



HIBISCUS PETROLEUM BERHAD - PRESS RELEASE

Hibiscus Petroleum Announces the Transformative Acquisition of High-Quality Oil and Gas Assets from Repsol

- Acquisition of Repsol’s interest in oil & gas assets comprising 5 PSCs in Malaysia and Vietnam for USD212.5 million
- Group’s oil and condensate production to more than double from 9,000 barrels per day to 18,500 barrels per day in 2022
- Group’s gas production increases from 2 MMscf per day to 49 MMscf per day in 2022
- Group’s 2P oil and condensate reserves as at 1 January 2021 to increase by 1.5 times from 46 MMbbl to 67 MMbbl ¹
- Group’s 2P gas reserves as at 1 January 2021 increases from 9 Bscf to 93 Bscf ¹
- Expected EBITDA contribution of USD135 million in CY 2022

Kuala Lumpur, 4 June 2021 – 5.00 p.m.

Hibiscus Petroleum Berhad (HIBI: MK) (“**Hibiscus Petroleum**”, the “**Company**” or the “**Group**”) is pleased to announce that its indirect wholly-owned subsidiary, Peninsula Hibiscus Sdn Bhd (“**Peninsula Hibiscus**”) had on 1 June 2021 entered into a conditional sale and purchase agreement (“**SPA**”) with Repsol Exploración, S.A. (“**Repsol**”) for the proposed acquisition by Peninsula Hibiscus of the entire equity interest in Fortuna International Petroleum Corporation for a total cash consideration of USD212.5 million² (“**Proposed Acquisition**”).

The Proposed Acquisition is a unique opportunity for the Group to acquire a high-quality asset portfolio, comprising the following five production sharing contracts (“**PSC**”) in Malaysia and Vietnam (collectively the “**Assets**”), and assume Repsol’s role as operator:

PSC	Participating Interest		PSC expiry
	To Be Acquired	Location	
PM314	60%	Southwest Malay Basin, offshore Malaysia	30.03.2033
PM305	60%	Southwest Malay Basin, offshore Malaysia	26.11.2029
2012 Kinabalu Oil	60%	Sabah, offshore Malaysia	25.12.2032
PM3 CAA	35%	Northeast Malay Basin, offshore Malaysia	31.12.2027
Block 46	70%	Northeast Malay Basin, Vietnamese waters	31.12.2027

The Group's 2P net entitlement daily production and reserves is expected to increase significantly as follows:

- (i) daily oil and condensate production by more than double from 9,000 barrels per day to 18,500 barrels per day in 2022;
- (ii) daily gas production from 2 MMscf per day to 49 MMscf per day in 2022;
- (iii) 2P oil and condensate reserves as at 1 January 2021 by 1.5 times from 46 MMbbl to 67 MMbbl¹; and
- (iv) 2P gas reserves as at 1 January 2021 from 9 Bscf to 93 Bscf¹.

Based on the 2P case cash flows by RPS Energy Consultants Limited, the appointed independent technical and asset valuation expert:

- (i) the 2P oil, condensate and gas reserves are valued at an estimated USD285 million;
- (ii) the total net undiscounted cash flows expected to be generated over the next 5 years from 2021 to 2025 are approximately USD255 million (adjusted for potential third-party liabilities); and
- (iii) Hibiscus Petroleum's estimation of EBITDA contribution to the Group for CY2022 is USD135 million.

The Company anticipates completing the transaction in CY2021. However, given that the effective date of the Proposed Acquisition is 1 January 2021, all economic benefits and risks from that date will accrue to Hibiscus Petroleum.

Further details can be accessed in the Company's announcements dated 2 June 2021 and 4 June 2021.

Commenting on the Proposed Acquisition, Managing Director, Dr Kenneth Pereira, said, *"We are pleased to announce that after an international, competitive bidding process, we have been selected by Repsol to acquire their Malaysian and Block 46 Vietnam assets. We would like to thank the Repsol organisation and their advisors, J.P. Morgan for a well-managed process to-date.*

As far as the assets are concerned, we have previously demonstrated our capability in enhancing value from acquired mature fields in Malaysia and the United Kingdom and we are motivated to repeat past, positive experiences, here.

Once completed, this acquisition will be transformational for us and bodes well for the business trajectory of Hibiscus Petroleum into its next phase of growth. I would like to add that we have a very high regard for the team at Repsol and we are looking forward to welcoming them into the Hibiscus family and working with them to further monetize opportunities within the assets.

We would also like to place on record our thanks to industry regulators both in Malaysia and Vietnam for giving us the opportunity to acquire these assets and we look forward to strengthening our current partnership with PETRONAS and Petronas Carigali. Finally, we will be enhancing our geographical footprint and entering Vietnam and thus we look forward to developing a strong working relationship with PetroVietnam, both as a regulator and as our new partner."

Notes:

Note 1: Net entitlement reserves

Note 2: Subject to adjustments to be calculated in accordance with the SPA.

Definitions:

Bscf: billion standard cubic feet

boe: barrel of oil equivalent

CY: calendar year

MMbbl: million barrels

MMboe: million barrels of oil equivalent

MMscf: million standard cubic feet

EBITDA: Earnings before Interest, Taxes, Depreciation and Amortisation

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 Australia. 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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