HIBISCUS PETROLEUM BERHAD

(Registration Number: 200701040290 (798322-P))
(Incorporated in Malaysia)

Unaudited Quarterly Financial Report 31 March 2024

(Third financial quarter of financial year ending 30 June 2024)

(Note: This Unaudited Quarterly Financial Report is supplemented by the Corporate and Business Update released on the same day, on 21 May 2024.)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		QUARTER ENDED 31.03.2024 RM'000	QUARTER ENDED 31.03.2023 RM'000	PERIOD ENDED 31.03.2024 RM'000	PERIOD ENDED 31.03.2023 RM'000
Revenue		603,511	523,336	1,977,685	1,841,230
Cost of sales		(162,706)	(150,656)	(659,631)	(640,529)
GROSS PROFIT		440,805	372,680	1,318,054	1,200,701
Other income	26	18,588	14,648	40,525	31,426
Administrative expenses		(144,504)	(59,504)	(285,172)	(246,734)
Write-off of well exploration costs		(78,902)	-	(78,902)	-
Supplemental payments		(32,654)	(30,721)	(88,008)	(166,751)
Other administrative expenses		(32,948)	(28,783)	(118,262)	(79,983)
Other expenses		(143,440)	(160,263)	(414,613)	(386,985)
Finance costs		(26,888)	(17,262)	(81,099)	(53,754)
Share of results of an associate		(98)	(139)	(386)	(391)
PROFIT BEFORE TAXATION	27	144,463	150,160	577,309	544,263
Taxation	28	(42,656)	(78,649)	(218,869)	(267,021)
PROFIT AFTER TAXATION		101,807	71,511	358,440	277,242
PROFIT AFTER TAXATION ATTRIBUTABLE TO:					
- Owners of the Company		101,807	71,511	358,440	277,242
EARNINGS PER SHARE (SEN)					
Basic	25	12.71	8.88*	44.61	34.44*
Diluted	25	12.71	8.88*	44.61	34.44*

* *For comparative purpose, in accordance with the provisions of Malaysian Financial Reporting Standard 133: Earnings per Share, the basic and diluted earnings per shares for the preceding year's corresponding quarter and period had been adjusted to reflect the effect of the share consolidation of every five shares into two consolidated shares, which was completed on 20 October 2023 (please refer to Part A, Note 4(i) of this Quarterly Report for further details).*

Note:

Earnings Before Interest, Taxes, Depreciation and Amortisation	300,185	291,580	1,018,450	943,215

(Please refer to Part A, Note 11 and Part B, Notes 15 and 16 of this Quarterly Report for further details.)

The Unaudited Condensed Consolidated Statements of Profit or Loss should be read in conjunction with the audited financial statements for the financial year ended 30 June 2023 and the accompanying explanatory notes attached to the financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31.03.2024 RM'000	QUARTER ENDED 31.03.2023 RM'000	PERIOD ENDED 31.03.2024 RM'000	PERIOD ENDED 31.03.2023 RM'000
PROFIT AFTER TAXATION	101,807	71,511	358,440	277,242
Other comprehensive income/(expenses):				
Item that may be subsequently reclassified to profit or loss:				
- Foreign currency translation**	78,213	1,714	33,393	(635)
TOTAL COMPREHENSIVE INCOME FOR THE QUARTER/PERIOD	180,020	73,225	391,833	276,607
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
- Owners of the Company	180,020	73,225	391,833	276,607

** *Arising from translation of Group entities' financial statements with different functional currencies recognised directly in reserves.*

The Unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2023 and the accompanying explanatory notes attached to the financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	UNAUDITED AS AT 31.03.2024 RM'000	AUDITED AS AT 30.06.2023 RM'000
ASSETS			
NON-CURRENT ASSETS			
Intangible assets		1,533,877	1,452,069
Equipment		2,098,757	2,024,457
Right-of-use assets		138,590	158,106
Other receivables		160,390	178,802
Investment in an associate		4,481	4,902
Restricted cash and bank balances		264,748	219,012
Tax recoverable		54,037	53,425
Deferred tax assets		-	16,811
		4,254,880	4,107,584
CURRENT ASSETS			
Intangible assets		6,859	8,854
Inventories		235,334	198,628
Trade receivables		574,022	411,381
Other receivables, deposits and prepayments		532,409	493,579
Amount owing by a joint venture		-	339
Cash and bank balances		834,910	959,659
Tax recoverable		13,386	18,504
		2,196,920	2,090,944
TOTAL ASSETS		6,451,800	6,198,528
EQUITY AND LIABILITIES			
EQUITY			
Share capital	10	166,014	166,014
Treasury shares		(16,121)	-
Other reserves		342,323	308,930
Retained earnings		2,521,032	2,214,815
		3,013,248	2,689,759
NON-CURRENT LIABILITIES			
Other payables		3,935	4,303
Borrowings	29	546,627	647,742
Contingent consideration		44,769	43,372
Deferred tax liabilities		823,547	792,973
Provision for decommissioning costs		606,984	617,125
		2,025,862	2,105,515

The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2023 and the accompanying explanatory notes attached to the financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

	Note	UNAUDITED AS AT 31.03.2024 RM'000	AUDITED AS AT 30.06.2023 RM'000
CURRENT LIABILITIES			
Trade payables		21,233	38,299
Other payables and accruals		831,707	863,292
Borrowings	29	208,931	214,752
Amount owing to a joint venture		1	319
Contingent consideration		12,303	7,574
Provision for decommissioning costs		71,113	56,291
Provision for taxation		267,402	222,508
Redeemable Convertible Preference Shares		-	219
		1,412,690	1,403,254
TOTAL LIABILITIES		3,438,552	3,508,769
TOTAL EQUITY AND LIABILITIES		6,451,800	6,198,528
NET ASSETS PER SHARE (RM)		3.77	3.34***

*** *For comparative purpose, the net assets per share as at 30 June 2023 had been adjusted to reflect the effect of share consolidation of every five shares into two consolidated shares, which was completed on 20 October 2023 (please refer to Part A, Note 4(i) of this Quarterly Report for further details).*

The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2023 and the accompanying explanatory notes attached to the financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	<----------------------	NON-DISTRIBUTABLE		---------------------->		
	SHARE CAPITAL RM'000	**TREASURY SHARES RM'000**	**OTHER RESERVES RM'000**	**FOREIGN EXCHANGE RESERVE RM'000**	**RETAINED EARNINGS RM'000**	**TOTAL RM'000**
9 months to 31.03.2024						
As at 01.07.2023	166,014	-	389	308,541	2,214,815	2,689,759
Profit after taxation	-	-	-	-	358,440	358,440
Other comprehensive income, net of tax: - Foreign currency translation	-	-	-	33,393	-	33,393
Total comprehensive income for the period	-	-	-	33,393	358,440	391,833
Dividends	-	-	-	-	(52,161)	(52,161)
Purchase of treasury shares	-	(16,121)	-	-	(62)	(16,183)
Total transactions with owners of the Company	-	(16,121)	-	-	(52,223)	(68,344)
As at 31.03.2024	166,014	(16,121)	389	341,934	2,521,032	3,013,248
9 months to 31.03.2023						
As at 01.07.2022	966,014	-	389	171,007	1,064,607	2,202,017
Profit after taxation	-	-	-	-	277,242	277,242
Other comprehensive expenses, net of tax: - Foreign currency translation	-	-	-	(635)	-	(635)
Total comprehensive (expenses)/income for the period	-	-	-	(635)	277,242	276,607
Dividends	-	-	-	-	(35,217)	(35,217)
Capital Reduction****	(800,000)	-	-	-	800,000	-
Total transactions with owners of the Company	(800,000)	-	-	-	764,783	(35,217)
As at 31.03.2023	166,014	-	389	170,372	2,106,632	2,443,407

**** *The reduction of the issued ordinary shares capital of the Company by RM800 million was completed on 3 March 2023 pursuant to Section 117 of the Companies Act, 2016.*

The Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2023 and the accompanying explanatory notes attached to the financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Period Ended	
	31.03.2024	**31.03.2023**
	RM'000	**RM'000**
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	577,309	544,263
Adjustments for:		
Depreciation and amortisation of equipment, intangible assets and right-of-use assets	360,042	345,198
Finance costs	81,099	53,754
Write-off of well exploration costs	78,902	-
Unrealised loss on foreign exchange	10,280	32,356
Share of results of an associate	386	391
Write-back of amount owing to a joint venture	(46)	-
Interest income	(45,568)	(8,831)
Operating profit before working capital changes	1,062,404	967,131
Inventories	(34,089)	6,292
Trade receivables	(156,475)	65,872
Other receivables, deposits and prepayments	37,763	83,804
Trade payables	(17,327)	6,472
Other payables and accruals	(88,747)	(402,554)
Amount owing by an associate	-	10
Cash generated from operating activities	803,529	727,027
Tax paid	(133,217)	(154,096)
Movement in restricted cash and bank balances	(50,637)	(29,604)
Net cash generated from operating activities	619,675	543,327
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	45,568	8,831
Acquisition of intangible assets	(200,634)	(67,566)
Purchase of equipment	(306,551)	(280,150)
Net cash used in investing activities	(461,617)	(338,885)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	(129,587)	(125,199)
Repayment of term loan	(69,486)	-
Repayment of revolving credit	-	(166,031)
Drawdown of revolving credit	-	185,263
Drawdown of term loan	-	77,542
Dividends paid	(51,267)	(40,248)
Interest paid	(30,863)	(4,059)
Purchase of treasury shares	(16,183)	-
Redemption of Redeemable Convertible Preference Shares	(219)	-
Net cash used in financing activities	(297,605)	(72,732)
Net (decrease)/increase in cash and cash equivalents	(139,547)	131,710
Effects of foreign exchange rate changes	7,757	(8,198)
Cash and cash equivalents at beginning of the financial period	925,630	544,779
Cash and cash equivalents at end of the financial period	793,840	668,291

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

	Period Ended	
	31.03.2024	**31.03.2023**
	RM'000	**RM'000**
Cash and bank balances in the Consolidated Statements of Financial Position are as follows:		
Non-current		
Restricted cash and bank balances*****	264,748	194,603
Current		
Cash and bank balances	834,910	670,181
Less: Restricted cash and bank balances******	(41,070)	(1,890)
Cash and cash equivalents	793,840	668,291

***** *Anasuria Hibiscus UK Limited is required to provide security for its proportionate obligations for the estimated cost of decommissioning the facilities of the Anasuria Cluster by periodically placing monies in a trust commencing 18 months from the completion date of the sale and purchase agreement for the acquisition of the Anasuria Cluster, until such time that the security has been fully provided for. Such decommissioning activities are expected to be carried out at the end of life of the Anasuria Cluster and therefore, these monies in the trust are classified as non-current assets.*

****** *The balances consist of the following:*

- *31 March 2024*
  - *Asia Hibiscus Sdn. Bhd. – As part of the term loan covenants, Asia Hibiscus Sdn. Bhd. is required to maintain a minimum amount of principal and interest payable for the next three months into a designated bank account. The amount as at 31 March 2024 was equivalent to RM35.4 million.*
  - *Anasuria Hibiscus UK Limited – An amount equivalent to RM5.7 million was deposited into an escrow account held by Anasuria Hibiscus UK Limited relating to the acquisition of 42.5% interest in Licence P2451 (containing the Fyne undeveloped field), which will be paid to Rapid Oil Production Ltd upon the approval of the Concept Select Report by the North Sea Transition Authority.*
- *31 March 2023*
  - *Asia Hibiscus Sdn. Bhd. – As part of the term loan covenants, Asia Hibiscus Sdn. Bhd. is required to maintain a minimum amount of principal and interest payable for the next three months into a designated bank account. The amount as at 31 March 2023 was equivalent to RM1.9 million.*

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2023 and the accompanying explanatory notes attached to the financial statements.

ABBREVIATIONS AND ACRONYMS

The following table describes the abbreviations and acronyms used throughout the Quarterly Report.

Abbreviation	Description
Act	Companies Act, 2016
Anasuria Operating Company	Anasuria Operating Company Limited
Anasuria FPSO	Anasuria floating production storage and offloading vessel
Anasuria Hibiscus UK	Anasuria Hibiscus UK Limited
AIAC	Asian International Arbitration Centre
ASCU	Angsi Southern Channel Unit
AUD	Australian Dollar
BITA	Barbados Income Tax Act
bbl	Barrel
Block 46	Block 46 Cai Nuoc PSC
BRA	Barbados Revenue Authority
boe	Barrel of oil equivalent
Bursa Securities	Bursa Malaysia Securities Berhad
CAA	Commercial Arrangement Area
CAPEX	Capital expenditure
CITA	Corporate (Income Tax) Act 1967
Current Period	Ninth-month financial period ended 31 March 2024
Current Quarter	Financial quarter ended 31 March 2024
Current Year	Financial year ending 30 June 2024
CY	Calendar year
EBITDA	Earnings before interest, taxes, depreciation and amortisation
Entitlement Date	Entitlement date and time for the Share Consolidation, on 19 October 2023 at 5.00 p.m.
EPL	Energy Profits Levy
EPS	Earnings per share
ESIM	Energy Security Investment Mechanism
ETR	Effective tax rate
FIPC	Fortuna International Petroleum Corporation
FIPC Acquisition	Acquisition of the entire equity interest in FIPC
FSO	Floating storage and offloading
GBP	Great Britain Pound
GP	Gross profit
Heren Index	Heren National Balancing Point index
Hibiscus Integrated	Hibiscus Integrated Production Services Sdn. Bhd.
Hibiscus Oil & Gas	Hibiscus Oil & Gas Malaysia Limited
Hibiscus Oil & Gas (PM3)	Hibiscus Oil & Gas Malaysia (PM3) Limited
HIREX	HiRex Petroleum Sdn. Bhd.
IRB	Inland Revenue Board of Malaysia
IY	Income Year
Kinabalu	2012 Kinabalu Oil PSC
LAT	Loss after taxation
LBITDA	Losses before interest, taxes, depreciation and amortisation
LBT	Loss before taxation
LCOT	Labuan Crude Oil Terminal
MFRS	Malaysian Financial Reporting Standard
MMboe	Million barrel of oil equivalent
MMLR	Main Market Listing Requirements

ABBREVIATIONS AND ACRONYMS (CONT'D)

The following table describes the abbreviations and acronyms used throughout the Quarterly Report. (Cont'd)

Abbreviation	Description
MMscf	Million standard cubic feet
North Sabah	2011 North Sabah Enhanced Oil Recovery Production Sharing Contract
Notice	Notice to Arbitrate
NSTA	North Sea Transition Authority
Oceancare	Oceancare Corporation Sdn Bhd
OPEX	Operating costs
OPRED	Offshore Petroleum Regulator for Environment & Decommissioning
PAT	Profit after taxation
PBT	Profit before taxation
Peninsula Hibiscus Group	Peninsula Hibiscus Sdn. Bhd. and its subsidiaries
Ping Petroleum	Ping Petroleum UK PLC
PITA	Petroleum (Income Tax) Act 1967
PM3 CAA	PM3 CAA PSC
PM305 and PM314	PM305 and PM314 PSCs
Preceding Quarter	Financial quarter ended 31 December 2023
Preceding Year	Financial year ended 30 June 2023
PSC	Production Sharing Contract
Rapid Oil	Rapid Oil Production Ltd
RCPS	Redeemable Convertible Preference Shares
Repsol	Repsol Exploración, S.A.
RFCT	Ring fence corporation tax
RM	Ringgit Malaysia
SbST	Sabah State Sales Tax
scf	Standard cubic feet
SEA Hibiscus	SEA Hibiscus Sdn. Bhd.
SF Ungu	South Furious Ungu
SF Ungu ST	South Furious Ungu Side Track
SF Merah	South Furious Merah
SC	Supplementary charge
Share Consolidation	Consolidation of the issued share capital of the Company
STOOIP	Stock tank oil initially in place
UK	United Kingdom
UKCS	United Kingdom Continental Shelf
USD	United States Dollar
UUOA	Unitisation and Unit Operating Agreement

PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134

1 BASIS OF PREPARATION

This unaudited Quarterly Report has been prepared in accordance with the reporting requirements as set out in the MFRS 134 *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board and Paragraph 9.22 of the MMLR of Bursa Securities and should be read in conjunction with the Group's audited financial statements for the Preceding Year and the accompanying explanatory notes attached to the unaudited condensed consolidated financial statements.

The explanatory notes attached to the unaudited condensed consolidated financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the Preceding Year.

2 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the unaudited condensed financial statements are consistent with those followed in the preparation of the Group's audited financial statements for the Preceding Year.

2.1 Adoption of Amendments to Standards

The Group has applied the following amendments for the first time for the financial year beginning on 1 July 2023:

Amendments to MFRS 101	*Disclosure of Accounting Policies*
Amendments to MFRS 108	*Definition of Accounting Estimates*
Amendments to MFRS 112	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
Amendments to MFRS Practice Statement 2	*Disclosure of Accounting Policies*

The adoption of the above amendments did not have any material impact on the current financial quarter or any prior financial period and is not likely to affect future financial periods.

2.2 Amendments to Standards issued but not yet effective

Description		**Effective for financial periods beginning on or after**
Amendments to MFRS 16	*Lease Liability in a Sale and Leaseback*	1 January 2024
Amendments to MFRS 101	*Non-current Liabilities with Covenants*	1 January 2024
Amendments to MFRS 107 and MFRS 7	*Supplier Finance Arrangements*	1 January 2024

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The Group will adopt the above amendments when they become effective in the respective financial periods. The Group is in the process of assessing the impact of the adoption of these amendments to existing standards.

3 SEASONAL OR CYCLICAL FACTORS

The Group's operations are not significantly affected by any seasonal or cyclical factors.

4 SIGNIFICANT/UNUSUAL ITEMS

Saved as disclosed below, there were no other significant or unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group during the Current Period.

(i) <u>Share Consolidation</u>

- Share Capital

  As of the Entitlement Date, the share capital of the Company was consolidated based on every five shares of the Company into two consolidated shares, resulting in 804,967,428 number of issued consolidated ordinary shares from the previous 2,012,418,743 number of issued ordinary shares.

  The consolidated shares were listed and quoted on the Main Market of Bursa Securities on 20 October 2023, and the Share Consolidation was successfully completed on the same date.

  Please refer to our announcements dated 23 August 2023, 24 August 2023, 5 September 2023, 19 October 2023 and 20 October 2023 for further details.

- EPS

  The Share Consolidation does not have any effect on the Group's profit after taxation attributable to the owner of the Company for the Current Period. However, pursuant to the Share Consolidation and all things being equal, there would be an increase in the Group's EPS as a result of the reduced number of ordinary shares in issue.

  For comparative purpose, in accordance with the provisions of MFRS 133: Earnings per Share, the basic and diluted EPS for the Preceding Year's corresponding quarter and period had been adjusted to reflect the effect of the Share Consolidation.

4 SIGNIFICANT/UNUSUAL ITEMS (CONT'D)

		BEFORE SHARE CONSOLIDATION		AFTER SHARE CONSOLIDATION	
		QUARTER ENDED 31.03.2023 (Reported)	PERIOD ENDED 31.03.2023 (Reported)	QUARTER ENDED 31.03.2023 (Adjusted)	PERIOD ENDED 31.03.2023 (Adjusted)
PAT attributable to owners of the Company (RM'000)	(A)	71,511	277,242	71,511	277,242
Weighted average number of shares for basic earnings per share computation ('000)	(B)	2,012,419	2,012,419	804,967	804,967
Weighted average number of shares for diluted earnings per share computation ('000)	(C)	2,012,419	2,012,419	804,967	804,967
Basic EPS (sen)	(A/B)	3.55	13.78	8.88	34.44
Diluted EPS (sen)	(A/C)	3.55	13.78	8.88	34.44

- Net assets per share

The Share Consolidation does not have effect on the Group's shareholders' funds for the Current Period. However, pursuant to the Share Consolidation and all things being equal, there would be an increase in the Group's net assets per share as a result of the reduced number of ordinary shares in issue.

For comparative purpose, the net assets per share as at 30 June 2023 had been adjusted to reflect the effect of the Share Consolidation.

		AS AT 30.06.2023 (Audited)	AS AT 30.06.2023 (Adjusted)
Shareholders' funds (RM'000)	(A)	2,689,759	2,689,759
Number of shares in issue ('000)	(B)	2,012,419	804,967
Net assets per share (sen)	(A/B)	1.34	3.34

4 SIGNIFICANT/UNUSUAL ITEMS (CONT'D)

(ii) Write-off of well exploration costs in SEA Hibiscus

In the preceding quarter, SEA Hibiscus commenced an exploration drilling campaign to drill three exploration wells, namely SF Ungu, SF Ungu ST and SF Merah, to evaluate prospective Near Field exploration targets within the boundaries of North Sabah. The campaign commenced at the SF Ungu well location on 29 October 2023 and drilling was carried out on both the SF Ungu and the SF Ungu ST wells from this site. The drilling of the third and final exploration target of this campaign, the SF Merah well, started on 19 January 2024 and completed on 5 March 2024. All costs relating to this campaign were funded by internal resources and the costs associated with the campaign have been included in SEA Hibiscus' cost recovery pool.

At the Ungu prospect location, several samples of gas and oil were individually recovered from SF Ungu and SF Ungu ST and are currently undergoing post-well laboratory analysis. A summary of the status is as follows:

- SF Ungu

  The data collected through drilling operations at the location is currently being reviewed and a more detailed interpretation will be produced to ascertain the proposed next steps. The lab analysis and follow up studies are not expected to be completed until early CY 2025. An amount of RM46.3 million (pre-tax), net to SEA Hibiscus, relating to this well was incurred and is currently capitalised as a non-current intangible asset. For guidance, should the outcome of the on-going post-well lab analysis and further sub surface studies not support the likelihood of commercial viability of the resources and the on-going capitalisation, approximately RM28.7 million net of tax impact (i.e. PITA at 38.0%) will be written off to the profit or loss in due course.

- SF Ungu ST

  An assessment was performed on the hydrocarbon sample collected. The conclusion derived from this assessment was that hydrocarbon volumes seen in this well will not achieve commercial viability. Following this, RM24.2 million net of tax impact (for information, the corresponding amount omitting any tax impact was RM39.0 million) has been written off to the profit or loss in the Current Quarter.

At the Merah prospect location, evaluation and sampling efforts recovered one sample of gas which was sent for further laboratory analysis. Even though a sample of gas was recovered and brought to surface, an assessment performed concluded that hydrocarbon volumes seen in this well will not achieve commercially viable economic thresholds. Following this, RM24.7 million net of tax impact (for information, the corresponding amount omitting any tax impact was RM39.9 million) was written off to the profit or loss during the Current Quarter.

Please refer to our announcement dated 1 March 2024 for further details.

(iii) Acquisition of Interest in Licence P2451

Anasuria Hibiscus UK and Ping Petroleum each entered into a separate but identical Farm-in Agreement with Rapid Oil on 30 August 2023. Under the terms of each Farm-In Agreement, Anasuria Hibiscus UK and Ping Petroleum would separately acquire 42.5% equity interest each in Licence P2451, with the balance 15.0% equity interest remaining with Rapid Oil.

4 SIGNIFICANT/UNUSUAL ITEMS (CONT'D)

Licence P2451 holds an undeveloped oil field, the Fyne field, located in the Central North Sea, UK, with an estimated 75 MMboe STOOIP. The Fyne field lies in a water depth of about 90 metres. As it is located approximately 20 kilometres from the Anasuria FPSO, the plan is to tie-back a single well development to the Anasuria FPSO. The addition of the Fyne field is expected to increase the value and extend the field life of the existing Anasuria Cluster asset.

The acquisition was completed on 20 November 2023. Upon completion, Anasuria Hibiscus UK was appointed as operator for the field development stage. A licence extension application was submitted to the NSTA on 27 December 2023.

On 20 March 2024, the NSTA approved the licence extension to 30 September 2026. A condition of the extension is that by 30 September 2026, Anasuria Hibiscus UK will have achieved an approved Field Development Plan and Production Consent.

First oil is expected in 2027, whereupon Anasuria Operating Company (equally owned by Anasuria Hibiscus UK and Ping Petroleum) is expected to take over as operator of the Fyne production from Anasuria Hibiscus UK. For information, Anasuria Operating Company is the operator of the Anasuria Cluster asset.

On 11 April 2024, the NSTA acknowledged receipt of the Fyne Development Concept Select Report submitted by Anasuria Hibiscus UK as operator of the Fyne Development for and on behalf of the Licence P2451 licensees and advised that the Concept Select Report was found to be in accordance with its "Requirements for the planning of and consent to UKCS Field Developments 2021" guidance.

Please refer to our announcements dated 1 September 2023, 13 October 2023, 21 November 2023, 20 March 2024 and 18 April 2024 for further details.

5 MATERIAL CHANGES IN ESTIMATES

There were no material changes in estimates of amounts reported in the prior financial periods that have a material effect in the Current Period.

6 MATERIAL EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD

There were no material events subsequent to the end of the Current Period up to the date of this Quarterly Report.

7 CHANGES IN THE COMPOSITION OF THE GROUP

Saved as disclosed below, there were no other changes in the composition of the Group during the Current Period.

On 13 September 2023, Hibiscus Integrated was incorporated under the Act with an issued and paid-up share capital of 2 ordinary shares of RM1.00 each. Hibiscus Integrated was established as a wholly-owned subsidiary of Hibiscus Technical Services Sdn. Bhd., which in turn is a wholly-owned subsidiary of the Company.

8 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Directors are not aware of any material contingent liabilities or contingent assets, which, upon becoming enforceable, may have a material impact on profit or loss, or the net assets value of the Group.

9 DIVIDENDS PAID

The amount of dividends paid by the Company in the Current Period are as follows:

	RM '000
In respect of the Current Year	
First interim single-tier dividend of 2.00 sen per ordinary share, paid on 19 January 2024	16,073
In respect of the Preceding Year	
Second interim single-tier dividend of 0.75 sen[(1)] per ordinary share, paid on 21 July 2023	15,093
Third interim single-tier dividend of 0.50 sen[(1)] per ordinary share, paid on 20 October 2023	10,062
Final single-tier dividend of 1.25 sen per ordinary share, paid on 19 January 2024	10,039
	51,267

(1) *For information, the above interim single-tier dividends were declared before the effect of the Share Consolidation of every five shares into two consolidated shares, which was completed on 20 October 2023. Please refer to Part A, Note 4(i) of this Quarterly Report for further details.*

10 DEBT AND EQUITY SECURITIES

Save as disclosed below, there were no other issuances, cancellations, repurchases, resale, exercise of debt and equity securities during the Current Period.

(i) Share Consolidation

Share capital

	PERIOD ENDED 31.03.2024	
	Number of shares	**Share capital RM'000**
ORDINARY SHARES		
As at 01.07.2023	2,012,418,743	166,014
Share Consolidation	(1,207,451,315)	-
As at 31.03.2024	804,967,428	166,014

The Company completed the Share Consolidation exercise on 20 October 2023. As of the Entitlement Date, the Company's total numbers of issued ordinary shares were consolidated into 804,967,428 number of issued ordinary shares from the previous 2,012,418,743 number of issued ordinary shares. The Company's issued share capital remained unchanged.

Please refer to Part A, Note 4(i) of this Quarterly Report for further details on the Share Consolidation exercise.

10 DEBT AND EQUITY SECURITIES (CONT'D)

(ii) Share Buy-Back

On 5 December 2023, the shareholders approved the renewal of the share buy-back authority for the Company to purchase its own shares of up to 10% of the total number of issued ordinary shares of the Company. The mandate is valid until the next Annual General Meeting or earlier if the shareholders passed an ordinary resolution in a general meeting.

During the Current Period, the Company repurchased 6,385,200 of its issued ordinary shares from open market on Bursa Securities. The shares repurchased which amounted to RM16,120,738 are currently held as treasury shares and presented as a deduction from equity in the Consolidated Statements of Financial Position.

(iii) Redemption of RCPS

On 10 November 2023, 2,193,880 RCPS were fully redeemed by the RCPS holder at the redemption price of RM0.10 per RCPS.

11 OPERATING SEGMENTS

Operating results are segmented in respect of the Group's business activities. At the end of the Current Period, the Group has activities in the following principal areas(2):

(i) Malaysia – North Sabah

Group's investment in its 50% participating interest in North Sabah, located off the coast of Sabah, Malaysia. The investment includes the management of the operations relating to the production of petroleum from four existing oil fields (namely St Joseph, South Furious, South Furious 30 and Barton), existing pipeline infrastructure, the LCOT and all other equipment and assets relating to the PSC.

The segment's functional currency is the USD. The average and closing rates adopted for conversion to RM in the Current Period are 4.6792 and 4.7270 respectively.

(ii) Malaysia – Kinabalu and Others

Group's investments and operations in Kinabalu, PM305 and PM314.

Kinabalu
Group's investment in its 60% participating interest in Kinabalu, located off the coast of Sabah, Malaysia.

Others

- PM305
  Group's investment in its 60% participating interest in PM305, located off the eastern coast of Peninsular Malaysia in the Malay Basin. The participating interest in PM305 ceased on 17 March 2024.

  The Group is obliged to complete the abandonment obligations for wells and facilities per the PSC terms of PM305. All well abandonment obligations required to be carried out were completed in August 2022. The remaining abandonment obligations of the South Angsi-A facility are estimated to be completed by September 2025.

  The Group is in the progress of finalising the cash settlement exercise in relation to underlift crude balances.

- PM314
  Group's investment in its 60% participating interest in PM314, located off the eastern coast of Peninsular Malaysia in the Malay Basin. The participating interest in PM314 ceased on 5 September 2020 and all abandonment obligations required to be carried out per the PSC terms of PM314 were completed in August 2022.

  The Group is in the progress of finalising the cash settlement exercise in relation to underlift crude balances.

11 OPERATING SEGMENTS (CONT'D)

(ii)	Malaysia – Kinabalu and Others (Cont'd)	The segment's functional currency is the USD. The average and closing rates adopted for conversion to RM in the Current Period are 4.6792 and 4.7270 respectively.
(iii)	Commercial Arrangement Area	Group's investment in its 35% participating interest in PM3 CAA, located within the CAA between Malaysia and Vietnam. The investment includes the management of the operations relating to the production of petroleum from seven existing oil fields (namely Bunga Orkid, Bunga Pakma, Bunga Lavatera, Bunga Kekwa, Bunga Raya, Bunga Seroja and Bunga Tulip). The segment's functional currency is the USD. The average and closing rates adopted for conversion to RM in the Current Period are 4.6792 and 4.7270 respectively.
(iv)	United Kingdom	Group's investments and operations in the UK, consisting of (i) the Anasuria Area and (ii) the Marigold Area, all located offshore in the UKCS.

Anasuria Area

(a) Anasuria Cluster

- Group's investment in its:
  - (i) 50% jointly operated interest in the Licence P013 (Blocks 21/25a and 21/30a) containing the Guillemot A, Teal and Teal South producing fields,
  - (ii) 19.3% non-operated interests in the Licence P185 (Block 21/20a) containing the Cook producing field,
  - (iii) 50% interest in the Anasuria FPSO, and
  - (iv) 50% interest in Anasuria Operating Company.

(b) Licence P2532

- Group's investment in its 19.3% interest in Licence P2532 (Blocks 21/19c and 21/20c) containing the Cook West and Cook North field extensions.

(c) Licence P2535

- Group's investment in its 100% interest in Licence P2535 (Block 21/24d) containing the Teal West discovered field.

(d) Licence P2451

- The Group entered into a Farm-in Agreement with Rapid Oil in the Current Period and acquired 42.5% interest in Licence P2451 containing the Fyne undeveloped field.

Marigold Area

(a) Marigold West and Sunflower fields

- Group's investment in its 87.5% interest in two blocks under Licence P198; (i) Block 15/13a, containing the Marigold West discovered oilfield, and (ii) Block 15/13b, containing the Sunflower discovered oilfield. This includes the management of operations to develop these fields towards production.

(b) Licence P2518

- Group's investment in its 100% interest in Licence P2518 (Block 15/12a and Block 15/17a) containing the Kildrummy discovered field.

  Block 15/12a was awarded by the NSTA in the Current Period in the 33rd UK Offshore Licensing Round.

11 OPERATING SEGMENTS (CONT'D)

(iv)	United Kingdom (Cont'd)	(c) <u>Licence P2608</u> • Group's investment in its 100% interest in Licence P2608 (Block 15/18a and Block 15/19a) containing the Crown discovered field. Blocks 15/18a and 15/19a were awarded by the NSTA in the Current Period in the 33rd UK Offshore Licensing Round. The segment's functional currency is the USD. The average and closing rates adopted for conversion to RM in the Current Period are 4.6792 and 4.7270 respectively.
(v)	Australia	Group's operations in VIC/RL17 Petroleum Retention Lease for the West Seahorse field and investment in 3D Energi Limited (formerly known as 3D Oil Limited). The segment's functional currency is the AUD. The average and closing rates adopted for conversion to RM in the Current Period are 3.0677 and 3.0836 respectively.
(vi)	Vietnam	Group's investment in its 70% interest in Block 46, a tie-back asset to PM3 CAA located in Vietnamese waters. Block 46 contains the producing Cai Nuoc field and the undeveloped Hoa Mai field. The segment's functional currency is the USD. The average and closing rates adopted for conversion to RM in the Current Period are 4.6792 and 4.7270 respectively.
(vii)	Investment holding and group activities	Investments in companies owning/operating oil and gas concessions, and provision of project management, technical and other services relating to the oil and gas exploration and production industry. The investment holding and group activities are located in Malaysia.

(2) *The Directors have fully impaired the Group's investment in HIREX. Therefore, HIREX is no longer relevant for inclusion in this section. HIREX was dissolved with effect from 6 October 2023, pursuant to the Act.*

11 OPERATING SEGMENTS (CONT'D)

	Malaysia – North Sabah RM'000	Malaysia – Kinabalu and Others RM'000	Commercial Arrangement Area RM'000	United Kingdom RM'000	Vietnam RM'000	Australia RM'000	Investment holding and group activities RM'000	Group RM'000
As at 31.03.2024								
Non-current assets	749,718	659,002	998,895	1,825,656	14,305	4,481	2,823	4,254,880
Included in the segment assets is:								
Investment in an associate	-	-	-	-	-	4,481	-	4,481
Additions to non-current assets	227,554	179,829	75,846	116,500	1,185	-	234	601,148
Period ended 31.03.2024								
Project management, technical and other service fees	-	-	-	-	-	-	5,289	5,289
Sales of crude oil and gas	533,060	431,805	736,280	261,511	-	-	-	1,962,656
Interest income	-	-	-	-	-	-	9,740	9,740
Revenue	533,060	431,805	736,280	261,511	-	-	15,029	1,977,685
Depreciation and amortisation	(50,617)	(69,622)	(180,586)	(55,140)	(3,075)	-	(1,002)	(360,042)
Profit/(loss) from operations	194,895	166,841	280,026	97,324	(4,193)	(1,663)	(31,362)	701,868
Write-off of well exploration costs	(78,902)	-	-	-	-	-	-	(78,902)
Share of results of an associate	-	-	-	-	-	(386)	-	(386)
Finance costs	(10,029)	(1,540)	(14,548)	(23,752)	(458)	(189)	(30,583)	(81,099)
Interest income	6,581	2,941	13,003	12,430	365	1	507	35,828
Taxation	(48,066)	(59,904)	(76,078)	(34,291)	983	-	(1,513)	(218,869)
PAT/(LAT)	64,479	108,338	202,403	51,711	(3,303)	(2,237)	(62,951)	358,440
EBITDA/(LBITDA)	173,191	239,404	473,615	164,894	(753)	(2,048)	(29,853)	1,018,450

11 OPERATING SEGMENTS (CONT'D)

	Malaysia – North Sabah RM'000	Malaysia – Kinabalu and Others RM'000	Commercial Arrangement Area RM'000	United Kingdom RM'000	Vietnam RM'000	Australia RM'000	Investment holding and group activities RM'000	Group RM'000
As at 31.03.2023								
Non-current assets	598,811	527,731	1,117,986	1,615,880	15,309	3,600	2,366	3,881,683
Included in the segment assets is: Investment in an associate	-	-	-	-	-	3,600	-	3,600
Additions to non-current assets	24,005	56,093	150,503	133,420	-	-	174	364,195
Period ended 31.03.2023								
Project management, technical and other service fees	-	-	-	-	-	-	4,482	4,482
Sales of crude oil and gas	493,038	432,782	572,145	271,871	66,158	-	-	1,835,994
Interest income	-	-	-	-	-	-	754	754
Revenue	493,038	432,782	572,145	271,871	66,158	-	5,236	1,841,230
Depreciation and amortisation	(94,472)	(54,385)	(136,865)	(55,690)	(2,792)	-	(994)	(345,198)
Profit/(loss) from operations	102,010	152,490	223,888	138,334	4,168	(8,047)	(22,512)	590,331
Share of results of an associate	-	-	-	-	-	(391)	-	(391)
Finance costs	(10,854)	(267)	(15,636)	(19,992)	(322)	-	(6,683)	(53,754)
Interest income	795	714	2,569	3,360	586	1	52	8,077
Taxation	(37,930)	(60,194)	4,328	(164,096)	(8,629)	-	(500)	(267,021)
PAT/(LAT)	54,021	92,743	215,149	(42,394)	(4,197)	(8,437)	(29,643)	277,242
EBITDA/(LBITDA)	197,277	207,589	363,322	197,384	7,546	(8,437)	(21,466)	943,215

12 SIGNIFICANT RELATED PARTY TRANSACTIONS

Related party transactions within the Group are as follows:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31.03.2024 RM'000	QUARTER ENDED 31.03.2023 RM'000	PERIOD ENDED 31.03.2024 RM'000	PERIOD ENDED 31.03.2023 RM'000
Project management, technical and other services fees earned from a related party				
- Ping Petroleum	737	731	2,207	2,144

13 MATERIAL COMMITMENTS

Save as disclosed below, the Group is not aware of any material capital commitments incurred or known to be incurred by the Group which, upon becoming enforceable, may have a material impact on profit or loss, or net assets value of the Group as at 31 March 2024:

	RM'000
Approved and contracted for:	
Group's capital commitments	514,573
Share of a joint operation's capital commitments	11,958
Total capital commitments approved and contracted for	526,531
Share of a joint operation's other material commitments	33,597
	560,128

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MMLR OF BURSA SECURITIES

14 AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

There was no audit qualification to the auditors' report on the latest audited financial statements.

15 PERFORMANCE REVIEW

OPERATING SEGMENTS	Current Period	Current Quarter	Preceding Quarter	Current Quarter vs Preceding Quarter (Change in %)
	31.03.2024	31.03.2024	31.12.2023	
	RM'000	RM'000	RM'000	
Malaysia – North Sabah				
Revenue	533,060	133,665	152,984	(13)
EBITDA	**173,191**	**1,579**	**69,016**	**(98)**
PAT/(LAT)	64,479	(12,834)	28,680	-
Malaysia – Kinabalu and Others				
Revenue	431,805	139,920	151,976	(8)
EBITDA	**239,404**	**74,663**	**84,500**	**(12)**
PAT	108,338	35,743	32,282	11
Commercial Arrangement Area				
Revenue	736,280	239,196	240,523	(1)
EBITDA	**473,615**	**173,230**	**147,018**	**18**
PAT	202,403	85,013	60,278	41
United Kingdom				
Revenue	261,511	86,220	76,935	12
EBITDA	**164,894**	**60,871**	**37,744**	**61**
PAT	51,711	13,899	6,995	99
Vietnam				
Revenue	-	-	-	-
LBITDA	**(753)**	**(253)**	**(477)**	**47**
LAT	(3,303)	(1,187)	(1,465)	19
Australia				
Revenue	-	-	-	-
(LBITDA)/EBITDA	**(2,048)**	**(2,270)**	**1,801**	**-**
(LAT)/PAT	(2,237)	(2,304)	1,683	-
Investment holding and group activities				
Revenue	15,029	4,510	5,132	(12)
LBITDA	**(29,853)**	**(7,635)**	**(14,308)**	**47**
LAT	(62,951)	(16,523)	(26,118)	37
Group				
Revenue	1,977,685	603,511	627,550	(4)
EBITDA	**1,018,450**	**300,185**	**325,294**	**(8)**
PAT	358,440	101,807	102,335	(1)

15 PERFORMANCE REVIEW (CONT'D)

15.1 Material factors affecting financial year-to-date and current quarter results

(A) Statements of Profit or Loss

(Note: Commentary is based on the segments classified in Part A, Note 11 of this Quarterly Report.)

(i) Malaysia – North Sabah

RM'000	Current Period	Current Quarter
Revenue	533,060	133,665
GP	340,732	98,295
GP margin (%)	*63.9%*	*73.5%*
EBITDA	173,191	1,579
EBITDA margin (%)	*32.5%*	*1.2%*
PBT/(LBT)	112,545	(18,221)
PBT/(LBT) margin (%)	*21.1%*	*(13.6%)*
PAT/(LAT)	64,479	(12,834)
PAT/(LAT) margin (%)	*12.1%*	*(9.6%)*
ETR (%)	42.7%	29.6%

	Current Period	Current Quarter
Crude oil sold (bbls)	1,200,068	299,584
Average realised oil price (USD per bbl)	94.93	93.54
Average OPEX per bbl (USD)	20.40	15.86
Average uptime	90%	96%
Average net oil production rate (bbls per day)	4,841	5,047

- **Financial year-to-date results**

  In the Current Period, the North Sabah segment reported a high GP margin of 63.9%. It was mainly driven by the high average realised price attained of USD94.93 per bbl for its crude oil sold. The segment had also exercised diligent cost control and demonstrated effective operational performance throughout the Current Period.

  The segment's key operational metrices were impacted by the planned major maintenance campaigns for both CY 2023 and CY 2024. The planned major maintenance campaign for CY 2023 took place from April 2023 to August 2023 while the CY 2024 campaign commenced in March 2024 and is estimated to be completed by July 2024.

  Well intervention campaigns were also executed in the Current Period. This scope, which commenced in March 2023, was completed in September 2023. In addition, an underwater pipeline inspection campaign was executed in the Preceding Quarter.

  The impact of the abovementioned events on North Sabah's production rate for the Current Quarter was partly mitigated as both the Barton and South Furious 30 fields delivered improved wells performance.

  Part A, Note 4 (ii) of this Quarterly Report describes the status of an exploration drilling campaign, which commenced in the Preceding Quarter, to drill three exploration wells to evaluate prospective Near Field exploration targets within the boundaries of North Sabah. As mentioned therein, assessments performed on the samples collected for two of the three wells, namely SF Ungu ST and SF Merah, concluded that hydrocarbon volumes detected in these wells will not achieve commercial viability. Following this conclusion, RM78.9 million exploration costs incurred for both wells, net to SEA Hibiscus, were written off to the profit or loss during the Current Quarter. The net impact to the segment's results after taxation after taking into account the tax benefit arising from this charge was RM48.9 million.

15 PERFORMANCE REVIEW (CONT'D)

15.1 Material factors affecting financial year-to-date and current quarter results (Cont'd)

Supplemental payment and SbST incurred in the Current Period amounted to RM53.1 million and RM26.7 million respectively.

The following non-cash items were deducted from an EBITDA of RM173.2 million to arrive at a PBT amounting to RM112.5 million:

- Amortisation of intangible assets and depreciation of oil and gas assets of RM39.9 million;
- Depreciation of right-of-use assets of RM10.7 million; and
- Unwinding of discount on provision for decommissioning costs of RM5.0 million.

The tax regime under which Malaysian oil and gas activities are governed, and is thus applicable to SEA Hibiscus, is PITA. The provisions of PITA are applied to net taxable petroleum income at the rate of 38.0%. Total net tax expenses in the Current Period amounted to RM48.1 million and the resulting ETR over PBT of 42.7% was broadly consistent with the PITA rate.

- **Current quarter results**

The North Sabah segment delivered a strong GP margin of 73.5% in the Current Quarter on the back of a high average realised oil price of USD93.54 per bbl attained for the 299,584 bbls of crude oil sold.

A high average uptime of 96% was recorded, as both the planned major maintenance campaign for CY 2023 and the well intervention campaign were completed in the financial quarter ended September 2023.

The operational performance in the Current Quarter was also favourably impacted by improved wells performance observed at the St Joseph and South Furious 30 fields.

This was partly offset by additional expenses incurred for the on-going underwater pipeline inspection campaign and commencement of the CY 2024 planned major maintenance campaign. This program commenced in March 2024.

As mentioned in the "Financial year-to-date results" section above, the segment had during the Current Quarter written off exploration costs relating to two exploration wells, namely SF Ungu ST and SF Merah amounting to RM78.9 million. For information, the net impact to the segment's results after taxation after taking into account the tax benefit arising from this charge was RM48.9 million.

This write-off was the main reason for the segment reporting an unusually low EBITDA of RM1.6 million. In addition to this, supplemental payment and SbST of RM14.6 million and RM6.7 million respectively were charged to the segment in the Current Quarter.

15 PERFORMANCE REVIEW (CONT'D)

15.1 Material factors affecting financial year-to-date and current quarter results (Cont'd)

The segment recorded a LBT of RM18.2 million. This was achieved after deductions of the following non-cash items from its EBITDA:

- Amortisation of intangible assets and depreciation of oil and gas assets of RM13.0 million;
- Depreciation of right-of-use assets of RM3.8 million; and
- Unwinding of discount on provision for decommissioning costs of RM1.4 million.

Total net tax credit in the Current Quarter was RM5.4 million. The resulting ETR over the LBT was 29.6% due to a lower tax rate for CITA applied on interest income received.

(ii) Malaysia – Kinabalu and Others

	Kinabalu		Others@		Total	
RM'000	**Current Period**	**Current Quarter**	**Current Period**	**Current Quarter**	**Current Period**	**Current Quarter**
Revenue	420,875	136,371	10,930	3,549	431,805	139,920
GP	302,163	107,786	7,196	2,570	309,359	110,356
GP margin (%)	*71.8%*	*79.0%*	*65.8%*	*72.4%*	*71.6%*	*78.9%*
EBITDA/(LBITDA)	236,954	76,458	2,450	(1,795)	239,404	74,663
EBITDA/(LBITDA) margin (%)	*56.3%*	*56.1%*	*22.4%*	*(50.6%)*	*55.4%*	*53.4%*
PBT/(LBT)	165,635	50,291	2,607	(1,304)	168,242	48,987
PBT/(LBT) margin (%)	*39.4%*	*36.9%*	*23.9%*	*(36.7%)*	*39.0%*	*35.0%*
PAT/(LAT)	106,345	36,754	1,993	(1,011)	108,338	35,743
PAT/(LAT) margin (%)	*25.3%*	*27.0%*	*18.2%*	*(28.5%)*	*25.1%*	*25.5%*
ETR (%)	35.8%	26.9%	23.6%	22.5%	35.6%	27.0%

	Kinabalu		Others@	
	Current Period	**Current Quarter**	**Current Period**	**Current Quarter**
Crude oil sold (bbls)	947,228	308,799	26,011	8,579
Average realised oil price (USD per bbl)	95.84	93.13	91.06	87.23
Average OPEX per bbl (USD)	15.76	9.65	22.78	14.01
Average uptime	80%	83%	-	-
Average net oil production rate (bbls per day)	3,313	3,132	106	93

@ *Consists of PM305 and PM314.*

The Malaysia – Kinabalu and Others segment consists of the Kinabalu, PM305 and PM314 PSCs.

- **Financial year-to-date results**

Kinabalu

The segment reported a GP of RM302.2 million and a GP margin of 71.8% in the Current Period. The strong GP margin was mainly driven by the high average realised price achieved from the sale of crude oil.

15 PERFORMANCE REVIEW (CONT'D)

15.1 Material factors affecting financial year-to-date and current quarter results (Cont'd)

The average net oil production rate recorded for the Current Period was relatively high at 3,313 bbls per day.

Kinabalu recorded gross and net oil production rates of 7,987 bbls per day and 3,313 bbls per day respectively for the Current Period. These production rates had incorporated the impact of the annual planned major maintenance campaign for CY 2023, which took place from 29 July 2023 to 5 August 2023. Production in the Current Period was also impacted by integrity issues at the KN-114 well in early January 2024 due to a storm choke which limited flow (that was duly rectified in May 2024) and an outage experienced at a high pressure compressor in early January 2024 (that was duly rectified in February 2024). Despite these incidences, oil production rates recorded were reasonably high mainly the result of the following activities/initiatives being achieved/delivered:

- First oil from the KNWD-18 and KNWD-08ST1 infill wells in August 2023 and October 2023 respectively, which added to the PSC's production;

- Improved production as a result of a successful gas lift optimisation plan being executed in prior periods; and

- Successful rectification in July 2023, of the issues encountered with a high pressure gas compressor that had led to insufficient gas lift supply (since January 2023) to the oil wells.

The OPEX per bbl of USD15.76 recorded for the segment in the Current Period included the following:

- Annual planned major maintenance campaign for CY 2023;

- A higher tariff incurred as a result of higher production;

- A one-off repair cost of a high pressure gas compressor; and

- Higher level of well intervention activities.

In the Current Period, the segment incurred a supplemental payment amounting to RM33.9 million. SbST incurred for the sale of crude oil was RM21.0 million.

The following non-cash items were deducted from EBITDA to arrive at PBT:

- Amortisation of intangible assets and depreciation of oil and gas assets of RM66.8 million;

- Depreciation of right-of-use assets of RM2.7 million; and

- Unwinding of discount on provision for decommissioning costs of RM1.7 million.

15 PERFORMANCE REVIEW (CONT'D)

15.1 Material factors affecting financial year-to-date and current quarter results (Cont'd)

Taxation

The tax regime under which Malaysian oil and gas activities are governed, and is thus applicable to the Kinabalu PSC, is PITA. The provisions of PITA are applied to net taxable petroleum income at the rate of 38.0%.

In addition, this PSC is subject to income tax obligations in Barbados. Hibiscus Oil & Gas which holds a participating interest in Kinabalu was incorporated under the Barbados Companies Act and accordingly, Hibiscus Oil & Gas is registered with the BRA and files its Barbados tax returns on the basis that it is a tax resident in Barbados and therefore subject to tax on its worldwide income. The Barbados tax rate follows a sliding scale rate ranging from 1.0% to 5.5%. This was reduced to a flat minimum tax rate of 1.0% on taxable income for Hibiscus Oil & Gas and Hibiscus Oil & Gas (PM3) when both Hibiscus Oil & Gas and Hibiscus Oil & Gas (PM3) received approvals to their applications for unilateral double tax relief from the BRA in January 2024, as further explained below.

A third tax regime applicable to Kinabalu is CITA, at the rate of 24.0%. It is computed on interest income received on inter-company advances and from bank deposits.

RM'000	PITA	CITA	Barbados tax	Total
Total	(65,557)	(1,197)	7,464	(59,290)
Income tax	-	(1,197)	570	(627)
- Provision	-	(1,197)	(602)	(1,799)
- Reversal of over provisions in current year and prior years due to unilateral tax relief	-	-	1,172	1,172
Deferred tax	(65,557)	-	6,894	(58,663)
- Deferred tax liabilities	(44,062)	-	10,931	(33,131)
- (Recognition)/reversal	(44,062)	-	1,071	(42,991)
- Reversal of over provisions in current year and prior years due to unilateral tax relief	-	-	9,860	9,860
- Deferred tax assets	(21,495)	-	(4,037)	(25,532)

(i) PITA

The ETR over PBT in the Current Period on the back of a net RM65.6 million tax expense was 39.6%.

Note that whilst Kinabalu was in a taxable position in the Current Period, the segment does not need to pay any taxes under PITA as there were sufficient tax losses brought forward to fully offset the tax payable.

15 PERFORMANCE REVIEW (CONT'D)

15.1 Material factors affecting financial year-to-date and current quarter results (Cont'd)

(ii) Barbados tax

Barbados income tax was computed at the entity level (i.e. Hibiscus Oil & Gas in the case for Kinabalu) and then allocated to the respective PSCs in the entity based on the respective PSCs' result before taxation position (computed based on the tax rules applicable to the Barbados tax regime).

Following the completion of the FIPC Acquisition, Hibiscus Oil & Gas and Hibiscus Oil & Gas (PM3) applied to the BRA for foreign tax credit relief under Section 83A (1) of the BITA in respect of tax obligations under PITA in Malaysia for both Hibiscus Oil & Gas and Hibiscus Oil & Gas (PM3). The foreign tax credit under Section 83A (1) of the BITA is not a newly introduced benefit and has been effective since IY 2005. This provision permits taxes payable in a country other than Barbados on profits, income or gains derived from sources in that country to be allowed as a credit against taxes payable in Barbados on such profits, income or gains. However, Section 83A (4) of the BITA imposes limits on the utilisation of the foreign tax credit, and thus the foreign tax credit cannot reduce the tax payable entirely. Instead, a flat minimum tax rate of 1.0% on taxable income is applicable (instead of a sliding scale rate ranging from 1.0% to 5.5%).

In January 2024, Hibiscus Oil & Gas's and Hibiscus Oil & Gas (PM3)'s application on their eligibility for foreign tax credit was approved by the BRA, leading to the unilateral double tax relief being granted to both companies. As a result, the Barbados income tax rate is a flat minimum rate of 1.0% on taxable income and has been immediately applied to IY 2023 and is retrospectively applied to any prior IYs impacted by this change. The Group together with our appointed external tax advisors finalised the revised tax payable brought about by this relief for IY 2023 and all impacted prior IYs during the Current Quarter and the relevant revised tax returns have been submitted to the BRA in March 2024. The adjustments (i.e. a credit/gain to profit or loss) for reversals of overprovisions and overpayments of Barbados taxes relating to Kinabalu for the relevant IYs which amounted to RM11.1 million (i.e. RM1.2 million income tax and RM9.9 million deferred tax) were made in the Current Quarter.

15 PERFORMANCE REVIEW (CONT'D)

15.1 Material factors affecting financial year-to-date and current quarter results (Cont'd)

Others

This segment reported a GP of RM7.2 million for the Current Period, on the back of RM10.9 million revenue.

The revenue recognised in the Current Period was from PM305 via crude oil produced from the Murai oil field, situated in a non-operated unitised area of the ASCU under the UUOA between the PM305 PSC contractors and the Gas PSC contractors. On 17 March 2024, Hibiscus Oil & Gas ceased its participating interest in the UUOA and has agreed to share the decommissioning costs of one well from the Murai oil field which ceased production in December 2023. The net cost to the Group was RM1.3 million and it represented the final settlement of Hibiscus Oil & Gas' obligation prior to our exit from the UUOA. No similar obligation is expected to recur after this settlement.

EBITDA and PBT attained were RM2.5 million and RM2.6 million respectively. They had been adversely impacted by a one-off charge relating to the PM305 well decommissioning costs of RM1.3 million as mentioned above.

For information, the PM305 and PM314 PSCs ceased production on 5 September 2019. Decommissioning of the wells within these PSCs were completed in August 2022. The outstanding facilities decommissioning scope involving firstly the engineering, preparation, removal and disposal of conductor casings and secondly, platform topsides and jackets removal are expected to be completed in June 2024 and September 2025 respectively. The estimated costs relating to the remaining scope have been accrued for and upon completion, will be reimbursed from the abandonment cess fund which Repsol had contributed to previously as required by the regulators.

The tax regime under which Malaysian oil and gas activities are governed, and is thus applicable to the PM305 and PM314 PSC, is PITA, at 38.0%.

Taxation

Like Kinabalu, these PSCs are also subject to income tax obligations in Barbados and CITA (at 24.0%).

RM'000	PITA	CITA	Barbados tax	Total
Total	(1,013)	(34)	433	(614)
Income tax	-	(34)	419	385
- Provision	-	(34)	452	418
- Reversal of over provisions in current year and prior years due to unilateral tax relief	-	-	(33)	(33)
Deferred tax	(1,013)	-	14	(999)
- Deferred tax liabilities	129	-	7	136
- Reversal	129	-	6	135
- Reversal of over provisions in current year and prior years due to unilateral tax relief	-	-	1	1
- Deferred tax assets	(1,142)	-	7	(1,135)

15 PERFORMANCE REVIEW (CONT'D)

15.1 Material factors affecting financial year-to-date and current quarter results (Cont'd)

(i) PITA

The ETR over PBT in the Current Period was 38.9%, consistent with the PITA rate.

(ii) Barbados tax

Barbados income tax was computed at the entity level (i.e. Hibiscus Oil & Gas in the case for PM305 and PM314) and then allocated to the respective PSCs in the entity based on the respective PSCs' result before taxation position (computed based on the tax rules applicable to the Barbados tax regime).

As explained in the "Financial year-to-date results" section on Kinabalu's Barbados tax above, the Group together with our appointed external tax advisors finalised the revised tax payable brought about by the unilateral double tax relief granted by the BRA for IY 2023 and all impacted prior IYs during the Current Quarter and the relevant revised tax returns have been submitted to the BRA. The adjustments (i.e. a credit/gain to profit or loss) for reversals of overprovisions and overpayments of Barbados income and deferred taxes relating to PM305 and PM314 of RM0.03 million were made in the Current Quarter.

- **Current quarter results**

  Kinabalu

  Production in the Current Quarter was impacted by KN-114 well integrity issues which limited flow, an outage encountered at a high pressure gas compressor and reservoir decline from the 2023 infill wells.

  However, despite the lower production levels attained, the OPEX per bbl recorded of USD9.65 was low due to lower well intervention and maintenance activities.

15 PERFORMANCE REVIEW (CONT'D)

15.1 Material factors affecting financial year-to-date and current quarter results (Cont'd)

The segment reported an EBITDA of RM76.5 million in the Current Quarter after charging supplemental payment and SbST of RM17.8 million and RM6.8 million respectively.

The following non-cash items were deducted from EBITDA to arrive at PBT of RM50.3 million:

- Amortisation of intangible assets and depreciation of oil and gas assets of RM25.0 million;
- Depreciation of right-of-use assets of RM0.6 million; and
- Unwinding of discount on provision for decommissioning costs of RM0.6 million.

<u>Taxation</u>

RM'000	PITA	CITA	Barbados tax	Total
Total	(23,671)	(317)	10,451	(13,537)
Income tax	-	(317)	266	(51)
- Provision	-	(317)	(906)	(1,223)
- Reversal of over provisions in current year and prior years due to unilateral tax relief	-	-	1,172	1,172
Deferred tax	(23,671)	-	10,185	(13,486)
- Deferred tax liabilities	1,706	-	10,932	12,638
- Reversal	1,706	-	1,072	2,778
- Reversal of over provisions in current year and prior years due to unilateral tax relief	-	-	9,860	9,860
- Deferred tax assets	(25,377)	-	(747)	(26,124)

(i) <u>PITA</u>

Net PITA expense for the Current Quarter amounted to RM23.7 million. This translated to an ETR over PBT of 47.1%. The higher ETR compared to the PITA rate was mainly due to unrealised foreign exchange losses of RM6.7 million being non-tax deductible.

(ii) <u>Barbados tax</u>

With regards to Barbados tax, as explained in the "Financial year-to-date results" section on Kinabalu's Barbados tax above, the BRA granted unilateral double tax relief to Hibiscus Oil & Gas in January 2024. This relief reduces the Barbados tax rate from a sliding scale rate ranging from 1.0% to 5.5% to a flat minimum tax rate of 1.0% on taxable income. The revised tax payable brought about by this for the impacted IYs were finalised during the Current Quarter and the relevant revised tax returns were duly submitted to the BRA in March 2024. The resulting credit/gain to profit or loss arising from the reversals of overprovisions and overpayments of Barbados taxes relating to the Kinabalu PSC which amounted to RM11.1 million (i.e. RM1.2 million income tax and RM9.9 million deferred tax) were adjusted in the Current Quarter.

15 PERFORMANCE REVIEW (CONT'D)

15.1 Material factors affecting financial year-to-date and current quarter results (Cont'd)

Others

PM305 and PM314 reported a GP of RM2.6 million, on the back of RM3.5 million revenue.

In the Current Quarter, the segment's financial results were adversely impacted by a decommissioning-related charge of RM1.3 million. As highlighted in the "Financial year-to-date results" section above, upon the cessation of its participating interest in the UUOA between the PM305 PSC contractors and the Gas PSC contractors, Hibiscus Oil & Gas agreed to share decommissioning costs of one well from the Murai oil field, which was not accrued previously.

The segment's results were also adversely impacted by unrealised foreign exchange losses recognised on RM denominated liabilities during the Current Quarter. This contributed to the LBT and LAT reported for the Current Quarter of RM1.3 million and RM1.0 million respectively.

Taxation

RM'000	PITA	CITA	Barbados tax	Total
Total	225	20	48	293
Income tax	-	20	34	54
- Provision	-	20	67	87
- Reversal of over provisions in current year and prior years due to unilateral tax relief	-	-	(33)	(33)
Deferred tax	225	-	14	239
- Deferred tax liabilities	(238)	-	7	(231)
- (Recognition)/reversal	(238)	-	6	(232)
- Reversal of over provisions in current year and prior years due to unilateral tax relief	-	-	1	1
- Deferred tax assets	463	-	7	470

(i) PITA

A net tax expense recognised for PITA for the Current Quarter amounted to RM0.2 million. The ETR over PBT was 17.3%. The lower ETR compared to the PITA rate was mainly due to unrealised foreign exchange losses of RM2.5 million being non-tax deductible and deduction of facilities decommissioning costs incurred of RM2.1 million.

15 PERFORMANCE REVIEW (CONT'D)

15.1 Material factors affecting financial year-to-date and current quarter results (Cont'd)

(ii) Barbados tax

As for tax in Barbados, this PSC adjusted a credit/gain to profit or loss to reverse overprovisions and overpayments of Barbados income and deferred taxes relating for the relevant IYs of RM0.03 million in the Current Quarter due to the unilateral double tax relief granted by the BRA in January 2024 (refer to the "Financial year-to-date results" section on Kinabalu's Barbados tax above).

(iii) Commercial Arrangement Area

RM'000	Current Period	Current Quarter
Revenue	736,280	239,196
- Crude Oil	413,939	133,089
- Gas	322,341	106,107
GP	467,626	166,236
GP margin (%)	*63.5%*	*69.5%*
EBITDA	473,615	173,230
EBITDA margin (%)	*64.3%*	*72.4%*
PBT	278,481	102,631
PBT margin (%)	*37.8%*	*42.9%*
PAT	202,403	85,013
PAT margin (%)	*27.5%*	*35.5%*
ETR (%)	27.3%	17.2%

	Current Period	Current Quarter
Crude oil sold (bbls)	970,355	314,237
Average realised oil price (USD per bbl)	92.06	89.30
Gas sold (MMscf)	11,836	4,136
Average realised gas price (USD per thousand scf)	6.04	5.41
Average OPEX per boe (USD)	12.99	9.55
Average uptime	90%	94%
Average net oil equivalent production rate (boe per day)	10,397	10,290

The CAA segment consists of the PM3 CAA PSC.

- **Financial year-to-date results**

The segment generated a healthy GP and GP margin of RM467.6 million and 63.5% respectively during the Current Period. This was largely driven by the high average realised prices obtained for the sale of both crude oil and gas.

Operational performance in the Current Period was boosted by the following events:

- Sustained oil production from the H4 reservoirs through optimised water injection;
- Stable gas lift operations and successful well work activities in the PM3 Southern field; and
- First gas produced from the gas producer well BPA-7.

These favourable developments were partly offset by the impact of activities related to the annual planned major maintenance campaign for CY 2023, which took place between 16 August 2023 and 26 August 2023 and the shutdown of the Bunga Orkid-D platform from 23 March 2024 to 28 March 2024 to facilitate the move-in of the PV DRILLING III rig for the Bunga Aster-1 exploration well drilling. The Bunga Aster-1 exploration well drilling was completed in April 2024 and first oil was achieved in 4 May 2024.

15 PERFORMANCE REVIEW (CONT'D)

15.1 Material factors affecting financial year-to-date and current quarter results (Cont'd)

OPEX incurred included costs associated with:

- Annual planned major maintenance campaign for CY 2023;
- Major execution phase of the FSO Orkid and the FSO PM3 CAA repair life extension project, including the repair of hull structure and piping, and upgrading of accommodation facilities and drainage system;
- Preventive maintenance work for valve, pump and machinery and pipeline and turbo machinery maintenance;
- Platform major painting and vessel painting campaign;
- Membrane and mercury removal units change out;
- Fire water pump change-out and rectification; and
- Slickline and well integrity works completed for 12 wells.

The segment attained an EBITDA of RM473.6 million and an EBITDA margin of 64.3% in the Current Period.

Segment's PBT was RM278.5 million after deducting the following non-cash items from EBITDA:

- Amortisation of intangible assets and depreciation of oil and gas assets of RM151.5 million;
- Depreciation of right-of-use assets of RM29.1 million; and
- Unwinding of discount on provision for decommissioning costs of RM8.5 million.

<u>Taxation</u>

The tax regime under which Malaysian oil and gas activities are governed, and is thus applicable to CAA, is PITA. The provisions of PITA are applied to net taxable petroleum income at the rate of 38.0%.

15 PERFORMANCE REVIEW (CONT'D)

15.1 Material factors affecting financial year-to-date and current quarter results (Cont'd)

This PSC is also subject to income tax obligations in Barbados (similar to that of the Kinabalu PSC) and CITA (at 24.0%).

RM'000	PITA	CITA	Barbados tax	Total
Total	(82,390)	(4,739)	11,051	(76,078)
Income tax	(114,239)	(4,739)	1,965	(117,013)
- Provision	(114,239)	(4,739)	(6,951)	(125,929)
- Reversal of over provisions in current year and prior years due to unilateral tax relief	-	-	8,916	8,916
Deferred tax	31,849	-	9,086	40,935
- Deferred tax liabilities	38,693	-	13,560	52,253
- Reversal	38,693	-	6,672	45,365
- Reversal of over provisions in current year and prior years due to unilateral tax relief	-	-	6,888	6,888
- Deferred tax assets	(6,844)	-	(4,474)	(11,318)

(i) PITA

The ETR over PBT on the back of a net RM82.4 million tax expense in the Current Period was 29.6%. The lower ETR compared to the PITA rate was mainly due to overhead income received by Hibiscus Oil & Gas as operator allowed under the Joint Operating Agreements of RM21.4 million that is non-taxable under PITA as it is taxed in Barbados instead.

(ii) Barbados tax

Barbados income tax was computed at the entity levels of both Hibiscus Oil & Gas and Hibiscus Oil & Gas (PM3) in the case for PM3 CAA, and then allocated to the respective PSCs in the entity based on the respective PSCs' result before taxation position (computed based on the tax rules applicable to the Barbados tax regime).

As explained in the "Financial year-to-date results" section on Kinabalu's Barbados tax above, the Group together with our appointed external tax advisors finalised the revised tax payable position brought about by the unilateral double tax relief granted by the BRA in January 2024 for IY 2023 and prior IYs during the Current Quarter and the relevant revised tax returns were submitted to the BRA in March 2024. The adjustments (i.e. a credit/gain to profit or loss) in the Current Quarter to reverse the overprovisions and overpayments of Barbados taxes relating to PM3 CAA for IY 2023 and prior amounted to RM15.8 million (i.e. RM8.9 million income tax and RM6.9 million deferred tax).

- **Current quarter results**

The PM3 CAA segment achieved strong profitability during the Current Quarter. GP attained was RM166.2 million and the resulting GP margin was 69.5%. This was mainly due to the high average realised prices obtained for the sale of both crude oil and gas.

15 PERFORMANCE REVIEW (CONT'D)

15.1 Material factors affecting financial year-to-date and current quarter results (Cont'd)

The segment continued to benefit from stable oil production experienced from the H4 reservoirs through optimised water injection, stable gas lift operations and successful well work activities conducted in the PM3 Southern field. This was adversely impacted slightly when the Bunga Orkid-D platform was shut down to facilitate the move-in of the PV DRILLING III rig for the Bunga Aster-1 exploration well drilling.

The average OPEX per boe recorded was relatively low at USD9.55 because of both high production levels and low operational expenditure incurred mainly due to lower level of maintenance activities carried out.

The following non-cash items were deducted from EBITDA to arrive at the segment's PBT of RM102.6 million:

- Amortisation of intangible assets and depreciation of oil and gas assets of RM54.6 million;
- Depreciation of right-of-use assets of RM10.9 million; and
- Unwinding of discount on provision for decommissioning costs of RM2.6 million.

Taxation

RM'000	PITA	CITA	Barbados tax	Total
Total	(30,656)	(1,682)	14,720	(17,618)
Income tax	(43,968)	(1,682)	7,512	(38,138)
- Provision	(43,968)	(1,682)	(1,404)	(47,054)
- Reversal of over provisions in current year and prior years due to unilateral tax relief	-	-	8,916	8,916
Deferred tax	13,312	-	7,208	20,520
- Deferred tax liabilities	10,271	-	11,164	21,435
- Reversal	10,271	-	4,276	14,547
- Reversal of over provisions in current year and prior years due to unilateral tax relief	-	-	6,888	6,888
- Deferred tax assets	3,041	-	(3,956)	(915)

(i) PITA

The ETR for PITA over PBT on the back of a net RM30.7 million tax expense in the Current Quarter was 29.9%. The lower ETR compared to the PITA rate was mainly due to overhead income received by Hibiscus Oil & Gas as operator allowed under the Joint Operating Agreements of RM6.1 million that is non-taxable under PITA (as it is taxed in Barbados instead) and a further non-taxable amount of unrealised foreign exchange gain of RM4.0 million.

(ii) Barbados tax

The credit/gain adjusted to the Current Quarter's profit or loss to reverse the overprovisions and overpayments of tax brought about by the unilateral double tax relief granted by the BRA in January 2024 for the relevant IYs amounted to RM15.8 million (i.e. RM8.9 million income tax and RM6.9 million deferred tax).

15 PERFORMANCE REVIEW (CONT'D)

15.1 Material factors affecting financial year-to-date and current quarter results (Cont'd)

(iv) United Kingdom

RM'000	Current Period	Current Quarter
Revenue	261,511	86,220
- Crude Oil	241,250	80,359
- Gas	20,261	5,861
GP	185,308	61,408
GP margin (%)	*70.9%*	*71.2%*
EBITDA	164,894	60,871
EBITDA margin (%)	*63.1%*	*70.6%*
PBT	86,002	32,584
PBT margin (%)	*32.9%*	*37.8%*
PAT	51,711	13,899
PAT margin (%)	*19.8%*	*16.1%*
ETR (%)	39.9%	57.3%

	Current Period	Current Quarter
Crude oil sold (bbls)	565,844	188,654
Average realised oil price (USD per bbl)	89.35	87.68
Gas sold (MMscf)	411	142
Average realised gas price (USD per thousand scf)	10.41∞ / 11.87#	8.61∞ / 9.59#
Average OPEX per boe (USD)	32.28	25.59
Average uptime	88%	93%
Average daily oil equivalent production rate (boe per day)	2,218	2,315

∞ *For Cook field.*
\# *For Guillemot A, Teal and Teal South fields.*

- **Financial year-to-date results**

  The UK segment reported a GP and an EBITDA of RM185.3 million (70.9% margin over revenue) and RM164.9 million (63.1% margin over revenue) respectively for the Current Period. The average realised oil price per bbl attained for crude oil sold by the Anasuria Cluster was relatively high at USD89.35.

  In the Current Period, the segment's production was adversely impacted by the following events:

  - A short, planned outage to extend the life of the Anasuria FPSO during Preceding Quarter, which involved the replacement of three mooring chains (which were approaching the end of their safe service utilisation), a turret winch wire and shipside valves;

  - Shut-in of the GUA-P5 well since May 2023 caused by a hydraulic oil supply issue to the subsurface safety valve. This is scheduled to be rectified in June 2024; and

  - Shutdown of the Anasuria FPSO for 15 days in October 2023 to execute planned maintenance, which was successfully completed.

  There were minimal interruptions to operations encountered when heavy rainfall from Storm Babet affected the North Sea in the second half of October 2023.

  Additional OPEX was incurred during the Current Period for health and safety related activities. Some of the costs were for additional pre-scheduled inspection activities carried out by the regulators, in addition to a routine annual inspection by OPRED. A part of the inspection scope coincided with the Anasuria Operating Company having assumed the role as the duty holder of the Anasuria FPSO (since the second half of CY 2022). Such inspections by the regulators are expected to return to a normal cadence (i.e. annual offshore inspection per year and minor onshore inspections as required).

15 PERFORMANCE REVIEW (CONT'D)

15.1 Material factors affecting financial year-to-date and current quarter results (Cont'd)

In addition, costs incurred for the replacement of offshore equipment and parts have been included in the Current Period.

The higher OPEX incurred on the activities highlighted earlier resulted in the average OPEX per boe exceeding the USD30.00 mark, at USD32.28.

PBT for the segment of RM86.0 million was after deducting the following non-cash items from EBITDA:

- Amortisation of intangible assets and depreciation of oil and gas assets of RM54.9 million; and
- Unwinding of discount on provision for decommissioning costs and contingent consideration of RM19.3 million and RM1.7 million respectively.

Taxation

RM '000	Ring fenced		Non-ring fenced	Total
	RFCT and SC	EPL		
Total	(26,340)	(565)	(7,386)	(34,291)
Income tax	(22,070)	(5,691)	(7,386)	(35,147)
Deferred tax	(4,270)	5,126	-	856
- Deferred tax liabilities	(5,262)	33,201	-	27,939
- Recognition	(27,257)	13,955	-	(13,302)
- Reversal	21,995	19,246	-	41,241
- Deferred tax assets	992	(28,075)	-	(27,083)

(i) Ring fenced

The tax regime which applies to the exploration for, and production of, oil and gas in the UK, and is thus applicable to Anasuria Hibiscus UK, currently comprises of the RFCT and the SC. The current rates for the RFCT and the SC are set at 30.0% and 10.0% respectively.

In addition, the EPL regime, which took effect from 26 May 2022, introduced an additional 25.0% levy on UK oil and gas profits on top of the RFCT and SC. This was revised upwards to 35.0% with effect from 1 January 2023. The EPL regime will apply until 31 March 2028.

On 6 March 2024, the UK government when delivering Spring Budget 2024 announced the EPL regime will be extended by an additional year from 31 March 2028 to 31 March 2029. This measure is expected to be included in a future Finance Bill, but at this stage, it is unclear when it will become law.

15 PERFORMANCE REVIEW (CONT'D)

15.1 Material factors affecting financial year-to-date and current quarter results (Cont'd)

In addition, the UK government confirmed during Spring Budget 2024 that the ESIM, which was announced in CY 2023, will be legislated. The ESIM provides that the EPL will permanently be disapplied if average oil and gas prices are both at or below the ESIM price threshold for two consecutive quarters. The ESIM threshold prices were calculated using a 20-year historic average to 31 December 2022 and are set at USD71.40 per bbl of oil and GBP0.54 per therm of gas. These threshold prices will be indexed annually from 1 April 2024 using the preceding December's Consumer Prices Index in the UK. This measure had been included in the Spring Finance Bill 2024 but has yet to be substantively enacted as at the date of this report. Based on UK law making process, a Finance Bill is regarded as substantively enacted once it has passed through the House of Commons and is waiting passage through the House of Lords and Royal Assent. Based on the Parliament Acts 1911 and 1949, it is not possible for the House of Lords to change a "money" bill once it has been passed by the House of Commons.

Accordingly, the impact that may be brought about by the abovementioned proposed measures have not been included in Anasuria Hibiscus UK's taxation reported for the Current Period as they were not yet enacted or substantively enacted on 31 March 2024.

- RFCT and SC

  In the Current Period, the segment recorded a net tax charge of RM26.3 million. This resulted in an effective tax rate over PBT of 30.6%, which was lower than the statutory rates of 40.0%. It was mainly caused by non-ring fenced income (mainly interest income earned from the restricted cash placed in trust for decommissioning the facilities of the Anasuria Cluster) that was not brought to tax under RFCT and SC and additional allowances in relation to CAPEX incurred, as provided under the SC regime.

- EPL

  In the Current Quarter, Anasuria Hibiscus UK accrued an estimated RM5.7 million income taxation liability arising from the EPL regime for the nine-month period ended 31 March 2024. This differed from the estimates made prior to the Current Quarter, where no such liability was anticipated.

15 PERFORMANCE REVIEW (CONT'D)

15.1 Material factors affecting financial year-to-date and current quarter results (Cont'd)

Income chargeable to EPL was higher than our earlier estimation due to the higher average realised oil price achieved for crude oil offtakes. In addition, a re-estimation of the full year CAPEX expenditure in the UK indicated that lower amounts may be invested by Anasuria Hibiscus UK up to the end of the Current Year. Supply chain delivery issues encountered in the Teal West development will likely be fulfilled after 30 June 2024. Accordingly, facilities related to the subsea tie-back will be installed only in the second half of CY 2025, and first oil from the development is now scheduled for end CY 2025. Given this situation, we have a lower projected CAPEX expenditure thus reducing the availability of enhanced allowances to offset the income chargeable to EPL.

The abovementioned income taxation liability was mostly off-set by a net deferred tax credit of RM5.1 million attributable to the EPL regime that was recognised due to the reversal of deferred tax liabilities which came about after a reduction in taxable temporary differences during the window for which the EPL regime applies. This reduction arose after having carried out a re-estimation of CAPEX requirements for the Current Year.

The Group's intention remains to phase our UK CAPEX program such that we optimise the incentives offered as part of the EPL regime. It is also clear that the UK Government is incentivising decarbonisation initiatives within the UK oil and gas sector, and this is encouraging us to identify further opportunities that will reduce our overall carbon footprint.

(ii) Non-ring fenced

Non-ring fenced taxation in the UK applies to income generated that does not arise from the exploration and production of oil and gas. In Anasuria Hibiscus UK, it would be the interest income earned from its restricted cash that was placed in trust for its obligations for decommissioning the facilities of the Anasuria Cluster. Such interest income is subject to tax at 45.0% (with 20% on the first GBP2,000). The segment recorded a net tax charge in the Current Period in relation to this amounting to RM7.4 million.

- **Current quarter results**

The Current Quarter's GP and EBITDA margins were 71.2% and 70.6% respectively, mainly contributed by the higher volume of crude oil sold at higher average realised oil price achieved.

Operational performance in the Current Quarter improved after the scope to replace certain critical offshore equipment and parts was completed in the Preceding Quarter. No major work scopes were planned or carried out in the Current Quarter. As a result, average uptime recorded was high at 93% and an average daily oil equivalent production rate of 2,315 boe per day was achieved.

15 PERFORMANCE REVIEW (CONT'D)

15.1 Material factors affecting financial year-to-date and current quarter results (Cont'd)

PBT attained was RM32.6 million. This was arrived at after deducting the following non-cash items from EBITDA:

- Amortisation of intangible assets and depreciation of oil and gas assets of RM19.6 million; and
- Unwinding of discount on provision for decommissioning costs and contingent consideration of RM6.7 million and RM0.5 million respectively.

Taxation

RM '000	Ring fenced		Non-ring fenced	Total
	RFCT and SC	EPL		
Total	(8,546)	(5,714)	(4,425)	(18,685)
Income tax	(13,418)	(5,691)	(4,425)	(23,534)
Deferred tax	4,872	(23)	-	4,849
- Deferred tax liabilities	7,804	12,754	-	20,558
- Recognition	(30)	21,344	-	21,314
- Reversal	7,834	(8,590)	-	(756)
- Deferred tax assets	(2,932)	(12,777)	-	(15,709)

(i) Ring fenced

- RFCT and SC

  The segment recorded a net tax charge in the Current Quarter amounting to RM8.5 million, representing an effective tax rate over PBT of 26.2%, which was lower than the statutory rates of 40.0%.

  This lower ETR was mainly due to two factors, the first being non-ring fenced income that was not brought to tax under both RFCT and SC and secondly, the availability of additional allowances in relation to CAPEX incurred, as provided under the SC regime.

- EPL

  An income taxation liability of RM5.7 million relating to the EPL regime was recognised in the Current Quarter.

  Higher average realised oil price achieved by the Anasuria Cluster for its crude oil offtakes resulted in higher income chargeable to EPL. Also, a re-estimation of the full year CAPEX expenditure in the UK indicated that lower amounts may be invested up to the end of the Current Year.

  In addition, a minimal net deferred tax charge of RM0.1 million was recorded.

15 PERFORMANCE REVIEW (CONT'D)

15.1 Material factors affecting financial year-to-date and current quarter results (Cont'd)

(ii) Non-ring fenced

The segment recorded a net tax charge of RM4.4 million in the Current Quarter in relation to the interest income earned from the restricted cash placed in trust for its obligations for decommissioning the facilities of the Anasuria Cluster.

(v) Vietnam

RM'000	Current Period	Current Quarter
Revenue	-	-
LBITDA	(753)	(253)
LBITDA margin (%)	N/A	N/A
LBT	(4,286)	(1,538)
LBT margin (%)	N/A	N/A
LAT	(3,303)	(1,187)
LAT margin (%)	N/A	N/A
ETR (%)	22.9%	22.8%

	Current Period	Current Quarter
Average OPEX per bbl (USD)	29.88	20.41
Average uptime	90%	94%
Average net oil production rate (bbls per day)	189	218

The Vietnam segment consists of the Block 46 PSC.

- **Financial year-to-date results**

  In the Current Period, the Vietnam segment recorded a LAT of RM3.3 million.

  No crude oil was sold in the Current Period.

  Expenses incurred mainly comprised of the depreciation of oil and gas assets and the unwinding of discount on the provision for decommissioning costs.

  A deferred tax credit of RM1.0 million was also recognised by the segment during the Current Period, primarily due to the recognition of deferred tax assets which arose from movements in the provision for decommissioning costs.

15 PERFORMANCE REVIEW (CONT'D)

15.1 Material factors affecting financial year-to-date and current quarter results (Cont'd)

- **Current quarter results**

  There was no sale of crude oil in the Current Quarter.

  Included in the LAT were mainly depreciation of oil and gas assets and the unwinding of discount on the provision for decommissioning costs.

  A deferred tax credit of RM0.4 million was recognised by the segment in the Current Quarter, primarily due to the recognition of deferred tax assets which arose from movements in the provision for decommissioning costs.

(vi) Australia

RM'000	Current Period	Current Quarter
Revenue	-	-
LBITDA	(2,048)	(2,270)
LBITDA margin (%)	*N/A*	*N/A*
LBT	(2,237)	(2,304)
LBT margin (%)	*N/A*	*N/A*
LAT	(2,237)	(2,304)
LAT margin (%)	*N/A*	*N/A*
ETR (%)	*N/A*	*N/A*

- **Financial year-to-date results**

  The AUD, being the segment's functional currency, had depreciated against the USD during the Current Period when compared to 30 June 2023. The period-end retranslation of the segment's USD-denominated payables resulted in an unrealised foreign exchange losses of RM0.7 million, which was the main reason for the LAT. A significant portion of such USD denominated payables are to inter-companies.

  There were also costs incurred for professional fees, project management fees, administrative expenses and share of results of the associate.

- **Current quarter results**

  The segment's LAT in the Current Quarter was impacted by a negative foreign exchange impact, which arose from the depreciation of the AUD against the USD (when compared to 31 December 2023), impacting the quarter-end revaluation of USD-denominated inter-company payables.

15 PERFORMANCE REVIEW (CONT'D)

15.1 Material factors affecting financial year-to-date and current quarter results (Cont'd)

(vii) Investment holding and group activities

RM'000	Current Period	Current Quarter
Revenue	15,029	4,510
LBITDA	(29,853)	(7,635)
LBITDA margin (%)	*(198.6%)*	*(169.3%)*
LBT	(61,438)	(17,676)
LBT margin (%)	*(408.8%)*	*(391.9%)*
LAT	(62,951)	(16,523)
LAT margin (%)	*(418.9%)*	*(366.4%)*
ETR (%)	*N/A*	*6.5%*

- **Financial year-to-date results**

  LAT recorded for this segment in the Current Period amounted to RM63.0 million.

  Total interest expenses incurred on a term loan amounted to RM30.6 million.

  Major components of other expenses recorded were corporate overheads, professional and consultancy fees, business development activities and depreciation expense.

  The segment reported a tax expense of RM1.5 million, mainly charged on interest income earned.

- **Current quarter results**

  During the Current Quarter, the segment recorded a LAT of RM16.5 million.

  RM9.7 million interest expense was incurred on a term loan drawn down in the Preceding Year.

  In addition, other expenses incurred mainly relate to unrealised foreign exchange losses, corporate overheads, professional and consultancy fees, business development activities and depreciation expense.

  A tax credit of RM1.2 million was reported in the Current Quarter. This was due to a reversal of overprovisions of tax expense made in prior periods.

15 PERFORMANCE REVIEW (CONT'D)

15.1 Material factors affecting financial year-to-date and current quarter results (Cont'd)

(B) Statements of Financial Position

(i) Non-current Assets

As at 31 March 2024, the Group's non-current assets amounted to RM4,254.9 million, representing an increase of RM147.3 million from RM4,107.6 million as at 30 June 2023.

In the Current Period, RM168.2 million was invested in Kinabalu, mainly for the on-going redevelopment project which involves development drilling campaigns and debottlenecking activities, the KN-119 well hydraulic workover unit fishing work, a canned installed pumping system project and electrical submersible pump pilot activities. In addition, CAPEX invested in North Sabah in the Current Period amounted to RM145.3 million after excluding the write off of RM78.9 million related to exploration costs incurred for the SF Ungu ST and SF Merah wells (please refer to Part A, Note 4(ii) of this Quarterly Report for further details). This amount was mainly for the South Furious 30 Water Flood Phase 2 development project and the SF Ungu exploration. There was also an amount of RM36.1 million invested by PM3 CAA for the Bunga Lavatera and Bunga Aster-1 exploration well drilling campaigns and the PM3 CAA workover scope.

In the UK, CAPEX invested in the Current Period for Anasuria Cluster, Teal West, and the Marigold West and Sunflower fields amounted to RM27.1 million, RM31.5 million and RM7.4 million respectively.

An amount of RM8.2 million was also capitalised in the UK, when the farm-in for Licence P2451 (which holds the undeveloped Fyne field) was completed. This amount represented the net present value of the purchase consideration related to this farm-in.

In addition, there was increase in restricted cash and bank balances maintained by Anasuria Hibiscus UK by RM45.7 million for decommissioning activities in Anasuria Cluster.

During the Current Period, net unrealised foreign exchange gains due to the retranslation of the Group's non-current assets denominated in non-RM currencies which amounted to RM47.3 million, were recognised. The USD had appreciated against the RM as at 31 March 2024 when compared to 30 June 2023. This positively affected the quarter-end retranslation of these non-current assets.

The above transactions, that increased the non-current assets balance, were partly offset by depreciation and amortisation of equipment, intangible assets and right-of-use assets (by RM360.0 million) and lower non-current lease receivables from PM3 CAA's and North Sabah's partners (by RM18.4 million).

(ii) Current Assets

The Group's current assets as at 31 March 2024 amounted to RM2,196.9 million, which was RM106.0 million higher than the balance as at 30 June 2023 of RM2,090.9 million.

15 PERFORMANCE REVIEW (CONT'D)

15.1 Material factors affecting financial year-to-date and current quarter results (Cont'd)

The trade receivables balance increased by RM162.6 million, from RM411.4 million as at 30 June 2023 to RM574.0 million as at 31 March 2024. The trade receivables balances at the end of the respective reporting periods were impacted by the timing of receipts of proceeds from crude oil offtakes and the sale of gas in the Group's producing assets.

In addition, when compared to 30 June 2023, the balances in other receivables and inventories as at 31 March 2024 have increased by RM38.8 million and RM36.7 million respectively. The increase in the other receivables balance was mainly due to increased amounts to be reimbursed by the respective joint venture partners of North Sabah, PM305 and PM314. This was partly offset by lower cash and bank balances by RM124.7 million as at 31 March 2024, when compared to the balances as at 30 June 2023.

(iii) Total Liabilities

Total liabilities decreased slightly from RM3,508.8 million as at 30 June 2023 to RM3,438.6 million as at 31 March 2024.

The total borrowings balance of the Group, which contained both lease liabilities and an outstanding term loan facility, reduced by RM106.9 million during the Current Period mainly due to repayments made.

In addition, as at 31 March 2024, the outstanding operations-related payables and accruals balances for PM3 CAA, Kinabalu and the UK decreased by RM97.9 million, RM45.7 million and RM27.0 million respectively when compared to 30 June 2023.

These decreases were largely offset by the following movements:

- Higher operations-related payables and accruals balances in North Sabah by RM130.1 million mainly due to higher CAPEX invested throughout the Current Period;

- Higher provision for taxation balance as at 31 March 2024 by RM44.9 million due to additional provisions made during the Current Period; and

- Higher deferred tax balance by RM30.6 million due to additional deferred tax liabilities recognised on CAPEX invested by the Group.

(iv) Total Equity

Total equity as at 31 March 2024 increased by RM323.5 million when compared to 30 June 2023.

15 PERFORMANCE REVIEW (CONT'D)

15.1 Material factors affecting financial year-to-date and current quarter results (Cont'd)

This was mainly attributable to net earnings generated by the producing oil and gas assets of the Group, partly offset by RM52.2 million dividends declared throughout the Current Period. This amount consisted of the third interim and final single-tier dividends declared in respect of the Preceding Year, which amounted to RM10.1 million and RM10.0 million respectively and a total of RM32.1 million for the first and second interim single-tier dividends of 2.00 sen per ordinary share each declared in respect of the Current Year.

The Group is required to revalue the assets and liabilities of subsidiaries that have functional currencies which are denominated in currencies other than RM at each reporting date. The resulting unrealised foreign exchange differences are required to be posted to other reserves. As at 31 March 2024, the Group had recognised the resulting unrealised favourable foreign exchange differences from this revaluation exercise amounting to RM33.4 million due to the appreciation of the USD compared to 30 June 2023.

During the Current Period, the Company repurchased 6,385,200 of its issued ordinary shares from open market on Bursa Securities. The shares repurchased amounted to RM16.1 million and are currently held as treasury shares.

(C) <u>Statement of Cash Flows</u>

(i) Cash flows generated from operating activities

During the Curren Period, the Group's net cash generated from operating activities amounted to RM619.7 million.

It comprised mainly the aggregate of funds received from operations at the Group's producing oil and gas assets in Malaysia and the UK, partly offset by group-wide OPEX, payment of taxation obligations and payment of decommissioning liabilities.

(ii) Cash flows used in investing activities

Net cash utilised by the Group during the Current Period for investing activities amounted to RM461.6 million.

Amounts invested in various CAPEX programs by North Sabah, Kinabalu, Anasuria Hibiscus UK, PM3 CAA and Vietnam amounted to RM224.2 million, RM168.2 million, RM77.3 million, RM36.1 million and RM1.2 million respectively.

(iii) Cash flows used in financing activities

The net cash used in financing activities during the Current Period amounted to RM297.6 million.

It was mainly due to payments made in respect of the Group's lease liabilities and term loan (both principal and interest) amounted to RM129.6 million and RM100.3 million respectively.

15 PERFORMANCE REVIEW (CONT'D)

15.1 Material factors affecting financial year-to-date and current quarter results (Cont'd)

In addition, the Company paid RM51.3 million dividends during the Current Period (please refer to Part A, Note 9 of this Quarterly Report for further details) and RM16.2 million was utilised to repurchase 6,385,200 of its issued ordinary shares.

16 MATERIAL CHANGE IN PROFIT BEFORE TAXATION IN COMPARISON TO THE PRECEDING QUARTER

(Note: Commentary is based on the segments classified in Part A, Note 11 of this Quarterly Report.)

Statements of Profit or Loss

(i) Malaysia – North Sabah

RM'000	Current Quarter	Preceding Quarter
Revenue	133,665	152,984
GP	98,295	100,130
GP margin (%)	*73.5%*	*65.5%*
EBITDA	1,579	69,016
EBITDA margin (%)	*1.2%*	*45.1%*
(LBT)/PBT	(18,221)	49,154
(LBT)/PBT margin (%)	*(13.6%)*	*32.1%*

	Current Quarter	Preceding Quarter
Crude oil sold (bbls)	299,584	351,350
Average realised oil price (USD per bbl)	93.54	92.83
Average OPEX per bbl (USD)	15.86	21.47
Average uptime	96%	93%
Average net oil production rate (bbls per day)	5,047	5,148

This segment's results before taxation in the Current Quarter were significantly impacted by the write off taken on the costs incurred on two exploration wells, namely SF Ungu ST and SF Merah, which amounted to RM78.9 million.

However, from an operational perspective, up to the GP level, the North Sabah segment had performed well. The GP and GP margin attained in the Current Quarter were RM98.3 million and 73.5% respectively.

North Sabah recorded a revenue of RM133.7 million in the Current Quarter as compared to RM153.0 million in the Preceding Quarter. SEA Hibiscus sold 299,584 bbls of crude oil during the Current Quarter as compared to 351,350 bbls in the Preceding Quarter. The average realised oil prices per bbl achieved in both quarters were high, at USD93.54 for the Current Quarter and at USD92.83 for the Preceding Quarter.

Average uptime in the Current Quarter improved slightly to 96% from 93% recorded in the Preceding Quarter and the average net oil production rate in both quarters were comparable. There was enhanced wells performance observed for both the St Joseph and South Furious 30 fields in the Current Quarter, while in the Preceding Quarter, improved wells performance were observed at the Barton and South Furious 30 fields.

The average OPEX per bbl of USD15.86 recorded in the Current Quarter was much lower when compared to the Preceding Quarter's USD21.47. This was mainly due to the absence of costs related to the underwater pipeline inspection work, which was carried out in the Preceding Quarter and lower costs were incurred for repair and maintenance activities carried out.

16 MATERIAL CHANGE IN PROFIT BEFORE TAXATION IN COMPARISON TO THE PRECEDING QUARTER (CONT'D)

(ii) Malaysia – Kinabalu and Others

	Kinabalu		Others@		Total	
RM'000	Current Quarter	Preceding Quarter	Current Quarter	Preceding Quarter	Current Quarter	Preceding Quarter
Revenue	136,371	147,244	3,549	4,732	139,920	151,976
GP	107,786	106,142	2,570	2,602	110,356	108,744
GP margin (%)	*79.0%*	*72.1%*	*72.4%*	*55.0%*	*78.9%*	*71.6%*
EBITDA/(LBITDA)	76,458	86,531	(1,795)	(2,031)	74,663	84,500
EBITDA/(LBITDA) margin (%)	*56.1%*	*58.8%*	*(50.6%)*	*(42.9%)*	*53.4%*	*55.6%*
PBT/(LBT)	50,291	57,813	(1,304)	(2,259)	48,987	55,554
PBT/(LBT) margin (%)	*36.9%*	*39.3%*	*(36.7%)*	*(47.7%)*	*35.0%*	*36.6%*

	Kinabalu		Others@	
	Current Quarter	Preceding Quarter	Current Quarter	Preceding Quarter
Crude oil sold (bbls)	308,799	350,728	8,579	11,259
Average realised oil price (USD per bbl)	93.13	89.84	87.23	90.12
Average OPEX per bbl (USD)	9.65	16.63	14.01	35.92
Average uptime	83%	89%	-	-
Average net oil production rate (bbls per day)	3,132	4,102	93	116

@ *Consists of PM305 and PM314.*

<u>Kinabalu</u>

The segment recorded lower EBITDA and PBT levels in the Current Quarter compared to the Preceding Quarter despite having achieved a higher average realised oil price, due to a lower volume of crude oil sold in the Current Quarter.

Production in the Current Quarter was adversely impacted by KN-114 integrity issues limiting flow, an outage encountered at a high pressure compressor in January 2024 and reservoir decline from the 2023 infill wells.

The average OPEX per bbl recorded in the Current Quarter of USD9.65 was significantly lower than the Preceding Quarter's USD16.63 due to reduced well intervention and maintenance activities carried out and lower tariff incurred as a result of lower production levels.

In the Current Quarter, the segment reported net foreign exchange losses of RM6.7 million as compared to net foreign exchange gains of RM0.8 million in the Preceding Quarter. The quantums of these foreign exchange differences (both realised and unrealised) recorded in the respective quarters were caused by the fluctuation of the USD, being the segment's functional currency, against the RM.

In addition, higher accruals were recognised for supplemental payments in the Current Quarter of RM7.4 million due to higher profit oil volume (for information, profit oil is the remaining portion of crude oil produced during a period, after deducting petroleum royalty and recoverable expenditures in crude oil equivalent).

16 MATERIAL CHANGE IN PROFIT BEFORE TAXATION IN COMPARISON TO THE PRECEDING QUARTER (CONT'D)

Others

The segment's LBT in the Current Quarter of RM1.3 million was lower than the Preceding Quarter's LBT of RM2.3 million.

The fluctuation in the results before taxation in the Current Quarter and the Preceding Quarter was mainly impacted by unrealised foreign exchange differences recorded in the respective quarters. The segment reported RM2.5 million in unrealised foreign exchange losses in the Current Quarter, as opposed to unrealised foreign exchange losses of RM3.8 million recognised in the Preceding Quarter.

During the Current Quarter, Hibiscus Oil & Gas ceased its participating interest in the UUOA between the PM305 PSC contractors and the Gas PSC contractors and shared the costs of decommissioning activities relating to one well amounting to RM1.3 million (which was not accrued for previously) from the Murai oil field which ceased production in December 2023. This was partly offset by lower allocated ASCU's costs of RM0.9 million in the Current Quarter.

(iii) Commercial Arrangement Area

RM'000	Current Quarter	Preceding Quarter
Revenue	239,196	240,523
- Crude Oil	133,089	125,966
- Gas	106,107	114,557
GP	166,236	140,995
GP margin (%)	*69.5%*	*58.6%*
EBITDA	173,230	147,018
EBITDA margin (%)	*72.4%*	*61.1%*
PBT	102,631	82,205
PBT margin (%)	*42.9%*	*34.2%*

	Current Quarter	Preceding Quarter
Crude oil sold (bbls)	314,237	291,218
Average realised oil price (USD per bbl)	89.30	92.41
Gas sold (MMscf)	4,136	4,116
Average realised gas price (USD per thousand scf)	5.41	5.96
Average OPEX per boe (USD)	9.55	15.18
Average uptime	94%	93%
Average net oil equivalent production rate (boe per day)	10,290	11,543

The segment achieved a higher PBT of RM102.6 million in the Current Quarter as compared to the Preceding Quarter's PBT of RM82.2 million. The higher PBT was due to the higher volume of crude oil sold in the Current Quarter but was partly offset by the lower oil and gas selling prices attained.

In the Current Quarter, the average net oil equivalent production rate was lower by 10.9% when compared to the Preceding Quarter mainly due to the impact of shutting down the Bunga Orkid-D platform to facilitate the PV DRILLING III rig move-in for the Bunga Aster-1 exploration well drilling. Despite this, the average OPEX per boe recorded in the Current Quarter of USD9.55 was lower than the Preceding Quarter's USD15.18 mainly because a reduced level of activities was carried out in the Current Quarter. Various operational-related tasks, including subsurface work, a diving campaign and maintenance activities are scheduled to be carried out from April 2024 onwards.

The other significant movement between the Current Quarter and the Preceding Quarter up to the PBT level was a higher amortisation of intangible assets and depreciation of oil and gas assets in the Current Quarter by RM3.0 million.

16 MATERIAL CHANGE IN PROFIT BEFORE TAXATION IN COMPARISON TO THE PRECEDING QUARTER (CONT'D)

In the Preceding Quarter, PM3 CAA recognised a gain of RM4.5 million due to a reversal of an overprovision of a tax penalty relating to Year of Assessment 2018 for PITA upon finalisation of an audit by the IRB in December 2023. This did not recur in the Current Quarter.

(iv) United Kingdom

RM'000	Current Quarter	Preceding Quarter
Revenue	86,220	76,935
- Crude Oil	80,359	68,133
- Gas	5,861	8,802
GP	61,408	49,606
GP margin (%)	*71.2%*	*64.5%*
EBITDA	60,871	37,744
EBITDA margin (%)	*70.6%*	*49.1%*
PBT	32,584	11,986
PBT margin (%)	*37.8%*	*15.6%*

	Current Quarter	Preceding Quarter
Crude oil sold (bbls)	188,654	173,996
Average realised oil price (USD per bbl)	87.68	81.96
Gas sold (MMscf)	142	130
Average realised gas price (USD per thousand scf)	8.61∞ / 9.59#	13.43∞ / 15.21#
Average OPEX per boe (USD)	25.59	32.97
Average uptime	93%	83%
Average daily oil equivalent production rate (boe per day)	2,315	2,118

∞ *For Cook field.*
\# *For Guillemot A, Teal and Teal South fields.*

The UK segment reported a higher PBT in the Current Quarter as compared to the Preceding Quarter by RM20.6 million. This was due to the higher volume of crude oil sold, a higher average realised oil price achieved and lower OPEX incurred.

The Anasuria Cluster asset experienced better operational performance in the Current Quarter as seen from the higher average uptime and higher average daily oil equivalent production rate. In the Preceding Quarter, the lower average uptime and lower average daily oil equivalent production rate were due to activities carried out to replace certain critical offshore equipment and parts. In addition, there were extensive health and safety activities conducted in the Preceding Quarter.

The segment's profits in the Current Quarter were favourably impacted by net foreign exchange gains (both realised and unrealised) recorded of RM2.5 million, as opposed to net foreign exchange losses of RM4.9 million incurred in the Preceding Quarter. The quantums recorded in the respective quarters were caused by the fluctuation of the USD, being the segment's functional currency, against the GBP.

16 MATERIAL CHANGE IN PROFIT BEFORE TAXATION IN COMPARISON TO THE PRECEDING QUARTER (CONT'D)

(v) Vietnam

RM'000	Current Quarter	Preceding Quarter
Revenue	-	-
LBITDA	(253)	(477)
LBITDA margin (%)	N/A	N/A
LBT	(1,538)	(1,910)
LBT margin (%)	N/A	N/A

	Current Quarter	Preceding Quarter
Average OPEX per bbl (USD)	20.41	35.24
Average uptime	94%	93%
Average net oil production rate (bbls per day)	218	198

There was no sale of crude oil in both the Current Quarter and Preceding Quarter.

Lower LBT in the Current Quarter was due to lower amortisation of intangible assets and depreciation of oil and gas assets recorded caused by the lower average gross oil production rate attained.

(vi) Australia

RM'000	Current Quarter	Preceding Quarter
Revenue	-	-
(LBITDA)/EBITDA	(2,270)	1,801
(LBITDA)/EBITDA margin (%)	N/A	N/A
(LBT)/PBT	(2,304)	1,683
(LBT)/PBT margin (%)	N/A	N/A

Results before taxation in both quarters were largely driven by fluctuations in unrealised foreign exchange differences which arose from the quarter-end retranslation of the segment's USD-denominated payables.

(vii) Investment holding and group activities

RM'000	Current Quarter	Preceding Quarter
Revenue	4,510	5,132
LBITDA	(7,635)	(14,308)
LBITDA margin (%)	(169.3%)	(278.8%)
LBT	(17,676)	(24,996)
LBT margin (%)	(391.9%)	(487.1%)

The difference in LBT reported in the Current Quarter and the Preceding Quarter was mainly attributed to the quantum of unrealised foreign exchange differences recorded in the respective quarters.

In the Current Quarter, net unrealised foreign exchange gains of RM5.7 million were recognised while in the Preceding Quarter, net unrealised foreign exchange losses of RM5.1 million were recognised instead. Such foreign exchange differences arose mainly from the fluctuation of the USD against the RM, which impacted the quarter-end retranslation of inter-company balances. The increase was partly offset by higher costs incurred for business development activities.

17 STATUS OF CORPORATE PROPOSALS ANNOUNCED BUT NOT COMPLETED

There are no corporate proposals announced but not completed as at the date of this Quarterly Report.

18 PROSPECTS OF THE GROUP

Our business performance is underpinned by several factors:

a. Price of the Brent crude oil benchmark at approximately the time of a scheduled offtake from the Anasuria FPSO, the FSO Orkid, the FSO PM3 CAA and LCOT. The graph below illustrates the oil price trends for the Brent crude oil benchmark for the period from April 2023 to end-April 2024:

As shown above, Brent oil prices have steadied to levels around USD85.00 per bbl.

b. Any premium or discount that we may receive on the price of the Brent crude oil benchmark for our specific cargoes from the Anasuria Cluster, North Sabah, PM3 CAA, Kinabalu, PM305, PM314 and Block 46 depending on market conditions at the relevant time.

c. Gas prices for the respective fields in the Anasuria Cluster only, as follows:

- Cook field – at the landing point of the Fulmar Gas Line at the St Fergus Terminal for a price that is calculated as 75% of the Heren Index and in accordance with the terms set out in the Cook gas sale and purchase agreement; and

- Guillemot A, Teal and Teal South fields – at the point where the gas leaves the fields and enters the SEGAL System for a price of 85% of Heren Index and in accordance with the terms set out in the Anasuria Cluster gas sale and purchase agreement.

d. Gas price for PM3 CAA based on the relevant Upstream Gas Sales Agreement which is linked to the price of High Sulphur Fuel Oil.

18 PROSPECTS OF THE GROUP (CONT'D)

e. Movement of foreign exchange rates, mainly:

- USD vs RM:
  - As our revenues from our producing assets are secured in USD;
  - As the base currency used for our producing assets valuations is in USD; and
  - As the majority of our OPEX in North Sabah, PM3 CAA, Kinabalu, PM305 and PM314 are incurred in RM.

- GBP vs USD:
  - As the majority of our OPEX for the Anasuria Cluster are incurred in GBP.

f. Operational performance of our producing assets, more specifically:

- Production performance of the wells; and

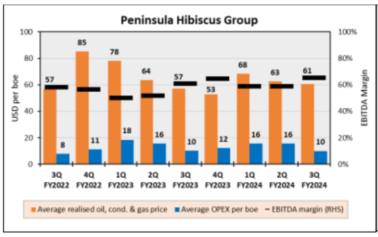
- Facilities availability.

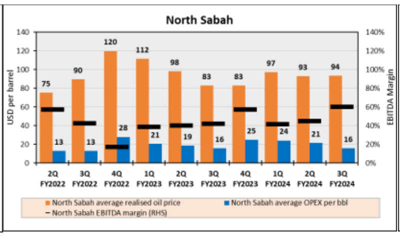
g. Taxation levels imposed in the various jurisdictions.

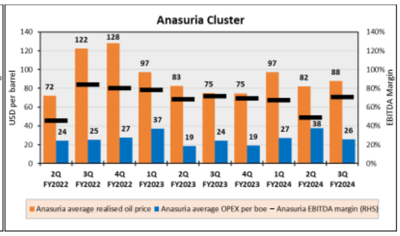
h. Management of operational expenditure for our producing assets and general corporate overheads.

As the joint operator of the Anasuria Cluster and the operator of the North Sabah, PM3 CAA, Kinabalu and Block 46 PSCs, the Group continuously focuses on optimising asset performance, but it is equally important to note (from the information provided above) that our performance is impacted daily by external macroeconomic factors over which we exert minimal control.

The Group has seen oil prices at various price levels, on some occasions lower and at other times, higher than at the current time. Through these fluctuations, the Group has managed to remain profitable. This is primarily because our average unit production costs for our producing assets have been below the average realised oil price at the relevant times, as shown in the charts below. The careful management of costs to maintain low operational expenditure and the successful execution of production enhancement projects are, therefore, key towards achieving low unit production costs and the delivery of a continued healthy EBITDA.







Note 1: The Peninsula Hibiscus Group assets' EBITDA margin in the third financial quarter of the financial year ended 30 June 2022 excludes negative goodwill of RM317.3 million.
Note 2: North Sabah's EBITDA margin in the Current Quarter excludes the write-off of exploration drilling costs amounting to RM78.9 million.

Note 3: Average OPEX per boe is computed based on gross production OPEX divided by gross oil, condensate and gas production.

Note 4: The Peninsula Hibiscus Group assets' average realised oil, condensate and gas price is the weighted average realised price of both oil and condensate offtakes and gas sales in the respective financial quarter from Kinabalu, PM3 CAA, PM305, PM314 and Block 46. The Anasuria Cluster's average realised oil price does not include gas prices as gas production in the Anasuria Cluster is not material.

18 PROSPECTS OF THE GROUP (CONT'D)

A total of 1,832,868 boe was sold in the Current Quarter comprising 1,119,853 bbls of crude oil and 4,278 MMscf of gas.

Overall, the Group is well-positioned to build on its successful operational track record which has been developed in Malaysia and the UK and we remain focused on delivering optimal performance in a reasonably strong oil price environment.

19 PROFIT FORECAST AND PROFIT GUARANTEE

The Group has not announced or disclosed any profit forecast or profit guarantee in any public documents.

20 SALE OF UNQUOTED INVESTMENTS AND/OR PROPERTIES

There was no sale of unquoted investments and/or properties during the Current Period.

21 PURCHASE OR DISPOSAL OF QUOTED SECURITIES

There was no purchase or disposal of quoted securities during the Current Period.

22 FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK

There were no financial instruments with material off-balance sheet risk as at the date of this Quarterly Report.

23 MATERIAL LITIGATION

Save as disclosed below, as at the date of this Quarterly Report, the Group is not engaged in any material litigation, claim and/or arbitration either as plaintiff or defendant, which may materially and adversely affect its financial position or business, and there is no proceeding, pending or threatened, or of any fact likely to give rise to a proceeding which may materially and adversely affect the financial position or business of the Group.

Notice to Arbitrate received by Hibiscus Oil & Gas

As announced on 3 March 2023, Hibiscus Oil & Gas received the Notice dated 2 March 2023 from lawyers acting for Oceancare. The Notice relates to a dispute arising from a contract entered into between Hibiscus Oil & Gas (as operator of the relevant PSCs) and Oceancare titled "Provision of Integrated Well Services for Intervention, Workover & Abandonment for Petroleum Arrangement Contracts (PACs) Package (B): Integrated Workover for Production Enhancement and for Abandonment", in which Oceancare is claiming a total principal amount of RM36,574,760.86 alleging, amongst other things, variation to original scope of work, which Hibiscus Oil & Gas denies.

On 30 March 2023, Hibiscus Oil & Gas served its response to the Notice and put forward its counterclaim. This arbitration has been registered by the AIAC and pursuant thereto, Hibiscus Oil & Gas made payment of a provisional advance deposit in the sum of RM185,797.25 to the AIAC in May 2023. Since then, there have been no updates or further developments from the AIAC or Oceancare regarding the arbitral proceedings.

The Directors are of the opinion that the Group has a reasonably good basis to defend the claim.

24 DIVIDEND

The Board has declared a third interim single-tier dividend of 2.00 sen per ordinary share in the Current Quarter, after taking into account the effect of the Share Consolidation exercise.

The total dividends declared in the Current Period is 6.00 sen per ordinary share (Preceding Year's corresponding period ended 31 March 2023: 1.50 sen per ordinary share, before taking into account the effect of the Share Consolidation exercise).

25 EARNINGS PER SHARE

The basic earnings per share is arrived at by dividing the Group's profit after taxation attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the financial quarter/period, excluding ordinary shares purchased by the Company and held as treasury shares.

Diluted earnings per share is determined by dividing the Group's profit after taxation attributable to the owners of the Company by the weighted average number of ordinary shares in issue adjusted for the effects of all dilutive potential ordinary shares during the financial quarter/period.

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		QUARTER ENDED 31.03.2024	QUARTER ENDED 31.03.2023	PERIOD ENDED 31.03.2024	PERIOD ENDED 31.03.2023
PAT attributable to owners of the Company (RM'000)	(A)	101,807	71,511	358,440	277,242
Weighted average number of shares for basic earnings per share computation ('000)	(B)	801,130	804,967(3)	803,568	804,967(3)
Weighted average number of shares for diluted earnings per share computation ('000)	(C)	801,130	804,967(3)	803,568	804,967(3)
Basic earnings per share (sen)	(A/B)	12.71	8.88(3)	44.61	34.44(3)
Diluted earnings per share (sen)	(A/C)	12.71	8.88(3)	44.61	34.44(3)

(3) *For comparative purpose, in accordance with the provisions of MFRS 133: Earnings per Share, the basic and diluted earnings per shares for the Preceding Year's corresponding quarter and period had been adjusted to reflect the effect of the Share Consolidation exercise, which was completed on 20 October 2023 (please refer to Part A, Note 4(i) of this Quarterly Report for further details).*

26 OTHER INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31.03.2024 RM'000	QUARTER ENDED 31.03.2023 RM'000	PERIOD ENDED 31.03.2024 RM'000	PERIOD ENDED 31.03.2023 RM'000
Sundry income	748	1,045	1,931	1,970
Interest income	12,783	5,496	35,828	8,077
Unrealised gain on foreign exchange#	3,025	-	-	-
Realised gain on foreign exchange#	2,032	8,107	2,766	21,379
	18,588	14,648	40,525	31,426

The unrealised and realised gains on foreign exchange have neither been derived from the trading of futures contracts nor futures foreign exchange trading.

27 PROFIT BEFORE TAXATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31.03.2024 RM'000	QUARTER ENDED 31.03.2023 RM'000	PERIOD ENDED 31.03.2024 RM'000	PERIOD ENDED 31.03.2023 RM'000
PBT is arrived at after charging/(crediting):				
Depreciation and amortisation of equipment, intangible assets and right-of-use assets	128,834	124,158	360,042	345,198
Write-off of well exploration costs	78,902	-	78,902	-
Supplemental payments##	32,654	30,721	88,008	166,751
Finance costs	26,888	17,262	81,099	53,754
SbST###	13,502	11,621	47,697	45,604
Share of results of an associate	98	139	386	391
Write-back of amount owing to a joint venture	(1)	-	(46)	-
Interest income	(15,765)	(6,229)	(45,568)	(8,831)
Unrealised (gain)/loss on foreign exchange####	(3,025)	17,065	10,280	32,356
Realised gain on foreign exchange####	(2,032)	(8,107)	(2,766)	(21,379)

Supplemental payments represent amounts paid/payable by North Sabah, Kinabalu, PM305 and PM314 in relation to their profit oil, when the weighted average oil price exceeds the base price stated in the respective PSCs. The supplemental payments incurred by North Sabah, Kinabalu, PM305 and PM314 in the Current Period amounted to RM53.1 million (Preceding Year's corresponding period RM98.9 million), RM33.9 million (Preceding Year's corresponding period: RM66.7 million) and RM1.0 million (Preceding Year's corresponding period: RM1.2 million) respectively. The supplemental payments are included in administrative expenses in profit or loss.

SbST represents State Sales Tax imposed by the Sabah State Government on SEA Hibiscus and Hibiscus Oil & Gas in relation to crude oil produced under their respective PSCs and sold from LCOT. The SbST is included in other expenses in profit or loss.

The unrealised and realised gains/losses on foreign exchange have neither been derived from the trading of futures contracts nor futures foreign exchange trading.

Other than as presented in the Condensed Consolidated Statements of Profit or Loss, and as disclosed above, there were no other income, interest expense, provision for and write-off of receivables or inventories, gain/loss on disposal of quoted or unquoted investments or properties, impairment of assets, gain/loss on derivatives, and other exceptional items for the Current Period.

28 TAXATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31.03.2024 RM'000	QUARTER ENDED 31.03.2023 RM'000	PERIOD ENDED 31.03.2024 RM'000	PERIOD ENDED 31.03.2023 RM'000
Income taxation	(62,162)	(56,978)	(182,962)	(43,836)
Deferred taxation	19,506	(21,671)	(35,907)	(223,185)
	(42,656)	(78,649)	(218,869)	(267,021)

28 TAXATION (CONT'D)

Breakdown by operating segments:

OPERATING SEGMENTS	Individual Quarter		Cumulative Quarter	
	Quarter Ended	Quarter Ended	Period Ended	Period Ended
	31.03.2024 RM'000	31.03.2023 RM'000	31.03.2024 RM'000	31.03.2023 RM'000
Malaysia – North Sabah				
Income taxation	(1,856)	(8,530)	(29,505)	(41,025)
Deferred taxation	7,243	2,774	(18,561)	3,095
Total	**5,387**	**(5,756)**	**(48,066)**	**(37,930)**
Malaysia – Kinabalu and Others				
Income taxation	3	(2,214)	(242)	(1,580)
Deferred taxation	(13,247)	(15,330)	(59,662)	(58,614)
Total	**(13,244)**	**(17,544)**	**(59,904)**	**(60,194)**
Commercial Arrangement Area				
Income taxation	(38,138)	(37,560)	(117,013)	27,499
Deferred taxation	20,520	(170)	40,935	(23,171)
Total	**(17,618)**	**(37,730)**	**(76,078)**	**4,328**
United Kingdom				
Income taxation	(23,534)	(9,294)	(35,147)	(18,251)
Deferred taxation	4,849	(9,437)	856	(145,845)
Total	**(18,685)**	**(18,731)**	**(34,291)**	**(164,096)**
Vietnam				
Income taxation	(108)	960	(108)	(10,139)
Deferred taxation	459	652	1,091	1,510
Total	**351**	**1,612**	**983**	**(8,629)**
Australia				
Income taxation	-	-	-	-
Deferred taxation	-	-	-	-
Total	**-**	**-**	**-**	**-**
Investment holding and group activities				
Income taxation	1,471	(340)	(947)	(340)
Deferred taxation	(318)	(160)	(566)	(160)
Total	**1,153**	**(500)**	**(1,513)**	**(500)**
Group				
Income taxation	(62,162)	(56,978)	(182,962)	(43,836)
Deferred taxation	19,506	(21,671)	(35,907)	(223,185)
Total	**(42,656)**	**(78,649)**	**(218,869)**	**(267,021)**

28 TAXATION (CONT'D)

Income Taxation

- Malaysia

  The tax regime under which Malaysian oil and gas activities are governed is PITA. The provisions of PITA are applied to net taxable petroleum income at the rate of 38.0%.

- Commercial Arrangement Area

  The tax regime for PM3 CAA is the tax regime applicable to Malaysian oil and gas activities, which is PITA at the rate of 38.0%.

  Pursuant to the memorandum of understanding entered into between the Government of Malaysia and the Government of Vietnam, the said governments agreed to mutually cooperate in the exploration for and exploitation of petroleum in the overlapping area of the continental shelves located off the northeast coast of Peninsular Malaysia and the southwest coast of Vietnam. Hence, the taxes are paid on an equal basis to the Government of Malaysia and the Government of Vietnam.

- United Kingdom

  The tax regime which applies to exploration for, and production of, oil and gas in the UK, and is thus applicable to Anasuria Hibiscus UK, currently comprises of RFCT, SC and EPL. The current rates of tax for RFCT, SC and EPL are set at 30.0%, 10.0% and 35.0% respectively.

- Vietnam

  The tax rate in Vietnam for the oil and gas, and other extractive industries varies from 32.0% to 50.0%.

Deferred taxation

Deferred tax is recognised for all temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities recognised upon completion of a business combination are in relation to temporary differences in the tax base of intangible assets (i.e. rights and concession) acquired and their accounting base. This balance is non-cash and will reverse in line with the depletion of the said intangible assets. The reversal of the deferred tax liabilities will result in a tax credit being recorded in profit or loss.

29 BORROWINGS

Details of borrowings as at 31 March 2024 were as follows:

	As at 31.03.2024 RM'000	As at 30.06.2023 RM'000
Non-current		
Secured		
Lease liabilities	245,201	282,730
Term loan	301,426	365,012
	546,627	647,742
Current		
Secured		
Lease liabilities	115,517	122,924
Term loan	93,414	91,828
	208,931	214,752

By Order of the Board of Directors
Hibiscus Petroleum Berhad
21 May 2024