



HIBISCUS PETROLEUM BERHAD - PRESS RELEASE

HYDRA ENERGY HOLDINGS PTY LTD ACQUISITION

- **Hibiscus Petroleum to add 15 - 17 million barrels of 2P reserves**
 - **Hydra Energy shareholders will likely become the largest shareholders of Hibiscus Petroleum**
 - **Hibiscus Petroleum and Hydra Energy management teams are in advanced discussions on a non-equity based financing facility**
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Kuala Lumpur, 11 November 2015: Hibiscus Petroleum Berhad (“Hibiscus Petroleum”) is pleased to announce that it has executed a binding term sheet on 9 November 2015 to acquire 100 percent of the outstanding shares of Hydra Energy Holdings Pty Ltd (Hydra Energy). Subject to shareholder and regulatory approvals, and the satisfaction of conditions precedent to the binding term sheet, Hydra Energy will become a wholly owned subsidiary of Hibiscus Petroleum. The addition of Hydra Energy and their portfolio of discovered oil fields offshore Australia will increase Hibiscus Petroleum’s 2P reserves by 15 – 17 million barrels and also provides exploration upside. The acquisition will provide Hibiscus Petroleum with a significantly increased reserve base in Australia and allow shareholders to capitalise on the synergies that exist between the organisations and the asset bases.

The Purchase Price for the acquisition is the fair market value of Hydra Energy as determined by an independent, competent valuer. The transaction will be satisfied through the issue of new Hibiscus Petroleum shares at an issue price to be determined on the date that the fair market value of Hydra Energy is determined. Both the Hibiscus Petroleum and Hydra Energy Boards are supportive of this transaction and are working together to complete the transaction by Q1 2016. The management of Hibiscus Petroleum have provided an irrevocable undertaking on behalf of 17% of Hibiscus Petroleum shares on issue to vote in favour of the transaction. The management of Hibiscus Petroleum and Hydra Energy shareholders have agreed to a lock up period post consummation of the transaction and the transaction is structured such that it is not expected to trigger a mandatory general offer.

Hydra Energy is incorporated in Australia and has equity interests in seven operated Petroleum Titles located in the Carnarvon Basin, offshore North West Australia (a complete list of the Petroleum Titles held by Hydra Energy is included as Attachment 1). Amongst the 7 Titles held by Hydra Energy, 4 have discoveries totalling 15 - 17 million barrels net to Hydra Energy. On completion of this transaction, Hibiscus Petroleum’s net 2P / 2C Australian oil resource base would increase from 8 million barrels to 23 - 25 million barrels. Combined with the 2P / 2C resources that are in the midst of being secured as part of the recent Anasuria transaction (UK sector of the North Sea), Hibiscus Petroleum’s global net 2P / 2C resource base would be circa 47 million barrels following the completion of this acquisition.

The shareholders of Hydra Energy are funds advised by Global Natural Resource Investments¹ (www.gnri.com) (97%). The remaining 3% of the outstanding shares are held by the Hydra Energy Management Team.

In addition to the equity transaction, Hydra Energy management, GNRI and Hibiscus Petroleum management are in advanced discussions on a non-equity based USD 20 million financing facility to underpin the combined companies capital requirements. This facility will be utilized to fund existing operational commitments and also allows Hibiscus Petroleum to explore new business opportunities.

Hibiscus Petroleum's Managing Director, Dr. Kenneth Pereira said, "In the current oil price environment, Hibiscus Petroleum has been consolidating its investments in assets that have discovered, proven, oil. The assets we are currently investing must be in production or have near term potential to be revenue generating. The Hydra Energy assets fall firmly in that category. They are also located in a geopolitically stable area where we are already present. These assets will give us scale in two major producing basins in Australia and will allow us to build a long term sustainable business there. We are truly excited by the opportunity."

Hibiscus Petroleum's VP of Exploration and Development, Mr. Stephen Dechant said, "Our West Seahorse concession located in the Gippsland Basin has a 2P / 2C oil resource of approximately 8 million barrels. Some of the Hydra Energy assets have the technical and commercial advantages of utilizing the same concept of a relocatable production infrastructure that is being considered for the West Seahorse development. Therefore the inclusion of the Hydra Energy assets into our portfolio provides a basis for optimisations and synergies that should significantly reduce Hibiscus development costs per barrel in a low oil price environment."

Hydra Energy's Managing Director, Paul Nimmo, said, "I am very pleased that we have been able to reach agreement on the terms of a business combination between Hibiscus Petroleum and Hydra Energy. There is significant complementarity between our businesses and the combination creates a significant platform for further growth in Australia and SE Asia. Both companies are now in a stronger position to develop the significant reserves and resources they hold, to the obvious benefit of all our combined shareholders."

(1) GNRI Manco Limited is an appointed representative of Mirabella Advisers LLP, which is authorised and regulated by the Financial Conduct Authority

Attachment 1
Petroleum Titles held by Hydra Energy

| Petroleum Title | Field/Discovery, Prospect | Oil/Gas | Hydra Energy Interest |
|------------------------|----------------------------------|----------------|------------------------------|
| WA-41-R | Corowa, Corowa Extension | Oil | 66.67% |
| WA-8-L* | Amulet | Oil | 37.3684% |
| TL/2 & TP/7** | Taunton | Oil | 90%/ 87.526% |
| WA-47-R | Sage, Sage Deep | Oil | 100.0% |
| WA-46-R | Tusk | Oil | 80.0% |
| WA-52-R | Okapi | Oil | 100.0% |

**Binding Sale & Purchase Agreement executed, Completion including transfer of Operatorship subject to the terms of the joint operating agreement & Regulatory Approvals*

***Binding Sale & Purchase Agreements executed, to acquire an additional 66.834% participating interest in TL/2 and an additional 83.369% participating interest in TP/7, Completion including transfer of Operatorship subject to the terms of the joint operating agreements & Regulatory Approvals*

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About Hibiscus Petroleum Berhad

Hibiscus Petroleum Berhad (HIBISCUS: 5199) is Malaysia's first listed independent exploration and production company. It was listed on the Main Market of Bursa Malaysia Securities Berhad in July 2011. Hibiscus Petroleum is focused on the exploration, development and production of oil and gas fields in Europe, Australia, Middle East, and Southeast Asia regions. For more information, please visit our website at <http://www.hibiscuspetroleum.com>.