



HIBISCUS PETROLEUM BERHAD - PRESS RELEASE

Hibiscus Petroleum Receives Petronas Carigali's Unconditional Consent Under the Joint Operating Agreement to the Assignment of Shell's 50% Interest in the 2011 North Sabah EOR PSC

Kuala Lumpur, 5 December 2017 – Hibiscus Petroleum Berhad ("Hibiscus Petroleum" or "the Group"), Malaysia's first listed independent oil and gas exploration and production company, announced that it has received unconditional consent from Petronas Carigali Sdn Bhd ("Petronas Carigali") under the Joint Operating Agreement ("JOA") for its indirect wholly-owned subsidiary, SEA Hibiscus Sdn Bhd ("SEA Hibiscus") to acquire from Sabah Shell Petroleum Company Limited and Shell Sabah Selatan Sdn Bhd (collectively "Shell") their 50% participating interests in the 2011 North Sabah Enhanced Oil Recovery Production Sharing Contract ("North Sabah EOR" or "PSC") ("Proposed Acquisition").

The PSC comprises four producing oil fields and associated infrastructure i.e. St Joseph, South Furious, SF30, and Barton oil fields. The PSC also contains pipeline infrastructure and the Labuan Crude Oil Terminal. Total oil production (on a 100% PSC basis) averaged approximately 18,000 barrels per day ("bbl/day") in 2015. The PSC provides long term production rights until 2040 with identified future developments opportunities.

Hibiscus Petroleum will announce further developments on the Proposed Acquisition in due course. The Proposed Acquisition is in line with the Group's strategy to invest in profitable development and producing business operations in core geographical areas of interest. The North Sabah EOR can provide the Group with immediate access to proven and probable oil and gas reserves with future potential upside.

Currently, Hibiscus Petroleum's main operating asset is a 50%-stake in the Anasuria Cluster, a concession in the North Sea off the United Kingdom, which was acquired in March 2016.

Hibiscus Petroleum is optimistic that oil prices will more likely increase or remain at the current level in the near to medium term and the recent price recovery will support the Group's performance for as it increases production in the Anasuria Cluster. Over the past year, Brent crude oil prices have raised approximately 16% and closed at US\$63.21/bbl as at 30 November 2017.

Hibiscus Petroleum achieved an average realised price of US\$51.54/barrel ("bbl") in the first financial quarter ended 30 September 2017 ("1Q2018"), 14% higher compared to US\$45.21/bbl achieved in the corresponding preceding quarter ("1Q2017"). The higher prices are occurring even as Hibiscus Petroleum targets to execute production enhancement projects in 2018 and 2019 which is expected to increase its production at Anasuria Cluster to 5,000 bbl/day an increase of 56% from 3,204 bbl/day as at 30 June 2017.

The Group announced recently successfully completed enhancement projects at three wells at its Anasuria Cluster of oil and gas fields – designed to improve short- and medium-term performance to compensate for the expected production decline of such mature asset, while seeking to improve health and safety aspects.

The Group also recently completed a 31-day scheduled shutdown ("Offshore Turnaround") of the Anasuria floating production storage and offloading unit ("Anasuria FPSO") which commenced in mid-September 2017.

The Group recently announced its 1Q2018 result with a 6% increase in Group Revenue to RM58.2 million from RM54.7 million a year ago mainly driven by higher average realised crude oil price.

****End of Press Release****

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

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