

## HIBISCUS PETROLEUM REPORTS FIRST HALF RESULTS WITH ANASURIA TRANSACTION ON TRACK FOR COMPLETION

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- Partial impairment of VIC/P57
  - Prudent approach in accounting for Lime
  - Anasuria Cluster transaction on track for completion which will provide a stable revenues and profits at current oil price levels
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### 29 February 2016

Hibiscus Petroleum Berhad (“**Hibiscus Petroleum**” or “**the Company**” or “**the Group**”) today announced its results for the quarterly period ended 31<sup>st</sup> December 2015. During the current three-month period (“**current quarter**”), the Group recorded a loss before taxation of RM164.2 million, an increase of RM153.6 million as compared to a loss before taxation of RM10.6 million in the corresponding three-month period ended 31 December 2014 (“**corresponding quarter**”).

Of the RM 164.2 million losses reported, RM 84.5 million is due to a partial impairment on the carrying value of the VIC/P57 permit in the Bass Strait in Australia. Given a drop in oil prices over the last three months and the recent announcement by the Company on 11 November 2015 that its wholly-owned subsidiary, Carnarvon Hibiscus Pty Ltd had completed drilling of the Sea Lion-1 well with no commercial discovery of hydrocarbons, the Group had performed an impairment assessment on the carrying value of the VIC/P57 Exploration Permit. Based on this assessment, the Board of the Company has decided to adopt a prudent accounting approach and impair the asset by RM 84.5 million. The Board is hopeful that oil prices will strengthen in the future, allowing a writeback of some of this amount.

A total of approximately RM 56.0 million of the reported loss is attributable to the purported dilution of interests of Lime Petroleum PLC in Lime Petroleum Norway A.S. and of Lime Petroleum Limited in Masirah Oil Limited. The Company is currently aggressively pursuing claims against three directors of Lime Petroleum PLC relating to the breach of trust and/or breach of fiduciary duty on the part of those directors, particularly with regard to their conduct in relation to the purported dilution of interests. In view of the current uncertainty but without prejudice to the Group’s legal position and rights (all of which are fully reserved) and without accepting the purported dilution in any way, the Company has decided to adopt a prudent approach in relation to the accounting treatment for this matter and accounted for the purported dilution in its financial statements for the quarter/period ended 31 December 2015.

Commenting today, Hibiscus Petroleum Managing Director, Dr Kenneth Pereira said, “*Hibiscus Petroleum is adopting a prudent approach in its financial reporting. Whilst the energy sector is currently subject to negative sentiment leading to impairments in many oil and gas companies, we wish to highlight that we are currently on track towards completion of the Anasuria transaction. This transaction will give Hibiscus Petroleum a stable revenue base from production that is profitable even at current oil prices. We see that the capital markets support E&P companies which have production*

*that is cash flow positive in the current low oil price environment. Hence, we believe that the completion of the Anasuria transaction will be seen as a turning point for the company delivering value to our shareholders.”*

### **The Anasuria Cluster Transaction**

Given this industry backdrop, the Company believes that its acquisition of the Anasuria Cluster located offshore the east coast of Scotland in the United Kingdom sector of the North Sea will be seen in positive light. The conditional sale and purchase agreements and other agreements relating to this transaction were executed on 6 August 2015. On 4 February 2016, shareholders of Hibiscus Petroleum voted in favour of this transaction and in mid-February 2016, the Company disclosed that the Secretary of State had also given its conditional approval for Anasuria Hibiscus to be assigned 50% interest of the sellers’ stake in this producing cluster of fields.

The Company is now working towards the legal and operational completion of this transaction and anticipates this to take place in the very near future.

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#### **About Hibiscus Petroleum Berhad**

*Hibiscus Petroleum Berhad (HIBISCS: 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>.*