



HIBISCUS PETROLEUM BERHAD - PRESS RELEASE

Hibiscus Petroleum Ventures into Brunei: Proposed Acquisition of Brunei Gas Producing Assets

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- SPA signed to acquire 100% equity interest in TotalEnergies Brunei holding 37.5% interest in Block B Maharajalela Jamalulalam (“MLJ”) field
 - 2P Reserves expected to increase by 36% from 60.9 MMboe to 82.6 MMboe
 - Group daily net gas and condensate production levels targeted to increase by almost 7,900 boe per day in 2024
 - Gas production share of Group’s portfolio to increase from 36% to almost 50%
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Kuala Lumpur, 14 June 2024 – 10.00 a.m.

Hibiscus Petroleum Berhad (HIBI: MK) (“**Hibiscus Petroleum**”, the “**Company**” or the “**Group**”), is pleased to announce that its wholly owned subsidiary Simpor Hibiscus Sdn Bhd has entered into a conditional Share Purchase Agreement (“**SPA**”) with TotalEnergies Holdings International B.V. for the proposed acquisition of the entire equity interest in TotalEnergies EP (Brunei) B.V. (“**TotalEnergies Brunei**”) for a total cash consideration of USD259.4 million¹.

The proposed acquisition is for TotalEnergies Brunei’s 37.5% operated interest in the MLJ field, a high-quality gas asset located offshore Brunei (“**Asset**”). Located in a prolific hydrocarbon-bearing region, the Asset was discovered in 1989 and has been producing gas and condensate since 1999. The Asset has long-term production rights of up to 15 years (expiring on 23 November 2039), if extended with the agreement of the joint venture parties. Other parties holding the remaining interest in the Asset are Shell Deepwater Borneo Limited (35.0%) and Brunei Energy Exploration Sdn Bhd (27.5%), a company ultimately owned by Brunei Minister for Finance Corporation.

This Asset is expected to add a net of up to 21.7 MMboe to the Group’s 2P reserves, an increase of 36% from 60.9 MMboe to 82.6 MMboe as at 1 January 2024, while total daily net production of oil, condensate and gas is expected to increase by circa 7,865 boe per day from 21,398 boe per day to 29,263 boe per day in CY2024. This is expected to bring the gas production share of the Group’s portfolio to almost 50%, in line with the Group’s energy transition strategy of acquiring gas-weighted assets in stable regulatory jurisdictions. This

¹ Including net working capital of USD14.4 million, as at 31 December 2022, subject to agreed adjustments.

transaction also represents a significant step towards fulfilling the Group's aspiration of becoming a net zero emissions producer by 2050.

The Group is set to gain multiple benefits from the proposed acquisition. Beyond acquiring a well-established gas asset in Brunei and taking over its operations, the proposed acquisition further strengthens the Group's position as an independent Exploration and Production (E&P) player in the region. The Group anticipates that with its track record of arresting production decline while increasing daily production for its existing assets, it would be able to introduce plans to improve the Asset's performance and reduce operating costs per barrel.

The SPA is subject to receipt of the approval of shareholders of Hibiscus Petroleum.

Commenting on the proposed acquisition, Hibiscus Petroleum's Managing Director, Dr Kenneth Pereira, said, *"We have been looking for the right opportunity to enter the Brunei energy industry for some time and we would like to thank TotalEnergies for trusting Hibiscus Petroleum to steward this Asset going forward. The additional volumes from this transaction are material for Hibiscus Petroleum and will provide an uplift of nearly 86% to our gas production whilst bringing us closer towards achieving our 2026 Mission of growing the Group's net production to 35,000 - 50,000 boe per day. In addition, employees of TotalEnergies Brunei, who have been operating this Asset safely and efficiently for many years will be joining the Group as part of the transaction. They bring with them a wealth of knowledge and experience. We welcome them and we look forward to working together to enhance the value of the Asset safely and efficiently for all stakeholders. Most importantly, we are excited by the opportunity to work with our joint venture partners, Shell Deepwater Borneo, Brunei Energy Exploration as well as the government of Brunei."*

boe: barrel of oil equivalent

CY: calendar year

MMboe: million barrels of oil equivalent

About Hibiscus Petroleum Berhad

Hibiscus Petroleum Berhad (Hibiscus Petroleum) is Malaysia's first listed independent oil and gas exploration and production company. Its key activities are focused on monetising its oil producing fields and growing its portfolio of development and production assets in areas of its geographical focus: Malaysia, United Kingdom and Vietnam. Hibiscus Petroleum is headquartered in Kuala Lumpur, and its shares are listed on the Main Market of Bursa Malaysia Securities Berhad (Bursa Securities). For more information, please refer to <https://www.hibiscuspetroleum.com>

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