

HIBISCUS PETROLEUM CLOSES THE FINANCIAL YEAR WITH A SIGNIFICANT VALUATION GAIN AND OPERATING PROFITS FROM THE ANASURIA OPERATIONS

- Fair value gain of RM364.1 million from consolidation of the Anasuria Cluster
 - Anasuria operations contribute RM 78.7 million to revenue and RM 36.6 million to gross profit since completion on 10 March 2016
 - No further investments in exploration through Lime Petroleum Group
 - Group's Net Assets Per Share of RM0.45 as at 30 June 2016
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24 August 2016 – 5 p.m.

Hibiscus Petroleum Berhad (“**Hibiscus Petroleum**” or “**the Company**” or “**the Group**”) today announced its results for the fourth financial quarter ended 30 June 2016 (“**fourth quarter**”). For this period, the Group recorded a profit before taxation of RM23.2 million compared to a loss before taxation of RM34.3 million reported in the corresponding three-month period ended 30 June 2015.

Quarterly results have been underpinned by a significant contribution to profits derived from the production and sales of oil and gas from the Anasuria Cluster located in the United Kingdom sector of the North Sea. In addition, subsequent to the completion of the acquisition of a 50% interest in the Anasuria Cluster on 10 March 2016, the Company commissioned RPS Energy to update its independent report of its valuation of the asset dated September 2015. The outcome from the updated valuation together with the finalisation of working capital adjustments and decommissioning provisions resulted in an upward adjustment to fair value gain of RM228.8 million during the fourth quarter and total fair value gain of RM364.1 million in the financial year ended 30 June 2016.

The Company also reported that during the period from completion of the acquisition of the Anasuria transaction on 10 March 2016 until the end of the fourth quarter on 30 June 2016, operating expenditure averaged approximately US\$ 23 per barrel of oil equivalent. Average price achieved for oil sold during the same period was approximately US\$ 40 per barrel. During a time when business operating conditions within the oil and gas sector have generally been challenging, Hibiscus Petroleum has focused on the optimization of its offshore operational activities. Even though oil prices have been volatile, the Company has developed a profitable, revenue generating asset within its portfolio with economic production currently estimated to continue for about twenty years.

Hibiscus Petroleum will also no longer expend further investments in oil and gas exploration activities through the Lime Petroleum Group. Without prejudice to the Group's legal position and rights (all of which are fully reserved), the Group took the prudent step to recognise a full impairment of the carrying value of the Company's investment in Lime Petroleum Group as at 30 June 2016.

Hibiscus Petroleum's Managing Director, Dr Kenneth Pereira commented, "We are very clear in our objective to safely operate, develop and grow our producing and development asset base in geopolitically safe jurisdictions. We hope that all our stakeholders recognize our commitment to our vision. We look forward to a period of sustained revenues and recurring profitability from the Anasuria Cluster. Securing capital for growth in the current oil and gas market is difficult so we are grateful to be generating positive cash flows. We hope that income from Anasuria and other fund raising initiatives will allow us to exploit further opportunities within the Anasuria Cluster and consider other new ventures."

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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>.