Corporate and Business Update

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

Kuala Lumpur, 25 May 2022 – 12.30pm

Net Production Approximately 20,000 boe per day; Interim Dividend of 1.0 Sen Declared

Highlights

- Hibiscus Petroleum Berhad ("**Hibiscus Petroleum**" or the "**Group**") announced earnings before interest, taxes, depreciation and amortisation ("**EBITDA**") of RM434.7 million and a profit after taxation ("**PAT**") of RM307.5 million (inclusion of a negative goodwill component) for the financial quarter ended 31 March 2022 ("**Current Quarter**").
- The Group declared an interim single-tier dividend of 1.0 sen per ordinary share on 25 May 2022 for the financial year ending 30 June 2022 ("**FY2022**").
- A total of 471,973 barrels ("**bbl**") of crude oil and condensate and over 450,000 bbl of oil equivalent ("**boe**") of gas were sold in the Current Quarter.
- New assets increased the Group's net production to approximately 20,000 boe per day.
- The Group expects sell a total of approximately 4.6 million boe ("**MMboe**") of oil, condensate and gas for FY2022. Timing of offtakes will result in a strong financial quarter ending 30 June 2022 ("**Next Quarter**").

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

Operational Performance in the Current Quarter

Through our wholly-owned subsidiary, Peninsula Hibiscus Sdn Bhd ("**Peninsula**"), we completed the acquisition of the entire equity interest in Fortuna International Petroleum Corporation ("**FIPC**") ("**Acquisition**") from Repsol Exploración, S.A. ("**Repsol**") on 24 January 2022 ("**Completion Date**"). FIPC, through its wholly-owned subsidiaries ("**FIPC Group**") owns participating interests in five Production Sharing Contracts ("**PSC**"): 2021 Kinabalu Oil PSC, PM3 CAA PSC, PM305 PSC, PM314 PSC and Block 46 PSC (Cai Nuoc). The Group also assumed Repsol's operatorship in all five PSCs.

Following the completion of the Acquisition, the fair value of the identifiable assets and liabilities of FIPC Group was determined in accordance with the provisions of MFRS 3 *Business Combinations* and the amount, which exceeded the final purchase consideration by RM317.3 million (negative goodwill), was recognised in the Profit or Loss Statement of the Current Quarter.

Table 1 below summarises the operational performance of the Group. Table 1 includes the operational performance of the newly acquired assets which have been included for the first time in this Current Quarter.

	Unit	North Sabah	Anasuria Cluster	Newly Acquired Assets[1]	Total
Average uptime	%	87	68	92	-
Average gross oil production	bbl/day	14,445	5,566	25,355	45,366
Average net oil production	**bbl/day**	**4,695**	**1,702**	**5,742**	**12,139**
Average gross gas export rate @	boe/day	-	1,300	37,116	38,416
Average net gas export rate	**boe/day**	**-**	**281**	**7,212**	**7,493**
Average net oil equivalent production rate	**boe/day**	**4,695**	**1,983**	**12,954**	**19,632**
Total oil & condensate sold	bbl	300,252	74,304	97,417	471,973
Total gas sold	MMscf	-	152	2,553	2,705
Average realised oil & condensate price	USD/bbl	89.58	122.28	122.93	101.62
Average gas price	USD/Mscf	-	30.26	6.98	8.29
Average OPEX per boe (unit production cost)	USD/boe	12.89	25.34	11.93	13.73

Figure 1: Summary of operational performance for the Current Quarter.

Notes to Figure 1:

1 *Figures for newly acquired assets are for February 2022 and March 2022.*

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

Mscf – thousand scf

MMscf – million scf

Figures are subject to rounding.

FY2022 Offtake Schedule

Figure 2 below illustrates the latest estimate of the Group's oil and condensate offtake schedule and gas sales from our producing assets for the Next Quarter and FY2022. As of 31 March 2022, we have sold a total of 2.6 MMboe of oil, condensate and gas net to the Group. For FY2022, we estimate to deliver a total of approximately 4.6 MMboe of oil, condensate and gas, net to the Group.

		Total oil, condensate and gas sales volume (boe)					
		Actual – Year-to-date FY 2022 (July 2021 to March 2022)	Latest Estimate – Next Quarter				Latest Estimate – Full year FY2022
			April 2022	May 2022	June 2022	Total	
North Sabah	Oil	1,452,918	311,670 @	- @	285,000 @@	596,670 @@	2,049,588 @@
Kinabalu	Oil	-	-	350,000 @@	- @@	350,000 @@	350,000 @@
PM305/ PM314	Oil	7,748	3,330 @	4,200 @@	4,000 @@	11,530 @@	19,278 @@
PM3 CAA	Oil & Cond. Gas	89,669 425,500	204,301 @ 192,053 @	94,200 @@ 230,200 @@	- @@ 217,100 @@	298,501 @@ 639,353 @@	388,170 @@ 1,064,853 @@
Anasuria Cluster	Oil Gas	522,298 81,519	- @ 8,497 @	- @ 7,300 @@	161,000 @@ 3,900 @@	161,000 @@ 19,697 @@	683,298 @@ 101,216 @@
Block 46	Oil	-	- @	- @	- @@	- @@	- @@
Total		**2,579,652**	**719,851** @	**685,900** @@	**671,000** @@	**2,076,751** @@	**4,656,403** @@
	Oil & Cond. Gas	2,072,633 507,019	519,301 @ 200,550 @	448,400 @@ 237,500 @@	450,000 @@ 221,000 @@	1,417,701 @@ 659,050 @@	3,490,334 @@ 1,166,069 @@

Figure 2: The Group's offtake schedule for Q4 FY2022.

Notes to Figure 2:

- *Estimated production from the newly acquired assets (i.e. Kinabalu, PM305, PM314, PM3 CAA and Block 46) from Completion Date to 30 June 2022 is 2.0 MMboe of oil, condensate and gas, net to the Group.*

@ *Actual. (For actual offtakes conducted in April & May 2022, oil prices realised are above USD100/bbl)*

@@ *Estimate.*

Operational Updates

Awards

With COVID-19 mitigation measures in place, both the North Sabah and Anasuria assets have been performing satisfactorily. We are pleased to disclose the following awards and achievements for safety and production operations in Malaysia:

North Sabah Operations:

- Petronas Focused Recognition Award – Awarded in February 2022 for successful production enhancement gains of 20% above the target plan for CY2021, despite the impact from COVID-19.
- Petronas Focused Recognition Award – Awarded in March 2022 for increasing gas supply from PM3 CAA to support higher gas demand in February 2022.

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 Sdn Bhd ("**SEA Hibiscus**"), for the Current Quarter and for the prior three financial quarters:

	Unit	January to March 2022[2]	October to December 2021	July to September 2021	April to June 2021
Average uptime	%	87	92	81	95
Average gross oil production	bbl/day	14,445	16,305	14,368	17,281
Average net oil production	bbl/day	4,695	5,937	5,185	6,394
Total oil sold	bbl	300,252	587,374	565,292	608,006
Average realised oil price[1]	USD/bbl	89.58	75.15	75.01	72.07
Average OPEX per bbl (unit production cost)	USD/bbl	12.89	13.06	19.14	15.67

Figure 3: Operational performance for the North Sabah asset.

Notes to Figure 3:

1 *The average realised oil price represents the weighted average price of all Labuan crude sales from SEA Hibiscus.*

2 *Figures for the period January 2022 to March 2022 are provisional and may change subject to the PSC Statement audit and that this is pending PETRONAS's review.*

The average uptime of the North Sabah production facilities of 87%, achieved during the Current Quarter, is lower than that reported for the financial quarter ended 31 December 2021 ("**Preceding Quarter**") primarily due to higher unplanned production platform interruptions which occurred in January 2022, and planned shutdowns arising from the commencement of the annual major maintenance campaign in March 2022. Consequently, average gross oil production decreased by 11.4% during the Current Quarter when compared to the Preceding Quarter. Average OPEX per bbl for North Sabah reduced to USD12.89 when compared to the Preceding Quarter's OPEX ber bbl of USD13.06 due to a larger than proportionate reduction in OPEX vis-à-vis the reduction in gross oil production. The OPEX per bbl metric is expected to increase in the Next Quarter as planned activities from major maintenance campaign ramp up.

A total of 300,252 bbls of oil, net to SEA Hibiscus was sold at an average oil price of USD89.58 per bbl, representing an increase of 19.2% when compared to the Preceding Quarter's realised average oil price.

In terms of expenditure, costs related to specialised studies, production maintenance and support services during the Current Quarter resulted in a capital expenditure of RM2.0 million net to SEA Hibiscus.

North Sabah PSC: South Furious 30 Water Flood Phase 2

SEA Hibiscus is currently working towards maturing and obtaining the necessary Field Development Approvals from PETRONAS for the South Furious 30 Water Flood Phase 2, which is currently expected to comprise of 6 water injector and 4 infill wells at the South Furious 30 field. More information relating to the scope and benefits of this project will be disclosed in our next Quarterly Report.

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 Peninsula Hibiscus Sdn Bhd ("**Peninsula Hibiscus**"), for the months of February and March 2022:

	Unit	February to March 2022[1]
Average uptime	%	77
Average gross oil production	bbl/day	10,217
Average net oil production	bbl/day	2,946
Total oil sold	bbl	0[2]
Average realised oil price	USD/bbl	-
Average production OPEX per bbl	USD/bbl	14.15

Figure 4: Operational performance for the Kinabalu asset.

Notes to Figure 4:

1 *Figures for the period February 2022 to March 2022 are provisional and may change subject to the PSC Statement audit and that this is pending PETRONAS's review.*

2 *Oil offtake in January was conducted prior to the completion of the Acquisition.*

Unplanned platform interruptions affected the overall performance of the Kinabalu field but was offset by optimisation measures implemented at the Kinabalu facility. Further major maintenance activities, well intervention and project work will start in the next quarter with the arrival of an Accommodation Work Boat at the location allowing increased manning and 24-hour maintenance-related operations. Contracting and procurement work for the 3 Electrical Submersible Pump projects is currently ongoing with the objective of implementing these to further enhance production.

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 Peninsula Hibiscus, for the months of February and March 2022:

	Unit	February to March 2022[1]
Average uptime	%	96
Average gross oil & condensate production	bbl/day	14,340
Average net oil & condensate production	bbl/day	2,467
Average gross gas export rate	boe/day	37,116
Average net gas export rate	boe/day	7,212
Average net oil & condensate equivalent production rate	boe/day	9,679
Total oil sold	bbl	89,669
Total gas sold	MMscf	2,553
Average realised oil & condensate price	USD/bbl	123.69
Average realised gas price	USD/Mscf	6.98
Average production OPEX per boe	USD/boe	10.96

Figure 5: Operational performance for the PM3 CAA asset.

Notes to Figure 5:

1 *Figures for the period February 2022 to March 2022 are provisional and may change subject to the PSC Statement audit and that this is pending PETRONAS's review.*

Overall operational performance of PM3 CAA during the months of February and March 2022 has been good. Oil and condensate production has been supported by better reservoir performance and stable operations. Furthermore, with a move towards the post-COVID endemic phase, and a visible increase in economic activities in Southeast Asia, we have observed strong gas demand from both PETRONAS and PetroVietnam.

Both capital projects and maintenance related activities have been progressing well. Costs related to these work programmes resulted in a capital expenditure of RM32.4 million.

United Kingdom

Anasuria Cluster: Production Operations

Figure 6 shows the operational performance achieved by the asset for the Current Quarter, based on Anasuria Hibiscus UK Limited ("**Anasuria Hibiscus UK**")'s participating interest. Figure 6 also presents operational performance metrics for the prior three financial quarters:

	Unit	January to March 2022	October to December 2021	July to September 2021	April to June 2021
Average uptime	%	68	75	69	53
Average net oil production rate	bbl/day	1,702	2,087	1,904	1,402
Average net gas export rate @	boe/day	281	310	301	240
Average net oil equivalent production rate	boe/day	1,983	2,396	2,206	1,642
Total oil sold	bbl	74,304	256,224	191,770	254,945
Total gas exported (sold)	MMscf	152	171	166	131
Average realised oil price	USD/bbl	122.28	72.02	76.31	62.67
Average gas price	USD/mmbtu	23.18∞/27.82#	20.11∞/23.69#	4.56∞/10.44#	2.60∞/5.80#
Average OPEX per boe	USD/boe	25.34	24.31	27.94	38.22

Figure 6: Operational performance for the Anasuria asset.

Notes to Figure 6:
*@ Conversion rate of 6,000 standard cubic feet ("**scf**") per boe.*
∞ For Cook field.
 # For Guillemot A, Teal and Teal South fields.
mmbtu – million British thermal units.
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 68% and 1,983 boe per day, respectively, are lower than that recorded in the Preceding Quarter. During the Current Quarter, 74,304 bbls of oil were sold at an average realised oil price of USD122.28 per bbl. The overlift volume of 90,000 bbls which occurred during the December 2021 offtake (and was previously disclosed) has been equalised vide the cargo sold in the Current Quarter which resulted in our net oil sold of 74,304 bbls.

To recap, this overlift was a result of a one-off option originating from the joint lifting arrangement that was entered into with Ithaca Energy Limited ("**Ithaca**") in mid CY2021. In view of the relatively strong oil prices at the time, Anasuria Hibiscus UK elected to exercise this overlift option. In accordance with the relevant accounting principles, the overlift volume was in effect a sale of crude oil at the point of lifting by Anasuria Hibiscus UK and accordingly, the initial measurement of the overlift volume has been included in the segment's revenue and cost of sales at the average realised oil price for the offtake (i.e. RM27.1 million), hence no gross profit has been recognised on this overlift transaction in the Preceding Quarter. The gross profit from this overlift transaction has been duly included in the Current Quarter's gross profit, which amounted to RM27.1 million (in the form of reversal from cost of sales).

The average OPEX per boe achieved in Anasuria Cluster for the Current Quarter of USD25.34 per boe is higher than USD24.31 per boe recorded in the Preceding Quarter.

Our operational performance for the Current Quarter continues to be affected by the unavailability of a critical component of the subsea infrastructure which malfunctioned in May 2021, unplanned downtime of equipment on the Anasuria FPSO as well as a well intervention programme in the Guillemot A field.

This critical component relates to a production riser that transports produced crude oil to the Anasuria FPSO. At this time, this component has been isolated from the primary production system. The impact of this temporary isolation is a lower overall daily production rate from the Anasuria Cluster which will continue until the failed component is replaced.

Engineering, procurement and certain offshore activities are currently on-going on a fast-track basis with execution expected to be concluded in Q3 CY2022. Until the failed component is returned to service, we anticipate that there will be an impact on CY2022 offtake volumes and OPEX per boe. In addition, a planned Offshore Turnaround of the Anasuria FPSO ("**2022 Turnaround**") is expected to commence in June 2022 and complete in July 2022. Whilst this will affect the operational performance of the Anasuria Cluster, the 2022 Turnaround is vital towards improving the reliability and integrity of the Anasuria FPSO in addition to ensuring a safe offshore working environment.

In terms of capital expenditure, in the Current Quarter, Anasuria Hibiscus UK incurred approximately RM21.3 million primarily for the well intervention programme in Guillemot A field and the ongoing riser reinstatement project.

United Kingdom – Teal West

Anasuria Hibiscus and NEO Energy (ZPL) Limited ("**NEO Energy**") (formerly known as Zennor Petroleum Limited) were awarded interest in Block 21/24d held under UK Petroleum Licence P2535 during the United Kingdom ("**UK**")'s 32nd Offshore Licensing Round. Anasuria Hibiscus UK has a 70% interest and is the appointed operator for Block 21/24d, containing the Teal West discovery, with NEO Energy holding the remaining 30% interest.

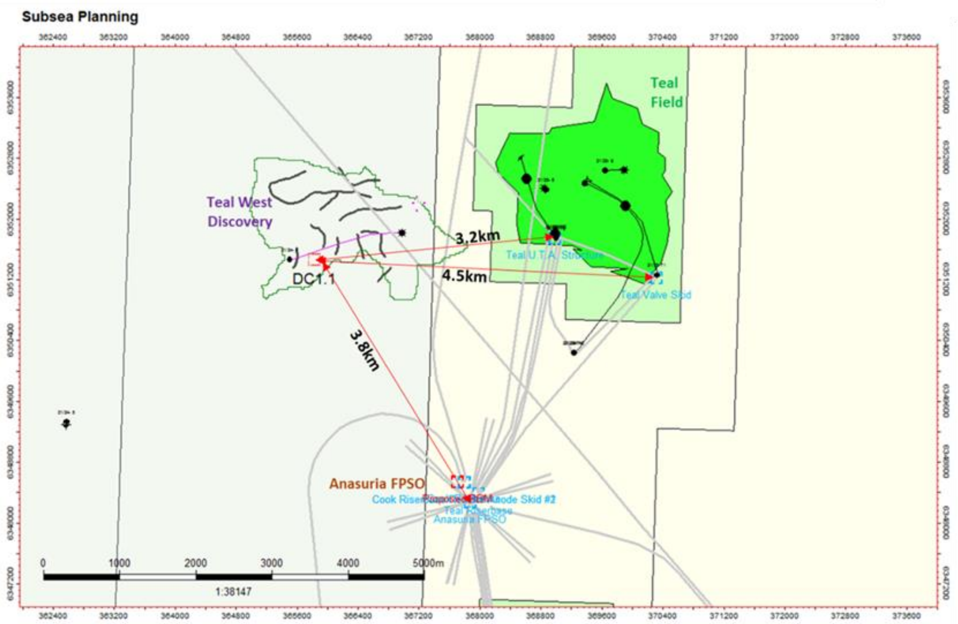

Figure 7: Teal West Tie-back to Anasuria FPSO

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 later). 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 tie-back, the Heads of Agreement for a Transportation, Processing and Operating Service Agreement was executed between the Anasuria Operating Company Limited and Anasuria Hibiscus UK on 4 August 2021. 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.

From a regulatory perspective, the Teal West Concept Select Report was submitted to the UK's North Sea Transition Authority ("**NSTA**") (formerly known as the Oil and Gas Authority) on 10 September 2021 and a Letter of No Objection was subsequently received on 15 November 2021. The Teal West field is planned to be developed on an accelerated schedule subject to early approval of the development by the NSTA, with the following future milestones:

- Field Development Plan ("**FDP**") submission to the NSTA (estimated first half CY2022);
- Drilling of oil development well (estimated second half CY2023);
- Subsea pipelines installation (estimated first half CY2024); and
- Teal West First Oil (estimated mid CY2024).

United Kingdom – Marigold Area

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

- 87.5% interest in Licence No. P198 - Block 15/13a ("**Marigold**");
- 87.5% interest in Licence No. P198 - Block 15/13b ("**Sunflower**");
- 100% interest in Licence No. P2518 - Block 15/17a ("**Kildrummy**"); and
- 100% interest in Licence No. P2366 - Block 15/18d and 15/19b ("**Crown**").

In November 2021, the NSTA requested that Anasuria Hibiscus UK work with Ithaca, holder of Licence No. P2158 (Block 15/18b) which is adjacent to the Marigold field and contains the Yeoman discovery, and jointly develop the resources found in both licences via a tieback to the Piper B platform. A validation and pre-FEED study has commenced led by an alliance between Repsol Sinopec Resources UK Limited, TechnipFMC Plc and Petrofac Limited with the objective of confirming the techno-economic feasibility of a development via Piper B. The study will also provide a detailed cost estimate for the common infrastructure to be used for the development. The study is expected to be completed in October 2022.

The NSTA has also requested that Ithaca and Anasuria Hibiscus UK enter into a unitisation and unit operating agreement for the joint development and this agreement is currently being negotiated. A joint project team comprising Anasuria Hibiscus UK and Ithaca has been established in Aberdeen to manage the project and to progress the development to first oil. The first oil date for phase 1 of the joint development is now expected to be late 2024 at the earliest. The development of the Sunflower and Kildrummy discoveries are planned as tiebacks to the Marigold infrastructure in subsequent project phases.

Australia

The Australia segment comprises the following:

- 100% direct interest in the VIC/RL17 Petroleum Retention Lease for the West Seahorse field ("**VIC/RL17**") (previously known as the VIC/L31 Production Licence);

- 75.1% direct interest in the VIC/P57 Exploration Permit ("**VIC/P57**"); and
- 50% direct interest in the VIC/P74 Exploration Permit ("**VIC/P74**").

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

As an update, a Retention Lease application for VIC/RL17 was submitted to the Australian National Offshore Petroleum Titles Administrator ("**NOPTA**") on 4 December 2018. On 5 November 2021, NOPTA granted approval of this application subject to the work program stated in the title instrument and associated conditions to be met.

Given this regulatory development on VIC/RL17 the Group has, during the Current Quarter, assessed the impact this reclassification of the licence has on the recoverable amount of VIC/RL17. This was done with the assistance of third-party experts.

In addition, upon the completion of the Acquisition, the profile of the Group's oil and gas portfolio is now dominated by producing assets primarily in Southeast Asia and the UK. Material financial and human resources are being applied to these producing assets. Consequently, coupled with the abovementioned development on VIC/RL17, the Group also assessed the recoverable amounts of the intangible assets relating to both VIC/P57 and VIC/P74.

Following the assessments, the Group recognised a provision for impairment totalling RM44.9 million on its assets in Australia (RM38.5 million for VIC/RL17, RM4.5 million for VIC/P57 and RM1.9 million for VIC/P74) in the Current Quarter.

Financial Performance

The financial performance of the Group has been boosted significantly by the Acquisition. During the Current Quarter, the newly acquired assets contributed RM390.1 million and RM334.9 million to the Group's EBITDA and PAT respectively. As at Completion Date, the fair value of the identifiable net assets acquired has been accounted for in accordance with the provisions of MFRS 3 *Business Combinations*. The fair value when compared against the final purchase consideration for the Acquisition resulted in a negative goodwill of RM317.3 million.

In addition to this, strong oil, condensate and gas price levels have contributed positively to the profitability levels in all our other producing assets.

Our growing financial performance has allowed the Group to once again reward its loyal shareholders. On 25 May 2022, the Group announced the declaration of an interim single-tier dividend of 1.0 sen per ordinary share for the current financial year ending 30 June 2022.

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

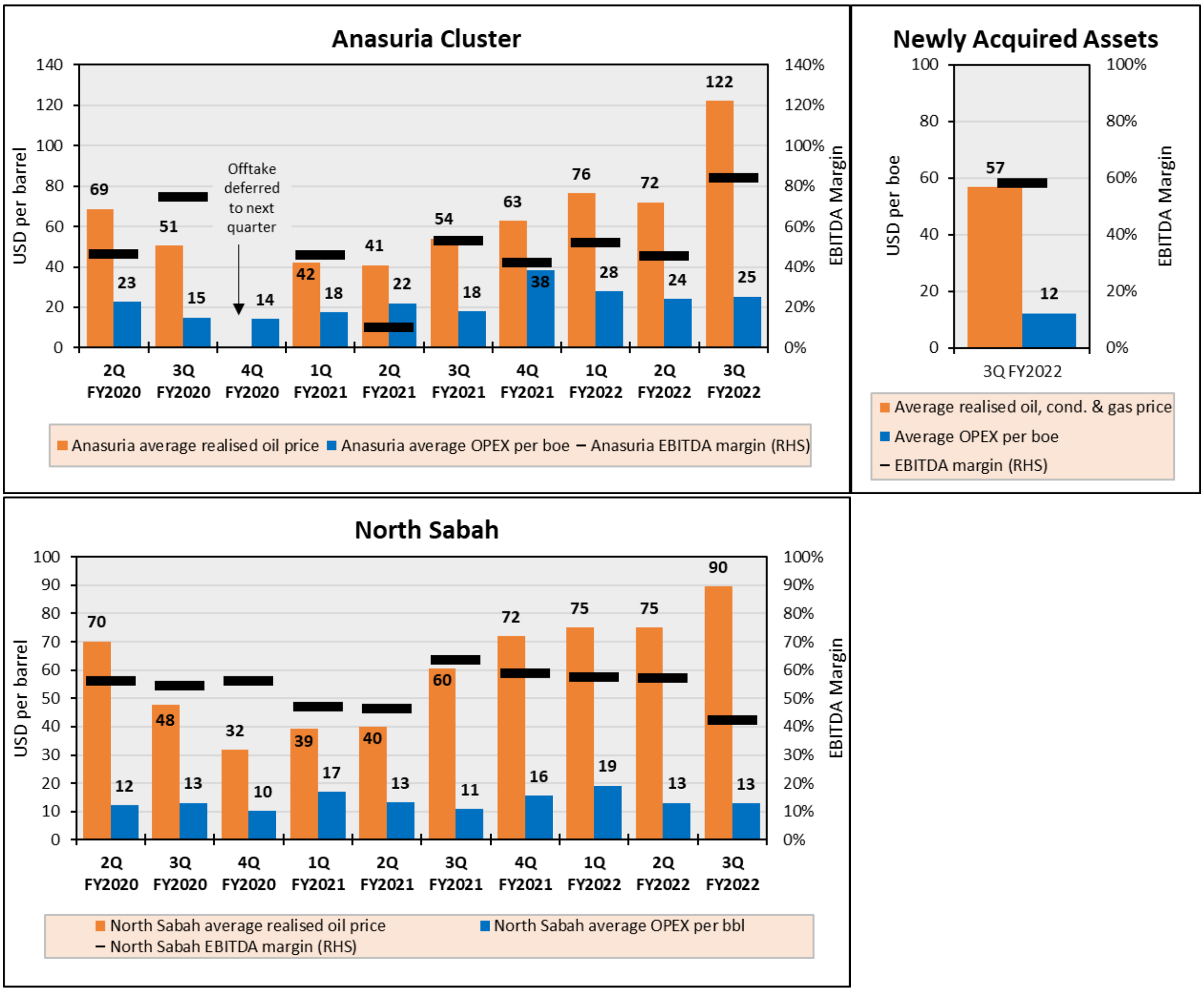

Figure 8: OPEX per bbl, average realised oil price and EBITDA margin by asset.

Notes to Figure 8:

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. *North Sabah's EBITDA margin in 4Q FY2020 excludes the reversal of unrecovered recoverable costs of RM78.2 million.*
3. *Newly Acquired Assets' EBITDA margin in 3Q FY2022 excludes negative goodwill of RM317.3 million.*

For the quarter ended	Unit	31 Mar 2022	31 Dec 2021	30 Sep 2021	30 Jun 2021	31 Mar 2021
Revenue	RM Mil	297.1	284.4	246.7	253.0	216.0
EBITDA	RM Mil	434.7	139.9	123.6	129.9	122.4
PAT	RM Mil	307.5	48.5	41.5	49.6	32.0
Basic earnings per share	sen	15.32	2.42	2.07	2.49	1.76

Figure 9: Highlights from the Group's Profit or Loss Statement for the last five financial quarters.

As at	Unit	31 Mar 2022	31 Dec 2021	30 Sep 2021	30 Jun 2021	31 Mar 2021
Total assets	RM Mil	4,506.8	3,099.6	2,880.4	2,788.0	2,722.3
Shareholders' funds	RM Mil	1,874.2	1,553.0	1,529.5	1,473.9	1,418.4
Cash and bank balances *	RM Mil	273.4	552.0	204.0	173.9	105.5
Total debt	RM Mil	Nil	(2.4) **	(2.7) **	(5.7) **	(11.0) **
Net current (liabilities)/assets	RM Mil	(310.0m)	336.2	226.9	186.2	151.5
Net assets per share	RM	0.93 ***	0.77 ***	0.76 ***	0.74 ***	0.71 ***

Figure 10: Highlights from the Group's Balance Sheet for the last five financial quarters.

Notes to Figure 10:

* *Excludes restricted cash and bank balances.*

** *Total debt balance relates to recognition of the liability component of the Islamic Convertible Redeemable Preference Shares ("**CRPS**") upon the issuance of the first two tranches in November 2020.*

*** *Total ordinary shares increased from 1,722,492,120 as at 31 December 2020 to 2,012,418,743 as at 31 March 2022 as a result of the conversion of the CRPS. As at 31 March 2022, all CRPS issued have been converted into ordinary shares.*

Net current liabilities position as at 31 March 2022 is largely due to the effect of consolidating the FIPC Group effective 24 January 2022 and timing of offtakes from the newly acquired assets from 25 January 2022 to 31 March 2022. Note that there were minimal crude oil offtakes from the newly acquired assets in the Current Quarter (but will normalise from Next Quarter onwards). For information, the Group's current liabilities as at 31 March 2022 consist mainly of (i) operational-related payables of RM587.5 million; (ii) provision for taxation of RM367.3 million; and (iii) amount owing to Trafigura Pte Ltd of RM210.3 million.

Oil Market Outlook

Brent oil prices have hit levels not seen in over eight years, in part due to the Russian invasion of Ukraine exacerbating the lack of supply matching demand as the world open up their economies.

As shown in Figure 11 below, Rystad Energy see the outlook for liquids balances has a slightly tighter profile than the crude market, as end-consumption products such as gasoline, diesel, and jet fuel were hit more immediately as a result of Covid-19 lockdowns and lower domestic demand in Russia.

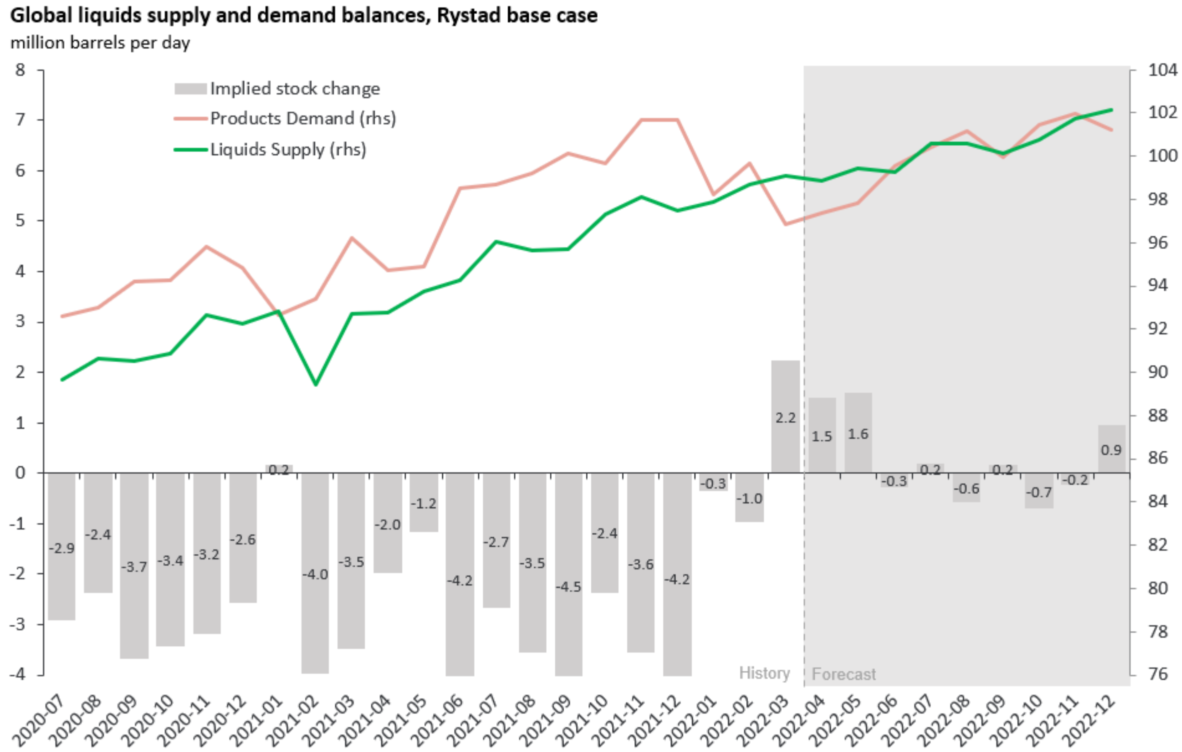

Figure 11: Rystad Energy global liquids supply and demand, as of 29 April 2022.

Figure 12 shows Rystad Energy's oil price outlook under their base, bull and bear cases. According to their analysis, seasonal demand growth is expected to materialise in the summer, and would further widen the supply gap, which could be further exacerbated by unplanned outages not yet accounted for in their supply base case.

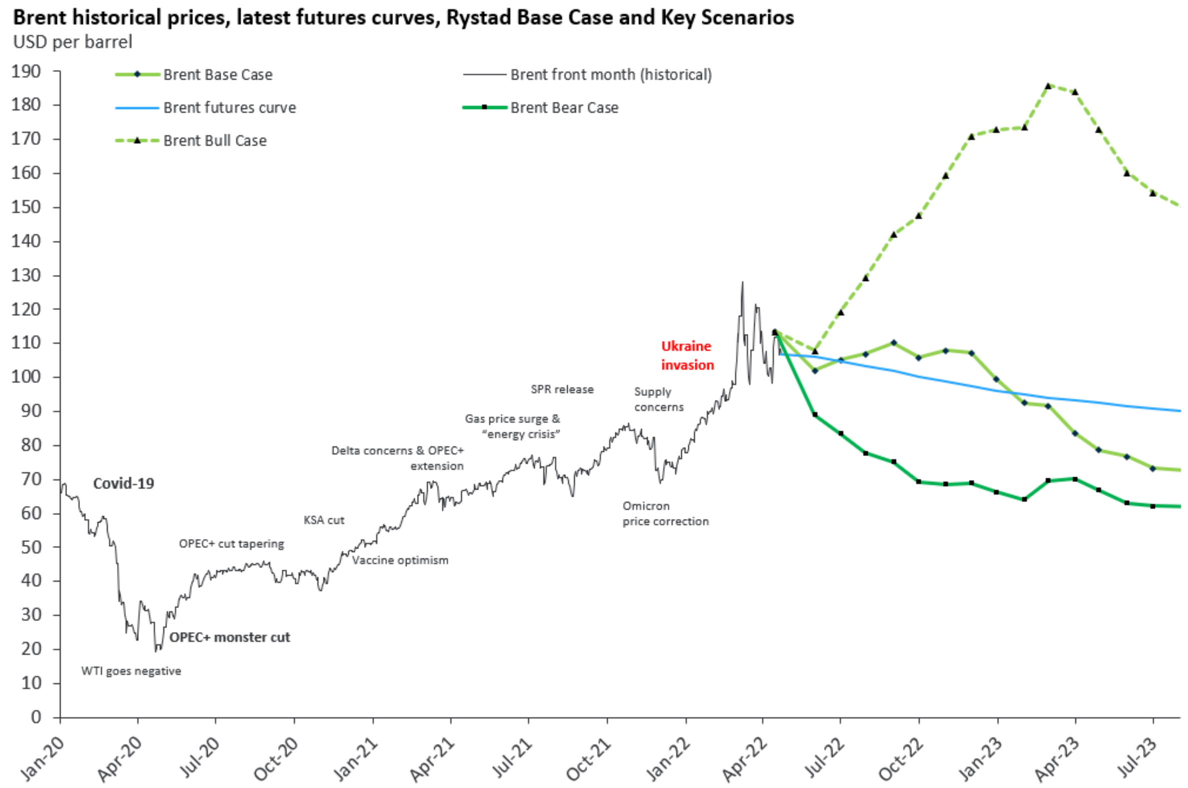

Figure 12: Rystad Energy Brent Oil Price Outlook, as of 29 April 2022.

Concluding Remarks

Financial performance in the Current Quarter has been positively impacted by smooth operational performance, led by the newly acquired assets. Strengthening oil, condensate and gas prices are also key contributors to the strong financial performance that has been delivered.

In the Current Quarter, we sold 471,973 bbl of crude oil and condensate and over 450,000 boe of gas.

We expect to deliver a total of approximately 4.6 million boe for FY2022 from our producing assets.

We also expect to offtake a larger volume of oil from the newly acquired assets in the next quarter due to there being a full quarter of production. This coupled with the current high oil prices will be favourable to our results.

These positive developments have allowed the Group to declare an interim single-tier dividend of 1.0 sen per ordinary share on 25 May 2022.

Overall, we look forward to a good Next Quarter which we hope will allow us a strong close to FY2022.

By Order of the Board of Directors
Hibiscus Petroleum Berhad
25 May 2022