



## POLO RESOURCES LIMITED

(“Polo” or the “Company”)

### HIBISCUS PETROLEUM – INVESTMENT UPDATE

#### HIBISCUS COMPLETES ACQUISITION OF THE NORTH SABAH PSC FROM SHELL

Polo Resources Limited (AIM: POL), the multi-sector investment company with interests in oil, gold, coal, copper, phosphate, lithium, iron and vanadium, notes that its investee company, Hibiscus Petroleum Berhad (“Hibiscus”) has announced that its indirect wholly owned subsidiary SEA Hibiscus Sdn (“SEA Hibiscus”) has completed its acquisition of a 50% participating interest in the 2011 North Sabah Enhanced Oil Recovery Production Sharing Contract (“North Sabah PSC” or the “PSC”) and the joint operating agreement (“JOA”) in relation to the PSC.

#### Highlights:

- Hibiscus Petroleum secures second revenue stream with completion of the transaction to acquire 50% participating interests in the North Sabah PSC from Shell.
- Operatorship of the assets have been transferred from Shell to SEA Hibiscus.
- Significant boost in Hibiscus Petroleum’s oil production and 2P Reserves.

To recap, SEA Hibiscus had, on 12 October 2016, entered into a conditional sale and purchase agreement (“SPA”) with Sabah Shell Petroleum Company Limited and Shell Sabah Selatan Sdn Bhd (collectively “Shell”) to acquire Shell’s participating interests in the PSC between Petroliam Nasional Berhad (“PETRONAS”), Shell and PETRONAS Carigali Sdn Bhd (“PETRONAS Carigali”), and the JOA between Shell and PETRONAS Carigali for the total purchase consideration of US\$25 million.

The North Sabah PSC includes 20 offshore platforms across four producing fields located in the South China Sea, off the west coast of Sabah, and the Labuan Crude Oil Terminal located in the Labuan Federal Territory, in Malaysia. The fields have been producing since 1979 and the PSC provides the Group with operatorship and production rights up to 2040.

Furthermore, the North Sabah PSC will significantly boost the Group’s production and proven and probable reserves (2P Reserves). On a 100% PSC basis, the total oil production averaged approximately 14.6 kbbls/day in 2017, with 2P Reserves and contingent oil resources (2C Resources) as of 1 January 2018 at approximately 40.9 mmbbls and 79 mmbbls, respectively.

Having met all the conditions precedent under the SPA, the transfer of operatorship from Shell to SEA Hibiscus concluded on 31 March 2018 and SEA Hibiscus thereby assumed the role of operator of the North Sabah PSC. As operator, SEA Hibiscus will be responsible for the day-to-day operations and management of the work activities of the assets within the North Sabah PSC.

**Datuk Michael Tang, Executive Chairman of Polo, commented:** “We are excited by Hibiscus’ acquisition of Shell’s participating interest in the North Sabah PSC, which during 2017, the entire field achieved an average daily production of 14.6 kbbls. We saw the North Sea Anasuria Cluster oil field transform Hibiscus from an exploration company to being a profitable production company and this new acquisition will significantly increase total petroleum production and further enhance the company’s value. We look forward to an update of the company’s progress.”

The full details of these announcements can be found at [www.hibiscuspetroleum.com](http://www.hibiscuspetroleum.com).

*This announcement contains inside information as defined in Article 7 of the EU Market Abuse Regulation No 596/2014 and has been announced in accordance with the Company's obligations under Article 17 of that Regulation.*

**For further information, please contact:**

Polo Resources Limited +27 (0) 787 312 919

- Kudzayi Denenga, Investor Relations

Allenby Capital Limited (*Nominated adviser & joint broker*) +44 (0)20 3328 5657

- John Depasquale

Liberum Capital (*Broker*) +44 (0) 20 3100 2000

- Henry Freeman

Blytheweigh (*Public relations*) +44 (0) 207 138 3204

- Tim Blythe, Nick Elwes, Camilla Horsfall

**About the Company**

Polo Resources Limited is a multi-sector investment company focused on investing in undervalued companies and projects with strong fundamentals and attractive growth prospects. For complete details on Polo, please refer to: [www.poloresources.com](http://www.poloresources.com).