



# Investor Presentation

**An Insight Into Malaysia's First Listed  
Pure Play Oil and Gas E&P Company**

*August 2018*

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# Introduction to Hibiscus Petroleum

**Malaysia's First Listed Independent Oil and Gas E&P  
Company**

**Part 1**

# Hibiscus Today

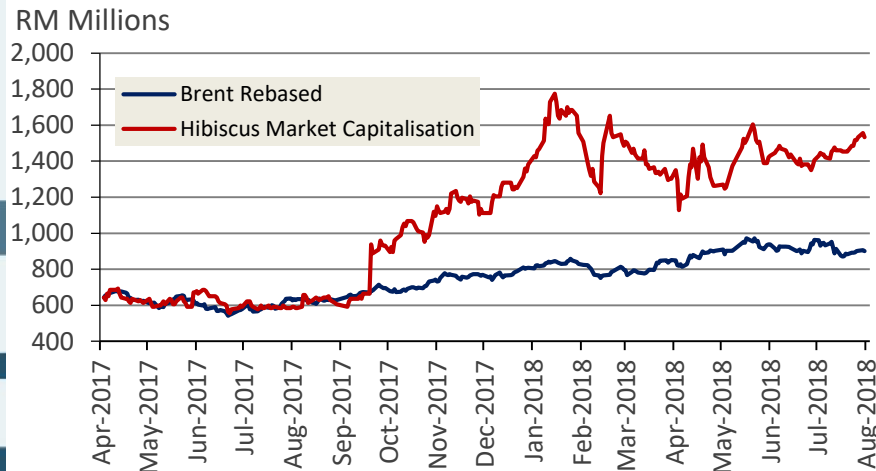
## Revenue generating, profitable production operations and no debt on our balance sheet

### Company Snapshot

- Listed in 2011 on the Main Market of Bursa Malaysia.
- Our goal is to grow our business by enhancing production of mature assets safely and profitably in regions of our geographic focus.
- Experienced and knowledgeable management team.
- Track record in offshore exploration drilling in Oman (discovery) and in the Bass Strait, Australia.
- Currently a joint operator and owner of the Anasuria Cluster of producing fields, a significant cash and profit generating business in the UK North Sea.
- Operator of the 2011 North Sabah EOR PSC effective 1 April 2018 with 50% participating interest, and PETRONAS Carigali as partner.
- Syariah Compliant.

### Highlights

Shares Issued <sup>1</sup>	1,588,228,791
Shareholders <sup>1</sup>	> 12,000
Outstanding Warrants-C <sup>1</sup>	317,645,623
Market Capitalisation <sup>1</sup>	RM 1,532,640,783
Net Assets <sup>2</sup>	RM 865.9m
Cash	RM 109.1m
Debt <sup>2</sup>	Nil
UK Net Daily Production Rate <sup>3</sup>	3,500 boe/day (est.)
Malaysia Net Daily Production Rate <sup>4</sup>	5,400 bbl/day (est.)



### Updates

- Announced third quarter results for the financial period ended 31 March 2018.
- Analyst coverage:
  - **AllianceDBS Research: Buy, TP: RM1.46/share**
  - **PublicInvest Research: Outperform, TP: RM1.08/share**
  - **BIMB Securities Research: Buy, TP: RM0.97/share**
- Brent Crude Oil Price: **USD72.22/bbl** (9 August 2018)

# Vision and Mission



## Vision

To be a Respected and Valuable Independent Oil and Gas Exploration and Production Company

## Mission

- **100 MMbbls** net proven and probable oil reserves/entitlement in existing core asset areas.
- **20,000 bbls/day** net production

# Leadership Team

## Experience with diversity

### BOARD OF DIRECTORS

#### Skills and Experience from a Range of Industries and Sectors

- Technical, commercial and corporate experience particularly in the oil and gas industry
- Finance, accounting and investment banking/management
- Audit and risk
- Business advisory and corporate finance



**Zainul Rahim bin Mohd Zain**  
*Non-Independent Non-Executive Chairman*



**Dr Kenneth Gerard Pereira**  
*Managing Director*



**Dato' Roushan Arumugam**  
*Independent Non-Executive Director*



**Thomas Michael Taylor**  
*Senior Independent Non-Executive Director*



**Dato' Dr Zaha Rina binti Zahari**  
*Independent Non-Executive Director*

### KEY MANAGEMENT TEAM

#### Business Builders

- Experience in pioneering oil and gas and public listed companies.
- Held senior management positions in other major O&G and public listed companies.

#### Proven Success, Experience and Expertise in the Upstream Business

- Fast track project execution and effective project management.
- International experience in exploration, development and production projects of varied complexity and size.

#### Corporate and Commercial Competency

- Strategic planning and operations, cost optimisation, project monitoring.
- Domestic and cross border corporate exercises, corporate management, audit, corporate finance, securities and oil and gas law.



**Mark John Paton**  
*Chief Operating Officer*



**Yip Chee Yeong**  
*VP Finance & Group Controller*



**Lim Kock Hooi**  
*Group General Counsel*



**Uday Jayaram**  
*VP Corporate Development*



**Catherine Chow**  
*VP Treasury*



**Dr Pascal Hos**  
*CEO, SEA Hibiscus Sdn Bhd*



**Chong Chee Seong**  
*COO, SEA Hibiscus Sdn Bhd*



**David Jayakumar Richards**  
*Head of Subsurface, SEA Hibiscus Sdn Bhd*



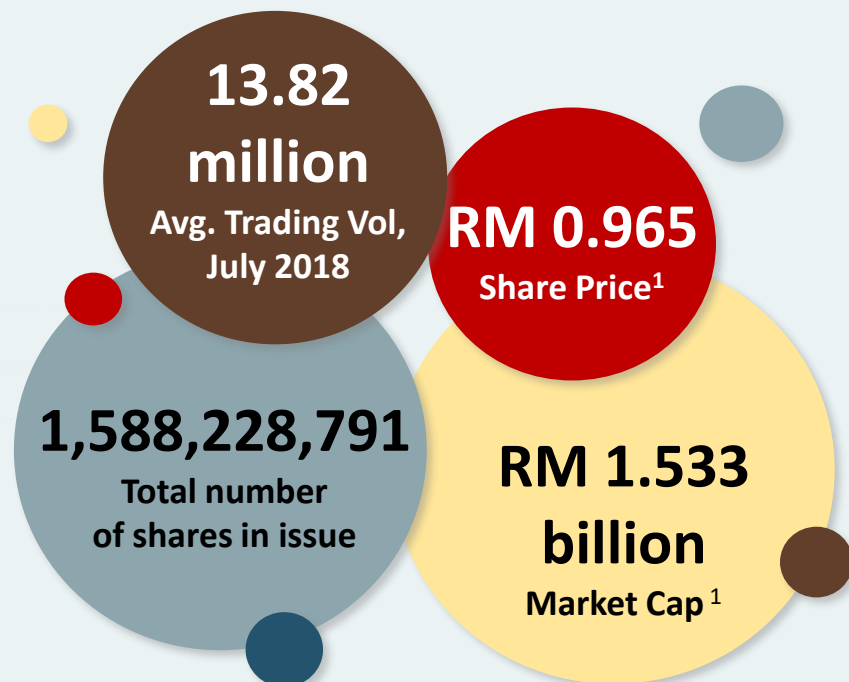
**Devarajan Indran**  
*CEO, Anasuria Operating Company Ltd*



**James Eisterhold**  
*Advisor, Anasuria Operating Company Ltd*

# Shareholder Base

A public company with strong liquidity and a diversified shareholder base



<sup>1</sup>As of 31 July 2018

Number of Shares <sup>1</sup> (million)	% of Shares	Shareholder Profile
168.77	10.6%	Management Team
138.90	8.8%	Polo Investments Limited*
630.29	39.8%	Other Institutional & Corporate Shareholders
650.27	40.8%	Retail Shareholders



- Spread Shareholder Base
- Several substantial IPO shareholders have increased equity position
- Most large shareholders are involved in or familiar with the O&G industry



# Key Features of Warrants C

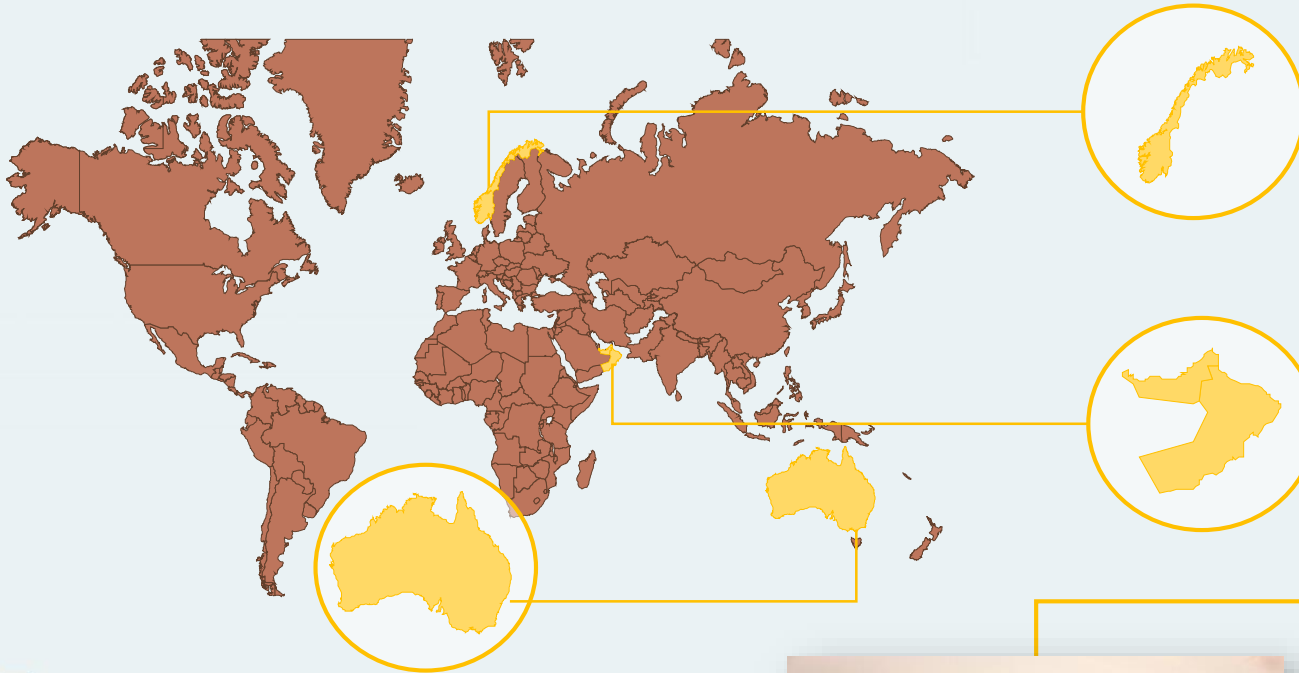
Terms	Details
<b>Total Outstanding<sup>1</sup></b>	317,645,623
<b>Step-up Exercise Price from Date of Allotment</b>	<ul style="list-style-type: none"><li>• 20 March 2018 – 19 March 2019 : RM1.00</li><li>• 20 March 2019 – 19 March 2020 : RM1.06</li><li>• 20 March 2020 – 19 March 2021 : RM1.12</li></ul>
<b>Expiry Date</b>	19 March 2021

For more information on Warrants C, please visit <http://www.hibiscuspetroleum.com/information-for-shareholders>

<sup>1</sup> As of 10 August 2018

# Hibiscus: Early Strategy

An Exploration / Development Bias .... Until 2014



## Lime Norway

### Norway

Multiple Non-operated Exploration Licenses

## Lime Middle East

### United Arab Emirates

Project Managed Exploration Licenses in Ras Al Khaimah and Sharjah

### Sultanate of Oman

Project Managed Exploration License Offshore the East Coast of Oman

## Australia

### **VIC/L31 (West Seahorse)**

- Development asset
- 100.0% stake
- 2P Oil Reserves: 6.5 MMbbls
- 2C Oil Resources: 1.5 MMbbls

### **VIC/P57**

- Exploration Asset
- 78.3% stake



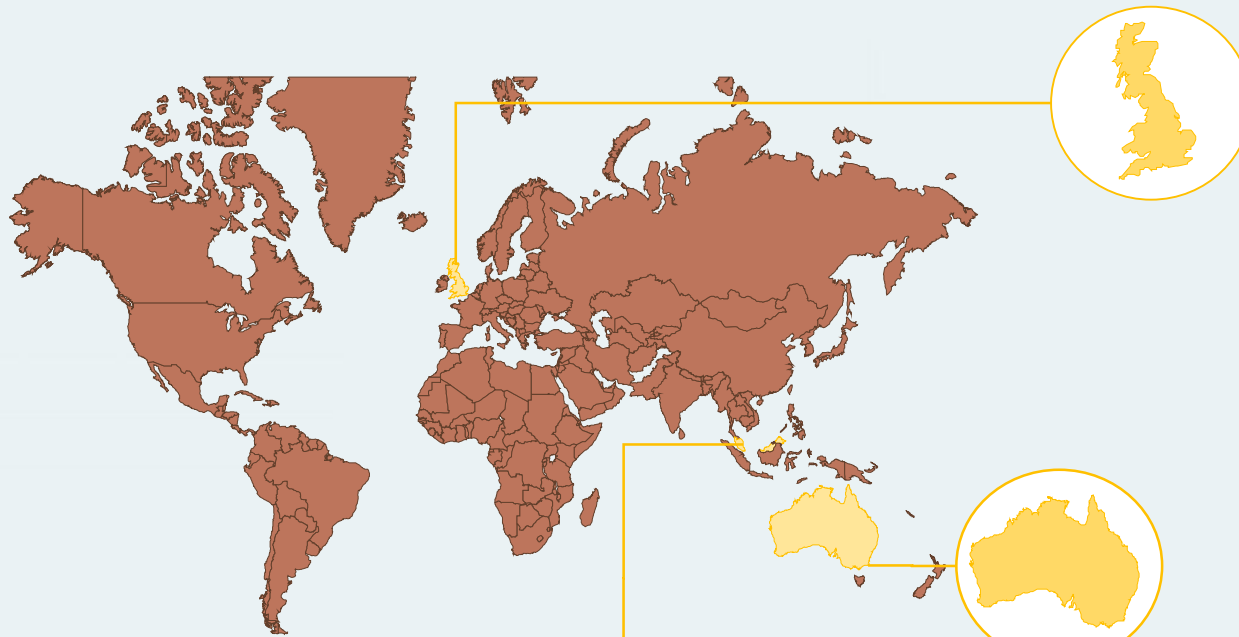
## Oman Discovery

During a 48-hour test, hydrocarbons were flowed to the surface and the well achieved light oil flow rate of up to 3000 stock tank barrels per day with no water production.

**First discovery after 30 years of exploration offshore east coast of Oman.**

# Current Portfolio of Assets

Attractive, Secure and Producing / Development Bias



## Malaysia

### Kuala Lumpur (HQ)

#### 2011 North Sabah EOR PSC

- Production Sharing Contract
- 50% participating interest
- Gross 2P Reserves: 40.9 MMbbls
- Gross 2C Resources: 79.0 MMbbls

## Australia

### VIC/L31 (West Seahorse)

- Development asset
- 100.0% stake
- Net 2P Oil Reserves: 6.5 MMbbls
- Net 2C Oil Resources: 1.5 MMbbls

### VIC/P57

- Exploration Asset
- 78.3% stake

## United Kingdom (Anasuria Cluster)

### Cook Field

- Production asset
- 19.3% stake
- Net 2P Oil Reserves: 4.46 MMbbls
- Net 2C Oil Resources: 0.25 MMbbls (Infill)

### Teal Field

- Production asset
- 50.0% stake
- Net 2P Oil Reserves: 2.06 MMbbls

### Teal South Field

- Production asset
- 50.0% stake
- Net 2P Oil Reserves: 3.82 MMbbls
- Net 2C Oil Resources: 0.75 MMbbls (Infill)

### Guillemot A Field

- Production asset
- 50.0% stake
- Net 2P Oil Reserves: 12.39 MMbbls
- Net 2C Oil Resources: 3.5 MMbbls (Infill)

### Kite

- Discovered Field
- 50.0% stake
- Net 2C Oil Resources: 0.7 MMbbls

Total Net 2P Reserves: 22.73 MMbbls

Total Net 2C Resources: 5.2 Mmbbls

#### Notes:

1. Stakes represent Hibiscus' direct ownership interest held under subsidiaries.
2. Anasuria 2P Reserves / 2C Resources are as of 1 Jan 2018. Source: Company.
3. North Sabah 2P Reserves: based on 100% interest in the PSC, as reported in the Annual Review of Petroleum Resources (ARPR) as of 1 January 2018 for the PSC life.
4. North Sabah 2C Resources: based on 100% interest in the PSC, derived by independent technical valuer, RISC Operations Pty Ltd, as of 1 January 2018 for the PSC life.



# Portfolio of Assets

**United Kingdom – Anasuria Cluster**

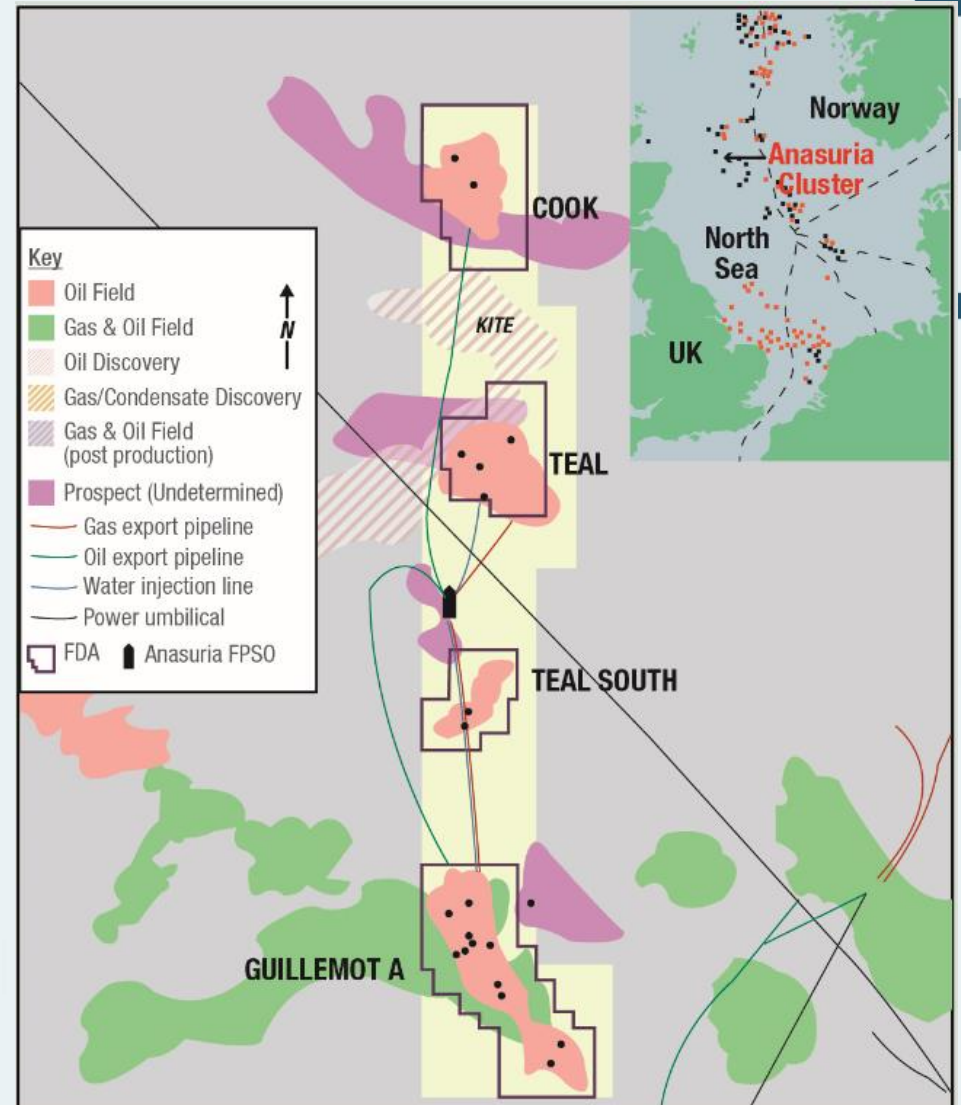
**Part 2**

# United Kingdom – The Anasuria Cluster

Asset Name	Asset Type	Hibiscus' Stake	Operator
Guillemot A	Producing Field	50%	AOC
Teal	Producing Field	50%	AOC
Teal South	Producing Field	50%	AOC
Kite	Discovered Field	50%	AOC
Cook	Producing Field	19.3%	Ithaca
Anasuria FPSO	FPSO	50%	AOC

## Highlights of the Anasuria Cluster

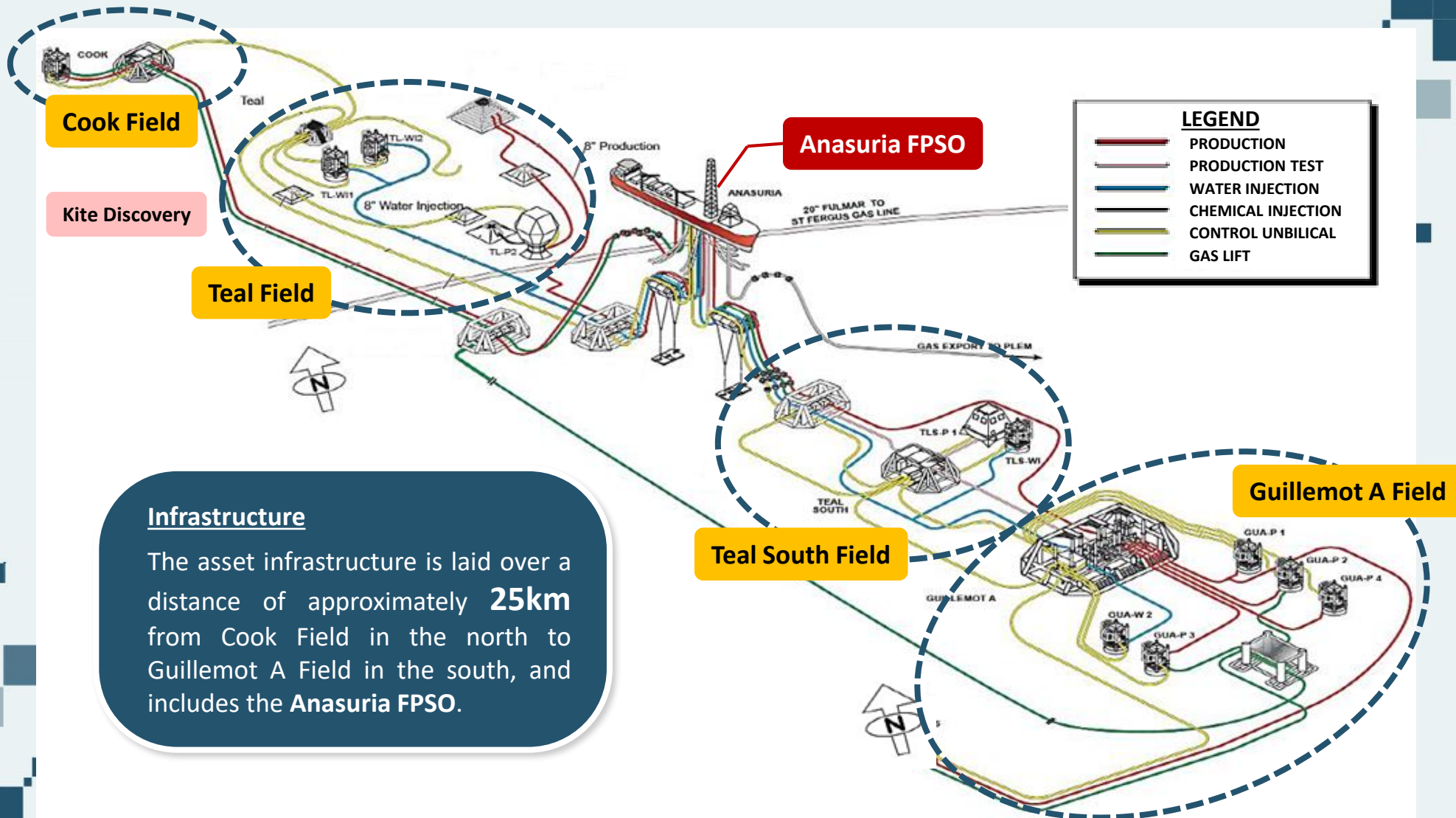
<b>Asset Acquisition Completion Date</b>	: 10 <sup>th</sup> March 2016
<b>Location</b>	: ~ 175 km east of Aberdeen, UK North Sea
<b>Water depth</b>	: ~ 94 m
<b>2P Oil Reserves</b>	: 22.7 mmbbls (as of 1 Jan 2018) <sup>1</sup>
<b>2C Oil Resources</b>	: 5.2 mmbbls (as of 1 Jan 2018)
<b>Production Life</b>	: Producing since 1996. Potential to extend production life <sup>2</sup>
<b>Operatorship</b>	: Hibiscus is a joint-operator via the Anasuria Operating Company Ltd (“AOC”), a Joint-Operating Company between Hibiscus (50%) and Ping (50%)



<sup>1</sup> Source: Company.

<sup>2</sup> Subject to investment, OPEX, oil price and 2P reserves

# Schematic of Field Layout and Infrastructure

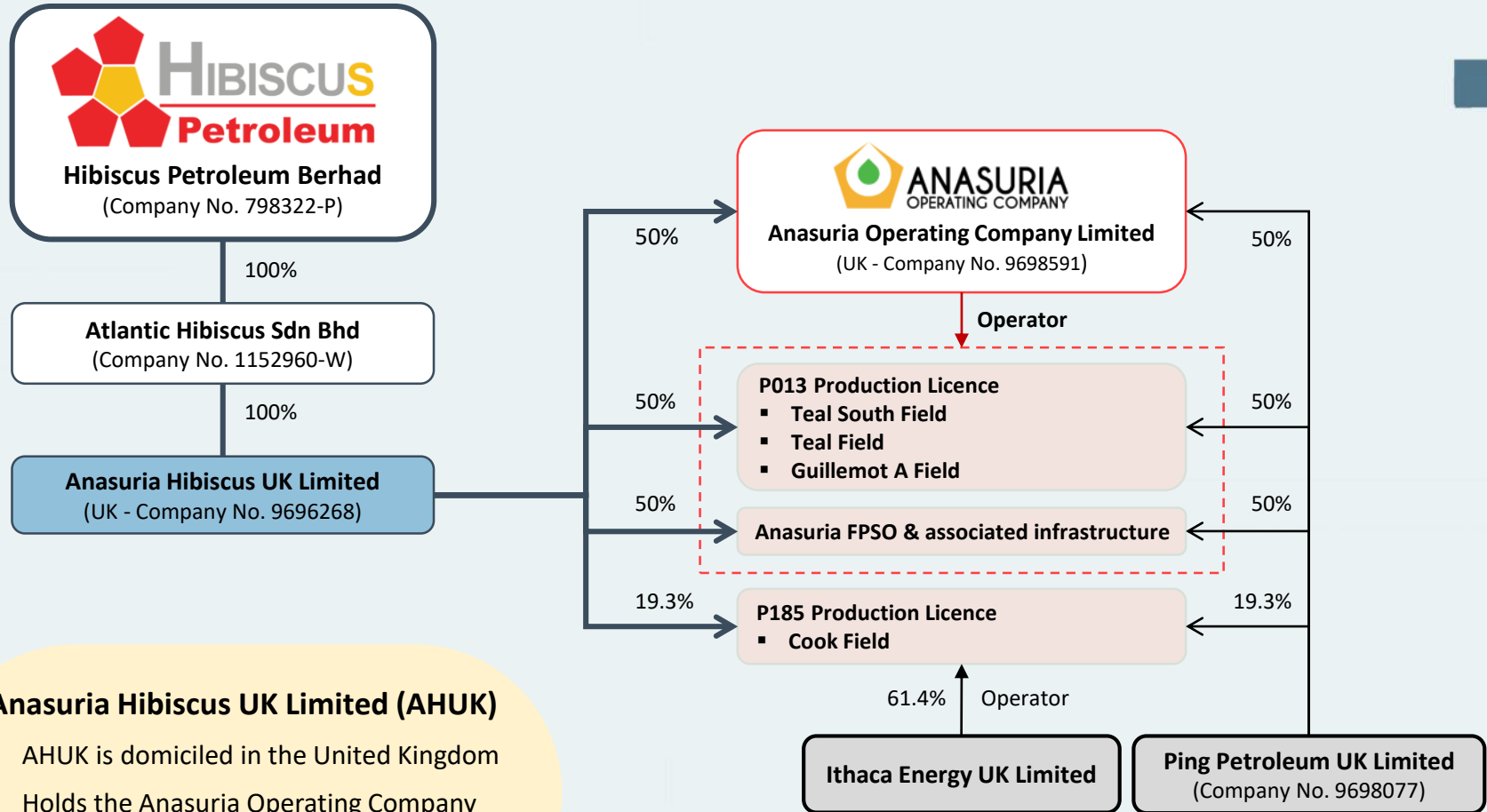


LEGEND	
	PRODUCTION
	PRODUCTION TEST
	WATER INJECTION
	CHEMICAL INJECTION
	CONTROL UNBILICAL
	GAS LIFT

**Infrastructure**  
 The asset infrastructure is laid over a distance of approximately **25km** from Cook Field in the north to Guillemot A Field in the south, and includes the **Anasuria FPSO**.

# Ownership Structure of the Anasuria Cluster

Direct access to cashflows and located in a safe legal jurisdiction



## Anasuria Hibiscus UK Limited (AHUK)

- AHUK is domiciled in the United Kingdom
- Holds the Anasuria Operating Company
- Holds Hibiscus' interest in the licence interests

# Key Payment Terms for the Anasuria Acquisition

**Total Purchase Consideration:  
USD 52.5m**

**Initial Consideration  
USD 30.0m  
(Fully Paid)**

**Deferred Consideration  
USD 22.5m  
(Fully Paid)**

6 <sup>th</sup> August 2015	SPA Signing Date	Paid in Cash: <b>USD 4.0m</b>
10 <sup>th</sup> March 2016	Completion Date	Paid in Cash: <b>USD 1.2m</b> Paid via working capital adjustments and accrued benefits: <b>USD 24.8m</b>

March 2017	First Tranche	Paid in Cash: <b>USD 15.0m</b>
September 2017	Second Tranche	Paid in Cash: <b>USD 7.5m</b>



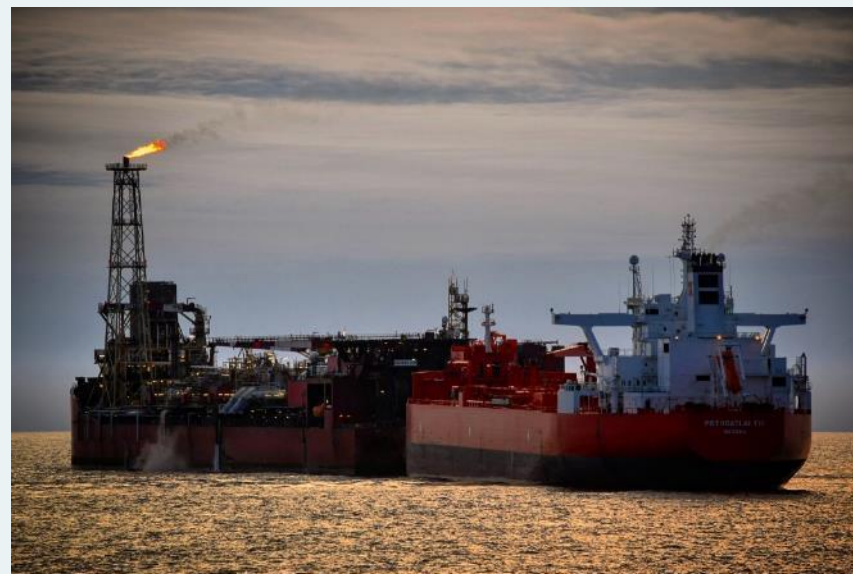
After applying certain working capital adjustments considering the economic benefits accruing from the Economic Date of 1 January 2015 (totalling USD 24.8 m) the actual nett cash outlay upon completion for payment of the Initial Consideration was **USD5.2 m**.



# Sale of Anasuria Crude Oil

## Transparent marketing and reporting of our UK crude oil offtakes by BP Oil

- Anasuria Hibiscus has entered into a long-term marketing and offtake agreement for the sale of crude oil with BP Oil International Limited (“BPOI”).
- Whilst we produce oil daily, we only sell our oil in cargoes of approximately 250,000 barrels.
- Using their global marketing network, BPOI identifies a potential customer for our oil, locks in a competitive price for the cargo and arranges the ‘lifting’ of the oil via tanker to the client refinery.



	Financial Year Ended 30 June 2016		Financial Year Ended 30 June 2017				Nine Months Ended 30 March 2018		
<b>Cargo Number</b>	AOC1	AOC2	AOC3	AOC4	AOC5	AOC6	AOC7	AOC8	AOC9
<b>Date (Bill of Lading)</b>	Mar-16	May-16	Sep-16	Nov-16	Feb-17	May-17	Aug-17	Dec-17	Feb-18
<b>Volume (barrels)</b>	185,178	274,963	271,576	298,909	273,419	284,963	246,132	274,644	271,047
<b>Revenue (oil and gas)</b>	RM 78.7mil		RM 256.8mil				RM 205.9 mil		
<b>Gross Profit</b>	RM 37.9mil		RM 163.7mil				RM 115.9mil		

# Anasuria Operational Performance

	Units	Jan - Mar 2018	Oct – Dec 2017	Jul – Sep 2017	Apr – Jun 2017	Jan – Mar 2017
Average daily oil production rate	bbl/day	2,798	2,071	2,576	3,204	2,617
Average daily gas export rate <sup>1</sup>	boe/day	304	141	156	317	257
Average daily oil equivalent production rate	boe/day	3,102	2,212	2,731	3,522	2,873
Total oil sold	bbl	271,047	274,644	246,132	284,963	273,419
Total gas exported (sold)	mmscf	162	77	87	173	138
Average realised oil price	USD/bbl	65.03	62.93	51.54	50.46	52.95
Average gas price	USD/mmbtu	2.60 <sup>2</sup> / 5.71 <sup>3</sup>	2.4 <sup>2</sup> /5.2 <sup>3</sup>	1.6 <sup>2</sup> /3.9 <sup>3</sup>	1.6 <sup>2</sup> /3.9 <sup>3</sup>	2.1 <sup>2</sup> /4.9 <sup>3</sup>
Average OPEX per boe	USD/boe	23.96	34.33	23.61	13.98	15.1
Average uptime	%	82	57	70	84	76

Source: Anasuria Operating Company Limited.

**All figures are net to Hibiscus.**

\* Hibiscus took over joint operatorship from March 2016.

Prices are quoted in United States Dollars.

<sup>1</sup> Conversion rate of 6,000scf/boe.

<sup>2</sup> For Cook Field.

<sup>3</sup> For Guillemot A Field, Teal Field and Teal South Field.

bbl barrels

boe barrels of oil equivalent

mmscf million standard cubic feet

mmbtu million British thermal units

# Production Enhancement Projects in Anasuria- 2018/2019

## Projects Currently Scheduled for Execution on the Anasuria Cluster

Production Enhancement Projects	Project Description	Target Completion (Calendar Year)	Estimated 2P Reserves (MMbbls net to AHUK)
★ GUA-P2 Sidetrack	Opportunity to re-enter this producing well and drain additional volumes by side-tracking the existing well.	2018	1.01
Cook Water Injector*	To increase reservoir pressure and extract additional reserves from the Cook field.	2019*	3.29
Infill Wells at Guillemot A	Opportunity to drill 2 infill wells in Guillemot field, either as sidetracks or new-drill wells.	2019	1.90

\* Subject to sanction by all co-venturers of the Cook production licence.

- ★ Drilling of GUA-P2 Side-Track well in Anasuria has commenced in June 2018.
  - Each of these identified opportunities will require a significant investment.
  - Working closely with our JV partners to ensure the phasing and scheduling of these projects will dovetail with the expected timing of our access to both internal and external funding sources.
  - Production enhancement projects will help to arrest natural decline and increase Anasuria oil production to 5,000 bopd by FY2020 (Net to AHUK)

# Outlook of Anasuria

- Drilling of the GUA-P2 side-track commenced in early June 2018 and last two months.
- Drilling rig contract awarded to Seadrill for its sixth-generation semi-submersible drilling rig, the West Phoenix.
- By using the existing GUA-P2 well as a donor well for the side-track, enhanced production is expected to be realised as soon as the drilling programme is completed.
- This project is also forecasted to realise net 2P reserves of 1.01 million bbls.
- The drilling of this side-track well is part of our overall strategy to enhance production from the Anasuria Cluster to up to 5,000 bopd by FY2020.



*The West Phoenix semi-submersible rig.*



*Hibiscus Petroleum team during a management visit to the West Phoenix rig.*

# Portfolio of Assets

**Malaysia – 2011 North Sabah EOR PSC**

**Part 3**

# Malaysia – 2011 North Sabah EOR PSC

## Background

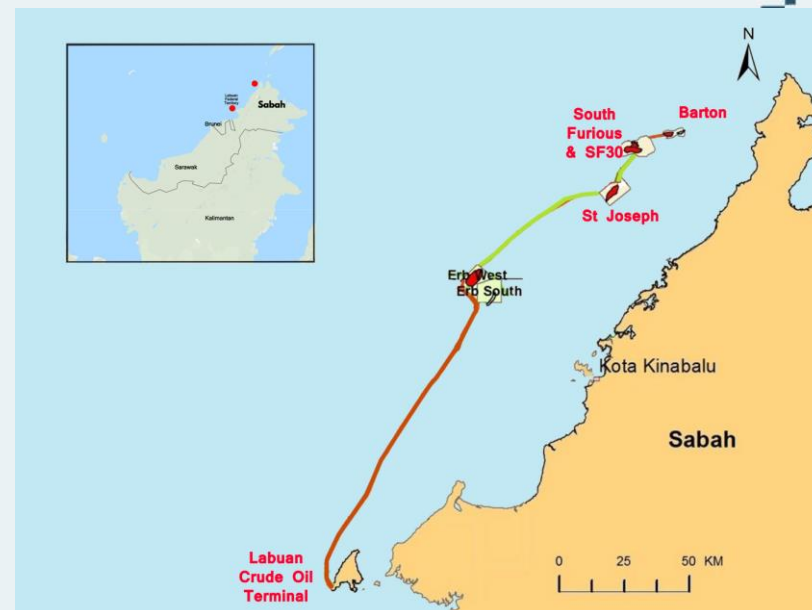
1. On 12 October 2016, Hibiscus Petroleum entered into a conditional sale and purchase agreement with Shell to acquire Shell's entire fifty percent participating interests in:
  - the 2011 North Sabah Enhanced Oil Recovery Production Sharing Contract (North Sabah PSC); and
  - the joint operating agreement between Shell and PETRONAS Carigali in relation to the PSC.
2. The transaction was completed on 31 March 2018.
3. This acquisition from Shell provides Hibiscus Petroleum with its first asset in Malaysia.
4. Operatorship of four producing oil fields offshore Sabah, the Labuan Crude Oil Terminal and all other equipment and assets related to the PSC have been transferred to Hibiscus Petroleum.



# Overview of the North Sabah PSC

## Production Offshore Sabah, Malaysia

- Asset** : 50% interest in the **2011 North Sabah EOR PSC**:
- St Joseph Producing Field
  - South Furious Producing Field
  - SF 30 Producing Field
  - Barton Producing Field
  - All associated equipment and assets related to the PSC including the Labuan Crude Oil Terminal
- Location** : 33km from Kota Kinabalu, Malaysia
- Water Depth** : 18 – 60m
- SPA Date** : 12 October 2016
- Completion Date** : 31 March 2018
- Operator** : SEA Hibiscus Sdn Bhd
- Partner** : PETRONAS Carigali Sdn Bhd (for the remaining 50% participating interest)
- Sellers** : Sabah Shell Petroleum Company Limited; and Shell Sabah Selatan Sdn Bhd (collectively “Shell”)
- Production Life** : Producing since 1979 with production rights up to 2040.
- Future Prospects** : Once resources are channelled towards identified future development opportunities, subject to capex and oil price, the incremental 2C resources may be exploited.



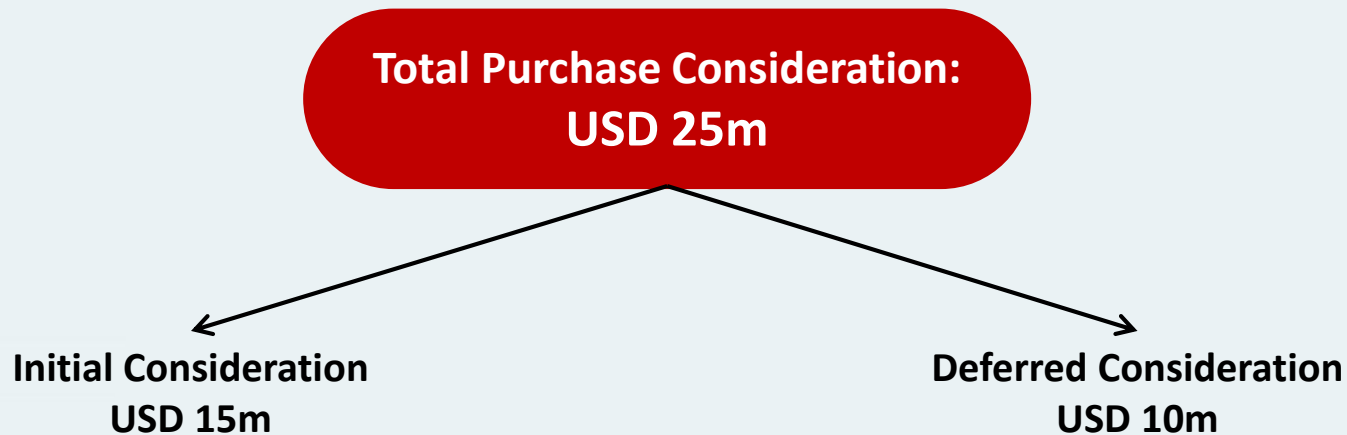
	Units	Total
Remaining Reserves (2P) <sup>1</sup>	MMstb*	40.9
Contingent Resources (2C) <sup>2</sup>	MMstb	79.0
Platforms/Structures		20
Wells <sup>1</sup>		135

<sup>1</sup> Based on 100% interest in the PSC, as reported in the Annual Review of Petroleum Resources (ARPR) as of 1 January 2018 for the PSC life.

<sup>2</sup> Based on 100% interest in the PSC, derived by independent technical valuer, RISC Operations Pty Ltd, as of 1 January 2018 for the PSC life.

\* Million stock tank barrels.

# North Sabah Acquisition Commercial Details



12 October 2016	SPA Signing Date	<b>USD 2.5m</b>
31 March 2018*	Completion Date	<b>USD 12.5m</b>

First tranche	31 March 2019	<b>USD 5m</b>
Second tranche	31 March 2020	<b>USD 5m</b>

\*Settled in April 2018.

Note: The Purchase Consideration was arrived at on a willing-buyer, willing-seller basis and after taking into account, amongst others, the expected economic benefit to be derived from the Effective Date (1 January 2017).



# Sale of North Sabah Crude Oil

- The Labuan Crude Oil Terminal (LCOT) is a storage and offloading facility for crude oil produced from our North Sabah asset, as well as from three neighbouring PSCs.
- LCOT, which is operated by SEA Hibiscus, processes approximately 50,000 barrels of oil a day.
- Whilst we produce oil daily, we sell our oil in cargoes of approximately 300,000 barrels from LCOT, which trades at a premium to the Brent crude oil benchmark.
- SEA Hibiscus has entered into an offtake agreement for the sale of its entitlement of crude oil with Trafigura Pte Ltd.



Labuan Crude Oil Terminal



# North Sabah Operational Performance

This table shows the operational performance of the North Sabah asset over the five quarters from the Effective Date to the Completion Date, when **SSPC was operating the North Sabah asset on behalf of SEA Hibiscus**.

	Unit	January to March 2018 <sup>2</sup>	October to December 2017	July to September 2017	April to June 2017	January to March 2017
Average gross oil production	bbl/day	15,335	14,865	14,049	14,614	14,992
Average net oil production	bbl/day	5,674	5,500	5,198	5,407	5,547
Total oil sold	bbls	287,019	586,658	287,850	593,086	587,228
Average realized oil price <sup>1</sup>	USD/bbl	73.51	67.20	55.80	56.93	59.41
Average OPEX per bbl (unit production cost)	USD/bbl	12.47	18.50	15.25	11.75	10.81
Average uptime	%	96	93	88	92	95

<sup>1</sup> The weighted average price of all the Labuan crude sales from various parties during the quarter.

<sup>2</sup> Figures are provisional and may change subject to 1Q18 PSC Statement audit.

# Opportunities to Unlock Value in North Sabah

**Opportunities based on identified future in-field incremental developments, infill drilling and waterflood opportunities**

## Area of Focus

- Improve production uptime and production rates
- Reduce OPEX

**Gross 2P Reserves  
(40.9 MMstb)**

- Opportunities for production optimization and enhancement via surface and subsurface works

**Gross 2C Resources  
(79.0 MMstb)**

- Further infill drillings at St Joseph, Barton, South Furious and SF30 with waterflood initiatives



St Joseph production complex

# SEA Hibiscus Management Team

## Chief Executive Officer



**Dr. Pascal Hos**  
Co-founder and previously VP  
New Ventures of Hibiscus  
Petroleum

## Chief Operating Officer



**Chong Chee Seong**  
Previously Oil Assets PSC  
Manager with SapuraKencana  
Energy

### Operational Improvement



**Mike Fox**  
Previously Project  
Manager with AOC, UK, &  
Technical Services  
Manager with Repsol

### Operations



**Edmund Ang**  
Previously Sabah Inboard  
Manager with Shell

### Engineering



**Dr. Adrian Tan**  
Previously Engineering  
Manager of Development  
with Murphy Oil

### Subsurface



**David Richards**  
Previously VP Geoscience  
in Hibiscus Petroleum

### Logistics



**Nor Aina Ahmad**  
Previously Business  
Support Lead of Logistics  
with Shell

### Drilling



**Anwar Hisham**  
Previously Head of Wells  
Delivery with Enhance Oil  
Recovery Centre

### Human Resources



**Nurashikin Md Sharif**  
Previously SGM, Human  
Capital Management &  
Organisation Effectiveness,  
Securities Commission

### IT & Information Management



**Joel Sheng**  
Previously SGM of IT&IM  
with Hibiscus Petroleum

### Finance



**Ng Kok Kong**  
Previously Manager of  
Accounting, Tax & Finance  
with Vestigo Petroleum

### Contracts & Procurement



**Muhamad Her**  
Previously Senior  
Procurement Specialist  
with MDC Oil and Gas

### Planning



**Alan Toh**  
Previously Petroleum  
Economist with Genting Oil  
and Gas

### Commercial & Strategic Relations



**Hanif Hamid**  
Previously Deputy Chief  
Executive Officer with Port  
of Tanjung Pelepas

### Legal



**Michele Toh**  
Previously Legal Counsel  
with Bumi Armada

### Health, Safety, Security, Environment



**Mohd Hatta**  
Previously Head,  
Emergency Response  
Resource Management  
with Petronas

**Extensive industry experience  
including working in a Malaysian  
PSC environment**

# Highlights of the Transfer of Operatorship

**44,131**  
hours

Hibiscus **Transition Team**  
**manhours** to transfer  
operatorship from Shell to Hibiscus

**202**  
people

**East Malaysians** in Hibiscus  
today working on North Sabah

**215**  
people

**Transferred** from Shell to  
Hibiscus to continue working on  
North Sabah

**287**  
people

**Hibiscus employees** today  
with 260 dedicated to operate  
North Sabah

## Key Personnel transferred to Hibiscus from Shell's Sabah Inboard Unit dedicated to North Sabah

### Operations



**Edmund Ang**  
Sabah Inboard  
Manager



**John Alexzander  
Van Stratan**  
North Sabah Offshore  
Installation Manager



**Basaran Jamil**  
North Sabah Offshore  
Installation Manager



**Colina Tong**  
Well, Reservoir and  
Facility Management,  
Manager



**Azmi Linggu**  
Onshore Installation  
Manager, Labuan  
Integrated Facilities



**Zolkipli Hj Sahari**  
Inboard Maintenance  
Lead



**Alvin Yumpud**  
Health, Safety and  
Environment Team  
Lead



# Portfolio of Assets

**Australia – VIC/L31, VIC/P57**

**Part 4**

# Australia – Development & Exploration Opportunities

## VIC/P57 Exploration Licence

**Acquisition Date:** January 2013  
**Water Depth/Size:** c. 50m/340km<sup>2</sup>  
**Effective Interest:** 78.3% (Concession Operator)  
**Work Completed:** Drilled an exploration well in the Sea Lion prospect in Q4 2015  
**Licence Expiry:** 6 March 2023

### MINIMUM GUARANTEED WORK PROGRAMME

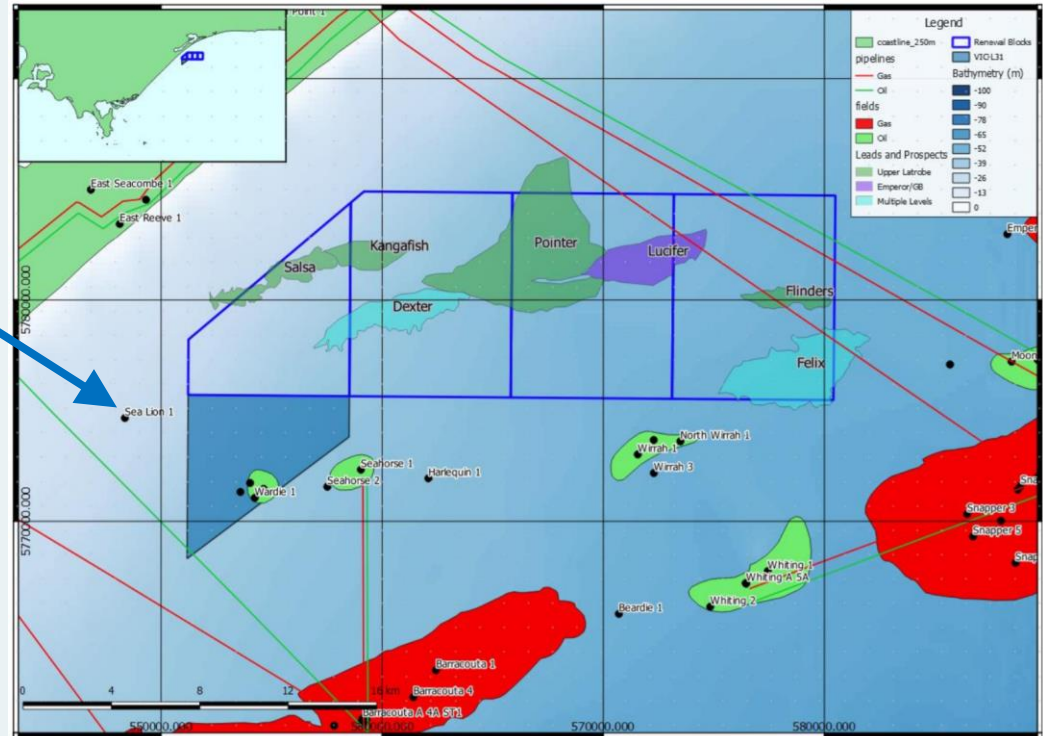
Years 1-3	<ul style="list-style-type: none"> <li>Geological and Geophysical studies including petroleum systems analysis/modelling</li> <li>Reprocessing of 230km<sup>2</sup> of the Northern Fields 3D seismic data</li> <li>Seismic interpretation and depth conversion</li> <li>Geological and Geophysical studies including Petrophysics, Rock Property models and seismic inversion</li> <li>Review of results</li> </ul>
-----------	--

### SECONDARY WORK PROGRAMME (OPTIONAL)

Year 4	<ul style="list-style-type: none"> <li>One exploration well</li> </ul>
Year 5	<ul style="list-style-type: none"> <li>Geological and Geophysical studies</li> </ul>

## VIC/L31 Production Licence

**Award Date:** December 2013  
**Stake:** 100% (Concession operator)  
**Water depth:** <50 m  
**Work Completed:** Field Development Plan approved  
 Production Licence obtained





# FY2018 Financial Performance

**Financial Year to Date Highlights**

**Third Quarter Highlights**

**Part 5**



# Factors that Impact Financial Performance



1. **Oil price** of the Brent crude oil benchmark at approximately the time of a scheduled offtake from the Anasuria FPSO and LCOT.
2. **Any premium** over Brent crude oil benchmark on our oil cargo depending on market conditions at the relevant time.
3. **Gas prices** for the respective fields in Anasuria only, as follows:
  - i. Cook field – **40%** of the Heren Index<sup>1</sup> and in accordance with the Cook gas SPA<sup>2</sup>; and
  - ii. Guillemot A, Teal and Teal South fields – **85%** of Heren Index<sup>1</sup> and in accordance with the Anasuria gas SPA<sup>2</sup>.
4. **Exchange rates** and:
  - i. **USD vs RM:** For our revenues and the valuation of Anasuria and North Sabah, and opex in North Sabah; and
  - ii. **British Pound:** For opex in Anasuria.
5. **Performance of Anasuria** in terms of:
  - i. Production performance of the wells; and
  - ii. Facilities availability.
6. Management of **operational expenses** for Anasuria.

<sup>1</sup> Heren National Balancing Point index.

<sup>2</sup> Sale and Purchase Agreement.

# 2018 FYTD Highlights – Group Profit or Loss

RM'm	Nine Months Ended			Three Months Ended		
	31 Mar. 2018	31 Mar. 2017	Change	31 Mar. 2018	31 Dec. 2017	Change
Revenue	209.7	186.8	12%	75.4	76.1	(1%)
EBITDA	156.9	107.5	46%	99.6	28.4	251%
PBT	104.4	34.3	204%	81.6	13.1	522%
PAT	105.0	97.4	8%	83.1	11.0	653%

- The growth in PAT and EBITDA was driven by the **provisional fair value gain upon completion** of the acquisition of the 2011 North Sabah EOR PSC on 31 March 2018, as well as earnings from crude oil production from the North Sea offshore oilfields.

# North Sabah Acquisition – Fair Value Gain Analysis

Note: As permitted by MFRS 3 Business Combination, allocation of the purchase price may be finalised within one year from completion of the acquisition date to determine fair values of acquired tangible and intangible assets and liabilities.

	Provision fair value recognised on acquisition	
	RM 'm	*USD 'm
<b>Assets – Intangibles, deferred tax and inventories</b>	283.7	73.4
<b>Liabilities – Decommissioning costs</b>	(81.2)	(21.0)
<b>Total identifiable net assets at fair value (provisional)</b>	<b>202.5</b>	<b>52.4</b>
<b>Less</b>		
Purchase consideration **	(91.5)	(23.7)
Other Amounts:		
- Unrecovered recoverable costs payable ***	(106.5)	(27.5)
- Interim working capital and other adjustments receivable	107.9	27.9
<b>Negative goodwill from business combination</b>	<b>112.4</b>	<b>29.1</b>

Recorded as a gain in the Third Quarter P&L

Notes:

Deferred tax assets recognised upon completion is a non-cash item.

\* Exchange rate on 31 March 2018 used: USD 1 = RM 3.866

\*\* RM9.7 m (USD2.5 m) was paid in October 2016 upon the execution of the conditional sale and purchase agreement . RM48.3 m (USD12.5 m) which represents the balance of the initial consideration was paid in April 2018.

\*\*\* Represents recoverable costs incurred by the Sellers prior to the Effective Date as part of their executed work program but not yet recovered as part of the cost recovery process provided under the terms of the 2011 North Sabah EOR PSC as of the Completion Date, subject to oil prices having reached certain thresholds at future dates.

# Highlights: Operating Segment Summary

## Current Quarter 3Q FY2018 (Jan - Mar 2018)

RM'000	Anasuria	N. Sabah	Others <sup>1</sup>	Group
Revenue	74,206	-	1,214	75,420
CoS	(30,350)	-	-	(30,350)
EBITDA	34,828	89,611	(24,793)	99,646
PBT	20,080	89,611	(28,122)	81,569
Tax	1,567	-	(1)	1,566
PAT	21,647	89,611	(28,123)	83,135

## Immediate Preceding Quarter 2Q FY2018 (Oct - Dec 2017)

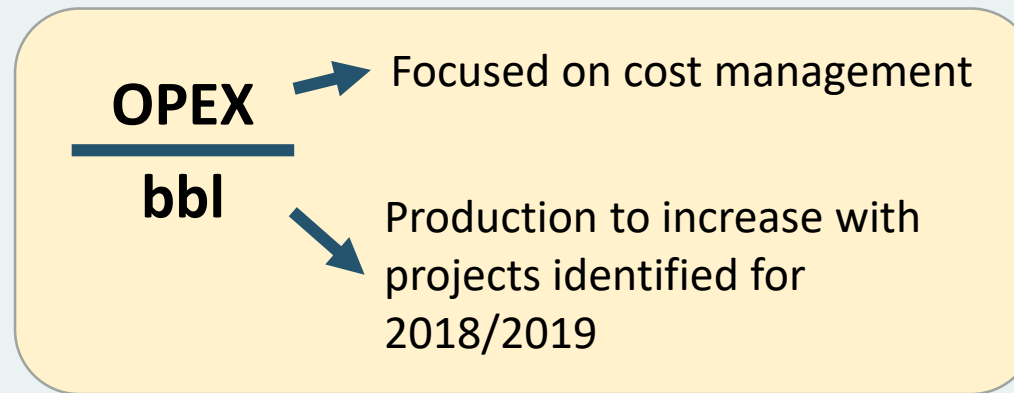
RM'000	Anasuria	Others <sup>1</sup>	Group
Revenue	74,644	1,417	76,061
CoS	(37,681)	-	(37,681)
EBITDA	34,154	(5,778)	28,376
PBT	22,377	(9,270)	13,107
Tax	(2,081)	16	(2,065)
PAT	20,296	(9,254)	11,042

### 3Q FY2018 vs 2Q FY2018 – Key contributing factors

<b>Revenue</b>	Higher realised oil price for oil sold from Anasuria (3Q FY2018: USD65.03/bbl vs 2Q FY2018: USD62.93/bbl), off-set by lower volume of oil sold at Anasuria (3Q FY2018: 271,047 bbl vs 2Q FY2018: 274,644 bbl)
<b>Cost of Sales (CoS)</b>	Decreased by RM7m. All planned and unplanned interruptions in production encountered at Anasuria (Planned Offshore Turnaround project, Cook-P1 well production interruption and Gas compression facility issues) in 2Q FY2018 have been resolved. (CoS/Revenue for Anasuria in 3Q FY2018 was 41% (2Q FY2018: 50%))
<b>EBITDA</b>	<u>Anasuria:</u> EBITDA margin achieved for Anasuria in 3Q FY2018 was 47% (2Q FY2018: 46%) <u>N. Sabah:</u> The Group completed the acquisition of the North Sabah asset on 31 March 2018. The provisional fair value of the identifiable assets and liabilities as at the date of acquisition when compared against the purchase consideration resulted in a negative goodwill of RM112.4m. This was partly off-set by transition costs in connection with the acquisition and segment-specific administrative expenses of RM22.8m.
<b>Tax</b>	Net tax expense recognised in 2Q FY2018 was driven by the recognition of deferred tax liabilities arising from higher investments in capital expenditure.

# Continuous Improvements & Key Performance Metrics

- The key indicator (**KPI**) that measures our operational performance is our operating cost per barrel (**OPEX/bbl**) for the oil produced.



- As we are entering a period of high investments in capital expenditure in the next two to three years, which will involve various tax treatments, including some that are non-cash in nature, we will be highlighting **EBITDA** as an important metric going forward.

# Highlights: Group's Balance Sheet

## A strengthening Balance Sheet

	As at 31 Mar 2018 (RM'm)	As at 31 Dec 2017 (RM'm)	As at 30 Sep 2017 (RM'm)	As at 30 Jun 2017 (RM'm)	As at 30 Jun 2016 (RM'm)
Total assets	<b>1,633.0</b>	1,289.7	1,286.8	1,319.6	1,269.2
Shareholders' funds	<b>865.9</b>	779.2	769.1	742.4	584.3
Cash and bank balances	<b>116.3</b>	10.0	32.0	54.5	28.7
Cash	<b>109.0</b>	10.0	32.0	54.5	28.7
Restricted cash*	<b>7.2</b>	-	-	-	-
Total debt	<b>Nil</b>	Nil	Nil	Nil	Nil
Net current assets/(liabilities)	<b>199.9</b>	42.3	1.0	(41.5)	(92.0)
Net assets per share (RM)	<b>0.55</b>	0.50	0.51	0.51	0.45

\* For more info, please refer to page 6 of the Unaudited Quarterly Financial Report for the quarter ended 31 March 2018.

- **Net current assets position is improving steadily.**
- Debt facilities may be put into place over the next 12 months to ensure production enhancement projects and opportunities can be executed smoothly. (Management targets to limit borrowings to a conservative level of gearing.)
- Cash and bank balances include proceeds from the December 2017 offtake of approximately RM70m.
- Included in Shareholders' Funds as at 31 March 2018 is Retained Earnings of RM78.6m.

# Key Messages

**Part 6**

# Key Messages

- The Group is focused on delivering its 2017 – 2021 mission.
- Recent milestones achieved:
  - ✓ Completed the North Sabah transaction on 31 March 2018
  - ✓ Commenced trading of Warrants-C on 28 March 2018
  - ✓ Warrants C price at RM 0.425 as at 10 August 2018
- Key activities over the next three months:
  - Drill the GUA-P2 side-track well and realize incremental production in 1Q FY2019;
  - Further improve Anasuria uptime;
  - Continue integrating the North Sabah operations; and,
  - Reduce unit production costs of the North Sabah operations.
- Completion of the North Sabah transaction has boosted the Group's net entitlement of production and 2P reserves (to 40-50% of our 2021 mission).
- Close the gap towards achieving the Group's 2021 mission by developing identified opportunities within the current portfolio of assets and also through selected new ventures.



# Appendix

**Additional Information**

**Stock Information**

**O&G Fiscal Systems**

**Profiles – Board of Directors and Senior Management**

**Recent View of Analysts**

**Contact**

# Stock Information

## Basic Share Data

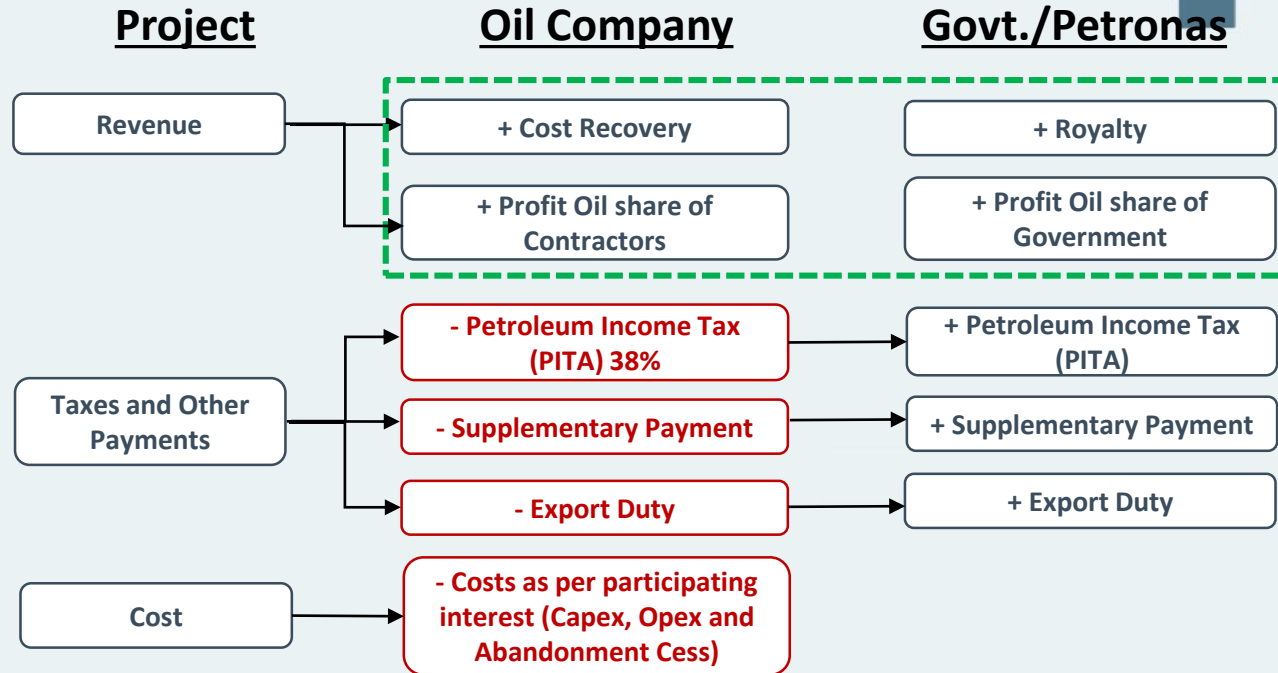
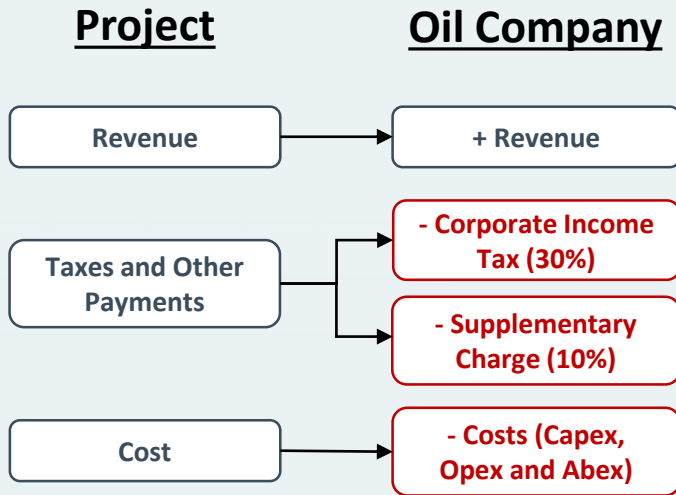
*(As of 31 July 2018)*

<b>52-week Low</b>	RM0.405
<b>52-week High</b>	RM1.150
<b>Market Capitalisation</b>	RM1.533 billion
<b>Issued Share Capital Base</b>	1,588,288,791
<b>Outstanding Warrants-C</b>	317,645,623
<b>Earnings Per Share</b>	
- 3Q FY2018	5.23 sen
- 2Q FY2018	0.72 sen
- 1Q FY2018	0.73 sen

# Fiscal Systems – UK & Malaysia

UK - Concession System  
(IOC is licence holder)

Malaysia - Production Sharing Contract (PSC)  
(NOC is licence holder)



### Corporate Income tax

- 30% \* (Revenue – Operating costs – 100% Capital Allowance)

### Supplementary Charge

- 10% \* (Income Tax Base – Additional 62.5% Capital Allowance)

- Cost Recovery and Profit Oil Share determined by R/C Index
- Contractor will recover Capex & Opex from revenue
- Royalty is levied at 10% of gross revenue
- Supplementary payment is paid when crude price exceeds base price

# Profiles: Board of Directors



**Zainul Rahim bin Mohd Zain**, *Non-Independent Non-Executive Chairman*

- Appointed to the Board in December 2010.
- Serves on the Boards of UKM Holdings Sdn Bhd, Cenergi SEA Sdn Bhd and the Malaysian Dutch Business Council.
- Previously Board member of Bank Pembangunan Malaysia Berhad, Petronas Carigali Sdn Bhd, redT energy Plc, and was Deputy Chairman of Shell Malaysia, Chairman of Shell companies in Egypt, and Managing Director of Shell Egypt N.V
- Bachelor of Engineering, majoring in Mechanical Engineering, from the University of Western Australia



**Dr Kenneth Gerard Pereira**, *Managing Director*

- Co-Founder of Hibiscus, appointed to the Board in September 2010.
- 29 years' experience in the oil and gas industry, both in the services, and exploration and production sectors.
- Serves on the Board of all of Hibiscus Petroleum's subsidiaries, and other various private companies.
- Initiated the oil and gas services business of Sapura Group under Sapura Energy Sdn Bhd.
- Bachelor of Science (Honours) degree in Engineering from the University of Bath; an MBA from Cranfield Institute of Technology; and a Doctorate in Business Administration ("DBA") from the University of South Australia.



**Thomas Michael Taylor**, *Senior Independent Non-Executive Director*

- Appointed to the Board in August 2016.
- Chairman of Audit and Risk Management Committee.
- Joined Shell In 1984 until his retirement in 2012. Held various posts and directorships in several Shell Group companies including Finance Director of Shell Malaysia from 2004-2009 and Finance Director of Brunei Shell Petroleum from 2009-2012.
- MA in Engineering from University of Cambridge.
- Member of the Chartered Institute of Management Accountants.



**Dato' Roushan Arumugam**, *Independent Non-Executive Director*

- Appointed to the Board in July 2011.
- Serves on the Boards of South Pickenham Estate Company Limited, Pneumacare Limited and Sri Inderajaya Holdings Sdn Bhd amongst other private companies
- Previously served as Manager in Debt Capital Markets Division at Nomura Advisory Services Sdn. Bhd.
- MA in English Language and Literature from St. Catherine's College, Oxford University; MBA from Imperial College Business School, United Kingdom; and MA in Law from the University of Bristol, United Kingdom.



**Dato' Dr Zaha Rina Zahari**, *Independent Non-Executive Director*

- Appointed to the Board in September 2017.
- Over 25 years' experience in financial (including Islamic), commodities and securities industry, developing the Malaysian Financial Market, M&A in insurance and Takaful companies.
- Currently the Chairman of Manulife Holdings Bhd and on the Board of Hong Leong Industries Bhd and Pacific & Orient Bhd as an Independent Director. Licensed by Securities Commissions of Malaysia for corporate advisory services.
- Previously served as CEO, RHB securities Bhd; COO, Kuala Lumpur Options and Financial Futures Exchange; and Head of Exchanges of KLSE, MESDAQ, MDEX and Labuan Offshore Financial Exchange.
- BA (Hons) Accounting and Finance from Leeds UK; MBA from Hull University; DBA from Hull University on capital markets research, specialising in derivatives.

# Profiles: Key Management



**Mark John Paton**, Chief Operating Officer

- Joined Hibiscus in March 2013.
- 35 years experience in the oil & gas industry, both in services and exploration and production sectors.
- Previously worked at BP Exploration as a Production and Commissioning Engineer, and worked at BHP Petroleum as a Well Services Supervisor, Production Manager and General Manager of North Australia Operations.
- Founded Upstream Petroleum, an O&G service company, and was Chief Executive Officer of ASX-listed Cue Energy Resource Ltd.
- Bachelor of Science in Chemical Engineering, University of Leeds.



**Yip Chee Yeong**, VP Finance & Group Controller

- Joined Hibiscus in November 2013; previously Deputy VP Finance in Hibiscus.
- Over 23 years experience in accounting, reporting, financial management, controls and compliance in various industries.
- Previously worked at Saatchi & Saatchi as Finance Director of the Malaysia and Singapore offices, and subsequently at Microsoft Malaysia as Chief Financial Officer.
- Fellow member of the Association of Chartered Certified Accountants, England and member of the Malaysian Institute of Accountants, Malaysia.
- Bachelor of Arts in Accounting and Finance, Middlesex University.



**Lim Kock Hooi**, Group General Counsel

- Joined Hibiscus in October 2014.
- Over 25 years experience in oil & gas law practice, project documentation, and management and resolution of project execution issues.
- Previously worked at PETRONAS as a petroleum geologist and then Senior Legal Counsel, at Azman, Davidson & Co as a managing partner, and at Caelus Energy Asia as Senior Vice President, Legal.
- Bachelor of Science in Applied Geology, University of Malaya; and LLB, University of London.



**Uday Jayaram**, VP Corporate Development

- Joined Hibiscus in April 2014.
- Over 22 years experience in audit, management consultancy, equities research, institutional sales, capital markets and stock exchange business.
- Previously worked at Ernst & Young, Deutsche Morgan Grenfell, CIMB Bank, ING and Macquarie, as Head of Equity & Division Director of Macquarie Capital Securities. Was also Global Head of Securities Markets at Bursa Malaysia.
- Bachelor of Science in Economics majoring in Accounting & Finance from the London School of Economics.
- Qualified as a Chartered Accountant with the Institute of Chartered Accountants in England and Wales.



**Catherine Chow**, VP Treasury

- Joined Hibiscus in March 2017.
- Over 27 years experience in both buy and sell side in the financial services industry, of which 11 years are in corporate treasury management including cash & liquidity management, forex hedging, capital management, risk management, bond programme and loan syndication (project based and corporate based financing).
- Previously worked at Usaha Tegas as Senior Manager of Group Treasury and DiGi Telecommunications as Head of Cash Management in Treasury.
- Bachelor of Economics and MBA (Finance and Islamic Banking).

# Profiles: Key Management



**Dr Pascal Hos**, CEO, SEA Hibiscus Sdn Bhd

- Joined Hibiscus in February 2011 as Head of Petroleum Engineering.
- 15 years experience in reservoir engineering, production technology and rock mechanics.
- Previously worked as a PhD Researcher with NASA, and worked at Shell International EP as a Reservoir Engineer/ Research Project Manager and Subsurface Team Lead.
- Bachelor of Science in Mechanical Engineering and PhD in Mechanical Engineering, Rice University.



**Chong Chee Seong**, COO, SEA Hibiscus Sdn Bhd

- Joined Hibiscus in December 2017.
- 17 years in the oil and gas industry, with experiences in surface / subsurface engineering and business development, including design, fabrication, HUC, operations, production planning, petroleum economics and business process management.
- Started career in ExxonMobil, and later joined Newfield Malaysia, which was acquired by Sapura Energy in 2013.
- Masters in Engineering (MEng), Cambridge University.



**David Jayakumar Richards**, Head of Subsurface, SEA Hibiscus Sdn Bhd

- Joined Hibiscus in October 2011.
- 26 years experience as a petroleum geoscientist in the exploration, development and production and planning phases of the oil and gas industry.
- Previously worked at Sun Oil Far East Malaysia, ExxonMobil Exploration & Production Malaysia, Carigali-Hess, and Newfield Sarawak Malaysia as Senior Geologist.
- Bachelor of Science in Earth Science, Universiti Kebangsaan Malaysia.



**Devarajan Indran**, CEO, Anasuria Operating Company Ltd

- Joined Hibiscus in November 2014, previously VP Petroleum Engineering and JV Management (UK)
- 24 years experience in the upstream O&G industry, with specific expertise in Production Technology and Production Optimisation.
- Previously worked at Petronas Carigali, Shell, PTTEP and most recently, Petrofac, as the Subsurface Team Leader for the Berantai Field in offshore Peninsular Malaysia.
- Bachelor in Petroleum Engineering, Universiti Teknologi Malaysia.



**James Eisterhold**, Advisor, Anasuria Operating Company Ltd

- Joined Hibiscus in December 2016.
- 36 years experience in upstream O&G with expertise in reservoir, drilling, production and facilities.
- Previously Director of Operations for Newfield China Ltd in South China Sea. Served as Managing Director of Newfield Australia, International Operations VP for Newfield in South America, China and South East Asia.
- Bachelor of Science in Mechanical Engineering, University of Texas; Masters in Petroleum Engineering from University of Houston; and MBA from University of Texas.

# Recent View of Analysts

DBS Group Research . Equity

30 May 2018

## Hibiscus Petroleum Berhad (HIBI MK) : BUY

Mkt. Cap: US\$349m | 3m Avg. Daily Val: US\$8.6m

Last Traded Price ( 28 May 2018): RM0.88

Price Target 12-mth: RM1.46 (67% upside) (Prev RM1.48)

### Analyst

Inani ROZIDIN +60 326043905; inanirozidin@alliancedbs.com

### Focus on new addition in coming quarter

- 3Q18 earnings below expectation: hiccups due to unplanned plant shutdown for Anasuria Cluster
- Cut FY18/19/20 earnings by 28%/16%/13% due to lower daily production and higher than expected opex/bbl
- Expect a bumper 4Q18 as production normalises and North Sabah EOR PSC commences contribution
- Reiterate BUY with lower TP of RM1.46

### What's New

Hibiscus Petroleum (Hibiscus) reported headline revenue of RM75m (+9% y-o-y, -1% q-o-q) and earnings of RM83m (+1,182% y-o-y, +653% q-o-q). Excluding one-off items, core net profit came in at RM19m (+166% y-o-y, +132% q-o-q). This brings 9M18 revenue to RM210m and core earnings to RM37m. Although it is a vast improvement from 1H18, we deem 3Q18 results below our expectations due to lower daily production and higher opex/bbl for the Anasuria Cluster.

### Company Guide

Summary of our point of view, and highlights the relevant data points, which are actively tracked

[Hibiscus Petroleum - iBanking Login](#)

[Hibiscus Petroleum - Institution Login](#)



PUBLIC INVESTMENT BANK

### PublicInvest Research Company Update

KDN PP17086/03/2013(032117)

Tuesday, April 3, 2018

## HIBISCUS PETROLEUM BERHAD

**Outperform**

### DESCRIPTION

An oil and gas production and development company, currently producing average 9,500bbls/day. Hibiscus now has 22.7mmbbls/day of net 2P reserves in Anasuria Cluster - UK, 6.5mmbbls of net 2P reserves in West Seahorse Field - Australia and 40.9mmbbls of net 2P reserves in North Sabah - Malaysia.

Target Price RM1.08  
Current Price RM0.85  
Expected Return +27.1%

Market Sector Oil & Gas  
Bursa Code 5199  
Bloomberg Ticker HIBI MK  
Shariah-compliant Yes

### SHARE PRICE CHART



### North Sabah Sealed!

Hibiscus Petroleum finally announced the completion of its North Sabah asset acquisition (50% interest) through wholly-owned SEA Hibiscus. While long-awaited, the outcome was never much in doubt and solidifies our confidence in the longer-term value of the Group. With economic benefits (and costs) accruing to the Group dating back to 1 January 2017, a relatively large negative goodwill amount will likely be recognized considering crude oil prices now are significantly higher than when the deal was being negotiated in 2016. Ongoing initiatives to constantly increase production levels to enhance shareholder value affirm our **Outperform** call on the Group, with target price kept unchanged at RM1.08. Our earnings estimates are also left unchanged, having already accounted for this previously. While the recent listing of its free warrant issue may be dilutive near-term, we see potential uplifts to valuation from the conversion of 2C to 2P reserves in this North Sabah field, which we have not accounted for in our computations. Assuming a 50% conversion, we are estimating the Group's overall fair value to be bumped up to RM1.17 (post-dilution).

- North Sabah recap.** The acquisition entails operatorship of 4 producing oil fields (St. Joseph, South Furious, SF 30 and Barton) offshore Sabah, the Labuan Crude Oil Terminal and all other equipment and assets related to the

## Market Insight

Thursday, 22 February, 2018

Azim Faris Ab Rahim  
azimfaris@bimbsec.com.my  
03-2613 1734



BIMB SECURITIES RESEARCH  
بي.ايم.بي. سي.كيو.ري.س.ا.ر.ا.ج.ه

PP16795/03/2013(031743)  
www.bisonline.com

### Results Review: 2QFY18

**Below**

**HOLD**

Price: RM0.965  
Target Price: (+0.5%) RM0.970

## Hibiscus Petroleum

Production hiccup

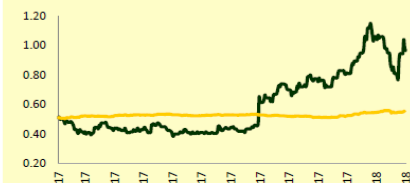
- Hibiscus's 2QFY18 core earnings was flat as unit production costs offset gains from higher crude oil prices.
- 2QFY18 oil production rate fell to 2,071 bpd level (1QFY18: 2,575 bpd) due to production hiccup at Guillemot A.
- We cut FY18 earnings by 45% due to the production shortfall and take a more conservative stance on FY19/FY20 with a 5%/4% reduction respectively.
- Maintain HOLD with lower DCF-derived TP of RM0.97 (from RM1.05). We still see Hibiscus as the best proxy to the sector direct exposure to production while we look forward to the structural earnings growth from the NS acquisition.

### Disappointing operational performance

Hibiscus' 2QFY18 came in below our expectation as production was interrupted by a temporary hiccup, exacerbating production decline due to a planned total shutdown of the Anasuria FPSO. As such, 2QFY18 core EBITDA fell 23% yoy to RM31.2m, negated by higher ASP and inventory drawdown. Revenue rose 21% yoy as it

Stock Data	HIBI MK Equity	Altman Z-score	2.6
Bloomberg Ticker	1,532.6	YTD price chg	7.8%
Market Cap	1,588.2	YTD KLCI chg	3.4%
Issued shares	1.17 / 0.38	Beta	1.3
52-week range (H/L)	50,052,660	Major Shareholders	
3-mth avg daily volume	74.7%	Hibiscus Upstream	10.6%
Free Float	Y	Polo Inv	8.8%
Shariah Compliant		Mohd Zulkifli	5.9%

### Share Price Chart (RM)



## J.P.Morgan

### Hibiscus Petroleum Bhd

Malaysia's only listed E&P "pure play" evolving from the North Sea to Malaysia - Company Visit Note

We recently met with Dr. Kenneth Pereira, Managing Director of Hibiscus Petroleum, and discussed the evolution of Hibiscus Petroleum's business from the US\$100/bbl oil era in 2014 (see our [previous note](#) on the company), to its survival during the tough years for the oil industry of 2015-16, to now being a ~3200 bpd producing company (U.K. North Sea assets with attributable 2P reserves of 22.7 mmboc) with what management sees as upside potential via its: (1) recently acquired (completion targeted by Mar-18) Malaysia EOR asset, North Sabah (attributable 2P reserves of 31 mmboc); and (2) exploration assets in Australia (recoverable resources of 50.9 mmboc in a "low case" scenario).

- U.K. North Sea oil-producing asset has ~19-year reserve life and opex of \$15-18/bbl with a \$208m valuation:** HIBI MK completed the acquisition (from Shell) of its 50% stake in Anasuria Cluster (joint operator) in Mar-16 at an acquisition price of US\$52.5mn. Per RPS's valuation in Jun-16, this asset was valued at \$208mn, with HIBI MK able to lower opex/bbl from \$22/boc to \$14/boc over the last two years. With £40mn of capex planned for Anasuria Cluster (over three years), the company hopes to add about 4 mmboc (of "attributable" 2P reserves) with a potential increase to its current 3200 bpd production.

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### Exploration & Production

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**HIBI MK, Not Covered**  
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