



Corporate and Business Update

(Issued by Hibiscus Petroleum Berhad (“**Hibiscus Petroleum**” or the “**Group**”) in conjunction with the Quarterly Report for the Financial Quarter Ended 31 March 2023)

Kuala Lumpur, 24 May 2023 – 12.30pm

Average Net Quarterly Production Exceeds 21,000 Boe Per Day. Second Interim Single Tier Dividend Declared. Longest Well Drilled In Malaysia.

Highlights

- Achieved earnings before interest, taxes, depreciation and amortisation (“**EBITDA**”) of RM291.6 million and a profit after taxation (“**PAT**”) of RM71.5 million for the financial quarter ended 31 March 2023 (“**Current Quarter**”), on the back of RM523.3 million revenue. This represents an increase of 80% for EBITDA and 104% for PAT compared against the “normalised” EBITDA and “normalised” PAT recorded in the financial quarter ended 31 March 2022.
- Year-to-date “normalised” EBITDA and “normalised” PAT stood at RM947.9 million and RM301.6 million respectively.
- Sold 1.1 million barrels (“**MMbbl**”) of oil and condensate and 0.7 million bbl of oil equivalent (“**MMboe**”) of gas for a total sales volume of 1.8 MMboe in the Current Quarter.
- Achieved an average oil, condensate and gas production of 21,214 boe/day net to the Group in the Current Quarter, with Peninsula Hibiscus Group accounting for 65%.
- Completed the drilling of the longest well in Malaysia in March 2023, extending to a total measured depth of approximately 7km, with gross production of about 3,000 bbl/day.
- Discovered approximately 1.6 MMboe net 2P gas reserves via the Bunga Lavatera-1 exploration well in April 2023.
- Forecasting to sell a total of 7.2 MMboe of oil, condensate and gas for the financial year ending 30 June 2023 (“**FY2023**”).
- Declared interim single-tier dividend of 0.75 sen on 24 May 2023. As previously disclosed, the Group is aiming to target a minimum total dividend per share of 2.5 sen over the course of FY2023, with a total of 1.5 sen having been declared to date.

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

Figure 1 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	%	95	96	90	-
Average gross oil & condensate production	bbl/day	14,794	6,915	25,127	46,836
Average net oil & condensate production	bbl/day	4,704	2,407	5,975	13,086
Average gross gas export rate @	boe/day	-	1,298	32,379	33,677
Average net gas export rate @	boe/day	-	292	7,836	8,128
Average net oil, condensate and gas production rate	boe/day	4,704	2,699	13,811	21,214
Total oil & condensate sold	bbl	299,907	202,769	608,567	1,111,243
Total gas sold	MMscf	-	158	4,230	4,388
	boe	-	26,333	705,043	731,376
Total oil, condensate & gas sold	boe	299,907	229,102	1,313,610	1,842,619
Average realised oil & condensate price	USD/bbl	83.02	74.81	89.31	84.97
Average gas price	USD/Mscf	-	24.42	4.87	-
Average realised oil, condensate and gas price	USD/boe	83.02	83.05	57.04	64.50
Average production OPEX per boe ²	USD/boe	15.70	24.18	10.07	-

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

Notes to Figure 1:

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

		Total oil, condensate and gas sales volume (boe)									
		Actual – Q1, Q2 & Q3 FY2023	Latest Estimate – Q4 FY2023				Latest Estimate – FY2023	Latest Estimate – Q1 FY2024			
			Apr 2023 ¹	May 2023	Jun 2023	Total		Jul 2023	Aug 2023	Sep 2023	Total
North Sabah	Oil	1,127,843	-	350,000	-	350,000	1,477,843	-	-	550,000	550,000
Kinabalu	Oil	888,966	-	-	200,000	200,000	1,088,966	-	-	350,000	350,000
PM305/PM314	Oil	32,517	3,098	3,200	3,300	9,598	42,115	3,800	3,100	3,500	10,400
PM3 CAA	Oil & Cond.	744,169	187,167	-	98,000	285,167	1,029,336	103,000	100,000	99,000	302,000
	Gas	1,823,500	206,026	286,000	272,000	764,026	2,587,526	273,000	179,000	267,000	719,000
Anasuria Cluster	Oil	532,366	-	-	187,000	187,000	719,366	-	184,000	-	184,000
	Gas	78,542	7,236	7,700	8,600	23,536	102,078	7,900	8,600	7,800	24,300
Block 46	Oil	125,521	-	-	-	-	125,521	-	-	-	-
Total		5,353,424	403,527	646,900	768,900	1,819,327	7,172,751	387,700	474,700	1,277,300	2,139,700
	Oil & Cond.	3,451,382	190,265	353,200	488,300	1,031,765	4,483,147	106,800	287,100	1,002,500	1,396,400
	Gas	1,902,042	213,262	293,700	280,600	787,562	2,689,604	280,900	187,600	274,800	743,300

Figure 2: The Group's offtake schedule for FY2023 & Q1 FY2024.

Note to Figure 2:

¹ Actual.

Figure 2 above 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 30 June 2023 (“Q4 FY2023”). It also includes data for the financial quarter ending 30 September 2023 (“Q1 FY2024”). In summary, we estimate to sell a total of 1.8 MMboe and 2.1 MMboe of oil, condensate and gas in Q4 FY2023 and Q1 FY2024 respectively, net to the Group.

Operational Updates

Recognitions

We are pleased to highlight the following recognitions and achievements for safety and production operations in Malaysia:

Peninsula Hibiscus Group

PETRONAS Focused Recognition commendations:

- Received in March 2023 for timely reinstatement of Flash Gas Compressor (FGC) at PM3 and successfully increasing PM3 CAA gas availability by 40 MMscf per day to fulfil high gas demand from Kerteh (Malaysia) and CaMau (Vietnam).
- Received in March 2023 for excellent 2022 HSSE performance for PM3 CAA, Kinabalu and PM305.
- Received in April 2023 for completion of the drilling of the longest well in Malaysia, and for successfully flowing the well at rates exceeding initial expectations.

North Sabah Operations

PETRONAS Focused Recognition commendations received in March 2023 for:

- SEA Hibiscus’ excellent HSSE performance in 2022, with no major incidents and accidents.
- Labuan Crude Oil Terminal demonstrating good collaboration with lifting parties to optimise market value of cargoes and secure reputation of Malaysia as a reliable crude exporter.

BOC-29ST1: Longest Well Drilled in Malaysia

In March 2023, Hibiscus Oil & Gas Malaysia Limited (“HML”) (formerly known as Repsol Oil & Gas Malaysia Limited) completed the longest well drilled in Malaysia at the Bunga Orkid field in the northern area of PM3 CAA. The well, Bunga Orkid C-29ST1 (BOC-29ST1), was drilled to a total measured depth of 6,963 metres and produced at an initial rate of close to 4,000 bbls of oil per day. For prudent reservoir management, the production rate from the well is currently being maintained at about 3,000 bbls of oil per day. The well was drilled utilising the PVD-III drilling rig and is the fifth well, and second oil producer drilled as part of the six-well Bunga Orkid H4 reservoir infill drilling program. Three water injectors have already been drilled with a fourth water injector planned in CY2024 to complete the program.

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 the prior three financial quarters:

	Unit	January to March 2023 ³	October to December 2022	July to September 2022	April to June 2022
Average uptime	%	95	92	93	85
Average gross oil production	bbl/day	14,794	14,779	14,968	13,901
Average net oil production	bbl/day	4,704	4,858	4,641	4,275
Total oil sold	bbl	299,907	538,301	289,635	611,800
Average realised oil price ¹	USD/bbl	83.02	98.09	111.54	119.80
Average production OPEX per bbl ²	USD/bbl	15.70	18.50	20.57	27.94

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 oil sales from SEA Hibiscus.

² This is computed based on gross production OPEX divided by gross oil production.

³ Figures for the period January 2023 to March 2023 are provisional and may change subject to the PSC Statement audit and PETRONAS's review.

- Consistent operational performance compared to the financial quarter ended 31 December 2022 (“**Preceding Quarter**”).
- One offtake in the Current Quarter; expected to sell approximately 350,000 bbls of oil in Q4 FY2023.
- Average OPEX per bbl is expected to increase in Q4 FY2023 as planned maintenance activities will commence.
- Capex: RM21.7 million net to SEA Hibiscus during the Current Quarter mainly due to the commencement and execution of the SF30 Water Flood Phase 2 development.
- SF30 Water Flood Phase 2: drilling of 6 water injectors and 5 oil infill wells at the South Furious 30 field over 2 years – Calendar Year (“**CY**”) 2024 and CY2025.

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 HML, for the Current Quarter and the prior three financial quarters:

	Unit	January to March 2023 ¹	October to December 2022	July to September 2022	April to June 2022
Average uptime	%	85	86	62	90
Average gross oil production	bbl/day	7,035	8,286	5,872	11,343
Average net oil production	bbl/day	2,343	2,728	2,084	3,475
Total oil sold	bbl	312,320	288,106	288,540	350,236
Average realised oil price	USD/bbl	91.49	106.83	118.04	121.15
Average production OPEX per bbl ²	USD/bbl	14.14	17.74	21.39	10.62

Figure 4: Operational performance for the Kinabalu asset.

Notes to Figure 4:

¹ Figures for the period January 2023 to March 2023 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 production.

- Lower production due to unavailability of the HP gas compressor resulting in insufficient gas lift supply to the oil wells. Gas compressor is expected to be fixed by early June 2023.
- One offtake in the Current Quarter; expected to sell approximately 200,000 bbls of oil in Q4 FY2023.
- Capex: costs related to the Electrical Submersible Pump Pilot Facilities project, High-Pressure and Low-Pressure Compressor Upgrade, KN-119 well workover and other minor production maintenance activities during the Current Quarter resulted in a capital expenditure of RM14.2 million net to HML.

Commercial Arrangement Area

PM3 CAA PSC: Production Operations

The table below provides a summary of key operational metrics 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 and the prior three financial quarters:

	Unit	January to March 2023 ¹	October to December 2022	July to September 2022	April to June 2022
Average uptime	%	92	91	78	94
Average gross oil & condensate production	bbl/day	17,419	15,095	10,802	14,019
Average net oil & condensate production	bbl/day	3,344	2,610	2,344	2,590
Average gross gas export rate	boe/day	32,379	31,067	25,488	33,491
Average net gas export rate	boe/day	7,836	7,114	5,541	6,360
Average net oil, condensate & gas production rate	boe/day	11,180	9,725	7,885	8,950
Total oil & condensate sold	bbl	283,631	187,671	272,867	293,346
Total gas sold	MMscf	4,230	3,767	2,944	3,429
Average realised oil & condensate price	USD/bbl	87.03	90.34	112.46	113.99
Average realised gas price	USD/Mscf	4.87	4.71	5.78	8.00
Average production OPEX per boe ²	USD/boe	9.50	14.68	18.03	11.33

Figure 5: Operational performance for the PM3 CAA asset.

Notes to Figure 5:

¹ Figures for the period January 2023 to March 2023 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 15% in the Current Quarter compared to the Preceding Quarter as a result of several factors:
 - Achieved first oil from BOC-29ST1 in March 2023 (second oil producer of H4 project);
 - Better performance from PM3 Northern Field Gas Injection Compressor supplying gas lift to the oil producers; and
 - Continued uplift in production from H4 reservoirs through optimised water injection.

- Lower realised oil prices but higher realised gas prices due to higher High Sulphur Fuel Oil prices (to which the gas price is benchmarked).
- Expected to sell approximately 285,000 bbls of oil and 764,000 boe of gas in Q4 FY2023.
- Capex: RM48.1 million net to HML and HMPM3 for costs related to the H4 Development, BRB Infill and BOC Infill drilling activities and various operations upgrade projects during the Current Quarter.

PM3 CAA PSC: Bunga Lavatera-1 Gas Exploration Well

In March 2023, the PVD III rig was deployed to the Bunga Pakma A platform for the drilling of the Bunga Lavatera-1 exploration well. The well was spudded on 23 March 2023 and reached its target total depth of 6,000m (Measured Depth) / 2,347m (True Vertical Depth Below Sea Level) on 17 April 2023. The well discovered gas in both the primary and secondary target sands, with the primary target gas bearing sand coming in better than expected. The well has been completed as a gas producer and the first gas is scheduled in Q3 CY2023 after the required topside facilities are hooked-up. The preliminary estimate of incremental net 2P gas reserves is approximately 1.6 MMboe and total capex for the well is estimated at about USD7 million, net to HML. Whilst the 2P Reserves that have been unlocked via this initiative are relatively modest, our success in identifying and converting this prospect to a commercially viable opportunity gives us confidence that we have a good understanding of the PM3 CAA geology.

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	January to March 2023	October to December 2022	July to September 2022	April to June 2022
Average uptime	%	96	92	53	61
Average net oil production rate	bbl/day	2,407	2,699	1,211	1,644
Average net gas export rate @	boe/day	292	311	258	239
Average net oil equivalent production rate	boe/day	2,699	3,009	1,468	1,884
Total oil sold	bbl	202,769	185,869	143,728	162,957
Total gas exported (sold)	MMscf	158	171	142	131
Average realised oil price	USD/bbl	74.81	82.56	97.12	127.91
Average gas price	USD/Mscf	24.61 [∞] /23.79 [#]	32.23 [∞] /35.78 [#]	36.87 [∞] /41.45 [#]	27.08 [∞] /29.72 [#]
Average production OPEX per boe ¹	USD/boe	24.18	18.67	37.02	27.41

Figure 6: Operational performance for the Anasuria asset.

Notes to Figure 6:

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.

- Production in the Preceding Quarter was higher due to flush production from wells that were previously shut-in due to the riser failure.
- Higher OPEX per boe was due to a combination of a higher expenditure incurred for various maintenance related projects coupled with the strengthening of the GBP.
- Capex: RM0.8 million.
- Expecting to sell approximately 187,000 bbls of oil and 23,000 boe of gas in Q4 FY2023.

United Kingdom – Teal West

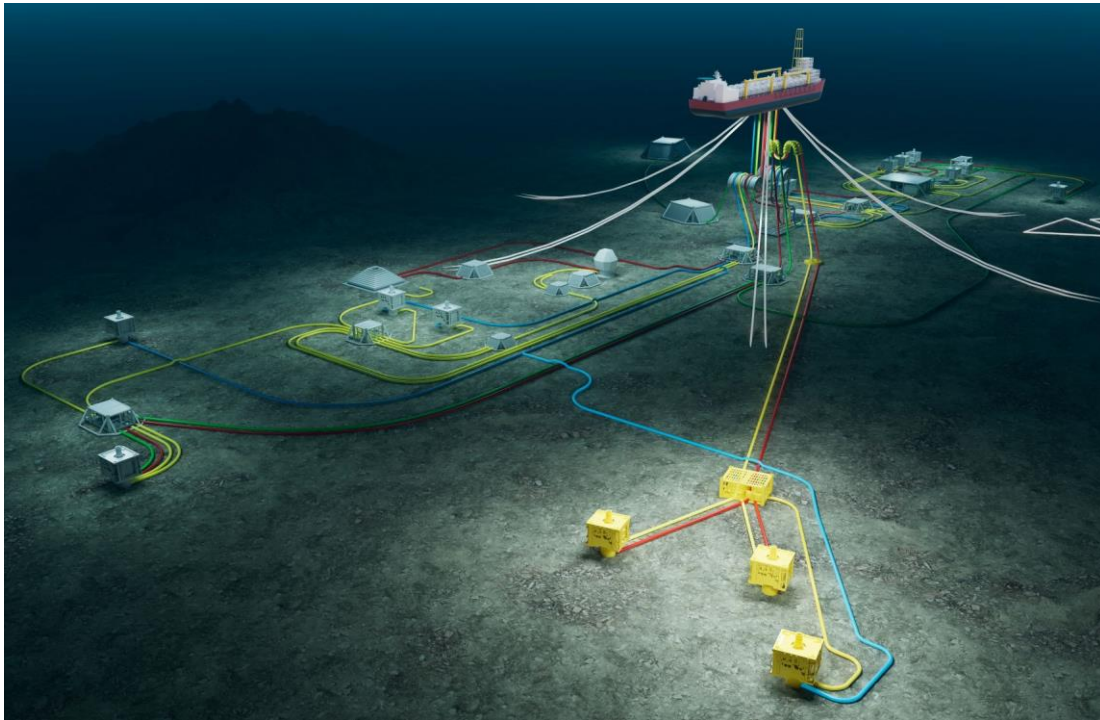


Figure 7: Teal West Tie-back to Anasuria FPSO

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 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 Transportation, Processing and Operating Services between the Anasuria Operating Company Limited and Anasuria Hibiscus UK was signed off by all parties in March 2023.

The Environmental Statement (“ES”) is presently undergoing final clarifications with the UK Government Authority, with FDP approval to follow on receipt of the approved ES. It is expected that consent for the development will be granted by the middle of CY2023. The drilling of the initial development well is planned to commence in May 2024 and a non-commitment rig Letter of Intent has been signed off. Long lead items have been identified and orders, with minimum commitment, are starting to be placed. The subsea tie-back facilities will be installed in the third quarter of CY2024 and first oil from the development is expected in the fourth quarter of CY2024.

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.

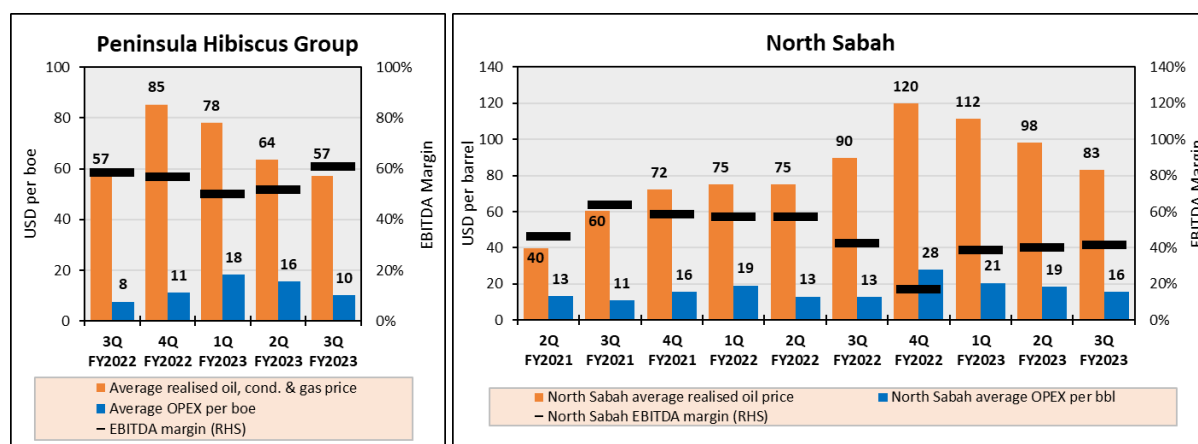
The enhanced financial performance has enabled the Group to reward its loyal shareholders with more consistent declarations of dividend. On 24 May 2023, the Group announced the declaration of a second interim single-tier dividend for the current financial year ending 30 June 2023 of 0.75 sen per ordinary share.

The Group’s PAT in the Current Quarter of RM71.5 million more than doubled when compared against the "normalised" PAT reported for the corresponding three-month period ended 31 March 2022 (“**Corresponding Quarter**”) of RM35.1 million. The “normalised” PAT in the Corresponding Quarter was arrived at after removing one-off non-operational adjustments which consisted of a negative goodwill of RM317.3 million and impairment of intangible assets of RM44.9 million.

For information, the year-to-date “normalised” PAT of RM301.6 million was achieved after omitting the following adjustments recognised in the Preceding Quarter, which were non-operational in nature:

- UK – One-off net deferred tax liability charge arising from the Energy Profits Levy of RM105.8 million;
- Malaysia – Reversal of a gain recognised due to the overprovision of taxes and related penalties for Petroleum (Income Tax) Act 1967 and the Corporate (Income Tax) Act 1967 of RM107.8 million; and
- Vietnam – Impact of the accounting treatment for the crude oil inventory balance acquired from Repsol Exploración, S.A. on 24 January 2022 of 81,418 bbls in Block 46 that were valued at higher costs amounting to RM26.3 million.

Key financial based performance metrics are shown in the charts below.



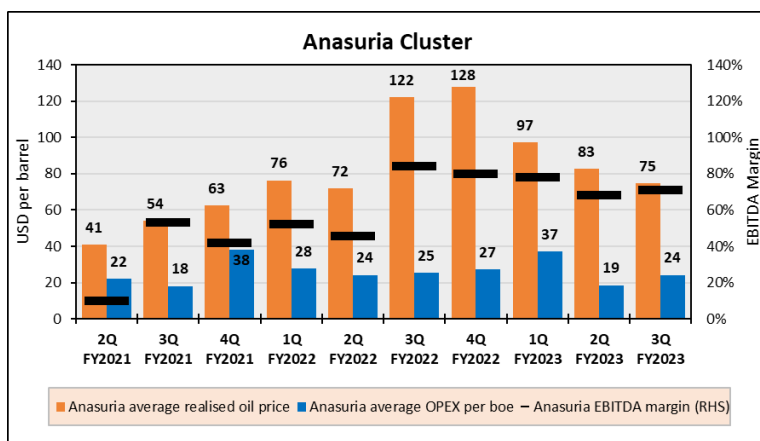


Figure 8: OPEX per boe, average realised oil, condensate and gas price and EBITDA margin by asset.

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. 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 Mar 2023	31 Dec 2022	30 Sep 2022	30 Jun 2022	31 Mar 2022	FY2022	FY2021
Revenue	RM Mil	523.3	713.1	604.8	868.4	297.1	1,696.5	804.8
EBITDA	RM Mil	291.6	353.3	298.4	384.4	434.7	1,082.7	380.8
PAT	RM Mil	71.5	70.5	135.3	255.4	307.5	652.9	103.7
Basic earnings per share	Sen	3.55	3.50	6.72	12.69	15.32	32.51	5.91

Figure 9: Highlights from the Group's Profit or Loss Statement for the last five financial quarters, FY2022 and FY2021.

Note to Figure 9:

The Current Quarter's Group PAT included a provision for decommissioning costs for the VIC/RL17 Petroleum Retention Lease in Australia of RM6.5 million. The Group continues its efforts to engage interested third parties for VIC/RL17. If successful, this provision could be reversed.

As at	Unit	31 Mar 2023	31 Dec 2022	30 Sep 2022	30 Jun 2022	31 Mar 2022
Total assets	RM Mil	5,489.2	5,592.1	5,690.8	5,512.4	4,506.8
Shareholders' funds	RM Mil	2,443.4	2,385.3	2,448.1	2,202.0	1,874.2
Cash and bank balances *	RM Mil	668.3	532.0	727.7	544.7	273.4
Total debt	RM Mil	(194.1)	(98.7)	(94.4)	(88.8)	Nil
Net current assets/(liabilities)	RM Mil	296.4	197.5	(28.3)	(155.3)	(310.0)
Net assets per share	RM	1.21	1.19	1.22	1.09	0.93

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.

Concluding Remarks

Our operational and technical capabilities have been showcased by the drilling and completion of the longest well in Malaysia. In doing so, we have achieved a major technical milestone and positive performance outcome for our Company and the wider Malaysian oil & gas industry.

In the Current Quarter, we sold 1.1 MMbbl of oil and condensate, and 0.7 MMboe of gas. This resulted in an EBITDA of RM291.6 million and a PAT RM71.5 million being achieved.

An interim single-tier dividend of 0.75 sen has been declared on 24 May 2023. As previously disclosed, based on the present favourable market outlook and subject to conditions in our Dividend Policy, the Group targets to declare a minimum total dividend per share of 2.5 sen for FY2023, with 1.5 sen having been declared to date.

Going forward, we expect to sell a total of approximately 1.8 MMboe in Q4 FY2023 and 2.1 MMboe in Q1 FY2024 from our producing assets. Over the course of FY2023, we estimate to sell a total of 7.2 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
24 May 2023