

HIBISCUS PETROLEUM ANNOUNCES RM851 MILLION REVISED VALUATION OF THE ANASURIA CLUSTER

- 84% uplift in the valuation of the Anasuria Cluster to RM851 million net to Hibiscus Petroleum
 - Increase in valuation driven by significant reduction in the estimated capital and operational costs, and improved in-place oil and gas volume estimates
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30 June 2016

Hibiscus Petroleum Berhad (“**Hibiscus Petroleum**” or “**the Company**”) is pleased to announce that following the completion of the Anasuria Cluster acquisition on 10 March 2016, the Company commissioned RPS Energy to undertake a valuation exercise based on updated oil and gas production profiles, latest oil price projections and revised operating and capital cost estimates. In the report issued by RPS Energy (“**2016 RPS Report**”), the valuation of the interest held by Hibiscus Petroleum in the Anasuria Cluster as of 1 March 2016 is USD 208 million (approximately RM851 million). This signifies an 84% uplift in valuation when compared to the previous report also issued by RPS Energy dated September 2015 (“**2015 RPS Report**”). The 2015 RPS Report valued Hibiscus Petroleum’s interest in the Anasuria Cluster at USD 113 million. A copy of that report was published in a Circular to shareholders of the Company dated 20 January 2016 which sought shareholder approval for the acquisition of the Anasuria asset.

The oil and gas production profiles used in the latest report are based on an updated Decline Curve Analysis and a reserves evaluation done by RPS Energy using the most recent production data available. Operational costs in this forecast are up to 30 % lower than those used in the previous evaluation done in 2015. This is largely attributed to a reduction in service costs that are being achieved as a result of the current lower oil price environment. Similarly, low oil services costs have contributed to a significant reduction in estimated capital expenditure on infill drilling and workover programmes – required for the planned increase in production of oil and gas in the near future.

The recent acquisition of the Anasuria Cluster marks a significant turnaround for Hibiscus Petroleum. Apart from being joint owner-operator of a producing North Sea asset, it signals the generation of positive cash flows and recurring profitability for the Company.

Hibiscus Petroleum’s Managing Director, Dr Kenneth Pereira commented, “*We are pleased that production enhancements and cost reductions have translated into a higher valuation of the Anasuria Cluster. Moving forward, we will work more aggressively towards monetising and unlocking further value to be found in this asset as part of our ongoing objective towards building a sustainable business.*”

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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>.