

# Quarterly Results

**Highlights of the Third Quarter Results for the quarter ended 31 March 2021**

**Briefing for Analysts and Fund Managers**

**24 May 2021**

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**Part 1**

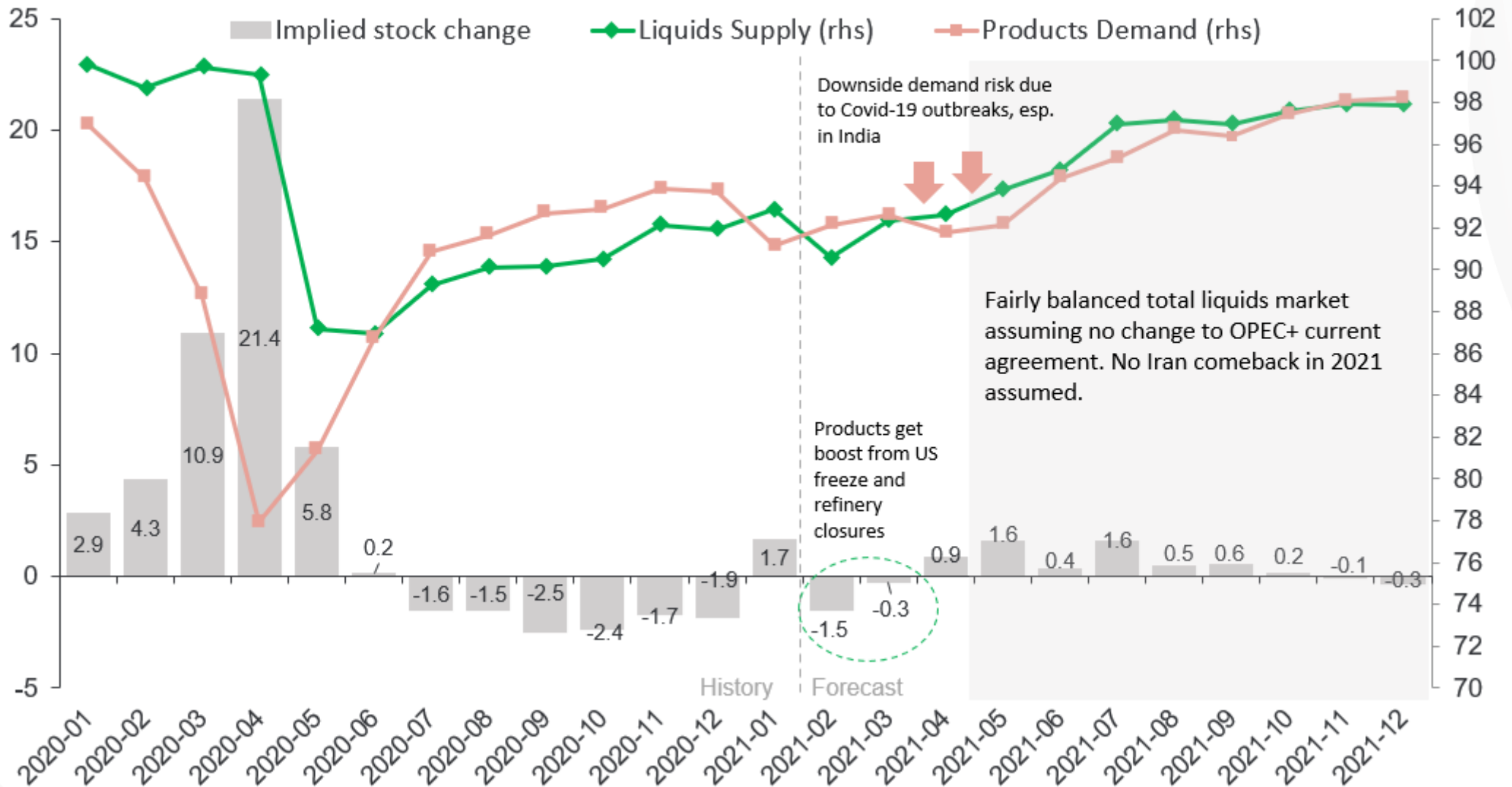
# **Oil Market and Company Outlook**

- **Oil Market Balances**
- **Brent Oil Price Forecast**
- **Energy Transition Strategy**

# Oil Market Balances

## Global liquids supply and demand balances

(Million barrels per day)

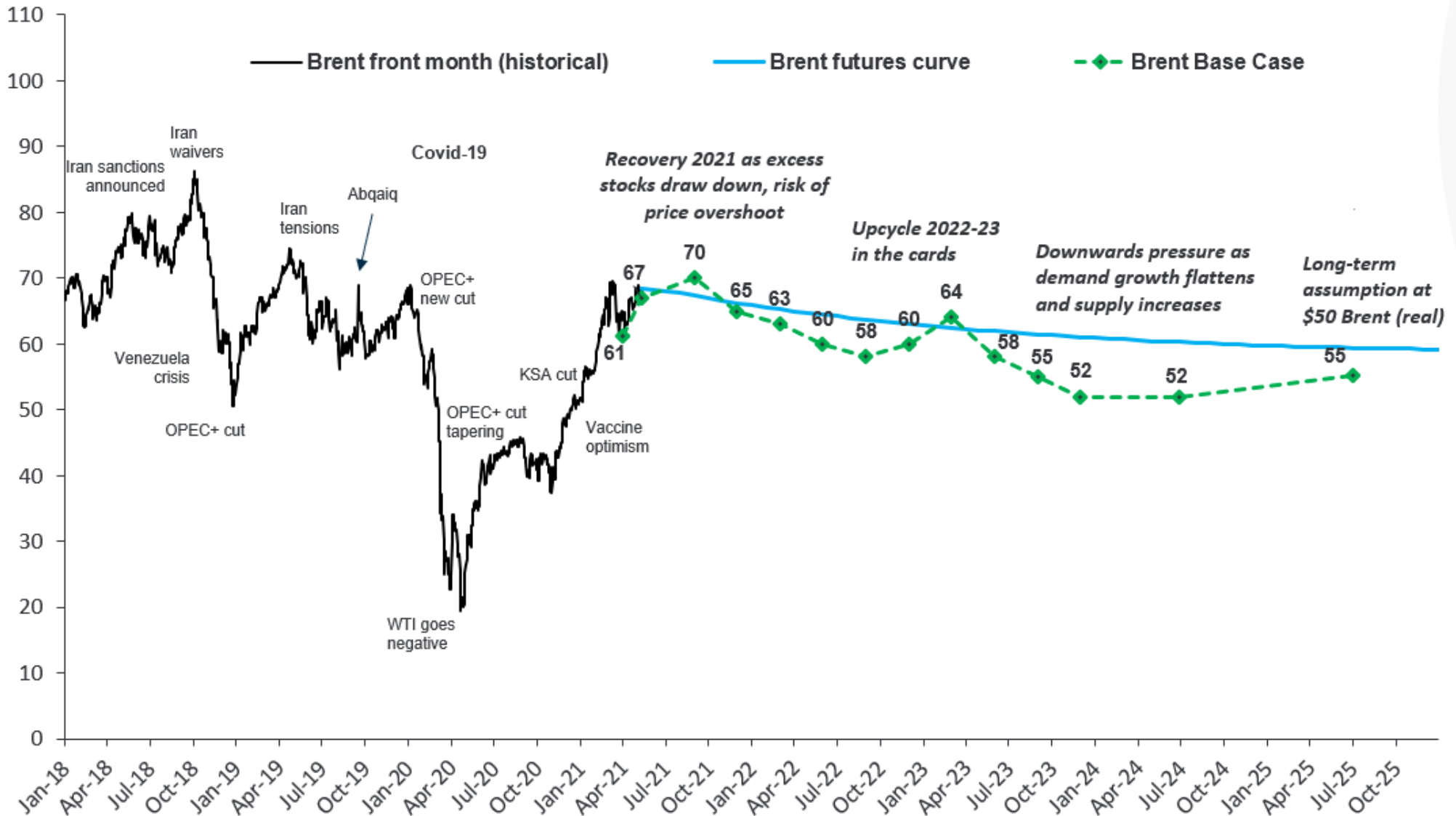


Source: Rystad Energy, as of 11 May 2021

# Brent Oil Price Forecast

## Brent Oil historical prices, latest futures curves and Rystad base case estimates

USD per barrel



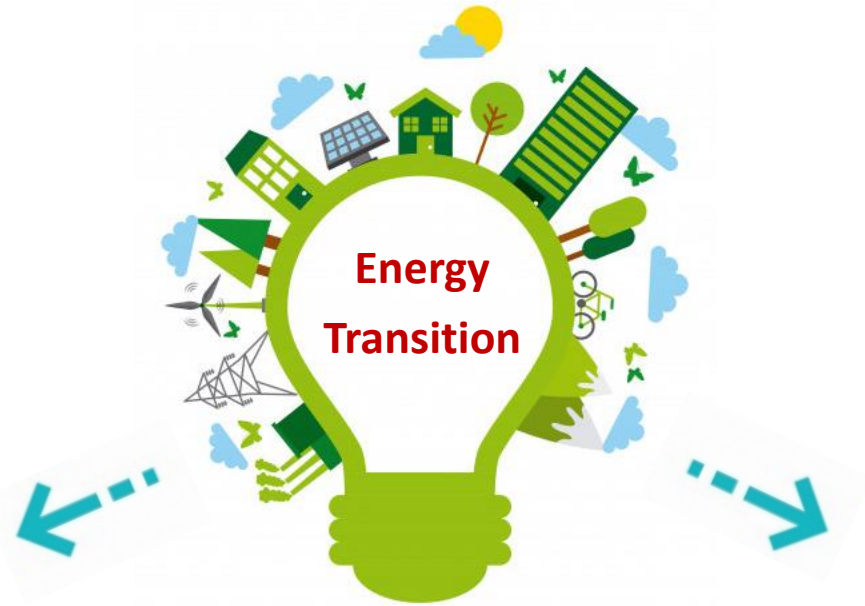
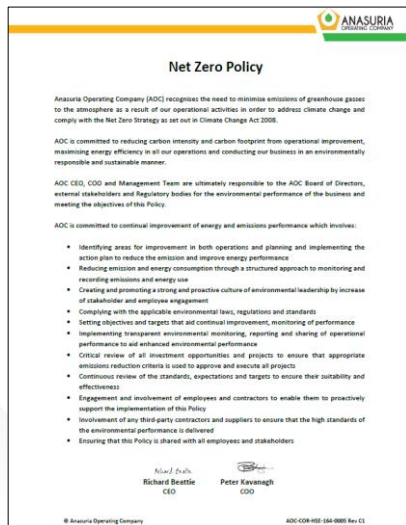
Source: Rystad Energy, as of 11 May 2021

# Energy Transition Strategy



## Decarbonisation

Developing a structured approach to gradually meet our aspirations of a net zero objective.



## Investment Diversification

Move progressively towards potential green investments that aligns with the climate goals while diversifying and enhancing its value.



**Part 2**

# **3Q FY2021 Group Financials Snapshot**

- **3Q FY2021 Group Financials (vs Previous Quarter)**
- **Highlights from the Group's Balance Sheet**



# 3Q FY2021 Group Financials (vs. Previous Quarter)

## 3Q FY2021

RM'000	North Sabah	Anasuria	Others <sup>1</sup>	Group
Cargoes sold	2	1	-	3
Revenue	148,384	65,799	1,801	215,984
Gross Profit	105,900	42,173	1,801	149,874
EBITDA/(LBITDA)	94,354	34,991	(6,928)	122,417
PBT/(LBT)	59,167	14,859	(9,063)	64,963
Tax	(22,423)	(10,668)	157	(32,934)
PAT/(LAT)	36,744	4,191	(8,906)	32,029

## 2Q FY2021

RM'000	North Sabah	Anasuria	Others <sup>1</sup>	Group
Cargoes sold	3	1	-	4
Revenue	142,653	46,245	1,387	190,285
Gross Profit	76,233	25,738	1,387	103,358
EBITDA/(LBITDA)	66,384	4,575	(7,781)	63,178
PBT/(LBT)	33,241	(15,713)	(9,614)	7,914
Tax	(6,862)	10,833	132	4,103
PAT/(LAT)	26,379	(4,880)	(9,482)	12,017

Revenue	3Q FY2021	2Q FY2021
North Sabah	599,948 bbls x USD60.46/bbl	870,874 bbls x USD39.91/bbl
Anasuria	274,996 bbls x USD54.04/bbl	252,289 bbls x USD40.85/bbl

Gross Profit Margin	3Q FY2021	2Q FY2021
North Sabah	71.4%	53.4%
Anasuria	64.1%	55.7%

EBITDA Margin	3Q FY2021	2Q FY2021
North Sabah	63.6%	46.5%
Anasuria	53.2%	9.9%

Effective Tax Rate (over PBT/(LBT))	3Q FY2021	2Q FY2021
North Sabah	37.9%	20.6%
Anasuria	71.8%	68.9%

<sup>1</sup> Others include Group, Investment Holding and Australian activities | USD/MYR average rate: 3Q FY2021: 4.0834, 2Q FY2021: 4.0881

# Highlights from the Group's Balance Sheet

## A strong Balance Sheet

RM	As at 31 Mar 2021	As at 31 Dec 2020	As at 30 Sep 2020	As at 30 Jun 2020	As at 31 Mar 2020
Total assets	2,722.3m	2,615.2m	2,492.3m	2,426.2m	2,619.2m
Shareholders' funds	1,418.4m	1,241.0m	1,196.8m	1,221.3m	1,366.0m
Cash and bank balances	226.6m	213.3m	197.2m	176.8m	151.0m
Unrestricted cash	105.5m	102.7m	96.3m	77.3m	57.1m
Restricted cash *	121.1m	110.6m	100.9m	99.5m	93.9m
Total debt	(11.0m)	(128.6m)	Nil	(49.2m)	(48.7m)
Net current assets/(liabilities)	151.5m	174.8m	(91.2m)	(48.8m)	(41.5m)
Net assets per share	0.71	0.72	0.75	0.77	0.86

\* For more information, please refer to page 6 of the Unaudited Quarterly Financial Report for the quarter ended 31 March 2021.

- Year-on-year, both total assets and shareholders' funds have remained fairly consistent. The provisions for impairment for oil and gas assets recognised in June 2020 have been fully off-set by net earnings generated from both the North Sabah and Anasuria assets. Included in shareholders' funds as at 31 March 2021 are retained earnings of RM402.3 million.
- The Group's total cash and bank balances were at reasonably healthy levels. In addition, net current assets position as at 31 March 2021 is strong at RM151.5 million.
- Successful fund-raising of Islamic Convertible Redeemable Preference Shares ("CRPS") of RM203.6 million to date – to be used for potential targeted acquisitions in Southeast Asia. (Note: Total debt as at 31 March 2021 and 31 December 2020 relates to the recognition of the liability component of the CRPS upon the issuance of the first two tranches in November 2020. As at 31 March 2021, 94% of the total CRPS issued has been converted into ordinary shares, which explains the sharp reduction in the debt balance from 31 December 2020 to 31 March 2021. The CRPS conversion has also resulted in the total ordinary shares increasing from 1,722.5 million as at 31 December 2020 to 1,988.2 million as at 31 March 2021 and hence. This has resulted in a marginal reduction in the net assets per share as at 31 March 2021.)
- In January 2020, the Group drew down a short-term term loan amounting to RM49.2 million for working capital purposes. The term loan was fully repaid in July 2020, per the agreed schedule.
- The Group will continue to engage with financial institutions and industry players to explore funding options and capital raising initiatives which run in tandem with our growth plans.
- A deed of supply and collaboration was signed with Trafigura Pte Ltd in April 2020, covering several areas of commercial cooperation, including potential crude oil offtakes by Trafigura and potential funding for project and asset acquisitions. The agreements with Trafigura form part of an overall plan to ensure that all planned projects across the Group are fully funded over the CY2021 period.

**Part 3**

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

- **Operating Performance Metrics**
- **Status of Production Enhancement Projects**
- **Awards Won**
- **Key Factors Affecting Quarterly Results**
- **Consistent EBITDA Margins Despite Varying Oil Prices**

# Operating Performance Metrics

	Unit	Jan – Mar 2021 <sup>2</sup>	Oct – Dec 2020	Jul – Sep 2020	Apr – Jun 2020
Average uptime	%	95	92	86	94
→ Average gross oil production	bbl/day	17,779	17,700	16,895	18,780
→ Average net oil production	bbl/day	6,578	6,549	6,251	6,949
Cargoes sold	-	2	3	2	1
Total oil sold	bbls	599,948	870,874	592,453	249,387
Average realised oil price <sup>1</sup>	USD/bbl	60.46	39.91	39.46	31.79
→ Average OPEX per bbl (unit production cost)	USD/bbl	10.92	13.29	17.08	10.27

<sup>1</sup> The average realised oil price represents the weighted average price of all Labuan crude sales from SEA Hibiscus.

<sup>2</sup> Figures for the period January 2021 to March 2021 are provisional and may change subject to the PSC Statement audit and Petroliam Nasional Berhad (“PETRONAS”)’s approval.

# Status of Production Enhancement Projects

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

Project	Project Description	Total Gross CAPEX	Status
<b>SF30 Water Flood Phase 1</b>	<ul style="list-style-type: none"><li>• Drilling and completion of 1 infill water injection well intended for reservoir re-pressurisation.</li></ul>	<ul style="list-style-type: none"><li>• RM54.0 million</li></ul>	Completed. Data collected to assist in planning for Phase 2
<b>St Joseph Minor &amp; Major Sands Redevelopment</b>	<ul style="list-style-type: none"><li>• Drilling of four infill wells targeting the Minor Sands and the Major Sands.</li></ul>	<ul style="list-style-type: none"><li>• RM211.7 million</li></ul>	Completed in Q1 FY2021

- No major Capex programmes planned for CY2021, but production enhancement initiatives to mitigate base production decline are continuing.
- Working towards maturation of future development drilling projects through studies over the next 2 years for future reserves addition and production gains, including Phase 2 of the SF30 Water Flood Project.

*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

## 2021 PETRONAS Focused Recognition Award

**FOCUSED RECOGNITION**

I want to recognise  for demonstrating

Customer Focused     Innovate Now     Be Enterprising  
 Speak Up     Courage to Act

in the following manner:  
As young O&G operator, SEAH has successfully initiated the 1st Integrated CTU Catenary Campaign despite challenges & difficulties from beginning of contract phases, equipment and vessel preparation until the start of operation.

By doing this, you have positively impacted the following keyresult(s):  
Delivering safe Catenary operation with estimated potential production gain of 1.350k bopd (instantaneous)

     
Given by    Date

PETRONAS Cultural Beliefs

**Successful 1st Integrated CTU Catenary Campaign –** Awarded for successfully initiating the 1st Integrated CTU Catenary Campaign, resulting in safe catenary operations with an estimated potential instantaneous production gain of 1,350 bbls per day.

# Key Factors Affecting North Sabah's 3Q FY2021 Financial Results

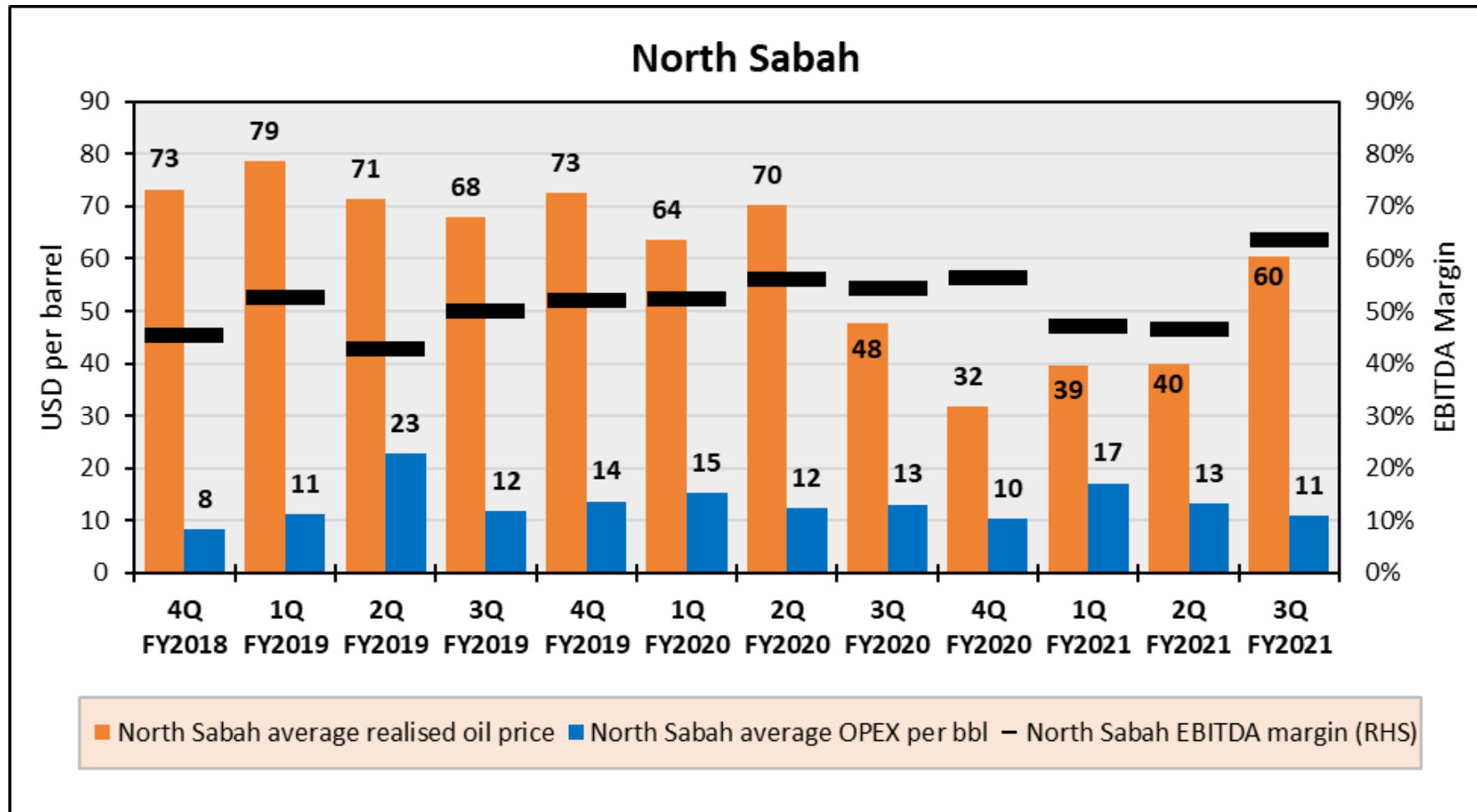
## Key factors:

Financials	RM'000
Revenue	148,384
Gross Profit	105,900
<i>Gross Profit Margin</i>	<i>71.4%</i>
EBITDA	94,354
<i>EBITDA Margin</i>	<i>63.6%</i>
PBT	59,167
<i>PBT Margin</i>	<i>39.9%</i>
PAT	36,744
<i>PAT Margin</i>	<i>24.8%</i>

Taxation Breakdown	RM'000
Total Taxation	(22,423)
Deferred Taxation ( <i>non-cash</i> )	8,092
Income Taxation	(30,515)

- 2 offtakes – 599,948 bbls @ USD60.46/bbl average realised price. Revenue was higher than 2Q FY2021 by RM5.7m despite lower volume sold due to much higher average realised price achieved (USD20.55/bbl higher or by 51%).
- Gross profit margin improved from 53.4% in 2Q FY2021 to 71.4% in 3Q FY2021, driven by both higher average realised price achieved and better operational performance in 3Q FY2021.
- Both average uptime and average OPEX/bbl were at very healthy levels. Average uptime achieved was 95% (2Q FY2021: 92%) while average OPEX/bbl recorded was USD10.92 (2Q FY2021: USD13.29). The average net oil production rate was also high, at 6,578 bbls/day (2Q FY2021: 6,549) due to better well performance at the South Furious and St Joseph fields. In 2Q FY2021, the asset incurred more costs on planned maintenance and well intervention activities.
- EBITDA margin of 63.6% in 3Q FY2021 was much higher than the 46.5% recorded in 2Q FY2021.
- Continuous careful management of costs had enabled the asset to maintain low operational expenditure and the delivery of production enhancement projects have been key towards obtaining a low OPEX/bbl metric.
- **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%.*)
  - Effective tax rate over PBT for 3Q FY2021 = 37.9%.
  - In 2Q FY2021, SEA Hibiscus reversed an over provision of tax for calendar year 2019 amounting to RM5.8m (when the tax submission to IRB was completed in Oct '20).

# Consistent EBITDA Margins Despite Varying Oil Prices



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

*North Sabah's EBITDA margin in 4Q FY2018 and 4Q FY2020 exclude the impact of negative goodwill of RM93.8 million and the reversal of unrecovered recoverable costs of RM78.2 million respectively.*



**Part 4**

# **United Kingdom – The Anasuria Cluster**

- **Operating Performance Metrics**
- **Further Opportunities**
- **Key Factors Affecting Quarterly Results**
- **Strong EBITDA Margins Despite Varying Oil Prices**

# Operating Performance Metrics

	Units	Jan – Mar 2021	Oct – Dec 2020	Jul – Sep 2020	Apr – Jun 2020
Average uptime	%	91	95	94	85
→ Average net oil production rate	bbl/day	2,463	2,726	2,753	2,539
Average net gas export rate <sup>1</sup>	boe/day	354	383	330	322
→ Average net oil equivalent production rate	boe/day	2,816	3,109	3,084	2,861
Cargoes sold	-	1	1	1	0
Total oil sold	bbl	274,996	252,289	250,337	0
Total gas exported (sold)	mmscf	191	212	182	176
Average realised oil price	USD/bbl	54.04	40.85	41.99	-
Average gas price	USD/mmbtu	2.30 <sup>2</sup> /5.36 <sup>3</sup>	1.48 <sup>2</sup> /3.87 <sup>3</sup>	0.44 <sup>2</sup> /1.45 <sup>3</sup>	0.39 <sup>2</sup> /1.17 <sup>3</sup>
→ Average OPEX per boe	USD/boe	18.15	22.00	17.53	14.29

**All figures are net to Hibiscus.**

Prices are quoted in United States Dollars.

<sup>1</sup> Conversion rate of 6,000scf/boe.

<sup>2</sup> For Cook Field.

<sup>3</sup> For Guillemot A, Teal and Teal South Fields.

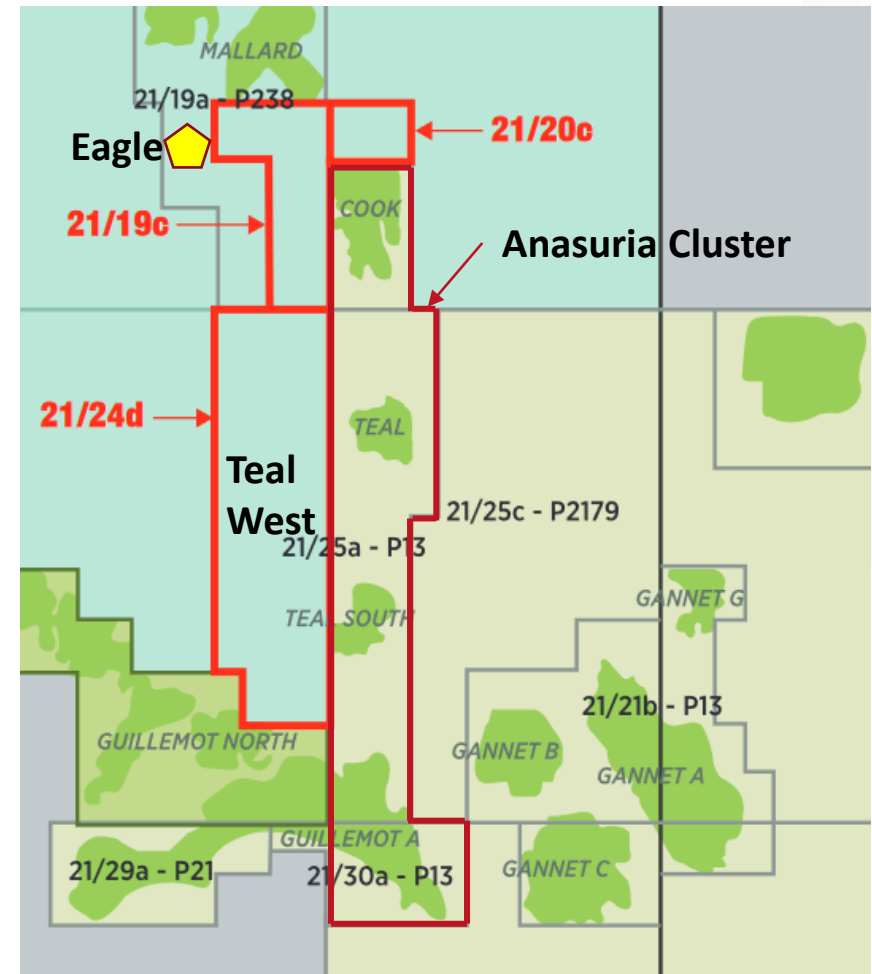
bbl  
boe  
mmscf  
mmbtu

barrels  
barrels of oil equivalent  
million standard cubic feet  
million British thermal units

# Anasuria Cluster – Further Opportunities

## Teal West, Eagle Tieback & Hub Strategy

- Hibiscus has been investigating opportunities to extend the economic life, unlock value and maximise recovery from stranded oil discoveries around the Anasuria FPSO.
- On 3 September 2020, as part of the 32nd Offshore Licensing Round launched by the UK Oil and Gas Authority (OGA) in July 2019, several blocks neighbouring the Anasuria Cluster were offered by the OGA to Anasuria Hibiscus and our selected partners.
- The License Agreements were executed for 70% interest in Licence P2535 (Block 21/24d, containing the Teal West discovery) and 19.3% interest in Licence P2532 (Block 21/19c and Block 21/20c), contiguous to the Cook field.
- In February 2021, Anasuria Hibiscus executed an SPA with EnQuest Heather Limited for 85% interest in Licence P238 Block 21/19c which contains the Eagle discovery. The Eagle discovery is located between 6.4 and 15km from various Anasuria facilities. The completion of the SPA is subject to OGA approval.
- The Teal West and Eagle discoveries will be a key focus area as potential tieback candidates to the Anasuria FPSO in the near term. Based on internal estimates, Teal West contains approximately 7.1 MMbbls of oil net to Anasuria Hibiscus, with First Oil being targeted by calendar year 2023.



Location of Teal West and Eagle discoveries

SPA: Sale and Purchase Agreement

# Key Factors Affecting Anasuria's 3Q FY2021 Financial Results

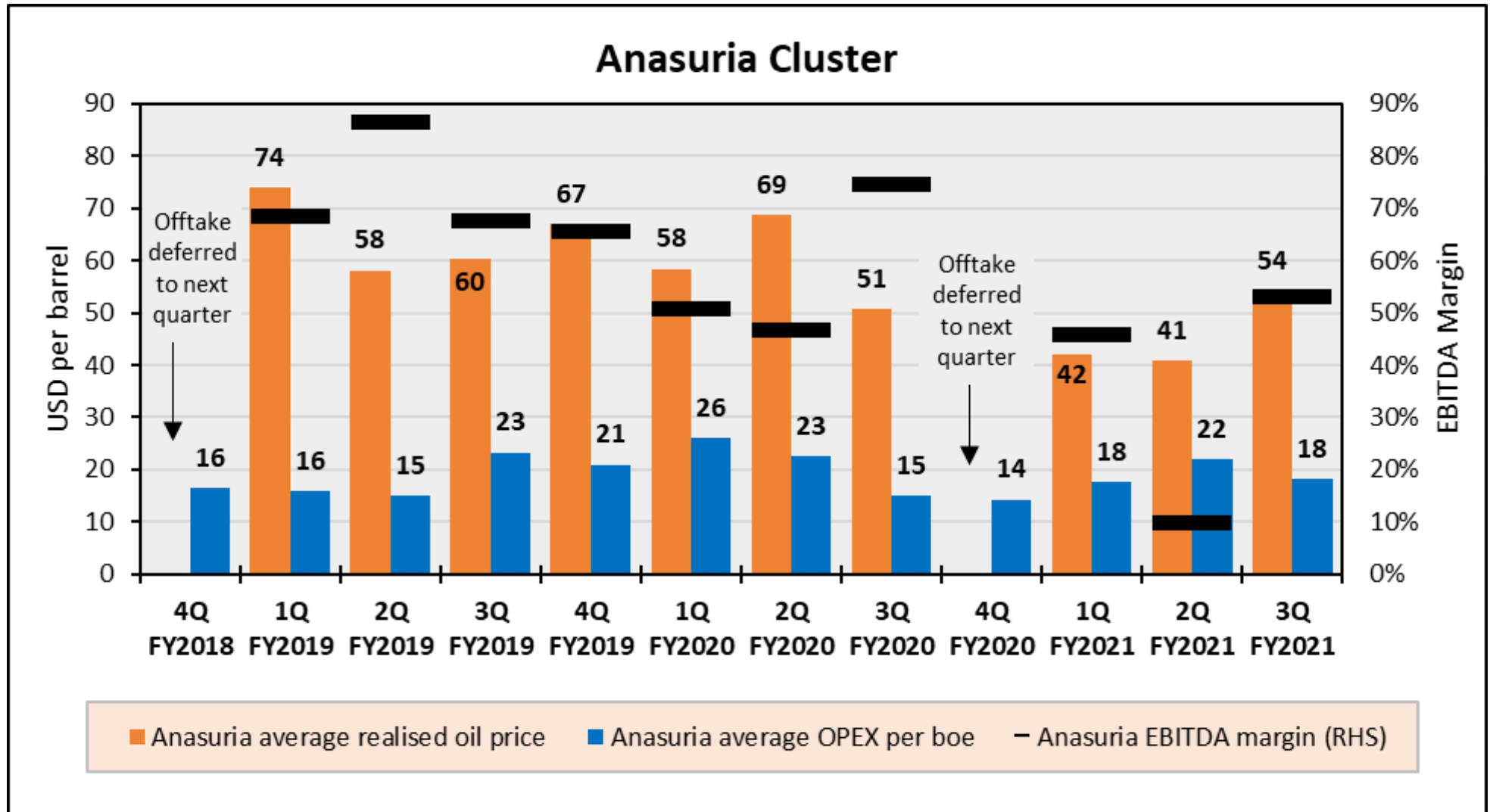
## Key factors:

Financials	RM'000
Revenue	65,799
Gross Profit	42,173
<i>Gross Profit Margin</i>	<i>64.1%</i>
EBITDA	34,991
<i>EBITDA Margin</i>	<i>53.2%</i>
PBT	14,859
<i>PBT Margin</i>	<i>22.6%</i>
PAT	4,191
<i>PAT Margin</i>	<i>6.4%</i>

Taxation Breakdown	RM'000
Total Taxation	(10,668)
Deferred Taxation ( <i>non-cash</i> )	(5,755)
Income Taxation	(4,913)

- 1 offtake – 274,996 bbls @ USD54.05/bbl average realised price. Revenue was higher in 3Q FY2021 due to much higher average realised price achieved (higher by USD13.19/bbl or 32%) and higher volume sold. In 3Q FY2021, the asset sold 22,707 bbls more than the 252,289 bbls achieved in 2Q FY2021.
- Gross profit margin of 64.1% in Q3 FY2021 was higher compared to 55.7% in Q2 FY2021. In Q2 FY2021, the Anasuria asset was impacted by the performance of scale squeeze operations at the GUA-P3 well and the reinstatement of certain equipment on the Anasuria FPSO. That resulted in higher OPEX/boe in Q2 FY2021 of USD22.00 compared to USD18.15 in Q3 FY2021.
- EBITDA margin in Q3 FY2021 improved significantly to 53.2%, from 9.9% in Q2 FY2021. There was lower net unrealised foreign exchange losses arising from the period-end retranslation of GBP-denominated balances and the absence of one-off provisions made for calendar year-end related activities made in Q2 FY2021.
- 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.*)
  - Net tax expense in Q3 FY2021 was driven by the recognition of higher income tax liabilities subsequent to a re-assessment of year-to-date income tax obligations.
  - Effective tax rate over results before tax is above 40%.  
(Note: The results before tax used for segmental reporting purposes (at Group level) omits intercompany transactions, in this case both interest income and interest expense. Note that however these intercompany transactions were taken into consideration when computing the entity's actual/statutory tax computation. The normalised entity level effective tax rate range from 15% to 25%.)

# Strong EBITDA Margins Despite Varying Oil Prices



Anasuria's EBITDA margin in 2Q FY2021 was adversely affected by period-end retranslation of GBP-denominated balances which resulted in unrealised foreign exchange losses due to the appreciation of GBP against USD and one-off provisions recognised.

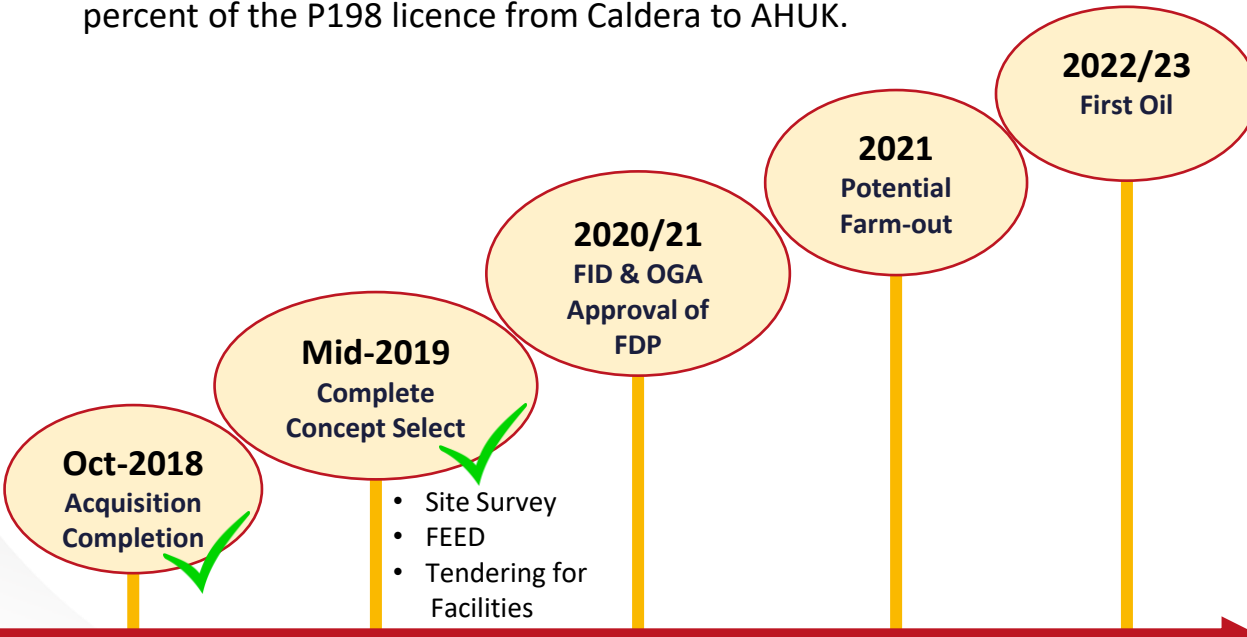
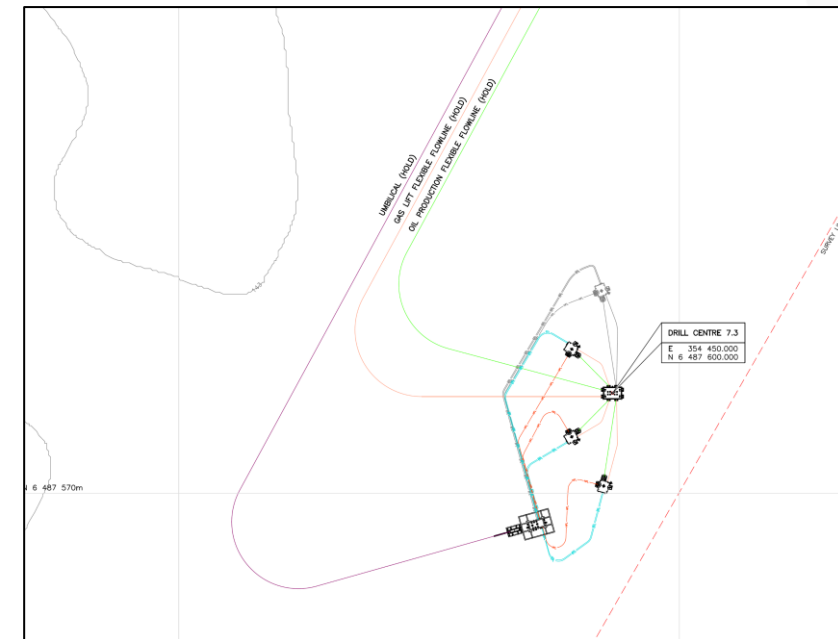
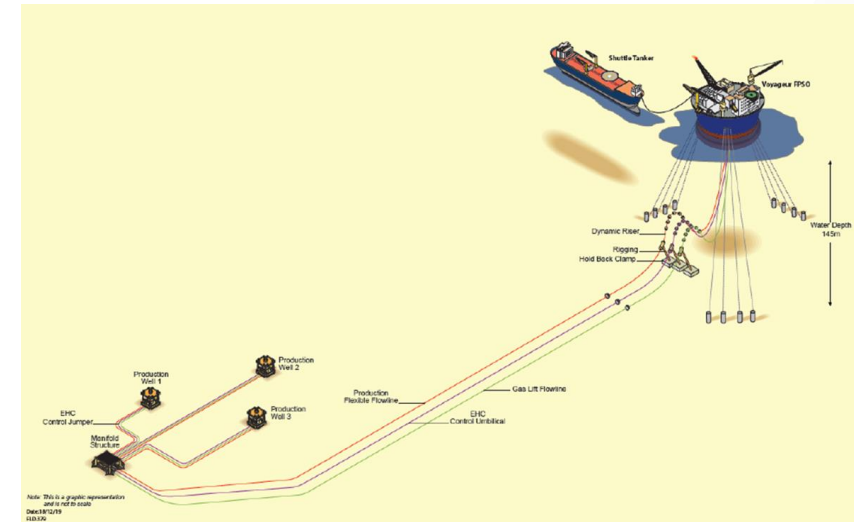
**Part 5**

# **United Kingdom – Marigold & Sunflower**

- **Target Development Milestones**
- **Further Opportunities**

# Target Development Milestones

- In January 2021, the OGA requested that AHUK seek to work with Ithaca Energy Limited, holder of Licence P2158 Block 15/18b, which is adjacent to the Marigold field and contains the Yeoman discovery, and propose a common development solution for the resources found in both licences. Ithaca and AHUK have agreed to jointly develop the reserves in Marigold and Yeoman (now renamed Marigold East).
- The parties are revisiting the development concept to determine whether the Voyager Spirit FPSO is the optimum production hub for the enlarged reserves base being developed. The tieback of the combined reserves to RepsolSinopec's Piper B platform is also being reconsidered by Ithaca as an alternative development option. A decision on the concept is expected to be made at the end of August 2021.
- On 29 March 2021, AHUK received consent from the OGA to transfer the 37.5 percent of the P198 licence from Caldera to AHUK.



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

## Kildrummy Discovery

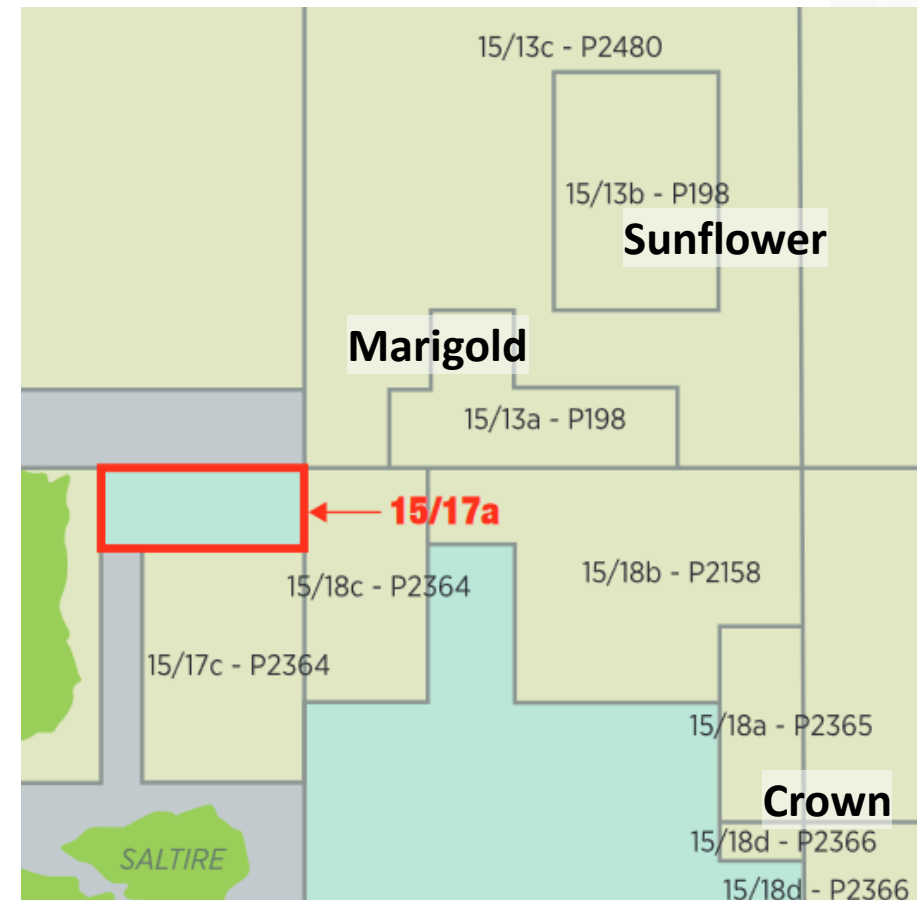
- On 19 January 2021, AHUK executed the Licence Agreement for 100% interest in Block 15/17a, containing the Kildrummy discovery. The Block is located 8km from Marigold and is hoped that the Kildrummy discovery may become a potential tieback candidate.

## Crown Discovery

- On 12 December 2019, AHUK completed the acquisition of 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.

## Transaction Rationale

- Opportunity to aggregate 2C resources 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.



Location of Block 15/17a (Kildrummy discovery)



**Part 6**

# **Key Messages**

# Key Messages

- Financial results impacted positively by oil prices trending higher since the previous quarter. Focus remains on our cost optimisation initiatives whilst ensuring safe and efficient operations.
- We sold 2.8 million barrels of oil in the first three quarters of FY2021 across 10 offtakes; seven offtakes in North Sabah and three in Anasuria.
- We expect to deliver a further two offtakes from North Sabah and one from Anasuria in Q4 FY2021, for a total delivery of 3.7 million barrels.
- New Opportunities – Successful fund-raising of RM203.6 million to date via Islamic CRPS; will be used for potential targeted acquisitions in Southeast Asia.
- Anasuria Operating Company, operator of the Anasuria Cluster, committed to a net zero policy while ‘Energy Transition’ has been included as part of the Group’s nine key Business Drivers.
- We are also developing a structured approach to gradually meeting net zero objectives both in the North Sea and Malaysia and over the course of 2021, will disclose our near-term strategy in this area.
- We remain focused on delivering optimal performance in an improving oil price environment.

# Thank You

For more information please contact:

**Investor Relations Team**

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