste Management section pages 143 to 145 and Water Management section pages 145 to 146.
Water Security	• Decreased freshwater dependency at Kinabalu Oil PSC by recycling water condensed from air-conditioning units where it is collected and reused for cleaning and sanitary use; • Continued with our efforts to harvest rainwater at our platforms where the water can be reused; • Recorded total water used of 76.19 megalitres, of which 41% was sourced from seawater; and • Collaborating with authorities to look into new ways to utilise the produced water from our oil and gas production.	6 CLEAN WATER AND SANITATION	Water Management section pages 145 to 146.
Biodiversity	• Completed the Macrobenthos Study in November 2023 in LCOT which shows remarkable richness and diversity in species indicating the marine ecosystem is thriving and well-maintained. This will help serve as a foundation for future environmental planning monitoring and preservation efforts; • Performed marine environment monitoring on a yearly and five-yearly basis and conducted Marine Risk Assessment (MRA); • Continued our progress on the possibility of implementing a rig-to-reef (R2R) abandonment philosophies with the Malaysian Petroleum Management (MPM) and Department of Fisheries (DOF) to promote biodiversity; and • Completed the reuse and repurposing a decommissioned topside platform for one of our projects at South Furious, Sabah in June 2024.	14 LIFE BELOW WATER 15 LIFE ON LAND	Biodiversity section pages 147 to 148.

SUSTAINABILITY REPORT (CONTINUED)

Material Matters	Highlights for FY2024	Related UN SDGs	Detailed Discussion Location
Supply Chain Management - Economic Value Generation	• Awarded contracts to indigenous contractors within the state where viable, generating job opportunities within local communities in Sabah and Terengganu; • Compensated local service providers and suppliers in our host country a total of RM1,686.5 million in FY2024 (83.0% of our total procurement spending); and • Distributed value in the form of: o payment of taxes and royalties totaling approximately RM417.0 million in FY2024 to host governments; and o remuneration to our employees, totaling approximately RM191.0 million.	8 DECENT WORK AND ECONOMIC GROWTH	Supply Chain Management - Economic Value Generation section page 162.
Human Capital Initiatives	<u>Workforce Diversity and Inclusivity</u> • Established our *Diversity Policy* to ensure inclusiveness and the *Group Recruitment Policy* to promote merit-based recruitment; • Achieved 43% of women representation on the Board, surpassing the 30% target set; and • 33% female representation in the Leadership Team. <u>Equal Pay for Equal Work</u> • Applied merit-based performance appraisal and incentives framework; and • Committed towards exceeding regulatory minimum wage requirements. <u>Employee Management and Engagement</u> • Adhered to our *Diversity Policy*, *Employee Handbook* and our *Code of Conduct and Ethics* in the management of employees; and • Continued regular employee engagement initiatives through townhall sessions, weekly and monthly meetings, management visits and festive celebrations. <u>Talent Development</u> • Continued our talent development programmes in FY2024 which comprise amongst others on-the-job training, mentoring and participation in relevant workshops, conferences and seminars; and • Spent a total of 38,052 hours for training as a Group. <u>Training Initiatives</u> • Provided on-the-job guidance and exposure to a total of 24 interns from local and foreign universities.	5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES	Workforce Diversity and Inclusivity section pages 150 to 151, Performance and Rewards section page 151, Employee Management and Engagement section pages 153 to 154, Talent Development section page 152, Training Initiatives section pages 154 to 155.

Material Matters	Highlights for FY2024	Related UN SDGs	Detailed Discussion Location
Community Investment and Engagement	• Adhered to our Corporate Social Responsibility (CSR) selection criteria in evaluating and approving all CSR initiatives; • Spent a total of RM1,410,741 in FY2024 for CSR initiatives reaching 46,556 beneficiaries; and • Sponsored CSR initiatives in the areas of education, capacity building, community improvements, health, as well as other forms of community services including: - Partnered with five local universities for the Hibiscus Scholarship Programme, sponsoring a total of 29 scholars in FY2024; - Conducted *'Let's Be Safe'* Safety Campaign, involving 900 schoolchildren in FY2024; - Supported capacity-building programmes the Tok Bali Fish Cracker Production and Handicraft Revival programmes at a combined cost of RM106,500; - Invested in community improvement programmes via the Solar Panel Project and Lighting Up the Community Project at a combined cost of RM299,222; - Organised free Human Papillomavirus (HPV) screening in Sabah, for 4,585 women to-date since the programme launched in 2021, in efforts to assist early detection of cervical cancer; - Extending the HPV efforts through offering HPV vaccinations with a target of assisting 3,000 women over 35 locations in Sabah, Kelantan and Terengganu; - Continuation of the Thalassemia awareness campaign which started in FY2023, which has involved 41,099 students from 70 schools nationwide; and - Supporting Program Generasi Sihat, a controlled 32-week pilot programme to improve the nutritional intake of 200 children (5-6 years of age) at a cost of RM122,500.	2 ZERO HUNGER 3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES 11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 14 LIFE BELOW WATER 15 LIFE ON LAND 17 PARTNERSHIPS FOR THE GOALS	Community Investment and Engagement section pages 155 to 161.
Human Rights	• Adhered to our *Anti-Modern Slavery Policy*, whilst supporting freedom of association and collective bargaining; and • Achieved full compliance with labour regulations of countries we are in. No labour standard or human rights violations recorded during FY2024.	8 DECENT WORK AND ECONOMIC GROWTH 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Our Society - Human Rights section pages 161 to 162.
Public Policy and Government Relations	• Continued active participation in committees and workshops organised by government agencies and regulatory bodies aimed at advancing safety, securities and environmental matters; and • Continued fostering of relationship with tax authority to ensure due compliance with applicable tax loss and reduce occurrence of disputes without compromising the Group's interests.	17 PARTNERSHIPS FOR THE GOALS	Security pages 129 to 130, Environmental Management pages 130 to 149 and Tax Corporate Governance sections pages 163 to 165.

SUSTAINABILITY REPORT (CONTINUED)

Material Matters	Highlights for FY2024	Related UN SDGs	Detailed Discussion Location
Cybersecurity	• Implemented continuous enhancements of cybersecurity systems, guided by our *Infotech Security Policy*.	17 PARTNERSHIPS FOR THE GOALS	Information Technology (IT) and Cybersecurity section on pages 162 to 163.

5.0 HEALTH, SAFETY AND SECURITY (HSS)

We uphold a steadfast commitment to excellence in HSS across all facets of our operations. This Report provides a comprehensive overview of our initiatives, achievements and ongoing efforts to promote a safe, secure and sustainable workplace environment.

Our HSS Framework

Safety is our top priority and it is embedded in everything we do. We create a safe work environment by relentlessly pursuing safety performance improvement. Our '*I Care for Your Safety*' mantra reflects our commitment to protecting our most valuable asset: our people and contractors.

The Group oversees the governance of HSS through a HSS Management System (HSSMS) which encompasses both corporate-level policies as well as specific subsidiary-level policies specific to the jurisdiction of the entity's operations. These policies are then embedded into a HSS framework which forms the central hub of control, by identifying business areas where heightened levels of risk are present and as such, require increased level of oversight. Our governance structure provides our Board and Management effective control of our core risk management processes and our corresponding mitigation plans.

The HSSMS details objectives and determines minimum practices, outlines processes and procedures, assigns main ownership and execution responsibilities and sets effective performance indicators used to measure HSS compliance and effectiveness levels. The importance of HSS considerations is further reiterated through embedment of these considerations into every task and business decision. The Group's scorecard which determines annual remuneration also includes HSS targets. However, it should be noted that whilst the scorecard includes such safety targets, our compensation system is not premised on excellent safety performance. Instead, excellent safety performance is viewed as an essential requirement to maintain our licence to operate.

Engaging with Our Stakeholders

Open communication and collaboration are essential for our HSS success. We partner with regulators, government agencies, industry associations and contractors to continuously improve safety across our operations and the industry as a whole.

We value stakeholder input. We engage them early in new ventures and maintain a continuous dialogue throughout projects. Their insights help us refine our strategies and create long-term value.

We are committed to strengthening our stakeholder relationships. We actively engage and collaborate with our partners to understand their evolving perspectives and expectations. Specific HSS engagement efforts by relevant Project Steering Committees are detailed in this Report.

Our summarised Group HSS performance statistics are as follows:

Indicators[1]	FY2022	FY2023	FY2024
Number of work-related fatalities	0	0	**0**
Lost Time Incident Rate (LTIR)[2]	0	0	**0.02**
Number of employees trained on health and safety standards	400	572	**721**

Notes:

1 Data shown for FY2022, FY2023 and FY2024 are as of 30 June 2022, 30 June 2023 and 30 June 2024 respectively.

2 LTIR represents the loss of productivity associated with accidents or injury, arising out of or in, per 200,000 hours worked.

5.1 Occupational Health and Safety (OH&S)

Our Leadership Team champions a safety-first culture, where upholding safety remains a priority regardless of external pressures. Strong safety controls govern our operations. These include core policies, established work systems and clearly defined processes. Everyone in our organisation, employees and contractors alike, is empowered to STOP WORK immediately if they sense an unsafe situation which could potentially harm someone, damage the environment, or endanger assets.

We foster a collaborative environment where employees and contractors look out for each other's safety. We take any violation of the International Association of Oil & Gas Producers' (IOGP) Life Saving Rules seriously, with appropriate consequences. This focus on safety has led to a strong culture of compliance, proactive reporting of concerns and intervention to prevent incidents.

Open communication is key. We encourage transparent discussions and teamwork at all levels to manage work safely, identify risks and predict potential errors. We actively share safety alerts and learnings from near misses, both internally and externally, to raise awareness and prevent similar incidents.

By understanding how people work, we can better identify potential risks and implement controls to minimise them to '*As Low As Reasonably Practicable*' (ALARP) levels.

HSS Performance - North Sabah

Our HSS performance for the year showcases our commitment to safety and health. We are proud to report zero incidents in several critical areas: Fatality Accident Rate (FAR), Major Loss of Primary Containment (LOPC), major fire incidents and major oil spills. Additionally, we have not received any government summons or compounds, reflecting our adherence to regulatory standards.

HSS Performance Statistics - North Sabah

Indicator[1]	FY2022	FY2023	FY2024
Number of work-related fatalities	0	0	**0**
LTIR[2]	0.00	0.00	**0.05**
Number of staff trained on health and safety standards	225	248	**224**
Total man-hours	2,101,628	2,674,372	**4,302,653**
Total Recordable Injury Rate (TRIR)[3]	0.00	0.07	**0.05**
Incident free days (including lost time injuries (LTI), major spills, medical treatment case (MTC), major loss of process containment)[4]	638	87	**336**

Notes:

1 Data shown for FY2022, FY2023 and FY2024 data are as of 30 June 2022, 30 June 2023 and 30 June 2024 respectively.

2 LTIR represents the loss of productivity associated with accidents or injury, arising out of or in, per 200,000 hours worked.

3 TRIR is the frequency fatalities, LTI, substitute work and other injuries requiring treatment by a medical professional per 200,000 hours worked by both employees and contractors.

4 Incident free days for 2024 is from the last MTC on 30 July 2023. The incident was related to sever lower back pain due to improper manual handling technique. An investigation was carried out and lesson learnt were communicated to reduce the probability of any future recurrences.

SUSTAINABILITY REPORT (CONTINUED)

HSSE performance for North Sabah PSC in FY2024 demonstrates a steadfast commitment to safety and operational excellence. Key indicators showcase significant achievements: all-time high training participation with 224 staff trained on health and safety basics and maintaining low TRIR of 0.05. These metrics reflect rigorous adherence to stringent safety protocols and continuous improvement initiatives.

For FY2024, our Management Operation Visit (MOV) Programme included a total of 15 visits to our offshore and onshore facilities, ensuring at least one visit per quarter for each location to reinforce our hands-on approach to safety oversight. These achievements highlight our dedication from top management to our frontline in maintaining a safe and environmentally responsible operation.

Engagement with HSS Stakeholders

- LCOT Control of Industrial Major Accident Hazards (CIMAH) Engagement

  Our engagement in respect of the CIMAH regulations at LCOT took place on 2 August 2023. It underscores our commitment to proactive risk management and regulatory compliance in applicable hazardous operations. This initiative included awareness talks and dialogue sessions with local authorities, communities and stakeholders to promote understanding of CIMAH requirements and foster collaborative partnerships. Discussions focused on emergency preparedness, risk assessment practices and safety measures to prevent and mitigate industrial accidents. Key stakeholders, such as Labuan Corporation, Royal Malaysian Police Department, Department of Occupational Safety & Health (DOSH), DOE and Fire & Rescue Department representatives, highlighted their roles in emergency response planning, hazardous material handling and community safety initiatives. Recommendations from the engagement session included conducting fire and explosion drills, enhancing warning systems and improving communication protocols during emergencies.

- Chief Director of Chief Government Security Officer (CGSO) Site Visit to LCOT

  The site visit by the CGSO to LCOT on 15 February 2024 provided an opportunity to review security measures, assess shoreline erosion mitigation efforts to minimise impact on facility infrastructure, environmental conservation measures, discuss strategies for enhancing site security including expediting any require repair works and improving community engagement.

- Contractor's Engagement Forum and Excellent Vendor Award (CEEVA) 2023 - KL

  CEEVA 2023, organised by HSSE Department in collaboration with Contracts and Procurement Department in KL on 23 November 2023, is designed to recognise and celebrate contractors who have demonstrated outstanding commitment to HSSE principles throughout the year. The CEEVA award acknowledges safety-related achievements and encourages continuous improvement in HSSE performance.

CEEVA 2023 held on 23 November 2023 .

- Hearts and Minds (H&M) Behavioural Safety Programme

  The H&M Programme, launched since September 2021, is designed to foster collaboration and inherent safety mindfulness to achieve a generative HSE culture using the eight Energy Institute (EI) modulars. Since the programme began, improvement in our HSE culture throughout the years has been noted. This H&M programme with SEA Hibiscus' Internal Coach (SIC) was held for a minimum of 14 days at each site.

Hearts and Minds SIC engagement and training session.

- HSSE Campaign

  The HSSE Campaign on Food Hygiene, conducted on 15 and 17 March 2024, are part of our efforts to promote health and wellness among employees and contractors, through comprehensive food safety practices. This campaign focused on raising awareness of food safety principles, personal hygiene practices and preventive measures to reduce the risk of foodborne illnesses by maintaining high standards of food preparation and storage onboard facilities. The campaign also featured interactive sessions with medical personnel who shared practical tips on food and personal hygiene, health talk on topics related to occupational health namely Work-related Musculoskeletal Disorders (WMSD), diabetes, hypertension, prolapsed intervertebral disc (PID), heat stress, mental health, stroke as well as influenza vaccination and contractor site familiarisation programmes.

- North Sabah Monthly HSSE Meeting

  Our North Sabah Monthly HSSE Meetings serve as a platform for fostering safety awareness, reviewing performance metrics and engaging employees in continuous improvement initiatives. These meetings provide a forum for discussing safety-related incidents, sharing lessons learnt and implementing preventive measures to enhance workplace safety. Presentations on HSSE performance statistics, safety talks by medical personnel and cardiopulmonary resuscitation (CPR) training sessions equip team members with life-saving skills and promote a culture of health and safety across North Sabah operations. The meetings also serve to align teams with corporate HSSE objectives, introduce new safety initiatives and reinforce compliance with PETRONAS Governance Standard or previously known as PETRONAS Procedures and Guidelines for Upstream Activities (PPGUA). By promoting open dialogue, knowledge sharing and proactive safety practices, the North Sabah Monthly HSSE Meetings empower employees to contribute to a safer work environment, drive operational excellence and achieve sustainable business outcomes.

- Influenza Vaccination Programme

  Our annual Influenza Vaccination Programme was conducted on 31 October 2023 and 7 November 2023 to promote influenza immunisation to reduce illness-related absenteeism and enhance overall productivity. Approximately 43% of employees accepted the immunisation offered.

- Contractor Site Familiarisation at LCOT

  The Contractor Site Familiarisation initiative conducted at LCOT on 5 February 2024 played a crucial role in enhancing contractor safety awareness and ensuring adherence to site-specific operational requirements. This programme included orientation sessions for contractors to familiarise themselves with the LCOT layout, process area, equipment inspection protocols and Permit to Work (PTW) procedures. The site familiarisation programme emphasises the importance of communication, proactive hazard identification and adherence to safety guidelines to safeguard personnel, protect assets and uphold operational integrity.

Contractor site familiarisation with the process area and equipment at the site.

- Logistic Health Risk Assessment (HRA) at Asian Supply Base (ASB)

  The Logistic HRA conducted at ASB on 27 March 2024 is part of our proactive approach to identifying and mitigating health risks associated with logistical operations. This assessment focused on renewing outdated HRA reports, evaluating risk factors and implementing targeted interventions to enhance employee health and safety. Findings from the HRA guided the revision of risk management strategies, implementation of ergonomic improvements and development of health promotion initiatives to support employee well-being.

SUSTAINABILITY REPORT (CONTINUED)

- HSSE Awareness Training and Programme

  PTW Refresher sessions are designed to reinforce the importance of adhering to PTW procedures and promoting safe work practices across our operations. These training sessions, conducted at North Sabah offshore and LCOT, aim to educate employees and contractors on the proper completion of PTW forms, obtaining necessary approvals and adhering to permit conditions to ensure work is executed safely and efficiently by empowering teams to mitigate operational risks, maintain compliance with regulatory requirements and uphold high standards of HSSE performance.

  In Accident Control Technique (ACT) Refresher Training sessions, essential education on identifying and addressing unsafe acts and conditions to promote a safer workplace environment are provided. These training programmes aim to enhance employee awareness of potential hazards, reinforce the importance of reporting unsafe practices and empower teams to take proactive measures to prevent accidents. The training also emphasises the role of effective communication in hazard identification, incident reporting and collaborative problem-solving. By equipping employees with the knowledge and skills to mitigate risks and promote safety, we strengthen our organisational resilience, protect personnel from harm and foster a culture of safety excellence across our operations.

  The HSSE Awareness Programme on Substance Abuse, conducted on 5 September 2023, focused on raising awareness of substance abuse risks, identifying signs of addiction and providing resources for prevention and intervention. Presentations included discussions on the impact of substance abuse on workplace safety, job performance and personal health. Medical experts shared insights on addiction recovery, treatment options and support services available to employees and their families. By fostering open dialogue and providing education on substance abuse prevention, we aim to create a supportive work environment and ensure safety excellence.

- Learn from Incident (LFI) Sessions

  Our bi-monthly LFI Sessions held at LCOT play a pivotal role in raising safety awareness and promoting a culture of continuous learning and improvement. These sessions, conducted regularly across our operations including with our contractors, provide opportunities for teams to collectively reflect on lessons learnt from incidents especially from Malaysia Petroleum Management (MPM) stand down sessions.

- SEA Hibiscus' Safety Day 2023

  The Safety Day 2023 was celebrated at each site respectively, KL and Kota Kinabalu Operations Base (KKOB) offices, LCOT and North Sabah on 16 August 2023. This annual event serves as a platform to raise awareness of safety practices, recognise safety achievements and reinforce our commitment to safety as a core value. Presentations by safety experts highlighted the importance of personal protective equipment (PPE), ergonomic principles and safe work practices to prevent workplace injuries and illnesses.

<u>HSS Performance - PM3 CAA and Kinabalu Oil PSCs, and other PSCs under the Peninsula Hibiscus Group</u>

Over the years, the Back-to-Basics 7.0 programme has successfully established a fundamental safety culture, significantly reducing workplace incidents. The programme's key focus areas are:

1. HSSE Management System (HSSEMS) Interface and Integration
   - Objective: Ensure the HSSEMS is updated, standardised, harmonised and fit for purpose to support ongoing operations. Such efforts include the standardisation of HSSEMS documents, procedures and practices between Sabah and Peninsular assets, aligned with HSSE regulatory requirements.

2. Knowledge Sharing of Integrated Health, Safety and Environment (HSE) Processes and Procedures
   - Objective: Ensure HSSEMS expectations, requirements, information, knowledge and processes are disseminated and socialised effectively to support ongoing safe operations via actions including the implementation of a communication plan, engagement activities and training programmes.

3. Risk Management Processes
   - Objective: Increase awareness of the risk management process and the demonstration of the ALARP philosophy and enhance the understanding and application of risk management principles.

4. HSE Compliance
   - Objective: Establish an appropriate assurance plan for verifying the implementation of the management system through a Tier 1 HSSE assurance programme by focussing on 21 identified risk areas, including marine operations safety, seismic operations safety and project operations safety, to ensure compliance and safety.

5. Risk-Based Approach to Contractor Management
   - Objective: Maintain zero red-banded contractors and increase green-banded contractors through proactive identification and coaching of potential yellow-banded contractors. For clarity, red band contractors are those who do not meet the minimum requirements, while green-band contractors have not recorded any gaps in the management system of controls.

6. Environmental and Sustainable Development
   - Objective: Achieve recovery targets for nominated scheduled waste SW311 and SW409 through the deployment of a scheduled waste reduction programme to meet environmental sustainability goals.

HSS Performance Statistics - PSCs under the Peninsula Hibiscus Group

Indicators	FY2022[4]	FY2023	FY2024
Number of work-related fatalities	0	0	**0**
LTIR[1]	0.00	0.00	**0.00**
No. of staff trained on health and safety standards	163	306	**482**
Total man-hours	2,165,077	5,233,855	**5,152,387**
TRIR[2]	0.09	0.04	**0.16**
Incident free days (including Recordable Case and major incident)[3]	20	149	**36**

Notes:

1 LTIR is calculated based on number of LTI from (injuries/illness) (Fatality + Permanent Partial Disability (PPD) + Permanent Total Disability (PTD) + Lost Workdays Case (LWC)) per 200,000 hours worked (employees and contractors).

2 TRIR is calculated based on number of Recordable Case (injuries/illness) (Fatality + Permanent Partial Disability (PPD) + Permanent Total Disability (PTD) + Lost Workdays Case (LWC) + Restricted Work Case (RWC) + MTC) per 200,000 hours worked (employees and contractors).

3 Incident free days for FY2024 are counted from the last RWC on 25 May 2024. The injured person (IP) sustained swelling on his left ankle after his lower body came into contact with a moving fender, causing him to lose balance and fall on the deck.

4 From 25 January 2022 until 30 June 2022 (as completion of acquisition occurred on 24 January 2022).

Engagement with HSS Stakeholders

- *Radiation Awareness: Naturally Occurring Radioactive Materials (NORM) and Technologically Enhanced Naturally Occurring Radioactive Materials (TENORM) safety training* was conducted online on 13 July 2023, prior to Offshore Safety Induction (OSI), with attendance by the shutdown crew workers. The objective of radiation safety training is to ensure that individuals working with or around radiation sources understand the risks associated with radiation exposure and are equipped with the knowledge and skills to mitigate those risks effectively. The key objectives of the training include fundamentals of radiation exposure, legal requirements to be aware of, potential health effects, radiation protection programme and emergency response for NORM and TENORM.

- *Safe Chemical Handling: Interpretation of Safety Data Sheet training* was also conducted on 13 July 2023 which involved Tok Bali Supply Base (TBSB) workers, including forklift operators, material coordinators, logistic coordinators, warehousemen, storage and support service personnel and base operators. The Interpretation of Safety Data Sheet (SDS) training is designed to equip employees with the skills to navigate and comprehend information in SDS documents for hazardous chemicals. The key objectives of this training were:

  - Understanding Hazard Communication: Teach employees how to interpret hazard symbols, pictograms, signal words and hazard statements used in SDSs to identify potential risks associated with chemicals.
  - Chemical Composition and Properties: Provide knowledge about the chemical composition, physical and chemical properties and potential health and environmental hazards of substances listed in SDSs.
  - Safe Handling and Storage: Educate on safe handling practices, storage requirements and proper disposal methods based on information provided in SDSs to minimise exposure risks.
  - Emergency Response: Train personnel to use SDSs to develop emergency response plans and procedures for spills, leaks, or other incidents involving hazardous chemicals.
  - Regulatory Compliance: Ensure awareness of regulatory requirements and standards related to SDSs, including how to access and use SDS information in accordance with local and international regulations (e.g. Occupational Safety and Health Administration (OSHA) Hazard Communication Standard).

SUSTAINABILITY REPORT (CONTINUED)

- Documentation and Record-Keeping: Emphasise the importance of maintaining accurate records of SDSs for all hazardous chemicals used in the workplace and making them readily accessible to employees.
- Continuous Learning: Encourage ongoing education and updates regarding changes in SDS formats, regulatory updates and new hazard information to ensure employees stay informed and compliant.

By completing SDS interpretation training, employees are equipped to make informed decisions regarding chemical safety, understand potential risks and take appropriate precautions to protect themselves and others in the workplace.

- *Urine, Drug & Alcohol Test (UDAT) awareness training* was conducted with participants attending on 20 July 2023, comprising of medical, logistics and HSE personnel to familiarise themselves with the Urine and Alcohol Testing requirements as per MPM guidelines and company procedures. This training also served as a refresher on the overall process flow for testing and reporting.

- *Mercury awareness training* was conducted on 1 August 2023 with full participation from all regular onboard crew, prior to shut down being implemented. This session was also attended by the Management Team to prepare them for emergency response management in the event of mercury exposure. In addition, employees and contractors from Bunga Raya A platform (BRA) and other workers including from Bunga Orkid A platform (BOA) joined online.

  The objective of the programme was to provide workers with an understanding of potential mercury exposure at work, the necessity of Biological Monitoring (assessing chemical exposures by measuring the chemical or its breakdown products in urine, blood or breath samples), emergency response procedures, the health effects of mercury poisoning and how to recognise signs and symptoms of overexposure, required PPE according to legal requirements and company procedures.

- *Safe Chemical Handling: Understanding Chemical labelling and re-labelling training* was conducted on 28 December 2023 with the objective to ensure that personnel involved in the use of the chemical hazardous to health (including handling, storage, transport & disposal) understand and adhere to company procedures for accurately labelling hazardous chemicals. The objectives of this training were to educate employees on the importance of clear and correct labelling to prevent accidents and ensure safe handling of chemicals, ensure compliance with regulatory requirements and standards related to chemical labelling, including hazard communication guidelines, teach participants how to accurately identify, classify and label chemicals based on their hazards and properties and instil a sense of responsibility among employees regarding their role in maintaining accurate and updated chemical labels. The training was attended by HSE specialists and material coordinators at platform and at the TBSB.

- *Safe Chemical Handling campaign* was conducted at TBSB on 30 May 2024, involved contractors working at TBSB along with TBSB staff, with the objective of raising awareness amongst material coordinators who handle the procurement of hazardous chemicals, ensuring compliance with legal regulations, particularly in OSH (Classification Labelling & Safety Data Sheet) 2013. This includes ensuring correct labelling from suppliers and re-labelling of the chemicals. It is crucial to ensure that all workers handling hazardous chemicals, as well as those transporting scheduled waste from PM3 South & PM3 North, are well-informed and compliant.

- *Mental Health Screening and Physiological First Aid (PFA)* were held from 2 to 4 June 2024 onboard a rig, conducted by a doctor from the Psychiatry Department, Hospital Universiti Sains Malaysia (USM). This programme is a proactive initiative from Hibiscus Oil & Gas Malaysia Limited (HML) Drilling Team and continuation from a previous programme conducted at the same location in December 2022.

- *Respirator Awareness Training and Respirator Fit Test* was conducted for all members of the PM3 CAA and Kinabalu Oil PSCs Damage Control Team (DCT) responsible for managing chemical hazards in their workplace. The training covered topics on legal requirements, respirator selection, proper donning of respirators, seal checking procedures, respirator fit testing and maintenance guidelines. The Damage Control Team plays a vital role in firefighting and responding to chemical, biological and radiological incidents in plants, ships, or offshore installations during crises. The sessions for PM3 North were held from 2 to 16 August 2023, PM3 South were held from 14 to 17 January 2024 while for KNB were held from 14 February to 6 March 2024. This training programme is scheduled to be conducted biennially to ensure continued competency and readiness among team members.

HSS Performance - Anasuria Cluster

During FY2024, there were campaigns to inculcate safety awareness within the workforce. Monthly campaigns were rolled out offshore including a full update to the asset induction process. The following awareness campaigns were carried out onboard during asset safety meetings within the period:

Manual Handling	Heart Health
Asbestos	Men's Health
Sun Awareness	Time to talk
Human Factors	Mental Health
Dry January	Liver Health
World Hearing Day	Seasonal Affective Disorder Wellness

Under the UK regulations (Statutory Instrument No. 971), safety representatives are elected to represent the different worker groups offshore. At the Anasuria FPSO, regular meetings were held, chaired by the Offshore Installation Manager, with the minutes of such meetings posted on the notice board of the FPSO. In addition, safety meetings were also held regularly to discuss general safety issues. Furthermore, industry alerts were regularly discussed to benefit from lessons learnt from other locations.

In addition, for the Anasuria FPSO, annual Health, Safety, Environment and Quality (HSEQ) targets were set annually, using upper quartile industry performance as a benchmark. Actual performance was monitored and discussed at monthly review meetings.

HSS Performance Statistics - Anasuria Cluster

Indicators[1]	FY2022	FY2023	FY2024
Number of work-related fatalities	0	0	**0**
LTIR[2]	0	0	**0**
Number of staff trained on health and safety standards[3]	12	18	**15**
Total man-hours	258,208	230,448	**245,040**
TRIR - employees and contractors[4]	1.7	1.7	**0**
Incident free days (including LTI, major spills, medical treatment case, major loss process containment)	362	363	**366**

Notes:

1 Data shown for FY2022, FY2023 and FY2024 are as of 30 June 2022, 30 June 2023 and 30 June 2024 respectively.

2 LTIR represents the frequency of LTI which include fatalities, permanent disabilities or workhours lost due to workplace incidents per 200,000 hours worked by both employees and contractors.

3 Includes only AOCL workforce.

4 TRIR is the number of fatalities, lost time injuries, substitute work and other injuries requiring treatment by a medical professional per 200,000 hours worked by both employees and contractors.

Overall, the HSS performance for FY2024 has been positive, with zero LTIs and recordable cases recorded during this period.

Engagement with HSS Stakeholders

- On board the Anasuria FPSO, we work alongside third-party contractors who deliver proprietary products and specialist technical skills and services. Where third-party contractors work alongside our employees, we attempt to ensure that these members of the supply chain also subscribe to our systems and processes to assure a safe working environment for all. Thus, our selection of business partners and suppliers requires an assessment of their organisational safety performance. We are only interested in working with those who are non-compromising in their attitude towards safety performance.

SUSTAINABILITY REPORT (CONTINUED)

5.2 Process Safety and Asset Integrity

North Sabah PSC

Process safety is a core aspect of our overall safety strategy. We recognise that strong leadership and a culture of operational discipline are critical for mitigating risks and maintaining a healthy process safety environment throughout our dynamic operations.

Our Process Safety Framework provides a structured approach to managing asset integrity across the entire value chain. By systematically applying established systems and processes, we aim to prevent major unplanned process safety incidents that could have serious consequences for our people, the environment, our assets and production.

We prioritise the use of effective safeguards across all our operations. These safeguards help keep our facilities safe and minimise potential impact on our people, the environment, our reputation and our assets.

We manage process safety hazards through multiple layers of protection, including active controls and passive barriers:

- Active controls involve human actions and procedures, like following safe operating procedures and using proper equipment.
- Passive barriers are physical safeguards, like pressure relief valves or spill containment systems.

The severity of the potential hazard determines how many safeguards are deployed. We maintain a rigorous maintenance schedule to ensure these barriers remain effective, protecting our equipment and minimising leaks or unintended releases.

We also prioritise process safety during projects.

- We ensure qualified personnel plan, oversee and review projects, considering potential hazards and implementing appropriate safeguards.
- We use the right materials, tools and drilling fluids, following the latest safety standards.
- Well design, planning and inspection procedures meet international practices and regulations.

Finally, we rely on robust design criteria and safety barriers built into our programmes. These are verified through internal and external reviews, including independent well design inspections.

<u>External Assurance Audits</u>

The Sabah Assets has been awarded the IMS certification on 18 January 2024, recognising the implementation of ISO 14001:2015 EMS and ISO 45001:2018 OH&S standards under the scope of petroleum storage and exploration. The certifications confirm that SEA Hibiscus has effectively implemented its OH&S and EMS standard. The stage one audit was conducted previously on 8 and 9 September 2022 and the stage two audit for IMS was successfully conducted from 23 to 25 November 2022 at LCOT and from 8 to 11 August 2023, at the St Joseph Platform (Offshore). The audit results received were without major or minor non-conformities (NCR).

<u>International Ship and Port Facility Security (ISPS) Code Compliance Internal Audit at Location Container Offshore Terminal</u>

Conducting the ISPS Code Compliance Internal Audit at Location Container Offshore Terminal on 22 December 2023 involved comprehensive assessments of security protocols, emergency response procedures and compliance with ISPS Code requirements. Overall, there were zero non-compliance with areas for improvement especially on enhancing the existing documentation, training, drills and exercise.

PM3 CAA and Kinabalu Oil PSCs, and other PSCs under the Peninsula Hibiscus Group

As the company continues to grow, it is necessary to reduce the risks related to employee and process safety to foster sustainable operational growth.

Various project activities related to implementation of process safety management elements were carried out, such as the Integrated Operational Asset Integrity Assurance (IOAIA) Tier 2 audit by MPM in July 2023 and Internal Assurance Programmes which began in July 2023 to May 2024, the decommissioned SAA workshop in July 2023, the PM3 South and Kinabalu Oil PSCs Workshops in August and November 2023 respectively to eliminate gaps within the existing process safety management system and provide a benchmark for the organisation's performance compared to the requirements set by best management practices commonly employed in the oil and gas industry.

A key area for improvement identified during these assessments was to enhance operational discipline and risk-mitigation strategy associated with process safety management. Strategic objectives and key performance indicators identified during Joint Process Safety Work Group and Process Safety Dialogue held in March and May 2024 with MPM were shared amongst the Petroleum Arrangement Contractors (PAC).

Anasuria Cluster

Anasuria has established a Process Safety Framework based on the Energy Institute published process safety framework guidance. The framework drives Process Safety improvements in line with the Process Safety Improvement Plan. Areas progressed include engaging the organisation on the fundamentals of process safety and principles of process safety leadership.

As part of the 2023 to 2024 calendar year regulatory inspection programme, a detailed 'Process Safety Leadership Inspection' was conducted by the Health & Safety Executive (HSEx). The programme of inspection was replicated across a number of oil and gas operators and took the format of a documentation review followed by a number of intensive interviews with AOCL leaders by a panel of four inspectors. Positive verbal feedback was provided by the HSEx with a follow-up letter containing only one item for action. This reflects positively on the valuable work done by AOCL. The one item related to the HSEx audit and assurance has now been closed.

Three offsite training sessions have been completed at the DNV Research and Development facility at Spadeadam capturing the onshore and offshore team. Significant work has been undertaken in the update of procedures including updates to Performance Standards and Operations Manuals to reflect good practice.

Process Safety Framework.

Contractor HSSE Management

As a practice, pre-contract Health, Safety, Environment and Quality (HSEQ) reviews are carried out on all non-routine offshore projects, such as a scale inhibitor squeeze, diving and well intervention campaigns. AOCL subscribes to the Achilles Supply Chain database which allows access to current information and assurance provided by suppliers and validated by the Achilles team.

In addition, combined operations hazard identification/risk assessment workshops are also held, bridging documents prepared and emergency response arrangements tested through exercises and drills. With respect to planned shutdowns, several planning meetings are held and the work packs prepared are subject to detailed risk assessments.

A requirement of the Safety Case Regulations 2015 is that a 'thorough review' of the installation Safety Case must be carried out every five years, and a report of the findings submitted to the HSEx. The purpose of this review is to demonstrate, through a systematic examination, that the Safety Case remains sound, information is current and accurate and areas for improvement are identified and addressed.

During the course of Calendar Year 2020 when Petrofac was the Duty Holder, a Safety Case thorough review was conducted, and the required report was submitted to the HSEx in 2020. As AOCL successfully transitioned to the role of the Anasuria FPSO Duty Holder on 10 June 2022, the responsibility to address open action items transferred from Petrofac to AOCL.

Since transition, a series of HSEx inspections have taken place. The table below shows the inspection focus areas and status of items raised during the inspection. AOCL is engaging with the HSEx on these items and they are tracked in AOCL's Action Tracking Management System (ATMS) system to closure.

SUSTAINABILITY REPORT (CONTINUED)

AOCL's Inspection Focus Areas and Status

Inspection Title	When	Onshore	Offshore	Items raised	Items Closed
Petrofac Pre-Duty Holder Letter Items	-	-	-	11	8 Closed + 1 Commitment
HSEx Offshore Inspection	December 2022	Yes	Yes	4	3 Closed + 1 Commitment
HSEx Offshore Inspection	February/March 2023	Yes	Yes	7	3 Closed + 4 Commitments
Cybersecurity	March 2023	Yes	No	1	0
Process Safety Leadership	June/July 2023	Yes	No	1	1
HSEx Offshore Inspection	July 2023	Yes	Yes	5	2
HQ Maintenance	December 2023	Yes	No	1	1 Commitment
Annual Diving Review	February 2024	Yes	No	0	0
Annual Pipelines Inspection	April 2024	Yes	No	0	0

As a part of the environmental compliance process (with the UK Regulations), annual environmental inspections are undertaken by the Offshore Petroleum Regulator for Environment and Decommissioning (OPRED). Such an inspection took place in November 2023.

AOCL received the 2023 OPRED Inspection Letter on 12 February 2024. OPRED reported a total of seven findings/areas for improvement following the 2023 inspection, of which five have been addressed. The remaining areas of improvement identified include:

- Provide an update on the status of the recommendations/actions emerging from the investigation of diesel release event.
- Provide a plan and timeframe to address issue relating to repairing the produced water flash drum engineered wrap/patch and confirm when repaired.

Two actions remain open from historical OPRED inspections (one from 2021 and one from 2022) which relate to tanker offloading and management of produced water procedure updates. These documents are being updated in line with a full review off all Anasuria Operating Procedures which is scheduled for completion later in 2024.

During the reporting period, the Anasuria asset achieved a Gold Award and the Patrons Award for 25 consecutive Gold Awards for health and safety performance from the Royal Society for the Prevention of Accidents (ROSPA).

AOCL has won four Offshore Energies UK (OEUK) and Step Change in Safety Awards in the last three years, the only operator in the North Sea to do so.

Date	Title
June 2022	OEUK Safety Awards - 'Operational Integrity' winner
June 2022	OEUK Safety Awards - 'Safety Representative of the Year' winner
July 2024	OEUK Safety Awards - 'Maritime Safety' winner
July 2024	OEUK Safety Awards - 'Sharing and Learning' winner

AOCL has been asked by OEUK and the HSE to share our process safety journey with other operators and AOCL has been featured in OEUK magazine on this topic. These initiatives have not only stabilised the organisation but have also fostered a robust safety culture, significantly enhancing the company's operational efficiency, reputation and employee morale.

Together with our partner PPUK, Anasuria Hibiscus and AOCL, the Duty Holder of the Anasuria FPSO, are proud to have been able to continue to uphold the safety performance of the Anasuria Cluster.

5.3 Crisis and Emergency Preparedness

Safety is not just a core value at Hibiscus. It is the very foundation of our business. We strive to ensure the safety of our workforce and communities to keep our infrastructure healthy and fit for service and to maintain strong emergency preparedness and response systems.

We plan for safe, reliable, incident-free operations, in keeping with our belief that all incidents are preventable.

We have robust emergency preparedness and response systems which we constantly test for continuous monitoring and improvement, to enable us to promptly resume normal operations and/or business activities in the unlikely event of an incident, to reduce the occurrence of any adverse impact to business productivity and profitability. We partner proactively with local first responders, emergency management groups as well as state and federal agencies.

Our Crisis Management Team (CMT), located at our headquarters in KL, is responsible for the overall strategic management of critical events which require corporate support.

At project level, the coverage of emergency preparedness encompasses unintended events caused by natural disasters, major fires, spills, or social unrest, and ensures that Emergency Response (ER) centres and ER Plans are in place at the country, regional or global level.

Our comprehensive ER plans are tailored to each business unit to cover distinct operations and risks, including site-specific receptors. We regularly review, audit, update and test these plans to ensure they work as expected. Our emergency management programmes outline the review and improvement cycles. All of our regulated plans are updated to ensure effectiveness and alignment with stakeholders' expectations, in addition to evolving business needs. Relevant information from our ER plans is shared with local first responders and key stakeholders in accordance with our license to operate to facilitate seamless coordination between all parties.

SUSTAINABILITY REPORT (CONTINUED)

North Sabah, PM3 CAA and Kinabalu Oil PSCs and other PSCs under the Peninsula Hibiscus Group

As a continuous effort in achieving a desired readiness, various training sessions, workshops and exercises were organised in FY2024 to exercise the Command, Control, Coordination and Communication (4Cs) principle between various facilities and the Incident Management Team (IMT) and CMT.

The IMT Webpage functions as a one-stop centre for ER, which provides the user access to business emergency and crisis plans, emergency callout duty roster, operation emergency standing instruction updates, training schedules and online knowledge centre for ER including to relevant webpages and tools utilised during ERs. The page also communicates training offerings for emergency responders. All communications for emergencies are controlled within Company's office application such as Microsoft Teams and MyOSH.

Further, through industry associations, we exchange best practices with other operators and participate in committee activities and joint exercises for the purpose of collectively advancing safety and emergency preparedness. There were some notable engagements done with the following agencies during this financial year:

- Perjumpaan Agensi Polis Bantuan Negeri Sabah held on 6 July 2023 - Organised by Ibu Pejabat Polis Negeri Sabah, Tawau
- ER Assurance Visit North Sabah (St Joseph/South Furious/Barton/All Jackets within North Sabah) from 29 August to 12 September 2023
- DOE Workshop - National Plan for Tier 1 Equipment Readiness and Facility Oil Spill Contingency Planning - Session 1 from 4 to 6 July 2023 (Cherating, Pahang) and Session 2 from 2 to 3 September 2023 (Melaka)
- LCOT Radiation Drill with Atomic Energy Licensing Board (AELB), PDRM, DOSH, BOMBA - LCOT on 18 September 2023
- Project Sahabat Maritim WP Labuan held between July until October 2023 with SEA Hibiscus' partner and co-host, Sahabat Maritim Labuan with Malaysian Maritime Enforcement Agency (MMEA) WP Labuan at WP Labuan
- Visit to Radar Surveillance 3 (RS3) Centre under PETRONAS Carigali Sdn Bhd (PCSB) SBA, Kota Kinabalu on 13 October 2023
- CGSO Sabah Meeting with Key Point Installation, Putrajaya Sabah on 16 October 2023
- Oil Spill Workshop by Marine Department WP Labuan - involving PACs and Government Agencies on 25 to 26 October 2023
- Aviation drill by a third-party contractor on 25 November 2023
- Petroleum Industry of Malaysia Mutual Aid Action Group (PIMMAG) Advisory Committee Meetings on six occasions between November 2023 until May 2024
- Malaysia Auxiliary Police Annual Conference at Kota Bharu Kelantan from 26 to 28 November 2023
- International Ship and Port Security (ISPS) National Seminar - Putrajaya KL from 5 to 7 December 2023
- BOMBA Annual Fire Safety workshop - Putrajaya KL on 4 December 2023
- Petroliam Nasional Berhad (PETRONAS) Malaysia Petroleum Management (MPM) Joint Emergency Response Working Group (JERWG) Meeting - Session 3 2023 held on 7 February 2024 in Putrajaya
- WP Labuan Agency Office courtesy visits with the Malaysian Nasional Security Council (MKN) in February 2024, CGSO in February 2024, MMEA in February 2024, BOMBA in February 2024 and PIMMAG in March 2024
- CGSO Director General visit to LCOT with government security stakeholders on 8 February 2024

In addition, we secured contractual support from well-established entities to better manage and elevate our capabilities when facing non-desired events. More specifically, contracts are in place for:

- Medical ER support coverage - the integrated medical services provider extends comprehensive and continuous occupational health services covering international medical assistance, healthcare, occupational health regulatory compliance consultation and medical evacuation support services. Our Medical ER Plan incorporates its services in the event of medical evacuation of staff due to occupational or non-occupational illness while at work.
- Oil Spill Contingency Plan support coverage - the UK specialist organisation works to assist operators to respond effectively to oil spills. This gives us access to their global network of oil spill response equipment and expertise, including offshore and shoreline oil recovery equipment, dispersant stockpiles and aerial dispersant spraying capabilities. Their equipment can be quickly mobilised from their regional bases at any time.
- Oil Spill Contingency Plan support coverage - the local oil spill response organisation (OSRO) National Oil Spill Workshops are well-connected with local enforcement and government agencies. It provides oil spill response consultation and equipment during oil spill incidents, as well as assists to build competency and skills for our emergency responders.

Anasuria Cluster

As joint operator of the Anasuria Cluster and through our ownership of AOCL, we partly rely on the provisions of the Management System Standards of our Duty Holder (AOCL), who is also the owner of the Safety Case, to demonstrate that AOCL has the ability to operate the Anasuria facility safely and be responsible for the day-to-day management of the Anasuria FPSO and pipelines.

We have identified all foreseeable major accident scenarios related to work under our direct control and have implemented ER plans, facilities and procedures to ensure an effective and efficient response by an empowered organisation. ER plans are regularly tested through drills and exercises. As part of our initiatives in this area, employees and contractors receive ER training appropriate to their roles and responsibilities.

We also have the capability to respond to Tiers 2 and 3 environmental events. ER procedures are available which detail the processes in place to maintain a constant state of preparedness and to enable the proactive mobilisation of resources when responding to an emergency. The ER provision functions through an on-call Duty Manager with onshore incident management support located within the Petrofac Emergency Response Centre at Blaikies Quay, Aberdeen Harbour.

The Anasuria Offshore Oil Pollution and Emergency Plan (OPEP) details the offshore Tiers 1 to 3 emergency response arrangements for the installation and subsea infrastructure and is supported by the Onshore AOCL OPEP. Additional Temporary Operation OPEPs and Communication and Interface Plans (CIPs) are developed and implemented where required.

Training and exercising plans are in place to ensure all personnel required for response to an emergency, are competent. Duty Managers are trained to OPEP level 2 and HSEQ team members are trained to OPEP level 3 and participate regularly in exercises organised by the ER Team of which they are a part of.

To support our oil spill response plans and capabilities, we are an associate member of a specialist organisation which works to assist operators to respond effectively to oil spills. Apart from access to their global network of oil spill response equipment and expertise, we also have access to the UK's Oil Spill Prevention and Response Advisory Group's (OSPRAG) well capping device. The well capping device is a vital piece of equipment which, if in the unlikely event has to be called upon, would be deployed to seal off oil leaking from an uncontrolled subsea oil well and minimise damage to the marine environment. The AOCL Duty Managers have the authority to mobilise these resources in response to an incident. In relation to a well-related incident, an appointed Well Operator has been provided the authority to mobilise these resources when they have primacy of the well during well activities. AOCL and the appointed Well Operators are also members of the Offshore Pollution Liability Association (OPOL).

We also contract with an established integrated medical services provider which provides us with international medical assistance, healthcare and security services. The Coastguard Search and Rescue helicopter can also be called upon to provide emergency evacuation of casualties or those with serious illness.

5.4 Security

North Sabah, PM3 CAA and Kinabalu Oil PSCs, and other PSCs under the Peninsula Hibiscus Group

Security Engagement, Arrangement, Coordination and Communication with Government Authorities

In managing offshore encroachment and intrusion, we have been actively participating in the Joint Security Working Group (JSeWG) organised by Group Security, PETRONAS and the Government Authorities comprising the MMEA, Royal Malaysian Navy (RMN), Marine Police Force and Special Branch of the Royal Malaysia Police (RMP), Marine Department (MARDEP), the Office of the CGSO, DOF, Sabah Ports and Harbour Department (JPDS), National Hydrographic Centre (PHN), etc. The JSeWG meetings were held at least two times in FY2024, i.e. on 14 February 2024 and 28 May 2024, and focussed on addressing/managing maritime security issues confronting Malaysia Upstream operations block, including our offshore operations at PM3 CAA, Kinabalu and North Sabah. Amongst the key topics of JSeWG meetings are the South China Sea update, managing encroachment/intrusion, gazettement of offshore assets/facilities and emerging threats (e.g. drone, physical intrusion, drifted person, etc.).

We are also involved in making the necessary arrangements including preparing the Marine Traffic Risk Assessment, Security Risk Assessment, Security Plan, etc. for security coordination to facilitate the offshore project execution i.e., PM3 CAA Bunga Aster Open Water Exploration Well Preparation Works, North Sabah Diving Activities related to seabed preparatory work at South Furious Jacket-D (SFJT-D) structure, PM3 CAA/North Sabah Rig Move and South Furious 30 (SF30) Waterflood Phase 2 Drilling Campaign etc., with assistance and support from MKN and other relevant government agencies.

SUSTAINABILITY REPORT (CONTINUED)

Engagement and Communication with Onshore Facilities and Local Community

Various engagements have been conducted with those located at onshore facilities (supply bases) in supporting offshore operations such as security briefing, site visit and awareness programme sessions with supply bases' Auxiliary Police (AP), our staff/contractors at supply bases and other relevant stakeholders. On 4 and 5 July 2023, the Security Team conducted a security awareness session and briefing to our staff and TBSB staff employees concerning the latest security updates in offshore operations and security precautions to undertake in their daily operation. On 24 and 25 April 2024, the Security Team had meetings and discussions with the Chief Security and AP Team at LCOT, and the Security Superintendent at KKOB regarding matters related to our AP's operations, administration and logistics to ensure its readiness, effectiveness and responsiveness. We have also been directly involved in the PETRONAS/MMEA-organised *Sahabat Maritim Programme* (PSM) held on 21 July 2023 at Kuala Besar, Kota Bharu, Kelantan, with attendance from the local fishermen community, MMEA Kelantan, a PAC in the TBSB and the public. Similarly, the PSM event was successfully conducted at the Fish Landing Complex of the Malaysian Fisheries Development Authority (LKIM) in Tok Bali, Pasir Puteh, Kelantan on 26 January 2024.

6.0 ENVIRONMENTAL MANAGEMENT

This section of the Report outlines our environmental management approach, addressing reduced emissions and efficient resource use, through strategies involving methane mitigation, exploration of carbon capture technologies and energy efficiency initiatives premised on our *Environment Policy* and *Sustainability Policy*.

The Edge ESG Award - Silver Award awarded to Hibiscus Petroleum (November 2023).

This Report includes our disclosure of data for all our production assets. Block 46 PSC is accounted for under the PM3 CAA PSC as the PSC facilities are tied-back to PM3 CAA infrastructure.

Our summarised Environmental Management performance data table is shown below:

Indicator	Unit	FY2022	FY2023	FY2024
Climate Change and GHG Emissions				
Total Operational GHG Emissions	**tonnes CO_2e**	**6,490,236**	**7,250,027**	**6,767,692**
Scope 1	tonnes CO_2e	6,487,440	7,247,923	6,765,417
Scope 2	tonnes CO_2e	2,796	2,104	2,275
Payment to UK ETS	RM mil	25.0	25.0	25.3
Net GHG Emissions (Scope 1 and Scope 2) - Operational Control	tonnes CO_2e	6,434,541	7,183,140	6,703,195
Net GHG Emissions (Scope 1 and Scope 2) - Equity Control	tonnes CO_2e	2,384,883	2,613,068	2,443,223
Aggregate Net Emissions Intensity	tonnes CO_2e/kBoE	223.27	231.70	208.07
Total Scope 3 GHG Emissions (Categories 4 and 6)	tonnes CO_2e	26,272	50,092	52,001
Total Operational GHG Emissions (Scopes 1 and 2) by Operation				
North Sabah PSC	tonnes CO_2e	587,841	361,504	368,834
PM3 CAA PSC	tonnes CO_2e	5,630,270	6,604,192	6,128,611
Kinabalu Oil PSC	tonnes CO_2e	184,850	185,437	173,610
Anasuria Cluster	tonnes CO_2e	87,221	98,843	96,582
Energy Management				
Total Energy Consumption	**Million GJ**	**1.34**	**1.49**	**23.65**
North Sabah PSC	Million GJ	-	-	2.58
PM3 CAA PSC	Million GJ	-	-	18.99
Kinabalu Oil PSC	Million GJ	-	-	0.69
Anasuria Cluster	Million GJ	1.34	1.49	1.39
Energy Intensity	GJ/kBoE	**520**	**508**	**734**
Waste Management				
Total Waste Generated	**tonnes**	**266.40**	**2,159.79**	**73,037.57**
Hazardous Waste	tonnes	191.56	865.70	660.95
Non-Hazardous Waste	tonnes	74.84	1,294.09	72,376.62
Total Waste Generated by Type of Treatment				
Recycled	tonnes	62.52	124.02	72,117.79[1]
Non-recycled	tonnes	174.78	2,035.77	919.79
Environmental Fines and Penalties (Waste-related)	**RM**	**0**	**0**	**0**
Waste Generated by Operation				
North Sabah PSC	tonnes	29.13	65.19	172.96
PM3 CAA PSC	tonnes	148.61	1,713.92	2,378.86
Kinabalu Oil PSC	tonnes	5.03	245.99	70,365.41
Anasuria Cluster	tonnes	83.66	134.69	120.33
Oil Spills	**kg**	**41.50**	**21.38**	**5.00**

SUSTAINABILITY REPORT (CONTINUED)

Indicator	Unit	FY2022	FY2023	FY2024
Water Management				
Produced Water Generated by Operation	**Megalitres**	**7,297**	**10,539**	**10,647**
North Sabah PSC	Megalitres	3,431	3,668	3,987
PM3 CAA PSC	Megalitres	2,101	4,697	4,588
Kinabalu Oil PSC	Megalitres	433	842	1,020
Anasuria Cluster	Megalitres	1,331	1,331	1,052
Total Water Used	**Megalitres**	**25.65**	**41.76**	**76.19**
Freshwater purchased from third-party	Megalitres	0.33	1.36	43.92
Non-freshwater withdrawal	Megalitres	25.17	39.67	31.55
Re-used water	Megalitres	0.16	0.73	0.73
Total Water (Effluent) Discharge by Operation	**Megalitres**	**7,322**	**10,581**	**10,723**
North Sabah PSC	Megalitres	3,431	3,668	3,987
PM3 CAA PSC	Megalitres	2,127	4,737	4,656
Kinabalu Oil PSC	Megalitres	434	844	1,029
Anasuria Cluster	Megalitres	1,331	1,331	1,052
Oil in Water Concentration of Produced Water Discharged by Operation				
North Sabah PSC	mg/l	17.6	19.8	18.80
PM3 CAA PSC	mg/l	13.42	17.86	18.60
Kinabalu Oil PSC	mg/l	24.73	21.76	23.89
Anasuria Cluster	mg/l	11.92	13.31	16.08
Environmental Fines and Penalties (Water-related)	**RM**	**0**	**0**	**0**
Air Emissions (Anasuria Cluster only)				
Nitrogen oxides emissions (NO_x)	tonnes	246	278	261
Sulphur oxides emissions (SO_x)	tonnes	3	4	4
Volatile organic compounds (VOC) emissions	tonnes	389	401	386

Note:

[1] The increase in the total waste generated by type of treatment (recycled) from FY2023 to FY2024 is due to scrap metal recycling from Kinabalu Oil PSC.

Further details by assets/projects may be found in the Appendix section of this Report.

6.1 Climate Change and GHG Emissions

We acknowledge the profound business challenges posed by climate change, particularly to our industry. Our approach emphasises that climate risks can and should be addressed alongside the need to meet the growing demand for affordable and secure energy, ensuring a just and orderly transition.

Our commitment aligns with the Paris Agreement's objective to limit the global temperature increase to well below 2 degrees Celsius and the broader goal of achieving net zero emissions by 2050. This commitment is now a core part of our Mission Statement, reflecting our aspiration to become a Net Zero Emissions Producer by 2050. This ambition aligns us with several key initiatives:

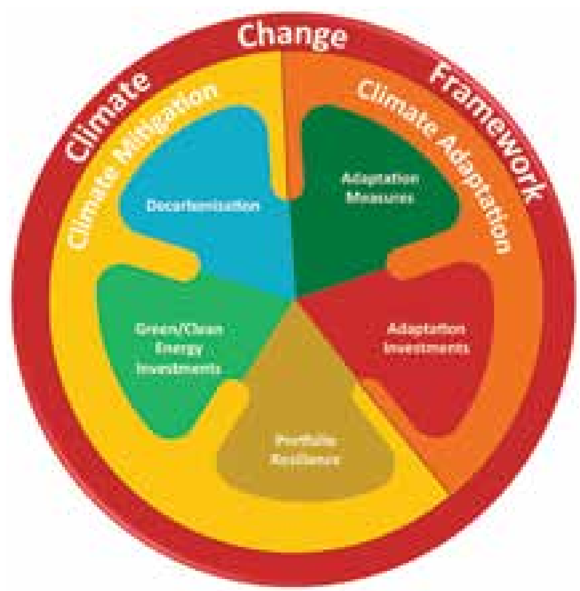
- The Malaysian Government's target to achieve Carbon Neutrality as early as 2050.
- PETRONAS' goal of reaching Net Zero Carbon Emissions by 2050.
- The UK and Scottish Governments' commitments to:
  - o Achieve Net Zero Emissions by 2050 (with Scotland targeting 2045);
  - o Achieve Zero Routine Flaring by 2030 as mandated by the North Sea Transition Authority; and
  - o Reduce methane emissions by 50% by 2030.

Following on from its Net Zero Strategy, in 2023, AOCL developed an Anasuria FPSO Emission Reduction Action Plan (ERAP) in line with the North Sea Transition Authority's (NSTA) Net Zero Stewardship Expectation's 11 requirements. The Anasuria ERAP is specific to a single installation which sets out a plan of actions/projects/ investments which AOCL plan to consider or undertake to reduce the emissions associated with Anasuria operations. AOCL submitted the Anasuria ERAP to the NSTA in March 2023. Further updates to the ERAP following a Technical Note prepared by a third party. Following NSTA's recommendation, AOCL undertook an emission reduction-focused Partner Workshop in June 2024 involving AOCL management, AOCL discipline focal points, shareholders and the NSTA. The aim of the Partner Workshop - to present Anasuria's emission reduction opportunities, reduction pathways and look at various emission reduction scenarios against the North Sea Transition Deal (NSTD) emission reduction key target dates of 2025, 2027 and 2030. The key outputs from the Partner Workshop has been submitted to the NSTA in July 2024.

AOCL's Emission Strategy.

Our response to climate change is guided by the principle of Common but Differentiated Responsibilities (CBDR), as outlined in the United Nations Framework Convention on Climate Change (UNFCCC). Our climate strategy, encapsulated in our CCF[3] adopted in November 2021, outlines our climate position and policy principles. This framework integrates both mitigation and adaptation strategies, ensuring a holistic approach to managing our climate impact.

<u>Climate Risks and Our Response</u>



The Group's CCF Chart.

Note:

3 Our CCF can be accessed at https://ir2.chartnexus.com/hibiscuspetroleum/docs/sustainability/Climate-Change-Framework.pdf.

SUSTAINABILITY REPORT (CONTINUED)

Our CCF integrates both Climate Mitigation and Climate Adaptation strategies, addressing the causes of climate change and minimising its impacts.

We have conducted a high-level evaluation of climate-related risks and opportunities within this framework. This assessment has enabled us to identify transition and physical risks that may affect our operations in the short-term and long-term, and to develop action plans to address these risks and capitalise on opportunities.

The following table summarises the key climate-related risks we have identified and the progress we have made in mitigating these risks through activities aligned with our CCF.

Transition Risks	Threats	Latest Status
Market	Possible decline in market demand for oil resulting in stranded assets.	• Improving the resilience of our hydrocarbon portfolio through the latest proposed acquisition of TotalEnergies Holdings International B.V. assets increasing the ratio of our production of gas rates to 49% (upon acquisition completion). • Implementing internal carbon pricing for development projects within the UK. As of FY2024, the adopted internal carbon price stood at USD84.5 per tonne.
	Price volatility of oil and gas.	• Implementing continuous improvement in resource and operational efficiency, to further reduce unit production cost.
Technology	Widespread adoption of green/ disruptive technologies (e.g. electric vehicle (EV), energy storage system (ESS) and fuel (e.g. hydrogen)) displacing demand for oil.	• Engaging in a progressive and measured exploration of investments in clean energy.
Policy and Legal	Tightening government policies on climate rules, implementation of domestic and cross border carbon tax.	• Develop our decarbonisation roadmap that includes future initiatives for us to achieve our Scopes 1 and 2 reduction target of 50% by 2030 against FY2020 baseline. • Pursuing decarbonisation opportunities, towards achieving our aspirational target of being Net Zero Emissions Producer by 2050, including: o Fuel switching of diesel genset to hybrid of solar PV and small wind turbine in North Sabah; o Switching to energy efficient LED lights in PM3 CAA and Anasuria; o Flare tip upgrades in North Sabah; o Implemented Phase 2 of the Advanced Membrane trial in December 2023 for the first two skids to assess their performance before further installations in Q3 2024; o AOCL successfully undertook first Methane Quantification Surveys in July and September 2023; o AOCL undertook an emission reduction focused Partner Workshop in June 2024; o Performing CCS studies to assess the potential for geological storage in PM3 CAA; o Implementing leak detection and repair (LDAR) programmes to reduce fugitive emissions for all our assets; and o Exploring opportunities for cost recovery of eligible decarbonising projects via carbon market. • In FY2024, our total net absolute GHG emissions amounted to 6,703,195 tonnes CO_2e, a reduction of 20% from our FY2020 baseline of 8,416,395 tonnes CO_2e, with a net emission intensity of 208.07 CO_2e/kBOE. • AOCL established its *Net Zero Policy* in May 2021, pursuant to the UK and Scottish Governments' climate commitments. • Continuing our engagement with relevant key stakeholders on climate-related activities and participation in industry associations.

Transition Risks	Threats	Latest Status
Reputation	Stigmatisation of the oil and gas sector due to perceptions of the sector's contribution to climate change or detraction from energy transition.	• Maintaining our constituency on the F4GBM Index pursuant to the latest assessment in June 2024 by FTSE Russell. • Improving disclosure on waste and water management with the inclusion of data on total waste generated and total water used.

The changes in regulations related to GHG emissions and climate change have been identified as a key business risk and are currently monitored and managed under the Group's risk management framework and reviewed by the Board as part of our quarterly risk evaluation process.

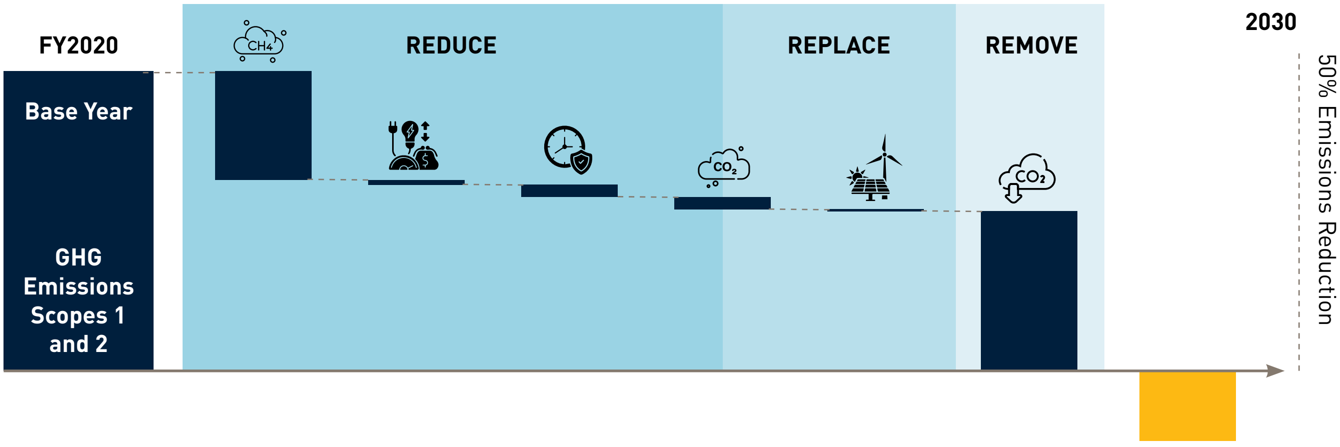
The Group also acknowledges that climate-related physical risks, both acute and chronic, arising from extreme weather events and shifts in climate pattern may cause disruption to our business and have an impact on our portfolio of hydrocarbon assets. We will continue to assess any potential impact, charting and implementing the necessary climate adaptation measures accordingly.

6.2 GHG Emissions Management

Mitigating GHG emissions from upstream operations is a fundamental aspect of Hibiscus' strategy and its approach to managing climate risk. Hibiscus' Energy Transition Strategy outlines the Group's principles and commitments concerning climate change. The challenge of operating mid-to-late life oil assets is that emissions during the decline phase are typically much higher than during normalised midlife operations, leading to an increased emissions intensity as production declines. Nevertheless, we are dedicated to enhancing the GHG reduction outlook for our sites through pragmatic operational efficiencies and targeted emission reduction measures.

The SANGEA™ Software is widely recognised in the industry as a top tool for estimating and reporting GHG emissions. Our Malaysian operations is currently using this software to calculate and quantify our emissions.

The following chart shows our GHG reduction roadmap based on assumptions, designed to achieve our targets in alignment with national and global standards. This strategic roadmap underscores our commitment to meeting climate goals and our dedication to contributing to a sustainable future for all, focusing on the 3 R's - Reduce, Replace and Remove.



Decarbonisation Levers	Methane Abatement	Energy Efficiency	Reliability	Switching to Low Carbon Fuel	Renewable Energy	Carbon Capture and Storage	New Tachnologies/ Offset
Projects	• Membrane upgrade (Phases 1, 2 and 3) • Flare tip upgrades	• Waste heat recovery • Fluorescent lights to LED	• Debottleneck compressor • Operating philosophy (reducing TGs/TCs)	• Hybrid power generation using fuel cells (methanol)	• Solar and wind • Future technology	Addresses two phases: • In house emissions • Potential hub for the future	• Exploring innovative technologies

Our Decarbonisation Pathway.

SUSTAINABILITY REPORT (CONTINUED)

Key GHG Emissions Reduction Initiatives

Our Decarbonisation Working Group is tasked to review different ideas and initiatives that include all asset-level GHG reduction opportunities with varying degrees of maturity. With the objective of streamlining and selecting practical options through a GHG reduction hopper, capex-intensive options require a business case submission as part of the annual workplan and budget cycle. All opportunities are re-visited periodically, should the circumstances such as new technological advancements or cost assumptions change. New options are introduced into the hopper based on new learnings from the industry and across sites.

Throughout FY2024, our workstreams identified various GHG reduction measures, including flaring and methane reduction initiatives. A detailed breakdown of these measures, categorised by maturity level, is provided in the table below.

Asset	Initiative Description	Status	
All assets	LDAR	• As part of our ongoing commitment to reducing operational emissions, we have scheduled LDAR programmes for our PSCs and the LCOT facility. • Successfully completed our annual LDAR programme for our offshore facilities by April 2024 and remain committed to achieving the Oil and Gas Methane Partnership (OGMP) 2.0 Reporting Framework Gold Standard. Our ongoing efforts underscore our dedication to excellence in environmental management and emission reduction.	 
PM3 CAA	Hydrocarbon Recovery via Advanced Membrane Installation	• To recover hydrocarbons previously vented from the AGRU and transforming them into saleable gas. • Completed Phase 1 trials in 2022 - 80,000 tonnes CO_2e emission reduction. • Commenced Phase 2 trials in December 2023 - Estimated 200,000 tonnes CO_2e emission reduction. • Will continue to evaluate the performance of the membranes.	
PM3 CAA	CCS Study	• To assess the feasibility of injecting the CO_2-rich gas into the depleted PM3 CAA gas reservoirs. • The studies will focus on the subsurface and surface of the CCS project. • Phase 1 began in May 2023 and has been completed. • Phase 2 started this year and will be completed in the fourth quarter 2024.	
North Sabah	Venting Reduction Initiatives	• Replacement of more reliable flare tips has helped to reduce venting at the facilities. • Upgrades have been made in the fourth quarter of 2023.	

Asset	Initiative Description	Status	
Kinabalu	Flaring Reduction Initiatives	• Enhance efficiency of low-pressure and high-pressure compressors. • Allow more gas to be transported to Samarang instead of flaring the gas. • Work has commenced since March 2022 and expected to extend till 2025.	
Anasuria Cluster	Energy Efficiency	• Upgrading an engine from 14k horsepower to a 16k horsepower. • Higher power output with increased efficiency and minor reduction in heat rate. • Optimises gas flow, increases mass flow and overall machine efficiency. • Upgrading gas turbine air inlet filtration which reduces engine seizures, thus reducing its efficiency.	

GHG Emissions Performance

Below are the consolidated indicators of the Group's GHG emissions. GHG emissions figures for FY2023 have been restated upon finalisation of Anasuria Cluster's GHG emissions data for 1 January 2023 to 30 June 2023 (noted in the Sustainability Report 2022/2023 as provisional).

Group GHG Emissions Performance

Scope 1 Emissions						
Emissions by source	**Unit**	**FY2020**	**FY2021**	**FY2022**	**FY2023**	**FY2024**
Combustion	tonnes CO_2e	280,499	269,272	1,250,651	1,373,605	1,344,398
Flaring	tonnes CO_2e	233,482	241,510	460,183	374,478[6]	345,963
Venting	tonnes CO_2e	70,993	36,037	183,644	55,897	54,784
AGRU	tonnes CO_2e	-	-	4,514,050	5,266,850	4,831,194
Fugitive Emissions	tonnes CO_2e	2,898	2,960	2,206	2,148	1,411
Mobile and Transportations	tonnes CO_2e	235	65	76,706	111,129	123,841
Others	tonnes CO_2e	-	-	-	63,817	63,826
Total[1]	**tonnes CO_2e**	**588,107**	**549,846**	**6,487,440**	**7,247,923**	**6,765,417**

Emissions by type of gas	**Unit**	**FY2020**	**FY2021**	**FY2022**	**FY2023**	**FY2024**
Carbon dioxide	tonnes	489,389	490,990	4,118,196[6]	4,801,883	4,528,233
Methane	tonnes	4,640	2,694	94,017	96,942	88,544
Nitrous oxide	tonnes	17	16	63	72	79
HFCs	tonnes	-	0.01	0.02	-	-

SUSTAINABILITY REPORT (CONTINUED)

Scope 2 Emissions[2]						
Emissions by source	**Unit**	**FY2020**	**FY2021**	**FY2022**	**FY2023**	**FY2024**
Purchased Electricity	tonnes CO_2e	1,647	1,602	2,796	2,104	2,275

Total GHG Emissions (Scopes 1 and 2)						
Indicator	**Unit**	**FY2020**	**FY2021**	**FY2022**	**FY2023**	**FY2024**
Total Operational GHG Emissions	**tonnes CO_2e**	**589,754**	**551,447**	**6,490,236[6]**	**7,250,027[6]**	**6,767,692**

Scope 3 Emissions						
Category	**Unit**	**FY2020**	**FY2021**	**FY2022**	**FY2023**	**FY2024**
Upstream Transportation and Distribution	tonnes CO_2e	Not available	Not available	26,272	50,092	52,001
Business Travel	tonnes CO_2e	0	0	0	0	0
Total	**tonnes CO_2e**	**0**	**0**	**26,272**	**50,092**	**52,001**

UK ETS Payment	RM mil	11.5	16.8	25.0	25.0	25.3
Net GHG Emissions (Scopes 1 and 2) - Operational Control[3]	**tonnes CO_2e**	**479,143**	**465,213**	**6,434,541[6]**	**7,183,140[6]**	**6,703,195**
Net GHG Emissions (Scopes 1 and 2) - Working Interest[4]	**tonnes CO_2e**	**229,886**	**224,598**	**2,384,883**	**2,613,068[6]**	**2,443,223**
Aggregate Net Emission Intensity[5]	**tonnes CO_2e/ kBoE**	**57.08**	**48.33**	**223.27**	**231.70[6]**	**208.07**

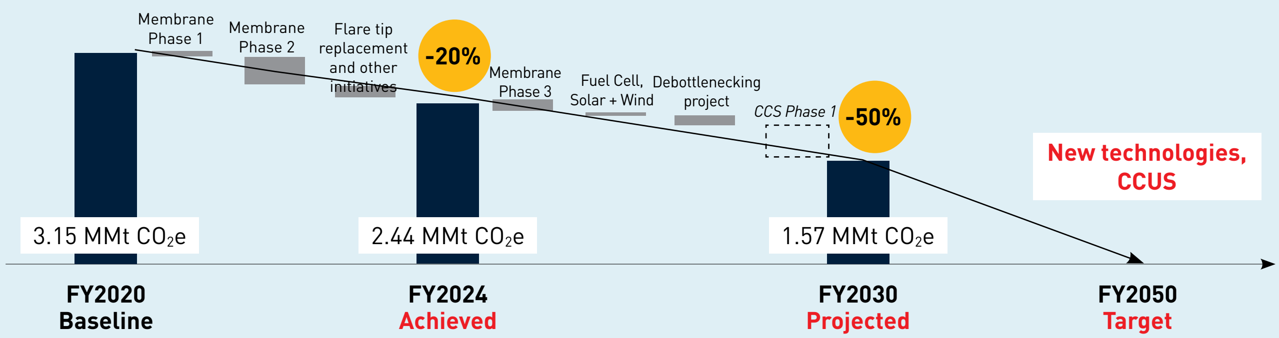
Notes:

1. Totals may not add up due to rounding.
2. Scope 2 Emissions includes corporate building emissions.
3. Net GHG Emissions - Operational Control refers to net emissions after payment to UK ETS.
4. Net GHG Emissions - Working Interest refers to the net emissions based on our equity share.
5. Aggregate Net Emission Intensity - Previously GHG Emissions Intensity was presented as a Gross Emissions Intensity. This has been updated to a Net GHG Emission Intensity.
6. There have been some restatements to (i) FY2022 figures (Carbon Dioxide, Total Operational GHG Emissions, Net GHG Emissions - Scopes 1 and 2 Working Interest) due to provisional figures from January 2023 to June 2023 provided previously, and (ii) FY2023 figures (Flaring, Total Operational GHG Emissions, Net GHG Emissions and Aggregate Net Emission Intensity) due to an inadvertent slight error in additional emissions figure.

Towards Net Zero 2050

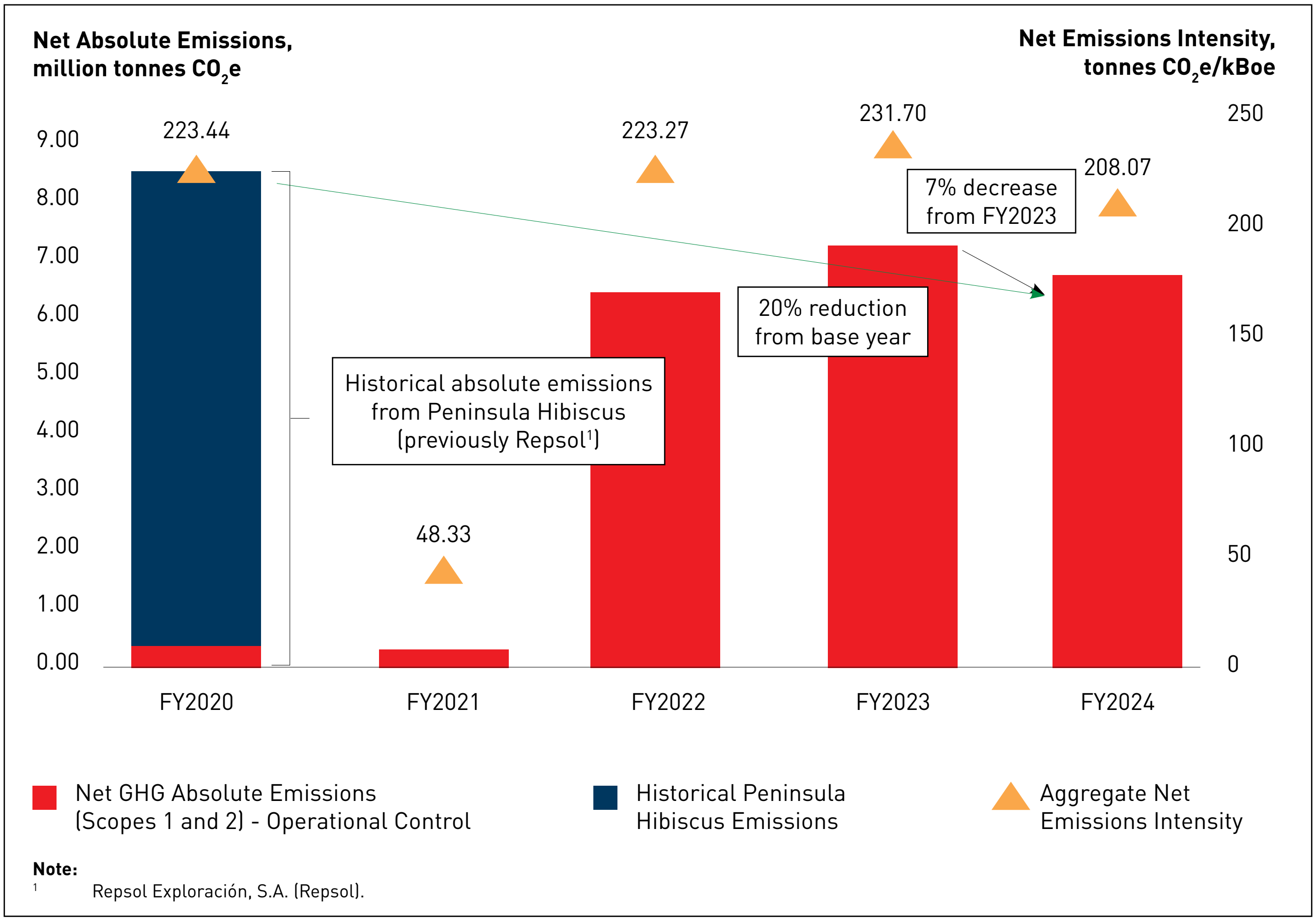
Investments are being directed towards the Climate Change agenda - targets are challenging

In Malaysia, emissions reduction being addressed both in PM3 CAA and in North Sabah

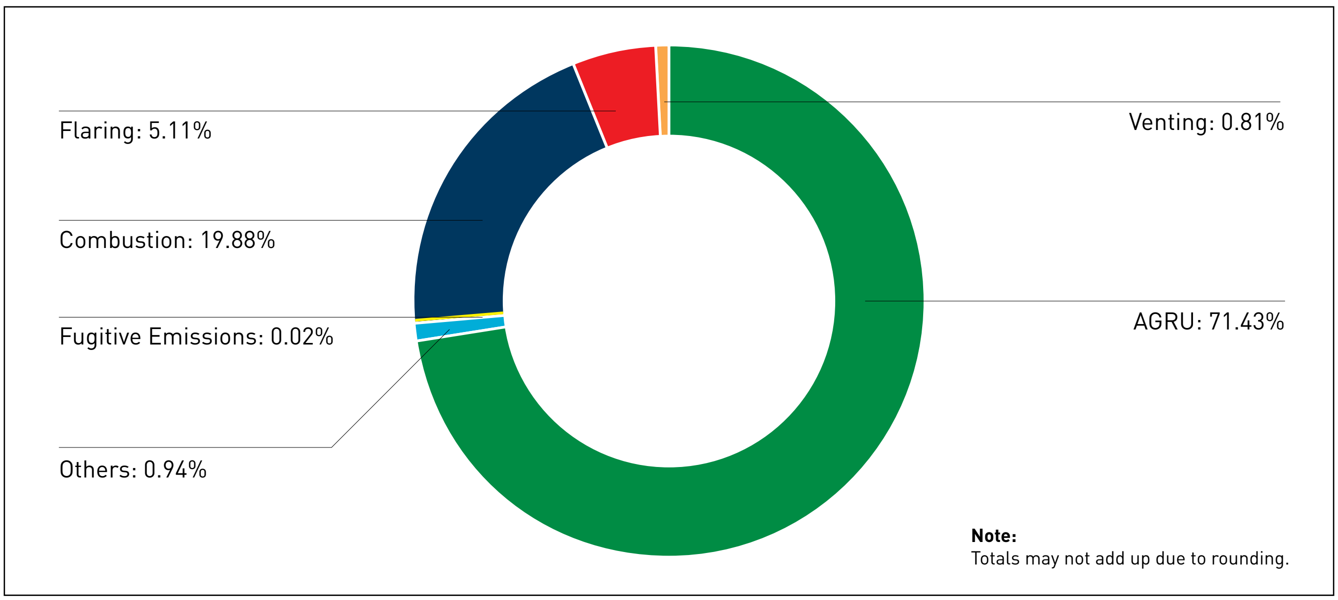


In Anasuria

- An Emissions Reduction Action Plan (ERAP) is also being developed
- Upgraded new engine and installed air filtration system for Anasuria FPSO



Group Net GHG Emissions Performance.



Breakdown of Total GHG Emissions by Source for FY2024.

In FY2024, the Group reduced its net absolute emissions by 20% against its FY2020 baseline, whilst recording a decrease of 7% of its net emissions intensity, largely driven by the efforts made through the various carbon reduction initiatives. Over the period, our average oil and gas production volumes increased by 4% from 31 million barrels of oil equivalent (MMboe) in FY2023 to 32.22 MMboe in FY2024.

SUSTAINABILITY REPORT (CONTINUED)

Carbon Credit Policy

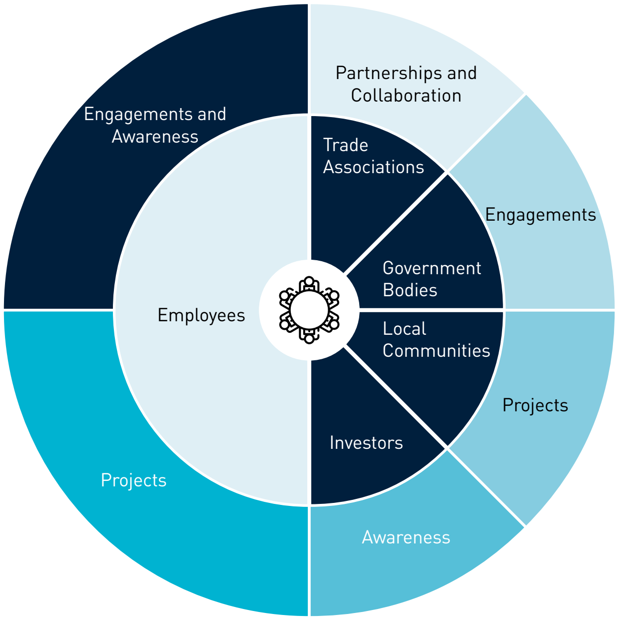
The Group recognises the crucial role of carbon credits in achieving net zero emissions. However, our priority remains on directly reducing emissions wherever possible, using carbon credits to bridge any remaining gaps or meet compliance obligations. These carbon offsets must be high quality, ensuring environmental integrity, additionality, permanence and adherence to reputable standards.

AOCL actively participates in the UK ETS, acquiring carbon credits when emissions at the Anasuria Cluster exceed permitted allowances. The UK ETS, which replaced the EU ETS in 2021, has been integrated into AOCL's annual planning and budgeting since we assumed operatorship in March 2016. Our planning uses the current ETS carbon prices at USD84.5 per tonne.

The Group is committed to transparently reporting on the use of purchased carbon credits for both compliance and voluntary carbon markets in our annual Sustainability Report.

Stakeholder Engagements

Fostering a positive and professional relationship with stakeholders is crucial for Hibiscus Petroleum. Our ongoing engagement with our stakeholders underscores our commitment to environmental stewardship and regulatory adherence.



a) Internal Stakeholder Engagement

To enhance internal stakeholders' understanding and commitment to environmental efforts, we have initiated several key initiatives. One such initiative is the Knowledge Sharing Webinar (KSW) in June 2024 where we shared the importance of decarbonisation and the levers to reduce our carbon footprint in our operations. Additionally, the asset team has launched a comprehensive waste minimisation campaign in the first quarter of 2024, targeting operations at the LCOT and North Sabah facilities.

b) External Stakeholder: Partnerships and Engagements

We actively participate in external engagements and foster partnerships through key industry platforms such as Offshore Technology Conference Asia (OTC Asia), the Malaysian Gas Association (MGA) and the International Gas Union (IGU). These collaborations enable us to share best practices, leverage collective expertise and develop innovative solutions to industry-wide challenges.

Specifically, external stakeholder partnership and engagements include the following:

- General sponsor for the 2024 OTC Asia held in Kuala Lumpur from 27 February to 1 March 2024.
- Active participation in the Decarbonisation Future Energy Subcommittee of OTC Asia. Our leadership in this subcommittee resulted in a new track, *'Energy Evolution Programme'* being established.
- Participation in the MGA.
- Participation as a member of the 2022-2025 IGU's Sustainability Committee.
- Active contributions to the Study Group for Methane Emission Reduction that is targeting 30% reduction in methane reduction within industry as per goals of the 26th United Nations Climate Change Conference commonly referred to as COP26.
- AOCL continues to work with OEUK towards achieving its Roadmap 2035: A Blueprint for Net Zero. In this regard, AOCL in working towards a reduction of methane emissions by 50% before the end of 2030.
- Hibiscus' participation in round table discussions on a Just Transition, organised by PricewaterhouseCoopers (PwC) Malaysia in collaboration with PETRONAS. The final report *'Laying the Foundation for a Just Energy Transition'* was published in November 2023.

PETRONAS' Just Transition Workshop held in July 2023.

- General engagement with government or regulatory bodies.

Visit to DOE Labuan to update progress on environmental matters. Joint Environment Working Group (JEWG) engagement between MPM Environment and all PACs.

c) <u>External Stakeholder Awareness Building</u>

Building awareness among external stakeholders is a critical component of our sustainability strategy. We actively participate in influential industry conferences, including the Asia Pacific (APAC) Energy Capital Assembly in June 2024 and ESG Evolve in November 2023, to share our unique perspective as an independent oil and gas company navigating the complexities of the energy transition. These platforms provide opportunities for open discussions about ESG challenges and exploring solutions for successful adaptation to meet our sustainability commitments.

Energy Council APAC Capital Assembly 2024.

SUSTAINABILITY REPORT (CONTINUED)

6.3 Energy Management

The Group continues to expand the utilisation of renewable energy sources to power our offshore facilities. To-date, several of our platforms have benefited from these alternative energy supplies:

Solar PV	Wind Turbine
• St Joseph: SJJT-A, SJJT-B, SJJT-F and SJV-A • South Furious: SFJT-B and SFV-A • Barton: BTJT-A and BTV-A	• St Joseph: SJJT-F • Barton: BTJT-A

The Group also plans to install more offshore hybrid solar PV and wind turbine systems in several platforms in 2025. The feasibility of using fuel cells as a replacement for existing power systems are being explored for both the Peninsular and Sabah assets as part of the energy management initiative.

Wind Turbine Solar Hybrid Installation at SFJT-F (two units).

Wind Turbine at BTJT-A.

This year, we are disclosing the total energy consumption data for our assets based on location to improve our disclosure on energy consumption with changes to the unit of measurement for standardisation. The energy management disclosure is shown below:

Group Energy Management Performance

Indicator	Unit	FY2022	FY2023	FY2024[5]
Anasuria Cluster	**Million GJ**	**1.34**	**1.49**	**1.39**
Natural Gas	Million GJ	1.29	1.41	1.31
Diesel	Million GJ	0.05	0.09	0.08
PM3 CAA PSC	**Million GJ**	**-**	**-**	**18.99**
Natural Gas	Million GJ	-	-	18.91
Diesel	Million GJ	-	-	0.08
Kinabalu Oil PSC	**Million GJ**	**-**	**-**	**0.69**
Natural Gas	Million GJ	-	-	0.67
Diesel	Million GJ	-	-	0.01
North Sabah PSC	**Million GJ**	**-**	**-**	**2.58**
Natural Gas	Million GJ	-	-	2.54
Diesel	Million GJ	-	-	0.03
Total Energy Consumption[2]	**Million GJ**	**1.34**	**1.49**	**23.65**
Energy Intensity[3,4]	**GJ/kBoE**	**520**	**508**	**734**

Notes:

1 For FY2022 and FY2023, we have not disclosed any energy consumption data for PM3 CAA, Kinabalu and North Sabah assets.

2 Total Energy Consumption consists of natural gas, diesel and electricity consumed from our operations and office buildings based on operational control including the corporate office building energy consumption.

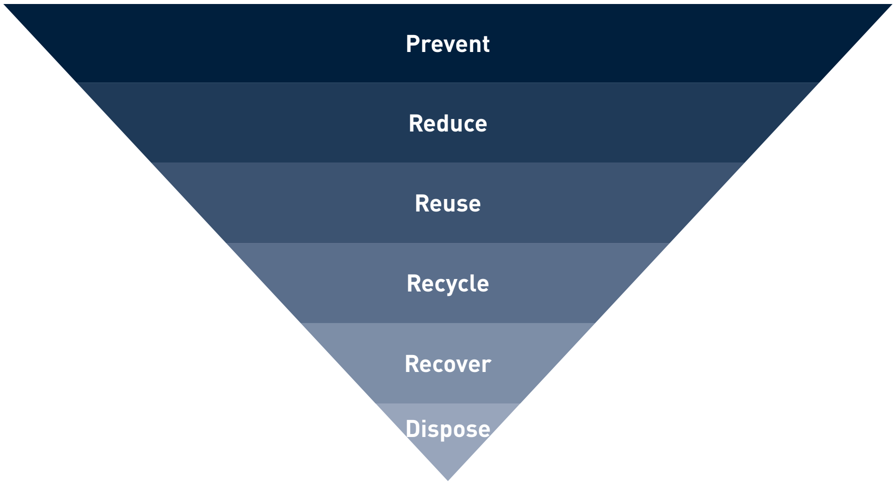
3 Energy Intensity is calculated based on total energy consumption over the amount of total production based on operational control.

4 Energy Intensity for FY2022 and FY2023 is calculated based on Anasuria's FPSO energy consumption only.

5 FY2024 data is provisional for January 2024 to June 2024.

6.4 Waste Management

At Hibiscus, we are committed to minimising our environmental footprint and ensuring responsible waste management practices across all our operations in Malaysia and the UK. Our waste management strategy is guided by the hierarchy below and adheres to the stringent guidelines set forth by the Environmental Quality (Scheduled Wastes) Regulations 2005 in Malaysia, as well as relevant regulations in the UK.



Waste Management Hierarchy.

We have established comprehensive Waste Management Procedures and a well-defined Waste Management Plan through proper segregation, disposal, tracking and having competent persons to manage the waste. A fundamental aspect of our waste management strategy is the segregation of waste streams which includes differentiating between non-hazardous, solid and inert waste from all other categories. Specific chemicals used offshore, for instance, fall under the classification of special (hazardous) waste. Licensed and specialised contractors handle these special waste materials to ensure safe and compliant disposal. We maintain a rigorous monitoring system for any hazardous waste transported ashore, utilising a systematic auditing process.

We are continuously improving our waste management practices. This involves regular monitoring and assessment to identify areas for optimisation. In Malaysia, our competent persons (CePSWAM - Certified Environmental Professional in Scheduled Waste Management) play a crucial role. These DOE-authorised professionals conduct monthly scheduled waste inspections and submit monthly waste inventory data for hazardous waste to the DOE through their online Electronic Scheduled Waste Information System (E-SWIS). Currently, three CePSWAM personnel manage hazardous waste for our Malaysian assets.

We are conducting a Waste Characterisation Study to determine the characteristics and composition of our waste for submission to the DOE. Specifically, Total Threshold Limit Concentration (TTLC) analysis of oily sludge (SW 310) generated by crude oil storage tanks at LCOT will be planned for 2026 as part of our Waste Acceptance Criteria reviews.

Site visit to a DOE-certified waste management company for waste recycling and recovery.

SUSTAINABILITY REPORT (CONTINUED)

Other activities in their area include:

- Comprehensive training and refresher programmes for all personnel, including contractors working at our offshore and onshore facilities.
- Waste minimisation campaign which was launched in the first quarter of 2024 for LCOT and North Sabah operations.
- LCOT food composting programme launched in March 2024 to convert food scraps into nutrient-rich fertilisers.

In 2024, AOCL implemented a new recycling programme on the Anasuria FPSO, enabling 100% recycling of items such as coveralls, towels and sheets. This initiative has significantly reduced the waste AOCL sends to landfills and is supported contractually by a third party.

We have updated our waste performance data to include the total waste generated which encompasses hazardous and non-hazardous waste.

Group Waste Management Performance

Indicator[1]	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Hazardous waste	**tonnes**	**39.17**	**205.58**	**191.56**	**865.70**	**660.95**
Non-recycled waste	tonnes	12.19	4.51	153.27	831.61	275.45
Recycled waste	tonnes	14.03	10.95	9.19	34.09	385.50
Non-Hazardous waste	**tonnes**	**93.57**	**96.95**	**74.84**	**1,294.09**	**72,376.62**
Non-recycled waste	tonnes	35.30	29.50	21.51	1,204.15	644.33
Recycled waste	tonnes	58.27	67.45	53.33	89.94	71,732.29[2]
Total Waste	**tonnes**	**132.74**	**302.53**	**266.40**	**2,159.79**	**73,037.57**
Environmental fines and penalties	RM	0	0	0.	0	0

Notes:

1. Data shown for FY2020, FY2021, FY2022, FY2023 and FY2024 are as of 30 June 2020, 30 June 2021, 30 June 2022, 30 June 2023 and 30 June 2024, respectively.
2. FY2024 has an increase in recycled waste due to recycled scrap metals.

Group Oil Spill Performance

Indicator	Unit	FY2020	FY2021	FY2022	FY2023[1]	FY2024
North Sabah PSC	kg	0	0	0	0	0
PM3 CAA PSC	kg	n/a	n/a	0	0	0
Kinabalu Oil PSC	kg	n/a	n/a	0	0	5[2]
Anasuria Cluster	kg	0	26.81	41.50	21.38	0
Total	**kg**	**0**	**26.81**	**41.50**	**21.38**	**5**

Notes:

1 FY2023 figures have been updated to reflect the actual data on financial year basis.

2 There was a slight oil spill recorded at the Kinabalu Oil PSC due to a spill at ASB which was caused by a faulty crane's hydraulic oil hose. The issue has been resolved and reported to the Labuan DOE. For clarity, this did not occur offshore.

6.5 Water Management

Water management is part and parcel of our sustainability strategy.

Our approach to water management is governed by a comprehensive framework that includes regulatory compliance, continuous monitoring and proactive mitigation measures. We adhere to all relevant environmental regulations, including the Environmental Quality (Scheduled Wastes) Regulations 2005 in Malaysia and comparable standards in the UK, ensuring that all discharges, including produced water, slops and bilge water, meet quality standards.

Produced water, which poses the highest environmental risk among operational discharges, receives particular attention in our management efforts. At our offshore facilities and LCOT facility, produced water is treated at our Effluent Treatment Plant (ETP) before being discharged into the open sea. We comply with the DOE and the MPM's directive which mandates a maximum limit of 100 mg/l for oil and grease in effluent discharge. This compliance is monitored daily with measurements taken every eight hours, and data is submitted monthly to the DOE, consistently showing results within specified limits.

Our commitment to effective water management is supported by our team of two certified professionals (CePIETSO - Certified Environmental Professional in the Operation of Industrial Effluent Treatment Systems) who oversee the effluent treatment process and ensure adherence to all regulatory requirements. We also monitor a range of additional parameters to ensure the quality of our effluent discharge, including temperature, pH, biological oxygen demand, chemical oxygen demand and various other indicators.

The monitoring of seawater quality in the North Sabah PSC is conducted annually, covering four locations within a 1 kilometre (km) radius distance from the nearest St Joseph and South Furious facilities and two control stations. The parameters involved include dissolved oxygen (DO), total suspended solids (TSS), phosphate, nitrate, ammonia, mercury, cadmium, chromium (VI), copper, cyanide, lead, zinc, arsenic (III), aluminium, tributyltin (TBT), polycyclic aromatic hydrocarbon (PAH), total phenol, oil and grease, faecal coliform count, temperature, pH and marine litter.

In September 2023, we carried out our seawater sampling and monitoring at the South Furious and St Joseph fields. The results for seawater sampling reported that concentrations for the parameters of interest are well below the prescribed Class 3 limit stipulated in the Malaysia Marine Water Quality Criteria and Standard.

In the North Sabah facilities, we have a rainwater collection programme that is done all year-round while at Peninsula Hibiscus facilities, various strategies have been explored to reduce water consumption and promote water recycling across our facilities. Notably, at the Kinabalu Complex, which comprises of KNDP-A and KNDW-D wellhead platforms, we have implemented a system to reuse and recycle water condensation from the air conditioning units. This complex does not have a seawater desalination unit and relies on freshwater supplies transported from the shore via support vessels. Through this initiative, the Kinabalu Complex has established a sustainable source of freshwater for general washing and sanitation purposes, thereby reducing its dependency on shore-supplied freshwater. Cognisant of our water resources, we are also exploring ways to utilise the produced water from our operations as a source of water supply after treatment which will help preserve water resources for the future.

On the Anasuria field in the UK, pressure maintenance of the producing reservoirs is achieved by drawing water from the sea, then filtering and then injecting it into the producing horizons. The water injected into the reservoirs combines with groundwater and is produced with the oil. The produced water then undergoes cleansing and filtering in the processing facilities located on the Anasuria FPSO, prior to its discharge into the sea.

SUSTAINABILITY REPORT (CONTINUED)

Residual oil in water concentrations is monitored and reported to the regulators in accordance with the Offshore Petroleum Activities (Oil Pollution Prevention and Control) Regulations 2005. Any exceedance of the legal monthly average limit of 30 mg/l of oil must be reported to OPRED. We collect samples of produced water every six months. These samples are then subjected to analysis for inorganic and organic constituents, radiology and chemical residues. The findings are subsequently reported to the appropriate regulatory authorities.

These are some of our initiatives which underscore our commitment to sustainable water management.

From a reporting perspective, the Group has enhanced its disclosure of water usage for the current financial year with an update to the unit of measurement following the standards from Bursa Securities' Sustainability Reporting Guide. The following summary presents the Group's water management indicators on a consolidated basis:

Group Water Management Performance - Water Produced

Indicator	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Produced water[1]	Megalitres	5,738	5,501	7,297	10,539	10,647
Environmental fines and penalties	RM	0	0	0	0	0

Note:
1 Produced water is water generated from our production and it is discharged back into the sea after treatment.

Group Water Management Performance - Water Usage and Discharge

Indicator	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Freshwater purchased from 3rd party[1,6]	Megalitres	0	0	0.33	1.36	43.92
Non-freshwater withdrawal[2]	Megalitres	0	0	25.17	39.67	31.55
Re-used water[3]	Megalitres	0	0	0.16	0.73	0.73
Total water used[4,7]	**Megalitres**	**0**	**0**	**25.65**	**41.76**	**76.19**
Total water (effluent) discharge[5]	**Megalitres**	**5,738**	**5,501**	**7,322**	**10,581**	**10,723**

Notes:
1 Freshwater purchased is potable water used for consumption.
2 Withdrawal of seawater for desalination - used for sanitation and general washing.
3 Re-used water is water (condensate) from air conditioners.
4 Total water use includes freshwater purchased, non-fresh water withdrawn and re-used water.
5 Total water discharge includes water used and produced water discharge.
6 There was an increase in freshwater purchased from a 3rd party due to freshwater bunkering at supply bases by vessels for wells, drilling and production.
7 Total water used that includes freshwater purchased from 3rd party, non-freshwater withdrawal and re-used water does not include North Sabah PSC and Anasuria Cluster.

6.6 LCOT

Hibiscus Petroleum, as one of the few operators of crude oil terminals in Malaysia, LCOT plays a crucial role in facilitating the efficient handling and distribution of crude oil in the region. This terminal holds significant importance in supporting local and regional energy needs, fostering economic growth and ensuring strategic energy security. We strive to ensure that the operation of the terminal meets the regulations and standards set by the DOE while striving to meet our sustainable standards through innovation within.

In addressing environmental impacts, we have adhered to the Guided Self-Regulation (GSR) requirements, a programme initiated by the Malaysian DOE to help organisations achieve environmental excellence through a comprehensive set of environmental mainstreaming (EM) tools. In line with GSR requirements, we have established the Environment Regulatory Compliance Monitoring Committee (ERCMC) which meets annually to discuss environmental updates and issues, budget needs, continuous improvement measures and compliance matters currently implemented at LCOT.

Focus area	Description
Sludge Farm	• **Exclusive Licence**: Only oil and gas company in Malaysia licenced to operate a sludge farm for hazardous waste management. • **Regulatory Conditions**: The licence includes 55 stringent conditions. • **Sources of Sludge**: Sludge waste comes from various crude oil production facilities, including the emulsion and wax treatment plan (EWTP), crude storage tanks, ETP, free water knock-out (FWKO) vessels and maintenance activities like pigging operations. • **Treatment Process**: Sludge is treated using bacteria and nutrients through tilting, ploughing and water spraying. • **Duration**: The treatment process takes five to eight years. • **Disposal**: Treated sludge is disposed of in a designated landfill within LCOT, with necessary approvals from the DOE and AELB. • **Regulation and Monitoring**: Operations are regulated by the DOE under the Environmental Quality Regulations 2006, and TENORM monitoring is conducted to manage radioactive material levels in the sludge. • **Initiatives**: Exploring ways to reuse treated soil from the oil sludge for other purposes.
Air Quality	• Conduct annual dark smoke observations on all fuel-burning equipment at LCOT to reduce air pollution, following Environmental Quality (Clean Air) Regulations 2014. • Monitor dust particulate levels from three furnaces and two generator sets at LCOT to meet regulatory standards. • Perform annual fuel burning equipment (FBE) Efficiency Assessment, achieving efficiency rates between 93.78% to 99.22% upon monitoring completion in October 2023. • Ambient air monitoring compliance was conducted at LCOT in December 2023; all parameters complied with the Malaysia Ambient Air Quality Standard, 2020. • Submit Emission Declaration for LCOT to DOE annually for transparency and regulatory compliance.
Boundary Noise	• Conduct annual monitoring of noise levels around the area. • Compliance to applicable requirements by the regulators. • Within limits in Schedule 2 of the Recommended Permissible Sound Level (L_{aeq}) by Receiving Land Use of Existing Build up Areas (Industrial Zones) prescribed under the Guidelines of Environmental Noise Limits and Control by DOE.

6.7 Biodiversity

We recognise the vital importance of biodiversity in maintaining ecological balance and the critical role of preserving biological diversity and protecting ecosystems. We continually assess the impact of our activities on the local environment, striving to eliminate or minimise any negative effects on biodiversity. Below are some of our efforts in protecting the biodiversity within our operational areas within LCOT which has been identified as one of three high-risk sites due to the Labuan Marine Park and Pulau Kuraman located approximately 2 km away.

Macrobenthos Study
- Completed the study at LCOT in November 2023
- Study shows remarkable richness and diversity of species
- Good quality reflecting the positive impact of ongoing conservation efforts

Repurposing of Tanjong Baram Topside Platform
- Completed the refurbishment of the topside platform for own operations in June 2024
- Assess the direct and indirect impacts of LCOT operations on marine biodiversity

Seagrass Planting Study
- Collaboration with University Malaysia Sabah (UMS)
- Conduct study on feasibility of seagrass planting along the LCOT shore
- Enhance the benthic ecosystem and biodiversity of the area

In-Situ Rig-to-Reef
- Obtained regulatory endorsements
- Continuing to work on the initiative with the DOF and PETRONAS to study feasibility
- A portion of the substructure measuring 8 metre (m) x 21 m x 17 m will be reefed in Tenggol Island, Terengganu
- Promote biodiversity and cost-effective decommissioning

SUSTAINABILITY REPORT (CONTINUED)

To enhance the Biodiversity and Ecosystem Services (BES) management for Upstream Malaysia, we have completed a BES Risk Assessment (BESRA) and developed a Biodiversity Action Plan (BAP) at the LCOT in July 2024. The BESRA and BAP focus on:

Assess
The direct and indirect impacts of LCOT operations on marine biodiversity.

Implement
Measures to control and mitigate negative impacts, involving local communities, government agencies and other stakeholders.

Establish
Robust framework for continuous monitoring and regular reporting on biodiversity health and ecosystem services.

By identifying potential impacts and implementing proactive measures, we aim to protect and enhance the biodiversity and ecosystem services of the Labuan Marine Park and Pulau Kuraman. The completion of the desktop study and stakeholder engagement marks significant progress in this initiative, with the final report anticipated by fourth quarter 2024. Through these efforts, Hibiscus Petroleum reaffirms its dedication to preserving the natural environment and contributing to the conservation of Malaysia's rich marine biodiversity.

6.8 Environmental Studies and Audit

The Group prioritises environmental responsibility and strict adherence to regulations. As mandated by Section 33A of the Malaysian Environmental Quality Act (EQA) 1974 (Amendment 1996), we undergo annual Environmental Audits conducted by independent DOE-registered auditors. These audits play a vital role in our continuous improvement journey, encompassing:

- **Productivity Enhancement**: Optimising operational efficiency while minimising environmental impact.
- **Cost Reduction**: Identifying opportunities to streamline operations while achieving environmental compliance.
- **Environmental Protection**: Upholding the highest environmental standards and proactively mitigating potential risks.

Our most recent Environmental Audit, conducted on 25 October 2023, yielded exceptional results:

- **Zero Non-Compliances (NCs)**: This demonstrates our commitment to exceeding regulatory requirements.
- **Seven Good Practices Identified**: The audit highlighted areas where our environmental management practices excel.
- **Zero Observations**: No areas requiring improvement were identified.

Hibiscus Petroleum's commitment to environmental responsibility extends beyond regulatory compliance. We actively invest in environmental studies such as:

- **SF30 Waterflood Project Phase 2**: This project aims to optimise our production processes while minimising environmental impact.
- **DOE-approved MRA (24 August 2023)**: This assessment identifies and mitigates potential risks to marine ecosystems associated with our operations. Part of the MRA includes the Environmental Baseline Study (EBS) and a coral survey, and the Environmental Risk Project Assessment and Mitigation Plan (ERAMP) that has been completed.
- **Environmental Management Plan (EMP) (approved 31 January 2024)**: This comprehensive plan outlines strategies for minimising environmental impact and promoting long-term sustainability.

By prioritising environmental audits, conducting detailed studies and implementing robust management plans, Hibiscus Petroleum demonstrates a commitment to responsible operations and a sustainable future.


Environmental Audit at LCOT in October 2023.


Feasibility study on seagrass planting at LCOT shore.


Visit to DOE Labuan to update progress on environmental matters.

SUSTAINABILITY REPORT (CONTINUED)

7.0 OUR PEOPLE

Our people are the cornerstone of our organisation, shaping who we are and what we aspire to achieve. With operations spanning multiple geographies and an ambitious growth strategy, we understand the importance of our employees in driving sustainable practices across all levels of our business.

Our vision to become a Respected, Valuable and Responsible Energy Company is rooted in our five core values, collectively represented by the acronym TEPAT: Tenacious, Environmentally Responsible, People Focused, Agile and Trustworthy. These values guide our teamwork and define how we fulfil our commitments to stakeholders.

Our success is fundamentally driven by our ability to attract, develop, motivate and retain highly competent employees. This success is supported by key initiatives including:

- Fostering a diverse and inclusive work environment where we aim to treat every employee with fairness and respect;
- Offering competitive remuneration packages that are aligned with the Group's overall performance and balanced with individual contributions; and
- Cultivating talent development to optimise employee capabilities and professional growth.

7.1 Workforce Diversity and Inclusivity

We are dedicated to embracing diversity across all areas of our business, from talent acquisition and development to competency enhancement, career progression, Board appointments, staff retention and motivation. We aim via our *Diversity Policy* to ensure that our employees are treated with respect and equality, regardless of age, gender, ethnicity, nationality, disability, cultural background, religious beliefs, or socio-economic status.

We are proud to be a diverse organisation, comprising individuals from various nationalities, genders, age groups, educational backgrounds and levels of experience. Our workforce of 942 employees, including both permanent and fixed-term employees and secondees reflects our commitment to inclusivity. Our team is internationally diverse, with employees representing five nationalities: Malaysians, British, American, Indian and Dutch. The average age of our employees is between 30 to 49 years, showcasing a balanced blend of age groups and a rich diversity of technical expertise. We place a strong emphasis on valuing and leveraging the technical competence and experience of our employees as key assets.

Gender Diversity

Employee Category		FY2022			FY2023			FY2024		
		Total Employee No.	Male %	Female %	Total Employee No.	Male %	Female %	Total Employee No.	Male %	Female %
Level	Senior Management	12	67%	33%	14	57%	43%	12	58%	42%
	Middle Management	109	73%	27%	223	80%	20%	227	81%	19%
	Executive	497	67%	33%	461	62%	38%	474	64%	36%
	Non-Executive	166	87%	13%	126	91%	9%	229	96%	4%
Grand Total		**784**	**72%**	**28%**	**824**	**71%**	**29%**	**942**	**76%**	**24%**
Function	Technical	467	87%	13%	473	87%	13%	572	90%	10%
	Non-Technical	317	50%	50%	351	50%	50%	370	54%	46%
Grand Total		**784**	**72%**	**28%**	**824**	**71%**	**29%**	**942**	**76%**	**24%**

Employee Type

Employee Type	FY2022 No. of Employee	FY2022 %	FY2023 No. of Employee	FY2023 %	FY2024 No. of Employee	FY2024 %
Permanent	714	91%	749	91%	743	79%
Contract	70	9%	75	9%	199	21%
Grand Total	**784**	**100%**	**824**	**100%**	**942**	**100%**

Age Diversity

Employee Category		FY2022						FY2023							FY2024					
		Total No.	>60 %	50-59 %	40-49 %	30-39 %	20-29 %	Total No.	>60 %	50-59 %	40-49 %	30-39 %	20-29 %	<19 %	Total No.	>60 %	50-59 %	40-49 %	30-39 %	20-29 %
Level	Senior Management	12	33%	25%	25%	17%	0%	14	21%	29%	50%	0%	0%	0%	12	17%	33%	50%	0%	0%
	Middle Management	109	5%	25%	47%	23%	0%	223	8%	34%	44%	14%	0%	0%	227	11%	33%	45%	11%	0%
	Executive	497	2%	18%	31%	39%	10%	461	2%	12%	29%	47%	10%	0%	474	2%	11%	36%	42%	9%
	Non-Executive	166	2%	13%	31%	44%	10%	126	1%	12%	24%	47%	15%	1%	229	1%	12%	31%	42%	14%
Grand Total		**784**	**3%**	**18%**	**33%**	**38%**	**8%**	**824**	**4%**	**18%**	**33%**	**37%**	**8%**	**0%**	**942**	**4%**	**17%**	**37%**	**34%**	**8%**
Function	Technical	467	4%	19%	32%	39%	6%	473	4%	19%	34%	38%	5%	0%	572	5%	17%	39%	32%	7%
	Non-Technical	217	3%	17%	33%	36%	11%	351	2%	18%	32%	36%	12%	0%	370	3%	17%	35%	36%	9%
Grand Total		**784**	**3%**	**18%**	**33%**	**38%**	**8%**	**824**	**4%**	**18%**	**33%**	**37%**	**8%**	0%	**942**	**4%**	**17%**	**37%**	**34%**	**8%**

Note:
The 2022 and 2023 data have been reinstated and corrected due to a system reporting error.

We are committed to advancing workforce diversity through proactive measures, implementing policies that ensure equal opportunity, meritocracy and promoting fair treatment and opportunity for all employees. Our initiatives include:

- **Ongoing Commitment to Our *Diversity Policy***: We remain steadfast in adhering to our *Diversity Policy*, which underscores our dedication to fostering an inclusive work environment.
- **Adherence to Our Group *Recruitment Policy***: We continue to prioritise merit-based recruitment, ensuring that all individuals, regardless of age, gender, ethnicity, disability, cultural background or other personal factors, with relevant experience and qualifications, are considered equally when recruiting new staff or directors.
- **Merit-Based Performance Appraisals and Incentives**: Our performance appraisal and incentive framework is rooted in meritocracy. Decisions related to career advancement, including promotions, transfers, assignments and training opportunities, are based on our Group's needs and are determined solely on merit.

To bolster our recruitment efforts, we actively source talent through internal vacancy advertisements, our company's careers page and the Employee Referral Programme (ERP).

7.2 Performance and Rewards

Our corporate core values serve as the foundation for all aspects of our business. These values unite our staff and together with our Performance Management System, align business objectives and targets, guiding how we pursue our goals. Our Performance Management System is designed to recognise not only individual work performance but also teamwork and collaboration towards common objectives.

Employees undergo two comprehensive appraisals each year, which include discussions on performance, progress towards predetermined targets, future career development and training needs. Throughout the year, every employee participates in performance reviews, with ratings assigned by their superiors. For the Leadership Team, performance reviews are conducted by our MD, Nominating and Remuneration Committees, with final approval from our Board.

We are dedicated to exceeding regulatory minimum wage requirements and strive to offer competitive remuneration. To ensure this, we conduct industry remuneration benchmarking exercises annually. Incentives are strategically utilised to reward and motivate employees, with clear linkages between performance and rewards. Performance bonuses are awarded annually based on the achievement of corporate and individual performance targets.

SUSTAINABILITY REPORT (CONTINUED)

7.3 Talent Development

Talent development is a core priority for our organisation, essential for achieving our Group's business objectives and supporting our employees' career aspirations. Our talent development programmes include on-the-job training, job rotation, mentoring, short-term assignments, cross-asset transfers and company-wide strategic workshops. These initiatives are designed to address the developmental needs of our employees, offering exposure to various fields while building essential competencies for specific job roles. Additionally, participation in relevant training programmes, conferences and seminars further enhances our employees' skill sets.

In 2024, we introduced the Hibiscus Talent Management (HTM) blueprint, a pivotal component of our Human Capital strategy, which significantly influences our approach to talent development. We are committed to advancing comprehensive competency development by identifying key talents within the Group and offering targeted development opportunities via participation in high-impact programmes with renowned educational institutions such as the University of Cambridge, INSEAD, Yale, the Asian Business School and Oxford Management Center, to ensure our talent pool benefits from cutting-edge training and development.

Additionally, mentoring by the Leadership Team and robust engagement sessions with the MD provides valuable insights to these key talents.


Participants at a training provided by Oxford Management Center.

The training provided to our employees during FY2024 is detailed in the following table:

Employee Training Hours		FY2022 No. of Hours	FY2023 No. of Hours	FY2024 No. of Hours
Total training hours		17,632	40,910	38,052
Employee Category		**FY2022 No. of Hours**	**FY2023 No. of Hours**	**FY2024 No. of Hours**
Level	Senior Management	202	295	440
	Middle Management	3,266	7,136	8,834
	Executive	9,072	21,787	19,870
	Non-Executive	5,092	11,692	8,908
Grand Total		**17,632**	**40,910**	**38,052**
Function	Technical	12,280	30,068	29,094
	Non-Technical	5.352	10,842	8,958
Grand Total		**17,632**	**40,910**	**38,052**

Note:
The 2022 and 2023 training hours have been reinstated and corrected due to Repsol transition timing and different way fo record keeping.

7.4 Employee Management and Engagement

Our approach to employee management is firmly anchored in our *Diversity Policy*, *Employee Handbook* and *Code of Conduct and Ethics*. These key documents have been thoughtfully developed in line with industry standards, input from our Senior Management and the Board. The policies are readily accessible to all employees and are provided to new hires during orientation, with updates promptly communicated via email notifications.

Our Board is committed to fostering an organisational culture built on high integrity and zero tolerance for corruption. In line with this commitment, the Group updated its *ACAB Policy* in 2020. As of 31 August 2024, 99.15% employees have successfully completed quizzes designed to assess their awareness and understanding of the *ACAB Policy*.

2022 ACAB Completion Rate

	Senior Management	Middle Management	Executive	Non-Executive
Technical	100%	98.50%	99.30%	100%
Non-Technical	100%	100%	99.00%	100%

2023 ACAB Completion Rate

	Senior Management	Middle Management	Executive	Non-Executive
Technical	100%	98.80%	99.60%	100%
Non-Technical	100%	98.40%	99.00%	100%

Note:
The 2022 and 2023 ACAB completion rates have been reinstated and corrected due to a system reporting error.

2024 ACAB Completion Rate

	Senior Management	Middle Management	Executive	Non-Executive
Technical	100%	99.36%	99.14%	98.35%
Non-Technical	100%	97.20%s	99.00%	100%

Pursuant to such efforts, there have been no confirmed incidences of corruption in FY2022, FY2023 and FY2024.

Our Leadership Team actively engages with employees across all levels of our Group through a variety of channels, including townhall sessions, weekly and monthly meetings, management offsite visits and festive celebrations. We place great importance on celebrating significant milestones and achievements together as a team.

In addition to these interactions, we value employee feedback and address concerns through semi-annual performance appraisals and a formal, confidential and non-discriminatory grievance process outlined in our *Employee Handbook*.

The attrition rate of our full-time employees during FY2024 was 11.12%, with 3.2% of this total attributed to retirements.

SUSTAINABILITY REPORT (CONTINUED)

Employee Turnover

		FY2022	FY2023	FY2024
Turnover number		36	77	95
Attrition rate		4.70%	9.58%	11.12%
Employee Category		**No. of Employee**	**No. of Employee**	**No. of Employee**
Level	Senior Management	0	2	2
	Middle Management	1	7	22
	Executive	33	63	65
	Non-Executive	2	5	6
Grand Total		**36**	**77**	**95**
Function	Technical	16	37	44
	Non-Technical	20	40	51
Grand Total		**36**	**77**	**95**

Notes:

1 The 2022 and 2023 attrition rates have been reinstated and corrected due to a system reporting error.

2 FY2024 retirement: Eight employees.

Our KSWs are designed to provide a platform for knowledge exchange, networking and professional development in a semi-formal setting. The topics covered range from technical areas, such as decommissioning phases, financial fundamentals and digitilisation, to diversity. These sessions offer a valuable opportunity for experts across our various assets to share their experiences, learn from each other and facilitate personal growth.

Recordings of these sessions are made available on our Hi-Tech corporate learning repository, allowing employees to access them at their convenience.

7.5 Training and Other Human Capital Initiatives

We prioritise the hiring of suitably qualified local talent in the areas where we operate, further enhancing this initiative by investing in their training and development through on-the-job training and external courses.

In FY2024, we also provided on-the-job guidance and exposure to 24 interns from various fields, including petroleum engineering, chemical engineering, electrical and electronic engineering, computer science, economics and finance. These interns were integrated into our Asset/Project Teams or placed at our Corporate Headquarters, where they gained valuable hands-on experience. In addition to the experience, the interns received allowances during their time with the Group.

Intern Placement	Degree Major
Corporate Headquarters	Diploma in Human Resource Management, MAHSA University
SEA Hibiscus	Diploma in Law Enforcement Management, Goon International College
	Bachelor of Business Administration (Islamic Banking), Universiti Teknologi MARA (UiTM)
	Diploma in Engineering Technology (Sustainable Energy & Power Distribution), German-Malaysian Institute
	Diploma in Mechanical Engineering, Politeknik Mukah Sarawak
	Bachelor of Engineering Technology (Offshore), Universiti Kuala Lumpur (UniKL) Malaysian Institute of Marine Engineering Technology
	Diploma in Islamic Finance, Sultan Azlan Shah University

Intern Placement	Degree Major
HML	Bachelor of Computer Science (Software Engineering), Universiti Tenaga Nasional
	Bachelor of Accounting, Universiti Malaya (UM)
	Bachelor of Petroleum Engineering, Universiti Teknologi Malaysia (UTM) (two interns)
	Bachelor of Chemical Engineering, University College London
	Bachelor of Electrical & Electronics Engineering, Universiti Kebangsaan Malaysia (UKM)
	Bachelor of Applied Science Maritime Technology, Universiti Malaysia Terengganu (UMT)
	Bachelor of Economics, UM
	Bachelor of Computer Science in Data Science, Monash University Malaysia
	Bachelor of Science (Honours) Information Technology (Computer Networking and Security), Sunway University
	Bachelor of Science (Nautical Science and Maritime Transportation), UMT
	Bachelor of Business Administration (Honours) Finance, UiTM
	Bachelor of Chemical Engineering Technology (Industrial Chemical Process), Universiti Malaysia Perlis
	Master of Engineering (Honours) Mechanical Engineering, University of Nottingham
	Bachelor of Mechanical Engineering Technology (Petroleum), Universiti Malaysia Pahang Al-Sultan Abdullah
Hibiscus Technical Services	Bachelor of Chemical Engineering (Honours), Monash University Malaysia
	Bachelor of Science, Computer Science, Minor in Applied Analytics, University of Southern California

In Malaysia, we also support and comply with PETRONAS' requirement for affirmative action with respect to the award of supply and service contracts to companies from the Malaysian states that produce oil and gas (Terengganu, Sabah and Sarawak). As we conduct operations in Sabah, where viable, we unbundle scopes of integrated contracts and carve out minor works for tender and award these to indigenous contractors from within the state. This practice directly generates job opportunities within local communities in Sabah, where we operate.

8.0 OUR COMMUNITY

We are dedicated to operating in a manner that respects the rights of those impacted by our activities, particularly our local communities. Our presence in these areas gives us the opportunity to understand and positively influence the communities that support us.

We also recognise the importance of cultivating positive relationships with our communities and providing lasting socio-economic benefits. By implementing inclusive initiatives, we not only build trust with local communities, but also establish strong partnerships with regulatory bodies and stakeholders. Through collaborations with organisations that share our core values, we strive to generate a lasting positive impact within our areas of operation.

8.1 Community Investment and Engagement

The Group has a set of comprehensive CSR selection criteria and review processes to evaluate and approve all CSR initiatives on a Group-wide basis. CSR proposals are assessed by the CSR Review Panel on the BSMC, utilising a set of criteria that covers, amongst others, relevance to business operations, social and environmental reach, cost effectiveness, risks and programme sustainability. This is performed under the direction of the Group's MD, who is the Committee's Chair. Separate specific working committees are formed to undertake additional research and groundwork (e.g. site recces) for shortlisted projects. Initiatives which meet the required pre-determined conditions are then forwarded to the relevant Company authorised leader in accordance with Hibiscus Petroleum's Limits of Authority. Throughout this process, the Board is apprised of the activities conducted/recommended by the BSMC on a continuing basis for its input.

SUSTAINABILITY REPORT (CONTINUED)

We are pleased to advise that our CSR initiatives are aligned with and support the United Nations (UN)' Sustainable Development Goals (UN SDGs), particularly Goals 2, 3, 4, 7, 8, 10, 11, 12 and 15, with Goal 17 - Partnerships for the Goals underpinning all the initiatives. This alignment ensures that our CSR efforts contribute to global sustainability targets while addressing local community needs effectively. We continually strive to create lasting positive impacts through strategic partnerships and targeted programmes that foster long-term development and well-being.

A summary of our contributions and the number of beneficiaries who have been the recipients of our CSR efforts for FY2024 are shown in the Group CSR Spending and Reach below:

Group CSR Spending and Reach

	FY2022	FY2023	FY2024
Total Spend (RM)	1,346,610	1,162,148	1,410,741
Beneficiaries	66,769	98,093	46,556

Notes:

1 The amounts disclosed in FY2022 and FY2023 have been revised for completeness and consistency, in terms of data capture and recognition methodology. Costs are attributed in the year incurred with beneficiaries included upon their receipt of contributions/assistance.

2 Costs have been incurred in FY2024 for a number of specific projects which are expected to complete in 2025. As such, the intended beneficiaries of such projects would only be included in FY2025.

<u>Education</u>

- Hibiscus Scholarship

  In FY2024, we continued to sponsor 29 scholars pursuing their tertiary education at five local universities namely UM, Universiti Sains Malaysia (USM), UTM, UMT and UMS in the areas of engineering, environment, finance and information technology (IT) the total contribution amounting to RM260,000. In 2024, 20 of these scholars shall be graduating from UMT (Marine Biology), from UTM (Chemical and Energy Engineering) and from UM (Geology). Out of the graduates, one scholar from UMT (Marine Biology) interned with the Group. The remaining nine scholars will graduate in FY2025.

  The Hibiscus Scholarship programme aligns with UN SDG 4 (Quality Education) and makes meaningful contribution to UN SDG 8 (Decent Work and Economic Growth) and UN SDG17 (Partnership for the Goals).

Hibiscus scholars celebrate the receiving of their scholarship with family members.

- Hibiscus Safety Education Campaign in Schools

  A safe and conducive environment is imperative for learning to thrive at schools. Recognising this, the Hibiscus Safety Campaign was organised in August and September 2023. The campaign aimed to increase safety awareness in schools by nurturing early mindfulness of personal safety from a young age. Through the dissemination of focused safety messages, the campaign addressed personal safety issues and potential threats that students might face at home, at school and in other public locations. By educating young minds on these crucial topics, we hope to instil lifelong habits of safety and vigilance.

The half-day '*Let's Be Safe*' Safety awareness campaign, conducted on a hybrid basis via on-ground interaction at the schools and online, was attended by:

- 400 school children from six primary schools with 861 online viewers in Tok Bali, Kota Bharu; and
- 500 school children from 17 primary schools in Labuan.

The students were then encouraged to share the knowledge gained from the campaign with their peers, friends and family members.

The Hibiscus Safety Campaign incurred costs of RM113,611 and contributes to UN SDG 4 (Quality Education) and UN SDG 17 (Partnerships for the Goals).

Students visiting the exhibition area.

BOMBA personnel conducting the demonstration for students.

Group photo of all participants with collaborators and Hibiscus' representatives.

<u>Capacity Building</u>

We are committed to capacity building programmes aimed at promoting sustainable socio-economic development. These programmes are carefully planned and involved active engagement with local communities and collaboration with local agencies or non-governmental organisations (NGOs).

Through these initiatives, skills training and a cultivation of entrepreneurial capacity are provided to women in rural communities, fishermen and marginalised groups. Our programmes are aimed at improving the socio-economic standing of these beneficiaries.

- Tok Bali Fish Cracker Production Programme

  Tok Bali, a vibrant coastal town in Kelantan, Malaysia, is renowned for its rich fishing heritage and bustling markets. To uplift the community, we conducted a capacity building programme to empower local entrepreneurs and boost their livelihoods. In collaboration with Pusat Kajian Pemikiran dan Peradaban Ummah (PEMIKIR) and Universiti Malaysia Kelantan (UMK), the programme aimed to harness the community's skills in their local fish cracker manufacturing industry, enhance their production methods and support the creation of new revenue streams. 22 local fish cracker manufacturers were selected from the community to participate in the project.

  The programme was launched by Dr Pascal Hos, the Group's Country Head, Malaysia and Vietnam on 13 September 2023 at the Semerak Community Centre, Tok Bali.

  Our programme equipped the participants with comprehensive training on business management, financial planning and food handling to help establish and scale their businesses. Training on digital marketing was also provided to facilitate access to broader markets through online sales channels. Moreover, we facilitated the participants' relationship building with relevant government agencies to secure funding support and market access. A robust monitoring and evaluation system for their production and sales was set-up in support of the project's success.

  Several participants and their families have begun to benefit from the programme. For example, through the capacity building project, a participant significantly increased her income tenfold from RM2,000 to almost RM20,000.

  The Tok Bali Fish Cracker Production Programme incurred costs of RM53,000 and contributes to UN SDG 4 (Quality Education), UN SDG 8 (Decent Work and Economic Growth) and UN SDG 17 (Partnerships for the Goals).

SUSTAINABILITY REPORT (CONTINUED)

Dr Pascal Hos, the Group's Country Head, Malaysia and Vietnam receiving a letter of appreciation from UMK to signify the collaboration and launch of the Tok Bali Fish Cracker Production Programme.

Launch of the Tok Bali Fish Cracker Production Programme.

Group photo of participants attending their programme modules.

- Handicraft Revival Programme in Kuala Terengganu

  The Handicraft Revival Programme was first launched in 2022 and continued in 2023 with the aims of preserving traditional crafts, while providing sustainable economic opportunities for the local community. For this programme, we collaborated with the Sultan Mizan Royal Foundation, Terengganu State Parks, Kraftangan Malaysia and Hibiscus, to revive handicrafts using 'Kercut' (*Lepironia articulata*), a wild sedge that grows in and near 'Gelam' (Melaleuca Forest) swamps and 'Lidi' (sticks) sourced from Nipah trees (*Nypa fruticans*). The programme enhances weaving skills, boosts income through tourism-related souvenirs and engages the younger generation in traditional crafts.

  A total of 30 participants from Kg. Beris Tok Ku and Pengkalan Gelap, Setiu, were trained by Kraftangan Malaysia. 10 of the participants joined the programme in 2023 (Batch 2), in addition to the 20 participants that continued the programme from 2022 (Batch 1).

  In 2023, we welcomed new partners, the Ecoswed Association from Setiu Wetland and Universiti Sultan Zainal Abidin (UniSZA) to further motivate participants and enhance engagement.

  The Handicraft Revival Programme project incurred costs of RM53,500 and contributes to UN SDG 4 (Quality Education), UN SDG 8 (Decent Work and Economic Growth) and UN SDG 17 (Partnerships for the Goals).

Participants learning to dye the Kercut leaves.

<u>Community Improvements</u>

- Solar Panel Project in Kg. Bilal, Sabah

  Electricity is a fundamental necessity which significantly aids the quality of life, particularly in rural areas. Cognisant of this, Hibiscus sponsored the installation of solar panels for 190 residents of the Kg. Bilal community in Sabah. With the new solar power supply, quality of life for families in the area has improved.

  This social investment project cost RM89,222 and supports UN SDG 7 (Affordable and Clean Energy), UN SDG 11 (Sustainable Cities and Communities), UN SDG 12 (Responsible Consumption and Production) and UN SDG 17 (Partnership for the Goals).

Residents of Kg. Bilal with Dr Pascal Hos and Hibiscus representatives during the handover ceremony held on 28 August 2023.

Dr Pascal Hos and Hibiscus representatives during the handover ceremony held on 28 August 2023.

- Lighting Up the Community of Sg. Sepi, Sabah

  In addition to our solar panel project in Kg. Bilal, Sabah and in collaboration with social enterprise, Light Up Borneo and local government representatives, we have funded the installation of solar panels and a micro-hydropower system in the Sg. Sepi area of Kg. Paus in Ranau, Sabah.

  The total cost of RM210,000 enabled the installation of a micro-hydropower system impacting 20 houses within a 1 km distance from the river and solar panels for 100 houses located over 2 km from water source. This project is expected to benefit approximately 120 families, equivalent to 600 people, by year-end 2024. The Solar and Micro Hydro Power Project aligns with UN SDG 7 (Affordable and Clean Energy), UN SDG 11 (Sustainable Cities and Communities), UN SDG 12 (Responsible Consumption and Production) and UN SDG 17 (Partnership for the Goals).

<u>Health</u>

- HPV Screening Programme in Sabah

  Sabah has one of the highest occurrences of cervical cancer rates in Malaysia, primarily due to inaccessibility, lack of awareness and financial limitations, leading to low HPV screening rates. Our programme aimed to increase these screenings by offering free HPV screenings to women aged 30 to 65 years old in the bottom 40th percentile of household income (B40) in Sabah.

  Since 2021, in collaboration with the Sabah State Health Department, general practitioners, Hospital Universiti Malaysia Sabah (HUMS) and civil societies like the Malaysia Medical Association (MMA) as well as the Obstetrical and Gynaecological Society of Malaysia (OGSM), we have pledged approximately RM2.5 million over five years to this cause, and a total of 4,585 women have been screened with 74 HPV cases detected. For FY2024, 1,462 women have been screened, resulting in 10 new HPV cases being detected for the year. Those detected with HPV have been advised on their next medical course of action.

  The HPV Screening Programme incurred costs of RM144,600 in FY2024 and supports UN SDG 3 (Good Health and Well-Being) and UN SDG 17 (Partnership for the Goals).

A representative from HUMS conducting preliminary medical background check on a participant.

Participants registering to get tested for HPV.

- HPV Vaccination Programme in Sabah, Kelantan and Terengganu

  In line with our efforts to raise awareness on HPV, we have taken the additional step in providing support for National Cancer Society Malaysia's (NCSM) HPV vaccination programme. NCSM's '*Leaving No One Behind: Eliminating Cervical Cancer in Malaysia*' programme is targeted at 13 to 20-year-old girls from underserved and rural communities who have yet to be immunised against the virus.

  The programme began in May 2024 with plans of administering 3,000 HPV vaccines in 35 locations within our areas of operations, namely Sabah, Kelantan and Terengganu. As at end FY2024, 735 girls (668 in Sabah, 25 in Kelantan and 42 in Terengganu) had been vaccinated.

SUSTAINABILITY REPORT (CONTINUED)

We have pledged RM103,500 to the programme with the initial cost incurred amounting to RM34,500. The remaining funds will be disbursed by December 2024. Similar to our HPV Screening Programme, this HPV Vaccination Programme supports UN SDG 3 (Good Health and Well-Being) and UN SDG 17 (Partnership for the Goals).

Orang asli communities participated in the HPV vaccination programme.

Girls being vaccinated to prevent cervical cancer.

- Thalassaemia Awareness

We are dedicated to supporting local Thalassaemia communities and raising awareness about this hereditary blood disorder. Thalassaemia reduces the body's haemoglobin levels, leading to fatigue, weakness and shortness of breath. Patients require lifelong treatment, primarily through regular blood transfusions.

On 8 May 2023, in conjunction with World Thalassaemia Day, we launched the third iteration of our awareness campaign, titled NowyouSEEme (NYSM) 3.0, campaign that ran until 7 December 2023. In collaboration with the Malaysian Ministries of Health and Education, the campaign's aim was to educate secondary school students about Thalassaemia, while encouraging them to play an active role in managing and eradicating the disease.

The NYSM 3.0 campaign leveraged on students' creativity in storytelling to create content for a social media contest. A total of 41,099 students from 70 schools across the country showcased their talents via online participation, creating relatable content for a younger audience to raise awareness about Thalassaemia.

The NYSM 3.0 programme incurred costs of RM129,655 and contributes to UN SDG 3 (Good Health and Well-being) and UN SDG 17 (Partnerships for the Goals).

Prize giving ceremony for the winners of the NYSM 3.0 campaign competition.

Program Generasi Sihat's healthy plate educational graphic.

- Program Generasi Sihat

  According to the United Nations International Children's Fund (UNICEF), the combination of obesity, stunting and anaemia in Malaysia is a growing public health emergency affecting young children. Data from National Health & Morbidity Survey (NHMS) 2022 has shown that an alarming number of children under the age of five years old are iron deficient (46%), stunted (21.2%), underweight (15.3%), too thin (11%) or overweight (6%).

  Due to these statistics, we are committed to supporting Program Generasi Sihat, a controlled 32-week pilot programme to improve the nutritional intake of 200 children aged five to six years of age at Tabika Sri Melati, Taman Medan Cahaya, Petaling Jaya (PJ) as a form of intervention at an early age. Our aim is to cultivate a healthy lifestyle for tabika (pre-school) children and their carers to help them reach their optimal potential, while minimising the risk of chronic diseases.

  This programme began in June 2024, in partnership with MARTABAT PJ, UM Paediatrics Department, KEMAS (*Jabatan Kemajuan Masyarakat*, an agency under the Ministry of Rural Development), as well as the Ministry of Health.

  The cost to run the programme is RM122,500 and contributes to UN SDG 2 (Zero Hunger), 3 (Good Health and Well-being), 4 (Quality Education) and UN SDG 17 (Partnerships for the Goals).

<u>Other Community Services</u>

Under the Group's Social Sustainability section of the *Sustainability Policy*, we have recognised the importance of community engagements via the following assertion made i.e. "*The Group places importance on CSR Programmes and actively encourages our employees to participate in CSR activities/programmes in our locations of operations. Such engagements with local communities and other stakeholders play an important part in our maintaining a social licence to operate*."

- Support of Make-A-Wish Malaysia (MAWM)

  MAWM is a non-profit organisation dedicated to granting the wishes of children diagnosed with critical illnesses. Their mission is to bring hope, strength and joy to these children by fulfilling their heartfelt wishes. By doing so, they aim to enrich the human experience with hope and joy for both the children and their families.

  Hibiscus employees were encouraged to volunteer in organising wish-granting events, providing logistical support, or spending time with the wish children and their families. This participation not only benefits the children but also fosters a sense of community and shared purpose within the company.

  We have donated RM60,000 to MAWM for FY2024. This initiative is aligned with UN SDG 3 (Good Health and Well-Being) and UN SDG 17 (Partnerships for the Goals).

- Small Scale Contributions

  We are committed to uplifting and enriching the lives of the communities within our operational areas, addressing their needs as they arise. The cost for such contributions are below RM30,000 via a single disbursement. We provide our support to various small-scale CSR initiatives, providing both time and financial assistance to charities, NGOs and government bodies such as Pemulihan Dalam Komuniti Mutiara Wilayah Persekutuan Labuan, Jabatan Penerangan Sabah and UM, among others.

  In total, we donated RM131,330 in FY2022, RM151,128 in FY2023 and RM88,994 in FY2024 to these small-scale initiatives, which align with UN SDG 3 (Good Health and Well-Being), UN SDG 4 (Quality Education), UN SDG 10 (Reduced Inequalities) and UN SDG 17 (Partnerships for the Goals).

9.0 OUR SOCIETY - HUMAN RIGHTS

We are dedicated to respecting and promoting the rights of every person including our employees, the communities where we operate and those working within our supply chain. This commitment is in line with internationally recognised human rights and labour standards such as the UN Guiding Principles on Business and Human Rights (2011) and the UN International Covenant on Economic, Social and Cultural Rights which guide businesses on how to act responsibly in respecting human rights. We have in place the following policies as a testament of our ongoing commitment in upholding human rights:

<u>Anti-Modern Slavery Policy</u>

This policy underscores our commitment to prohibit the employment of forced bonded or underage labour and to take all necessary steps to ensure that no form of slavery exists within our business operations and supply chain. The scope of this policy covers our Group, contractors, joint venture partners and other parties collaborating with us.

SUSTAINABILITY REPORT (CONTINUED)

The Audit and Risk Management Committee (ARMC) is the designated Board Committee to receive any complaints or information with follow-up on actions taken (if any) by the Group Internal Auditor as the Investigator. We work to continually assess the extent of the risk of instances of modern slavery and human trafficking in our business and take reasonable steps to ensure that these have no place in our Group and supply chain. Going forward, we will enhance our efforts in bringing to the attention of our suppliers our commitment against modern slavery in our business operations.

Diversity Policy

Our *Diversity Policy* ensures the inclusiveness of all people in all areas of our business including in our recruitment efforts, talent development, mentoring and coaching programmes. We value the ability to capitalise on the richness of ideas that come from people with diverse thought processes and approaches in dealing with issues and challenges, which we believe will result in a more balanced and richer decision-making process.

Whistle Blower Policy

Our *Whistle Blower Policy* extends to external parties as a further sign of our commitment to key stakeholders, including our communities. This provides a confidential and anonymous avenue for individuals and communities impacted by any human rights violations arising from our business activities.

Drug and Alcohol Policy

The Group recognises that the protection of the health and safety of our employees, contractors and others involved in our operations is an integral part of business performance. Therefore, this policy was introduced in January 2020 as part of efforts to illustrate the Group's commitment and seriousness in ensuring a safe and healthy work environment for all.

Right to Collective Bargaining and Freedom of Association

Further, we support the right of our employees to freedom of association and collective bargaining, in compliance with the Malaysian labour regulations. We also commit to fully complying with labour regulations of the countries in which we operate and accordingly, have not recorded any non-compliances of applicable labour standards or encountered any human rights violations during the financial year under review (including FY2022 and FY2023).

10.0 SUPPLY CHAIN MANAGEMENT - ECONOMIC VALUE GENERATION

We aim to make a positive contribution by delivering long-term tangible benefits to our key stakeholders. We generated and distributed value in the following manner during FY2024:

- Payment of taxes and royalties totalling approximately RM417.0 million to the host governments, which grant us our licences to operate;
- Payment of remuneration of approximately RM191.0 million to our employees; and
- Use of contractors and suppliers located in our host countries, when they possess the necessary expertise and utilise a high level of localised resources. In this regard, we have compensated local service providers and suppliers approximately RM1,686.5 million.

Proportion of Spending on Malaysian Suppliers

Indicator	FY2022	FY2023	FY2024
Total Spending on All Suppliers	RM726.2 million	RM1,336.9 million	RM1,739.5 million
Percentage of Spending on Malaysian Suppliers	65.3%	73.0%	83.0%

Note:
The amounts disclosed in the FY2022 and FY2023 reports in relation to total spending on all suppliers are restated for completeness and to align with disclosure requirements stipulated in the Bursa Sustainability Reporting Guide.

11.0 IT, DIGITALISATION AND CYBERSECURITY

The focus in 2024 would be to continue the progress made in Sustainability and Process Improvement initiatives, further develop the digitalisation strategy and progress the Malaysia integration efforts that formed the basis of our 2024 business plan.

In FY2023, the key priorities for the InfoTech and Digitalisation department were focused on:

a) Consolidating the IT infrastructure for the Malaysia business unit integration project.
b) Identifying elements from the operational technology (OT) and IT priority areas to implement digitalisation strategy.
c) Conduct of an external audit to detect vulnerabilities in our IT architecture.
d) Continuous awareness training for our employees in the area of identifying cybersecurity risks and threats.

Efforts will be made to provide access to knowledge resources including Digital Upskilling and the use of Hi-Tech for variety of capacity building.

Data Centres Consolidation

In order to optimise our carbon footprint, we embarked on a plan to reduce our number of operating data centres from four to two.

Cybersecurity Initiatives for the Group

For continuous enhancements of cybersecurity systems across the Group, customisation, and alignment of processes between different business units are top priority. Some of the highlights for past and ongoing activities includes:

- Enhancing testing and staging environments for controlled roll-out of applications in-compliance with the Information Technology General Compliance (ITGC) requirements.
- Improving governance and compliance within the Group by conducting an independent cybersecurity audit by Ernst & Young for InfoTech applications and infrastructure.
- Enhancing the security of the Office 365 applications used widely in the group, constantly auditing the effectiveness of the controls and maintaining the average security score above the industry average.
- Improving end-point security and management through additional security controls and solutions.
- Implementing security measures for privileged account access to critical infrastructure components across the Group.
- Increasing awareness of cybersecurity for the entire Group including providing anti-phishing training in addition to the development of a capacity building programmes.
- Enhancing the single incident management framework that includes - provision of service desk, consolidation of managed services vendors and consolidation of security incidents and security measures at the Group level.

InfoTech and Digitalisation has numerous initiatives and projects planned to address the evolving needs of the Group. Constant efforts are ongoing to ensure that end users can effectively conduct their activities efficiently and effectively in a dynamic, stable, connected, secure environment that adapts to growing business needs.

Note:
Disclosure on substantial complaints concerning breaches of customer privacy and losses of customer data: Hibiscus does not store any personal identifiable information (PII) for consumers, hence it is not applicable to us.

12.0 OUR COMMITMENT TOWARDS TAX CORPORATE GOVERNANCE

The Group practises strong governance when managing its tax affairs.

We are committed to manage our tax affairs by complying in good faith with all applicable tax laws and regulations of the countries in which we operate, paying taxes in a responsible and efficient manner and maintaining cooperative working relationships with tax authorities.

The Group conducts its tax affairs based on the following key principles:

- Ensuring compliance with applicable tax laws and regulations, both in terms of the letter and the spirit of these laws and regulations.
- Developing and maintaining professional and cooperative relationships with tax authorities.
- Managing tax risks in line with the Group's risk management framework, including embedding adequate monitoring and mitigating procedures and ensuring tax positions taken are supportable and defendable.
- Seeking out and applying available tax benefits appropriately. Tax planning will be undertaken only where there are business operations with genuine commercial presence and economic substance.

The Group also observes its core values when managing tax matters. The five core values are (i) tenacious, (ii) environmentally responsible, (iii) people focused, (iv) agile and (v) trustworthy.

12.1 Compliance

Our Group recognises that taxes play an important role in the economic development of countries in which it operates. Accordingly, we prioritise attention to its responsibilities in this area by ensuring the rightful amount of taxes are paid on a timely basis.

Within the framework of this principle, the Group undertakes to:

- Adopt its tax positions on sound economic and business principles and best practices, and refrain from the use of abusive tax schemes and planning practices;
- Apply the "arm's length" principles in intra-group transactions, as required by the applicable tax laws and regulations;
- Disclose truthful and complete information in its dealings with tax authorities; and

SUSTAINABILITY REPORT (CONTINUED)

- Strive for certainty, stability and predictability of tax implications on practices applied by the management in accordance with applicable tax laws and regulations and due collaboration with the tax authorities.

12.2 Cooperative Relationship with Tax Authorities

The Group shall continue fostering relationships with the tax authorities grounded on principles of mutual trust, good faith, professionalism, transparency, cooperation and due collaboration, all with the purpose of ensuring due compliance with applicable tax laws and regulations and to reduce tax disputes without compromising the Group's interests.

In particular, the Group:

- Provides the tax authorities with the required tax-related information and documentation in a timely manner;
- Prioritises non-litigious means for disputes resolution when possible, but considers legal action to preserve/strengthen our position in seeking to achieve amicable agreements with the tax authorities whenever feasible; and
- Participates in discussion and contributes views on proposed changes to applicable tax laws and regulations which may impact the Group.

12.3 Tax Governance, Control and Risk Management

The Group has in place a sound management system and control environment to govern its tax matters.

The management of tax-related risks is carried out via the implementation of policies, procedures and a system of internal control with clear definition of roles and responsibilities, key steps of processes and reporting and monitoring routines to ensure compliance and exposure to tax-related risks are well managed. It also forms part of the Group's risk management framework, details of which are documented in the SORMIC.

In particular, the Group adopts the following approaches towards its tax governance, control and risk management:

- Tax affairs are managed in an orderly and professional manner to ensure compliance with tax obligations and proper management of tax-related risks. Efficient internal procedures, systems and controls are applied to enable the correct operation of key tax-related processes.
- Active management, monitoring and mitigation of tax-related risks with a view to eliminating them and where the said risks are assumed (e.g. in cases involving uncertainty in respect of the application or interpretation of tax law), steps will be undertaken to defend the Group's legitimate interests as efficiently as possible by ensuring advice is sought from external advisors and comprehensive position papers are prepared and maintained.
- The Group's tax department and personnel involved with the tax function are kept up-to-date on developments in the tax laws and practices through regular updates from external tax advisors and regular attendance/participation in tax seminars.
- Ensuring the Group's Tax department is equipped with sufficient knowledge and skill sets to support its commitments towards tax corporate governance.

The Group provides an avenue to report information relating to occurrences of known and/or suspected malpractices or wrongdoings, including reporting on any tax mismanagement. Whistle blowers can report in writing to a designated email or in a sealed labelled envelope to the Chair of the Board or Chair of the ARMC or Senior Independent Director. The *Whistle Blower Policy* and the *ACAB Policy* are available on the Group's SharePoint facility and corporate website.

12.4 Approach to Tax Planning

The Group does not seek to evade tax nor engage in aggressive tax planning. The Group's transactions are always driven by proper business purpose. The following principles are applied in relation to tax planning:

- Manage tax costs and tax benefits in an efficient manner and apply available tax incentives and benefits appropriately, provided they are aligned with the relevant intended policy objectives and supported by genuine commercial activities.
- Ensure that tax planning is based on reasonable interpretations of applicable laws that are aligned with the economic and commercial activities, and which would avoid any abusive or fraudulent outcomes. Where necessary, professional advice will be sought from external consultants to support positions taken.
- Refrain from using engineered business structures to conceal or reduce the transparency of its tax activities. Transactions and structures are driven by commercial considerations and aligned with business activities.

- Avoid setting up a presence in tax havens, except where justifiable with sound business reasons and economic substance requirements are complied with. There is full transparency and cooperation with the relevant tax authorities to facilitate the disclosure of required information.

We are committed to continuously review and enhance our tax policies, processes and procedures so as to strengthen our tax corporate governance and bring value to our stakeholders. In this regard, the Group is in the midst of completing a review exercise and streamlining and updating our tax policies, processes and procedures and enhancing the relevant documentation.

THE WAY FORWARD

In this Report, we have detailed many of the specific initiatives that have been undertaken, or which we plan to undertake in the near future to address matters of material business sustainability within our Group and of impact to our stakeholders. Much of what we do relies on the efforts of our people. Hibiscus Petroleum's corporate core values form the bedrock of our Business Sustainability Principles. With our workforce equipped with such values, we believe that we balance our commercial objectives of achieving profitability and growth without compromising on the overarching need to extract essential resources from our planet safely and responsibly whilst keeping our people safe and secure.

We continue to strengthen our foothold in the oil and gas industry in line with our aspirations to be an enduring player. Our long-term existence as a commercial organisation can only be assured if we act responsibly now and always. We endeavour to be an organisation that incorporates sustainability initiatives in all that we do. We believe that such an approach is part of our obligation to accrete shareholder value responsibly, in a dynamic and evolving business environment. Each of our stakeholders should remain assured that the Board and Management remain committed to these goals.

This Report has been approved by the Board of Hibiscus Petroleum Berhad on 1 October 2024.

SUSTAINABILITY REPORT (CONTINUED)

APPENDIX - DETAILED ENVIRONMENTAL MANAGEMENT PERFORMANCE INDICATORS BY ASSETS

North Sabah PSC

Scope 1 Emissions

Emissions by source	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Combustion	tonnes CO_2e	203,053	192,283	214,643	166,828	148,137
Flaring	tonnes CO_2e	152,274	192,507	185,369	135,412	163,013
Venting	tonnes CO_2e	70,807	35,866	183,498	55,746	54,643
Fugitive Emissions	tonnes CO_2e	2,898	2,941	2,162	2,064	1,359
Mobile and Transportations	tonnes CO_2e	235	65	47	33	32
Total	**tonnes CO_2e**	**429,267**	**423,663**	**585,719**	**360,083**	**367,185**

Emissions by type of gas	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Carbon dioxide	tonnes	340,493	371,813	373,522	283,415	288,845
Methane	tonnes	4,340	2,501	8,371	2,982	3,063
Nitrous oxide	tonnes	8.33	9.19	9.57	3.93	5.92

Scope 2 Emissions

Emissions by source	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Purchased Electricity	tonnes CO_2e	1,567	1,564	2,122	1,421	1,650

Total GHG Emissions (Scopes 1 and 2)

Indicator	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Total Operational GHG Emissions	**tonnes CO_2e**	**430,834**	**425,227**	**587,841**	**361,504**	**368,834**

Total GHG Emissions (Scope 3)

Category	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Upstream Transportation and Distribution	tonnes CO_2e	Not Available	Not Available	26,272	50,092	52,001

PM3 CAA PSC

Scope 1 Emissions

Emissions by source	Unit	FY2022	FY2023	FY2024
Combustion	tonnes CO_2e	933,158	1,081,811	1,071,897
Flaring	tonnes CO_2e	114,103	102,627	75,154
AGRU[1]	tonnes CO_2e	4,514,050	5,266,850	4,831,194
Fugitive Emissions	tonnes CO_2e	41	83	52
Mobile and Transportations	tonnes CO_2e	68,472	89,683	87,236
Other GHG's[2]	tonnes CO_2e	n/a	62,680	62,682
Total	**tonnes CO_2e**	**5,629,823**	**6,603,734**	**6,128,214**

Emissions by type of gas	Unit	FY2022	FY2023	FY2024
Carbon dioxide	tonnes	3,478,205	4,242,806	3,979,486
Methane	tonnes	85,575	93,834	85,345
Nitrous oxide	tonnes	41	51	51

Scope 2 Emissions

Emissions by source	Unit	FY2022	FY2023	FY2024
Purchased Electricity	tonnes CO_2e	447	458	396

Total GHG Emissions (Scopes 1 and 2)

Indicator	Unit	FY2022	FY2023	FY2024
Total Operational GHG Emissions	**tonnes CO_2e**	**5,630,270**	**6,604,192**	**6,128,611**

Notes:

[1] Acid Gas Removal Unit (AGRU).

[2] Other GHG's include compressors, pneumatic controls and pumps and loss of primary containment (LOPC).

Kinabalu Oil PSC

Scope 1 Emissions

Emissions by source	Unit	FY2022	FY2023	FY2024
Combustion	tonnes CO_2e	26,646	39,483	44,951
Flaring	tonnes CO_2e	149,843	123,230	90,767
Venting	tonnes CO_2e	0	0	0
Fugitive Emissions	tonnes CO_2e	1.21	1.03	0.35
Mobile and Transportations	tonnes CO_2e	8,187	21,412	36,574
Other GHG's[1]	tonnes CO_2e	n/a	1,137	1,144
Total	**tonnes CO_2e**	**184,677**	**185,263**	**173,436**

Emissions by type of gas	Unit	FY2022	FY2023	FY2024
Carbon dioxide	tonnes	182,777	180,777	167,408
Methane	tonnes	5	51	52
Nitrous oxide	tonnes	6	11	16

Scope 2 Emissions

Emissions by source	Unit	FY2022	FY2023	FY2024
Purchased Electricity	tonnes CO_2e	173	174	174

Total GHG Emissions (Scopes 1 and 2)

Indicator	Unit	FY2022	FY2023	FY2024
Total Operational GHG Emissions	**tonnes CO_2e**	**184,850**	**185,437**	**173,610**

Note:

[1] Other GHG's include compressors, pneumatic controls and pumps and LOPC.

SUSTAINABILITY REPORT (CONTINUED)

Anasuria Cluster

Scope 1 Emissions[1]

Emissions by source	Unit	FY2020	FY2021	FY2022	FY2023[6]	FY2024[6,7]
Combustion	tonnes CO_2e	77,446	76,990	76,205[8]	85,484[8]	79,413
Flaring	tonnes CO_2e	81,208	49,003	10,869	13,208	17,028
Venting	tonnes CO_2e	186	171	145	151	140
Fugitive Emissions	tonnes CO_2e	-	19	2	-	-
Total	**tonnes CO_2e**	**158,840**	**126,183**	**87,221[8]**	**98,843**	**96,582**

Emissions by type of gas	Unit	FY2020	FY2021	FY2022	FY2023[6]	FY2024[6,7]
Carbon dioxide	tonnes	148,896	119,176	83,692	94,884	92,494
Methane	tonnes	300	193	66	75	84
Nitrous oxide	tonnes	8	7	6	7	7
HFCs[2]	tonnes	-	0.008	0.023	-	-

Scope 2 Emissions[3]

Emissions by source	Unit	FY2020	FY2021	FY2022	FY2023[6]	FY2024[6,7]
Indirect Emissions	tonnes CO_2e	0	0	0	0	0

Total GHG Emissions (Scopes 1 and 2)

Indicator	Unit	FY2020	FY2021	FY2022	FY2023[6]	FY2024[6,7]
Total Operational GHG Emissions	**tonnes CO_2e**	**158,840**	**126,183**	**87,221**	**98,843**	**96,582**

Total GHG Emissions (Scope 3)[4]

Category	Unit	FY2020	FY2021	FY2022	FY2023[6]	FY2024[6,7]
Business Travel	tonnes CO_2e	0	0	0	0	0
UK ETS Payment[5]	**RM mil**	**11.5**	**16.8**	**25.0**	**25.0**	**25.4**

Notes:

1 GHG emissions comprise of carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulphur hexafluoride and nitrogen trifluoride. The GWP factors used are in accordance with the UK Government's guidance for reporting of GHG emissions.
2 HFCs or hydrofluorocarbons are included in the reporting.
3 Scope 2 GHG emissions are zero as there is no purchased electricity for the Anasuria FPSO operations, as all activities are conducted offshore. Office use of electricity is not measured separately as this is included in the office rent.
4 Scope 3 - business travel GHG emissions are zero as there are no vehicles that are owned or rented by AOCL, or where AOCL is responsible for purchasing fuel for the purposes of business travel. GHG emissions from air travel, helicopters and supply vessels have not been accounted for. This category of Scope 3 is included in fulfilment of UK Government's Streamlined Energy and Carbon Reporting (SECR) requirements.
5 Payments for UK ETS are on a gross basis.
6 Emissions figures from 1 January 2023 to 31 December 2023 are final and have undergone successful external verification.
7 Emissions figures from 1 January 2024 to 20 June 2024 are provisional.
8 Recalculation of the total emissions to account for the double counting of stripping gas emissions.

Waste Management

North Sabah PSC

Indicator	Unit	FY2020	FY2021	FY2022	FY2023	FY2024[1]
Hazardous Waste	**tonnes**	**12.95**	**190.12**	**29.10**	**65.19**	**154.12**
Non-recycled waste	tonnes	-	-	-	55.80	50.35
Recycled waste	tonnes	-	-	-	9.39	103.77
Non-Hazardous Waste	**tonnes**	**-**	**-**	**-**	**-**	**18.85**
Non-recycled waste	tonnes	-	-	-	-	18.85
Recycled waste	tonnes	-	-	-	-	-
Total Waste	**tonnes**	**12.95**	**190.12**	**29.10**	**65.19**	**172.96**
Environmental fines and penalties	RM	0	0	0	0	0

Note:
1 FY2024 has been updated with the breakdown of hazardous waste.

PM3 CAA PSC

Indicator	Unit	FY2022	FY2023	FY2024
Hazardous Waste	**tonnes**	**148.61**	**772.70**	**208.20**
Non-recycled waste	tonnes	148.61	764.40	112.79
Recycled waste	tonnes	0	8.30	95.42
Non-Hazardous Waste	**tonnes**	**-**	**941.22**	**2,170.66**
Non-recycled waste	tonnes	-	941.22	385.40
Recycled waste	tonnes	-	0	1,785.26
Total Waste	**tonnes**	**148.61**	**1,713.92**	**2,378.86**
Environmental fines and penalties	RM	0	0	0

Notes:
1 Inclusive of waste from PM305.
2 The increase in non-hazardous waste from FY2023 to FY2024 is due to scrap metal disposal from increased offshore activities.

Kinabalu Oil PSC

Indicator	Unit	FY2022	FY2023	FY2024
Hazardous Waste	**tonnes**	**5.03**	**15.11**	**265.98**
Non-recycled waste	tonnes	1.80	8.93	88.83
Recycled waste	tonnes	3.23	6.18	177.15
Non-Hazardous Waste	**tonnes**	**-**	**230.88**	**70,099.44**
Non-recycled waste	tonnes	-	230.88	229.44
Recycled waste	tonnes	-	0	69,870.00
Total Waste	**tonnes**	**5.03**	**245.99**	**70,365.41**
Environmental fines and penalties	RM	0	0	0

Note:
1 The increase in non-hazardous waste from FY2023 to FY2024 is due to scrap metal disposal from increased offshore activities.

SUSTAINABILITY REPORT (CONTINUED)

Anasuria Cluster

Indicator	Unit	FY2020	FY2021	FY2022	FY2023[3]	FY2024[3,4]
Hazardous Waste	**tonnes**	**26.22**	**15.46**	**8.82**	**12.70**	**32.66**
Non-recycled waste	tonnes	12.19	4.51	2.86	2.48	23.49
Recycled waste	tonnes	14.03	10.95	5.96	10.22	9.17
Non-Hazardous Waste	**tonnes**	**93.57**	**96.95**	**74.84**	**121.99**	**87.68**
Non-recycled waste	tonnes	35.30	29.50	21.51	32.05	10.65
Recycled waste	tonnes	58.27	67.45	53.33	89.94	77.03
Total Waste	**tonnes**	**119.80**	**112.41**	**83.66**	**134.69**	**120.33**
Environmental fines and penalties	RM	0	0	0	0	0

Notes:

1 Totals may not add up due to rounding.
2 Further improvements have been made on the waste disclosure, where the non-recycled waste and recycled waste are now reported for both hazardous waste and non-hazardous waste.
3 Waste figures from 1 January 2023 to 31 December 2023 are final.
4 Waste generation figures from 1 January 2024 to 30 June 2024 are provisional.

GLOSSARY FOR THE SUSTAINABILITY REPORT

#

4Cs	- Command, Control, Coordination and Communication

A

ACAB	- Anti-Corruption and Anti-Bribery
ACT	- Accident Control Technique
AELB	- Atomic Energy Licensing Board
AGRU	- Acid Gas Removal Unit
ALARP	- As Low As Reasonably Practicable
Anasuria	- Anasuria Cluster
Anasuria Hibiscus	- Anasuria Hibiscus UK Limited
AOCL	- Anasuria Operating Company Limited
AP	- Auxiliary Police
APAC	- Asia Pacific Assembly
ARMC	- Audit and Risk Management Committee
ASB	- Asian Supply Base
ATMS	- Action Tracking Management System

B

B40	- Malaysians within the lowest 40% household income category
BAP	- Biodiversity Action Plan
barg	- Bar Gauge
BES	- Biodiversity and Ecosystem Services
BESRA	- Biodiversity and Ecosystem Services Risk Assessment
Block 46 PSC	- Block 46 Cai Nuoc Production Sharing Contract
BOA	- Bunga Orkid A platform
Board	- Board of Directors
BOD5	- 5-Day Biological Oxygen Demand
BOSIET	- Basic Offshore Safety Induction and Emergency Training
BRC	- Bunga Raya C platform
BRE	- Bunga Raya E platform
BSMC	- Business Sustainability Management Committee
BST	- Business Support Team
BTEX	- Benzene, Toluene, Ethylbenzene and Xylenes
BT	- Barton
Bursa Securities	- Bursa Malaysia Securities Berhad

C

CA-EBS	- Compressed Air Emergency Breathing System
CAA	- Commercial Arrangement Area
CAAM	- Civil Aviation Authority of Malaysia
CAR 2014	- Environmental Quality (Clean Air) Regulations 2014
CBDR	- Common but Differentiated Responsibilities
CCF	- Climate Change Framework
CCS	- Carbon Capture and Storage
CEEVA	- Contractor's Engagement Forum & Excellent Vendor Award
CEFAS	- Centre for Environment Fisheries Aquaculture Science
CEO	- Chief Executive Officer
CePIETSO	- Certified Environmental Professional in The Operation of Industrial Effluent Treatment Systems
CePSWAM	- Certified Environmental Professional in Scheduled Waste Management
CG	- Corporate Governance
CGSO	- Chief Government Security Officer Malaysia
CH_4	- Methane
CIMAH	- Control of Industrial Major Accident Hazards
CIPs	- Communication and Interface Plans
CISCC	- Chloride Induced Stress Corrosion Cracking
CMCO	- Conditional Movement Control Order
CMT	- Crisis Management Team
CO	- Carbon monoxide
CO_2	- Carbon dioxide
CO_2e	- Carbon dioxide equivalent
COD	- Chemical Oxygen Demand
Company	- Hibiscus Petroleum Berhad
COO	- Chief Operating Officer
COP26	- 26th United Nations Climate Change conference
COVID-19	- Coronavirus disease 2019
CSR	- Corporate Social Responsibility
CY	- Calendar year

SUSTAINABILITY REPORT (CONTINUED)

D

DCT	-	Damage Control Team
DO	-	Dissolved Oxygen
DOE	-	Department of Environment
DOF	-	Department of Fisheries
DOSH	-	Department of Occupational Safety and Health Malaysia
DP	-	Dynamic Positioning

E

EBS	-	Environmental Baseline Sampling
ECC	-	Emergency Control Centre
EDP	-	Executive Development Programme
EDPR	-	Effluent Discharge Pipeline Replacement
EI	-	Energy Institute
EIA	-	Environment Impact Assessment
EM	-	Environmental Mainstreaming
EMCO	-	Enhanced Movement Control Order
EMP	-	Environmental Management Plan
EMS	-	Environmental Management System
EPD	-	Environment Protection Department
ePTW	-	Electronic Permit to Work
EQA	-	Environmental Quality Act
ER	-	Emergency Response
ERAMP	-	Environmental Risk Assessment and Mitigation Plan
ERAP	-	Emissions Reduction Action Plan
ERM	-	Emergency Response Management
ERP	-	Emergency Response Plan
ERP	-	Employee Referral Programme
ERCMC	-	Environment Regulatory Compliance Monitoring Committee
ERMC	-	Executive Risk Management Committee
ESG	-	Environmental, Social and Governance
ESA	-	Environmental Site Assessment
ESI	-	Environmental Sensitivity Index
ESS	-	Energy Storage System
E-SWIS	-	Electronic Scheduled Waste Information System
ETP	-	Effluent Treatment Plant
ETS	-	Emissions Trading Scheme
ETSWAP	-	Emissions Trading Scheme Workflow Automation Project
EU	-	European Union
EU ETS	-	European Union Emission Trading Scheme
EV	-	Electric Vehicle
EWTP	-	Emulsion and Wax Treatment Plant

F

F4BGM	-	FTSE4Good Bursa Malaysia
FAR	-	Fatality Accident Rate
FBE	-	Fuel Burning Equipment
FEVCEA	-	Floating the Energy Value Chain in East Asia: Collaboration for Innovation in the Adaptation of the Oil and Gas Supply Chain to Zero Carbon
FMA 1967	-	Factories and Machinery Act 1967
FOET	-	Further Offshore Emergency Training
FPSO	-	Floating Production Storage and Offloading
FTSE	-	Financial Times Stock Exchange
FTW	-	Fitness to Work
FWKO	-	Free Water Knock-out Vessels
FY	-	Financial Year

G

GHG	-	Greenhouse gas
Group	-	Hibiscus Petroleum Berhad Group
GS	-	Group Security
GSR	-	Guided Self-Regulation
GWP	-	Global Warming Potential

H

H2S	-	Hydrogen Sulphide
H&M	-	Hearts & Minds
HAZID	-	Hazard Identification
HAZOP	-	Hazard and Operability analysis
HCFC	-	Hydrochlorofluorocarbon
HFC	-	Hydrofluorocarbon
HHS	-	Hibiscus Hope Scholarship
Hibiscus Petroleum	-	Hibiscus Petroleum Berhad
HiOC	-	Hibiscus Observation Card
HiPo	-	High Potential
HML	-	Hibiscus Oil & Gas Malaysia Limited
HPV	-	Human Papillomavirus
HSE	-	Health, Safety and Environment
HSEQ	-	Health, Safety, Environment and Quality
HSEx	-	Health & Safety Executive
HSS	-	Health, Safety and Security
HSSE	-	Health, Security, Safety and Environment
HSSEMS	-	Health, Security, Safety and Environment Management System
HSSMS	-	HSS Management System
HRA	-	Health Risk Assessment
HTM	-	Hibiscus Talent Management
HUMS	-	Hospital Universiti Malaysia Sabah

I

IEA - International Energy Agency
IGU - International Gas Union
IHOH - Industrial Hygiene Occupational Health
IMP - Incident Management Plan
IMS - Integrated Management System
IMT - Incident Management Team
IOAIA - Integrated Operational Asset Integrity Assurance
IOGP - International Association of Oil & Gas Producers
IPCC - Intergovernmental Panel on Climate Change
IPIECA - International Petroleum Industry Environmental Conservation Association
ISP - Integrated Service Provider
ISPS - International Ship and Port Security
IT - Information technology
ITGC - Information Technology General Compliance
IUCN - International Union for Conservation of Nature

J

JBPM - Fire & Rescue Department Malaysia
JERWG - Joint Emergency Response Working Group
JEWG - Joint Environment Working Group
JHSEC - Joint HSE Committee Meeting
JPDS - Sabah Ports and Harbour Department
JSeWG - Joint Security Working Group
JSPN - Jawatankuasa Sasaran Penting Negeri
JSWG - Joint Security Working Group
JT-A, -B, -D, -F - Jacket A, B, D, F

K

kBoE - Kilobarrel of Oil Equivalent
Kinabalu Oil - Kinabalu Oil
Kinabalu Oil PSC - Kinabalu Production Sharing Contract
KK - Kota Kinabalu
KKOB - Kota Kinabalu Operations Base
KL - Kuala Lumpur
KNB - Kinabalu
KPIs - Key Performance Indicators
KSB - Kemaman Supply Base
KSW - Knowledge Sharing Webinar

L

LCOT - Labuan Crude Oil Terminal
LDAR - Leak Detection and Repair
LDP - Leadership Development Programme
LED - Light Emitting Diode
LEMA - Labuan Mutual Aid Group
LFI - Learn from Incident
LGAST - Labuan Gas Terminal
LKIM - Lembaga Kemajuan Ikan Malaysia
LOPC - Loss of Primary Containment
LP - Low Pressure
LTI - Lost Time Injury
LTIF - Lost Time Injury Frequency
LTIR - Lost Time Injury Rate
LWC - Lost Workday Case

M

MARDEP - Marine Department Malaysia
MAWM - Make-A-Wish Malaysia
MCO - Movement Control Order
MD - Managing Director
MDP - Managerial Development Programme
MES - Minimum Environment Specification
METS - Manage your UK Emissions Trading Scheme Reporting Service
MGA - Malaysian Gas Association
MKN - Malaysian National Security Council
MMA - Malaysia Medical Association
MMEA - Malaysian Maritime Enforcement Agency
MMLR - Main Market Lisitng Requirements
MMRO - Marine Maintenance, Repair and Operations
MOB - Man Overboard
MOC - Management of Change
MOH - Ministry of Health
MOV - Management Operation Visit
MPK - Mesyuarat Penyelarasan Keselamatan
MPM - Malaysia Petroleum Management
MRA - Marine Risk Assessment
MS - Management System
MSAR - Maritime Search and Rescue
MTC - Medical Treatment Case

SUSTAINABILITY REPORT (CONTINUED)

N

NACSA - National Cyber Security Agency
NC - Non-Compliance
NCD - Non-Communicable Disease
NCN - Non-Compliance Notifications
NCR - Non-conformities
NCSM - National Cancer Society Malaysia
NGO - Non-governmental organisation
NHMS - National Health & Morbidity Survey
NIOSH - National Institute of Occupational Safety and Health
NORM - Naturally Occurring Radioactive Materials
North Sabah PSC - The 2011 North Sabah Enhanced Oil Recovery Production Sharing Contract
NO_X - Nitrogen oxides
NO_2 - Nitrogen dioxides
NSTA - North Sea Transition Authority
NYSM - NowyouSEEMe campaign

O

OEUK - Offshore Energies UK
OGI - Optical Gas Imaging
OGMP - Oil and Gas Methane Partnership
OGSM - Obstetrical and Gynaecological Society of Malaysia
OH&S - Occupational Health and Safety
OIM - Offshore Installation Manager
OIW - Oil In Water
OPEP - Oil Pollution and Emergency Plan
OPOL - Offshore Pollution Liability Association
OPRED - Offshore Petroleum Regulator for Environment and Decommissioning
OPPC - Oil Pollution Prevention and Control
OSC - Office Safety Committee
OSCP - Oil Spill Contigency Plan
OSHA - Occupational Safety and Health Administration
OSI - Offshore Safety Induction
OSPRAG - Oil Spill Prevention and Response Advisory Group
OSRO - Oil Spill Response Organisation
OSRL - Oil Spill Response Limited
OSRP - Oil Spill Response Plan
OT - Operational technology
OTC - Offshore Technology Conference
O^3 - Ozone

P

PAC - Petroleum Arrangement Contractor
PAH - Polycyclic Aromatic Hydrocarbon
PBE - Pre-Budget Expectation
PBED - Plan, Brief, Execute, Debrief
PETRONAS Carigali - PETRONAS Carigali Sdn Bhd
PDRM - Polis DiRaja Malaysia
PD&Y - Project Delivery and Technology
Petrofac - Petrofac Facilities Management Limited
PEMIKIR - Pusat Kajian Pemikiran dan Peradaban Ummah
PETRONAS - Petroliam Nasional Berhad
PFA - Physiological First Aid
pH - Potential of hydrogen
PHA - Process Hazard Analysis
PHN - National Hydrographic Centre
PID - Prolapsed intervertebral disc
PIMMAG - Petroleum Industry of Malaysia Mutual Aid Action Group
PJ - Petaling Jaya
PMA - Peninsular Malaysia Asset
PM3 CAA PSC - PM3 Commercial Arrangement Area Production Sharing Contract
PM10 - Particulate Matter with the size of less than 10 micron
PM2.5 - Particulate Matter with the size of less than 2.5 micron
POB - Personnel on Board
POPM - Platform Operating Procedures Manual
PPD - Permanent Partial Disability
PPE - Personal Protective Equipment
PPGUA - PETRONAS Procedures and Guidelines for Upstream Activities
PPUK - Ping Petroleum UK PLC
PSC - Production Sharing Contract
PSM - 'Sahabat Maritim' Programme
PTD - Permanent Total Disability
PTW - Permit to Work
PV - Photovoltaic

R

R&R - Reuse and Recycling
R2R - Rig-to-Reef
RAM - Risk Assessment Matrix
RMCO - Recovery Movement Control Order
RMN - Royal Malaysian Navy
RMP - Royal Malaysia Police

ROSPA - Royal Society for the Prevention of Accidents
ROV - Remotely Operated Vehicle
RS3 - Radar Surveillance
RWC - Restricted Work Case

S
SAA - South Angsi A
SAMH - Selangor and Federal Territory Association for the Mentally Handicapped
SANGEA™ - SANGEA™ software application
SDP - Supervisory Development Programme
SDS - Safety Data Sheet
SEA Hibiscus - SEA Hibiscus Sdn Bhd
SECR - Streamlined Energy and Carbon Reporting
SEGAL - Shell Esso Gas and Associated Liquids
SF - South Furious
SFJT-D - South Furious Jacket-D
SF30 - South Furious 30
SIC - SEA Hibiscus' Internal Coach
SIL - Safety Integrated Level
SIV - Site Inspection Visit
SJ - St Joseph
SJLQ - St Joseph Living Quarters
SMDP - Senior Management Development Programme
SOPs - Standard Operating Procedures
SORMIC - Statement on Risk Management and Internal Control
SO_x - Sulphur oxides
SO_2 - Sulphur dioxide
SW - Scheduled Waste

T
TA - Turn-Around
TBSB - Tok Bali Supply Base
TBT - Tributyltin
TENORM - Technologically Enhanced Naturally Occurring Radioactive Material
TRCF - Total Recordable Case Frequency
TRIR - Total Recordable Injury Rates
TRT - Tactical Response Team
TSS - Total Suspended Solids
TTLC - Total Threshold Limit Concentration

U
UK - United Kingdom
UKCS - United Kingdom Continental Shelf
UK ETS - UK Emissions Trading Scheme
UKM - Universiti Kebangsaan Malaysia
UiTM - Universiti Teknologi Malaysia
UM - University of Malaya
UMK - Universiti Malaysia Kelantan
UMS - Universiti Malaysia Sabah
UMT - Universiti Malaysia Terengganu
UN - United Nations
UN SDGs - United Nations' Sustainable Development Goals
UNFCCC - United Nations' Framework Convention on Climate Change
UniKL - Universiti Kuala Lumpur
UNIMAS - Universiti Malaysia Sarawak
UniSZA - Universiti Sultan Zainal Abidin
UNITEN - Universiti Tenaga Nasional
UPNM - Universiti Pertahanan Nasional Malaysia
USD - United States Dollar
USM - Universiti Sains Malaysia
UTM - Universiti Teknologi Malaysia
UTP - Universiti Teknologi PETRONAS

V
V-A - Vent A
VI - Chromium

W
WMSD - Work-related musculoskeletal disorders

NOMINATING COMMITTEE REPORT

YBHG DATO ' DR ZAHA RINA ZAHARI
Chair of the Nominating Committee

This report has been prepared in compliance with Paragraph 15.08A(3) of the Main Market Listing Requirements (MMLR). It provides an overview of the activities undertaken by our Nominating Committee (NC) during the financial year ended 30 June 2024 (FY2024).

This report has been reviewed by the NC and subsequently approved by the Board of Hibiscus Petroleum Berhad (Hibiscus Petroleum or the Company) for inclusion in the Annual Report 2023/2024.

Composition

The establishment of the NC was sanctioned by our Board on 26 February 2011. The composition of our NC complies with Paragraph 15.08A of the MMLR of Bursa Malaysia Securities Berhad (Bursa Securities), comprising solely of Non-Executive Directors (NEDs), with a majority of them being independent.

YBhg Dato' Dr Zaha Rina Zahari, an Independent Non-Executive Director (INED), chairs the NC. This appointment aligns with Practice 5.8 of the Malaysian Code on Corporate Governance 2021 (MCCG), which advises that the NC be chaired by an Independent Director or the Senior Independent Director. There have been no changes to the NC composition during FY2024.

The NC is pleased to announce that Hibiscus Petroleum has achieved a notable 43% representation of female directors on our Board, surpassing the recommended 30% female composition outlined in Practice 5.9 of the MCCG. Nevertheless, we emphasise that our criteria for selecting Board members remain focused on appointing highly qualified individuals based on merit and their ability to contribute to the Company's success.

The NC is structured to uphold exemplary Corporate Governance (CG) standards, ensuring it includes individuals with the requisite skills, expertise and independence to fulfil their roles effectively. We recognise the importance of diversity, including gender diversity, within the NC and are committed to maintaining a balanced and inclusive representation.

Meeting Attendance

The NC planned its meetings in advance, adhering to a minimum quorum of two (2) members as specified in the NC's *Terms of Reference (TOR)*. Throughout FY2024, a total of four (4) meetings were conducted, providing a platform for substantive discussions and decision-making. Our company secretaries fulfil the role of Secretary to our NC.

The current composition of the NC adheres to Practice 1.4 of the MCCG, which discourages the Chair of the Board from serving on Board Committees to maintain impartiality in Committee discussions. This practice supports objective deliberations during the main Board meetings. Although the Chair of the Board is not a member of any Board Committee, he is invited to attend all Board Committee meetings as we believe that this approach makes effective use of all our NEDs' valuable time whilst ensuring the independence and objectivity of the Board

Committees' recommendations remain intact. Such a process also ensures that the Chair of the Board is well-informed of the recommendations made, whilst avoiding unnecessary repetition of Committee discussions at the Board level and facilitating timely decision-making.

The Managing Director (MD) participates in NC meetings, contributing to discussions on proposals presented, except when matters directly related to him are under consideration. This approach ensures a thorough consideration of proposals and a comprehensive decision-making process.

The NC Chair diligently reports the key discussions and recommendations from Management to the Board, seeking approvals as needed. This process facilitates in ensuring alignment with the Company's strategic direction.

For an overview of the proposals discussed and recommended by the NC to the Board for approval in FY2024, please refer to the Summary of Key Activities section on page 180 of this Annual Report 2023/2024.

The members of our NC and their attendance at the NC meetings held during FY2024 are as follows:

Name of NC Member	Appointment Date	Designation	Attendance at NC Meetings
YBhg Dato' Dr Zaha Rina Zahari	30 May 2018	Chair, INED	100% (4/4)
Thomas Michael Taylor	15 August 2016	Member, Senior INED	100% (4/4)
YBhg Dato' Sri Roushan Arumugam	28 March 2013	Member, Non-INED	100% (4/4)
Emeliana Dallan Rice-Oxley	1 January 2023	Member, INED	100% (4/4)
Zaidah binti Ibrahim	1 January 2023	Member, INED	100% (4/4)

Key Responsibilities of the NC

The NC plays an important role in ensuring that the Board, its Committees and the Senior Management Team have the necessary skills, expertise and commitment to support the Group's operations and strategic goals effectively.

In appointing new NEDs, the NC considers recommendations from current Board members, industry contacts and independent sources to identify potential candidates, creating a shortlist for further assessment.

Beyond NED recruitment, the NC also provides guidance to Management to facilitate the recruitment of a strong and diverse workforce, in addition to employing the necessary practices which encourage their development and retention. This overarching process includes steps to ensure that identified recruitment candidates are well-suited for roles and display behaviours which are aligned with the Company's core values. The NC also reviews succession plans for the smooth transition of middle management staff to assume more senior roles.

To maintain its effectiveness, the NC periodically reviews its *TOR*, which outlines its responsibilities and procedures. For more details, the current version of the *TOR* is available on the corporate website at: https://ir2.chartnexus.com/hibiscuspetroleum/docs/sustainability/NC-TOR.pdf.

In fulfilling these responsibilities, the NC supports the Company's governance framework and contributes to its long-term success. This includes overseeing the criteria for appointing and re-electing Directors and guiding Management in selecting senior leaders, ensuring alignment with the Company's goals and governance standards.

(1) Directors' Appointments and Re-election

The NC is responsible for the selection and nomination process of new Board members. This process adheres to our *Diversity Policy* and the *Fit and Proper Policy for the Appointment and Re-election of Directors*. These policies are designed to ensure that our Directors possess the necessary qualities, experience, integrity, competence and are able to commit their time to the appointed role.

NOMINATING COMMITTEE REPORT (CONTINUED)

Directors are expected to demonstrate the following attributes:

(i) Proven leadership and experience in areas relevant to Hibiscus Petroleum's strategies and business plan.

(ii) Character and Integrity:

(a) Probity: Compliance with legal and regulatory requirements, as well as professional standards.
(b) Personal Integrity: Demonstrated honesty and a clean record without any abuses of position that contradict principles of good CG.
(c) Financial Integrity: Prudent management of financial obligations.
(d) Reputation: An untarnished reputation for integrity and sound business judgement.

(iii) Experience and Competence:

(a) Qualifications, training and skills.
(b) Relevant past and current experience and expertise, including a commendable performance record in driving, leading and implementing business performance, operations and CG.

(iv) Time and Commitment:

(a) Ability to dedicate sufficient time to fulfil responsibilities as a Board member and any appointed Board Committee(s).
(b) Openness and objectivity to consider diverse perspectives, make independent and informed judgements, demonstrate passion for the role and participate in the Group's activities or events outside of boardroom meetings.

Our *Board Skills Matrix* and *Diversity Policy* guide the identification of the required knowledge, skills and competencies to meet the Group's strategic needs.

The chart below outlines the process for Board appointments:

Nomination by existing Directors, industry contacts and independent sources.	>	Assessment of candidates based on the *Board Selection Criteria, Diversity Policy, Fit and Proper criteria, Board Skill Matrix* and reference checks.	>	Interviews conducted by Directors, where possible and recommendations made to the Board.	>	Board approval followed by an announcement to Bursa Securities.

(2) Re-election of Directors at the 14th Annual General Meeting (AGM)

For the 14th AGM, the re-election of Directors was a significant aspect of the process, demonstrating our commitment to maintaining a strong and capable Board. Encik Zainul Rahim bin Mohd Zain and Puan Emeliana Dallan Rice-Oxley were recommended for re-election based on their continued contributions and dedication to the growth of Hibiscus Petroleum.

The re-election process followed the same rigorous assessment as the initial appointment process. Each Director's qualifications, experience, integrity and commitment were thoroughly evaluated to ensure their ongoing suitability as members of the Board. These assessments are crucial to maintain a high standard of governance and to ensure that our Directors possess the necessary skills and attributes to effectively fulfil their roles.

(3) Retention of Mr Thomas Michael Taylor as Independent Director

The NC has conducted a performance evaluation of Mr Thomas Michael Taylor, whose tenure as an Independent Director of the Company will exceed 9 years after 31 July 2025. The Board recommends his continuation as an INED, based on the following justifications:

(i) Independence

Mr Taylor meets the criteria for an Independent Director as outlined in the MMLR of Bursa Securities, ensuring his ability to provide independent and objective judgement to the Board.

(ii) Experience

With over 40 years in the oil and gas industry, including significant roles such as Finance Director at Sakhalin Energy Investment Company, Shell Malaysia and Brunei Shell Petroleum, Mr Taylor brings a wealth of experience, expertise and skills to the Board. His insights and guidance are invaluable in strengthening our overall decision-making at Hibiscus Petroleum.

(iii) Tenure and Contributions

Having served the Company for more than 8 years, Mr Taylor possesses a deep understanding of its operations. His leadership as Chair of the Audit and Risk Management Committee (ARMC) is crucial in overseeing the accuracy of financial documents and the appropriateness of policies and governance practices. His approach and expertise support high standards of transparency and effective risk management. His experience, particularly with his previous employers, has been beneficial in providing guidance on the management of assets such as the Anasuria Cluster, North Sabah PSC, Kinabalu Oil PSC, PM3 Commercial Arrangement Area, Block 46, Cai Nuoc PSC, PKNB Cluster PSC, PM327 PSC and the recent conditional share purchase agreement executed with TotalEnergies Holdings International B.V. for the proposed acquisition of TotalEnergies EP (Brunei) B.V.

(iv) Commitment

Mr Taylor has consistently demonstrated his dedication through active participation in Board and Committee meetings, offering independent perspectives and guidance. His contributions are essential to balanced decision-making processes.

The NC and the Board firmly believe that retaining Mr Taylor is in the best interest of shareholders and the Group. His dedication, industry knowledge and expertise will continue to enhance governance practices and contribute to the Group's long-term growth.

The recommendation for Mr Taylor's retention is subject to shareholders' approval at the upcoming 14th AGM. Shareholders are encouraged to vote in favour of Mr Taylor's re-election as INED.

Subject to shareholders' approval at the 14th AGM, Mr Taylor will continue as an INED beyond his 9-year term, which will be reached on 31 July 2025. If the resolution is not passed, Mr Taylor will remain on the Board and be re-designated as a Non-Independent NED.

(4) Board Effectiveness Evaluation and Continuous Improvement

Besides managing the selection and appointment process, our NC plays a crucial role in conducting an annual assessment of the effectiveness of our Board. This evaluation serves as a valuable tool to gauge the performance of the Board, its Committees and individual Directors. The insights gained from the assessment support recommendations for the re-election of Directors and help identify the skills and experience needed in potential candidates for future appointments.

The evaluation process involves a thorough analysis of both the Board as a collective entity and each Board Committee, assessing factors such as their composition and fulfilment of responsibilities. Feedback is gathered through a blend of self-assessment and peer evaluation to offer a comprehensive review of Directors' performance, contributions and overall qualities.

As part of this evaluation, particular attention is given to INEDs to ensure their ability to act independently in fulfilling their roles and responsibilities.

Following the evaluation, our NC conducts a detailed review of strengths and identifies areas for improvement. Based on these findings, an action plan is devised to address these gaps and bolster the Board's effectiveness. Subsequently, the findings and action plans are presented to the Board for discussion and implementation.

Our commitment to continuous evaluation and improvement underscores our aim to sustain a high-performing and effective Board, marked by integrity, transparency and accountability. Through regular assessments and proactive measures to address areas for enhancement, we uphold stringent CG standards. This approach ensures our Board is well-prepared to fulfil its fiduciary responsibilities and drive our organisation's enduring success.

NOMINATING COMMITTEE REPORT (CONTINUED)

Summary of Key Activities in FY2024

During FY2024, the NC's key activities included the following:

(1) Board Effectiveness Evaluation

(i) Reviewed the annual assessment of the Board's effectiveness, including skills, experience and performance.
(ii) Evaluated the MD's qualifications and identified training needs for Directors.

(2) Organisational Structure and Appointments

(i) Discussed and recommended extending the MD's contract.
(ii) Reviewed the performance of Senior Management and recommended adjustments to the identified person's compensation and contracts.
(iii) Conducted performance appraisals for individual Directors and Board Committee members.

(3) Board Size and Composition

(i) Recommended the re-election of identified Directors for shareholder approval at the 13th AGM on 5 December 2023.
(ii) Evaluated the independence of Independent Directors.

(4) Staff Job Group Harmonisation

(i) Oversaw the integration of staff following the acquisition of Fortuna International Petroleum Corporation, including job group harmonisation and benefits alignment.
(ii) Made recommendations for new appointments and proposed changes to reward structures.

(5) Talent Management Initiatives

Provided guidance on various talent management initiatives, including succession planning, job evaluations and performance management.

(6) Documentation and Reporting

Recommended the inclusion of the NC Report in the Company's Annual Report 2022/2023.

Through these activities, the NC has facilitated the effectiveness and diversity of Hibiscus Petroleum's Board and Senior Management. The NC's efforts have contributed to the organisation's ongoing success, underlining the effectiveness of the policies that it promotes for subsequent Board approval and executive implementation, reflecting its commitment to CG and transparency.

The NC intends to continue to invoke a similar approach in the execution of its activities for the year ahead.

This Report is dated 1 October 2024.

REMUNERATION COMMITTEE REPORT

YBHG DATO ' SRI ROUSHAN ARUMUGAM
Chair of the Remuneration Committee

This report has been reviewed by the Remuneration Committee (RC) and has been subsequently approved by the Board of Directors (Board) of Hibiscus Petroleum Berhad (Hibiscus Petroleum or the Company) for inclusion in this Annual Report 2023/2024.

Composition

Our RC, which was formed on 26 February 2011, comprise entirely of Non-Executive Directors (NEDs), with a majority being Independent Directors, in line with Guidance 7.2 of the Malaysian Code on Corporate Governance 2021 (MCCG). YBhg Dato' Sri Roushan Arumugam, as Non-Independent Non-Executive Director (NINED) chairs the RC. There have been no changes to the RC composition during the financial year ended 30 June 2024 (FY2024).

The RC currently features a broad range of independent and experienced Directors, which enhances its effectiveness in offering expert advice and valuable insights on remuneration matters at Hibiscus Petroleum.

The RC is essential in guiding and recommending effective remuneration frameworks and policies which support the Company's objectives and uphold robust corporate governance practices.

Meeting Attendance

Our RC meetings are planned in advance before each calendar year begins. According to the RC's *Terms of Reference (TOR)*, at least two (2) members must be present for a meeting to take place.

During FY2024, the RC held two (2) meetings, with full attendance from all members throughout their term. This strong attendance demonstrates their active engagement and commitment, which has greatly supported the RC's effectiveness and decision-making process. Their consistent involvement ensures that the RC meets its responsibilities effectively and provides valuable guidance on remuneration-related matters at Hibiscus Petroleum.

To facilitate these meetings, our company secretaries act as the RC's secretary, providing necessary administrative support to ensure that the proceedings run smoothly.

Our Managing Director (MD) is invited to attend RC meetings, save when the discussions concern his own remuneration. His participation aids in facilitating effective deliberations on the proposals presented to the RC.

The RC Chair reports on significant discussions and recommendations to the Board and any proposals falling under Board Reserved Matters are presented for approval. Moreover, in line with regulatory requirements, the Board obtains shareholders' approval for the fees and meeting allowances of NEDs, based on the RC's recommendations. This approach ensures both transparency and accountability in the remuneration decision-making process.

REMUNERATION COMMITTEE REPORT (CONTINUED)

The attendance of the RC members at the RC meetings held during FY2024 is as follows:

Name of RC Member	Appointment Date	Designation	Attendance at RC Meetings
YBhg Dato' Sri Roushan Arumugam	28 March 2013	Chair, NINED	100% (2/2)
Thomas Michael Taylor	15 August 2016	Member, Senior Independent NED	100% (2/2)
Emeliana Dallan Rice-Oxley	1 January 2023	Member, Independent NED (INED)	100% (2/2)
Zaidah binti Ibrahim	1 January 2023	Member, INED	100% (2/2)

Key Responsibilities of the RC

The RC, as part of its role in overseeing remuneration matters at Hibiscus Petroleum, holds several key responsibilities:

(1) Remuneration of the MD and the Leadership Team

The RC is essential in ensuring that the MD and the Leadership Team are appropriately rewarded for their contributions toward meeting the Key Performance Indicators (KPIs) set out in the Group Scorecard.

This involves aligning incentives and rewards with the Company's long-term sustainability and strategic objectives. By thoroughly assessing their performance and reviewing market benchmarks, the RC ensures that their remuneration packages remain competitive relative to their responsibilities.

(2) Monitoring Remuneration Policies

The RC is tasked with continuously overseeing the remuneration policies for Hibiscus Petroleum's entire workforce. This includes evaluating how well incentives and rewards align with the Company's goals and ensuring fair compensation for employees based on their contributions to the Group's overall performance.

The RC ensures that these policies remain effective, competitive and aligned with market standards through regular reviews and updates. This process also ensures compliance with relevant regulations and best practices.

(3) Directors' Remuneration Policy and RC's TOR

The RC periodically reviews and updates both the *Directors' Remuneration Policy* and the RC's *TOR*. These documents offer essential guidelines and frameworks to guide decision-making on remuneration issues. They promote transparency, fairness and adherence to relevant laws and regulations. The *Directors' Remuneration Policy* and the RC's *TOR* are available on our corporate website, where stakeholders can find detailed information about our remuneration practices.

Our RC is dedicated to upholding transparency and fairness in all remuneration practices.

By complying with the *Directors' Remuneration Policy* and the RC's *TOR*, the RC ensures that remuneration decisions are made responsibly with accountability, effectively aligning with the Company's and stakeholders' best interests.

(4) NEDs' Remuneration

The RC supports the Board in establishing the remuneration packages for NEDs, ensuring that the compensation is adequate to attract and retain talented individuals who can provide meaningful contributions to the Board's decision-making processes.

NEDs receive a fixed fee for their responsibilities as directors and additional fees for attending Board and Committee meetings and participating in external events related to their capacity as NEDs. The meeting allowances vary according to whether the NED holds the position of Chair or is a member of the Board or Committee.

To support their active involvement, NEDs are reimbursed for essential travel, accommodation and incidental expenses incurred while performing their duties.

These provisions ensure that NEDs can perform their duties effectively while receiving fair compensation for their time and contributions.

(5) Share and Pension Schemes

During their tenure, NEDs have not participated in any share or pension schemes at Hibiscus Petroleum. Currently, the Company does not have any share or pension schemes available for NEDs or other employees.

Proposed NEDs' Remuneration for Approval at the 14th Annual General Meeting (AGM)

At Hibiscus Petroleum, we aim to attract and retain the right talent for our Board of Directors. To support this, we have a *Directors' Remuneration Policy* which ensures fairness, transparency and alignment with our Company's performance. In accordance with this policy, for the period from the day after the 14th AGM in November 2024 until the next AGM in 2025, the Board has reviewed and proposed adjustments to the remuneration for the Chair of the Board and NEDs, ensuring fairness and consistency with our policy.

The proposed adjustments are based on the following:

(1) Key Achievements

- Successfully guided the integration of our North Sabah business unit with assets and personnel acquired from Repsol Exploración, S.A., effective 1 April 2024, as part of efforts to consolidate our Malaysian operations into a streamlined and efficient organisation.
- Advanced the SF30 Waterflood project with the installation of a wellhead platform and a water injection facility, using salvaged equipment to promote environmental sustainability.
- Drilled five exploration targets offshore Malaysia, resulting in two commercial discoveries, Bunga Aster and Bunga Lavatera fields, which were put into production immediately.
- Entered into an agreement to acquire TotalEnergies EP (Brunei) B.V., increasing reserves by 35.6% and increasing daily production by 12% (upon completion).
- Awarded a 65% interest in the Pertang, Kenarong, Noring and Bedong fields within the PKNB Cluster PSC by Petroliam Nasional Berhad (PETRONAS). This marks the Group's first direct PSC award in Malaysia, with a focus on optimising resource use.
- Acquired 30% interest in the PM327 PSC further enhancing our exploration capabilities.
- Acquired shares as per the Share Buy-Back mandate, maintaining a cautious approach to balance operational cashflow and dividend commitments.
- Reported a Profit After Tax (PAT) of RM467.1 million, revenue of approximately RM2.7 billion and Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA) of RM1.3 billion, surpassing RM1.0 billion in EBITDA for the third year and RM2.0 billion in revenue for the second year.
- Declared several interim dividends totaling 7.5 sen per share and proposed a final dividend of 1.0 sen per share for shareholders' consideration at the 14th AGM in November 2024.
- Achieved zero fatalities across all operations and recorded a Lost Time Injury Rate (LTIR) of 0.02, demonstrating a strong commitment to workplace safety. Details of Health, Safety, Security and Environment (HSSE) initiatives are in the Sustainability Report section.
- Received a Silver Award for HSSE Excellence from PETRONAS and a Gold Award and Order of Distinction from The Royal Society for the Prevention of Accidents (ROSPA) for health and safety performance.

(2) Expanded Responsibilities

As the Company expands its operations and explores new opportunities, the responsibilities of the Board, especially the Chair of the Board and NEDs, are expected to increase substantially. Competitive remuneration is essential for attracting and retaining talented individuals capable of guiding the Company through the complexities of the oil and gas sector. Given the growing responsibilities of NEDs, driven by operational expansion, support for new initiatives and the need to maintain high governance standards, we propose an adjustment in their remuneration for consideration.

(3) Financial and Operational Performance

The proposed increase in remuneration for the Chair of the Board and NEDs reflects Hibiscus Petroleum's recognition of their contributions to the Company's strong financial performance and successful exploration and production results. This adjustment is intended to acknowledge their efforts and support continued motivation and engagement.

(4) Governance and Risk Management

The NEDs' oversight of risk management and compliance with regulatory standards is vital for safeguarding shareholder interests and maintaining high governance standards, and the rationale for adjusting their remuneration.

Given the increased responsibilities of our NEDs, we recognise the importance of providing a competitive remuneration package to attract and retain the right talent on our Board of Directors. Accordingly, a proposed adjustment to the remuneration structure will be presented at the upcoming 14th AGM for review and approval.

REMUNERATION COMMITTEE REPORT (CONTINUED)

The proposed resolutions for the 14th AGM will include the following:

(i) NEDs' Remuneration

The proposed remuneration structure aims to better reflect the growing responsibilities of NEDs in an increasingly complex industry. As such, a proposal is being put forward to increase the annual fees for NEDs. Specifically, the annual fee for the Non-Executive Chair is proposed to be increased by approximately 14% to RM375,000, while the annual fee for other NEDs (excluding the Chair of the Board) is proposed to be increased by approximately 11% to RM200,000.

(ii) Meeting Allowances

The allowances for participating in Board and Board Committee meetings, as well as for NEDs attending Company related activities and external events involving third parties or attendance at meetings with the Group's personnel at the specific request of the Chair of the Board, will remain unchanged. These rates are deemed appropriate considering the responsibilities of our Directors, current market trends and our aim to attract and retain the right talent. This reflects the significant contributions of our NEDs and aligns with our commitment to competitive compensation.

(iii) Medical Coverage

At the 13th AGM on 5 December 2023, our shareholders approved medical coverage for NEDs until the next AGM in 2024. As this benefit requires annual approval, the Board of Directors shall propose that shareholders' approval be sought at the 14th AGM in November 2024 to maintain this benefit until the following AGM in 2025. The medical coverage, provided either through company-secured insurance and/or directly by the Company, will remain unchanged and capped at RM500,000. This proposal reflects our commitment to the well-being and health of our Directors, which supports their effective functioning and decision-making. It also aims to provide continued support for NEDs and aligns with our governance practices.

Note:
The specific details of the proposed resolutions are provided in the Notice of the 14th AGM section of this Annual Report 2023/2024.

Summary of Key Activities in FY2024

During FY2024, the RC of Hibiscus Petroleum carried out several activities:

(1) NEDs' Fees and Meeting Allowances

The RC undertook a comprehensive review of the annual fees and meeting allowances for NEDs. This included the evaluation of proposals for compensation adjustments and additional allowances, as well as reviewing provisions for medical coverage.

(2) Remuneration of Key Personnel

The RC assessed and discussed the proposed remuneration packages for key roles within the Company, including the Audit Manager, Vice Presidents and the Country Head, Malaysia and Vietnam. Recommendations were made with reference to prior recommendations from the Nominating Committee.

(3) Bonus and Compensation Reviews for Employees

(i) The RC reviewed and evaluated the group bonus pool and bonus allocations for various employee groups, including the Leadership Team and other senior roles. Recommendations from this review were presented to the Board for approval.

(ii) Compensation adjustments for specific Leadership Team members based on Management's recommendations were also reviewed by the RC, with proposals submitted to the Board subsequently for approval.

(4) Reward and Benefits Plans

Following the successful acquisition of Fortuna International Petroleum Corporation from Repsol Exploración, S.A. and the subsequent integration of their staff into Hibiscus Group, the RC reviewed and discussed plans for reward enhancement and benefits harmonisation. Based on these discussions, recommendations were made to the Board.

(5) Review of RC Report for Annual Report 2022/2023

The RC reviewed the RC Report and recommended the inclusion of the report in the Company's Annual Report 2022/2023.

The RC is committed to maintaining transparency and responsible remuneration practices, ensuring fair compensation to attract and retain talent and ensure accountability.

This Report is dated 1 October 2024.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

THOMAS MICHAEL TAYLOR
Chair of the Audit and Risk Management Committee

The Audit and Risk Management Committee (ARMC) is pleased to present the ARMC Report for the financial year ended 30 June 2024 (FY2024) in compliance with Paragraph 15.15 of the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Securities).

This report has been approved by the Board of Directors (Board) of Hibiscus Petroleum Berhad (Hibiscus Petroleum or the Company) for inclusion in this Annual Report 2023/2024.

Composition of ARMC and Attendance

The ARMC comprises of the members named below. Their attendance at the ARMC meetings held during FY2024, is also reflected below:

Name of ARMC Member	Appointment Date	Directorship	Attendance at ARMC Meetings[1]
Thomas Michael Taylor	1 August 2016	Chair, Senior Independent Non-Executive Director	100% (9/9)
YBhg Dato' Dr Zaha Rina Zahari	17 October 2017	Member, Independent Non-Executive Director	100% (9/9)
YBhg Dato' Sri Roushan Arumugam	1 January 2023	Member, Non-Independent Non-Executive Director	100% (9/9)

Note:
[1] The minimum number of ARMC meetings to be held in a financial year is four (4) meetings. Additional meetings may be called at any time, at the discretion of the Chair of the ARMC.

In line with Paragraph 15.09(1)(b) of the MMLR, all ARMC members are Non-Executive Directors, with the majority being Independent Directors and at least one member of the ARMC fulfils the requirements as prescribed under Paragraph 15.09(1)(c) of the MMLR.

During the year under review, the Board of Hibiscus Petroleum, via the Nominating Committee, performed the annual assessment on the performance of the ARMC and each of its members pursuant to Paragraph 15.20 of the MMLR of Bursa Securities. This annual assessment was done to evaluate whether the ARMC and each of its members had discharged their responsibilities and duties in accordance with the ARMC's *Terms of Reference (TOR)*.

The *TOR* of the ARMC is available on the Company's website at https://www.hibiscuspetroleum.com.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONTINUED)

Summary of the ARMC Activities for FY2024

The ARMC carried out the following activities in discharging its functions and duties during FY2024:

(i) Financial Reporting

- Reviewed the draft audited financial statements of the Group and of the Company for the financial year ended 30 June 2023 (FY2023) (annual results), together with the Directors' and Auditors' Reports thereon prior to submission to the Board of Hibiscus Petroleum for consideration and approval; and

- Reviewed the unaudited quarterly financial reports (including Corporate and Business Updates) for FY2024 prior to submission to the Board for consideration and approval.

(ii) External Audit

- Reviewed and discussed with Management and the external auditors the key audit areas connected to the review of the annual results and actions to be taken to address such matters, focusing primarily on:

  o significant matters highlighted by Management, including financial reporting issues, significant judgements made by Management, significant and unusual events or transactions and how these matters were addressed;
  o compliance with accounting standards and other legal or regulatory requirements to ensure that the financial statements give a true and fair view of the state of affairs of the Group and of the Company;
  o financial results and cashflows of the Group and of the Company;
  o changes or implementation of accounting policies and standards; and
  o compliance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and provisions of the Companies Act 2016 as well as the MMLR;

- Reviewed and discussed with the external auditors the nature and scope of their audit and ensured that the audit covered the key risk areas affecting financial reporting;

- Reviewed the external auditors' audit plan and the audit fee of the Group for FY2024;

- Considered the findings by the external auditors during the review of the annual results and Management's response thereto;

- Discussed new developments in financial reporting and standards with the external auditors in relation to future financial years/periods;

- Reviewed the performance and effectiveness of the external auditors in the provision of statutory audit services;

- Reviewed the external auditors' internal control recommendations and Management's response;

- Ensured appropriate actions were taken to ensure the effectiveness of the internal control systems based on feedback received from the external auditors;

- Reviewed the fees and type of non-audit services provided by the external auditors;

- Assessed the independence of the external auditors by obtaining a written confirmation and as set out in the Group's *External Auditor Independence Policy*, evaluated the quality and rigour of the audit performed, the quality of service provided, the audit firm's reputation, the compliance to the engagement partners' rotation period in accordance with the terms of all relevant professional and regulatory requirements, and the suitability, objectivity, performance and independence of the external auditors;

- Received a presentation from the external auditors on its Transparency Reports for FY2022 and FY2023;

- Recommended the re-appointment of the external auditors of the Company to the Board, subject to shareholders' approval at the Company's Annual General Meeting; and

- Conducted meetings with the external auditors without Management being present.

(iii) Internal Audit

- Reviewed and approved the internal audit plan for FY2024;

- Reviewed the effectiveness of the internal audit process and assessed the performance of the internal audit function;

- Reviewed and noted the annual declaration made by the Group Internal Auditor on behalf of the Group's internal audit function, in order to assess their independence and objectivity for FY2024 in accordance with the Group's *Internal Audit Charter*;

- Reviewed and discussed the internal audit reports which incorporated findings, recommendations and Management responses for the Group. Key areas covered during FY2024 were:

  (a) Fortuna International Petroleum Corporation and its subsidiaries' key business processes and compliance in relation to data integrity post-migration from the legacy system to the current system;

  (b) SEA Hibiscus Sdn Bhd's key business processes and compliance in relation to the management of selected contracts within Labuan Crude Oil Terminal operations;

  (c) Anasuria Hibiscus UK Limited's governance processes and activities for the Teal West development project which involve contracting and procurement, and compliance with the Group's project assurance process; and

  (d) The Group's processes to prevent cybersecurity threats and compliance with such processes implemented.

- Reviewed with the Group Internal Auditor the results of the audit progress reports and whether appropriate actions were being taken on the recommendations of the internal audit function; and

- Conducted meetings with the Group Internal Auditor without Management being present.

(iv) Related Party Transactions (RPTs)

- Reviewed RPTs on a quarterly basis. During FY2024, there were no RPTs that triggered the disclosure threshold under the MMLR and required shareholders' approval.

(v) Conflict of Interest (COI)

- Reviewed, assessed and/or deliberated on relevant disclosed COI and potential COI matters on half-yearly basis at the ARMC meeting.

(vi) Risk Management and Internal Control

- Reviewed the adequacy and effectiveness of the risk management framework and the appropriateness of the Executive Risk Management Committee (ERMC)'s responses to key risk areas. No significant irregularities or deficiencies in the systems of risk management and internal control came to the attention of the ARMC during FY2024.

- Reviewed and recommended the draft ARMC Report and draft Statement on Risk Management and Internal Control in the Company's Annual Report 2022/2023 for FY2023 to the Board for consideration and approval.

(vii) Others

- Reviewed and deliberated on the Group and each business division's key risks (including corruption related risks) and mitigation plans adopted or to be adopted by the Management to control and mitigate such risks based on the recommendations of the ERMC; and

- Reviewed the Reserves and Contingent Resources reports of RPS Energy Consultants Limited, for the oil fields in the 2011 North Sabah Enhanced Oil Recovery Production Sharing Contract, and recommend the same to the Board for consideration and approval.

Internal Audit Function

The Group's internal audit function supports the ARMC and the Board in discharging its duties and responsibilities by providing independent and objective assessment on the adequacy and effectiveness of internal control and governance processes/framework of the Group. The Group's internal audit function is guided by the Group's *Internal Audit Charter*, which sets out the purpose, authority, scope, independence and responsibilities of the Group's internal audit function.

The Group's internal audit function is led by the in-house Group Internal Auditor, who is a member of the Malaysian Institute of Accountants and possesses a Master's Degree in Business Administration. To ensure independence from Management and operations, the in-house Group Internal Auditor reports directly to the ARMC, which reviews the annual internal audit plan and scope of work for the Group as well as the performance of the Group Internal Auditor in undertaking the internal audit function.

As of 30 June 2024, the Group's internal audit function consists of four (4) members (inclusive of the Group Internal Auditor). All members have confirmed and declared that they are free from relationships and COI situations that could impair their objectivity and independence when performing internal audit assignments.

Through the internal audit function, the Group conducts regular and structured reviews of the system of internal controls so as to provide reasonable assurance that these controls continue to operate satisfactorily and effectively. The system of internal controls offers reasonable but not absolute assurance against material misstatements or losses. The Group proactively and continuously improves and enhances the system of internal controls through collaboration among all lines of defence. By maintaining constant engagement, the Group not only enables the prompt identification of potential issues and builds in preventive controls but also ensures the timely implementation of effective remedial actions through robust corrective controls.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONTINUED)

During the financial year under review, the Group's internal audit function conducted various engagements in accordance with the approved risk-based internal audit plan. The internal audit plan was meticulously developed based on the information provided by Management through enterprise risk assessments conducted by the ERMC, as well as areas of concern deemed important by the ARMC and/or Management.

Details of the internal audit activities carried out by the Group's internal audit function for FY2024 are as follows:

(i) Established and presented risk-based annual internal audit plans for FY2024, which included the internal audit strategy and key focus areas taking into consideration the Group's business strategic plans, regulatory requirements and Management inputs for the ARMC's deliberation and approval;

(ii) Conducted audit reviews based on the approved audit plan, as follows:

- o Evaluated and appraised the soundness, adequacy and application of accounting, financial and other controls towards promoting effective governance within the Group;
- o Appraised the level of operational and business compliance with established policies and procedures;
- o Identified and recommended opportunities for improvements to the existing system of internal controls and processes in the Group;

(iii) Reported results of internal audit reviews to the ARMC on a regular basis; and

(iv) Performed follow-up reviews to ensure that audit recommendations and action plans were implemented by Management on a timely basis.

The sum of RM2,289,046 was incurred by the Group for the internal audit function for FY2024.

This statement is made in accordance with the resolution of the Board dated 1 October 2024.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors (Board) of Hibiscus Petroleum Berhad (Hibiscus Petroleum or the Company) affirms its commitment towards maintaining a sound framework of risk management and internal control in Hibiscus Petroleum Group (Group) and is pleased to provide the following statement. This statement outlines the nature and scope of risk management and internal control as managed within the Group during the financial year ended 30 June 2024 (FY2024) and it further applies up to the date of this statement.

BOARD RESPONSIBILITY

The Board is responsible and accountable for the Group's risk management framework and system of internal control. This responsibility and accountability include the establishment of an appropriate risk management framework and control environment, as well as reviewing its effectiveness, adequacy and integrity. The system of internal control encompasses governance, financial, organisational, operational and compliance controls. Due to the limitations inherent in any system of internal control, this system is designed to manage, rather than eliminate, the risk of failure to achieve the Group's desired objectives. Accordingly, it can only provide reasonable, rather than absolute, assurance against material misstatement or loss.

Management has applied judgement in assessing the risks faced by the Group, identifying the Group's ability to reduce the incidence and impact of risks and, ensuring that the benefits outweigh the costs of operating the controls. The Board, through the Audit and Risk Management Committee (ARMC), ensures that measures are taken in areas that are identified for improvement, as part of Management's continued efforts to strengthen the Group's system of internal control.

REVIEW OF RISK MANAGEMENT AND INTERNAL CONTROL EFFECTIVENESS

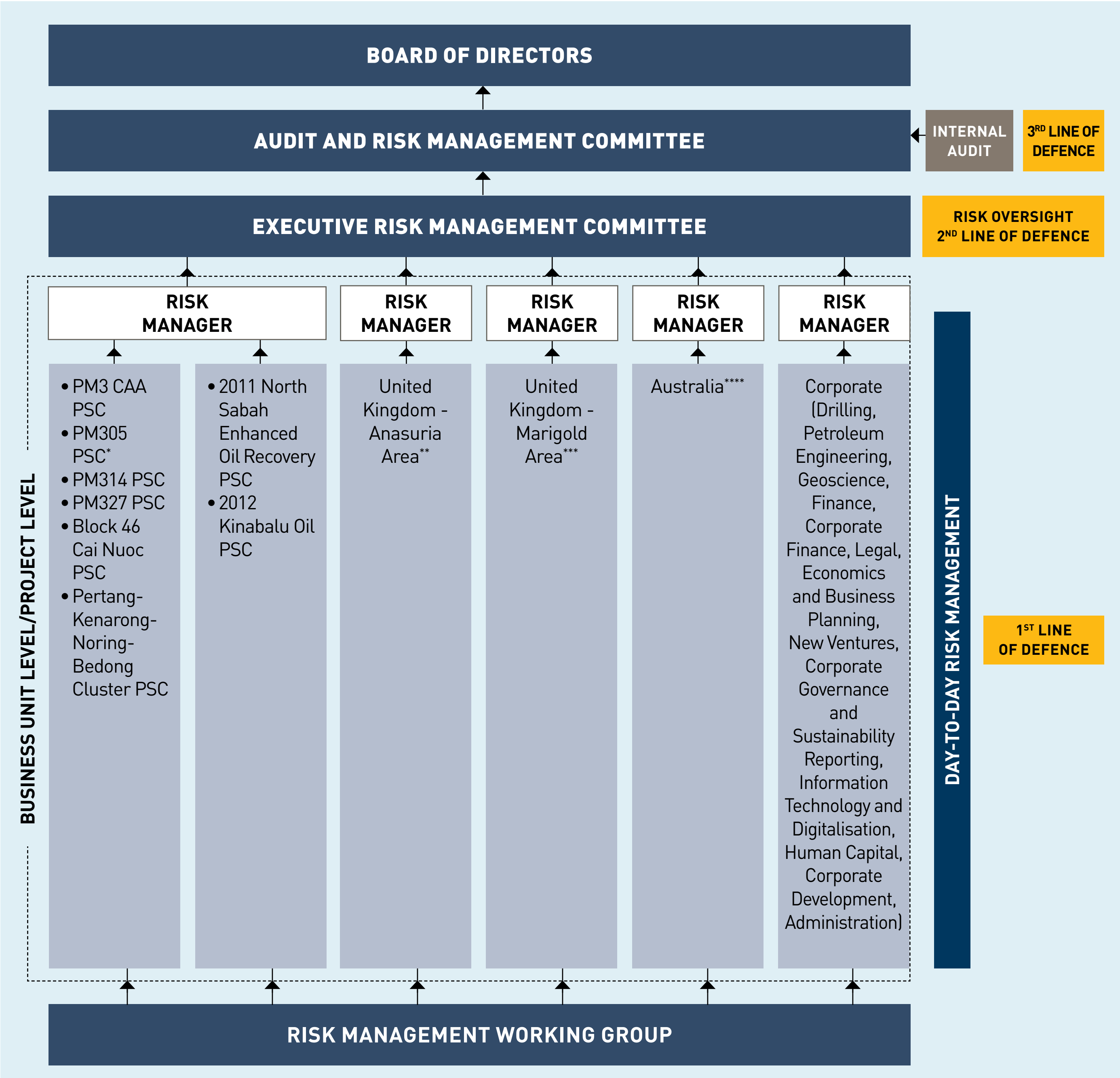
Risk Management Framework

Risk management is firmly embedded in the Group's system of internal control as it is regarded by the Board to be integral to our operations. The management of risk is a collective responsibility and is therefore integrated into the Group's governance, business processes and operations. It is a reiterative process, consisting of steps which enable continuous improvement in decision-making.

To this end, the Group has established a comprehensive risk management framework that encompasses processes for identifying, evaluating and managing significant risks, including corruption related risk, faced by the Group. Risk assessment and evaluation are integral to the Group's strategic planning and day-to-day operations. A detailed risk management process has been instituted, culminating in a Board review, which identifies the key risks facing the Group at business unit or project level. This information is reviewed by Management as part of the strategic review and periodical business performance process. Pursuant to a periodic assessment of our risk management framework, the necessary refinements are made progressively to accommodate our growing business and address changes to our operating environment and, to ensure that the internal control systems in place remain comprehensive and holistic. In the event of any identified breaches in our system of internal control, immediate actions are taken to notify the appropriate stakeholders and prompt remedial measures are implemented to address such breaches effectively.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

Risk Management Structure



Notes:

* *PM305 has ongoing decommissioning obligations and is therefore included for assessment as part of the Group's risk management process.*

** *Guillemot A, Teal, Teal South (Licence P013 (Blocks 21/25a and 21/30a)), Cook (Licence P185 (Block 21/20a)), Cook West (Licence P2532 (Block 21/19c)), Teal West (Licence P2535 (Block 21/24d)) and Fyne (Licence P2451 (Block 21/28b)).*

*** *Marigold and Sunflower fields (Licence P198 (Blocks 15/13a and 15/13b)), Kildrummy (Licence P2518 (Blocks 15/12a and 15/17a)), Crown (Licence P2608 (Blocks 15/18a and 15/19a)) and Cross prospect and hydrocarbon lead northwest of the Marigold field (Licence P2635 (Blocks 15/13c and 15/18c)).*

**** *The VIC/RL17 Petroleum Retention Lease.*

- **Management**

Management acknowledges that they are responsible for implementing the processes for identifying, evaluating, monitoring and reporting risks and for taking appropriate and timely corrective or mitigating actions as needed. Management has further assured the Executive Risk Management Committee (ERMC) and the Board that the Group's risk management framework and internal control systems are operating adequately and effectively in all material aspects.

The risk profile of the Group has been established based on the principles of enterprise risk management. Through this approach, significant risks are identified and assessments of key risks indicators and risk mitigation plans are conducted regularly.

Management has implemented the necessary processes to:

(a) identify risks that are pertinent to the Group's business and align mitigation plans with its objectives and strategies;
(b) design, implement and continuously monitor the risk management framework in accordance with the Group's strategic vision and overall risk appetite; and
(c) identify any changes to existing risks or emerging risks, taking appropriate mitigating actions as appropriate, and promptly informing the Board of such developments.

These efforts underscore Management's commitment towards fostering a proactive risk management culture and ensuring that the Group's operations are safeguarded against potential uncertainties.

Under the risk management framework, responsibilities are allocated in the following manner:

Business Unit level and Project level

Detailed risk assessments and mitigation plans of each business unit and project are led by the relevant Risk Manager involving health, safety, security and environment (HSSE) specialists, geologists, petroleum engineers, facilities/project engineers, primary contractors and joint venture representatives. The scope of these assessments encompasses critical areas such as resources and reserves, production and cost, HSSE, planning and execution, legal, political and regulatory, financial and capital, human capital, reputation, commercial and business continuity.

The designated Risk Managers identify key risks in their respective business units and projects. They assume the responsibility for evaluating the likelihood and impact of these risks while overseeing the implementation of risk mitigation plans.

Company level

The respective Risk Managers report key risks regularly to the ERMC for monitoring and review. The ERMC, led by the Chair of the ERMC, comprises key management personnel from various technical, commercial, operational and financial disciplines, appointed by the ARMC. The ERMC is accountable for ensuring effective risk governance and implementation within the Group. It convenes at least once every quarter to review and update the risk events, procedures and mitigating measures, proposing new mitigation measures to address persistent risks. The Chair of the ERMC provides regular updates to the ARMC based on these reviews.

The key risk profiles at the business unit level and the project level are also regularly discussed at the management level to ensure risks and controls are designed to meet the agreed business objectives.

Corruption risk assessments are an integral part of the risk identification, assessment, mitigation and management process at both the business unit and project levels, as well as at the corporate level. This is in response to the introduction and implementation of corporate liability provisions under Section 17A of the Malaysian Anti-Corruption Commission's (MACC) Act 2009 (amended 2018).

Furthermore, measures have been taken to reinforce the adequacy of existing procedures to minimise potential risks, including the tightening of existing processes and the introduction of new ones (where deemed necessary), as elaborated further in subsequent sections of this Report.

- **Internal Audit**

Internal audit complements the role of the ERMC by independently reviewing the adequacy and effectiveness of the controls implemented based on identified risk profiles and risk management strategies relevant to the audit engagement.

The Group Internal Auditor assists in the assessment of the quality of the Group's risk management and internal control systems, and reports to the ARMC on the status of specific areas identified for improvement based on its audit plan.

- **Board**

In evaluating the effectiveness of the risk oversight and internal control activities of the Group, the Board considers whether business risks have impacted or are likely to impact the Group's achievement of its objectives and strategies. The Board also assesses the effectiveness of the risk management and internal control systems in managing those risks.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

The ERMC Chair meets the ARMC regularly to highlight and discuss the key risks as well as the status of mitigation plans.

The ARMC, on behalf of the Board:

(a) reviews the adequacy of the Group's risk management framework;
(b) through the internal audit process, reviews the effectiveness of the internal control systems deployed by Management to address those risks;
(c) reviews and recommends corrective measures to be undertaken to remedy any failings and/or weaknesses;
(d) reviews status updates from internal audit on recommended corrective actions;
(e) reviews and undertakes monitoring of principal risks which may affect the Group directly or indirectly, and if deemed necessary, recommends additional courses of action to mitigate such risks;
(f) monitors and communicates the risk assessment results to the Board;
(g) reviews the actual and potential impact of any failure or weakness of the internal controls in place, particularly those related to financial performance or conditions affecting the Group; and
(h) reviews any conflict of interest situation that arose, persists or may arise within the Group, including any transaction, procedure or course of conduct that raises questions of Management's integrity, a framework to monitor any conflict of interest situation that may arise within the Group and measures taken to resolve, eliminate or mitigate such conflicts and report the same to the Board.

The responsibilities of the Board for the governance of risk and related issues and the institution of controls include:

(a) approving the Group's risk philosophy/policy;
(b) approving the Group's risk portfolio and determining the Group's risk tolerance and risk appetite;
(c) assessing and monitoring key business risks to safeguard shareholders' investments and the Group's assets;
(d) providing effective oversight on assessment of principal risks and the appropriate systems to manage these risks; and
(e) reviewing the adequacy and integrity of the Group's internal control systems to safeguard shareholders' investments and the Group's assets.

Throughout the financial year and up to the date of this statement, the Board has considered all key issues that have been highlighted, and how these had been addressed. The Board has also sought any additional information deemed necessary to ensure it had taken into account all significant aspects of risk factors and internal controls of the Group. Among the matters considered were:

(a) changes in the nature and the extent of significant risk factors since the previous assessment and how the Group has responded to changes in its business and the external environment;
(b) the effectiveness of the Group's risk management and internal control systems;
(c) the work of its internal audit, risk management team and other assurance providers, including the external auditors and Competent Persons;
(d) the extent and adequacy of the communication of the results from the monitoring to the Board;
(e) the incidence of any control failure or weakness that was identified at any time during the financial year and its impact on the Group's performance or financial, business or operational conditions;
(f) events that had not been anticipated by Management which impacted the achievement of the Group's objectives; and
(g) the adequacy and effectiveness of the risk management and internal control policies as a whole.

INTERNAL CONTROL FRAMEWORK AND ASSESSMENT

The Group's internal control framework and assessment are segregated into two inter-related components, as follows:

(i) Control Environment

The control environment is the organisational structure and culture created by Management and employees to sustain organisational support for effective internal control. It is the foundation for all the other components of internal control, providing discipline and structure. Management's commitment to establishing and maintaining effective internal control is cascaded downwards and permeates the Group's control environment, aiding in the successful implementation of internal control.

Key elements include:

Organisation Structure

The Group has a well-defined organisation structure that is aligned to its business requirements and ensures check and balance through a segregation of duties. Clear reporting lines and authority limits govern the approval processes, driven by the *Limits of Authority (LOA)* framework 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, business opportunities, corporate exercises and any other key matter to be considered for the Group, are escalated to the Board for deliberation and approval.

LOA

The Board's approving authority is in part, delegated to Management through a clear and formally defined *LOA* framework which deals with areas of corporate, financial, operational, human capital and work plans and budgets. The *LOA* framework is the primary instrument that governs and manages the Group's business decision process. Whilst the objective of the *LOA* framework is to empower Management, the key principle adhered to in its formulation is to ensure that a system of internal control of checks and balances are incorporated therein. The *LOA* framework is periodically reviewed and updated to ensure its relevance to the Group's business. *LOAs* are implemented at corporate level, including at operating subsidiary level (in Peninsula Hibiscus Sdn Bhd and its subsidiaries, in SEA Hibiscus Sdn Bhd (SEA Hibiscus) and in Straits Hibiscus Sdn Bhd (Straits Hibiscus)), at project level (in Anasuria Hibiscus UK Limited (Anasuria Hibiscus) and in Carnarvon Hibiscus Pty Ltd (Carnarvon Hibiscus)), as well as at the joint operating entity level (Anasuria Operating Company Limited (AOCL)).

Board and Management Committees

The various Board Committees, namely the ARMC, Nominating Committee and Remuneration Committee are all governed by clearly defined *Terms of Reference (TOR)*.

The *TOR* of the ARMC was updated in June 2023 to align it with amendments to the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Securities). These amendments require the ARMC to review any conflict of interest situation that arose, persists or may arise within the Group, including any transaction, procedure or course of conduct that raises questions of Management's integrity, a framework to monitor any conflict of interest situation that may arise within the Group and measures taken to resolve, eliminate or mitigate such conflicts and report the same to the Board.

The ARMC comprises a majority of Independent Directors with wide-ranging in-depth experience from different backgrounds, knowledge and expertise. Its members met regularly and have had full and unimpeded access to both the internal and external auditors during the financial year.

Human Capital Policies and Procedures

The Group's Human Capital policies and procedures serve to govern all aspects of human capital management, from talent acquisition, learning and development, performance management, employee relations to cessation of employment. These policies and procedures ensure that employees are competent, compensated appropriately and adequately trained to carry out their duties and responsibilities.

Code of Conduct and Ethics (Code)

Directors and employees are required to read, understand and adhere to the *Code*.

The *Code* was updated in June 2023 to provide further guidance to employees on the steps to be taken in the event they encounter any conflict of interest situation. More information on the *Code* is available on the Company's website.

There have been no incidences of non-compliance of the *Code* during the financial year under review.

HSSE Policy

The Group continues to inculcate awareness and build commitment on HSSE throughout the whole organisation. The goal is zero injuries, with the safe delivery of projects being a critical success factor.

Whistle Blower Policy

The policy covers all parties including external stakeholders and members of the public (where relevant). This policy outlines the reporting process when there are occurrences of known and/or suspected malpractices or wrongdoings.

Anti-Modern Slavery Policy

The policy, which supports the *Code*, reiterates the Group's stand to respecting internationally recognised human rights and labour standards, and extends to external third parties working with the Group.

Anti-Corruption and Anti-Bribery Policy

The policy illustrates the Group's zero tolerance policy against all forms of corruption and bribery.

Consistent recurrent trainings including quizzes to gauge employees' understanding of the policy, have been carried out to ensure full compliance with the policy.

All contracts with third parties entered by the Group impose *Anti-Corruption and Anti-Bribery Policy* compliance requirements on such third parties.

Drug and Alcohol Policy

The Group recognises that the protection of the health and safety of our employees, contractors and others involved in the Group's operations is an integral part of business performance. This policy demonstrates the Group's commitment and seriousness in ensuring a safe and healthy work environment for all parties.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

Sustainability Policy

The Group acknowledges the importance of sustainability and its increasing impact to the business. This policy is aligned with the United Nations' Sustainable Development Goals and their call to a Decade of Action, which supports our commitment to use energy and natural resources wisely and efficiently, and to ensure our environmental management system continually assesses the impact of our operations to the surrounding environment, while maintaining action plans capable to respond to any arising emergency. In support of this policy, the Group also adopted a *Climate Change Framework* to define our position and our adaptation and mitigation principles related to climate change.

Other Policies

Key policies and procedures covering *Related Party Transactions, Information Technology (IT), Accounting, Contracting and Procurement, Information Management, Risk Management, Corporate Disclosure, Succession Planning, Insider Trading, External Auditor Independence, Environment* and *Diversity* are available via the Group's SharePoint facility. These are revised periodically to meet changing business, operational and statutory reporting needs.

(ii) Monitoring

Monitoring the effectiveness of internal controls is embedded in the normal course of the business. Periodic assessments are integral to the Management's continuous monitoring, upgrading and tightening of internal controls to reflect the Group's operations.

The Group's overall strategic business plan which maps out its objectives, business direction and highlights project risks (with particular focus on its oil and gas assets in Malaysia, Vietnam, United Kingdom and Australia), were presented by Management to the Board for their deliberation and approval. Subsequent to alignment between the Board and Management on the business objectives to be pursued, overall performance and the potential of the crystallisation of potential, identified risks were continuously monitored during the execution phase of the plan.

The Group operates the following Production Sharing Contracts (PSCs) in Malaysia - the 2012 Kinabalu Oil PSC, the PM3 CAA PSC, the Block 46 Cai Nuoc PSC and the Pertang-Kenarong-Noring-Bedong Cluster PSC which Hibiscus Oil & Gas Malaysia Limited (HML) operates, whilst the 2011 North Sabah Enhanced Oil Recovery PSC is operated by SEA Hibiscus.

On 1 April 2024, the Group successfully completed the integration of the operations of both HML and SEA Hibiscus. The integrated organisation is known as Hibiscus Malaysia. The management team of Hibiscus Malaysia has established a structure for the monitoring of internal controls, which is in compliance with processes and procedures established by the Malaysian and Vietnamese regulators (where applicable) and which reports regularly to the Company and to the Board. Any key management decisions related to the Hibiscus Malaysia organisation are deliberated with the Company's key management personnel, including the Managing Director, before being presented to the Board for approval, if such an approval is required under the Group's *LOA*.

The Company, together with Ping Petroleum UK PLC has established the joint operating company, Anasuria Operating Company as the Licence Operator for the Anasuria Cluster. The Company, through a specific team, monitors the progress of work plans of the Anasuria Cluster via the Anasuria Operating Company and provides the Board with regular updates.

For non-operated assets like Cook Field, Licence P2532 (Block 21/19c) and the PM327 PSC, the Company has instituted the following best practices as a non-operator:

(a) understanding the terms of the respective joint operating agreements;
(b) engaging in regular communication with the operator;
(c) reviewing operator's reports and documentation;
(d) monitoring operator's performance metrics;
(e) participating in decision-making processes as far as practicable;
(f) ensuring operator's compliance with regulations;
(g) monitoring operator's financial reports and assess cost overruns, if any;
(h) leveraging technical expertise by, if possible, bringing in internal or external technical experts to provide independent assessments of operational performance and strategic decisions;
(i) addressing disputes and issues with proper assessments and documentation; and
(j) building strong relationships with the operator and other joint venture parties on a transparent basis.

The Company's indirect wholly-owned subsidiary company, Anasuria Hibiscus is the operator of the Marigold and Sunflower fields (Licence P198 (Blocks 15/13a and 15/13b)), the Teal West field (Licence P2535 (Block 21/24d)), the Kildrummy discovery (Licence P2518 (Blocks 15/12a and 15/17a)), the Fyne discovery (Licence P2451 (Block 21/28b)), the Crown discovery (Licence P2608 (Blocks 15/18a and 15/19a)) and the Cross prospect and hydrocarbon lead northwest of the Marigold field (Licence P2635 (Blocks 15/13c and 15/18c)) licences. The Anasuria Hibiscus project team deliberates key management decisions with the Company and the Board, where required. The Board regularly receives status updates on the progress of the various projects.

In addition, progress in the VIC/RL17 Petroleum Retention Lease work plans by the Company's indirect wholly-owned subsidiary company, Carnarvon Hibiscus as operator of the concessions, is presented and discussed with the Board by Management. Management, together with the Board, regularly reviews issues covering, but not limited to, strategy, risks, performance, resources and future business opportunities.

Significant changes in the business and the external environment, and strategic plans to address these changes are reported by Management to the Board on an on-going basis.

Quarterly financial results and other information are provided to the ARMC and the Board to enable the Board to monitor and evaluate the business and financial performance.

Management and Board Meetings

The Board meets regularly with a set schedule of matters, which are required to be brought to its attention for discussion, thus ensuring that it maintains full and effective supervision over appropriate controls. The Managing Director and key management personnel lead the presentation of Board papers and explain pertinent issues. In arriving at any decision, on recommendation by Management, a thorough deliberation and discussion by the Board is a prerequisite.

Internal Audit

The internal audit function is undertaken in-house led by the Group Internal Auditor. The internal audit role is to validate the adequacy and effectiveness of internal controls, and to provide an independent and objective assurance to add value and improve the internal controls of the Group. The internal audit function achieves its objectives by bringing a systematic, risk-based approach to evaluate the Group's governance, risk management and internal controls. The Group Internal Auditor assists both the Board and the ARMC by conducting on-going reviews of risks and internal controls to ensure that key financial, operational, system and compliance controls established by the Board and Management are operating effectively.

To ensure independence from Management, the Group Internal Auditor reports directly to the ARMC.

The internal audit plans are approved by the ARMC on a periodic basis. The ARMC also monitors major internal audit findings to ensure they are promptly addressed and resolved. Significant findings and recommendations for improvements are highlighted to Management and the ARMC, with follow-up and reviews of action plans.

Joint Ventures and Associate

The Group's system of internal control does not apply to its associate company, which falls within the control of its majority shareholders. The Group's internal control systems described in this statement applies for joint ventures where the Group is the Operator and has the ability to participate in the key decision-making process of the joint ventures. For non-operated joint ventures with minority stakes, the Group participates in an operations committee or in board meetings and reviews the management accounts received. These provide the Board with performance-related information to enable informed and timely decision-making on the Group's investments in such companies.

Penalties and Fines

There have been no material unresolved penalties or fines which may adversely affect the Group for the financial year under review and up to the date of this statement.

REVIEW OF THE STATEMENT BY THE BOARD OF DIRECTORS

This Statement on Risk Management and Internal Control has been prepared in compliance with the MMLR of Bursa Securities and in accordance with the Statement on Risk Management and Internal Control - Guidelines for Directors of Listed Issuers. In making the statement, the Board has received assurance from the Managing Director and Chief Financial Officer that the Group's risk management and internal control systems are operating adequately and effectively in all material aspects, based on the risk management model adopted by the Group.

The Board considers the system of internal control described in this statement to be effective and the risks to be at an acceptable level within the context of the Group's business environment and risk appetite set by the Board. The Board and Management will continue to take measures to strengthen the risk management processes and internal control environment and monitor the health of the risks and internal control framework.

For the financial year under review, the Board is satisfied with the adequacy, integrity and effectiveness of the systems of risk management and internal control and save as disclosed in the financial report for FY2024, there was no other material loss, contingency or uncertainty requiring separate disclosure.

This Statement on Risk Management and Internal Control is made in accordance with the resolution of the Board dated 1 October 2024.

ADDITIONAL COMPLIANCE INFORMATION

1. Material Contracts Involving the Interest of the Directors and Major Shareholder

Save as disclosed below, there were no other material contracts of Hibiscus Petroleum Berhad (Hibiscus Petroleum or the Company) and its subsidiaries (Group) involving the interests of the directors and major shareholder, either still subsisting at the end of the financial year ended 30 June 2024 or entered into since the end of the previous financial year:

a) The Service Agreement between Hibiscus Petroleum and Dr Kenneth Gerard Pereira, dated 1 January 2011, appointed him as Managing Director (MD) of Hibiscus Petroleum. On 19 July 2018, a new Service Agreement was executed to renew Dr Kenneth Gerard Pereira's appointment as MD upon his attainment of 60 years of age. This renewal complied with the Company's policy, which mandates automatic cessation of employment at the age of 60 unless renewed at the Company's discretion.

Effective August 2020, and subsequently in 2022, the MD's Service Agreement was extended for a period of two years each. The most recent Service Agreement was executed on 1 August 2024, further extending his tenure for an additional two years.

2. Contracts Relating to Loans

There was no contract relating to loans of the Company involving the interest of the directors and major shareholder.

3. Convertible Securities

On 10 November 2023, 2,193,880 Redeemable Convertible Preference Shares (RCPS) were fully redeemed by the RCPS holder at the redemption price of RM0.10 per RCPS.

4. Non-Audit Fees

During the financial year under review, non-audit fees to the external auditors of the Group and of the Company amounted to RM382,775 and RM53,100 respectively, incurred for tax-related services/advice.

The scope and terms of the non-audit work scope were negotiated and discussed independently by the Group and by the Company in accordance with the Group's and the Company's relevant policies and procedures. The work scope was not prohibited under the *External Auditor Independence Policy*, which complies with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards).

THE BOARD OF DIRECTORS' RESPONSIBILITY STATEMENT
IN RESPECT OF THE PREPARATION OF THE ANNUAL AUDITED FINANCIAL STATEMENTS

The Board of Directors (Board) of Hibiscus Petroleum Berhad (Hibiscus Petroleum or the Company) is required by the Companies Act 2016 (Act) to prepare financial statements for each financial year in accordance with the applicable approved accounting standards in Malaysia and 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 cashflows of the Group and of the Company for the financial year.

In preparing the financial statements of the Group and of the Company, the Directors have:

- selected and applied appropriate accounting policies consistently;
- made reasonable and appropriate judgements and estimates;
- ensured all applicable approved accounting standards in Malaysia and the provisions of the Act and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad have been complied with; and
- based on a going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and the Company have adequate resources to continue in operational existence for at least the next 12 months from the date of approval of the financial statements.

The Board has the responsibility for ensuring that the Group and the Company 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 Act.

The Board 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, detection 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 from pages 201 to 207 and the financial statements from pages 215 to 305 of this Annual Report 2023/2024.

This statement is made in accordance with the resolution of the Board dated 1 October 2024.

BUILDING A STRONG FINANCIAL FOUNDATION

Earnings have grown in tandem with larger volumes and higher oil prices whilst we optimise costs.

FINANCIAL REPORT

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 30 June 2024.

PRINCIPAL ACTIVITIES

The Group and the Company are principally engaged in the business of exploring for, and producing oil and gas. The Group and the Company also develop oil and gas fields, hold investments, and provide project management, technical and other services relating to the oil and gas exploration and production industry. There have been no significant changes in the nature of these activities during the financial year.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit after taxation for the financial year	467,124	7,361

DIVIDENDS

The amount of dividends paid by the Company since 30 June 2023 are as follows:

	RM'000
In respect of the financial year ended 30 June 2024	
First interim single-tier dividend of 2.00 sen per ordinary share, paid on 19 January 2024	16,073
Second interim single-tier dividend of 2.00 sen per ordinary share, paid on 18 April 2024	15,987
Third interim single-tier dividend of 2.00 sen per ordinary share, paid on 19 July 2024	15,971
In respect of the financial year ended 30 June 2023	
Second interim single-tier dividend of 0.75 sen* per ordinary share, paid on 21 July 2023	15,093
Third interim single-tier dividend of 0.50 sen* per ordinary share, paid on 20 October 2023	10,062
Final single-tier dividend of 1.25 sen per ordinary share, paid on 19 January 2024	10,039
	83,225

* *The consolidation of the issued share capital of the Company of every five shares into two consolidated shares ("Share Consolidation") was completed on 20 October 2023. The second and third interim single-tier dividends in respect of the financial year ended 30 June 2023 were declared before the Share Consolidation.*

On 27 August 2024, the Directors declared a fourth interim single-tier dividend of 1.50 sen per ordinary share in respect of the financial year ended 30 June 2024, payable on 25 October 2024. The financial statements for the current financial year do not reflect this dividend. This dividend will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ending 30 June 2025.

On 12 September 2024, the Directors have recommended the payment of a final single-tier dividend of 1.0 sen per existing ordinary share in respect of the financial year ended 30 June 2024, which is subject to the approval by the Company's shareholders at the forthcoming Annual General Meeting.

DIRECTORS' REPORT (CONTINUED)

SHARE CAPITAL

During the financial year, the share capital of the Company was consolidated based on every five shares of the Company into two consolidated shares, resulting in 804,967,428 number of issued consolidated ordinary shares from the previous 2,012,418,743 number of issued ordinary shares.

The consolidated shares were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") on 20 October 2023, and the Share Consolidation was successfully completed on the same date.

Except as disclosed above, there were no other changes in the issued ordinary share capital of the Company during the financial year.

SHARES REPURCHASED

During the current financial year, the Company repurchased 6,385,200 of its issued ordinary shares from the open market on Bursa Securities for a total consideration paid of RM16,182,962, including transaction costs. The shares repurchased are held as treasury shares in accordance with Section 127(4) of the Companies Act 2016 ("Act").

As at 30 June 2024, the total number of treasury shares held by the Company was 6,385,200 shares.

RESERVES AND PROVISIONS

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

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.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps to ascertain that proper 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 all known bad debts had been written off and adequate provision made for impairment.

At the date of this report, the Directors are not aware of any circumstances which would render the amount written off for bad debts or the impairment of receivables inadequate to any substantial extent.

VALUATION METHODS

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

CURRENT ASSETS

Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps to ascertain that any current assets, which were unlikely to be realised in the ordinary course of business, including the value of current assets as shown in the accounting records of the Group and of the Company, had been written down to an amount which the current assets 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 of the Group and of the Company misleading.

CONTINGENT AND OTHER LIABILITIES

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

(i) Any charges 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; and

(ii) Any contingent liabilities in the Group and in the Company which have 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 respective financial statements misleading.

ITEMS OF A MATERIAL AND UNUSUAL NATURE

In the opinion of the Directors, the results of the Group's and the Company's operations during the financial year were not 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 to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS

The Directors in office during the financial year and during the period from the end of the financial year to the date of the report are:

Zainul Rahim bin Mohd Zain
Dr Kenneth Gerard Pereira
Thomas Michael Taylor
YBhg Dato' Sri Roushan A/L Arumugam
YBhg Dato' Dr Zaha Rina binti Zahari
Emeliana Dallan Rice-Oxley
Zaidah binti Ibrahim

In accordance with Clause 134 of the Constitution of the Company, Zainul Rahim bin Mohd Zain and Emeliana Dallan Rice-Oxley shall retire by rotation from the Board of Directors at the forthcoming Annual General Meeting of the Company and being eligible, offer themselves for re-election.

LIST OF DIRECTORS OF SUBSIDIARIES

Pursuant to Section 253 of the Act, the Directors of the subsidiaries (excluding Directors who are also Directors of the Company) in office during the financial year and during the period from the end of the financial year to the date of the report are:

Chong Chee Seong
Devarajan Indran
Ian Edward Gregory
Jeremy Andrew Marryshow
Lim Kock Hooi
Dr Pascal Josephus Petronella Hos
Poh Phei Ling
Sir Trevor Austin Carmichael

DIRECTORS' REPORT (CONTINUED)

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Act, none of the Directors who held office at the end of the financial year held any shares or debentures in the Company or its subsidiaries during the financial year except as follows:

	Number of ordinary shares						
	At 01.07.2023	Acquisitions prior to Share Consolidation	Disposal prior to Share Consolidation	Consolidated pursuant to Share Consolidation	Acquisitions post Share Consolidation	Disposal post Share Consolidation	At 30.06.2024
Direct interests:							
YBhg Dato' Dr Zaha Rina binti Zahari	4,500,000	-	-	(2,700,000)	-	-	1,800,000
YBhg Dato' Sri Roushan A/L Arumugam	1,120,000	-	-	(672,000)	50,000	-	498,000
Dr Kenneth Gerard Pereira	70,785,000	4,000,000	-	(44,871,000)	-	-	29,914,000
Indirect interests:							
Dr Kenneth Gerard Pereira*	108,772,600	8,500,000	-	(70,363,560)	2,300,000	-	49,209,040
YBhg Dato' Sri Roushan A/L Arumugam**	37,480,700	-	-	(22,488,420)	-	-	14,992,280

* *Deemed interested via his 63.75% equity interest in Hibiscus Upstream Sdn. Bhd. ("Hibiscus Upstream").*
** *Deemed interested via his 100.00% equity interest in Littleton Holdings Pte Ltd.*

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (CONTINUED)

	Number of Redeemable Convertible Preference Shares			
	At 01.07.2023	Bought	Redeemed	At 30.06.2024
Indirect interests:				
Dr Kenneth Gerard Pereira*	2,193,880	-	(2,193,880)	-

* *Deemed interested via his 63.75% equity interest in Hibiscus Upstream.*

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit (other than the benefits shown under Directors' Remuneration as set out on page 205 of the Directors' Report) 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 and any benefit that may deemed to have been received by certain Directors.

Neither during nor at the end of the financial year was the Company or any of its subsidiaries, a party to any arrangements whose object was 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.

DIRECTORS' REMUNERATION

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:

	Group RM'000	Company RM'000
Executive Director:		
- salaries and bonus	8,050	8,050
- defined contribution plan	1,852	1,852
- other benefits	8	8
	9,910	9,910
Non-executive Directors:		
- fees and allowances	2,173	1,938
	12,083	11,848

There are two types of Directors for the Company's subsidiaries, namely Directors who are also employees of the Group and Directors who are external parties. Employees of the Group do not receive any separate additional remuneration for serving as Directors of the Company's subsidiaries. Total emoluments received by the Directors of the Company's subsidiaries during the financial year in the form of salaries and bonus, defined contribution plan and other benefits in their capacity as employees of the Group and Directors' fees amounted to RM8,562,086 and RM267,570 respectively.

The Company effected a Directors' and Officers' Liability Insurance (subject to applicable sub-limits and terms) for the Directors and Officers of the Group at a total insurance premium cost of RM539,912 in the financial year.

DIRECTORS' REPORT (CONTINUED)

SUBSIDIARIES

The details of the subsidiaries of the Company are as follows:

Name of company	Principal activities	Country of incorporation	Group's effective equity interest (%)
Gulf Hibiscus Limited	Provision of project management, technical and other services	Malaysia	100
Hibiscus Oilfield Services Limited	Provision of project management, technical and other services	Malaysia	100
Orient Hibiscus Sdn. Bhd.	Investment holding	Malaysia	100
Oceania Hibiscus Sdn. Bhd. ("Oceania Hibiscus")	Investment holding	Malaysia	100
Genesis Hibiscus Sdn. Bhd. ("Genesis Hibiscus")	Investment holding	Malaysia	100
Hibiscus Technical Services Sdn. Bhd. ("Hibiscus Technical Services")	Provision of project management, technical and other services	Malaysia	100
Timor Hibiscus Limited	Investment holding	Malaysia	100
Atlantic Hibiscus Sdn. Bhd. ("Atlantic Hibiscus")	Investment holding	Malaysia	100
Pacific Hibiscus Sdn. Bhd. ("Pacific Hibiscus")	Investment holding	Malaysia	100
Asia Hibiscus Sdn. Bhd. ("Asia Hibiscus")	Investment holding	Malaysia	100
Seri Hibiscus Sdn. Bhd. ("Seri Hibiscus")	Investment holding	Malaysia	100
Subsidiaries of Oceania Hibiscus			
Carnarvon Hibiscus Pty Ltd ("Carnarvon Hibiscus")	Exploration and development of oil and gas	Australia	100
Althea Corporation Limited	Investment holding	Malaysia	100
Subsidiaries of Genesis Hibiscus			
Cayman Hibiscus Inc SPC	Dormant	Cayman Islands	100
Hibiscus Capital Limited	Investment holding	Malaysia	100
Subsidiaries of Atlantic Hibiscus			
Anasuria Hibiscus UK Limited	Exploration and production of oil and gas	United Kingdom ("UK")	100
Hibiscus Energy UK Limited	Exploration and production of oil and gas	UK	100
Subsidiary of Pacific Hibiscus			
SEA Hibiscus Sdn. Bhd.	Exploration and production of oil and gas	Malaysia	100
Subsidiaries of Asia Hibiscus			
Peninsula Hibiscus Sdn. Bhd. ("Peninsula Hibiscus")	Exploration and production of oil and gas	Malaysia	100
Borneo Hibiscus Sdn. Bhd.	Exploration and production of oil and gas	Malaysia	100
Straits Hibiscus Sdn. Bhd.	Exploration and production of oil and gas	Malaysia	100

SUBSIDIARIES (CONTINUED)

The details of the subsidiaries of the Company are as follows: (continued)

Name of company	Principal activities	Country of incorporation	Group's effective equity interest (%)
Subsidiary of Hibiscus Technical Services			
Hibiscus Integrated Production Services Sdn. Bhd.	Provision of operations, maintenance, shutdown, or turnaround, and associated services relating to the oil and gas production and storage facilities, installations, or platforms	Malaysia	100
Subsidiary of Seri Hibiscus			
Simpor Hibiscus Sdn. Bhd.	Exploration and production of oil and gas	Malaysia	100
Subsidiary of Carnarvon Hibiscus			
Gippsland Hibiscus Pty Ltd	Exploration and development of oil and gas	Australia	100
Subsidiary of Peninsula Hibiscus			
Fortuna International Petroleum Corporation ("Fortuna International")	Investment holding	Barbados	100
Subsidiaries of Fortuna International			
Hibiscus Oil & Gas Malaysia (PM3) Limited	Oil and gas exploration, development and production	Barbados	100
Hibiscus Oil & Gas Malaysia Limited	Oil and gas exploration, development and production	Barbados	100
Talisman Vietnam Limited	Oil and gas exploration, development and production	Barbados	100

AUDITORS' REMUNERATION

The aggregate amounts of auditors' remuneration paid and/or payable of the Group and of the Company during the financial year amounted to RM2,822,100 and RM410,310 respectively.

AUDITORS

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), have expressed their willingness to continue in office.

This report was approved by the Board of Directors on 1 October 2024. Signed on behalf of the Board of Directors:

DR KENNETH GERARD PEREIRA
DIRECTOR

ZAINUL RAHIM BIN MOHD ZAIN
DIRECTOR

Kuala Lumpur

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Dr Kenneth Gerard Pereira and Zainul Rahim bin Mohd Zain, two of the Directors of Hibiscus Petroleum Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 215 to 305 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2024 and financial performance of the Group and of the Company for the financial year ended 30 June 2024 in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with their resolution dated 1 October 2024.

DR KENNETH GERARD PEREIRA
DIRECTOR

ZAINUL RAHIM BIN MOHD ZAIN
DIRECTOR

Kuala Lumpur

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1) (b) OF THE COMPANIES ACT 2016

I, Yip Chee Yeong, 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 215 to 305 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 Declaration Act, 1960.

YIP CHEE YEONG
(MIA No. CA-22753)

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 1 October 2024.

Before me

RAJEEV SAIGAL A/L RAMLABAYA SAIGAL (W681)
COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HIBISCUS PETROLEUM BERHAD
(Incorporated in Malaysia)
(Registration Number: 200701040290 (798322-P))

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Hibiscus Petroleum Berhad ("the Company") and its subsidiaries ("the Group") give a true and fair view of the financial position of the Group and of the Company as at 30 June 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Group and of the Company, which comprise the statements of financial position as at 30 June 2024 of the Group and of the Company, and the statements of profit or loss, 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 notes to the financial statements, including a summary of material accounting policies, as set out on pages 215 to 305.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

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

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements of the Group and of the Company. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group and of the Company, the accounting processes and controls, and the industry in which the Group and the Company operate.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HIBISCUS PETROLEUM BERHAD (CONTINUED)
(Incorporated in Malaysia)
(Registration Number: 200701040290 (798322-P))

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Group

Key audit matters	How our audit addressed the key audit matters
Recoverability of the carrying amounts of intangible assets, equipment and right-of-use assets *Refer to Note 4(k)(ii) - Summary of material accounting policies: Impairment of non-financial assets, Note 5(a) - Critical accounting estimates and judgements: Estimation of oil and gas reserves, Note 5(b) - Critical accounting estimates and judgements: Impairment review of intangible assets, equipment and right-of-use assets, Note 14 - Intangible assets, Note 15 - Equipment and Note 16 - Right-of-use assets* As at 30 June 2024, the Group's carrying amounts of intangible assets, equipment and right-of-use assets (collectively, "Upstream Assets") amounted to RM1,437.1 million, RM2,190.9 million and RM142.7 million respectively. These Upstream Assets are grouped at the lowest level cash generating units ("CGUs") for which separate identifiable cash flows are available. These CGUs are based on operating areas and the material CGUs are listed below: - 2011 North Sabah Enhanced Oil Recovery Production Sharing Contracts ("PSC") ("North Sabah"); - 2012 Kinabalu Oil PSC ("Kinabalu"); - PM3 Commercial Arrangement Area PSC ("PM3 CAA"); - Anasuria Area (Licence P013, Licence P185, Licence P2451, Licence P2532, Licence P2535 and Anasuria floating production storage and offloading vessel); and - Marigold Area (Licence P198, Licence P2518, Licence P2608, and Licence P2635). During the current financial year, the Group has written off well exploration costs included in intangible assets amounting to RM82.6 million relating to the South Furious Ungu Side Track and South Furious Merah exploration wells. In addition, the Group recognised a provision of impairment in relation to certain Kinabalu's equipment amounting to RM61.0 million during the current financial year. As at 30 June 2024, management had performed the impairment assessments for Upstream Assets using the fair value less costs to sell ("FVLCTS") model that mainly derived from the estimated future cash flows of each CGU based on management estimates of future oil and gas prices, market supply and demand, product margins, expected future capital expenditure and expected future production volumes.	We performed the following audit procedures for each of the material CGUs: - Evaluate the appropriateness of management's assessment of the relevant CGUs identified for impairment assessment as approved by the Directors; - Agreed the cash flows to management forecasts approved by the Directors and considered any adjustments relevant to FVLCTS; - Compared life-of-field assumptions with the production profile within the licence period for the CGUs; - Agreed production volumes or contingent resources incorporated into the cash flows to reserves estimates prepared by internal geological and geophysical teams; - Assessed reasonableness of forecasted oil and gas prices incorporated into the cash flows by comparing to available market data and considered the appropriateness of the possible impact of the volatility in oil and gas prices; - Agreed future operating and capital expenditure included in the cash flows to supporting documents; - Assessed the reliability of operating cash flows by comparing actual operating expenditure to previous forecast; - Compared the commercial risk factors incorporated into the cash flows for North Sabah, Kinabalu, PM3 CAA and the Marigold Area to externally available benchmarks in light of the uncertainties for development projects given the volatile oil and gas prices; - Assessed competency, capabilities and objectivity of internal geological and geophysical teams who produced reserves estimates by considering their professional qualifications, experience and independence; - Checked reasonableness of the discount rates and commercial risk factors with the assistance of our valuation experts by benchmarking to industry reports;

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Group (continued)

Key audit matters	How our audit addressed the key audit matters
Recoverability of the carrying amounts of intangible assets, equipment and right-of-use assets (continued) Based on the assessments, the Directors concluded that no further impairment or write off is required for Kinabalu and North Sabah respectively and no impairment or write off is required for the Anasuria Area, the Marigold Area and PM3 CAA. We focused on this area due to the significant assumptions and judgements used in the Group's assessment of the recoverable amounts based on FVLCTS.	- Reviewed and performed sensitivity analysis by changing the key assumptions used in the base cash flows on oil and gas prices, production volumes, capital expenditure and discount rates in consideration of the possible impact due to potential market uncertainties; and - In relation to the write off of North Sabah's well exploration costs and the impairment of certain Kinabalu's equipment: • Agreed the costs incurred for the exploration activities and the affected equipment to the underlying accounting records; • Checked the costs incurred to the relevant supporting documents on a test basis; and • Discussed with the relevant technical experts in the Group to understand the basis of the technical assessments supporting management's decision to write off or impair these assets and corroborated with the relevant supporting documents. We did not find any material exceptions in the procedures performed.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HIBISCUS PETROLEUM BERHAD (CONTINUED)
(Incorporated in Malaysia)
(Registration Number: 200701040290 (798322-P))

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Company

Key audit matters	How our audit addressed the key audit matters
Recoverability of the carrying amounts of cost of investments in subsidiaries and amounts owing by subsidiaries *Refer to Note 4(d)(i) - Summary of material accounting policies: Financial assets, Note 5(d) - Critical accounting estimates and judgements: Impairment review of investments in subsidiaries and amounts owing by subsidiaries, Note 17 - Investments in subsidiaries and Note 23 - Amounts owing by/(to) subsidiaries* As at 30 June 2024, the net carrying amounts of the investments in subsidiaries and amounts owing by subsidiaries is RM226.2 million after total impairment losses of RM690.1 million. During the current financial year, the Company has recognised impairment in amounts owing by subsidiaries of RM0.6 million. The recoverability of the amounts of the investments in subsidiaries and amounts owing by subsidiaries were determined based on the discounted cash flows used to assess the recoverable amount of the Upstream Assets after taking into account financing and tax cash flows of the respective subsidiaries, which are available for distributions as dividends. We focused on this area due to the significant judgements and assumptions made by management in determining the recoverable amount of the amounts owing by subsidiaries.	In addition to the procedures performed on the cash flows from the underlying Upstream Assets of the subsidiaries as described in the key audit matter earlier, we performed the following audit procedures: - Agreed the cash flows used to determine the recoverable amount of the investments in subsidiaries and amounts owing by subsidiaries to the cash flows used to determine the recoverable amount of Upstream Assets which we have assessed above, and where relevant, to the fair value of the underlying net assets of these subsidiaries; - Checked management's forecasted future operating activities including the estimated income and expenses to supporting documents; - Checked that the cash flows used to determine the recoverable amount of Upstream Assets had been appropriately adjusted for financing and tax cash flows of the respective subsidiaries; and - Checked appropriateness of management's assessment on the expected credit losses of amounts owing by subsidiaries. We did not find any material exceptions from the procedures performed.

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report and Statement on Risk Management and Internal Control, which we obtained prior to the date of this auditors' report, and other sections in 2024 Annual Report, which are expected to be made available to us after that date. Other information does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit 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 Group's and of the Company's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HIBISCUS PETROLEUM BERHAD (CONTINUED)
(Incorporated in Malaysia)
(Registration Number: 200701040290 (798322-P))

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 17 to the financial statements.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

TAN ENG HONG
03424/03/2025 J
Chartered Accountant

Kuala Lumpur
1 October 2024

STATEMENTS OF PROFIT OR LOSS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Revenue	6	**2,715,734**	2,344,830	**88,908**	104,731
Cost of sales	7	**(948,963)**	(817,463)	**-**	-
Gross profit		**1,766,771**	1,527,367	**88,908**	104,731
Other income	8	**60,210**	37,087	**938**	4,472
Administrative and other operating expenses		**(437,406)**	(294,961)	**(79,654)**	(50,982)
Supplemental payments		**(125,066)**	(196,525)	**-**	-
Write-off of well exploration costs	14	**(82,616)**	-	**-**	-
Impairment of equipment	15	**(61,008)**	-	**-**	-
Net impairment of investments in subsidiaries and amounts owing by subsidiaries		**-**	-	**(584)**	(6,018)
Other administrative expenses		**(168,716)**	(98,436)	**(79,070)**	(44,964)
Other expenses		**(544,158)**	(481,434)	**(1,346)**	(3,717)
Finance costs	9	**(106,829)**	(77,255)	**(86)**	(4,049)
Share of results of an associate		**(510)**	1,282	**-**	-
Profit before taxation	10	**738,078**	712,086	**8,760**	50,455
Taxation	11	**(270,954)**	(311,568)	**(1,399)**	(527)
Profit after taxation		**467,124**	400,518	**7,361**	49,928
Profit after taxation attributable to:					
- Owners of the Company		**467,124**	400,518	**7,361**	49,928
Earnings per share (sen)					
- Basic	12	**58.22**	49.76*		
- Diluted	12	**58.22**	49.76*		

* *For comparative purpose, in accordance with the provisions of Malaysian Financial Reporting Standard ("MFRS") 133 'Earnings per Share', the basic earnings per share and diluted earnings per share for the financial year ended 30 June 2023 had been adjusted to reflect the effect of the consolidation of the issued share capital of the Company of every five shares into two consolidated shares ("Share Consolidation"), which was completed on 20 October 2023.*

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

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Profit after taxation	**467,124**	400,518	**7,361**	49,928
Other comprehensive income ("OCI"):				
Item that may be subsequently reclassified to profit or loss:				
- Foreign currency translation	**27,822**	137,534	**-**	-
Total comprehensive income for the financial year, net of tax	**494,946**	538,052	**7,361**	49,928
Total comprehensive income attributable to:				
- Owners of the Company	**494,946**	538,052	**7,361**	49,928

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

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2024

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
ASSETS					
NON-CURRENT ASSETS					
Intangible assets	14	**1,431,973**	1,452,069	**50**	5
Equipment	15	**2,190,882**	2,024,457	**3,559**	2,060
Right-of-use assets	16	**142,650**	158,106	**947**	1,373
Other receivables	22	**170,888**	178,802	**-**	-
Investments in subsidiaries	17	**-**	-	**-**	-
Investment in an associate	18	**4,456**	4,902	**-**	-
Investment in a joint venture	19	**-**	-	**-**	-
Restricted cash and bank balances	26	**274,359**	219,012	**-**	-
Tax recoverable		**53,957**	53,425	**-**	-
Deferred tax assets	34	**-**	16,811	**-**	-
		4,269,165	4,107,584	**4,556**	3,438
CURRENT ASSETS					
Intangible assets	14	**5,102**	8,854	**-**	-
Inventories	20	**193,426**	198,628	**-**	-
Trade receivables	21	**548,521**	411,381	**-**	-
Other receivables, deposits and prepayments	22	**891,483**	493,579	**1,400**	1,539
Amounts owing by subsidiaries	23	**-**	-	**226,242**	240,271
Amount owing by a joint venture	24	**-**	339	**-**	-
Amount owing by a related party	25	**-**	-	**-**	145
Cash and bank balances	26	**688,025**	959,659	**11,826**	56,731
Tax recoverable		**8,617**	18,504	**-**	-
		2,335,174	2,090,944	**239,468**	298,686
TOTAL ASSETS		**6,604,339**	6,198,528	**244,024**	302,124

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

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2024 (CONTINUED)

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
EQUITY AND LIABILITIES					
EQUITY					
Share capital	27	**166,014**	166,014	**166,014**	166,014
Treasury shares	28	**(16,121)**	-	**(16,121)**	-
Other reserves	29	**336,752**	308,930	**-**	-
Retained earnings		**2,613,745**	2,214,815	**48,194**	109,027
		3,100,390	2,689,759	**198,087**	275,041
NON-CURRENT LIABILITIES					
Other payables	31	**-**	4,303	**-**	-
Borrowings	32	**534,947**	647,742	**125**	632
Contingent consideration	33	**43,307**	43,372	**-**	-
Deferred tax liabilities	34	**807,044**	792,973	**932**	178
Provision for decommissioning costs	35	**539,512**	617,125	**-**	-
		1,924,810	2,105,515	**1,057**	810
CURRENT LIABILITIES					
Trade payables	30	**26,382**	38,299	**-**	-
Other payables and accruals	31	**955,666**	863,292	**43,513**	24,270
Borrowings	32	**214,113**	214,752	**856**	765
Amounts owing to subsidiaries	23	**-**	-	**426**	546
Amount owing to a joint venture	24	**-**	319	**-**	-
Amount owing to a related party	25	**-**	-	**1**	312
Contingent consideration	33	**1,691**	7,574	**-**	-
Provision for decommissioning costs	35	**78,271**	56,291	**-**	-
Provision for taxation		**303,016**	222,508	**84**	161
Redeemable Convertible Preference Shares	36	**-**	219	**-**	219
		1,579,139	1,403,254	**44,880**	26,273
TOTAL LIABILITIES		**3,503,949**	3,508,769	**45,937**	27,083
TOTAL EQUITY AND LIABILITIES		**6,604,339**	6,198,528	**244,024**	302,124

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Non-distributable					
	Share capital RM'000	**Treasury shares RM'000**	**Other reserves RM'000**	**Foreign exchange reserve RM'000**	**Retained earnings RM'000**	**Total RM'000**
Group						
At 01.07.2023	**166,014**	**-**	**389**	**308,541**	**2,214,815**	**2,689,759**
Profit after taxation	**-**	**-**	**-**	**-**	**467,124**	**467,124**
OCI, net of tax:						
- Foreign currency translation	**-**	**-**	**-**	**27,822**	**-**	**27,822**
Total comprehensive income for the financial year	**-**	**-**	**-**	**27,822**	**467,124**	**494,946**
Dividends	**-**	**-**	**-**	**-**	**(68,132)**	**(68,132)**
Purchase of treasury shares	**-**	**(16,121)**	**-**	**-**	**(62)**	**(16,183)**
Total transactions with owners of the Company	**-**	**(16,121)**	**-**	**-**	**(68,194)**	**(84,315)**
At 30.06.2024	**166,014**	**(16,121)**	**389**	**336,363**	**2,613,745**	**3,100,390**
At 01.07.2022	966,014	-	389	171,007	1,064,607	2,202,017
Profit after taxation	-	-	-	-	400,518	400,518
OCI, net of tax:						
- Foreign currency translation	-	-	-	137,534	-	137,534
Total comprehensive income for the financial year	-	-	-	137,534	400,518	538,052
Dividends	-	-	-	-	(50,310)	(50,310)
Capital Reduction*	(800,000)	-	-	-	800,000	-
Total transactions with owners of the Company	(800,000)	-	-	-	749,690	(50,310)
At 30.06.2023	166,014	-	389	308,541	2,214,815	2,689,759

* *Reduction of RM800,000,000.00 in the Company's issued ordinary share capital pursuant to Section 117 of the Companies Act 2016 ("Act") ("Capital Reduction") was completed on 3 March 2023.*

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

	Non-distributable			
	Share capital RM'000	Treasury shares RM'000	Retained earnings/ (Accumulated losses) RM'000	Total RM'000
Company				
At 01.07.2023	**166,014**	**-**	**109,027**	**275,041**
Profit after taxation/Total comprehensive income for the financial year	**-**	**-**	**7,361**	**7,361**
	166,014	**-**	**116,388**	**282,402**
Dividends	**-**	**-**	**(68,132)**	**(68,132)**
Purchase of treasury shares	**-**	**(16,121)**	**(62)**	**(16,183)**
Total transactions with owners of the Company	**-**	**(16,121)**	**(68,194)**	**(84,315)**
At 30.06.2024	**166,014**	**(16,121)**	**48,194**	**198,087**
At 01.07.2022	966,014	-	(690,591)	275,423
Profit after taxation/Total comprehensive income for the financial year	-	-	49,928	49,928
	966,014	-	(640,663)	325,351
Capital Reduction*	(800,000)	-	800,000	-
Dividends	-	-	(50,310)	(50,310)
Total transactions with owners of the Company	(800,000)	-	749,690	(50,310)
At 30.06.2023	166,014	-	109,027	275,041

* *The Capital Reduction was completed on 3 March 2023.*

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before taxation		**738,078**	712,086	**8,760**	50,455
Adjustments for:					
Depreciation and amortisation of equipment, intangible assets and right-of-use assets		**476,191**	480,355	**1,324**	1,236
Finance costs		**106,829**	77,255	**86**	4,049
Write-off of well exploration costs		**82,616**	-	**-**	-
Impairment of equipment		**61,008**	-	**-**	-
Unrealised loss/(gain) on foreign exchange		**9,728**	22,616	**(598)**	(4,471)
Net provision/(reversal of provision) for inventories obsolescence		**627**	(3,407)	**-**	-
Share of results of an associate		**510**	(1,282)	**-**	-
Net impairment of investments in subsidiaries and amounts owing by subsidiaries		**-**	-	**584**	6,018
Dividend income		**-**	-	**(50,000)**	(73,000)
Write-off of bad debts		**-**	19	**-**	-
Impairment of investment in an associate		**-**	532	**-**	-
Write-back of amount owing to a related party		**-**	-	**(175)**	-
Write-back of amount owing to a joint venture		**(46)**	-	**-**	-
Write-back of other payables		**(5,049)**	-	**-**	-
Interest income		**(60,554)**	(18,377)	**(7,468)**	(8,979)
Operating profit/(loss) before working capital changes		**1,409,938**	1,269,797	**(47,487)**	(24,692)
Inventories		**6,302**	(21,087)	**-**	-
Trade receivables		**(132,381)**	16,907	**-**	-
Other receivables, deposits and prepayments		**(57,864)**	55,391	**139**	(750)
Trade payables		**(12,227)**	28,294	**-**	-
Other payables and accruals		**15,120**	(376,303)	**18,365**	(1,312)
Amounts owing by subsidiaries		**-**	-	**(27,539)**	(17,409)
Amount owing by an associate		**-**	10	**-**	-
Amount owing by a related party		**-**	-	**8**	-
CASH GENERATED FROM/(USED IN) OPERATIONS		**1,228,888**	973,009	**(56,514)**	(44,163)
Tax paid		**(153,964)**	(176,698)	**(721)**	(188)
Movement in restricted cash and bank balances		**(96,275)**	(69,659)	**-**	-
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES		**978,649**	726,652	**(57,235)**	(44,351)

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received		**60,554**	18,377	**1,069**	3,735
Advances to subsidiaries		**-**	-	**-**	(53,867)
Repayment of advances to a subsidiary		**-**	-	**24,869**	81,821
Dividends received from a subsidiary		**-**	-	**73,000**	106,000
Acquisition of intangible assets		**(162,382)**	(94,907)	**(53)**	(6)
Deposit for an investment		**(231,280)**	-	**-**	-
Purchase of equipment		**(580,820)**	(421,310)	**(1,992)**	(364)
NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES		**(913,928)**	(497,840)	**96,893**	137,319
CASH FLOWS FROM FINANCING ACTIVITIES					
Drawdown of term loan		**-**	436,533	**-**	-
Drawdown of revolving credit		**-**	185,263	**-**	185,263
Advance from a subsidiary		**-**	-	**-**	32,651
Repayment of advances from a subsidiary		**-**	-	**-**	(32,651)
Repayment of revolving credit		**-**	(275,419)	**-**	(185,263)
Redemption of Redeemable Convertible Preference Shares		**(219)**	-	**(219)**	-
Purchase of treasury shares		**(16,183)**	-	**(16,183)**	-
Interest paid		**(40,286)**	(9,203)	**-**	(3,330)
Dividends paid		**(67,254)**	(55,341)	**(67,254)**	(55,341)
Repayment of term loan		**(92,919)**	-	**-**	-
Repayment of lease liabilities		**(168,262)**	(167,396)	**(898)**	(849)
NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES		**(385,123)**	114,437	**(84,554)**	(59,520)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(320,402)**	343,249	**(44,896)**	33,448
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES		**4,767**	37,602	**(9)**	403
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		**925,630**	544,779	**56,731**	22,880
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	26	**609,995**	925,630	**11,826**	56,731

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

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 ("Bursa Securities"). The registered office and principal place of business are as follows:

Registered office	:	Unit 521, 5th Floor, Lobby 6, Block A, Damansara Intan, No. 1, Jalan SS20/27, 47400 Petaling Jaya, Selangor Darul Ehsan.
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 1 October 2024.

2 PRINCIPAL ACTIVITIES

The Group and the Company are principally engaged in the business of exploring for, and producing oil and gas. The Group and the Company also develop oil and gas fields, hold investments, and provide 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 17 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 have been prepared in accordance with the provisions of the MFRS, International Financial Reporting Standards and the requirements of the Act.

The financial statements have been prepared under the historical cost convention, except as disclosed in the summary of material accounting policies in Note 4 to the financial statements.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgements are based on the Directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5 to the financial statements.

(a) Amendments to published standards that are effective to the Group and the Company

The Group and the Company have applied the following amendments for the first time for the financial year beginning on 1 July 2023:

- Amendments to MFRS 101 'Disclosure of Accounting Policies'
- Amendments to MFRS 108 'Definition of Accounting Estimates'
- Amendments to MFRS 112 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction'

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

3 BASIS OF PREPARATION (CONTINUED)

(a) Amendments to published standards that are effective to the Group and the Company (continued)

The Group and the Company have applied the following amendments for the first time for the financial year beginning on 1 July 2023: (continued)

- Amendments to MFRS Practice Statement 2 'Making Materiality Judgements'

The adoption of the above amendments did not have any impact on the current financial year or any prior financial period.

(b) Amendments to published standards that are applicable to the Group and the Company but not yet effective are as follows:

Effective for financial periods beginning on or after 1 January 2024

- Amendments to MFRS 16 'Lease Liability in a Sale and Leaseback'
- Amendments to MFRS 101 'Non-current Liabilities with Covenants'
- Amendments to MFRS 107 and MFRS 7 'Supplier Finance Arrangements'

Effective for financial periods beginning on or after 1 January 2026

- Amendments to MFRS 9 and MFRS 7 'Amendments to the Classification and Measurement of Financial Instruments'

Effective for financial periods beginning on or after 1 January 2027

- MFRS 18 'Presentation and Disclosure in Financial Statements'
- MFRS 19 'Subsidiaries without Public Accountability: Disclosures'

The Group will adopt the above amendments when they become effective in the respective financial periods. The Group is in the process of assessing the impact of the adoption of these amendments to existing standards.

4 SUMMARY OF MATERIAL ACCOUNTING POLICIES

(a) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 30 June 2024.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intragroup transactions, balances, unrealised gains and unrealised losses 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.

Changes in ownership interests in subsidiaries without change of control

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.

4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Oil and gas expenditure - exploration and evaluation ("E&E") assets

E&E assets comprise rights and concessions and conventional studies related to licensed areas of interest in the exploration phase. Following the acquisition of a concession right to explore a licensed area, the costs directly associated with an exploration well such as licence acquisition, geological and geophysical surveys, drilling, commercial appraisal costs and other directly attributable costs of exploration and appraisal including technical and administrative costs, are capitalised as conventional studies, and presented as intangible assets.

Oil and gas expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward in relation to each area of interest to the extent that the following conditions are satisfied:

- The rights to the tenure of an area of interest are current; and
- At least one of the following conditions is also met:
    - E&E expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or
    - E&E activities in the area of interest have not, at the reporting date, reached a stage which permits reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the areas of interest are continuing.

Accumulated costs in relation to an abandoned area are written off in full to profit or loss in the financial period in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the proven and probable developed reserves.

E&E assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an E&E asset may exceed its recoverable amount. The Group allocates E&E assets to cash generating unit ("CGU")s or groups of CGUs for the purpose of assessing such assets for impairment. Each CGU or group of units to which an E&E asset is allocated will not be larger than an operating segment as disclosed in Note 39 to the financial statements.

(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 ("RM"), 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(c) Currency translation (continued)

(iii) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a 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);
- All resulting currency translation differences are recognised in OCI and accumulated in the foreign exchange reserve; and
- On consolidation, exchange differences arising from translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investment, are recognised in OCI.

(d) Financial instruments

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

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

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

(i) Financial assets

- Classification

  The Group and the Company have classified its financial assets in the following measurement categories:

  - Those to be measured subsequently at fair value (either through OCI or through profit or loss); and
  - Those to be measured at amortised cost.

- Recognition and derecognition

  Purchases and sales of financial assets are recognised on trade-date, the date on which the Group and the Company commit to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Company have transferred substantially all the risks and rewards of ownership.

4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(d) Financial instruments (continued)

(i) Financial assets (continued)

- Measurement

  At initial recognition, the Group and the Company measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

  Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest ("SPPI").

  Debt instruments

  - Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. The Group and the Company reclassify debt instruments only when its business model for managing those assets changes.

  - There are three measurement categories into which the Group and the Company classify its debt instruments:

    ■ Amortised cost

    Assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising from derecognition is recognised directly in profit or loss and presented in other income/(expenses) together with foreign exchange gains and losses. Impairment losses are presented as separate line items in the statements of comprehensive income or statements of profit or loss and statements of comprehensive income as applicable.

    ■ Fair value through other comprehensive income ("FVOCI")

    Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent SPPI, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other income/(expenses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income/(expenses) and impairment expenses are presented as separate line items in the statements of comprehensive income or statements of profit or loss and statements of comprehensive income as applicable.

    ■ FVTPL

    Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. The Group and the Company may also irrevocably designate financial assets at FVTPL if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases. Fair value changes are recognised in profit or loss and presented net within other income/(expenses) in the period which it arises.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(d) Financial instruments (continued)

(i) Financial assets (continued)

- Subsequent measurement – Impairment for debt instruments

The Group and the Company assess on a forward looking basis the expected credit loss ("ECL") associated with its debt instruments carried at amortised cost and at FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group and the Company have six types of financial instruments that are subject to the ECL model:

- Trade receivables;
- Other receivables;
- Deposits;
- Amounts owing by subsidiaries;
- Amount owing by a joint venture; and
- Amount owing by a related party.

While cash and bank balances are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial.

ECL represents a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Group and the Company expect to receive, over the remaining life of the financial instrument.

The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

General 3-stage approach for other receivables, deposits, amounts owing by subsidiaries, amount owing by a joint venture and amount owing by a related party

- At each reporting date, the Group and the Company measure ECL through loss allowance at an amount equal to 12 months ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required.

Simplified approach for trade receivables

- The Group applies the MFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables.

4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(d) Financial instruments (continued)

(i) Financial assets (continued)

Significant increase in credit risk

The Group and the Company consider the probability of a default upon initial recognition of an asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The Group and the Company also consider available reasonable and supportable forward-looking information.

The following indicators are considered:

- Internal credit rating;
- External credit rating (as far as available);
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;
- Actual or expected significant changes in the operating results of the debtor;
- Significant increases in credit risk on other financial instruments of the same debtor;
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements; and
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtor in the Group and the Company and changes in the operating results of the debtor.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

Definition of default and credit-impaired financial assets

The Group and the Company define a financial instrument as default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria

- The Group and the Company define a financial instrument as default, when the counterparty fails to make contractual payment within 90 days of when they fall due.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(d) Financial instruments (continued)

(i) Financial assets (continued)

Qualitative criteria

- The debtor meets unlikeliness to pay criteria, which indicates the debtor is in significant financial difficulty. The Group and the Company consider the following instances:

    - The debtor is in breach of financial covenants;
    - Concessions have been made by the lender relating to the debtor's financial difficulty;
    - It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; or
    - The debtor is insolvent.

Financial instruments that are credit-impaired are assessed on an individual basis.

<u>Write-off</u>

Trade receivables

- Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments. Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Other receivables

- The Group and the Company write-off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on the unavailability of a debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Group and the Company may write off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains.

(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 FVTPL.

FVTPL 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. The Group and the Company did not enter into any hedging activities as at the reporting date.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(d) Financial instruments (continued)

(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) Treasury shares

When issued ordinary shares are repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from equity attributable to owners of the Company. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares.

When treasury shares are reissued by resale, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to owners of the Company. An amount equivalent to the original purchase cost of the treasury shares will be deducted from retained earnings upon the distribution of any treasury shares as share dividends.

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

MFRS 9 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.

RCPS, which amongst other conditions, are redeemable at the option of the holder of the RCPS and are classified as current liabilities. The RCPS are not entitled to any dividend.

(vi) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

(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 each reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable.

On the disposal of 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 an associate

Associate is an entity, in which the Group has significant influence, but not control, over the financial and operating policies.

Investment in an associate is accounted for using the equity accounting method. Under the equity method, the investment is initially recognised at cost less any impairment losses, unless it is classified as available for sale or distribution. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and OCI or expense of the associate, after adjustments, if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. The Group's investment in associate includes goodwill identified on acquisition.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) Investment in an associate (continued)

In respect of an equity accounted associate, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill that forms part of the carrying amount of the equity accounted associate.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the associate acquired, the difference is recognised in profit or loss.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

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

On the disposal of the investment in an associate, the difference between the net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

(g) Investments in joint arrangements

The Group is a party to a joint arrangement when there is a contractual arrangement that confers joint control over the relevant activities of the arrangement to the Group and at least one other party. Joint control is assessed under the same principles as control over subsidiaries.

The Group classifies its interests in joint arrangements as either:

(i) Joint ventures: where the Group has rights to only the net assets of the joint arrangement; or

(ii) Joint operations: where the Group has both the rights to assets and obligations for the liabilities of the joint arrangement.

In assessing the classification of interests in joint arrangements, the Group considers:

- The structure of the joint arrangement;
- The legal form of joint arrangements structured through a separate vehicle;
- The contractual terms of the joint arrangement agreement; and
- Any other facts and circumstances (including any other contractual arrangements).

The Group accounts for its interests in joint ventures in the same manner as investments in associates (i.e. using the equity method - refer above).

Any premium paid for an investment in a joint venture above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the investment in the joint venture. Where there is objective evidence that an investment in a joint venture has been impaired, the carrying amount of the investment is tested for impairment in the same way as that of other non-financial assets.

The Group accounts for its interests in joint operations by recognising its share of assets, liabilities, revenues and expenses in accordance with its contractually conferred rights and obligations.

4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(h) Production Sharing Contract

The Company's subsidiaries which are parties to Production Sharing Contract ("PSC") arrangements are SEA Hibiscus Sdn. Bhd. ("SEA Hibiscus"), Hibiscus Oil & Gas Malaysia Limited ("Hibiscus Oil & Gas"), Hibiscus Oil & Gas Malaysia (PM3) Limited ("Hibiscus Oil & Gas (PM3)") and Talisman Vietnam Limited ("Talisman Vietnam").

Under the terms of the PSCs, assets procured by the contractors for petroleum operations in each contract area become the property of the host government in which the PSC operates, with the contractors retaining the rights of use of those assets for the duration of the PSC.

The Group classifies the PSCs as joint operations and recognises its share of assets, liabilities, revenues and expenses in accordance with the contractually conferred rights and obligations stated in the PSCs and the joint operating agreements ("JOAs").

Under the JOAs, the operator is allowed to recover its indirect charges for administrative contributions for supporting the joint operation by charging the non-operator the portion of allowed overhead calculated based on agreed percentages under the JOAs. This charge of the allowed overhead is to compensate for the operator's administrative contribution for performing services that are not to be considered as direct charge for the benefit of the joint operation. The portion of the allowed overhead, when charged to the non-operator, is recognised as a reduction in the operator's cost of sales upon being incurred.

Under the PSCs, contractors fund the work outlined in an approved work programme and budget and are entitled to recover costs from production, subject to the cost recovery limits of the PSCs. The cost recovery mechanism of the PSCs enables contractors to recover costs incurred via an entitlement to production volume. Costs unrecovered in a particular quarter can be carried forward for recovery against production in subsequent quarters. The contractors' share of production also includes an element of profit.

(i) Intangible assets

(i) Other intangible assets

Other intangible assets comprise rights and concessions, and conventional studies related to licensed areas of interest in the development and production phases. Intangible assets acquired separately are measured at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Where the consideration to acquire the intangible assets includes a contingent consideration arrangement, intangible assets are initially recognised, which includes an estimate for the contingent consideration which derives from future anticipated variable costs. A liability will be recognised for the contingent consideration at the same time. The contingent consideration is subsequently measured at amortised cost. Subsequent changes in the contingent consideration will be recognised against the cost of the intangible assets or, in certain circumstances, in profit or loss.

Following initial recognition, intangible assets are measured at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(i) Intangible assets (continued)

(i) Other intangible assets (continued)

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Amortisation of other intangible assets is computed based on the unit of production method using proven and probable reserves.

Cost associated with production and general corporate activities are expensed in the period incurred. Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted, if appropriate.

(ii) Computer software

Costs incurred to acquire computer software that does not form an integral part of the related hardware are capitalised as intangible assets when the computer software is ready for its intended use. Computer software is amortised on a straight-line basis over the estimated useful life of three years.

The costs of computer software 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 intended manner.

When an indication of impairment exists, the carrying amount of the intangible assets is assessed for impairment. Refer to Note 4(k)(ii) to the financial statements for the accounting policy on impairment of non-financial assets.

(iii) Emission trading schemes

The Group operates in an energy intensive industry and as part of the regulatory and legislative requirement in the United Kingdom ("UK"), it is required to partake in emission trading schemes ("ETS"). UK emissions allowances ("UKAs") are purchased to settle the Group's liabilities related to emissions.

UKAs are presented under cost of sales in the statement of profit or loss when utilised against the Group's emissions liabilities in the UK. UKAs purchased but are not utilised against emissions liabilities are recognised in the statement of financial position as an intangible asset, at cost.

(j) Equipment

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

The cost 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 of the following assets is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives:

Furniture and fittings	7 years to 10 years
Office equipment	3 years to 5 years
Office renovation	3 years to 10 years
Floating production storage and offloading vessel ("FPSO")	20 years

4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(j) Equipment (continued)

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.

Expenditure on the construction, installation and completion of infrastructure facilities for oil and gas assets is capitalised within equipment.

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 Company 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.

Expenses incurred for the construction of tangible assets attributable to ongoing projects incurred are capitalised as 'work in progress'. Capitalisation is made within tangible assets according to the nature of the expenditure. No depreciation is charged during this phase until the asset is ready for use. The depreciation rate is calculated based on the useful life of the asset to be assessed once it is ready for use.

Depreciation of oil and gas assets comprising subsea facilities and equipment is computed based on the unit-of-production method using proven and probable developed reserves.

(k) Impairment

(i) Impairment of financial assets

The accounting policies for impairment of financial assets are set out in Note 4(d)(i) to the financial statements.

(ii) Impairment of non-financial assets

Assets that have an indefinite useful life or intangible assets not ready for use, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed 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 an asset is the higher of the assets' fair value less costs to sell ("FVLCTS") and their value in use, which is measured by reference to discounted future cash flows. For the purpose of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows.

An impairment loss is recognised in profit or loss immediately.

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.

(l) Inventories

Inventories of crude oil, spares and diesel are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Cost of petroleum products includes direct costs and transportation charges incurred in bringing the inventories to their present condition and location and is determined on a weighted average basis.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(m) Cash and bank balances

Cash and bank balances in the statements of financial position comprise cash in hand, bank balances, and fixed deposits with licensed banks. In the statements of cash flows, cash equivalents are short-term and highly liquid investments for the purpose of meeting short term commitments rather than for investments or other purposes, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value and exclude restricted cash.

(n) Provisions

(i) Decommissioning costs

Provisions for future decommissioning costs are made in full when the Group has an obligation to dismantle and remove a facility or an item of plant and to restore the site on which it is located, and when a reasonable estimate of that liability can be made. Periodic estimates are made for such future facility abandonment costs. The estimated cost of decommissioning and restoration is discounted to its net present value. An amount equivalent to the discounted initial provision for decommissioning costs is capitalised and amortised over the life of the underlying asset on a unit-of-production basis over proven and probable developed reserves. Any change in the present value of the estimated expenditure is reflected as an adjustment to the provision and the underlying related asset.

The unwinding of the discount applied to future decommissioning provisions is included under finance costs in profit or loss. The estimated interest rate used in discounting the cash flows is reviewed at least once annually.

Where the Group has obligations to contribute to a decommissioning fund, the amount paid to the fund by the Group reduces the provision for decommissioning costs to the extent that the contributions should also reduce the Group's obligations in relation to such future decommissioning costs.

(ii) Other provisions

Provisions are recognised when the Group and the Company have 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. The increase in the provision due to passage of time is recognised as finance cost.

(o) Current and deferred taxation

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 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 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 tax liability is recognised on temporary differences on investments in subsidiaries, except where the Group and the Company are 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 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.

4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(o) Current and deferred taxation (continued)

Deferred tax is measured:

(i) At the tax rates that are expected to apply when the related deferred 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 and the Company expect, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities.

Income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities. Deferred tax assets and liabilities are offset when the deferred tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

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

(p) Leases

Accounting by lessee

A lease is recognised as a right-of-use asset and a corresponding liability at the date on which the leased asset is available for use by the Group and the Company (i.e. the commencement date).

Contracts may contain both lease and non-lease components. The Group and the Company allocate the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

- Lease term

  In determining the lease term, the Group and the Company consider all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

  The Group and the Company reassess the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group and the Company and affect whether the Group and the Company are reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities. Refer below for reassessment of lease liabilities.

- Right-of-use assets

  Right-of-use assets are initially measured at cost comprising the following:

  - The amount of the initial measurement of lease liability;
  - Any lease payments made at or before the commencement date less any lease incentive received;
  - Any initial direct costs; and
  - Decommissioning or restoration costs.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(p) Leases (continued)

Accounting by lessee (continued)

Right-of-use assets that are not investment properties are subsequently measured at cost, less accumulated depreciation and impairment loss, if any. The right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group and the Company are reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. In addition, the right-of-use assets are adjusted for certain remeasurement of the lease liabilities.

- Lease liabilities

  Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments include the following:

  - Fixed payments (including in-substance fixed payments), less any lease incentive receivable;
  - Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
  - The exercise prices of purchase and extension options if the Group and the Company are reasonably certain to exercise the options; and
  - Payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising that option.

  Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use assets in a similar economic environment with similar terms, security and conditions.

  Lease payments are allocated between principal and finance costs. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

  The Group and the Company present the lease liabilities within borrowings in the statements of financial position. Interest expense on the lease liabilities is presented within the finance cost in profit or loss.

- Reassessment of lease liabilities

  The Group is also exposed to potential future increases in variable lease payments that depend on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is remeasured and adjusted against the right-of-use assets.

- Short-term leases and leases of low value assets

  Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items of office furniture. Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(q) 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 financial period in which the associated services are rendered by employees of the Group and the Company. 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 and the Company pay fixed contributions into separate entities such as the Employee Provident Fund on a mandatory, contractual or voluntary basis. The Group and the Company have no further payment obligations once the contributions have been paid.

(r) Revenue

Revenue from contracts with customer

(i) Sale of oil and gas products

Oil and gas revenues that comprise the Group's share of sales of hydrocarbons are recognised at the point in time when control of the asset is transferred to the customer. No element of financing is deemed present as the sales are made with a credit term of 14 to 30 days, which is consistent with market practice.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before payment is due.

(ii) Project management, technical and other services

Revenue is recognised over the period in which the project management, technical and other services relating to the oil and gas exploration and production industry are rendered, when it is probable that future economic benefits will flow to the Group and the Company, and the amount of revenue can be measured reliably.

Revenue from other sources

(i) Interest income

The Group's and the Company's interest income is recognised using the effective interest method. Interest income consists of income from deposits with licensed banks and financial institutions.

The Company's interest income includes interest received from advances to subsidiaries.

(ii) Dividend income

Dividend income is recognised when the Group's and the Company's right to receive payment is established.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(s) Under/overlift

An underlift asset is initially measured at the market price of crude oil at the date of lifting and remeasured to the current market price of crude oil at the reporting date. Change arising from the remeasurement is included in profit or loss.

The measurement of an overlift liability depends on the terms of agreement. If the agreement allows the net settlement of overlift balances in cash, the balances will fall within the scope of MFRS 9. Overlift balances that fall within the scope of MFRS 9 are to be initially measured at market price of crude oil at the date of lifting and remeasured to the current market price of crude oil at the reporting date. However, if the agreement restricts the net settlement of overlift balances to be settled in kind only, the transactions will not fall within the scope of MFRS 9. Overlift balances that do not fall within the scope of MFRS 9 are to be initially measured at estimated future production costs at the date of lifting and remeasured at the lower of carrying amount and current market price of crude oil at the reporting date. Changes arising from the remeasurement is included in profit or loss.

(t) 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 Makers ("CODM") to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Board of Directors, Managing Director and leadership team are the Group's CODM.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group and the Company make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have a material impact on the Group's and the Company's results and financial positions are tested for sensitivity to changes in the underlying parameters. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(a) Estimation of oil and gas reserves

Oil and gas reserves are a key element in the Group's investment decision making process. They are also an important element in assessment for impairment. Changes in proven and probable developed oil and gas reserves will affect unit-of-production depreciation charges to profit or loss. Proven oil and gas reserves are the estimated quantities of crude oil, natural gas and natural gas liquids which geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions, i.e. prices and costs as of the date the estimate is made.

Proven developed reserves are reserves that can be expected to be recovered through existing wells with existing equipment and operating methods. Estimates of oil and gas reserves are inherently imprecise, require the application of judgement and are subject to future revision. Accordingly, financial and accounting measures (such as the discounted cash flows ("DCF"), depreciation, depletion and amortisation charges, and decommissioning provisions) that are based on proven reserves are also subject to change.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(a) Estimation of oil and gas reserves (continued)

Proven reserves are estimated by reference to available reservoir and well information, including production and pressure trends for producing reservoirs and, in some cases, subject to definitional limits, to similar data from other producing reservoirs. Proven reserves estimates are attributed to future development projects only where there is a significant commitment to project funding and execution and for which applicable governmental and regulatory approvals have been secured or are reasonably certain to be secured. Furthermore, estimates of proven reserves only include volumes for which access to market is assured with reasonable certainty. All proven reserves estimates are subject to revision, either upward or downward, based on new information, such as from development drilling and production activities or from changes in economic factors, including product prices, contract terms or development plans.

Probable reserves are those unproven reserves which analysis of geological and engineering data suggests are more likely than not to be recoverable. In this context, when probabilistic methods are used, there should be at least a 50.0% probability that the quantities actually recovered will equal or exceed the sum of estimated proven plus probable reserves.

In general, changes in the technical maturity of hydrocarbon reserves resulting from new information becoming available from development and production activities have tended to be the most significant cause of annual revisions. In general, estimates of reserves for undeveloped or partially developed fields are subject to greater uncertainty over their future life than estimates of reserves for fields that are substantially developed and depleted. As a field goes into production, the amount of proven reserves will be subject to future revision once additional information becomes available through, for example, the drilling of additional wells or the observation of long-term reservoir performance under producing conditions. As those fields are further developed, new information may lead to revisions.

Changes to the Group's estimates of proven and probable reserves, particularly proven and probable developed reserves, also affect the amount of depreciation and amortisation recorded for oil and gas assets and rights and concessions related to revisions. A reduction in proven and probable developed reserves will increase depreciation and amortisation charges (assuming constant production) and reduce income.

Although the possibility exists for changes in reserves to have a critical effect on depreciation and amortisation charges and, therefore, income, it is expected that in the normal course of business, the Group will continue to prioritise exploration and timely project delivery which ultimately results in maximisation of reserve recovery and will thus constrain the likelihood for changes to occur.

(b) Impairment review of intangible assets, equipment and right-of-use assets

Carrying amounts of the Group's intangible assets, equipment and right-of-use assets are assessed for indicators of impairment and reviewed for possible impairment when indicators of impairment exist. For the purpose of assessing impairment, assets are grouped at the lowest level CGUs for which there is a separately identifiable cash flow available. These CGUs are based on operating areas, represented by the 2011 North Sabah Enhanced Oil Recovery PSC ("North Sabah"), the 2012 Kinabalu Oil PSC ("Kinabalu"), the PM3 CAA PSC ("PM3 CAA"), the PM305 PSC ("PM305"), the Block 46 Cai Nuoc PSC ("Block 46"), the Anasuria Area (consists of the Anasuria Cluster, Licence P2451, Licence P2532 and Licence P2535), the Marigold Area (consists of the Marigold and Sunflower fields, Licence P2518, Licence P2608 and Licence P2635) and the VIC/RL17 petroleum retention lease ("VIC/RL17").

Estimates of future cash flows of each CGU are based on management estimates of future crude oil and gas prices, market supply and demand, product margins, expected future capital expenditure and expected future production volumes. Other factors that can lead to changes in estimates may include variations in regulatory environments. Expected future production volumes, which include proven and probable reserves, are used for impairment testing because the Group believes this to be the most appropriate indicator of expected future cash flows.

A discount rate based on the rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted is used in impairment testing. The discount rate applied is reviewed on an annual basis.

Refer to Note 14 to the financial statements for the key assumptions on the impairment review of intangible assets, equipment and right-of-use assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(c) Estimation of provision for decommissioning costs

Provisions are made for the future decommissioning and restoration of oil and gas assets at the end of their economic lives. Changes in the estimates of costs to be incurred, reserves or in the rate of production may impact income over the remaining economic life of the oil and gas assets.

Most of these decommissioning and restoration events are many years in the future and the precise requirements that will have to be met when such removal events occur are uncertain. Actual timing and net cash outflows can defer from estimates due to uncertainties concerning the timing of the decommissioning activity, legislative changes, technological advancement, regulatory, environmental and political changes, and the appropriate discount rate used in estimating the liability. The carrying amount of the provision, together with the discount rate used in discounting the cash flows and inflation rate, are regularly reviewed and adjusted to account for such changes.

(d) Impairment review of investments in subsidiaries and amounts owing by subsidiaries

The Company reviews the recoverability of its underlying interests in the subsidiaries by considering the ability of the respective subsidiaries to distribute their earnings and make repayments through the utilisation of assets held by them, including the generation of income from future operating activities. The Company uses judgement in making assumptions about risk of default and expected loss rate to calculate the ECL for the amounts owing by subsidiaries. Impairment loss is recognised when the carrying amount exceeds the recoverable amount.

(e) Provision for income taxes and deferred taxes

Judgement is involved in determining the Group's provision for income taxes and deferred taxes as there may be transactions and computations for which the final tax determination are uncertain at the reporting date. Where the final outcome of these matters is different from the amounts that were initially estimated, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authority. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the tax authority.

6 REVENUE

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Revenue from contracts with customer:				
Crude oil sales	**2,238,740**	1,909,660	**-**	-
Gas sales	**457,633**	425,800	**-**	-
Project management, technical and other services fees	**7,339**	6,060	**31,440**	22,752
	2,703,712	2,341,520	**31,440**	22,752
Revenue from other sources:				
Dividend income	**-**	-	**50,000**	73,000
Interest income	**12,022**	3,310	**7,468**	8,979
	12,022	3,310	**57,468**	81,979
	2,715,734	2,344,830	**88,908**	104,731

Included in interest income of the Group and of the Company are profits income received from deposits with licensed Islamic banks amounting to RM1,081,285 (2023: RM615,422) and RM1,052,072 (2023: RM580,783) respectively.

7 COST OF SALES

	Group	
	2024 RM'000	**2023 RM'000**
Cost of operations	**769,800**	636,150
Tariff and transportation expenses	**179,163**	181,313
	948,963	817,463

8 OTHER INCOME

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Unrealised gain on foreign exchange	**-**	-	**598**	4,471
Realised gain on foreign exchange	**4,184**	19,288	**165**	-
Interest income	**48,532**	15,067	**-**	-
Sundry income	**7,494**	2,732	**175**	1
	60,210	37,087	**938**	4,472

The unrealised and realised gains on foreign exchange have neither been derived from the trading of futures contracts nor futures foreign exchange trading.

9 FINANCE COSTS

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Unwinding of discount on contingent consideration (Note 33)	**1,463**	1,654	**-**	-
Unwinding of discount on provision for decommissioning costs (Note 35)	**47,190**	42,604	**-**	-
Interest expenses	**58,176**	32,997	**86**	4,049
	106,829	77,255	**86**	4,049

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

10 PROFIT BEFORE TAXATION

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit before taxation is arrived at after charging/ (crediting):				
Auditors' remuneration:				
- fees for statutory audit				
- PricewaterhouseCoopers PLT, Malaysia	**1,430**	1,417	**357**	340
- member firms of PricewaterhouseCoopers International Limited	**635**	718	**-**	-
- fees for audit related services				
- PricewaterhouseCoopers PLT, Malaysia	**374**	412	**-**	-
- fees for other services				
- member firms of PricewaterhouseCoopers PLT, Malaysia	**321**	504	**53**	111
- member firms of PricewaterhouseCoopers International Limited	**62**	37	**-**	-
Depreciation and amortisation of equipment, intangible assets and right-of-use assets	**476,191**	480,355	**1,324**	1,236
Write-off of well exploration costs	**82,616**	-	**-**	-
Rental expenses	**77,928**	46,456	**27**	-
State sales tax	**68,471**	55,939	**-**	-
Impairment of equipment	**61,008**	-	**-**	-
Unrealised loss/(gain) on foreign exchange	**9,728**	22,616	**(598)**	(4,471)
Impairment of investment in an associate	**-**	532	**-**	-
Write-off of bad debts	**-**	19	**-**	-
Write-back of amount owing to a related party	**-**	-	**(175)**	-
Net impairment of investments in subsidiaries and amounts owing by subsidiaries	**-**	-	**584**	6,018
Net provision/(reversal of provision) for inventories obsolescence	**627**	(3,407)	**-**	-
Share of results of an associate	**510**	(1,282)	**-**	-
Write-back of amount owing to a joint venture	**(46)**	-	**-**	-
Realised (gain)/loss on foreign exchange	**(4,184)**	(19,288)	**(165)**	2,481
Write-back of other payables	**(5,049)**	-	**-**	-
Net reversal of tax penalties	**(4,718)**	(51,451)	**-**	-
Staff costs:				
- Directors' fees and allowances	**2,173**	1,819	**1,938**	1,509
- salaries and bonus	**158,807**	111,371	**32,395**	23,966
- defined contribution plan	**19,907**	19,499	**5,866**	4,158
- other benefits	**10,073**	6,716	**2,303**	990

10 PROFIT BEFORE TAXATION (CONTINUED)

Rental expenses recognised are related to short-term and low value leases.

The unrealised foreign exchange and realised foreign exchange gains/losses have neither been derived from the trading of futures contracts nor futures foreign exchange trading.

State sales tax of RM68,470,711 (2023: RM55,938,769) represents sales tax imposed by the Sabah State Government ("SbST") on petroleum products sold by North Sabah in SEA Hibiscus and Kinabalu in Hibiscus Oil & Gas.

The net reversal of tax penalties in the current financial year amounting to RM4,717,643 comprised a reversal of overprovision for tax penalties in relation to Petroleum (Income Tax) Act 1967 ("PITA") and Corporate (Income Tax) Act 1967 ("CITA") upon receipt of the Notices of Additional Assessment raised by the Inland Revenue Board of Malaysia ("IRB") for Year of Assessment ("YA") 2018 for PITA against PM3 CAA and for CITA against Hibiscus Oil & Gas.

The net reversal of tax penalties in the previous financial year amounting to RM51,451,487 comprised a reversal of overprovision for SbST penalties made in the financial year ended 30 June 2022 for North Sabah and Kinabalu of RM29,022,973 and a reversal of overprovision for tax penalties in relation to PITA and CITA upon receipt of the Notices of Additional Assessment raised by the IRB for YA 2017 for PITA and for YA 2017 to YA 2019 for CITA against PM3 CAA, Kinabalu, PM305 and PM314 PSC ("PM314") of RM22,428,514.

Directors' remuneration included in staff costs is as disclosed in Note 37 to the financial statements.

11 TAXATION

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Current tax:				
Malaysian income tax				
- Current year provision	**223,774**	127,987	**318**	349
- (Over)/under accrual in prior years	**(7,542)**	(85,375)	**327**	-
Foreign income tax				
- Current year provision	**39,969**	42,990	**-**	-
- Over accrual in prior years	**(6,372)**	(7,830)	**-**	-
	249,829	77,772	**645**	349
Deferred tax expense (Note 34):				
- Origination and reversal of temporary differences	**21,125**	115,467	**754**	178
- In respect of the introduction of a new tax legislation	**-**	118,329	**-**	-
	270,954	311,568	**1,399**	527

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

11 TAXATION (CONTINUED)

In the previous financial year, the Energy Profits Levy ("EPL") was introduced and included in the UK's fiscal regime. The EPL was enacted on 14 July 2022 and took effect from 26 May 2022. It introduced an additional 25.0% levy on UK oil and gas profits and applies until 31 December 2025. On 17 November 2022, the UK Government announced changes to the EPL with effect from 1 January 2023, which increased the levy rate to 35.0% and tax extended until 31 March 2028. During the previous financial year, net deferred tax expense recognised on EPL amounted to RM118,328,627.

A reconciliation of income tax expense/(credit) applicable to the profit before taxation at the statutory tax rate to income tax expense/(credit) at the effective tax rate of the Group and of the Company is as follows:

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Profit before taxation	**738,078**	712,086	**8,760**	50,455
Tax at the statutory tax rate of 24.0% (2023: 24.0%)	**177,139**	170,901	**2,102**	12,109
Non-deductible expenses	**60,290**	65,934	**5,729**	7,197
Non-taxable income	**(66,720)**	(65,000)	**(6,044)**	(18,593)
Effects of different tax rates in different jurisdictions/ regimes	**115,635**	150,634	**-**	-
Deductions for supplementary charge in different jurisdictions	**(15,515)**	(27,981)	**-**	-
Share of post tax results from investments accounted for using the equity method	**122**	(308)	**-**	-
Temporary differences not recognised	**15,983**	4,276	**1,351**	1,141
Recognition of previously unrecognised temporary differences	**(2,066)**	(6,999)	**(2,066)**	(1,327)
One-off effect arising from adoption of EPL	**-**	113,316	**-**	-
(Over)/under accrual in prior years	**(13,914)**	(93,205)	**327**	-
Income tax expense for the financial year	**270,954**	311,568	**1,399**	527

Included in income tax expense of the Group and of the Company are tax savings amounting to RM49,173,713 (2023: RM52,180,323) and RM2,066,037 (2023: RM Nil) respectively from the utilisation of current and previous financial years' tax losses.

Upon the adoption of the EPL by the Group during the previous financial year, a deferred tax expense of RM113,316,085 was recognised. This deferred tax expense was derived from taxable temporary differences which arose from the expected future amortisation of intangible assets and depreciation of oil and gas assets computed from the carrying values of these assets at the point when the EPL regime became effective. It will be fully reversed to profit or loss during the EPL regime period, which ends on 31 March 2028.

12 EARNINGS PER SHARE

The basic earnings per share is derived by dividing the Group's profit attributable to the owners of the Company of RM467,124,187 (2023: RM400,518,234) by the weighted average number of ordinary shares in issue during the financial year of 802,328,065 shares (2023: 804,967,428 shares), excluding ordinary shares purchased by the Company and held as treasury shares.

The diluted earnings per share is determined by dividing the Group's profit attributable to the owners of the Company by the weighted average number of ordinary shares in issue, adjusted for the effects of all dilutive potential ordinary shares.

		Group	
		2024	**2023**
Profit after taxation attributable to owners of the Company (RM'000)	(A)	**467,124**	400,518
Weighted average number of shares for basic earnings per share computation ('000)	(B)	**802,328**	804,967
Weighted average number of shares for diluted earnings per share computation ('000)	(C)	**802,328**	804,967
Basic earnings per share (sen)	(A/B)	**58.22**	49.76*
Diluted earnings per share (sen)	(A/C)	**58.22**	49.76*

* *For comparative purpose, in accordance with the provisions of MFRS 133 'Earnings per Share', the basic earnings per share and diluted earnings per share for the previous financial year had been adjusted to reflect the effect of the Share Consolidation, which was completed on 20 October 2023.*

13 JOINT OPERATIONS

Under the terms of the joint agreements below, the Group has a direct share in all of the assets employed by the arrangements and is liable for its share of the liabilities incurred. There is no legal or contractual separation between the arrangement and the parties to the arrangement. The Group has therefore classified these arrangements as joint operations. It has included its interests in the assets, liabilities, revenue and expenses in the appropriate line items in the statement of financial position and profit or loss respectively, in accordance with the accounting policy.

(a) North Sabah

The North Sabah asset is located approximately 33 kilometres from Kota Kinabalu, Malaysia.

On 31 March 2018, SEA Hibiscus completed the acquisition of the North Sabah asset from Sabah Shell Petroleum Company Limited ("Sabah Shell Petroleum") and Shell Sabah Selatan Sdn. Bhd. and successfully assumed the role of operator for the assets from Sabah Shell Petroleum. The responsibilities of SEA Hibiscus as the operator of North Sabah and under the JOA are the management of the operations of:

- Production of petroleum from four existing oil fields, namely St Joseph, South Furious, South Furious 30 and Barton; and
- Existing pipeline infrastructure, the Labuan Crude Oil Terminal ("LCOT"), and all other equipment and assets relating to the PSC.

The four producing fields are located in the South China Sea, off the coast of Sabah. Each field is operated from its respective main platform/complex. Each field is connected via an inter-field pipeline to a main trunk line which transports hydrocarbons to LCOT, an onshore processing plant and oil export terminal.

The expiry date of the PSC is on 31 December 2040.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

13 JOINT OPERATIONS (CONTINUED)

(b) Hibiscus Oil & Gas holds the operatorship of Kinabalu, PM3 CAA, PM305 and PM314. The responsibilities of Hibiscus Oil & Gas as the operator of these PSCs and under the JOAs are the management of the operations of:

(i) Kinabalu

- Production of petroleum from three existing oil fields, namely Kinabalu Main, Kinabalu East and Kinabalu Far East.
- The expiry of the PSC is on 25 December 2032.

(ii) PM3 CAA

- Production of petroleum, gas and condensate from eight oil and gas fields, namely Bunga Orkid, Bunga Pakma, Bunga Lavatera, Bunga Raya, Bunga Seroja, Bunga Kekwa, Bunga Tulip and Bunga Aster.
- Exploration activities in two existing areas, namely the PM3 CAA Exploration Sub-Blocks and the Silver Gas Holding Area.
- The expiry of the PSC is on 31 December 2027.

(iii) PM305

- Production of petroleum from Murai field through the Angsi Southern Channel, a unitised area operated by PETRONAS Carigali Sdn. Bhd. ("PETRONAS Carigali").
- The participating interest in PM305 ceased on 17 March 2024.

(iv) PM314

- Production of petroleum has ceased since September 2019.
- The participating interest in PM314 ceased on 5 September 2020.

(c) Talisman Vietnam holds the operatorship of Block 46. The responsibility of Talisman Vietnam as the operator of Block 46 and under the JOA is the management of the operations of production of petroleum from Cai Nuoc oil field.

The expiry of the PSC is on 31 December 2027.

(d) Anasuria Area

(i) Anasuria Cluster

(i) Licence P013 and the Anasuria FPSO

The Group, via its indirect wholly-owned subsidiary, Anasuria Hibiscus UK Limited ("Anasuria Hibiscus"), together with Ping Petroleum UK PLC ("Ping Petroleum") has established the joint operating company, Anasuria Operating Company Limited ("Anasuria Operating Company") in Aberdeen and this company has been approved as the Licence Operator for Licence P013 by the Secretary of State for Energy and Climate Change of the UK Government. Anasuria Hibiscus holds 50.0% interest in Anasuria Operating Company.

Anasuria Operating Company operates the fields under Licence P013 (Block 21/25a and Block 21/30a) and the Anasuria FPSO, which are located approximately 175 kilometres east of Aberdeen in the UK Central North Sea.

13 JOINT OPERATIONS (CONTINUED)

(d) Anasuria Area (continued)

(i) Anasuria Cluster (continued)

(i) Licence P013 and the Anasuria FPSO (continued)

Anasuria Hibiscus' interest in Licence P013 consists of:

- 50.0% interest in the Guillemot A field and the related field facilities;
- 50.0% interest in the Teal field and the related field facilities; and
- 50.0% interest in the Teal South field and the related field facilities.

There is no expiry date for the licence covering the Guillemot A, Teal and Teal South fields.

Anasuria Hibiscus also holds 50.0% interest in the Anasuria FPSO and the related equipment.

(ii) Licence P185

Anasuria Hibiscus' interest in Licence P185 (Block 21/20a) contains 19.325% interest in the Cook field and the related field facilities. The remaining interest is held by Ithaca Energy UK Limited ("Ithaca Energy") and Ping Petroleum with 61.35% and 19.325% interest respectively. Ithaca Energy is the operator for the field.

The UK's North Sea Transition Authority ("NSTA") had on 12 March 2018 extended the licence for the Cook field into a life of field licence. The licence is terminable only if there is a continuous minimum 12-month period in which the production has fallen below a minimum production level.

(ii) Licence P2451

Licence P2451 (Block 21/28b) contains the Fyne discovery, which is located approximately 20 kilometres from the Anasuria FPSO. The Fyne discovery is a potential tieback candidate to the Anasuria FPSO.

On 30 August 2023, Anasuria Hibiscus and Ping Petroleum each entered into a separate but identical Farm-In Agreement with Rapid Oil Production Ltd ("Rapid Oil") to acquire 42.5% equity interest each in Block 21/28b under Licence P2451, with the balance 15.0% equity interest to remain with Rapid Oil. Upon completion of the Farm-In Agreement on 20 November 2023, Anasuria Hibiscus was appointed as the operator of the field development stage. A licence extension application was submitted to the NSTA on 27 December 2023.

On 20 March 2024, the NSTA approved the licence extension to 30 September 2026. A condition of the extension is that by 30 September 2026, Anasuria Hibiscus will have secured approval of a Field Development Plan ("FDP") and Production Consent.

On 11 April 2024, Anasuria Hibiscus received a No Objection Letter from the NSTA in response to a Concept Select Report submitted by Anasuria Hibiscus as operator and on behalf of the Licence P2451 licencees.

(iii) Licence P2532

Licence P2532 (Block 21/19c and Block 21/20c) contains the Cook West and Cook North prospects, which are potential extensions to the existing Cook field.

These blocks are contiguous with the Cook field (Licence P185 (Block 21/20a)) and reflect a similar equity holding as that of the Cook field.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

13 JOINT OPERATIONS (CONTINUED)

(d) Anasuria Area (continued)

(iv) Licence P2535

Licence P2535 (Block 21/24d) contains the Teal West discovery, which is contiguous to the Teal field and is located approximately 4 kilometres from the Teal manifold. The Teal West field is planned to be produced to the Anasuria FPSO where the well fluids will be processed and exported via the Anasuria infrastructure.

Anasuria Hibiscus is the operator for the field.

Anasuria Hibiscus holds 100.0% interest in Licence P2535 effective from 12 October 2022 when the assignment of NEO Energy (ZEX) Limited's 30.0% interest in the licence to Anasuria Hibiscus was completed.

Anasuria Hibiscus received a Development and Production Works Consent to the FDP for the Teal West field from the NSTA on 1 August 2023. The FDP approval comes pursuant to the unconditional grant of consent for the Environmental Statement received on 7 July 2023.

(e) Marigold and Sunflower fields

The Marigold and Sunflower fields, which are part of the UK Continental Shelf ("UKCS") Petroleum Production Licence P198 (Block 15/13a and Block 15/13b) respectively, are located approximately 250 kilometres northeast of Aberdeen in the UK Central North Sea.

On 16 October 2018, Anasuria Hibiscus, completed the acquisition of 50.0% interest in the two blocks under Licence P198; (i) Block 15/13a, containing the Marigold discovered oilfield, and (ii) Block 15/13b, containing the Sunflower discovered oilfield.

On 12 February 2019, Anasuria Hibiscus assumed the role of operator for the fields.

On 20 January 2021, Anasuria Hibiscus entered into a Farm-In Agreement with its joint venture partner for the fields, Caldera Petroleum (UK) Ltd ("Caldera Petroleum"). As per the terms of the Farm-In Agreement, Caldera Petroleum agreed to transfer to Anasuria Hibiscus 37.5% interest in Licence P198 Block 15/13a and Block 15/13b and in return, Anasuria Hibiscus agreed to pay all amounts attributable to Caldera Petroleum's retained interest of 12.5% up to first oil delivered from the fields.

Pending the development and finalisation of a Unitisation and Unit Operating Agreement ("UUOA"), Anasuria Hibiscus and Caldera Petroleum entered into a Governance Agreement on 5 May 2022, with Ithaca Oil and Gas Limited ("Ithaca Oil and Gas") to jointly develop the resources found in Licence P198 Block 15/13a and Ithaca Oil and Gas' Licence P2158 Block 15/18b (which is adjacent to the Marigold field) (herein collectively referred to "unitised Marigold field") via a tieback to the Piper B platform.

On 15 September 2023, Anasuria Hibiscus, Caldera Petroleum and Ithaca Oil and Gas entered into the UUOA to allow an optimal field development solution to be implemented for the unitised Marigold field. Pursuant to the UUOA, the unit participations for Anasuria Hibiscus, Caldera Petroleum and Ithaca Oil and Gas in the unitised Marigold field will be 61.25%, 8.75% and 30.00% respectively, with Anasuria Hibiscus being the operator for the unitised Marigold field. The UUOA is a pre-requisite for the submission of a FDP for the unitised Marigold field. For the avoidance of doubt, interests in the Licence P198 Block 15/13b (Sunflower field) remain unchanged with Anasuria Hibiscus holding 87.5% and Caldera Petroleum holding 12.5%.

The Marigold field is expected to be in production by 2028, upon which Licence P198 would then be expected to be valid for the life of the fields.

13 JOINT OPERATIONS (CONTINUED)

(f) VIC/P57

The Group, via its indirect wholly-owned subsidiary, Carnarvon Hibiscus Pty Ltd ("Carnarvon Hibiscus"), had entered into a joint arrangement, VIC/P57 via the JOA and Farm-In Agreement dated 14 August 2012 to explore and develop oil and gas properties within the permitted area. At the beginning of the previous financial year, Carnarvon Hibiscus and its wholly-owned subsidiary, Gippsland Hibiscus Pty Ltd ("Gippsland Hibiscus") had a 55.1% and a 20.0% participating interest in this arrangement respectively. The remaining participating interest of 24.9% was held by 3D Energi Limited ("3D Energi"), an associate of the Group.

On 4 February 2022, Carnarvon Hibiscus and 3D Energi submitted an application to surrender the VIC/P57 permit in good standing to the Australian National Offshore Petroleum Titles Administrator ("NOPTA"). The surrender was approved and took effect on 11 August 2022.

(g) VIC/P74

On 3 October 2019, Carnarvon Hibiscus exercised its option to farm into VIC/P74 by acquiring a 50.0% interest in VIC/P74 from 3D Energi. Subsequent to the above, Carnarvon Hibiscus entered into an Assignment Agreement with 3D Energi on 8 May 2020 and the transfer of interest contemplated thereunder was approved and registered by NOPTA on 6 July 2020. Carnarvon Hibiscus and 3D Energi subsequently executed an Instrument of Transfer, a JOA and a Deed of Cross Charge for VIC/P74 (collectively, the "Instruments"). The Instruments were approved by NOPTA and were registered on 7 October 2020, thereby facilitating the completion of Carnarvon Hibiscus' acquisition of a 50.0% interest in VIC/P74. Under the JOA, 3D Energi shall remain the operator of VIC/P74.

At the beginning of the previous financial year, the Group elected to exit VIC/P74. On 7 July 2022, 3D Energi submitted an application of "Approval of Transfer of a Petroleum Title" to NOPTA seeking approval for the transfer of Carnarvon Hibiscus' entire interest in VIC/P74 to 3D Energi. The Group had agreed to transfer its entire interest to 3D Energi at no cost. The transfer was approved and took effect on 21 September 2022.

14 INTANGIBLE ASSETS

	Rights and concessions RM'000	Conventional studies RM'000	Computer software RM'000	Emission trading schemes RM'000	Total RM'000
Group					
At 01.07.2023	**1,252,533**	**195,566**	**3,970**	**8,854**	**1,460,923**
Additions	**7,671**	**145,371**	**2,598**	**6,990**	**162,630**
Changes in estimates	**(8,825)**	**-**	**-**	**-**	**(8,825)**
Amortisation	**(63,036)**	**-**	**(2,876)**	**-**	**(65,912)**
Reclassification	**-**	**(32,630)**	**-**	**-**	**(32,630)**
Utilisation	**-**	**-**	**-**	**(10,781)**	**(10,781)**
Write-offs	**-**	**(82,616)**	**-**	**-**	**(82,616)**
Exchange differences	**12,091**	**2,119**	**37**	**39**	**14,286**
At 30.06.2024	**1,200,434**	**227,810**	**3,729**	**5,102**	**1,437,075**
Non-current	**1,200,434**	**227,810**	**3,729**	**-**	**1,431,973**
Current	**-**	**-**	**-**	**5,102**	**5,102**
	1,200,434	**227,810**	**3,729**	**5,102**	**1,437,075**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

14 INTANGIBLE ASSETS (CONTINUED)

	Rights and concessions RM'000	Conventional studies RM'000	Computer software RM'000	Emission trading schemes RM'000	Total RM'000
Group (continued)					
At 01.07.2022	1,315,766	102,416	4,394	-	1,422,576
Additions	-	83,931	2,831	8,145	94,907
Changes in estimates	(39,763)	-	-	-	(39,763)
Amortisation	(97,240)	-	(3,494)	-	(100,734)
Exchange differences	73,770	9,219	239	709	83,937
At 30.06.2023	1,252,533	195,566	3,970	8,854	1,460,923
Non-current	1,252,533	195,566	3,970	-	1,452,069
Current	-	-	-	8,854	8,854
	1,252,533	195,566	3,970	8,854	1,460,923

	Computer software RM'000
Company	
At 01.07.2023	**5**
Additions	**53**
Amortisation	**(8)**
At 30.06.2024	**50**
At 01.07.2022	-
Additions	6
Amortisation	(1)
At 30.06.2023	5

Included in rights and concessions are the carrying amounts of producing field licences in the Anasuria Cluster amounting to RM617,146,712 (2023: RM640,987,538), producing field licences in North Sabah amounting to RM346,082,994 (2023: RM377,942,456), capitalised acquisition and related transaction costs of the Marigold and Sunflower fields and Licence P2451 amounting to RM229,489,159 and RM7,715,078 respectively (2023: RM233,603,211 and RM Nil respectively). Capitalised expenditures are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Conventional studies relate to conceptual study costs incurred for the development of the Marigold and Sunflower fields amounting to RM109,908,916 (2023: RM98,997,410), North Sabah amounting to RM46,491,273 (2023: RM431,724), Licence P2535 amounting to RM43,360,759 (2023: RM70,344,430), PM3 CAA amounting to RM25,969,619 (2023: RM25,713,774), Licence P2451 amounting to RM1,917,057 (2023: RM Nil), Licence P2532 amounting to RM151,738 (2023: RM68,156) and Block 46 amounting to RM10,681 (2023: RM10,576).

14 INTANGIBLE ASSETS (CONTINUED)

The Group has assessed the recoverable amounts of the intangible assets, equipment and right-of-use assets as follows:

(a) North Sabah

The recoverable amounts of the intangible assets, equipment and right-of-use assets relating to North Sabah were determined using the FVLCTS model based on DCF derived from the expected cash inflow and outflow over the production life of North Sabah.

The key assumptions applied to determine the recoverable amount for North Sabah were as follows:

(i) Discount rate of 10.0% (2023: 10.0%);

(ii) Oil price forecast based on the oil price forward curve from an independent party;

(iii) Future oil production profile based on an assessment by an oil and gas reserve expert; and

(iv) Commercial risk factors applied to the valuation derived, as a result of the uncertain commerciality surrounding development projects included in the valuation model.

Fair value measurement was performed based on Level 3 hierarchy.

Based on the assessments performed, the Group concluded that the recoverable amount is greater than the carrying amount. The most sensitive assumption in the DCF economic model was oil price forecast. A 10.0% decrease in the oil price forecast did not result in the carrying amount exceeding its recoverable amount. The cost to sell is estimated to be immaterial.

Apart from the impairment assessment explained above, in the current financial year, the Group has written off the well exploration costs amounting to RM82,616,265.

<u>Exploration drilling campaign in the current financial year</u>

SEA Hibiscus carried out an exploration drilling campaign to drill three exploration wells, namely South Furious Ungu, South Furious Ungu Side Track and South Furious Merah, to evaluate prospective Near Field exploration targets within the boundaries of the North Sabah permit in the current financial year. The campaign commenced at the South Furious Ungu well location on 29 October 2023 and drilling was carried out on both the South Furious Ungu and the South Furious Ungu Side Track wells from this site. The drilling of the third and final exploration target of this campaign, the South Furious Merah well, started on 19 January 2024 and was completed on 5 March 2024. All costs relating to this campaign were funded by internal resources and the costs associated with the campaign have been included in SEA Hibiscus' cost recovery pool.

The data and samples collected for the three wells were assessed or are being assessed. The summary of the assessments and their impact to the financial statements are as follows:

- South Furious Ungu

  There were shows of hydrocarbon presence based on downhole samples collected from the well. In addition, the nature of the subsurface structure indicates that even if commercial volumes of hydrocarbons had migrated from the fault block that was drilled, there is a reasonable chance that these volumes would be found in a fault block in close proximity to the structure that was drilled. Given these considerations, the data sets collected through drilling operations at the location are currently being reviewed and a more detailed interpretation will be produced to ascertain the proposed next steps. The lab analysis and follow up studies are not expected to be completed until the first half of calendar year 2025.

  Based on these initial findings, the recovery of economic benefits from this well is considered probable, supporting the continued capitalisation of the exploration costs. An amount of RM46,379,097, net to SEA Hibiscus, relating to this well was incurred and is currently capitalised as a non-current intangible asset.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

14 INTANGIBLE ASSETS (CONTINUED)

(a) North Sabah (continued)

- South Furious Ungu Side Track

  An assessment was performed on the hydrocarbon sample collected. The conclusion derived from this assessment was that hydrocarbon volumes seen in this well will not achieve commercial viability. Following this, RM24,149,298 net of tax impact (for information, the corresponding amount omitting any tax impact was RM38,950,481) was written off to profit or loss during the current financial year.

- South Furious Merah

  Evaluation and sampling efforts recovered one sample of gas which was sent for further laboratory analysis. Even though a sample of gas was recovered and brought to surface, an assessment performed concluded that hydrocarbon volumes seen in this well will not achieve commercially viable economic thresholds. Following this, RM27,072,786 net of tax impact (for information, the corresponding amount omitting any tax impact was RM43,665,784) was written off to profit or loss during the current financial year.

(b) Kinabalu

The recoverable amounts of the intangible assets, equipment and right-of-use assets relating to Kinabalu were determined using the FVLCTS model based on DCF derived from the expected cash inflow and outflow over the production life of Kinabalu.

The key assumptions applied to determine the recoverable amount for Kinabalu were as follows:

(i) Discount rate of 10.0% (2023: 10.0%);

(ii) Oil price forecast based on the oil price forward curve from an independent party;

(iii) Future oil production profile based on an assessment by an oil and gas reserve expert; and

(iv) Commercial risk factors applied to the valuation derived, as a result of the uncertain commerciality surrounding development projects included in the valuation model.

Fair value measurement was performed based on Level 3 hierarchy.

Based on assessments performed, the Group recognised a provision for impairment in relation to Kinabalu amounting to RM61,007,700 during the current financial year, as disclosed in Note 15 to the financial statements. The impairment was necessitated by events and circumstances that occurred and were identified during the current financial year which relate to well intervention activities conducted on an existing water injection well. This work was part of the Group's ongoing efforts to enhance oil recovery from Kinabalu. Given there were technical complications encountered at the well, the potential contribution to future cash flows from it is now expected to be substantially lower than projected.

(c) PM3 CAA

The recoverable amounts of the intangible assets, equipment and right-of-use assets relating to PM3 CAA were determined using the FVLCTS model based on DCF derived from the expected cash inflow and outflow over the production life of PM3 CAA.

14 INTANGIBLE ASSETS (CONTINUED)

(c) PM3 CAA (continued)

The key assumptions applied to determine the recoverable amount for PM3 CAA were as follows:

(i) Discount rate of 10.0% (2023: 10.0%);

(ii) Oil price forecast based on the oil price forward curve from an independent party;

(iii) Future oil production profile based on an assessment by an oil and gas reserve expert; and

(iv) Commercial risk factors applied to the valuation derived, as a result of the uncertain commerciality surrounding development projects included in the valuation model.

Fair value measurement was performed based on Level 3 hierarchy.

Based on the assessments performed, the Group concluded that the recoverable amount is greater than the carrying amount. The most sensitive assumption in the DCF economic model was oil and gas prices forecast. A 10.0% decrease in the oil and gas prices forecast did not result in the carrying amount exceeding its recoverable amount. The cost to sell is estimated to be immaterial.

(d) PM305 and PM314

Hibiscus Oil & Gas had 60.0% interest in PM305 and PM314. As at the reporting date, the carrying amounts of equipment and right-of-use assets relating to PM305 and PM314 are negligible.

(e) Block 46

The recoverable amounts of the intangible assets and equipment relating to Block 46 were determined using the FVLCTS model based on DCF derived from the expected cash inflow and outflow over the production life of Block 46.

The key assumptions applied to determine the recoverable amount for Block 46 were as follows:

(i) Discount rate of 10.0% (2023: 10.0%);

(ii) Oil price forecast based on the oil price forward curve from an independent party;

(iii) Future oil production profile based on an assessment by an oil and gas reserve expert; and

(iv) Commercial risk factors applied to the valuation derived, as a result of the uncertain commerciality surrounding development projects included in the valuation model.

Fair value measurement was performed based on Level 3 hierarchy.

Based on the assessments performed, the Group concluded that the recoverable amount is greater than the carrying amount. The most sensitive assumption in the DCF economic model was oil price forecast. A 10.0% decrease in the oil price forecast did not result in the carrying amount exceeding its recoverable amount. The cost to sell is estimated to be immaterial.

(f) Anasuria Area

The recoverable amounts of the intangible assets, equipment and right-of-use assets relating to the Anasuria Area (which includes the Anasuria Cluster, Licence P2532 and Licence P2535) were determined using the FVLCTS model based on DCF derived from the expected cash inflow and outflow over the production life of the Anasuria Area.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

14 INTANGIBLE ASSETS (CONTINUED)

(f) Anasuria Area (continued)

The key assumptions applied to determine the recoverable amount for the Anasuria Area were as follows:

(i) Discount rate of 10.0% (2023: 10.0%);

(ii) Oil price forecast based on the oil price forward curve from an independent party;

(iii) Future oil production profile based on an assessment by an oil and gas reserve expert; and

(iv) Teal West's first oil being achieved at the end of year 2025 (2023: end of year 2024).

Fair value measurement was performed based on Level 3 hierarchy.

Based on the assessments performed, the Group concluded that the recoverable amount is greater than the carrying amount. The most sensitive assumption in the DCF economic model was oil price forecast. A 10.0% decrease in the oil price forecast did not result in the carrying amount exceeding its recoverable amount. The cost to sell is estimated to be immaterial.

Further sensitivity analysis was performed to consider proposed changes to the existing EPL regime set out in a policy paper published by the UK Government on 29 July 2024. These changes are expected to have effect from 1 November 2024 and have not been enacted as at the reporting date. The proposed changes are to increase the EPL rate to 38.0%, to extend the EPL regime until 31 March 2030 and to remove certain capital allowances allowed to be offset against taxable EPL income. The outcome of the sensitivity analysis did not result in the carrying amount exceeding its recoverable amount.

Minimal development costs have been incurred for Licence P2451 as at the end of the current financial year.

(g) Marigold Area

The Group has assessed the recoverable amount of the intangible assets, equipment and right-of-use assets relating to the Marigold Area. The recoverable amount was determined using the FVLCTS model based on DCF derived from the expected cash inflow and outflow over the production life of the Marigold Area.

The key assumptions applied to determine the recoverable amount for the Marigold Area were as follows:

(i) Discount rate of 10.0% (2023: 10.0%);

(ii) First oil being achieved in year 2028 (2023: year 2028);

(iii) Oil price forecast based on the oil price forward curve from an independent party;

(iv) An oil production profile based on an assessment by an oil and gas reserve expert; and

(v) Commercial risk factors applied to the valuation derived, as a result of the uncertain commerciality surrounding development projects included in the valuation model.

Fair value measurement was performed based on Level 3 hierarchy.

Based on the assessments performed, the Group concluded that the recoverable amount is greater than the carrying amount. The most sensitive assumption in the DCF economic model was oil price forecast. A 10.0% decrease in the oil price forecast did not result in the carrying amount exceeding its recoverable amount. The cost to sell is estimated to be immaterial.

Further sensitivity analysis was performed to consider proposed changes to the existing EPL regime set out in a policy paper published by the UK Government on 29 July 2024. These changes are expected to have effect from 1 November 2024, have not been enacted as at the reporting date. The proposed changes are to increase the EPL rate to 38.0%, to extend the EPL regime until 31 March 2030 and to remove certain capital allowances allowed to be offset against taxable EPL income. The outcome of the sensitivity analysis did not result in the carrying amount exceeding its recoverable amount.

14 INTANGIBLE ASSETS (CONTINUED)

(h) VIC/RL17

VIC/RL17 has been fully impaired after due assessments on its recoverable amount were performed subsequent to NOPTA granting approval of a Retention Lease application on 5 November 2021. Based on the assessments performed, the Group had concluded that the recoverable amount was negligible.

(i) VIC/P57

VIC/P57 has been fully impaired as Carnarvon Hibiscus and 3D Energi submitted an application to surrender the VIC/P57 permit to NOPTA on 4 February 2022. The surrender was approved and took effect on 11 August 2022, and accordingly, VIC/P57 was written off in the previous financial year.

(j) VIC/P74

VIC/P74 has been fully impaired as the Group had elected to exit the permit by transferring Carnarvon Hibiscus' entire interest in VIC/P74 to 3D Energi. The transfer was approved and took effect on 21 September 2022, and accordingly, VIC/P74 was written off in the previous financial year.

15 EQUIPMENT

	Furniture and fittings RM'000	Office equipment RM'000	Office renovation RM'000	Oil and gas assets RM'000	FPSO RM'000	Work in progress RM'000	Total RM'000
Group							
Cost							
At 01.07.2022	1,166	7,789	3,327	1,921,685	42,217	213,330	2,189,514
Additions	37	2,307	415	108,960	-	310,153	421,872
Changes in estimates	-	-	-	(24,960)	-	-	(24,960)
Transfer	-	-	-	260,811	1,855	(262,666)	-
Exchange differences	12	298	121	127,774	2,583	14,701	145,489
At 30.06.2023/01.07.2023	**1,215**	**10,394**	**3,863**	**2,394,270**	**46,655**	**275,518**	**2,731,915**
Additions	**-**	**314**	**19**	**75,503**	**-**	**505,187**	**581,023**
Changes in estimates	**-**	**-**	**-**	**(53,507)**	**-**	**-**	**(53,507)**
Transfer	**-**	**-**	**-**	**175,416**	**37,130**	**(212,546)**	**-**
Reclassification	**-**	**-**	**-**	**-**	**-**	**32,630**	**32,630**
Exchange differences	**2**	**62**	**23**	**24,963**	**679**	**4,603**	**30,332**
At 30.06.2024	**1,217**	**10,770**	**3,905**	**2,616,645**	**84,464**	**605,392**	**3,322,393**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

15 EQUIPMENT (CONTINUED)

	Furniture and fittings RM'000	Office equipment RM'000	Office renovation RM'000	Oil and gas assets RM'000	FPSO RM'000	Work in progress RM'000	Total RM'000
Group (continued)							
Accumulated depreciation							
At 01.07.2022	425	5,918	1,759	332,412	9,983	-	350,497
Depreciation	117	1,315	616	318,415	3,819	-	324,282
Exchange differences	6	183	98	31,614	740	-	32,641
At 30.06.2023/01.07.2023	**548**	**7,416**	**2,473**	**682,441**	**14,542**	**-**	**707,420**
Depreciation	**122**	**1,416**	**379**	**346,345**	**5,399**	**-**	**353,661**
Exchange differences	**1**	**43**	**21**	**8,790**	**176**	**-**	**9,031**
At 30.06.2024	**671**	**8,875**	**2,873**	**1,037,576**	**20,117**	**-**	**1,070,112**
Accumulated impairment							
At 01.07.2022	-	-	-	36	-	-	36
Exchange differences	-	-	-	2	-	-	2
At 30.06.2023/01.07.2023	**-**	**-**	**-**	**38**	**-**	**-**	**38**
Impairment	**-**	**-**	**-**	**61,008**	**-**	**-**	**61,008**
Exchange differences	**-**	**-**	**-**	**353**	**-**	**-**	**353**
At 30.06.2024	**-**	**-**	**-**	**61,399**	**-**	**-**	**61,399**
Net book value							
At 30.06.2023	667	2,978	1,390	1,711,791	32,113	275,518	2,024,457
At 30.06.2024	**546**	**1,895**	**1,032**	**1,517,670**	**64,347**	**605,392**	**2,190,882**

The details of the impairment are disclosed in Note 14(b) to the financial statements.

15 EQUIPMENT (CONTINUED)

	Furniture and fittings RM'000	Office equipment RM'000	Office renovation RM'000	Work in progress RM'000	Total RM'000
Company					
Cost					
At 01.07.2022	988	1,780	1,526	-	4,294
Additions	36	285	43	-	364
At 30.06.2023/01.07.2023	**1,024**	**2,065**	**1,569**	**-**	**4,658**
Additions	**-**	**155**	**-**	**1,837**	**1,992**
At 30.06.2024	**1,024**	**2,220**	**1,569**	**1,837**	**6,650**
Accumulated depreciation					
At 01.07.2022	344	1,392	410	-	2,146
Depreciation	92	207	153	-	452
At 30.06.2023/01.07.2023	**436**	**1,599**	**563**	**-**	**2,598**
Depreciation	**94**	**242**	**157**	**-**	**493**
At 30.06.2024	**530**	**1,841**	**720**	**-**	**3,091**
Net book value					
At 30.06.2023	588	466	1,006	-	2,060
At 30.06.2024	**494**	**379**	**849**	**1,837**	**3,559**

16 RIGHT-OF-USE ASSETS

	Office equipment RM'000	Equipment RM'000	Vessels RM'000	Leasehold buildings RM'000	Total RM'000
Group					
Cost					
At 01.07.2022	7,840	9,005	173,394	23,994	214,233
Additions	-	5,067	19,491	1,478	26,036
Modifications	10	-	1,032	1,703	2,745
Exchange differences	270	725	11,137	1,247	13,379
At 30.06.2023/01.07.2023	**8,120**	**14,797**	**205,054**	**28,422**	**256,393**
Additions	**1,236**	**-**	**22,687**	**443**	**24,366**
Modifications	**-**	**-**	**13,634**	**1,700**	**15,334**
Write-offs	**(53)**	**-**	**-**	**(1,068)**	**(1,121)**
Exchange differences	**54**	**148**	**2,250**	**252**	**2,704**
At 30.06.2024	**9,357**	**14,945**	**243,625**	**29,749**	**297,676**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

16 RIGHT-OF-USE ASSETS (CONTINUED)

	Office equipment RM'000	Equipment RM'000	Vessels RM'000	Leasehold buildings RM'000	Total RM'000
Group (continued)					
Accumulated depreciation					
At 01.07.2022	4,043	6,581	20,358	8,006	38,988
Depreciation	1,678	3,066	43,624	6,971	55,339
Exchange differences	131	508	2,823	498	3,960
At 30.06.2023/01.07.2023	**5,852**	**10,155**	**66,805**	**15,475**	**98,287**
Depreciation	**1,398**	**3,385**	**44,761**	**7,074**	**56,618**
Write-offs	**(53)**	**-**	**-**	**(1,068)**	**(1,121)**
Exchange differences	**35**	**120**	**924**	**163**	**1,242**
At 30.06.2024	**7,232**	**13,660**	**112,490**	**21,644**	**155,026**
Net book value					
At 30.06.2023	2,268	4,642	138,249	12,947	158,106
At 30.06.2024	**2,125**	**1,285**	**131,135**	**8,105**	**142,650**

	Office equipment RM'000	Leasehold buildings RM'000	Total RM'000
Company			
Cost			
At 01.07.2022	159	2,796	2,955
Modification	-	1,277	1,277
At 30.06.2023/01.07.2023	**159**	**4,073**	**4,232**
Additions	**73**	**323**	**396**
Write-offs	**(53)**	**(1,068)**	**(1,121)**
At 30.06.2024	**179**	**3,328**	**3,507**
Accumulated depreciation			
At 01.07.2022	99	1,977	2,076
Depreciation	28	755	783
At 30.06.2023/01.07.2023	**127**	**2,732**	**2,859**
Depreciation	**31**	**792**	**823**
Write-offs	**(53)**	**(1,069)**	**(1,122)**
At 30.06.2024	**105**	**2,455**	**2,560**
Net book value			
At 30.06.2023	32	1,341	1,373
At 30.06.2024	**74**	**873**	**947**

17 INVESTMENTS IN SUBSIDIARIES

	Company	
	2024 RM'000	**2023 RM'000**
Unquoted shares in Malaysia, at cost	**588,053**	588,053
Less: Impairment losses	**(588,053)**	(588,053)
	-	-
Amounts owing by subsidiaries	**57,236**	57,236
Less: Impairment losses	**(57,236)**	(57,236)
	-	-

The details of the subsidiaries are as follows:

Name of company	Principal activities	Country of incorporation	Group's effective equity interest (%) 2024	2023
Gulf Hibiscus Limited ("Gulf Hibiscus")	Provision of project management, technical and other services	Malaysia	**100**	100
Hibiscus Oilfield Services Limited ("Hibiscus Oilfield")	Provision of project management, technical and other services	Malaysia	**100**	100
Orient Hibiscus Sdn. Bhd.	Investment holding	Malaysia	**100**	100
Oceania Hibiscus Sdn. Bhd. ("Oceania Hibiscus")	Investment holding	Malaysia	**100**	100
Genesis Hibiscus Sdn. Bhd. ("Genesis Hibiscus")	Investment holding	Malaysia	**100**	100
Hibiscus Technical Services Sdn. Bhd. ("Hibiscus Technical Services")	Provision of project management, technical and other services	Malaysia	**100**	100
Timor Hibiscus Limited ("Timor Hibiscus")	Investment holding	Malaysia	**100**	100
Atlantic Hibiscus Sdn. Bhd. ("Atlantic Hibiscus")	Investment holding	Malaysia	**100**	100
Pacific Hibiscus Sdn. Bhd. ("Pacific Hibiscus")	Investment holding	Malaysia	**100**	100
Asia Hibiscus Sdn. Bhd. ("Asia Hibiscus")	Investment holding	Malaysia	**100**	100
Seri Hibiscus Sdn. Bhd. ("Seri Hibiscus")	Investment holding	Malaysia	**100**	-
Subsidiaries of Oceania Hibiscus				
Carnarvon Hibiscus[2]	Exploration and development of oil and gas	Australia	**100**	100
Althea Corporation Limited	Investment holding	Malaysia	**100**	100
Subsidiaries of Genesis Hibiscus				
Cayman Hibiscus Inc SPC[2]	Dormant	Cayman Islands	**100**	100
Hibiscus Capital Limited ("Hibiscus Capital")	Investment holding	Malaysia	**100**	100

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The details of the subsidiaries are as follows: (continued)

Name of company	Principal activities	Country of incorporation	Group's effective equity interest (%) 2024	2023
Subsidiaries of Atlantic Hibiscus				
Anasuria Hibiscus[1]	Exploration and production of oil and gas	UK	**100**	100
Hibiscus Energy UK Limited[1]	Exploration and production of oil and gas	UK	**100**	100
Subsidiary of Pacific Hibiscus				
SEA Hibiscus	Exploration and production of oil and gas	Malaysia	**100**	100
Subsidiaries of Asia Hibiscus				
Peninsula Hibiscus Sdn. Bhd. ("Peninsula Hibiscus")	Exploration and production of oil and gas	Malaysia	**100**	100
Borneo Hibiscus Sdn. Bhd.	Exploration and production of oil and gas	Malaysia	**100**	100
Straits Hibiscus Sdn. Bhd.	Exploration and production of oil and gas	Malaysia	**100**	100
Subsidiary of Hibiscus Technical Services				
Hibiscus Integrated Production Services Sdn. Bhd.	Provision of operations, maintenance, shutdown, or turnaround, and associated services relating to the oil and gas production and storage facilities, installations, or platforms	Malaysia	**100**	-
Subsidiary of Seri Hibiscus				
Simpor Hibiscus Sdn. Bhd. ("Simpor Hibiscus")	Exploration and production of oil and gas	Malaysia	**100**	-
Subsidiary of Carnarvon Hibiscus				
Gippsland Hibiscus[2]	Exploration and development of oil and gas	Australia	**100**	100
Subsidiary of Peninsula Hibiscus				
Fortuna International Petroleum Corporation ("Fortuna International")[1]	Investment holding	Barbados	**100**	100

17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The details of the subsidiaries are as follows: (continued)

Name of company	Principal activities	Country of incorporation	Group's effective equity interest (%) 2024	2023
Subsidiaries of Fortuna International				
Hibiscus Oil & Gas (PM3)[1]	Oil and gas exploration, development and production	Barbados	**100**	100
Hibiscus Oil & Gas[1]	Oil and gas exploration, development and production	Barbados	**100**	100
Talisman Vietnam[1]	Oil and gas exploration, development and production	Barbados	**100**	100

[1] Audited by a member firm of PricewaterhouseCoopers International Limited which is a separate and independent legal entity from PricewaterhouseCoopers PLT, Malaysia.

[2] The financial statements were not required to be audited based on the regulations of its country of incorporation. The company had not commenced operations or was dormant during the financial year ended 30 June 2024.

The Company reviewed the recoverability of its underlying interests in subsidiaries which recorded net liabilities positions as at 30 June 2024. The recoverable amount was determined using the FVLCTS model. The key assumptions of the cash flows included the cash flows from the underlying intangible assets, fair value of the underlying equipment and an investment as disclosed in Note 14, Note 15 and Note 18 to the financial statements. Fair value measurement was performed based on Level 3 hierarchy. The Company considered the financial position of Oceania Hibiscus and recognised an impairment in the investment in, and amount owing by, Oceania Hibiscus of RM Nil (2023: RM4,072,771) and RM Nil (2023: RM1,722,340) respectively.

18 INVESTMENT IN AN ASSOCIATE

	Group 2024 RM'000	2023 RM'000
At 01.07.2023/01.07.2022	**4,902**	4,088
Share of post-acquisition results and reserves	**(446)**	1,346
Impairment of investment in an associate	**-**	(532)
At 30.06.2024/30.06.2023	**4,456**	4,902
Fair value of quoted shares (Level 1)	**7,410**	4,902

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

18 INVESTMENT IN AN ASSOCIATE (CONTINUED)

Set out below is the summarised financial information for 3D Energi which is accounted for using the equity method:

	Group	
	2024 RM'000	**2023 RM'000**
Revenue and other income	**132**	12,961
(Loss)/profit after taxation/Total comprehensive (expenses)/income	**(4,479)**	10,570
Non-current assets	**51,572**	45,923
Current assets	**10,406**	10,317
Non-current liabilities	**(10,882)**	(10,507)
Current liabilities	**(985)**	(1,800)
Net assets	**50,111**	43,933
Group's share of net assets 9.34% (2023: 11.67%)	**4,681**	5,127
Impairment of investment in an associate	**(532)**	(532)
Transaction costs capitalised	**307**	307
Carrying amount	**4,456**	4,902

The information above reflects the amounts presented in the financial statements of the associate (and not the Group's share of those amounts) adjusted for differences in accounting policies between the Group and the associate.

Nature of investment in associate is as follows:

				Group's effective equity interest (%)	
Name of company	**Principal activities**	**Place of business/ Country of incorporation**	**Measurement method**	**2024**	**2023**
3D Energi	Exploration and development of upstream oil and gas assets	Australia	Equity	**9.34**	11.67

The Group's effective equity interest in 3D Energi was diluted as a result of an additional shares issuance by 3D Energi in the current financial year.

There are no contingent liabilities relating to the Group's interest in the associate.

3D Energi shares are publicly traded on the Australian Stock Exchange. Due to fluctuations of the market price of the shares, an impairment assessment was performed for the Group's investment in 3D Energi by comparing the higher of FVLCTS and value in use against the carrying amount of the investment. The recoverable amount is based on FVLCTS, which is derived from the market price of the shares. Based on the assessment performed, no impairment of investment in an associate required for the current financial year (2023: impairment of RM531,579). The cost to sell is estimated to be immaterial.

19 INVESTMENT IN A JOINT VENTURE

	Group	
	2024 RM'000	2023 RM'000
Unquoted shares outside Malaysia, at cost:		
At 30.06.2024/30.06.2023	**-**	-

The joint venture below have share capital consisting solely of ordinary shares, which is held directly by the Group:

Name of company	Principal activities	Place of business/ Country of incorporation	Measurement method	Group's effective equity interest (%) 2024	Group's effective equity interest (%) 2023
HIREX	Exploration of oil and gas	Malaysia	Equity	**-**	41.0

There were no contingent liabilities relating to the Group's interest in the joint venture.

HiRex Petroleum Sdn. Bhd. ("HIREX")

The Group's investment in HIREX has been fully written off. HIREX was dissolved with effect from 6 October 2023, pursuant to the Act.

20 INVENTORIES

	Group	
	2024 RM'000	2023 RM'000
Crude oil	**55,073**	66,222
Spares	**137,677**	131,448
Diesel	**676**	958
	193,426	198,628

Inventories recognised as expenses during the financial year amounted to RM672,349,972 (2023: RM497,636,397). These were included in cost of sales as disclosed in Note 7 to the financial statements.

21 TRADE RECEIVABLES

	Group	
	2024 RM'000	2023 RM'000
Sales of crude oil	**469,313**	313,704
Sales of gas	**77,740**	77,609
Provision of project management, technical and other services	**1,468**	20,068
	548,521	411,381

The amounts are unsecured and are to be settled in cash.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

22 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-current				
Other receivables	**170,888**	178,802	**-**	-
Current				
Other receivables and deposits	**855,105**	460,636	**4,658**	4,575
Less: Impairment of other receivables	**(5,797)**	(5,784)	**(4,296)**	(4,296)
	849,308	454,852	**362**	279
Prepayments	**42,175**	38,727	**1,038**	1,260
	891,483	493,579	**1,400**	1,539

Other receivables

Other receivables include finance leases receivable in relation to right-of-use assets for SEA Hibiscus and Hibiscus Oil & Gas. The following table sets out the maturity analysis of the finance leases receivable, showing the undiscounted lease payments to be received after the reporting date.

	Group	
	2024 RM'000	2023 RM'000
Within one year	**87,780**	83,457
Later than one year but not later than five years	**184,006**	198,679
Later than five years	**776**	534
Minimum lease payments	**272,562**	282,670
Future finance income	**(30,579)**	(30,712)
Net investment in finance leases	**241,983**	251,958
Non-current	**170,888**	178,802
Current	**71,095**	73,156
	241,983	251,958

Deposits

The current deposits balance in the current financial year includes a deposit paid for the proposed acquisition of the entire equity interest in TotalEnergies EP (Brunei) B.V. ("TotalEnergies Brunei") ("Proposed Acquisition") amounting to RM231,280,000 (2023: RM Nil).

23 AMOUNTS OWING BY/(TO) SUBSIDIARIES

	Company	
	2024 RM'000	2023 RM'000
Amounts owing by subsidiaries:		
Trade	**53,484**	33,267
Less: Impairment of receivables (trade)	**(2,324)**	(2,324)
Non-trade	**217,524**	251,186
Less: Impairment of receivables (non-trade)	**(42,442)**	(41,858)
	226,242	240,271
Amounts owing to subsidiaries:		
Non-trade	**(426)**	(546)

The trade balance of amounts owing by subsidiaries represent receivables on demand and to be settled in cash. Included in the non-trade balance are advances that bear interest rates from 5.02% to 6.70% (2023: 3.29% to 9.97%) per annum. The remaining non-trade balance represents payments made on behalf of subsidiaries and dividends receivable from a subsidiary which are unsecured and interest-free.

In the current financial year, there was an impairment loss of RM584,225 (2023: RM222,702) on amounts owing by subsidiaries.

The non-trade balance of amounts owing to subsidiaries is unsecured, repayable on demand and interest-free.

24 AMOUNT OWING BY/(TO) A JOINT VENTURE

The joint venture was dissolved on 6 October 2023. The net amount owing to the joint venture of RM45,818 was written off in the current financial year.

The amount owing by/(to) a joint venture was in relation to the provision of project management, technical and other services relating to the oil and gas exploration and production industry and share of administrative expenses. The amounts were unsecured and were to be settled in cash.

25 AMOUNT OWING BY/(TO) A RELATED PARTY

Amount owing by/(to) a related party is in relation to the provision of project management, technical and other services relating to the oil and gas exploration and production industry and a share of administrative expenses. The amounts are unsecured and are to be settled in cash.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

26 CASH AND BANK BALANCES

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

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash and bank balances	**962,384**	1,178,671	**11,826**	56,731
Less: Cash restricted in use	**(352,389)**	(253,041)	**-**	-
Cash and cash equivalents	**609,995**	925,630	**11,826**	56,731
Cash restricted in use represented by:				
Non-current	**274,359**	219,012	**-**	-
Current	**78,030**	34,029	**-**	-
	352,389	253,041	**-**	-

Non-current cash restricted in use represents monies placed in trust for the Group's obligations for the estimated cost of decommissioning the facilities of the Anasuria Cluster. Such decommissioning activities are expected to be carried out at the end of life of the Anasuria Cluster and therefore, these monies in the trust are classified as non-current assets.

Current cash restricted in use in the current financial year represents deposits placed with financial institutions as bank guarantee for the value of minimum work commitment to be carried out by Hibiscus Oil & Gas and as security for banking facilities obtained for Asia Hibiscus. Current cash restricted in use in the previous financial year represents deposits placed with a financial institution as security for banking facilities obtained for Asia Hibiscus.

Reconciliation of liabilities arising from financing activities:

			Non-cash changes				
	At 01.07.2023 RM'000	Principal and interest payments RM'000	Additions RM'000	Modifications RM'000	Interest expense RM'000	Foreign exchange movement RM'000	At 30.06.2024 RM'000
Group							
Lease liabilities	**405,654**	**(168,262)**	**55,581**	**54,680**	**25,777**	**4,097**	**377,527**
Term loan	**456,840**	**(133,205)**	**-**	**-**	**43,868**	**4,030**	**371,533**
Total liabilities arising from financing activities	**862,494**	**(301,467)**	**55,581**	**54,680**	**69,645**	**8,127**	**749,060**

			Non-cash changes		
	At 01.07.2023 RM'000	Principal and interest payments RM'000	Interest expense RM'000	Additions RM'000	At 30.06.2024 RM'000
Company					
Lease liabilities	**1,397**	**(898)**	**86**	**396**	**981**

26 CASH AND BANK BALANCES (CONTINUED)

Reconciliation of liabilities arising from financing activities: (continued)

	At 01.07.2022 RM'000	Transaction costs RM'000	Proceeds from borrowings RM'000	Principal and interest payments RM'000	Non-cash changes: Additions RM'000	Non-cash changes: Interest expense RM'000	Non-cash changes: Modifications RM'000	Non-cash changes: Foreign exchange movement RM'000	At 30.06.2023 RM'000
Group									
Lease liabilities	468,945	-	-	(167,396)	51,496	26,166	4,759	21,684	405,654
Revolving credit	88,814	-	185,263	(280,687)	-	4,628	-	1,982	-
Term loan	-	(9,740)	446,273	(3,935)	-	8,045	-	16,197	456,840
Total liabilities arising from financing activities	557,759	(9,740)	631,536	(452,018)	51,496	38,839	4,759	39,863	862,494

	At 01.07.2022 RM'000	Proceeds from borrowings RM'000	Principal and interest payments RM'000	Non-cash changes: Interest expense RM'000	Non-cash changes: Modification RM'000	Non-cash changes: Offsetting with the amount owing by a subsidiary RM'000	At 30.06.2023 RM'000
Company							
Lease liabilities	918	-	(849)	51	1,277	-	1,397
Revolving credit	-	185,263	(188,593)	3,330	-	-	-
Advance from a subsidiary	-	32,651	(32,651)	667	-	(667)	-
	918	217,914	(222,093)	4,048	1,277	(667)	1,397

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

27 SHARE CAPITAL

	Number of shares	Share capital RM
Ordinary shares		
At 01.07.2022	2,012,418,743	966,013,525
Capital reduction	-	(800,000,000)
At 30.06.2023/01.07.2023	**2,012,418,743**	**166,013,525**
Share Consolidation	**(1,207,451,315)**	**-**
At 30.06.2024	**804,967,428**	**166,013,525**

During the current financial year, the Share Consolidation resulted in 2,012,418,743 number of issued ordinary shares of the Company being consolidated into 804,967,428 number of issued consolidated ordinary shares. The consolidated shares were listed and quoted on the Main Market of Bursa Securities on 20 October 2023 and the Share Consolidation was completed on the same date.

In the previous financial year, the Company reduced its issued and paid-up ordinary share capital by RM800,000,000.00, from RM966,013,524.78 to RM166,013,524.78 via the Capital Reduction exercise pursuant to Section 117 of the Act. The number of issued and paid-up ordinary shares comprising 2,012,418,743 shares remain unchanged. The exercise was completed on 3 March 2023.

28 TREASURY SHARES

On 5 December 2023, the shareholders approved the renewal of the share buy-back authority for the Company to purchase its own shares of up to 10.0% of the total number of issued ordinary shares of the Company. The mandate is valid until the 14th Annual General Meeting or earlier if the shareholders pass an ordinary resolution in a general meeting.

During the current financial year, the Company repurchased 6,385,200 of its issued ordinary shares from the open market on Bursa Securities. The cost of repurchasing these shares amounted to RM16,120,738 and they are currently held as treasury shares and presented as a deduction from equity.

29 OTHER RESERVES

(a) Foreign exchange reserve

The foreign exchange reserve arose from the translation of the financial statements of entities and operations with different functional currencies and is not distributable by way of dividends.

(b) Other reserves

Other reserves consist of the Group's share of a joint venture's share-based payment reserve. Other reserves are not distributable by way of dividends.

30 TRADE PAYABLES

Trade payables are related to the direct cost of delivering sales of crude oil and gas and direct cost of executing exploration and development activities in non-producing licences. The amounts are unsecured and are to be settled in cash.

31 OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-current				
Other payables	**-**	4,303	**-**	-
Current				
Other payables	**101,102**	132,219	**5,906**	1,500
Accruals	**768,265**	655,720	**21,635**	7,677
Deferred revenue	**70,327**	60,260	**-**	-
Dividend payable	**15,972**	15,093	**15,972**	15,093
	955,666	863,292	**43,513**	24,270

Other payables and accruals are mainly related to cost of production operations, maintenance and overheads.

Deferred revenue of the Group relates to advance billings issued by the Group for which the performance obligations are yet to be satisfied. This deferred revenue shall be recognised as revenue earned only when the performance obligations are satisfied.

32 BORROWINGS

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-current				
Secured				
Lease liabilities	**256,648**	282,730	**125**	632
Term loan	**278,299**	365,012	**-**	-
	534,947	647,742	**125**	632
Current				
Secured				
Lease liabilities	**120,879**	122,924	**856**	765
Term loan	**93,234**	91,828	**-**	-
	214,113	214,752	**856**	765
	749,060	862,494	**981**	1,397

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

32 BORROWINGS (CONTINUED)

Lease liabilities

	Group	
	2024 RM'000	**2023 RM'000**
Commitments in relation to lease liabilities are payable as follows:		
Within one year	**144,123**	143,073
Later than one year but not later than five years	**280,683**	310,370
Later than five years	**356**	1,061
Minimum lease payments	**425,162**	454,504
Future finance charges	**(47,635)**	(48,850)
Recognised as liabilities	**377,527**	405,654
The present value of lease liabilities are as follows:		
Within one year	**120,879**	122,924
Later than one year but not later than five years	**256,304**	281,761
Later than five years	**344**	969
Lease liabilities	**377,527**	405,654

	Company	
	2024 RM'000	**2023 RM'000**
Commitments in relation to lease liabilities are payable as follows:		
Within one year	**901**	844
Later than one year but not later than five years	**133**	659
Minimum lease payments	**1,034**	1,503
Future finance charges	**(53)**	(106)
Recognised as liabilities	**981**	1,397
The present value of lease liabilities are as follows:		
Within one year	**856**	765
Later than one year but not later than five years	**125**	632
Lease liabilities	**981**	1,397

As at 30 June 2024, the Group's and the Company's lease liabilities have remaining terms up to six years (2023: up to seven years) and up to five years (2023: up to three years) respectively.

32 BORROWINGS (CONTINUED)

Term loan

The term loan facility of the Group is secured by corporate guarantees from the Company and certain subsidiaries and charges over the shares of certain subsidiaries.

As at the reporting date, the facility bore an effective interest rate of 9.33% per annum (2023: 9.06% per annum).

33 CONTINGENT CONSIDERATION

	Group	
	2024 RM'000	2023 RM'000
Non-current		
At 01.07.2023/01.07.2022	**43,372**	35,372
Additions	**248**	-
Changes in estimates	**(2,205)**	4,020
Unwinding of discount (Note 9)	**1,463**	1,654
Exchange differences	**429**	2,326
At 30.06.2024/30.06.2023	**43,307**	43,372
Current		
At 01.07.2023/01.07.2022	**7,574**	28,552
Additions	**5,631**	-
Settlement	**(7,358)**	(5,015)
Changes in estimates	**(4,197)**	(16,869)
Exchange differences	**41**	906
At 30.06.2024/30.06.2023	**1,691**	7,574

The contingent consideration of the Group as at the end of the current financial year relates to the Marigold and Sunflower fields and the Fyne field amounting to RM44,731,726 (2023: RM50,946,012) and RM266,522 (2023: RM Nil) respectively.

For the Marigold and Sunflower fields, as per the terms of the Farm-In Agreement entered into by Anasuria Hibiscus with Caldera Petroleum for an additional 37.5% interest in Licence P198 Block 15/13a and Block 15/13b, Anasuria Hibiscus agreed to pay all amounts attributable to Caldera Petroleum's retained interest of 12.5% up to first oil arising from the fields, as disclosed in Note 13(e) to the financial statements. The contingent consideration represents the estimated amount to be paid and is dependent on the timing and amounts estimated to be incurred for the period up to first oil.

For the Fyne field, as per the terms of the Farm-In Agreement entered into by Anasuria Hibiscus with Rapid Oil to acquire 42.5% equity interest in Licence P2451 Block 21/28b, a contingent consideration is payable to Rapid Oil upon achieving first oil from the field.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

34 DEFERRED TAX (ASSETS)/LIABILITIES

	Group	
	2024	**2023**
	RM'000	**RM'000**
Deferred tax liabilities	**807,044**	792,973
Deferred tax assets	**-**	(16,811)
	807,044	776,162

	Group	
	2024 RM'000	**2023 RM'000**
At 01.07.2023/01.07.2022	**776,162**	492,676
Recognised in profit or loss (Note 11)	**21,125**	233,796
Exchange differences	**9,757**	49,690
At 30.06.2024/30.06.2023	**807,044**	776,162

	Company	
	2024 RM'000	**2023 RM'000**
Deferred tax liabilities	**932**	178

	Company	
	2024 RM'000	**2023 RM'000**
At 01.07.2023/01.07.2022	**178**	-
Recognised in profit or loss (Note 11)	**754**	178
At 30.06.2024/30.06.2023	**932**	178

34 DEFERRED TAX (ASSETS)/LIABILITIES (CONTINUED)

The movements in deferred tax assets and liabilities during the financial year are as follows:

	Equipment RM'000	Intangible assets RM'000	Others RM'000	Total RM'000
Group				
Deferred tax liabilities				
At 01.07.2023	633,023	599,507	32,414	1,264,944
Recognised in profit or loss	(1,076)	(31,935)	(9,011)	(42,022)
Reclassification	6,674	-	29,537	36,211
Exchange differences	6,331	5,781	2,336	14,448
At 30.06.2024	644,952	573,353	55,276	1,273,581
Offsetting				(466,537)
Deferred tax liabilities (after offsetting) at 30.06.2024				807,044

	Equipment RM'000	Decom-missioning costs RM'000	Tax losses RM'000	Provision and other payables RM'000	Others RM'000	Total RM'000
Group						
Deferred tax assets						
At 01.07.2023	(69)	(268,394)	(149,206)	(36,506)	(34,607)	(488,782)
Recognised in profit or loss	(19)	29,218	26,285	12,466	(4,802)	63,148
Reclassification	-	(6,674)	-	-	(29,537)	(36,211)
Exchange differences	(1)	(2,540)	(1,315)	(292)	(544)	(4,692)
At 30.06.2024	(89)	(248,390)	(124,236)	(24,332)	(69,490)	(466,537)
Offsetting						466,537
Deferred tax assets (after offsetting) at 30.06.2024						-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

34 DEFERRED TAX (ASSETS)/LIABILITIES (CONTINUED)

The movements in deferred tax assets and liabilities during the previous financial year are as follows:

	Equipment RM'000	Intangible assets RM'000	Others RM'000	Total RM'000
Group				
Deferred tax liabilities				
At 01.07.2022	431,671	499,327	70,968	1,001,966
Recognised in profit or loss	170,936	67,781	(43,869)	194,848
Exchange differences	30,416	32,399	5,315	68,130
At 30.06.2023	633,023	599,507	32,414	1,264,944
Offsetting				(471,971)
Deferred tax liabilities (after offsetting) at 30.06.2023				792,973

	Equipment RM'000	Decom-missioning costs RM'000	Tax losses RM'000	Provision and other payables RM'000	Others RM'000	Total RM'000
Group						
Deferred tax assets						
At 01.07.2022	(207)	(281,158)	(140,964)	(9,603)	(77,358)	(509,290)
Recognised in profit or loss	145	28,554	195	(16,584)	26,638	38,948
Exchange differences	(7)	(15,790)	(8,437)	(10,319)	16,113	(18,440)
At 30.06.2023	(69)	(268,394)	(149,206)	(36,506)	(34,607)	(488,782)
Offsetting						471,971
Deferred tax assets (after offsetting) at 30.06.2023						(16,811)

Company

The movements in deferred tax liabilities for the Company arose from the movements relating to foreign source income yet to be remitted.

34 DEFERRED TAX (ASSETS)/LIABILITIES (CONTINUED)

Deferred tax assets have not been recognised in respect of the following deductible temporary differences because it is not probable that future taxable profits will be available against which the Group and the Company can utilise the benefits therefrom:

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Tax losses	**424,155**	397,903	**91,700**	100,309
Unabsorbed capital allowance	**172,133**	133,235	**-**	-
Provisions and other payables	**351,617**	343,250	**119,186**	113,557
	947,905	874,388	**210,886**	213,866

In accordance with the Malaysian Finance Act 2021 which was gazetted on 31 December 2021, the Group's and the Company's unutilised tax losses can now be carried forward for ten consecutive YAs (2023: ten consecutive YAs).

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Limit of utilisation				
YA 2028	**48,737**	57,346	**42,818**	51,426
YA 2029	**10,962**	10,962	**10,962**	10,962
YA 2030	**13,068**	13,068	**12,344**	12,344
YA 2031	**18,768**	18,768	**13,952**	13,952
YA 2032	**17,041**	17,041	**11,624**	11,625
YA 2033	**2,155**	2,155	**-**	-
YA 2034	**965**	-	**-**	-
	111,696	119,340	**91,700**	100,309

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

35 PROVISION FOR DECOMMISSIONING COSTS

	Group	
	2024 RM'000	**2023 RM'000**
At 01.07.2023/01.07.2022	**673,416**	712,331
Additions	**-**	6,439
Changes in estimates	**(54,681)**	(66,377)
Payment	**(54,238)**	(71,369)
Unwinding of discount (Note 9)	**47,190**	42,604
Exchange differences	**6,096**	49,788
At 30.06.2024/30.06.2023	**617,783**	673,416
Represented by:		
Non-current	**539,512**	617,125
Current	**78,271**	56,291
At 30.06.2024/30.06.2023	**617,783**	673,416

The Group makes provisions for the future costs of decommissioning of its oil and gas production facilities and pipelines on a discounted basis.

36 RCPS

The movements in the RCPS of the Group and of the Company are as follows:

	Number of RCPS	**Nominal value RM**
Issued and paid-up		
At 30.06.2023/01.07.2023	**2,193,880**	**219,388**
Redemption	**(2,193,880)**	**(219,388)**
At 30.06.2024	**-**	**-**

In the current financial year, 2,193,880 RCPS were fully redeemed by the RCPS holder at the redemption price of RM0.10 per RCPS.

In previous financial year, the RCPS were classified as current liabilities as the RCPS are redeemable at the option of the RCPS holders. The remaining RCPS were not convertible into ordinary shares of the Company.

36 RCPS (CONTINUED)

The principal terms of the RCPS were as follows:

(a) Dividend rights — The RCPS were 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 Malaysia ("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 20.0% 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 was not entitled to convert any additional RCPS into ordinary shares of the Company.

(c) Redeemability — Subject to compliance with the relevant requirements, all RCPS (unless earlier converted into Shares) shall be fully redeemable at the option of the holder, at the Redemption Price:

(i) 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

(ii) 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

(iii) 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) Status — The RCPS were not listed or quoted on any stock exchange.

37 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:

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Executive Director:				
- salaries and bonus	**8,050**	6,800	**8,050**	6,800
- defined contribution plan	**1,852**	1,564	**1,852**	1,564
- other benefits	**8**	8	**8**	8
	9,910	8,372	**9,910**	8,372
Non-executive Directors:				
- fees and allowances	**2,173**	1,819	**1,938**	1,509
	12,083	10,191	**11,848**	9,881

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

37 DIRECTORS' REMUNERATION (CONTINUED)

(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:

	Group	
	2024	**2023**
Executive Director:		
RM9,900,001 – RM9,950,000	**1**	-
RM8,350,001 – RM8,400,000	**-**	1
Non-executive Directors:		
RM400,001 – RM450,000	**1**	-
RM350,001 – RM400,000	**-**	1
RM300,001 – RM350,000	**3**	-
RM250,001 – RM300,000	**2**	3
RM200,001 – RM250,000	**-**	-
RM150,001 – RM200,000	**-**	1
RM100,001 – RM150,000	**2**	3
RM50,001 – RM100,000	**-**	1
RM1 – RM50,000	**-**	-
	9	10

	Company	
	2024	**2023**
Executive Director:		
RM9,900,001 – RM9,950,000	**1**	-
RM8,350,001 – RM8,400,000	**-**	1
Non-executive Directors:		
RM400,001 – RM450,000	**1**	-
RM350,001 – RM400,000	**-**	1
RM300,001 – RM350,000	**3**	-
RM250,001 – RM300,000	**2**	3
RM200,001 – RM250,000	**-**	-
RM150,001 – RM200,000	**-**	1
RM100,001 – RM150,000	**-**	1
	7	7

38 SIGNIFICANT RELATED PARTIES DISCLOSURES

(a) Identities of related parties

The related parties of the Group and of the Company are:

(i) Its subsidiaries, an associate and the joint venture as disclosed in Note 17, Note 18 and Note 19 to the financial statements; and

(ii) The Directors and leadership team who are the key management personnel.

(b) In addition to information detailed elsewhere in the financial statements, set out below are other significant transactions and outstanding balances with related parties during the financial year:

	Transaction values		Balances outstanding	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Group				
Project management, technical and other services fees receivable from:				
Ping Petroleum[1]	**3,060**	2,894	**1,468**	20,068
HIREX[2]	**-**	-	**-**	194
Company				
Project management, technical and other services fees receivable from:				
Oceania Hibiscus[3]:				
Gross	**39**	35	**1,261**	1,222
Less: Impairment of receivables	**-**	-	**(1,222)**	(1,222)
	39	35	**39**	-
Hibiscus Technical Services[3]:				
Gross	**21,361**	13,555	**55,753**	34,790
Less: Impairment of receivables	**-**	-	**(2,324)**	(2,324)
	21,361	13,555	**53,429**	32,466
Anasuria Hibiscus[3]	**6,982**	6,235	**2,152**	1,010
SEA Hibiscus[3]	**597**	619	**621**	266

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

38 SIGNIFICANT RELATED PARTIES DISCLOSURES (CONTINUED)

(b) In addition to information detailed elsewhere in the financial statements, set out below are other significant transactions and outstanding balances with related parties during the financial year: (continued)

	Transaction values		Balances outstanding	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Company (continued)				
Project management, technical and other services fees receivable from: (continued)				
Gulf Hibiscus[3]:				
Gross	**1**	2	**1,376**	1,375
Less: Impairment of receivables	**-**	-	**(1,376)**	(1,375)
	1	2	**-**	-
Peninsula Hibiscus[3]	**153**	668	**2,360**	2,193
Hibiscus Oil & Gas[3]	**2,255**	1,081	**1,417**	-
Asia Hibiscus[3]	**34**	496	**551**	514
Dividend income:				
Pacific Hibiscus[3]	**50,000**	73,000	**50,000**	73,000
Payment on behalf of:				
Gulf Hibiscus[3]:				
Gross	**278**	22	**11,833**	11,547
Less: Impairment of receivables	**-**	-	**(11,833)**	(11,547)
	278	22	**-**	-
Oceania Hibiscus[3]:				
Gross	**2,117**	981	**56,758**	54,745
Less: Impairment of receivables	**-**	-	**(54,745)**	(54,745)
	2,117	981	**2,013**	-
Hibiscus Technical Services[3]	**-**	40	**1,648**	1,648
Timor Hibiscus[3]:				
Gross	**26**	10	**27,844**	27,818
Less: Impairment of receivables	**-**	-	**(27,844)**	(27,818)
	26	10	**-**	-

38 SIGNIFICANT RELATED PARTIES DISCLOSURES (CONTINUED)

(b) In addition to information detailed elsewhere in the financial statements, set out below are other significant transactions and outstanding balances with related parties during the financial year: (continued)

	Transaction values		Balances outstanding	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Company (continued)				
Payment on behalf of: (continued)				
Peninsula Hibiscus[3]	**-**	-	**16**	16
Hibiscus Capital[3]:				
Gross	**56**	71	**309**	253
Less: Impairment of receivables	**-**	-	**(309)**	(253)
	56	71	**-**	-
Asia Hibiscus[3]	**615**	549	**663**	55
Payment on behalf by:				
Hibiscus Oilfield[3]	**-**	-	**427**	441
Advances to:				
Anasuria Hibiscus[3]	**-**	43,932	**87,236**	86,819
Hibiscus Technical Services[3]	**-**	9,737	**7,075**	31,591
Asia Hibiscus[3]	**-**	198	**-**	-
Interest income on advances to:				
Anasuria Hibiscus[3]	**5,389**	4,548	**10,162**	4,741
Hibiscus Technical Services[3]	**997**	1,214	**2,456**	1,446
Peninsula Hibiscus[3]	**-**	1,446	**3,879**	3,879
Asia Hibiscus[3]	**14**	2	**16**	2
Advances from:				
Asia Hibiscus[3]	**-**	32,651	**-**	-
Interest expense on advances from:				
Asia Hibiscus[3]	**-**	667	**-**	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

38 SIGNIFICANT RELATED PARTIES DISCLOSURES (CONTINUED)

(b) In addition to information detailed elsewhere in the financial statements, set out below are other significant transactions and outstanding balances with related parties during the financial year: (continued)

The Group and the Company entered into the abovementioned related party transactions with parties whose relationships are set out below:

[1] Shareholder of a joint operating company of the Group.

[2] Joint venture of the Group.

[3] Subsidiaries of the Group.

(c) Key management personnel compensation

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Directors:				
- fees and allowances	**2,173**	1,819	**1,938**	1,509
- salaries and bonus	**8,050**	6,800	**8,050**	6,800
- defined contribution plan	**1,852**	1,564	**1,852**	1,564
- other benefits	**8**	8	**8**	8
	12,083	10,191	**11,848**	9,881
Key management personnel other than Directors:				
- salaries, bonus and fees	**28,246**	23,709	**14,129**	8,038
- defined contribution plan	**1,893**	1,990	**1,360**	1,297
- other benefits	**1,685**	908	**34**	45
	31,824	26,607	**15,523**	9,380

39 OPERATING SEGMENTS

Operating segments are presented in respect of the Group's business segments. The Group has activities in the following principal areas[1]:

(i) Malaysia – North Sabah

Group's investment in its 50.0% participating interest in North Sabah, located off the coast of Sabah, Malaysia. The investment includes the management of the operations relating to the production of petroleum from four existing oil fields (namely St Joseph, South Furious, South Furious 30 and Barton), existing pipeline infrastructure, the LCOT and all other equipment and assets relating to the PSC.

The functional currency of this segment is United States Dollar ("USD"). The average and closing rates adopted for conversion to RM in the current financial year are 4.6929 and 4.7200 respectively.

39 OPERATING SEGMENTS (CONTINUED)

Operating segments are presented in respect of the Group's business segments. The Group has activities in the following principal areas[1]: (continued)

(ii) Malaysia – Kinabalu and Others

Group's investments and operations in Kinabalu, PM305 and PM314.

<u>Kinabalu</u>

- Group's investment in its 60.0% participating interest in Kinabalu, located off the coast of Sabah, Malaysia.

<u>PM305</u>

- Group's investment in its 60.0% participating interest in PM305, located off the eastern coast of Peninsular Malaysia in the Malay Basin. The participating interest in PM305 ceased on 17 March 2024.

  The Group is obliged to complete the abandonment obligations for wells and facilities per the PSC terms of PM305. All well abandonment obligations required to be carried out were completed in August 2022. The remaining abandonment obligations of the South Angsi-A facility are estimated to be completed by September 2025.

  The Group is in the progress of finalising the cash settlement exercise in relation to underlift crude balances.

<u>PM314</u>

- Group's investment in its 60.0% participating interest in PM314, located off the eastern coast of Peninsular Malaysia in the Malay Basin. The participating interest in PM314 ceased on 5 September 2020 and all abandonment obligations required to be carried out per the PSC terms of PM314 were completed in August 2022.

  The Group is in the progress of finalising the cash settlement exercise in relation to underlift crude balances.

The functional currency of this segment is USD. The average and closing rates adopted for conversion to RM in the current financial year are 4.6929 and 4.7200 respectively.

(iii) Commercial Arrangement Area ("CAA")

Group's investment in its 35.0% participating interest in PM3 CAA, located within the CAA between Malaysia and Vietnam. The investment includes the management of the operations relating to the production of petroleum from eight oil and gas fields (namely Bunga Orkid, Bunga Pakma, Bunga Lavatera, Bunga Kekwa, Bunga Raya, Bunga Seroja, Bunga Tulip and Bunga Aster).

The functional currency of this segment is USD. The average and closing rates adopted for conversion to RM in the current financial year are 4.6929 and 4.7200 respectively.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

39 OPERATING SEGMENTS (CONTINUED)

Operating segments are presented in respect of the Group's business segments. The Group has activities in the following principal areas[1]: (continued)

(iv) United Kingdom

Group's investments and operations in the UK, consisting of (i) the Anasuria Area and (ii) the Marigold Area, all located offshore in the UKCS.

Anasuria Area

(a) Anasuria Cluster

- Group's investment in its:

  (i) 50.0% jointly operated interest in the Licence P013 (Block 21/25a and Block 21/30a) containing the Guillemot A, Teal and Teal South producing fields,

  (ii) 19.3% non-operated interests in the Licence P185 (Block 21/20a) containing the Cook producing field,

  (iii) 50.0% interest in the Anasuria FPSO, and

  (iv) 50.0% interest in Anasuria Operating Company.

(b) Licence P2451

- The Group entered into a Farm-in Agreement with Rapid Oil during the current financial year to acquire 42.5% interest in Licence P2451 (Block 21/28b) containing the Fyne undeveloped field.

(c) Licence P2532

- Group's investment in its 19.3% interest in Licence P2532 (Block 21/19c and Block 21/20c) containing the Cook West and Cook North field extensions.

(d) Licence P2535

- Group's investment in its 100.0% interest in Licence P2535 (Block 21/24d) containing the Teal West discovered field.

Marigold Area

(a) Marigold and Sunflower fields

- Group's investment in its 87.5% interest in two blocks under Licence P198; (i) Block 15/13a, containing part of the Marigold discovered oilfield, and (ii) Block 15/13b, containing the Sunflower discovered oilfield. This includes the management of operations to develop these fields towards production.

(b) Licence P2518

- Group's investment in its 100.0% interest in Licence P2518 (Block 15/17a) containing the Kildrummy discovered field.

  Block 15/12a was awarded by the NSTA in the financial year in the 33rd UK Offshore Licensing Round.

39 OPERATING SEGMENTS (CONTINUED)

Operating segments are presented in respect of the Group's business segments. The Group has activities in the following principal areas[1]: (continued)

(iv) United Kingdom (continued)

Group's investments and operations in the UK, consisting of (i) the Anasuria Area and (ii) the Marigold Area, all located offshore in the UKCS. (continued)

Marigold Area (continued)

(c) Licence P2608

- Group's investment in its 100.0% interest in Licence P2608 (Block 15/18a and Block 15/19a) containing the Crown discovered field.

  Block 15/18a and Block 15/19a were awarded by the NSTA in the financial year in the 33rd UK Offshore Licensing Round.

(d) Licence P2635

- Group's investment in its 100.0% interest in Licence P2635 (Block 15/13c and Block 15/18c) containing the Cross prospect and hydrocarbon lead northwest of the Marigold field.

  Block 15/13c and Block 15/18c were awarded by the NSTA in the financial year in the 33rd UK Offshore Licensing Round.

The functional currency of this segment is USD. The average and closing rates adopted for conversion to RM in the current financial year are 4.6929 and 4.7200 respectively.

(v) Australia

Group's operations in the VIC/RL17 for the West Seahorse field and investment in 3D Energi Limited (formerly known as 3D Oil Limited).

The functional currency of this segment is Australian Dollar ("AUD"). The average and closing rates adopted for conversion to RM in the current financial year are 3.0829 and 3.1489 respectively.

(vi) Vietnam

Group's investment in its 70.0% interest in Block 46, a tie-back asset to the PM3 CAA located in Vietnamese waters. Block 46 contains the producing Cai Nuoc field and the undeveloped Hoa Mai field.

The functional currency of this segment is USD. The average and closing rates adopted for conversion to RM in the current financial year are 4.6929 and 4.7200 respectively.

(vii) Investment holding and group activities

Investments in companies owning/operating oil and gas concessions, and provision of project management, technical and other services relating to the oil and gas exploration and production industry. The investment holding and group activities are located in Malaysia.

[1] The Directors have fully written off the Group's investment in HIREX. Therefore, HIREX is no longer relevant for inclusion in this note. HIREX was dissolved with effect from 6 October 2023, pursuant to the Act.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

39 OPERATING SEGMENTS (CONTINUED)

	Malaysia – North Sabah RM'000	Malaysia – Kinabalu and Others RM'000	Commercial Arrangement Area RM'000	United Kingdom RM'000	Vietnam RM'000	Australia RM'000	Investment holding and group activities RM'000	Group RM'000
30.06.2024								
Non-current assets	826,984	555,856	1,008,860	1,857,104	11,263	4,456	4,642	4,269,165
Included in the segments assets is:								
Investment in an associate	-	-	-	-	-	4,456	-	4,456
Additions to non-current assets	324,408	163,044	158,893	167,433	(1,450)[2]	-	2,442	814,770
Project management, technical and other services	-	-	-	-	-	-	7,339	7,339
Sales of crude oil and gas	807,555	571,424	974,893	342,501	-	-	-	2,696,373
Interest income	-	-	-	-	-	-	12,022	12,022
Revenue	807,555	571,424	974,893	342,501	-	-	19,361	2,715,734
Depreciation and amortisation	(66,649)	(93,090)	(239,674)	(71,938)	(3,449)	-	(1,391)	(476,191)
Profit/(loss) from operations	333,869	197,375	341,566	121,007	(5,035)	(1,099)	(47,174)	940,509
Write-off of well exploration costs	(82,616)	-	-	-	-	-	-	(82,616)
Impairment of equipment	-	(61,008)	-	-	-	-	-	(61,008)
Share of results of an associate	-	-	-	-	-	(510)	-	(510)
Finance costs	(13,122)	(2,146)	(19,562)	(31,492)	(616)	(337)	(39,554)	(106,829)
Interest income	7,227	3,851	19,387	16,895	427	2	743	48,532
Taxation	(111,085)	(34,574)	(93,686)	(31,553)	1,915	-	(1,971)	(270,954)
Profit/(loss) after taxation	134,273	103,498	247,705	74,857	(3,309)	(1,944)	(87,956)	467,124

39 OPERATING SEGMENTS (CONTINUED)

	Malaysia – North Sabah RM'000	Malaysia – Kinabalu and Others RM'000	Commercial Arrangement Area RM'000	United Kingdom RM'000	Vietnam RM'000	Australia RM'000	Investment holding and group activities RM'000	Group RM'000
30.06.2023								
Non-current assets	645,719	558,236	1,135,301	1,743,731	16,104	4,902	3,591	4,107,584
Included in the segments assets is:								
Investment in an associate	-	-	-	-	-	4,902	-	4,902
Additions to non-current assets	62,556[2]	86,028[2]	176,263[2]	194,319	961[2]	-	1,730	521,857
Project management, technical and other services	-	-	-	-	-	-	6,060	6,060
Sales of crude oil and gas	626,780	510,681	784,205	347,255	66,539	-	-	2,335,460
Interest income	-	-	-	-	-	-	3,310	3,310
Revenue	626,780	510,681	784,205	347,255	66,539	-	9,370	2,344,830
Depreciation and amortisation	(122,580)	(72,126)	(196,597)	(83,822)	(3,906)	-	(1,324)	(480,355)
Profit/(loss) from operations	149,620	174,956	309,018	160,651	2,024	(8,554)	(14,191)	773,524
Impairment of investment in an associate	-	-	-	-	-	(532)	-	(532)
Share of results of an associate	-	-	-	-	-	1,282	-	1,282
Finance costs	(14,584)	(1,007)	(19,797)	(29,041)	(434)	(163)	(12,229)	(77,255)
Interest income	1,834	1,494	5,633	5,292	668	1	145	15,067
Taxation	(40,531)	(68,402)	(33,959)	(159,419)	(8,012)	-	(1,245)	(311,568)
Profit/(loss) after taxation	96,339	107,041	260,895	(22,517)	(5,754)	(7,966)	(27,520)	400,518

Revenue from external customers mainly derived from the sale of crude oil and gas amounted to RM2,696,372,823 (2023: RM2,335,458,485). Revenue mainly derived from each of the three (2023: three) major customers amounted to RM1,101,476,604 (2023: RM1,277,861,840), RM807,554,952 (2023: RM626,779,911) and RM318,292,639 (2023: RM272,163,104) respectively.

[2] Included effect of revision in the discount rate used for provision for decommissioning costs.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

40 COMMITMENTS

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Approved and contracted for:				
Capital commitments	**229,441**	164,120	**829**	1
Share of a joint operation's capital commitments	**15,940**	96	**-**	-
	245,381	164,216	**829**	1
Share of a joint operation's other material commitments	**33,593**	35,570	**-**	-
	278,974	199,786	**829**	1

41 FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risks (including price risk, foreign currency risk and interest rate 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

Price risk

Commodity price risk related to crude oil is the Group's market risk exposure. Crude oil prices and quality differentials are influenced by worldwide factors such as Organization of the Petroleum Exporting Countries + ("OPEC+") actions, political events and supply and demand fundamentals. The Group is also exposed to natural gas price movements. Natural gas prices are generally influenced by oil prices and local market conditions. The Group's expenditures are subject to the effects of inflation, and prices received for the product sold are not readily adjustable to cover any increase in expenses from inflation. The Group may periodically use different types of derivative instruments to manage its exposure to price volatility, thus mitigating fluctuation in commodity-related cash flows.

Foreign currency risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the functional currencies against which they are measured. Foreign currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency. The currencies giving rise to this risk are primarily USD, AUD and Great Britain Pound ("GBP"). Foreign currency risk is monitored closely on an on-going basis to ensure that the net exposure is at an acceptable level.

41 FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial risk management policies (continued)

(i) Market risk (continued)

Foreign currency risk (continued)

The Group's and the Company's exposure to foreign currency is as follows:

	USD RM'000	RM RM'000	AUD RM'000	GBP RM'000	Others RM'000	Total RM'000
Group						
30.06.2024						
Financial assets						
Trade receivables	**544,358**	**-**	**-**	**4,163**	**-**	**548,521**
Other receivables and deposits	**806,043**	**205,769**	**1**	**718**	**-**	**1,012,531**
Cash and bank balances	**613,868**	**58,042**	**67**	**290,347**	**60**	**962,384**
Intra-group balances	**884,866**	**519,039**	**2,912**	**15,927**	**188**	**1,422,932**
	2,849,135	**782,850**	**2,980**	**311,155**	**248**	**3,946,368**
Financial liabilities						
Trade payables	**5,992**	**-**	**-**	**20,390**	**-**	**26,382**
Other payables and accruals	**323,658**	**471,207**	**918**	**59,469**	**3,214**	**858,466**
Borrowings	**646,366**	**102,329**	**-**	**365**	**-**	**749,060**
Contingent consideration	**44,998**	**-**	**-**	**-**	**-**	**44,998**
Intra-group balances	**1,020,565**	**536,875**	**120,936**	**15,927**	**187**	**1,694,490**
	2,041,579	**1,110,411**	**121,854**	**96,151**	**3,401**	**3,373,396**
Net financial assets/ (liabilities)	**807,556**	**(327,561)**	**(118,874)**	**215,004**	**(3,153)**	**572,972**
Less: Net financial (assets)/liabilities denominated in respective entities' functional currencies	**(850,444)**	**(94,357)**	**107,323**	**223**	**-**	**(837,255)**
	(42,888)	**(421,918)**	**(11,551)**	**215,227**	**(3,153)**	**(264,283)**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

41 FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial risk management policies (continued)

(i) Market risk (continued)

Foreign currency risk (continued)

The Group's and the Company's exposure to foreign currency is as follows: (continued)

	USD RM'000	RM RM'000	AUD RM'000	GBP RM'000	Others RM'000	Total RM'000
Group (continued)						
30.06.2023						
Financial assets						
Trade receivables	386,780	-	-	24,601	-	411,381
Other receivables and deposits	468,716	161,558	1	361	-	630,636
Amount owing by a joint venture	194	145	-	-	-	339
Cash and bank balances	815,803	107,608	135	255,094	31	1,178,671
Intra-group balances	579,272	377,128	2,712	10,857	215	970,184
	2,250,765	646,439	2,848	290,913	246	3,191,211
Financial liabilities						
Trade payables	13,794	-	-	24,505	-	38,299
Other payables and accruals	479,473	225,485	392	67,084	5,272	777,706
Borrowings	836,142	25,720	-	632	-	862,494
Contingent consideration	50,946	-	-	-	-	50,946
RCPS	-	219	-	-	-	219
Amount owing to a joint venture	302	15	-	2	-	319
Intra-group balances	691,226	411,876	108,792	10,857	215	1,222,966
	2,071,883	663,315	109,184	103,080	5,487	2,952,949
Net financial assets/ (liabilities)	178,882	(16,876)	(106,336)	187,833	(5,241)	238,262
Less: Net financial (assets)/liabilities denominated in respective entities' functional currencies	(171,627)	(17,710)	105,212	(6)	-	(84,131)
	7,255	(34,586)	(1,124)	187,827	(5,241)	154,131

41 FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial risk management policies (continued)

(i) Market risk (continued)

Foreign currency risk (continued)

The Group's and the Company's exposure to foreign currency is as follows: (continued)

	USD RM'000	RM RM'000	AUD RM'000	GBP RM'000	Others RM'000	Total RM'000
Company						
30.06.2024						
Financial assets						
Other receivables and deposits	-	362	-	-	-	362
Amounts owing by subsidiaries	61,650	145,671	1,966	16,767	188	226,242
Cash and bank balances	112	11,686	14	2	12	11,826
	61,762	157,719	1,980	16,769	200	238,430
Financial liabilities						
Other payables and accruals	7,588	34,142	505	182	51	42,468
Borrowings	-	981	-	-	-	981
RCPS	-	-	-	-	-	-
Amount owing to a related party	-	-	-	1	-	1
Intra-group balances	426	-	-	-	-	426
	8,014	35,123	505	183	51	43,876
Net financial assets	53,748	122,596	1,475	16,586	149	194,554
Less: Net financial assets denominated in respective entities' functional currencies	-	(122,596)	-	-	-	(122,596)
	53,748	-	1,475	16,586	149	71,958

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

41 FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial risk management policies (continued)

(i) Market risk (continued)

Foreign currency risk (continued)

The Group's and the Company's exposure to foreign currency is as follows: (continued)

	USD RM'000	RM RM'000	AUD RM'000	GBP RM'000	Others RM'000	Total RM'000
Company (continued)						
30.06.2023						
Financial assets						
Other receivables and deposits	6	273	-	-	-	279
Amounts owing by subsidiaries	57,144	170,423	1,408	11,081	215	240,271
Amount owing by a related party	-	145	-	-	-	145
Cash and bank balances	1,561	55,141	14	2	13	56,731
	58,711	225,982	1,422	11,083	228	297,426
Financial liabilities						
Other payables and accruals	193	23,553	-	-	57	23,803
Borrowings	-	1,397	-	-	-	1,397
RCPS	-	219	-	-	-	219
Amounts owing to subsidiaries	441	105	-	-	-	546
Amount owing to a related party	296	15	-	1	-	312
	930	25,289	-	1	57	26,277
Net financial assets	57,781	200,693	1,422	11,082	171	271,149
Less: Net financial assets denominated in respective entities' functional currencies	-	(200,693)	-	-	-	(200,693)
	57,781	-	1,422	11,082	171	70,456

41 FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial risk management policies (continued)

(i) Market risk (continued)

Foreign currency risk (continued)

Foreign currency risk sensitivity analysis

The following table details the sensitivity analysis to a reasonable, possible level of change in the foreign currency exchange rates as at the end of the financial year, with all other variables held constant:

	Group		Company	
	2024	**2023**	**2024**	**2023**
	(Decrease)/ Increase RM'000	**Increase/ (Decrease) RM'000**	**Increase/ (Decrease) RM'000**	**Increase/ (Decrease) RM'000**
Effects on profit before taxation/equity:				
USD				
- strengthened by 5.0%	**(2,144)**	363	**2,687**	2,889
- weakened by 5.0%	**2,144**	(363)	**(2,687)**	(2,889)
AUD				
- strengthened by 5.0%	**(578)**	(56)	**74**	71
- weakened by 5.0%	**578**	56	**(74)**	(71)
GBP				
- strengthened by 5.0%	**10,761**	9,391	**829**	554
- weakened by 5.0%	**(10,761)**	(9,391)	**(829)**	(554)
RM				
- strengthened by 5.0%	**(21,096)**	(1,729)	**-**	-
- weakened by 5.0%	**21,096**	1,729	**-**	-

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's interest rate risk arises from its floating rate borrowings and trade arrangements with counterparties.

The Group continuously monitors its debt portfolio, allowing the Group to capitalise on less expensive financing in a low interest rate environment and achieve a certain level of protection against rate hikes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

41 FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial risk management policies (continued)

(i) Market risk (continued)

Interest rate risk (continued)

The interest rate profile of the Group's interest-bearing borrowings based on the carrying amounts as at the end of the financial year is as follows:

	Group	
	2024 RM'000	2023 RM'000
Floating rate instruments:		
- Borrowings	**371,533**	456,840

Interest rate sensitivity

At the reporting date, if annual interest rates had been 50 basis points higher/lower respectively, with all other variables in particular foreign exchange rates being held constant, the Group's profit before tax would have been lower/higher by RM1,869,120 (2023: RM2,313,383) as a result of increase/decrease in interest expense on these floating rate instruments.

(ii) Credit risk

Trade receivables

The Group and the Company manage their exposure to credit risk or the risk of counterparties defaulting, arising from trade receivables by monitoring the timely receipt of receivables on an on-going basis.

The Group's major concentration of credit risk relates to trade receivables due from 8 (2023: 8) customers which constituted 100.0% (2023: 100.0%) of its total trade receivables as at the end of the financial year.

As the Group and the Company do 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 Group and the Company apply the MFRS 9 simplified approach to measure ECL which uses lifetime ECL allowances for all trade receivables.

As at 30 June 2024, in view of the good historical payment experience with the counterparties and the collections received subsequent to the reporting date, the Group and the Company do not expect any counterparty to fail to meet its obligations. Therefore, the Group and the Company are of the view that ECL are not material.

Other financial assets

The Group's and the Company's exposure to credit risks for other financial assets arises from other receivables and deposits, amounts owing by subsidiaries, amount owing by a joint venture, amount owing by an associate and amount owing by a related party. Management has taken reasonable steps to ensure these financial assets are recoverable.

These financial assets are assessed on an individual basis for ECL measurement and the impairment losses recognised are disclosed in Note 17, Note 22 and Note 23 to the financial statements.

For cash and bank balances, the Group and the Company minimise credit risk by dealing exclusively with counterparties possessing high credit ratings. While cash and bank balances are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial.

41 FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial risk management policies (continued)

(ii) Credit risk (continued)

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs if a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

The Company has issued corporate guarantees for trade arrangements with counterparties and banking facilities in its indirect wholly-owned subsidiaries. The Company has assessed that the subsidiaries have the financial capacity to meet the contractual cash flow obligations and hence, does not expect significant credit losses arising from these guarantees.

As at the end of the financial year, the exposure to credit risk in relation to the corporate guarantees given by the Company amounted to RM380,831,131 (2023: RM470,235,176).

(iii) Liquidity risk

Liquidity risk arises mainly from the risk of insufficient cash flows from business activities and funding to meet the Group's financial obligations when they fall due. The Group practises prudent risk management by maintaining sufficient cash balances to meet the Group's operational and financing needs as and when they fall due, ensuring availability of funding via credit lines, whilst meeting external debt covenant compliance.

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:

	Carrying amount RM'000	Contractual undiscounted RM'000	Within 1 year RM'000	Within 1-2 years RM'000	More than 2 years RM'000
Group					
30.06.2024					
Trade payables	**26,382**	**26,382**	**26,382**	**-**	**-**
Other payables and accruals	**858,466**	**858,446**	**858,446**	**-**	**-**
Borrowings	**749,060**	**863,190**	**272,131**	**234,956**	**356,103**
Contingent consideration	**44,998**	**50,871**	**1,721**	**5,327**	**43,823**
	1,678,906	**1,798,889**	**1,158,680**	**240,283**	**399,926**
30.06.2023					
Trade payables	38,299	38,299	38,299	-	-
Other payables and accruals	777,706	780,607	774,326	22	6,259
Borrowings	862,494	1,017,740	278,055	218,280	521,405
Contingent consideration	50,946	55,997	7,738	19,957	28,302
RCPS	219	219	219	-	-
Amount owing to a joint venture	319	319	319	-	-
	1,729,983	1,893,181	1,098,956	238,259	555,966

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

41 FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial risk management policies (continued)

(iii) Liquidity risk (continued)

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: (continued)

	Carrying amount RM'000	Contractual undiscounted RM'000	Within 1 year RM'000	Within 1-2 years RM'000	More than 2 years RM'000
Company					
30.06.2024					
Other payables and accruals	**42,468**	**42,468**	**42,468**	**-**	**-**
Borrowings	**981**	**1,034**	**900**	**89**	**45**
Amount owing to a related party	**1**	**1**	**1**	**-**	**-**
Amounts owing to subsidiaries	**426**	**426**	**426**	**-**	**-**
Financial guarantee contracts	**-**	**380,831**	**380,831**	**-**	**-**
	43,876	**424,760**	**424,626**	**89**	**45**
30.06.2023					
Other payables and accruals	23,803	23,803	23,803	-	-
Borrowings	1,397	1,503	844	611	48
RCPS	219	219	219	-	-
Amount owing to a related party	312	312	312	-	-
Amounts owing to subsidiaries	546	546	546	-	-
Financial guarantee contracts	-	470,235	470,235	-	-
	26,277	496,618	495,959	611	48

(b) Capital risk management

The Group manages its capital, which comprises share capital and retained earnings stated in the statements of financial position, 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 dividends declared, returning of capital to shareholders or issuing of new shares.

Under the requirements of Bursa Securities 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 25.0% of the Company's issued and paid-up ordinary share capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

The Group's borrowings are subject to the covenants of the lending banks. These include liquidity and solvency ratios and the Group has complied with these parameters.

41 FINANCIAL INSTRUMENTS (CONTINUED)

(c) Classification of financial instruments

	2024 RM'000	2023 RM'000
Group		
Financial assets		
Financial assets at amortised cost		
Trade receivables	**548,521**	411,381
Other receivables and deposits	**1,012,531**	630,636
Amount owing by a joint venture	**-**	339
Cash and bank balances	**962,384**	1,178,671
	2,523,436	2,221,027
Financial liabilities		
Financial liabilities at amortised cost		
Trade payables	**26,382**	38,299
Other payables and accruals	**858,466**	777,706
Borrowings	**749,060**	862,494
RCPS	**-**	219
Amount owing to a joint venture	**-**	319
	1,633,908	1,679,037
Financial liabilities at FVTPL		
Contingent consideration	**44,998**	50,946

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

41 FINANCIAL INSTRUMENTS (CONTINUED)

(c) Classification of financial instruments (continued)

	2024 RM'000	2023 RM'000
Company		
Financial assets		
Financial assets at amortised cost		
Other receivables and deposits	**362**	279
Amounts owing by subsidiaries	**226,242**	240,271
Amount owing by a related party	**-**	145
Cash and bank balances	**11,826**	56,731
	238,430	297,426
Financial liabilities		
Financial liabilities at amortised cost		
Other payables and accruals	**42,468**	23,803
Borrowings	**981**	1,397
RCPS	**-**	219
Amounts owing to subsidiaries	**426**	546
Amount owing to a related party	**1**	312
	43,876	26,277

41 FINANCIAL INSTRUMENTS (CONTINUED)

(d) Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the statements of financial position where the Group and the Company currently have a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

	Gross amounts RM'000	Offsetting impact RM'000	Net amounts as presented in the statements of financial position RM'000
Group			
30.06.2024			
Financial assets			
Other receivables and deposits	**1,019,628**	**(7,097)**	**1,012,531**
Financial liabilities			
Other payables and accruals	**865,563**	**(7,097)**	**858,466**
30.06.2023			
Financial assets			
Other receivables and deposits	637,899	(7,263)	630,636
Financial liabilities			
Other payables and accruals	784,969	(7,263)	777,706
Company			
30.06.2024			
Financial assets			
Amounts owing by subsidiaries	**233,665**	**(7,423)**	**226,242**
Financial liabilities			
Amounts owing to subsidiaries	**7,849**	**(7,423)**	**426**
30.06.2023			
Financial assets			
Amounts owing by subsidiaries	247,072	(6,801)	240,271
Financial liabilities			
Amounts owing to subsidiaries	7,347	(6,801)	546

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

41 FINANCIAL INSTRUMENTS (CONTINUED)

(e) Fair values of financial instruments

All financial instruments are carried at amounts not materially different from their fair values as at 30 June 2024.

Fair value estimates are made at a specific point in time and based on relevant market data 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.

Financial instruments other than those carried at fair value

The carrying amounts of the financial assets and liabilities of the Group and of the Company at the reporting date approximate their fair values.

(f) Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial instrument at fair value through profit or loss:				
Liability				
Contingent consideration				
At 01.07.2022	-	-	63,924	63,924
Settlement	-	-	(5,015)	(5,015)
Changes in estimates	-	-	(12,849)	(12,849)
Unwinding of discount	-	-	1,654	1,654
Exchange differences	-	-	3,232	3,232
At 30.06.2023/01.07.2023	**-**	**-**	**50,946**	**50,946**
Additions	**-**	**-**	**5,879**	**5,879**
Settlement	**-**	**-**	**(7,358)**	**(7,358)**
Changes in estimates	**-**	**-**	**(6,402)**	**(6,402)**
Unwinding of discount	**-**	**-**	**1,463**	**1,463**
Exchange differences	**-**	**-**	**470**	**470**
At 30.06.2024	**-**	**-**	**44,998**	**44,998**

42 MATERIAL LITIGATION

Notice to Arbitrate ("Notice") received by Hibiscus Oil & Gas

Hibiscus Oil & Gas received the Notice dated 2 March 2023 from lawyers acting for Oceancare Corporation Sdn. Bhd. ("Oceancare"). The Notice relates to a dispute arising from a contract entered into between Hibiscus Oil & Gas (as operator of the relevant PSCs) and Oceancare titled "Provision of Integrated Well Services for Intervention, Workover & Abandonment for Petroleum Arrangement Contracts (PACs) Package (B): Integrated Workover for Production Enhancement and for Abandonment", in which Oceancare is claiming a total principal amount of RM36,574,760.86 alleging, amongst other things, variation to original scope of work, which Hibiscus Oil & Gas denies.

On 30 March 2023, Hibiscus Oil & Gas served its response to the Notice and put forward its counterclaim. This arbitration has been registered by the Asian International Arbitration Centre ("AIAC") and pursuant thereto, Hibiscus Oil & Gas made payment of a provisional advance deposit in the sum of RM185,797.25 to the AIAC in May 2023. Since then, there are no updates or further developments from the AIAC or Oceancare regarding the arbitral proceedings.

The Directors are of the opinion that the Group has a reasonably good basis to defend the claim.

43 SIGNIFICANT EVENT

Proposed Acquisition of the entire interest in TotalEnergies Brunei

Simpor Hibiscus, an indirect wholly-owned subsidiary of the Company, had on 13 June 2024 entered into a Conditional Share Purchase Agreement ("CSPA") with TotalEnergies Holdings International B.V. ("TotalEnergies Holdings") for the Proposed Acquisition for a cash consideration of approximately USD259.4 million, subject to the terms and conditions of the CSPA. Upon execution of the CSPA, Simpor Hibiscus paid a deposit of USD49.0 million to TotalEnergies Holdings, which is equivalent to RM231,280,000 in Note 22 to the financial statements.

TotalEnergies Brunei is incorporated in the Netherlands and through its branch in Brunei Darussalam, owns a 37.5% operated interest in Block B Maharajalela Jamalulalam field.

The parties holding the remaining interest in Block B Maharajalela Jamalulalam field are as follows:

- Shell Deepwater Borneo BV (formerly known as Shell Deepwater Borneo Limited) (35.0%); and
- Brunei Energy Exploration Sdn. Bhd. (formerly known as PB Expro Sendirian Berhad) (27.5%) is owned by Brunei Energy Holding Sdn. Bhd. which in turn is owned by the Brunei Minister for Finance Corporation.

The Proposed Acquisition, when completed, will result in Simpor Hibiscus assuming operatorship of Block B Maharajalela Jamalulalam field.

The Proposed Acquisition is subject to the approval of the shareholders of the Company at an extraordinary general meeting to be convened and is not conditional upon any other corporate exercise undertaken or to be undertaken by the Company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

44 DIVIDENDS

	Group/Company			
	2024		2023	
	Gross dividend per share sen	Amount of dividend, net of tax RM'000	Gross dividend per share sen	Amount of dividend, net of tax RM'000
In respect of the financial year ended 30 June 2024:				
First interim single-tier dividend, paid on 19 January 2024	**2.00**	**16,073**	-	-
Second interim single-tier dividend, paid on 18 April 2024	**2.00**	**15,987**	-	-
Third interim single-tier dividend, paid on 19 July 2024	**2.00**	**15,971**	-	-
In respect of the financial year ended 30 June 2023:				
First interim single-tier dividend, paid on 18 April 2023	**-**	**-**	0.75*	15,093
Second interim single-tier dividend, paid on 21 July 2023	**-**	**-**	0.75*	15,093
Third interim single-tier dividend, paid on 20 October 2023	**0.50***	**10,062**	-	-
Final single-tier dividend, paid on 19 January 2024	**1.25**	**10,039**	-	-
In respect of the financial year ended 30 June 2022:				
Final single-tier dividend, paid on 18 January 2023	**-**	**-**	1.00*	20,124
Dividend recognised as distribution to ordinary equity holders of the Company	**7.75**	**68,132**	2.50*	50,310

* *The Share Consolidation was completed on 20 October 2023. The first, second and third interim single-tier dividends in respect of the financial year ended 30 June 2023 and final single-tier dividend in respect of the financial year ended 30 June 2022 were declared before the Share Consolidation.*

On 27 August 2024, the Directors declared a fourth interim single-tier dividend of 1.50 sen per ordinary share in respect of the financial year ended 30 June 2024, payable on 25 October 2024. The financial statements for the current financial year do not reflect this dividend. This dividend will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ending 30 June 2025.

On 12 September 2024, the Directors have recommended the payment of a final single-tier dividend of 1.0 sen per existing ordinary share in respect of the financial year ended 30 June 2024, which is subject to the approval by the Company's shareholders at the forthcoming Annual General Meeting.

45 SUBSEQUENT EVENTS

(i) 65.0% Participating Interest and Operatorship in the Pertang, Kenarong, Noring and Bedong Cluster ("PKNB") PSC in Malaysia

Hibiscus Oil & Gas, an indirect wholly-owned subsidiary of the Company was awarded 65.0% participating interest and operatorship in the PKNB PSC by Petroliam Nasional Berhad on 1 July 2024. The remaining participating interest is held by PETRONAS Carigali.

The effective date of the PKNB PSC is 1 July 2024, with a contract duration of 24 years.

The PKNB PSC consists of four discovered resource opportunities (gas fields), namely the PKNB fields, which are located in shallow waters between 65 and 75 metres depth offshore the east coast of Peninsular Malaysia.

The fields are located to the south, and within tie-back distance of the PM3 CAA PSC which is operated by Hibiscus Oil & Gas.

(ii) 30.0% Participating Interest in the PM327 PSC in Malaysia

Straits Hibiscus, an indirect wholly-owned subsidiary of the Company, signed a Farm-In Agreement to acquire a 30.0% participating interest in the PM327 PSC, an exploration block located to the south of the PM3 CAA PSC. The effective date of the Farm-In Agreement was 5 July 2024.

PETRONAS Carigali is the operator of the PM327 PSC.

The tenure of the PSC is 28 years, commencing in February 2023.

(iii) Shares repurchased

Subsequent to the financial year ended 30 June 2024 and up to 30 September 2024, the Company repurchased additional 18,609,400 of its issued ordinary shares from the open market on Bursa Securities for a total consideration paid of RM39,496,610, including transaction costs. The shares repurchased are held as treasury shares in accordance with Section 127(4) of the Act.

ANALYSIS OF THE HOLDINGS OF ORDINARY SHARES
AS AT 30 SEPTEMBER 2024

Total number of issued shares : 804,967,428 ordinary shares (including 23,732,900 Treasury Shares)

Voting Rights : One vote for every ordinary share held

DISTRIBUTION OF ORDINARY SHAREHOLDERS

Category	No. of Shareholders	No. of Ordinary Shares*	% of Total Shareholdings*
Less than 100	1,301	58,999	0.01
100 – 1,000	3,810	2,173,280	0.28
1,001 – 10,000	8,192	33,175,423	4.25
10,001 – 100,000	2,704	81,910,770	10.48
100,001 to less than 5% of issued shares	591	620,407,016	79.41
5% and above of issued shares	1	43,509,040	5.57
Total	**16,599**	**781,234,528**	**100.00**

Note:
* Excluding Treasury Shares.

Substantial Shareholders as per Register of Substantial Shareholders as at 30 September 2024

		Direct		Indirect	
No.	Name	No. of Ordinary Shares	%[1]	No. of Ordinary Shares	%[1]
1	Hibiscus Upstream Sdn Bhd	43,509,040	5.57	-	-
2	Dr Kenneth Gerard Pereira	29,914,000	3.83	49,209,040[2]	6.30
3	Polo Investments Limited	55,560,000	7.11	-	-
4	YBhg Datuk Michael Tang Vee Mun	4,355,440	0.56	89,089,726[3]	11.40
5	Mettiz Capital Limited	-	-	55,560,000[4]	7.11
6	Polo Resources Limited	-	-	55,560,000[4]	7.11

Notes:
1 Computed based on 781,234,528 shares (issued share capital of 804,967,428 shares less Treasury Shares of 23,732,900).
2 Deemed interest by virtue of his interest in Hibiscus Upstream Sdn Bhd and Hibiscus Energy Sdn Bhd pursuant to Section 8 of the Companies Act 2016 (the Act).
3 Deemed interest by virtue of his interest in Polo Investments Limited and Mettiz Capital Sdn Bhd pursuant to Section 8 of the Act.
4 Deemed interest by virtue of their interest in Polo Investments Limited pursuant to Section 8 of the Act.

Directors' Shareholdings as per Register of Directors' Shareholdings as at 30 September 2024

		Direct		Indirect	
No.	Name	No. of Ordinary Shares	%[1]	No. of Ordinary Shares	%[1]
1	Zainul Rahim bin Mohd Zain	-	-	-	-
2	Dr Kenneth Gerard Pereira	29,914,000	3.83	49,209,040[2]	6.30
3	YBhg Dato' Sri Roushan Arumugam	498,000	0.06	14,992,280[3]	1.92
4	Thomas Michael Taylor	-	-	-	-
5	YBhg Dato' Dr Zaha Rina Zahari	1,800,000	0.23	-	-
6	Emeliana Dallan Rice-Oxley	-	-	-	-
7	Zaidah binti Ibrahim	-	-	-	-

Notes:

1 Computed based on 781,234,528 shares (issued share capital of 804,967,428 shares less Treasury Shares of 23,732,900).

2 Deemed interest by virtue of his interest in Hibiscus Upstream Sdn Bhd and Hibiscus Energy Sdn Bhd pursuant to Section 8 of the Act

3 Deemed interest by virtue of his interest in Littleton Holdings Pte Ltd pursuant to Section 8 of the Act.

LIST OF TOP 30 SHAREHOLDERS AS AT 30 SEPTEMBER 2024

No.	Name	No. of Shares	% of Total Shareholdings[1]
1	MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hibiscus Upstream Sdn Bhd (MGN-HUS0001M)	43,509,040	5.57
2	CIMSEC Nominees (Asing) Sdn Bhd CIMB for Polo Investments Limited (PB)	38,760,000	4.96
3	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Mettiz Capital Sdn. Bhd.	24,079,726	3.08
4	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Kenneth Gerard Pereira	16,714,000	2.14
5	Cartaban Nominees (Asing) Sdn Bhd SSBT Fund 35ZH for Omnis Portfolio Investments ICVC-Omnis Global Emerging Markets Equity Opportunities Fund	15,246,620	1.95
6	IFAST Nominees (Asing) Sdn Bhd Exempt AN for IFAST Financial Pte. Ltd. (M0133817)	15,120,580	1.94
7	CitiGroup Nominees (Tempatan) Sdn Bhd Kumpulan Wang Persaraan (Diperbadankan) (Principal EQITS)	13,500,900	1.73
8	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Kenneth Gerard Pereira	13,200,000	1.69
9	CGS International Nominees Malaysia (Asing) Sdn. Bhd. Pledged Securities Account for Polo Investments Limited (M4553B)	10,800,000	1.38
10	CitiGroup Nominees (Tempatan) Sdn. Bhd. Urusharta Jamaah Sdn. Bhd. (2)	10,610,392	1.36
11	Cartaban Nominees (Tempatan) Sdn Bhd icapital.biz Berhad	9,172,080	1.17
12	Cartaban Nominees (Asing) Sdn Bhd Exempt AN for State Street Bank & Trust Company (WEST CLT OD67)	8,618,960	1.10
13	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Mettiz Capital Sdn Bhd (MY3831)	8,000,000	1.02

ANALYSIS OF THE HOLDINGS OF ORDINARY SHARES
AS AT 30 SEPTEMBER 2024 (CONTINUED)

No.	Name	No. of Shares	% of Total Shareholdings[1]
14	CitiGroup Nominees (Tempatan) Sdn Bhd Exempt AN for AIA Bhd.	7,832,860	1.00
15	HSBC Nominees (Asing) Sdn Bhd JPMCB NA for Vanguard Emerging Markets Stock Index Fund	7,584,520	0.97
16	HSBC Nominees (Asing) Sdn Bhd JPMCB NA for Vanguard Total International Stock Index Fund	7,198,840	0.92
17	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Deutsche Trustees Malaysia Berhad for Eastspring Investments Small-Cap Fund	6,445,220	0.83
18	CitiGroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (CIMB PRIN)	6,360,160	0.81
19	CGS International Nominees Malaysia (Asing) Sdn. Bhd. Pledged Securities Account for Polo Investments Limited (M3831C)	6,000,000	0.77
20	IFAST Nominees (Tempatan) Sdn Bhd Global Success Network Sdn Bhd	5,950,000	0.76
21	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Principal Dali Equity Growth Fund	5,946,255	0.76
22	AmanahRaya Trustees Berhad Public Islamic Opportunities Fund	5,762,800	0.74
23	Amanah Raya Berhad Kumpulan Wang Bersama Syariah	5,756,900	0.74
24	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Hibiscus Energy Sdn. Bhd.	5,700,000	0.73
25	CitiGroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (LEEF)	5,614,300	0.72
26	Tokio Marine Life Insurance Malaysia Bhd As Beneficial Owner (TMEF)	5,200,000	0.67
27	Cartaban Nominees (Tempatan) Sdn Bhd PAMB for PRUlink Equity Income Fund	5,130,080	0.66
28	Zheng Tiandong	5,053,000	0.65
29	CitiGroup Nominees (Asing) Sdn Bhd Exempt AN for UBS AG Singapore (Foreign) SSO-DCC MY	4,983,360	0.64
30	Cartaban Nominees (Asing) Sdn Bhd SSBT Fund 6B14 for Lazard Emerging Markets Small Cap Equity Trust	4,879,580	0.62

Note:

[1] Computed based on 781,234,528 shares (issued share capital of 804,967,428 shares less Treasury Shares of 23,732,900).

NOTICE OF THE 14TH ANNUAL GENERAL MEETING (AGM)

NOTICE IS HEREBY GIVEN THAT the 14th AGM of Hibiscus Petroleum Berhad (Hibiscus Petroleum or the Company) will be held via the virtual platform at the broadcast venue at Tricor Business Centre, Gemilang Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia (Broadcast Venue) on Wednesday, 27 November 2024 at 9.30 a.m. or any adjournment thereof, whichever is later, for the purpose of considering and if thought fit, to pass the following resolutions (with or without modifications):

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements of the Company and the Group for the financial year ended 30 June 2024 together with the Reports of the Directors and Auditors thereon. **(Please refer to Explanatory Note 1)**

2. To approve the payment of a final single-tier dividend of 1.0 sen per ordinary share in respect of the financial year ended 30 June 2024. **[Ordinary Resolution 1]**

3. To approve the payment of Non-Executive Directors (NEDs)' fees amounting to RM375,000 per annum to the Chair of the Board of Directors (Board) and RM200,000 per annum to each NED (save for the Chair of the Board) for the period from 28 November 2024 until the date of the next AGM in year 2025, to be paid quarterly in arrears. **[Ordinary Resolution 2]**

4. To approve the payment of NED's meeting allowances for the period from 28 November 2024 until the date of the next AGM in year 2025 at the following rate (as applicable), to be paid quarterly in arrears: **[Ordinary Resolution 3]**

   - RM4,500 for each meeting of the Board and of the Board Committees attended by a NED serving as the Chair of the meeting; or

   - RM3,500 for each meeting of the Board and of the Board Committees attended by a NED serving as a member of the Board or Board Committee.

5. To approve payments for additional attendances and time expended by any NED for the Company's purposes (or on behalf of the Company) such as meetings and/or third-party events involving external party(ies) or attendance at meetings with the Group's personnel at the specific request of the Chair of the Board, other than those referred to under Item 4 above, in the NED's capacity as a Director of the Company, for the period from 28 November 2024 until the date of the next AGM in year 2025, at the rate of RM3,500 per meeting or event, to be paid quarterly in arrears. **[Ordinary Resolution 4]** **(Please refer to Explanatory Note 2)**

6. To approve the payment of the medical coverage benefit, subject to a maximum limit of RM500,000 for the NEDs, for the period from 28 November 2024 until the date of the next AGM in year 2025. **[Ordinary Resolution 5]** **(Please refer to Explanatory Note 3)**

7. To re-elect Encik Zainul Rahim bin Mohd Zain who is retiring pursuant to Clause 134 of the *Constitution* of the Company. **[Ordinary Resolution 6]**

8. To re-elect Puan Emeliana Dallan Rice-Oxley who is retiring pursuant to Clause 134 of the *Constitution* of the Company. **[Ordinary Resolution 7]**

9. To re-appoint Messrs PricewaterhouseCoopers PLT as Auditors of the Company for the financial year ending 30 June 2025 and to authorise the Directors to fix their remuneration. **[Ordinary Resolution 8]**

NOTICE OF THE 14TH ANNUAL GENERAL MEETING (AGM) (CONTINUED)

As Special Business

To consider and, if thought fit, to pass the following resolutions:

10. AUTHORITY FOR THE DIRECTORS TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016

[Ordinary Resolution 9]
(Please refer to Explanatory Note 4)

"THAT subject always to the Companies Act 2016 (the Act), the *Constitution* of the Company and the approvals of the relevant regulatory authorities, the Directors be and are hereby empowered pursuant to Sections 75 and 76 of the Act, to allot and issue new ordinary shares 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 number of issued ordinary share 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 AGM 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.

AND THAT for purposes of and pursuant to Section 85 of the Act to be read together with Clause 61 of the *Constitution* of the Company, the general pre-emption rights of Hibiscus Petroleum shareholders under those provisions for the issuance of new Hibiscus Petroleum shares which rank equally to the existing issued Hibiscus Petroleum shares arising from any issuance of new Hibiscus Petroleum shares pursuant to Sections 75 and 76 of the Act, is hereby fully waived and shall not be applicable."

11. PROPOSED RENEWAL OF THE AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY (PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY)

[Ordinary Resolution 10]
(Please refer to Explanatory Note 5)

"THAT, subject to the Companies Act 2016 (the Act), the *Constitution* of the Company, Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities) (Listing Requirements) and all other applicable laws, rules, regulations, orders, guidelines and requirements, the Company be and is hereby authorised to purchase such number of the issued ordinary shares of the Company (Shares) as may be determined by the Board of Directors of Hibiscus Petroleum (Board) from time to time through Bursa Securities upon such terms and conditions as the Board may deem fit, necessary and expedient in the best interest of the Company, PROVIDED THAT:

(a) the maximum aggregate number of Shares which may be purchased by the Company or held as treasury shares shall not exceed 10% of the total number of issued shares of the Company at any point in time;

(b) the maximum amount of funds to be allocated by the Company for the purpose of purchasing its Shares shall not exceed the total amount of retained profits of the Company; and

(c) the authority conferred by this resolution will be effective immediately upon the passing of this resolution and shall continue to be in force until:

  (i) the conclusion of the next AGM of the Company, being the 15th AGM, following the 14th AGM at which such resolution was passed at which time the said authority shall lapse unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;

(ii) the expiration of the period within which the 15th AGM of the Company is required by law to be held; or

(iii) the authority is revoked or varied by ordinary resolution passed by the shareholders in a general meeting,

whichever occurs first, but shall not prejudice the completion of the purchase(s) by the Company of its own Shares before the aforesaid expiry date and in any event, in accordance with the provisions of Listing Requirements and/or any applicable laws, rules, regulations, orders, guidelines and/or requirements issued by Bursa Securities and/or any other relevant authorities.

THAT, upon completion of the purchase by the Company of its own Shares, the Board be and is hereby authorised to deal with the Shares so purchased (Purchased Shares) in their absolute discretion in the following manner:

(a) cancel all or part of the Purchased Shares; or

(b) retain all or part of the Purchased Shares as treasury shares; or

(c) retain part of the Purchased Shares as treasury shares and cancel the remainder of the Purchased Shares; or

(d) deal with the treasury shares in such other manner as allowed under the Act, Listing Requirements and/or applicable laws, rules, regulations, orders, guidelines and/or requirements of any relevant authorities.

AND THAT the Board be and is hereby empowered and authorised to take all such steps and do all acts, deeds and things (including the opening and maintaining of depository account(s) under the Securities Industry (Central Depositories) Act, 1991) and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/or agreements (including, without limitation, the affixing of the Company's common seal, where necessary) as the Board may consider necessary, expedient and/or relevant to finalise, implement, give full effect to and complete the Proposed Renewal of Share Buy-Back Authority with full powers to assent to any conditions, terms, modifications, variations and/or amendments in any manner as may be required or imposed by the relevant authorities or as the Board may in their discretion deem fit, necessary, expedient or relevant and to do all such acts and things the Board may consider necessary or expedient in the best interest of the Company."

12. RETENTION OF MR THOMAS MICHAEL TAYLOR AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR **[Ordinary Resolution 11] (Please refer to Explanatory Note 6)**

THAT approval be and is hereby given to Mr Thomas Michael Taylor, whose tenure as an Independent Non-Executive Director of the Company will reach nine (9) years on 31 July 2025, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next AGM in year 2025.

13. To transact any other matters that may be transacted at an AGM of which due notice shall have been given in accordance with the Act and the *Constitution* of the Company.

NOTICE OF THE 14TH ANNUAL GENERAL MEETING (AGM) (CONTINUED)

NOTICE OF DIVIDEND PAYMENT AND CLOSURE OF REGISTER

NOTICE IS HEREBY GIVEN THAT, a final single-tier dividend of 1.0 sen per ordinary share in respect of the financial year ended 30 June 2024, if approved by the shareholders, will be paid on 22 January 2025 to shareholders registered in the Record of Depositors at the close of business on 27 December 2024 (Depositor).

A Depositor shall qualify for entitlement to the dividend only in respect of:

(a) Shares transferred into the Depositor's securities account before 4.30 p.m. on 27 December 2024 in respect of transfers; and
(b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board
HIBISCUS PETROLEUM BERHAD

KHOO MING SIANG (MAICSA 7034037) (SSM Practising Cert. No.: 202208000150)
LAW WEI LENG (MAICSA 7064862) (SSM Practising Cert. No.: 202108000506)

Company Secretaries

Selangor Darul Ehsan
29 October 2024

IMPORTANT NOTICE

The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Act which requires the Chair of the meeting to be present at the main venue of the meeting.

Shareholders or proxies are **NOT** to be physically present at the Broadcast Venue on the meeting day.

Shareholders are to attend, participate, speak (in the form of real-time submission through typed texts) and vote (collectively referred to as 'participate') remotely at the 14th AGM via the Remote Participation and Voting facilities (RPV) provided by Tricor Investor & Issuing House Services Sdn Bhd (Tricor) as the Poll Administrator of the Company via its TIIH Online website at https://tiih.online.

Notes:

1. *For purposes of determining a member who shall be entitled to attend and vote at the 14th AGM in accordance with Clauses 72(b) and 72(c) of the Company's Constitution 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 November 2024. Only a Depositor whose name appears on such Record of Depositors shall be entitled to attend, participate, speak and vote via RPV at the 14th AGM as well as for appointment of proxy(ies) to attend, participate, speak and vote on his/her stead.*

2. *A member of the Company who is entitled to participate at the 14th AGM may appoint up to two (2) proxies to attend and vote at the 14th AGM via RPV. Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. A proxy appointed to attend and vote at the 14th AGM via RPV shall have the same right as a member to speak at the 14th AGM.*

3. *A proxy or attorney or a duly authorised representative may, but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.*

4. *Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 which is exempted from compliance with the provisions of subsection 25A(1) of the Securities Industry (Central Depositories) Act, 1991 (Exempt Authorised Nominee) which holds Ordinary Shares in the Company for multiple beneficial owners in one (1) 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 more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.*

5. *A member who has appointed a proxy or attorney or authorised representative to attend and vote at the 14th AGM via RPV **must request his/her proxy or attorney or authorised representative to register himself/herself for RPV** at TIIH Online website at https://tiih.online. The procedures for RPV can be found in the Administrative Guide for the 14th AGM.*

6. *Members who wish to appoint a proxy may do so either by using a hard copy form or through electronic means, following the procedure outlined below. The proxy appointment must be deposited with Tricor not less than forty-eight (48) hours before the time appointed for holding the 14th AGM or any adjourned meeting. 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 Chair of the meeting as his/her proxy, provided always that the rest of the Form of Proxy, other than the particulars of the proxy has been duly completed by the member(s).*

   To facilitate the proxy appointment process, kindly follow the guidelines provided below:

   (a) *In hard copy form:*

   In the case of an appointment made in hard copy form, the completed Form of Proxy must be deposited with:

   (i) Tricor Investor & Issuing House Services Sdn Bhd:
   Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

   or alternatively

   Tricor's Customer Service Centre:
   Unit G-3, Ground Floor, Vertical Podium,
   Avenue 3, Bangsar South, No. 8, Jalan Kerinchi,
   59200 Kuala Lumpur, Malaysia.

   (ii) By fax at 03-2783 9222.

   (b) *By electronic means:*

   The Form of Proxy can be electronically submitted with Tricor via TIIH Online at https://tiih.online.

   Kindly refer to the Administrative Guide for the 14th AGM on the procedures for the electronic lodgement via TIIH Online.

7. *Please ensure ALL particulars required in the Form of Proxy are completed and the Form of Proxy is signed and dated accordingly.*

8. *The last date and time for submitting the Form of Proxy is on Monday, 25 November 2024 at 9.30 a.m.*

9. *If the Form of Proxy is signed under the hands of an appointor or his attorney duly authorised (or 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), 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.*

10. *Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with Tricor or alternatively the Customer Service Centre at the address stated under item (6)(a)(i) not less than forty-eight (48) hours before the time appointed for holding the 14th AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.*

11. *By submitting the duly executed Form of Proxy, the member and his/her proxy(ies) consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010 for the purpose of the 14th AGM or any adjournment thereof.*

12. *Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 14th AGM will be put to vote by way of poll. An independent scrutineer will be appointed to verify the poll results.*

NOTICE OF THE 14TH ANNUAL GENERAL MEETING (AGM) (CONTINUED)

EXPLANATORY NOTES

1. **Item 1 of the Agenda: Audited Financial Statements of the Company and the Group for the Financial Year Ended 30 June 2024 (Audited Financial Statements)**

   The Audited Financial Statements are laid before the shareholders pursuant to Section 340(1)(a) of the Act, solely for discussion purposes only. The Audited Financial Statements do not require approval of the shareholders and therefore, will not be put forward for voting.

2. **Item 5 of the Agenda: Extended Engagements and Time Allocation of NEDs for Company Activities and External Events**

   The Group envisions leveraging on the extensive expertise, capabilities and wide-ranging business network of its NEDs to advance the Group's interests. This strategic move is prompted by escalated business activities and enhanced production operations. The proposed supplemental payments align with the projected increased participation and involvement of NEDs, as and when required.

   The Company is seeking shareholders' approval for remunerating additional NED attendances and expended time, encompassing participation in meetings and external events involving third party(ies) or attendance at meetings with the Group's personnel at the specific request of the Chair of the Board (excluding those mentioned in Item 4 of the Agenda) on behalf of the Company.

3. **Item 6 of the Agenda: Proposed NEDs Medical Coverage Benefit**

   At the 13th AGM held on 5 December 2023, shareholders approved medical coverage for NEDs until the next AGM in 2024. As this benefit requires annual approval, the Board of Directors proposes seeking shareholders' approval at the 14th AGM in November 2024 to continue this coverage until the following AGM in 2025. The medical coverage will be provided through company-secured insurance and/or directly by the Company, will remain unchanged and capped at RM500,000.

   This proposal reflects our ongoing support for the well-being of our Directors, which is important for their continued effectiveness and commitment in their roles. Maintaining this benefit is in line with our governance practices that prioritise their health and well-being.

4. **Item 10 of the Agenda: Authority for Directors to Allot and Issue Shares pursuant to Sections 75 and 76 of the Act**

   During its 13th AGM on 5 December 2023, the Company obtained shareholders' approval for the general mandate to issue shares under Sections 75 and 76 of the Act (2023 Mandate). As of the notice date, the Company has not issued any shares under the 2023 Mandate.

   Ordinary Resolution 9 proposed under Agenda item 10 is a renewal of this general mandate for share issuance under Sections 75 and 76 of the Act. If approved, this mandate will empower the Directors to speedily allot and issue new shares, not exceeding 10% of the total issued shares, for capital expenditure, working capital purposes, potential business expansion and debt repayment. This eliminates delays and costs related to convening a general meeting for shareholder approval. Unless revoked or varied by the Company at a general meeting, the authority will remain valid until the next AGM.

5. **Item 11 of the Agenda: Proposed Renewal of Share Buy-Back Authority**

   Ordinary Resolution 10 proposed under Agenda item 11 if passed, will empower the Company to purchase its own ordinary shares of up to 10% of the total number of issued shares of the Company through Bursa Securities as may be determined by the Directors of the Company at any time within the time stipulated by utilising the funds allocated out of the retained profits of the Company based on the latest audited financial and/or the latest management accounts (where applicable) available at the time of the purchase.

   Further information on the Proposed Renewal of Share Buy-Back Authority is set out in the Proposed Renewal of Share Buy-Back Authority Statement of the Company dated 29 October 2024.

6. Item 12 of the Agenda: Retention of Mr Thomas Michael Taylor as an Independent Non-Executive Director (INED)

The Board of Directors has via the Nominating Committee conducted an annual performance evaluation and assessment on the performance and independence of Mr Thomas Michael Taylor, whose tenure as an INED of the Company will reach nine (9) years on 31 July 2025. The Board is satisfied with the outcome of the assessment and recommended him to continue to act as an INED of the Company, based on the following justifications:

(a) He fulfills the criteria of an Independent Director as stipulated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, ensuring his ability to provide independent and objective judgment to the Board;

(b) With over 40 years in the oil and gas industry, including significant roles such as Finance Director at Sakhalin Energy Investment Company, Shell Malaysia and Brunei Shell Petroleum, Mr Taylor brings a wealth of experience, expertise and skills to the Board. His insights and guidance are invaluable in strengthening our overall decision-making at Hibiscus;

(c) Having served the Company for more than 8 years, Mr Taylor possesses a deep understanding of its operations. His leadership as Chair of the Audit and Risk Management Committee (ARMC) is crucial in overseeing the accuracy of financial documents and the appropriateness of policies and governance practices. His approach and expertise support high standards of transparency and effective risk management. His experience, particularly with his previous employers, has been beneficial in providing guidance on the management of assets such as the Anasuria Cluster, North Sabah Production Sharing Contract (PSC), Kinabalu Oil PSC, PM3 Commercial Arrangement Area, Block 46 Cai Nuoc PSC, PKNB Cluster PSC, PM327 PSC and the recent conditional share purchase agreement executed with TotalEnergies Holdings International B.V. for the proposed acquisition of TotalEnergies EP (Brunei) B.V; and

(d) Mr Taylor has consistently demonstrated his dedication through active participation in Board and Committee meetings, offering independent perspectives and guidance. His contributions are essential to balanced decision-making processes.

The Ordinary Resolution 11 proposed under Agenda item 12 if passed, will enable Mr Thomas Michael Taylor to continue to act as an INED beyond his 9-year term, which will be reached on 31 July 2025, in line with the *Board Charter* and the *Board Assessment Policy* of the Company and Practice 4.2 of the Malaysian Code on Corporate Governance 2021. If the ordinary resolution is not passed, Mr Taylor will remain on the Board and be re-designated as a Non-INED on 1 August 2025.

PERSONAL DATA POLICY

By submitting an instrument appointing proxy(ies) and/or representative(s) to attend, participate and vote at the 14th AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of the proxies and representatives appointed for the 14th AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 14th AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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FORM OF PROXY

FOR THE 14TH ANNUAL GENERAL MEETING

No. of Ordinary Shares Held	
CDS Account Number	

HIBISCUS PETROLEUM BERHAD
Registration Number: 200701040290 (798322–P)

*I/We ____
(Full Name In Block Letters)

NRIC/Passport/Registration/Company No.: ______________________________

of ____
(Full Address)

Mobile No.: ______________________________

Email Address: ______________________________

being a member of **HIBISCUS PETROLEUM BERHAD** ("**HIBISCUS PETROLEUM**" or "**Company**") hereby appoint:

Full Name (In Block Letters)	NRIC/Passport No.	Mobile No.	Proportion of Shareholdings	
			No. of Shares	%
Full Address		Email Address		

and/or (delete as appropriate)

Full Name (In Block Letters)	NRIC/Passport No.	Mobile No.	Proportion of Shareholdings	
			No. of Shares	%
Full Address		Email Address		

or failing him/her, the CHAIR OF THE MEETING as my/our proxy, to vote for me/us on my/our behalf at the 14th Annual General Meeting (AGM) of the Company to be held via a virtual platform at the broadcast venue at Tricor Business Centre, Gemilang Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia (Broadcast Venue) on Wednesday, 27 November 2024 at 9.30 a.m. or at any adjournment thereof, whichever is later, on the following resolutions (with or without modifications) referred to in the Notice of the 14th AGM by indicating an "X" in the space provided below:-

Item	Agenda			
1.	To receive the Audited Financial Statements of the Company and the Group for the financial year ended 30 June 2024 together with the Reports of the Directors and Auditors thereon.			
	Ordinary Business	**Ordinary Resolution**	**For**	**Against**
2	Payment of a final single-tier dividend of 1.0 sen per ordinary share in respect of the financial year ended 30 June 2024.	1		
3.	To approve the payment of Non-Executive Directors (NEDs)' fees amounting to RM375,000 per annum to the Chair of the Board and RM200,000 per annum to each NED (save for the Chair of the Board) for the period from 28 November 2024 until the date of the next AGM in year 2025, to be paid quarterly in arrears.	2		
4.	To approve the payment of NEDs' meeting allowances for the period from 28 November 2024 until the date of the next AGM in year 2025 at the following rate (as applicable), to be paid quarterly in arrears: • RM4,500 for each meeting of the Board and of the Board Committees attended by a NED serving as the Chair of the meeting; or • RM3,500 for each meeting of the Board and of the Board Committees attended by a NED serving as a member of the Board or Board Committee.	3		
5.	To approve payments for additional attendances and time expended by any NED for the Company's purposes (or on behalf of the Company) at meetings and/or third-party events involving external party(ies) or attendance at meetings with the Group's personnel at the specific request of the Chair of the Board, other than those referred to under item 4 above, in the NED's capacity as a Director of the Company, for the period from 28 November 2024 until the date of the next AGM in year 2025, at the rate of RM3,500 per meeting or event, to be paid quarterly in arrears.	4		
6.	To approve the payment of the medical coverage benefit, subject to a maximum limit of RM500,000 for the NEDs, for the period from 28 November 2024 until the date of the next AGM in year 2025.	5		
7.	To re-elect Encik Zainul Rahim bin Mohd Zain who is retiring pursuant to Clause 134 of the *Constitution* of the Company.	6		
8.	To re-elect Puan Emeliana Dallan Rice-Oxley who is retiring pursuant to Clause 134 of the *Constitution* of the Company.	7		
9.	To re-appoint Messrs PricewaterhouseCoopers PLT as Auditors of the Company for the financial year ending 30 June 2025 and to authorise the Directors to fix their remuneration.	8		
	Special Business	**Ordinary Resolution**	**For**	**Against**
10.	Authority for the Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.	9		
11.	Proposed Renewal of Share Buy-Back Authority.	10		
12.	Retention of Mr Thomas Michael Taylor as an Independent Non-Executive Director.	11		

Dated this ____________ day of ____________ 2024

Please refer to the Notice of the 14th AGM for full details of the proposed Ordinary Resolutions.

(Please indicate with an "X" in the spaces provided whether you wish your vote to be cast for or against the Ordinary Resolutions. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit).

____
Signature/Common Seal of Shareholder(s)

Notes:

1. *For purposes of determining a member who shall be entitled to attend and vote at the 14th AGM in accordance with Clauses 72(b) and 72(c) of the Company's Constitution 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 November 2024. Only a Depositor whose name appears on such Record of Depositors shall be entitled to attend, participate, speak and vote via RPV at the 14th AGM as well as for appointment of proxy(ies) to attend, participate, speak and vote on his/her stead.*
2. *A member of the Company who is entitled to participate at the 14th AGM may appoint up to two (2) proxies to attend and vote at the 14th AGM via RPV. Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. A proxy appointed to attend and vote at the 14th AGM via RPV shall have the same right as a member to speak at the 14th AGM.*
3. *A proxy or attorney or a duly authorised representative may, but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.*
4. *Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 which is exempted from compliance with the provisions of subsection 25A(1) of the Securities Industry (Central Depositories) Act, 1991 (Exempt Authorised Nominee) which holds Ordinary Shares in the Company for multiple beneficial owners in one (1) 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 more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.*
5. *A member who has appointed a proxy or attorney or authorised representative to attend and vote at the 14th AGM via RPV* ***must request his/her proxy or attorney or authorised representative to register himself/herself for RPV*** *at TIIH Online website at https://tiih.online. The procedures for RPV can be found in the Administrative Guide for the 14th AGM.*
6. *Members who wish to appoint a proxy may do so either by using a hard copy form or through electronic means, following the procedure outlined below. The proxy appointment must be deposited with Tricor not less than forty-eight (48) hours before the time appointed for holding the 14th AGM or any adjourned meeting. 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 Chair of the meeting as his/her proxy, provided always that the rest of the Form of Proxy, other than the particulars of the proxy has been duly completed by the member(s).*

   To facilitate the proxy appointment process, kindly follow the guidelines provided below:

   (a) *In hard copy form:*

   In the case of an appointment made in hard copy form, the completed Form of Proxy must be deposited with:

   (i) Tricor Investor & Issuing House Services Sdn Bhd (Tricor):
   Unit 32-01, Level 32, Tower A, Vertical Business Suite,
   Avenue 3, Bangsar South, No. 8, Jalan Kerinchi,
   59200 Kuala Lumpur, Malaysia.

   or alternatively

   Tricor's Customer Service Centre:
   Unit G-3, Ground Floor, Vertical Podium,
   Avenue 3, Bangsar South, No. 8, Jalan Kerinchi,
   59200 Kuala Lumpur, Malaysia.

   (ii) By fax at 03-2783 9222.

   (b) *By electronic means:*

   The Form of Proxy can be electronically submitted with Tricor via TIIH Online at https://tiih.online.

   Kindly refer to the Administrative Guide for the 14th AGM on the procedures for the electronic lodgement via TIIH Online.
7. *Please ensure ALL the particulars required in the Form of Proxy are completed and the Form of Proxy is signed and dated accordingly.*
8. *The last date and time for lodging the Form of Proxy is on Monday, 25 November 2024 at 9.30 a.m.*
9. *If the Form of Proxy is signed under the hands of an appointor or his attorney duly authorised (or 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), 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.*
10. *Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with Tricor or alternatively the Customer Service Centre at the address stated under item (6)(a)(i) not less than forty-eight (48) hours before the time appointed for holding the 14th AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.*
11. *By submitting the duly executed Form of Proxy, the member and his/her proxy(ies) consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010 for the purpose of the 14th AGM or any adjournment thereof.*
12. *Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 14th AGM will be put to vote by way of poll. An independent scrutineer will be appointed to verify the poll results.*

PERSONAL DATA POLICY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of the 14th AGM dated 29 October 2024.

AFFIX
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Share Registrar

TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia

HIBISCUS PETROLEUM BERHAD

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The FSC trademark highlights achievements in responsible sourcing of forest-derived materials and the purchasing choices contribute to taking care of the world's forests.