

Quarterly Results

**Highlights of the First Quarter Results for
the period ended 30 September 2019**



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- Production Enhancement Projects
- Awards Won in Calendar Year 2019

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Part 1

1Q FY2020 Group Financials Snapshot

1Q FY2020 Group Financials (vs Previous Quarter)

1Q FY2020

RM'000	N. Sabah	Anasuria	Others ¹	Group
Cargoes sold	1	1	-	2
Revenue	88,943	69,275	1,081	159,299
Gross Profit	58,278	35,501	1,081	94,860
EBITDA/(LBITDA)	46,546	35,080	(4,576)	77,050
PBT/(LBT)	26,303	17,904	(5,563)	38,644
Tax	(17,959)	(4,457)	-	(22,416)
PAT/(LAT)	8,344	13,447	(5,563)	16,228

4Q FY2019

RM'000	N. Sabah	Anasuria	Others ¹	Group
Cargoes sold	2	1	-	3
Revenue	147,994	87,937	1,138	237,069
Gross Profit	93,234	54,455	1,138	148,827
EBITDA/(LBITDA)	76,805	57,525	(7,272)	127,058
PBT/(LBT)	60,706	39,386	(7,730)	92,362
Tax	(28,677)	(38,962)	-	(67,639)
PAT/(LAT)	32,029	424	(7,730)	24,723

Revenue	1Q FY2020	4Q FY2019
North Sabah	334,613 bbls x USD63.63/bbl	470,753 bbls x USD72.59/bbl
Anasuria	272,345 bbls x USD58.41/bbl	302,139 bbls x USD66.84/bbl

Gross Profit Margin	1Q FY2020	4Q FY2019
North Sabah	65.5%	63.0%
Anasuria	51.2%	61.9%

EBITDA Margin	1Q FY2020	4Q FY2019
North Sabah	52.3%	51.9%
Anasuria	50.6%	65.4%

Effective Tax Rate (over PBT)	1Q FY2020	4Q FY2019
North Sabah	68.3%	47.2%
Anasuria	24.9%	98.9%

¹ Others include Group, Investment Holding and Australian activities | USD/MYR average rate: 1Q FY2020: 4.177, 4Q FY2019: 4.129

Historical Brent Crude Oil Price



Part 2

**Malaysia –
2011 North Sabah Enhanced Oil
Recovery Production Sharing Contract**

- **Operating Performance Metrics**
- **Key Factors Affecting Quarterly Results**
- **Consistent EBITDA Margins Despite Varying Oil Prices**
- **Production Enhancement Projects**
- **Awards Won in Calendar Year 2019**

Operating Performance Metrics

	Unit	Jul – Sep 2019 ²	Apr – Jun 2019	Jan – Mar 2019	Oct – Dec 2018
Average uptime	%	85	94	95	85
Average gross oil production	bbl/day	14,234	14,873	14,651	13,400
Average net oil production	bbl/day	5,138	5,057	4,801	4,958
Cargoes sold	-	1	2	2	1
Total oil sold	bbls	334,613	490,753	578,487	293,624
Average realized oil price ¹	USD/bbl	63.63	72.59	67.87	71.30
Average OPEX per bbl (unit production cost)	USD/bbl	16.72	13.60	11.77	22.74

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

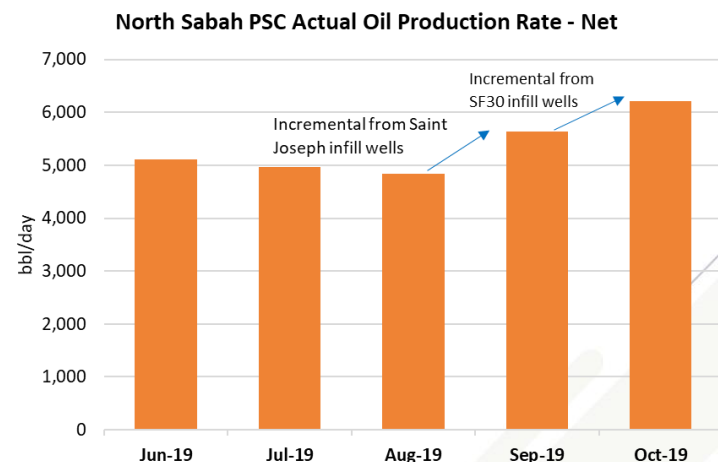
² Figures for the period July 2019 to September 2019 are provisional and may change subject to the PSC Statement audit and Petroliam Nasional Berhad (“PETRONAS”)’s approval.

Factors affecting operational performance in 1Q FY2020:

- Planned shutdowns for maintenance at the offshore platforms and infill drilling activities.
- Higher OPEX/bbl due to lower production and higher production OPEX from planned maintenance activities.

Impact from production enhancement projects:

- St Joseph infill and SF30 infill projects are expected to increase oil production from the next quarter onwards.



Key Factors Affecting North Sabah's 1Q FY2020 Financial Results

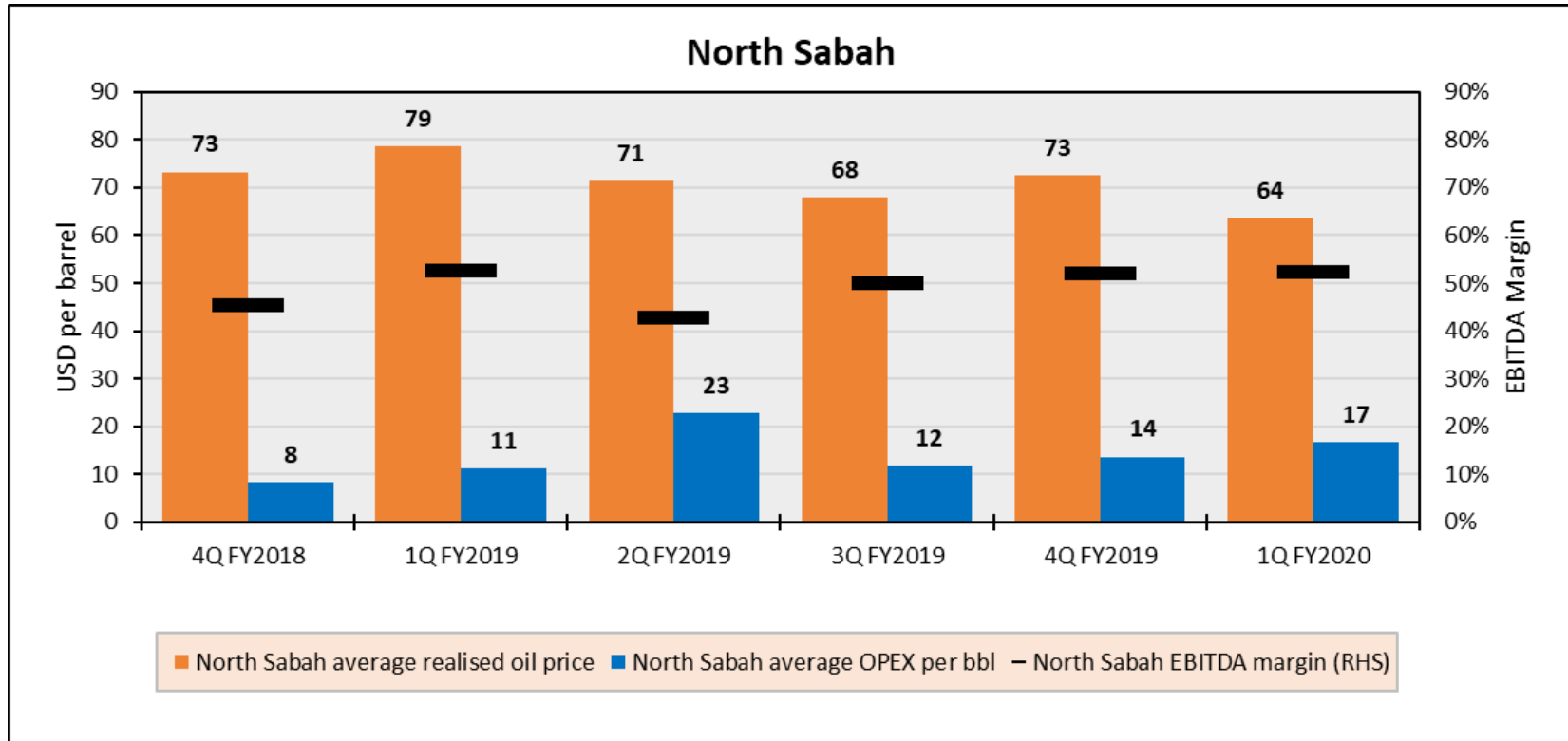
Financials	RM'000
Revenue	88,943
Gross Profit	58,278
<i>Gross Profit Margin</i>	<i>65.5%</i>
EBITDA	46,546
<i>EBITDA Margin</i>	<i>52.3%</i>
PBT	26,303
<i>PBT Margin</i>	<i>29.6%</i>
PAT	8,344
<i>PAT Margin</i>	<i>9.4%</i>

Taxation Breakdown	RM'000
Total Taxation	(17,959)
Deferred Taxation (non-cash)	(38,884)
- Recognition	(35,677)
- Reversal	(3,207)
Income Taxation (credit)	20,925

Key factors:

- 1 offtake – 334,613 bbls @ USD63.63/bbl average realised price.
- Higher average OPEX/bbl of USD16.72 largely caused by higher production OPEX from planned maintenance activities.
- Relatively lower Brent prices in the quarter resulted in lower PSC supplementary charge of approximately RM12.0m (included in administrative expenses).
- Taxation
 - (The tax regime under which Malaysian oil and gas activities are governed is the Petroleum (Income Tax) Act 1967 (“PITA”). The provisions of PITA are applied to net taxable petroleum income at the rate of 38%.)*
 - Relatively high effective tax rate over PBT of 68.3% in the quarter. It was mainly caused by recognition of tax liabilities to partially adjust certain tax-related estimates originally advised by the previous operator of the North Sabah asset upon completion of the acquisition of the asset on 31 March 2018. Adjustments to such estimates were confirmed by the sellers to SEA Hibiscus in this quarter, upon them finalising their annual statutory tax submissions.
 - Income tax credit was due to recognition of accelerated capital allowances on intangible capital expenditure items incurred for the infill drilling campaigns. Tax treatment is to claim full allowances/deduction when incurred.

Consistent EDITBA Margins Despite Varying Oil Prices



- North Sabah's EBITDA margins have maintained within a consistent range since acquisition despite fluctuations in oil prices.

Production Enhancement Projects

Production enhancement projects will help arrest natural decline and increase gross oil production

Project	Project Description	Total Gross CAPEX	Status
St Joseph Infill Drilling	<ul style="list-style-type: none"> • Drill 3 infill oil producing wells. 	<ul style="list-style-type: none"> • RM142.6 million 	Completed
SF30 Infill Drilling	<ul style="list-style-type: none"> • Drill 3 infill oil producing wells. 	<ul style="list-style-type: none"> • RM126.8 million 	Ongoing – to be completed by end 2019
SF30 Water Flood Phase 1	<ul style="list-style-type: none"> • Drilling and completion of 1 infill water injection well intended for reservoir re-pressurisation. 	<ul style="list-style-type: none"> • RM50.7 million 	Ongoing – water injection scheduled to commence in January 2020

SF30 Infill Drilling Project Status Update

- Drilling commenced in August 2019 after the PVD-1 jack-up rig completed the St Joseph Infill Drilling Project.
- Successfully completed and brought online two out of the three planned infill wells.
- First well, SF30-2, has been tested at approximately 1,100 bbl/day.
- Second well, SF30-4, produced its first oil on 26 October 2019; to be monitored closely for sand and water production prior to increasing the production choke to maximum production capacity.
- Drilling and completion of the third well is currently in progress.

Notes:

- Figures are based on 100% interest in the North Sabah PSC
- CAPEX is to be shared equally with our joint venture partner, PETRONAS Carigali

Awards Won in Calendar Year 2019



Gold Class 1 Award

Awarded by the Malaysian Society for Occupational Safety and Health for calendar year 2018 operations under the category of Petroleum, Gas, Petrochemical & Allied Sectors



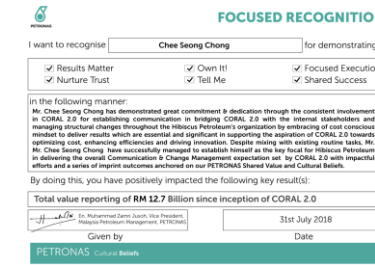
2018 Production Delivery Award

Recognition by PETRONAS at opening of Reservoir Management & Surveillance Summit for "Outstanding achievements and continuous contribution towards the oil and gas development and production in Malaysia Field"



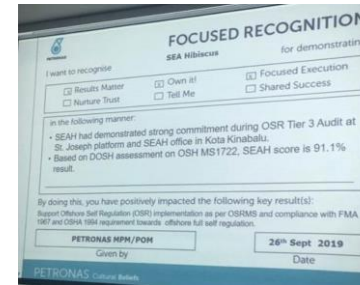
2019 PETRONAS Focused Recognition Award

Demonstrating prudent Deferral Management of the North Sabah PSC which ensured the highest standards of Asset Integrity.



2019 PETRONAS Focused Recognition Award

Recognized of SEA Hibiscus COO, Chong Chee Seong for his contributions towards cost optimisation, operational efficiency enhancements and innovations.



2019 PETRONAS Focused Recognition Award

Recognition by PETRONAS after having conducted a joint Tier 3 audit with the Department of Occupational Safety and Health for the Offshore Self-Regulation Management System (OSRMS) for the asset, in compliance with the OSH MS1722 standard. This audit was successfully completed, with a resulting score of 91.1%..

Part 3

United Kingdom - The Anasuria Cluster

- **Operating Performance Metrics**
- **Key Factors Affecting Quarterly Results**
- **Strong EBITDA Margins Despite Varying Oil Prices**
- **Production Enhancement Projects**
- **Awards Won in Calendar Year 2019**

Operating Performance Metrics

	Units	Jul – Sep 2019	Apr – Jun 2019	Jan – Mar 2019	Oct – Dec 2018
Average uptime	%	77	87	71	94
→ Average daily oil production rate	bbl/day	2,386	2,662	2,504	3,962
Average daily gas export rate ¹	boe/day	204	390	274	454
→ Average daily oil equivalent production rate	boe/day	2,589	3,053	2,778	4,416
Cargoes sold	-	1	1	1	1
Total oil sold	bbl	272,345	302,139	249,116	274,015
Total gas exported (sold)	mmscf	112	390	148	251
Average realised oil price	USD/bbl	58.41	66.84	60.39	58.08
Average gas price	USD/mmbtu	1.04 ² / 2.52 ³	1.42 ² / 3.39 ³	2.63 ² / 5.98 ³	3.22 ² / 7.25 ³
→ Average OPEX per boe	USD/boe	26.04	20.93	23.27	15.05

Factor affecting operational performance in 1Q FY2020 (Jul – Sep 2019):

- Commencement of the planned 2019 Offshore Turnaround at the end of June 2019 and completed in mid-July 2019.
- Higher OPEX/bbl due to lower production and higher production OPEX from planned maintenance activities

Period	Jan – Mar 2018	Apr – Jun 2018	Jul – Sep 2018	Oct – Dec 2018
Average Uptime	82%	94%	88%	94%

Recorded quarterly average uptime subsequent to the 2017 Offshore Turnaround

All figures are net to Hibiscus.

Prices are quoted in United States Dollars.

¹ Conversion rate of 6,000scf/boe.

² For Cook Field.

³ For Guillemot A Field, Teal Field and Teal South Field.

bbl

boe

mmscf

mmbtu

barrels

barrels of oil equivalent

million standard cubic feet

million British thermal units

Key Factors Affecting Anasuria's 1Q FY2020 Financial Results

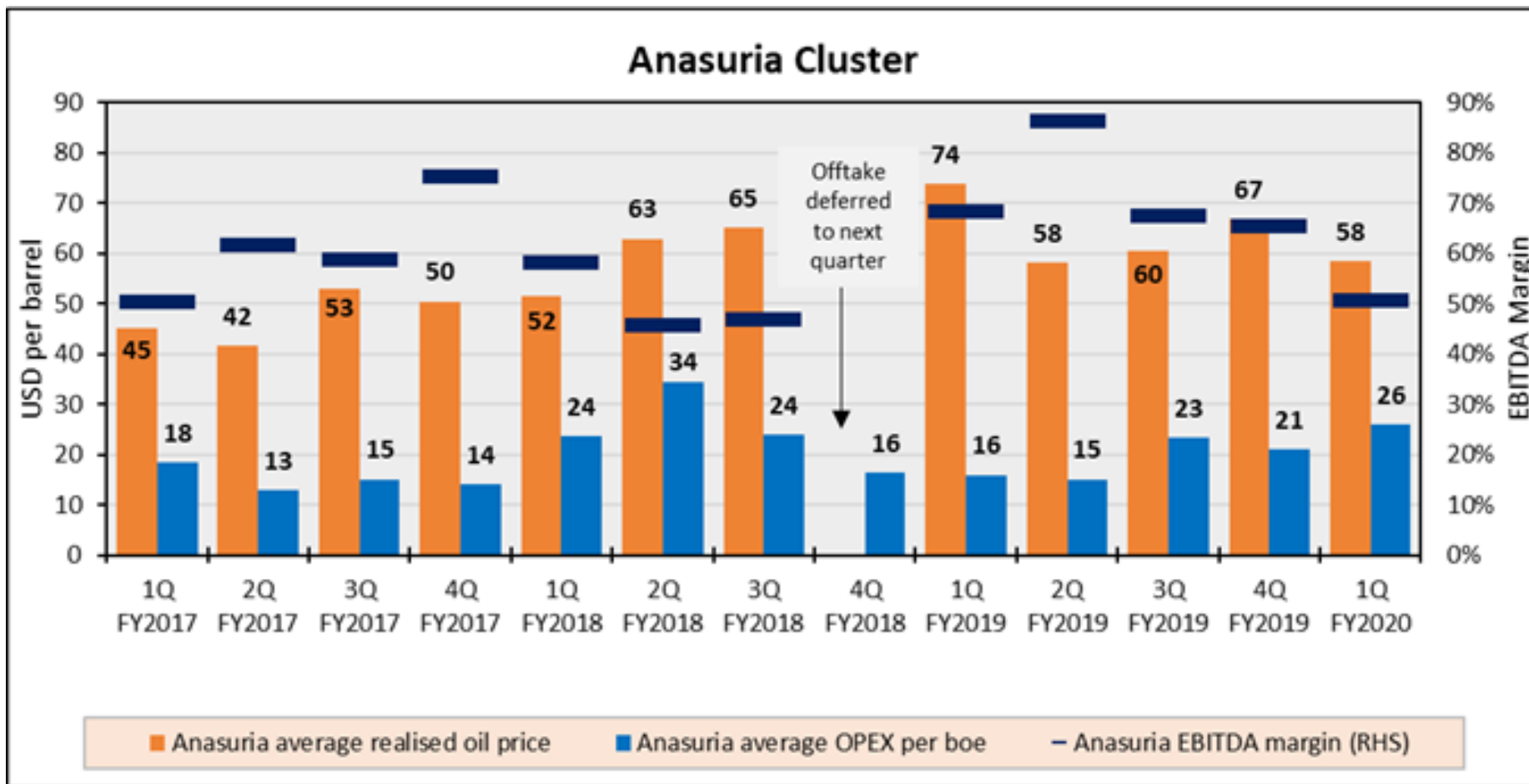
Financials	RM'000
Revenue	69,275
Gross Profit	35,501
<i>Gross Profit Margin</i>	<i>51.2%</i>
EBITDA	35,080
<i>EBITDA Margin</i>	<i>50.6%</i>
PBT	17,904
<i>PBT Margin</i>	<i>25.8%</i>
PAT	13,447
<i>PAT Margin</i>	<i>19.4%</i>

Taxation Breakdown	RM'000
Total Taxation	(4,457)
Deferred Taxation (non-cash)	(1,615)
- Recognition	(24,489)
- Reversal	22,874
Income Taxation	(2,842)

Key factors:

- 1 offtake – 272,345 bbls @ USD58.41/bbl average realised price.
- Higher average OPEX/boe of USD26.04 largely caused by the planned 2019 Offshore Turnaround which commenced at the end of June 2019 and completed in July 2019. This caused the average uptime to reduce to 77%. In addition, average daily oil equivalent production rate was relatively low, at 2,589 bbl/day.
- Taxation
 - (The tax regime which applies to exploration for, and production of, oil and gas in the UK currently comprises of ring fence corporation tax and a supplementary charge at 30% and 10% respectively.)*
 - The effective tax rate over PBT in the quarter was 24.9%. It was mainly caused by:
 - (i) reversal of overprovision of income tax for FY2019 of RM1m;
 - (ii) reversal of deferred tax liabilities (credit) previously recognized upon acquisition of the asset (in 2016), and
 - (iii) recognition of accelerated capital allowances on capital expenditure.
 - Tax normalization treatment effective this quarter.

Strong EDITBA Margins Despite Varying Oil Prices



Status of Production Enhancement Projects

Project	Project Description	Status	Completion (Calendar Year)
GUA-P2 Side Track	Re-entered this producing well to drain additional volumes by side-tracking the existing well.	Completed	2018
Cook Water Injector	To increase reservoir pressure and extract additional reserves from the Cook field.	Completed	October 2019
GUA-P1 Side Track	Opportunity to re-enter this producing well and drain additional volumes by side-tracking the existing well.	Completed	August 2019
Infill Wells*	Opportunity to drill 1-2 infill wells in Guillemot and/or Teal fields, either as sidetracks or new-drill wells.	Work in Progress	2021
Subsea Debottlenecking*	Installation of a new pipeline from the Guillemot field to increase liquid production capacity.	Work in Progress	2021

* Subject to approval by all co-venturers of the licence.

- Production enhancement projects will help arrest natural decline and increase Anasuria oil production to 5,000 bopd by calendar year 2021 (Net to Hibiscus).
- Each of these identified opportunities will require a significant investment.
- Working closely with our JV partners to ensure the phasing and scheduling of these projects will dovetail with the expected timing of our access to both internal and external funding sources.

Cook Water Injector Project Status Update

- Project execution commenced on 25 March 2019.
- On 2 May 2019, the well was drilled to a total depth of 13,045-ft MD (-12,248-ft TVDSS) and completed on 25 May 2019.
- Oil water contact is deeper than originally anticipated.
- The implication of a deeper oil water contact is positive and is anticipated to increase our net 2P Reserves in Cook field.
- Installation of a subsea pipeline to link the well to the Anasuria FPSO was concluded in October 2019 and injection of water into the Cook field has commenced.
- This project is anticipated to unlock 2.8 MMbbls of net 2P oil reserves.
- The total estimated CAPEX net to AHUK is RM61.0 million.
 - RM49.6 million has been incurred from May 2018 (project sanctioned) to 30 September 2019; remaining RM11.4 million to be incurred for the rest of 2019.

GUA-P1 Side Track Project Status Update

- Project commenced execution on 17 May 2019.
- On 28 July 2019, the well reached a total depth of 11,615-ft MD and encountered approximately 445-ft TVDSS of oil-bearing sands.
- Stabilised net production flow rate of approximately 900 bbl/day after perforation of hydrocarbon-bearing zones and flowing of hydrocarbons to the surface.
- Targeted to unlock 1.7 MMbbls of net 2P oil reserves, with a total estimated CAPEX net to AHUK of RM97.7 million (RM93.3m incurred up to end of 1QFY2020).

Awards Won in Calendar Year 2019

Safety Awards and Achievements

Gold Award

Awarded by the Royal Society for the Prevention of Accidents (“ROSPA”) for calendar year 2018 health and safety performance of the Anasuria FPSO facility - 20th consecutive annual award

Order of Distinction

Awarded by ROSPA for 20 consecutive Gold Awards

Five years without a Lost Time Incident on the Anasuria FPSO achieved on 6th October 2019



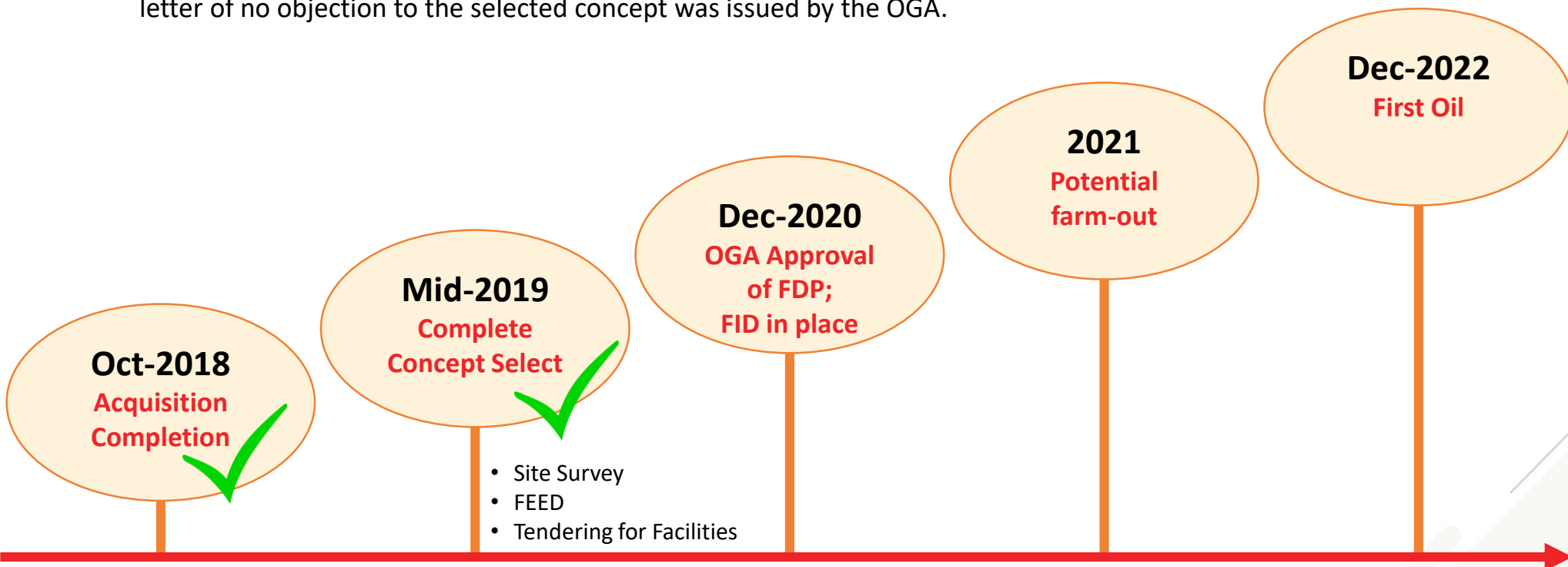
Part

United Kingdom - Marigold & Sunflower

- **Marigold – Update on Opportunities**

Target Development Milestones

- Development Concept to drill and complete subsea wells and tieback to an FPSO via pipelines has been selected as this concept provides the highest project value with the lowest execution and commercial risk.
 - The project is expected to proceed in two phases to mitigate subsurface uncertainties and minimise capital outlay required to achieve first oil production.
 - In phase 1 of the development, three Marigold wells is anticipated to be drilled, completed and tied back to the FPSO via a production manifold.
 - Additional wells in Marigold along with wells in Sunflower and the recently acquired Crown discovered field (pending acquisition completion) could be developed in a second project phase.
- A concept select report for the development of Marigold and Sunflower fields was submitted to the OGA. A letter of no objection to the selected concept was issued by the OGA.



Notes:
Target milestones are based on Company's internal targets.

OGA: Oil & Gas Authority
FDP: Field Development Plan

FID: Final Investment Decision
FEED: Front-End Engineering Design

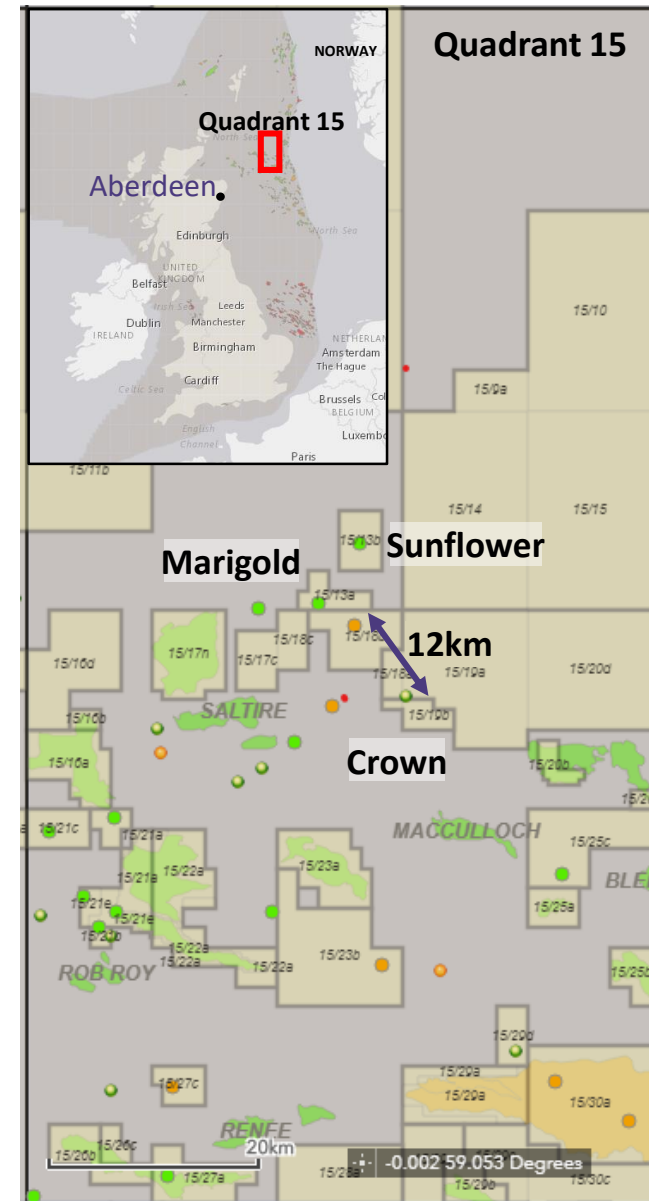
Marigold – Further Opportunities

United Oil & Gas/Swift Exploration Transaction

- On 7th October 2019, AHUK entered into a conditional sale and purchase agreement to acquire 100% interest in Licence P2366, Blocks 15/18d and 15/19b, which include the Crown discovery, from United Oil & Gas Plc and Swift Exploration Limited for a total cash consideration of up to USD5 million, to be paid based on a combination of a series of milestones and an overriding royalty.

Transaction Rationale

- Opportunity to aggregate 2C resources (from the Crown discovery) at a competitive unit cost per barrel and integrate these reserves as part of the Marigold area-wide development with the objective of reducing overall unit development and production costs.



Source: Oil and Gas Authority

Highlights from the Group's Balance Sheet

A strengthening Balance Sheet

	As at 30 Sep 2019 (RM)	As at 30 Jun 2019 (RM)	As at 31 Mar 2019 (RM)	As at 31 Dec 2018 (RM)	As at 30 Sep 2018 (RM)
Total assets	2,553.2m	2,393.1m	2,222.6m	2,189.4m	2,216.7m
Shareholders' funds	1,261.6m	1,237.5m	1,201.4m	1,158.0m	1,114.9m
Cash and bank balances	253.1m	273.5m	221.2m	203.8m	302.2m
Cash	179.4m	206.7m	160.1m	176.3m	288.1m
Restricted cash*	73.6m	66.8m	61.1m	27.5m	14.1m
Total debt	Nil	Nil	Nil	Nil	Nil
Net current (liabilities)/assets	(30.3m)	80.8m	151.8m	94.0m	226.0m
Net assets per share	0.79	0.78	0.76	0.73	0.70

* For more information, please refer to page 6 of the Unaudited Quarterly Financial Report for the quarter ended 30 September 2019.

- Shareholders' funds as at 30 September 2019 increased by RM24.1m when compared to 30 June 2019. Included in Shareholders' funds as at 30 September 2019 are Retained earnings of RM423.6m.
- The Group's total cash and bank balances and total assets remain at healthy levels.
- Over the course of the next six months, we anticipate that we shall undertake certain fundraising activities to ensure that projects and opportunities that we have in hand, which are expected to enhance production and create value, may be executed smoothly. The Group currently has no debt and we are in a position to gear up to a conservative level as the need arises. We shall make the relevant disclosures as our plans mature.

Part 5

Closing Remarks

Closing Remarks

- Hibiscus Petroleum is positioning for further acquisitions of producing assets with a focus on adding to our existing portfolio in Southeast Asia
- Our FY2020 target is to deliver between 3.3 million and 3.5 million barrels of oil safely and efficiently (up to 12 cargo offtakes)
- We are maintaining our 2021 target of 20,000 barrels of oil per day comprising:
 - 7,000 barrels per day from the North Sabah asset
 - 5,000 barrels per day from the Anasuria asset
 - 8,000 barrels per day (minimum) from new producing assets
- Our target is for the final Field Development Plan for the Marigold development to be secured by the end of 2020
- We continue to build our technical capability and track record as a capable operator, having recently received awards and recognitions for operational, safety and business performances in Malaysia and the United Kingdom
- We aim to deliver consistent and strong EBITDA margins through the management of our unit production costs
- We currently have no debt and are in a position to gear up to a conservative level as the need arises

Thank you

For more information please contact:

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