



## HIBISCUS PETROLEUM BERHAD - PRESS RELEASE

### HIBISCUS PETROLEUM GROUP EXECUTES CONDITIONAL SALE AND PURCHASE AGREEMENT TO ACQUIRE CROWN DISCOVERY IN THE NORTH SEA

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- **Conditional Sale and Purchase Agreement (“SPA”) executed to acquire North Sea Blocks 15/18d and 15/19b (“License P2366” or “Blocks”) for a total cash consideration of up to USD5 million**
  - **Acquisition potentially increases Hibiscus Petroleum Group’s 2C Contingent Oil Resources by between 4 to 8 million barrels of oil, subject to an independent 3<sup>rd</sup> party expert assessment**
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**Kuala Lumpur, 7 October 2019 – 5.00 pm**

Hibiscus Petroleum Berhad (“**Hibiscus Petroleum**” or “**the Company**”) is pleased to announce that pursuant to its disclosure on 17 July 2019, its indirect wholly-owned subsidiary, Anasuria Hibiscus UK Limited (“**AHUK**”), has entered into a conditional SPA to acquire License P2366, from United Oil & Gas PLC (“**United**”) and Swift Exploration Limited (“**Swift**”) (collectively referred to as “**Sellers**”) for a total cash consideration of up to USD5 million.

The Blocks are located offshore in the United Kingdom sector of the North Sea, approximately 250km northeast of Aberdeen. The Blocks include the Crown Discovery which consists of 2C contingent resources that range between 4 to 8 million barrels of oil, subject to an independent 3<sup>rd</sup> party expert assessment. The Blocks are located 12km south-east of Marigold field, which together with the Sunflower field, was acquired by AHUK in October 2018.

United and Swift were awarded License P2366 as part of the United Kingdom’s Oil and Gas Authority’s (“**OGA**”) 30<sup>th</sup> Licencing Round, in August 2018, and they each hold 95% and 5% participating interest respectively.

AHUK holds 50% operated interest in Licence P198 Blocks 15/13a and 15/13b containing the Marigold and Sunflower oilfields respectively, in addition to 50% joint-operating interests in the P013 licence consisting of the Teal, Teal South and Guillemot A fields, as well as 19.3% non-operating interest in the P185 licence consisting of the Cook field. The Teal, Teal South, Guillemot A and Cook fields which produce oil and gas to the Anasuria Floating Production Storage and Offloading facility are collectively known as the Anasuria Cluster. The Anasuria Cluster is located offshore in the United Kingdom sector of North Sea.

Pursuant to further negotiations with the Sellers post execution of the earlier conditional non-binding term sheet, the payment terms of the proposed acquisition of License P2366 would commence with a non-refundable payment of USD0.1 million to the Sellers (unless the default is not due to AHUK) and a further USD0.9 million upon completion of the SPA. Subject to further milestones being achieved post SPA completion, an additional sum of USD3 million will be paid within 7 business days of the actual date of approval of the Marigold Field Development Plan (“FDP”) which includes the development of the Crown discovery as part of the overall Marigold development (“FDP Approval”), by the relevant United Kingdom regulatory authority, which is expected to be received by the end of 2020. However if FDP Approval is not achieved, or if the Marigold FDP submitted does not include the development of the Crown discovery, AHUK may, at its discretion, proceed with the USD3 million payment or transfer License P2366 back to the Sellers at nominal consideration without any further payment obligation. In addition, up to USD1 million will be paid through an overriding royalty scheme once the Crown discovery has commenced production.

Given its proximity to Marigold, the contemplated development of Crown is based on a single well subsea tieback to the Marigold field.

The proposed consideration was arrived at on a similar basis to the consideration paid for the Marigold and Sunflower fields as they are seen as being accretive to the existing Marigold and Sunflower development.

The proposed acquisition of License P2366 is subject to the receipt of OGA’s approval for the assignment of the license to AHUK and the appointment of AHUK as operator. If the conditions have not been fulfilled or waived by the parties by 31 December 2019 (or such later date no later than 31 March 2020 as the parties may mutually agree), the proposed acquisition would be terminated according to the terms of the SPA.

#### **About United Oil & Gas PLC**

United Oil & Gas PLC is an independent oil & gas start-up established in 2015. It is listed on the AIM market of the London Stock Exchange.

#### **About Swift Exploration Limited**

Swift Exploration Limited is a private oil and gas exploration company formed in 2003. It focuses on developing exploration and production opportunities in the North Sea and the UK onshore for farm-out/sale.

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**About Hibiscus Petroleum Berhad**

Hibiscus Petroleum Berhad is Malaysia's first listed independent oil and gas exploration and production company. Its key activities are focused on monetizing its oil producing fields and growing its portfolio of development and production assets in areas of its geographical focus: United Kingdom, Malaysia and Australia. Hibiscus Petroleum is headquartered in Kuala Lumpur, and its shares are listed on the Main Market of Bursa Malaysia Securities Berhad.

For more information, please refer to <http://www.hibiscuspetroleum.com>