Corporate and Business Update

(Issued in conjunction with the Quarterly Report for the Financial Quarter Ended 31 December 2022)

Kuala Lumpur, 16 February 2023 – 12.30pm

Smooth Operations Result in Highest Average Production in a Single Quarter

Highlights

- Hibiscus Petroleum Berhad ("**Hibiscus Petroleum**" or the "**Group**") announced earnings before interest, taxes, depreciation and amortisation ("**EBITDA**") of RM353.3 million and a profit after taxation ("**PAT**") of RM70.5 million for the financial quarter ended 31 December 2022 ("**Current Quarter**"), on the back of revenue of RM713.1 million.
- Current Quarter's EBITDA and PAT increased by 152.5% and 45.3% respectively year-on-year.
- For the Current Quarter, 1.3 million barrels ("**MMbbl**") of oil and condensate and 0.7 million bbl of oil equivalent ("**MMboe**") of gas were sold, for a total sales volume of 2.0 MMboe.
- For the financial year ending 30 June 2023 ("**FY2023**"), the Group estimates to sell a total of 7.3 MMboe of oil, condensate and gas.
- Based on the present favourable market outlook and subject to the matters reflected in our Dividend Policy, the Group is aiming to target a minimum total dividend per share of 2.5 sen over the course of FY2023. Of this targeted amount, an interim single-tier dividend of 0.75 sen has been declared on 16 February 2023.
- Anasuria Cluster operations back to normal following successful completion of riser replacement in the financial quarter ended 30 September 2022 ("**Preceding Quarter**").
- PAT adversely impacted by a non-cash net deferred tax liability charge relating to the UK's Energy Profits Levy ("**EPL**") of RM104.0 million.
- Removing one-off non-operational adjustments result in a "normalised" PAT of RM115.4 million for the Current Quarter and RM230.1 million for the first half of FY2023.

This Corporate and Business Update covers business activities over the Current Quarter and provides commentary on the operational and financial performance of the Group.

Current Reserves and Resources

Figure 1 below depicts our updated net entitlement to oil, condensate and gas reserves and resources, as at 1 January 2023, within the licenses in which we have interests. The updated figures were derived by adjusting for the total net production from 1 July to 31 December 2022.

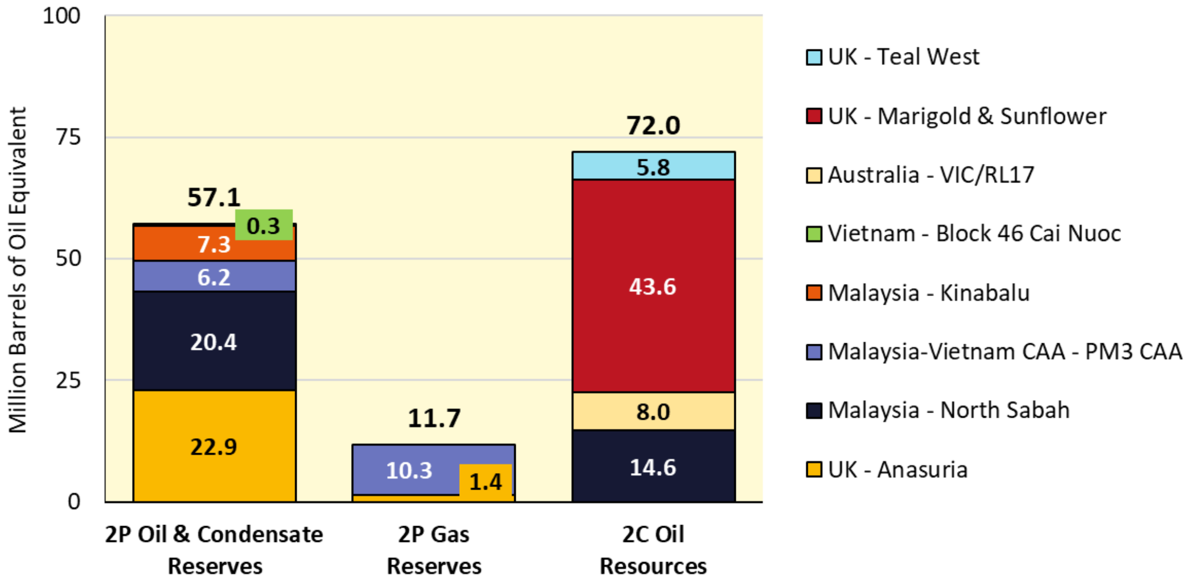

Figure 1: Hibiscus Petroleum's net reserves and resources.

Notes to Figure 1:

1 *Reserves and resources are as of 1 January 2023.*

2 *Anasuria 2P Reserves are based on Anasuria Hibiscus UK Limited ("**Anasuria Hibiscus UK**")'s interest and extracted from RPS' report in August 2021, adjusted for actual production in the 18 months ended 31 December 2022.*

3 *North Sabah 2P Reserves and 2C Contingent Resources are based on SEA Hibiscus Sdn Bhd ("**SEA Hibiscus**")'s current estimated net entitlement, based on RPS' report in August 2021, adjusted for actual production in the 18 months ended 31 December 2022.*

4 *PM3 CAA, Kinabalu, Block 46 Cai Nuoc 2P Reserves and 2C Contingent Resources are based on Peninsula Hibiscus Group's current net entitlement, based on RPS' report in August 2022, adjusted for actual production in the 6 months ended 31 December 2022.*

5 *Marigold and Sunflower 2C Contingent Resources are based on Anasuria Hibiscus UK's interest and extracted from RPS' report in August 2020.*

6 *Teal West 2C Contingent Resources are based on Anasuria Hibiscus UK's interest and extracted from RPS' report in August 2021.*

7 *VIC/RL17 2C Contingent Resources are based on internal estimates.*

Operational Performance in the Current Quarter

Figure 2 below summarises the operational performance of the Group for the Current Quarter.

	Unit	North Sabah	Anasuria Cluster	Peninsula Hibiscus Group[1]	Total or Average
Average uptime	%	92	92	89	-
Average gross oil & condensate production	bbl/day	14,779	7,529	24,097	46,405
Average net oil & condensate production	**bbl/day**	**4,626**	**2,699**	**6,188**	**13,513**
Average gross gas export rate @	boe/day	-	1,362	31,067	32,429
Average net gas export rate @	**boe/day**	**-**	**311**	**6,089**	**6,400**
Average net oil, condensate and gas production rate	**boe/day**	**4,626**	**3,009**	**12,277**	**19,912**
Total oil & condensate sold	bbl	538,301	185,869	612,171	1,336,341
Total gas sold	MMscf	-	171	3,767	3,938
	boe	-	28,500	627,797	656,297
Total oil, condensate & gas sold	**boe**	**538,301**	**214,369**	**1,239,968**	**1,992,638**
Average realised oil & condensate price	USD/bbl	98.09	82.56	99.87	96.75
Average gas price	USD/Mscf	-	33.12	4.71	-
Average realised oil, condensate and gas Price	USD/boe	98.09	98.00	63.60	76.62
Average production OPEX per boe[2]	USD/boe	18.50	18.67	15.50	-

Figure 2: Summary of operational performance for the Current Quarter.

Notes to Figure 2:

[1] *Peninsula Hibiscus Group's assets include 2012 Kinabalu Oil PSC, PM3 CAA PSC, PM305 PSC, PM314 PSC and Block 46 Cai Nuoc PSC.*

[2] *This is computed based on gross production OPEX divided by gross oil, condensate and gas production.*

@ *Conversion rate of 6,000 standard cubic feet ("**scf**") per boe.*

Mscf – thousand scf.

MMscf – million scf.

Figures are subject to rounding.

FY2023 Oil and Condensate Offtake Schedule and Gas Sales

Figure 3 below illustrates the Group's financial year-to-date oil and condensate offtakes and gas sales from our producing assets, together with the latest estimates for the financial quarter ending 31 March 2023 ("**Q3 FY2023**") as well as the financial quarter ending 30 June 2023 ("**Q4 FY2023**"). We estimate to sell a total of 1.8 MMboe and 2.0 MMboe of oil, condensate and gas in Q3 FY2023 and Q4 FY2023 respectively, net to the Group. In FY2023, we target to sell a total of approximately 7.3 MMboe of oil, condensate and gas.

		Total oil, condensate and gas sales volume (boe)									
		Actual – Q1 & Q2 FY2023	**Latest Estimate – Q3 FY2023**				**Latest Estimate – Q4 FY2023**				**Latest Estimate – FY2023**
			January 2023 @	**February 2023**	**March 2023**	**Total**	**April 2023**	**May 2023**	**June 2023**	**Total**	
North Sabah	Oil	**827,936**	-	-	300,000	**300,000**	-	350,000	-	**350,000**	**1,477,936**
Kinabalu	Oil	**576,646**	-	300,000	-	**300,000**	-	-	350,000	**350,000**	**1,226,646**
PM305/ PM314	Oil	**19,901**	5,576	2,600	2,900	**11,076**	2,700	2,800	3,300	**8,800**	**39,777**
PM3 CAA	Oil & Cond.	**460,538**	-	90,240	200,000	**290,240**	174,000	-	83,000	**257,000**	**1,007,778**
	Gas	**1,118,458**	242,140	234,000	219,000	**695,140**	232,000	241,000	348,000	**821,000**	**2,663,458**
Anasuria Cluster	Oil	**329,597**	-	-	190,000	**190,000**	-	-	180,000	**180,000**	**699,597**
	Gas	**52,286**	9,100	8,000	8,700	**25,800**	8,300	8,000	8,300	**24,600**	**102,686**
Block 46	Oil	**125,521**	-	-	-	**-**	-	-	-	**-**	**125,521**
Total		**3,510,883**	256,816	634,840	920,600	**1,812,256**	417,000	601,800	972,600	**1,991,400**	**7,314,539**
	Oil & Cond.	**2,340,139**	5,576	392,840	692,900	**1,091,316**	176,700	352,800	616,300	**1,145,800**	**4,577,255**
	Gas	**1,170,744**	251,240	242,000	227,700	**720,940**	240,300	249,000	356,300	**845,600**	**2,737,284**

Figure 3: The Group's offtake schedule for FY2023.

Note to Figure 3:

@ *Actual.*

Operational Updates

Awards

We are pleased to disclose that our Peninsula Hibiscus Group received the following award for safety and production operations in Malaysia:

- PETRONAS Focused Recognition Award – Awarded in January 2023 for successful implementation of the Back-to-Basics programme.

Production

Malaysia South China Sea

North Sabah PSC: Production Operations

The table below provides a summary of key operational statistics for the North Sabah asset, based on the 50% participating interest held by SEA Hibiscus, for the Current Quarter and for the prior three financial quarters:

	Unit	October to December 2022[3]	July to September 2022	April to June 2022	January to March 2022
Average uptime	%	92	93	85	86
Average gross oil production	bbl/day	14,779	14,968	13,901	14,463
Average net oil production	bbl/day	4,626	4,641	4,275	4,488
Total oil sold	bbl	538,301	289,635	611,800	300,252
Average realised oil price[1]	USD/bbl	98.09	111.54	119.80	89.58
Average production OPEX per bbl[2]	USD/bbl	18.50	20.57	27.94	12.87

Figure 4: Operational performance for the North Sabah asset.

Notes to Figure 4:

1. *The average realised oil price represents the weighted average price of all Labuan crude oil sales from SEA Hibiscus.*
2. *This is computed based on gross production OPEX divided by gross oil production.*
3. *Figures for the period October 2022 to December 2022 are provisional and may change subject to the PSC Statement audit and PETRONAS's review.*

The average uptime of the North Sabah production facilities of 92%, achieved during the Current Quarter, is lower to that delivered for the financial quarter ended 30 September 2022. Average gross oil production decreased marginally during the Current Quarter when compared to the Preceding Quarter, primarily attributable to prolonged periods of shutdown due to severe weather conditions. Average OPEX per bbl for North Sabah decreased to USD18.50 as compared to the Preceding Quarter's OPEX per bbl of USD20.57 as planned maintenance activities were conducted in the Preceding Quarter.

A total of 538,301 bbls of oil, net to SEA Hibiscus was sold at an average oil price of USD98.09 per bbl in the Current Quarter, representing a decrease of 12.1% in realised average oil price when compared to that achieved in the Preceding Quarter. It should be noted that as shown in Figure 3, SEA Hibiscus expects to sell approximately 300,000 bbls of oil in Q3 FY2023.

The North Sabah asset incurred capital expenditure of RM 13.3 million net to SEA Hibiscus during the Current Quarter mainly due to the commencement and execution of the South Furious 30 Water Flood Phase 2 development.

North Sabah PSC: Approval of South Furious 30 Water Flood Phase 2 Project Development Plan

On 19 December 2022, PETRONAS approved the South Furious 30 Water Flood Phase 2 Field Development Plan ("**FDP**"), which entails the drilling of 6 water injectors and 5 oil infill wells at the South Furious 30 field over 2 years: Calendar Year ("**CY**") 2023 and CY2024. The objective of the water injection project is to increase production and reserves recovery via pressure support and sweep into existing and new oil producers. A total of 11 wells will be drilled from a newly installed well head platform, bridge linked to an existing jacket. The drilling campaign is tentatively planned to commence in September 2023, and a new leased water injection facility is expected to be introduced to the field in August 2024.

Kinabalu Oil PSC: Production Operations

The table below provides a summary of key operational statistics for the Kinabalu asset, based on the 60% participating interest held by Hibiscus Oil & Gas Malaysia Limited ("**HML**") (formerly known as Repsol Oil & Gas Malaysia Limited), for the Current Quarter, the prior two financial quarters, as well as for the months of February and March 2022:

	Unit	October to December 2022[1]	July to September 2022	April to June 2022	February to March 2022
Average uptime	%	86	62	90	86
Average gross oil production	bbl/day	8,252	5,872	11,343	10,389
Average net oil production	bbl/day	3,160	2,084	3,475	3,219
Total oil sold	bbl	288,106	288,540	350,236	0[2]
Average realised oil price	USD/bbl	106.83	118.04	121.15	-
Average production OPEX per bbl[3]	USD/bbl	17.81	21.39	10.62	6.27

Figure 5: Operational performance for the Kinabalu asset.

Notes to Figure 5:

1. *Figures for the period October 2022 to December 2022 are provisional and may change subject to the PSC Statement audit and PETRONAS's review.*
2. *Oil offtake in January was conducted prior to the completion of the acquisition of the entire equity interest in Fortuna International Petroleum Corporation from Repsol Exploración, S.A. on 24 January 2022.*
3. *This is computed based on gross production OPEX divided by gross oil production.*

Average gross oil production increased by approximately 40% in the Current Quarter compared to the Preceding Quarter. In the Preceding Quarter, the planned annual major maintenance campaign was conducted, during which time the production facilities were shut down for 11 days.

An increase in production resulted in the average OPEX per bbl in the Current Quarter decreasing to USD17.81 per bbl when compared to USD21.39 per bbl in the Preceding Quarter. Average realised oil price of USD106.83 per bbl in the Current Quarter was lower compared to that achieved in the Preceding Quarter.

As shown in Figure 3, HML expects to sell approximately 300,000 bbls of oil from the Kinabalu asset in Q3 FY2023.

In terms of expenditure, costs related to the Electrical Submersible Pump Pilot Facilities project, KN-119 well workover and other minor production maintenance activities during the Current Quarter resulted in a capital expenditure of RM23.8 million net to HML.

Commercial Arrangement Area

PM3 CAA PSC: Production Operations

The table below provides a summary of key operational statistics for the PM3 CAA asset, based on the 35% participating interest held by HML and Hibiscus Oil & Gas Malaysia (PM3) Limited ("**HMPM3**") (formerly known as Repsol Oil & Gas Malaysia (PM3) Limited), for the Current Quarter, the prior two financial quarters, as well as the months of February and March 2022:

	Unit	October to December 2022[1]	July to September 2022	April to June 2022	February to March 2022
Average uptime	%	91	78	94	97
Average gross oil & condensate production	bbl/day	15,091	10,802	14,019	14,303
Average net oil & condensate production	bbl/day	2,701	2,344	2,590	2,491
Average gross gas export rate	boe/day	31,067	25,488	33,491	36,209
Average net gas export rate	boe/day	6,089	5,541	6,360	7,174
Average net oil & condensate equivalent production rate	boe/day	8,790	7,885	8,950	9,665
Total oil & condensate sold	bbl	187,671	272,867	293,346	89,669
Total gas sold	MMscf	3,767	2,944	3,429	2,553
Average realised oil & condensate price	USD/bbl	90.34	112.46	113.99	123.69
Average realised gas price	USD/Mscf	4.71	5.78	8.00	6.98
Average production OPEX per boe[2]	USD/boe	14.68	18.03	11.33	7.86

Figure 6: Operational performance for the PM3 CAA asset.

Notes to Figure 6:

[1] *Figures for the period October 2022 to December 2022 are provisional and may change subject to the PSC Statement audit and PETRONAS's review.*

[2] *This is computed based on gross production OPEX divided by gross oil, condensate and gas production.*

Average gross oil and condensate production increased by approximately 40% in the Current Quarter compared to the Preceding Quarter as a result of several factors:

- in the Preceding Quarter, activities relating to the planned annual major maintenance campaign took place (during which the production facilities were shut down for 14 days);
- better performance from PM3 Northern Field Gas Injection Compressor supplying gas lift to the oil producers; and
- successful completion of BKC-10STL perforation in the oil zone (resulting in incremental gross production of approximately 1,200 bbl/day).

Average gross gas sales production increased by 22% in the Current Quarter also due to the planned annual major maintenance campaign which completed in the Preceding Quarter.

Average OPEX per boe decreased to USD14.68 per boe as compared to that achieved in the Preceding Quarter of USD18.03 per boe primarily due to increased production in the Current Quarter.

Average realised oil price of USD90.34 per bbl in Current Quarter was lower compared to that achieved in the Preceding Quarter. Similarly, the average realised gas price in Current Quarter was also lower due to lower High Sulphur Fuel Oil prices (to which the gas price is benchmarked). In Q3 FY2023, as shown in Figure 3, we expect to sell approximately 290,000 bbls of oil and condensate and 695,000 boe of gas.

In terms of expenditure, costs related to the H4 Development, BRB Infill and BOC-C Infill drilling activities and various operations upgrade projects during the Current Quarter resulted in a capital expenditure of RM56.1 million net to HML and HMPM3.

United Kingdom

Anasuria Cluster: Production Operations

The table below shows the operational performance achieved by the asset, based on Anasuria Hibiscus UK's participating interest, for the Current Quarter and for the prior three financial quarters:

	Unit	October to December 2022	July to September 2022	April to June 2022	January to March 2022
Average uptime	%	92	53	61	68
Average net oil production rate	bbl/day	2,699	1,211	1,644	1,702
Average net gas export rate @	boe/day	311	258	239	281
Average net oil equivalent production rate	boe/day	3,009	1,468	1,884	1,983
Total oil sold	bbl	185,869	143,728	162,957	74,304
Total gas exported (sold)	MMscf	171	142	131	152
Average realised oil price	USD/bbl	82.56	97.12	127.91	122.28
Average gas price	USD/Mscf	32.23∞/35.78#	36.87∞/41.45#	27.08∞/29.72#	29.11∞/35.62#
Average production OPEX per boe[1]	USD/boe	18.67	37.02	27.41	25.34

Figure 7: Operational performance for the Anasuria asset.

Notes to Figure 7:

[1] *This is computed based on gross production OPEX divided by gross oil and gas production.*
@ *Conversion rate of 6,000 standard cubic feet ("**scf**") per boe.*
∞ *For Cook field.*
For Guillemot A, Teal and Teal South fields.
boe – bbl of oil equivalent.
Mscf – thousand scf.
MMscf – million scf.
Figures are subject to rounding.

The average uptime and average daily oil equivalent production rate achieved at the Anasuria Cluster for the Current Quarter of 92% and 2,699 boe per day, respectively, are higher than that recorded in the Preceding Quarter. One crude oil offtake was conducted at Anasuria during the Current Quarter, in which 185,869 bbls of oil net to Anasuria Hibiscus UK was sold at an average realised oil price at USD82.56 per bbl. The average OPEX per boe achieved in the Anasuria Cluster for the Current Quarter of USD18.67 per boe is a marked improvement from the USD37.02 per boe recorded in the Preceding Quarter, as production improved upon successful completion of the project to replace a failed riser in the Preceding Quarter.

In November 2022, a scale squeeze and dissolver maintenance operation was conducted on the Teal P2 well.

In Q3 FY2023, as shown in Figure 3, we expect to sell approximately 190,000 bbls of oil and 25,800 boe of gas.

In terms of capital expenditure, in the Current Quarter, Anasuria Hibiscus UK incurred approximately RM5.7 million primarily for the Teal P2 Scale Squeeze and Dissolver activity.

United Kingdom – Teal West

Anasuria Hibiscus UK and NEO Energy (ZPL) Limited ("**NEO Energy**") were awarded interest in Block 21/24d held under the UK Petroleum Licence No. P2535 during the UK's 32nd Offshore Licensing Round. On 8 July 2022, NEO Energy informed Anasuria Hibiscus UK of its intention to withdraw from Licence No. P2535. The assignment of NEO Energy's interest to Anasuria Hibiscus UK was completed on 12 October 2022 and Anasuria Hibiscus UK now has a 100% interest in the licence which contains the Teal West discovery.

Given the advanced state of the technical work that has been done and the value this project adds to the Anasuria Cluster, Anasuria Hibiscus UK has decided to proceed with activities related to the Licence No. P2535 on a 100% interest basis. Accordingly, the 2C Oil Resources net to the Group stands at 5.8 MMbbl.

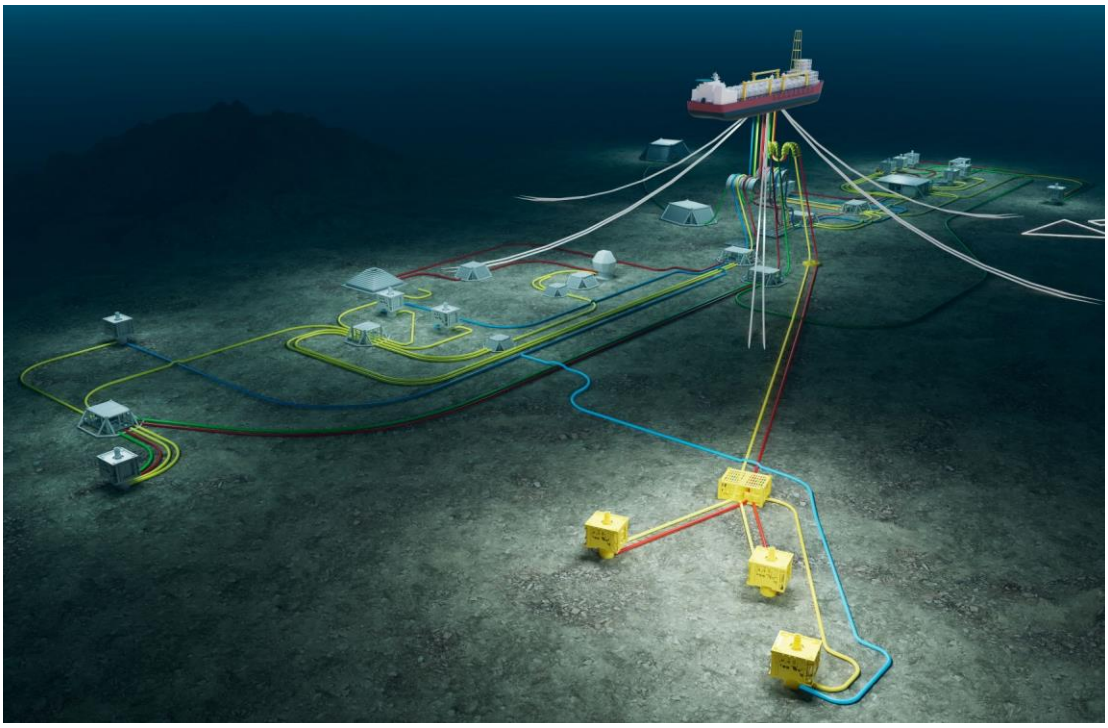

Figure 8: Teal West Tie-back to Anasuria FPSO

The base development plan for the Teal West field is to drill an oil producer well to the southeast of the geological structure, followed by the drilling of a water injector well at the west of the same structure (water injector to be drilled about 12 to 18 months after First Oil). The Teal West field is planned to be produced to the Anasuria FPSO – about 4km away – where the well fluids will be processed and exported via the Anasuria infrastructure.

On the commercial aspects of the Anasuria FPSO, the negotiation of the fully termed Agreement for a Transportation, Processing and Operating Services between the Anasuria Operating Company Limited and Anasuria Hibiscus UK based on the Heads of Terms signed on 4 August 2021, is close to agreement and is expected to be signed in February 2023.

Advanced discussions are also on-going with the gas pipeline owners to extend the scope of the current Anasuria Hibiscus UK gas sales agreement for the Anasuria Cluster to include gas production from Teal West gas production together with the export of gas from the Anasuria Cluster through the gas pipeline.

From a regulatory perspective, the Teal West FDP was submitted to the North Sea Transition Authority ("**NSTA**") on 2 August 2022 along with the submission of the Environmental Statement ("**ES**") to the Department of Business, Energy and Industrial Strategy's Offshore Petroleum Regulator for Environment and Decommissioning on 29 July 2022. These are the documents which require UK regulatory consent to proceed with the field development. This consent is expected to be delivered within about 6 months from the FDP and ES submissions.

The ES was in the public consultation period until 15 October 2022 and it is expected that consent for the development will be granted in early 2023. The drilling of the initial development well is planned to commence in March 2024. The subsea tie-back facilities will be installed in the second quarter of CY2024 and first oil from the development is expected in the fourth quarter of CY2024.

United Kingdom – Marigold Area

The Marigold Area comprises the following licenses and fields with discoveries:

- 87.5% interest in Licence No. P198 - Block 15/13a ("**Marigold West**");
- 87.5% interest in Licence No. P198 - Block 15/13b ("**Sunflower**"); and
- 100% interest in Licence No. P2518 - Block 15/17a ("**Kildrummy**").

In November 2021, the NSTA requested that Anasuria Hibiscus UK work with Ithaca Oil and Gas Limited ("**Ithaca**"), holder of Licence No. P2158 (Block 15/18b) which is adjacent to the Marigold West field and contains the Yeoman discovery (now called Marigold East), and jointly develop the resources found in both licences via a tieback to the Piper B platform. A validation and pre-FEED study led by an alliance between Repsol Sinopec Resources UK Limited, TechnipFMC Plc and Petrofac Limited was completed at the end of October 2022. In November 2022, a joint economic model was developed by Anasuria Hibiscus UK on behalf of Anasuria Hibiscus UK and Ithaca with agreed inputs. The results of the joint economic model show that the Piper B Tieback has the potential of being a robust and economically viable project provided capital and operational costs can be managed and certain commercial terms can be secured from the Piper B owners. Further work on the Piper B Tieback is being done by both Ithaca and Anasuria Hibiscus UK to optimise the development solution in these areas.

It is planned that the joint economic models and overall development plan are updated and an agreement reached on the way forward by the end of March 2023.

Australia

The Australia segment comprises the 100% direct interest in the VIC/RL17 Petroleum Retention Lease for the West Seahorse field.

In addition, we have a 11.68% interest in 3D Oil Limited ("**3D Oil**"), a company listed on the Australian Stock Exchange.

On 3 February 2023, 3D Oil provided an update on the VIC/P79 and T/49P exploration permits. Together with ConocoPhillips Australia, the operator of both permits, they are currently preparing a drilling Environmental Plan for up to six exploration wells between CY2024 and CY2028. Two exploration wells are to be drilled as a part of the exploration campaign, which is planned in late CY2024/2025 with a further four optional wells depending on success. The targeted exploration area is ideally located in the Bass Strait in proximity to existing production facilities and infrastructure that predominantly supplies the Australian east coast gas market and where the historical gas exploration success rate has been close to 100% for almost two decades.

PM305/PM314 + Block 46 Cai Nuoc

The PM305, PM314 and Block 46 Cai Nuoc PSCs do not form a significant part of the Group's operations and financials. You may refer to the Quarterly Report for the financial quarter ended 31 December 2022 for details on these assets.

Financial Performance

The financial performance of the Group has grown stronger with the contribution from Peninsula Hibiscus Group's assets, coupled with strong oil, condensate and gas prices.

The Group's PAT in the Current Quarter of RM70.5 million was higher by 45.3% when compared against the PAT reported for previous financial year's corresponding quarter ended 31 December 2021 of RM48.5 million.

The PAT in the Current Quarter of RM70.5 million has been adversely impacted by a non-cash net deferred tax liability charge of RM104.0 million relating to the EPL. This charge, which was recognised upon the inception of the EPL regime, included a one-off entry of RM106.7 million and is required under the regime. It was computed on the carrying values of the intangible and oil and gas assets at the point when the EPL became effective. The charge, which is non-cash in nature, will be fully reversed to the Group's statement of profit or loss during the window for which the EPL regime applies, i.e. up to 31 March 2028. The reversal in the Current Quarter from these one-off charges are RM7.6 million.

The abovementioned tax-related negative impact in the United Kingdom was partly off-set by a reversal of overprovision of taxes in the Group's Malaysian operations of RM67.5 million. During the Current Quarter, tax audits performed by the Inland Revenue Board of Malaysia on Peninsula Hibiscus' subsidiaries, namely HML and HMPM3 for certain Years of Assessments were completed. These audits covered the tax regimes under the Petroleum (Income Tax) Act 1967 ("**PITA**") and the Corporate (Income Tax) Act 1967 ("**CITA**"). The additional tax amounts assessed by the IRB were lower than the provisions previously made by RM67.5 million and has been recognised as a gain by the Group in the Current Quarter.

For information, if we omit the abovementioned tax-related adjustments and the impact of the accounting treatment for the crude oil inventory balance acquired from Repsol Exploración, S.A. on 24 January 2022 of 81 thousand bbls that were valued at higher costs, a "normalised" PAT for the Current Quarter would have been higher at RM115.4 million. A summary of the adjustments is shown below.

PAT as reported for the Current Quarter	United Kingdom Add: Net impact arising from the one-off deferred tax liability charges for the EPL	Malaysia Less: Reversal of overprovision of taxes and related penalties for PITA and CITA	Vietnam Add: Impact of the "consumption" of the Acquired Underlift Inventory in Block 46	"Normalised" PAT
RM70.5 million	RM99.1 million	(RM67.5 million)	RM13.3 million	**RM115.4 million**

As previously mentioned, the planned annual major maintenance campaigns for CY 2022 for the Group's producing oil and gas assets in Malaysia and the United Kingdom were successfully completed in the Preceding Quarter, hence allowing operations to run more smoothly in the Current Quarter. In addition, operational performance in the Current Quarter for the Anasuria Cluster improved significantly following the completion of the project in the Preceding Quarter to replace the riser which failed in May 2021. The riser returned to service in September 2022.

The enhanced financial performance has enabled the Group to consistently reward its loyal shareholders with more consistent declarations of dividend. On 16 February 2023, the Group announced the declaration of an interim single-tier dividend of 0.75 sen per ordinary share for the current financial year ending 30 June 2023.

Updates of key financial based performance metrics are shown in the charts below.

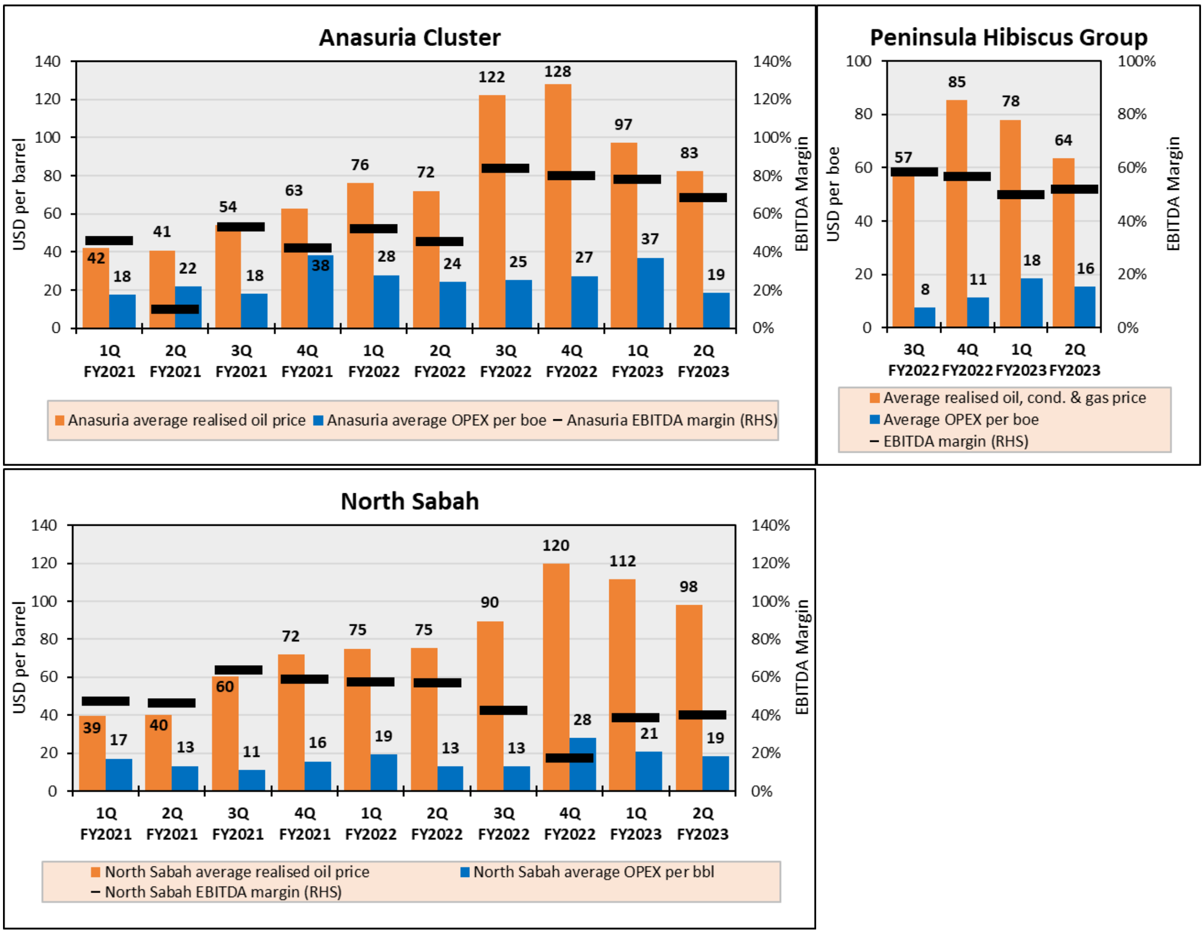

Figure 9: OPEX per boe, average realised oil, condensate and gas price and EBITDA margin by asset.

Notes to Figure 9:

1. *Anasuria Cluster's EBITDA margin in 2Q FY2021 was affected by (unusual) significant unrealised foreign exchange losses caused by the relatively significant appreciation of the GBP against the USD which affected the period-end retranslation of GBP-denominated balances and one-off provisions recognised.*
2. *Peninsula Hibiscus Group assets' EBITDA margin in 3Q FY2022 excludes negative goodwill of RM317.3 million.*
3. *Opex per boe is computed based on gross production OPEX divided by gross oil, condensate and gas production.*
4. *Peninsula Hibiscus Group assets' average realised oil, condensate and gas price is the weighted average realised price of both oil and condensate offtakes and gas sales in that quarter. The Anasuria Cluster's average realised oil price does not include gas prices as gas production in the Anasuria Cluster is not material.*

For the quarter ended	Unit	31 Dec 2022	30 Sep 2022	30 Jun 2022	31 Mar 2022	31 Dec 2021	FY2022	FY2021
Revenue	RM Mil	713.1	604.8	868.4	297.1	284.4	1,696.5	804.8
EBITDA	RM Mil	353.3	298.4	384.4	434.7	139.9	1,082.7	380.8
PAT	RM Mil	70.5	135.3	255.4	307.5	48.5	652.9	103.7
Basic earnings per share	Sen	3.50	6.72	12.69	15.32	2.42	32.51	5.91

Figure 10: Highlights from the Group's Profit or Loss Statement for the last five financial quarters, FY2022 and FY2021.

As at	Unit	31 Dec 2022	30 Sep 2022	30 Jun 2022	31 Mar 2022	31 Dec 2021
Total assets	RM Mil	5,592.1	5,690.8	5,512.4	4,506.8	3,099.6
Shareholders' funds	RM Mil	2,385.3	2,448.1	2,202.0	1,874.2	1,553.0
Cash and bank balances *	RM Mil	532.0	727.7	544.7	273.4	552.0
Total debt	RM Mil	(98.7)	(94.4)	(88.8)	Nil	(2.4) **
Net current assets/(liabilities)	RM Mil	197.5	(28.3)	(155.3)	(310.0)	336.2
Net assets per share	RM	1.19 ***	1.22 ***	1.09 ***	0.93 ***	0.77 ***

Figure 11: Highlights from the Group's Balance Sheet for the last five financial quarters.

Notes to Figure 11:

* *Excludes restricted cash and bank balances.*

** *Total debt balance as at 31 December 2022 relates to the outstanding balances of a term loan facility and revolving credit facilities. The term loan and revolving credit facilities were drawn down to aid the Group's working capital requirements. The balance as at 31 December 2021 relates to the recognition of the liability component of the Islamic Convertible Redeemable Preference Shares ("**CRPS**") upon the issuance of its two tranches in November 2020.*

*** *Total ordinary shares increased from 2,007,508,817 as at 31 December 2021 to 2,012,418,743 as at 31 December 2022 as a result of the conversion of the CRPS. The CRPS issued have been fully converted into ordinary shares on March 2022.*

The Group returned to a net current assets position as at 31 December 2022, as opposed to the net current liabilities positions reported for the three financial quarters subsequent to incorporating the impact which arose from the acquisition of the entire equity interest in Fortuna International Petroleum Corporation from Repsol Exploración, S.A. on 24 January 2022. The improved financial performance and positive cash flows from our producing assets have contributed to this positive turnaround.

Oil Market Outlook

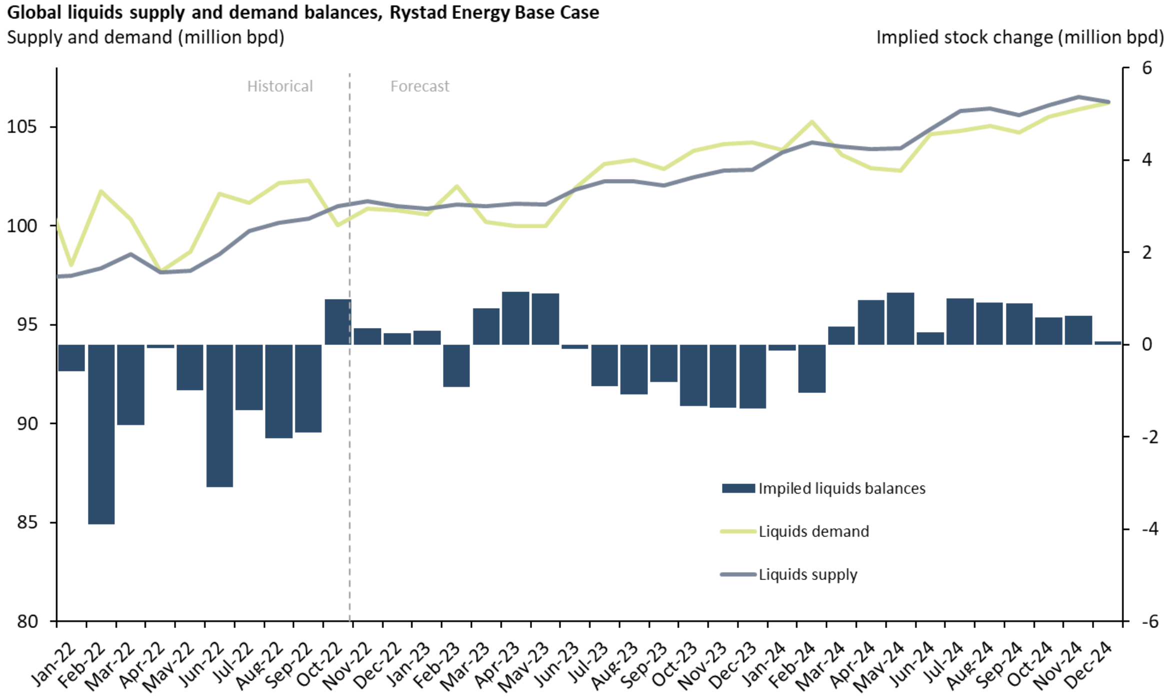

Figure 12: Rystad Energy global liquids supply and demand, as of 27 January 2023.

Figure 12 above shows Rystad Energy's outlook for liquids balances for CY2023.

Figure 13 below shows Rystad Energy's oil price outlook under their base, bull and bear cases. According to their analysis, Brent prices are expected to remain in the range of USD85-100 per bbl into CY2023 under their base case, and see prices jumping towards USD170 per bbl in their bull case.

Overall, they maintain their view for USD91 per bbl average oil in CY2023 and USD82 per bbl for CY2024 as the market corrects towards equilibrium. China opening up is broadly positive for the global economy and oil demand as it eases bottlenecks in manufacturing and supply and restores oil demand in the top-consuming country. As long as global GDP and demand growth remain uncertain, Rystad do not expect OPEC+ to undertake considerable supply cuts. In addition, Russia has changed course and appears to be using oil to stoke prices and aggravate the still ongoing energy crisis. On 10 February 2023, Russia announced that it would cut crude oil production by 0.5 MMbbl/day in March 2023 in response to the various international actions to set price caps and enforce embargoes.

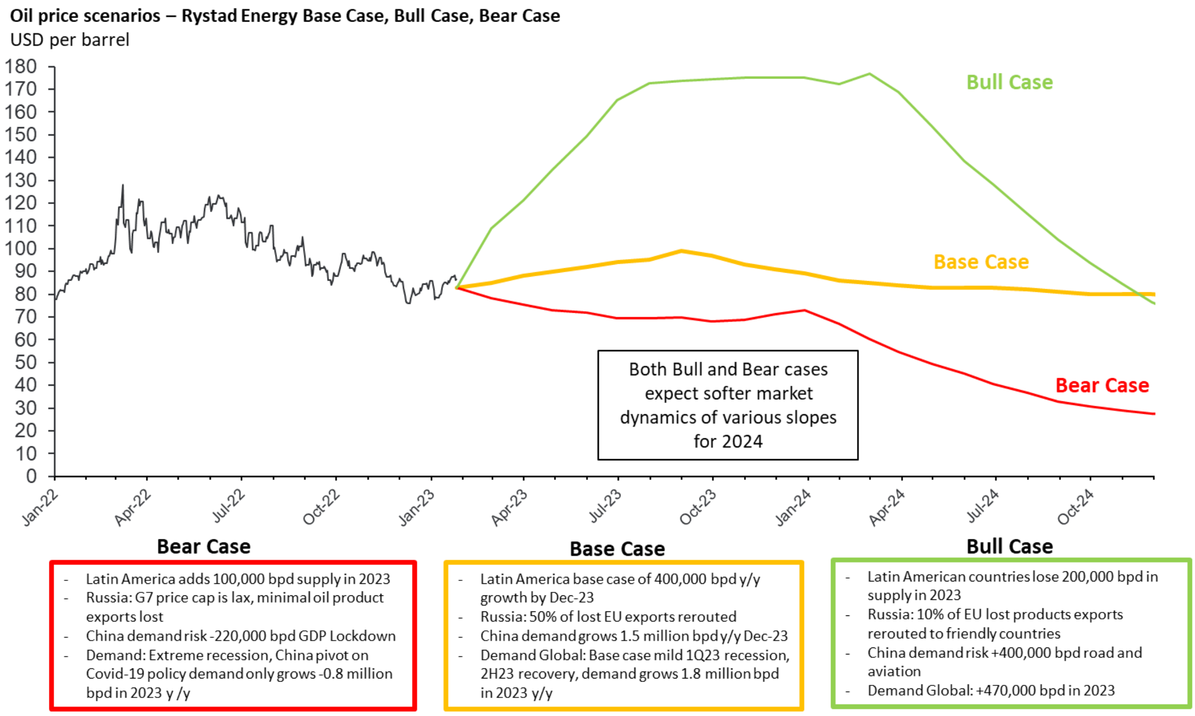

Figure 13: Rystad Energy Brent Oil Price Outlook, as of 27 January 2023.

Concluding Remarks

With major maintenance completed on our Malaysian assets and the return of full production in Anasuria following the replacement of the failed riser, a high level of operational performance is being achieved, evidenced by the high uptime figures across all the assets.

Consistently high oil prices also continue to positively impact our financial results. In the Current Quarter, we sold 1.3 MMbbl of oil and condensate, and 0.7 MMboe of gas. This resulted in an EBITDA of RM353.3 million and a PAT RM70.5 million being achieved.

“Normalised” PAT after excluding one-off non-operational adjustments was RM115.4 million for the Current Quarter and RM230.1 million for the first half of FY2023, over RM100 million “normalised” PAT recorded each quarter.

Based on the present favourable market outlook and subject to the matters reflected in our Dividend Policy, the Group is aiming to target a minimum total dividend per share of 2.5 sen over the course of FY2023. Of this targeted amount, an interim single-tier dividend of 0.75 sen has been declared on 16 February 2023.

Going forward, we expect to sell a total of approximately 1.8 MMboe in Q3 FY2023 and 2.0 MMboe in Q4 FY2023 from our producing assets. Over the course of FY2023, we estimate to sell a total of 7.3 MMboe of oil, condensate and gas. Overall, we are pleased with the progress and performance of the Group.

By Order of the Board of Directors
Hibiscus Petroleum Berhad
16 February 2023