

19 February 2019



POLO RESOURCES LIMITED

(“Polo” or the “Company”)

HIBISCUS PETROLEUM – INVESTMENT UPDATE

Strong Operational Performance Underpins Positive Financial Results

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 8.75% investee company Hibiscus Petroleum Berhad (“Hibiscus”) has announced today that for the quarter ended 31 December 2018 (“2Q2019”), the Group’s profit after tax (“PAT”) rose by 354% to RM50.1 million (USD12.26 million) (2Q2018: RM11.0 million (USD2.69 million)) while earnings before interest, taxes, depreciation and amortisation (“EBITDA”) rose by 245% to RM98.0 million (USD23.99 million) (2Q2018: RM28.4 million (USD 6.95 million)). The significant improvement in overall performance was attributable to the additional contribution from the recently acquired Malaysian North Sabah assets, and the achievement of higher production efficiency from the Anasuria Cluster in the United Kingdom (“UK”).

In 2Q2019, a total of approximately 568 thousand barrels (“bbls”) of crude oil were sold. This consists of about 274 thousand bbls from Anasuria sold at an average realised oil price of USD58.08 per bbl, and approximately 294 thousand bbls of oil from the North Sabah PSC sold at an average realised oil price of USD71.30 per bbl.

Earnings Per Share (“EPS”) for 2Q2019 on a fully diluted basis increased to 2.63 sen compared to 0.72 sen in 2Q2018. The Group remains debt-free with a cash balance of RM203.8 million (USD49.88 million) as at 31 December 2018.

The following table summarises the key financial highlights of the Group:

(Stated in millions. Figures are subject to rounding.)

	2Q 2019 vs. 2Q 2018			1H 2019 vs 1H 2018		
	31 Dec. 2018	30 Dec. 2017	Change	31 Dec. 2018	30 Dec. 2017	Change
Revenue	RM 165.2	RM 76.1	117%	RM 525.1	RM 134.3	291%
EBITDA	RM 98.0	RM 28.4	245%	RM 307.2	RM 57.2	437%
PBT	RM 51.9	RM 13.1	296%	RM 217.1	RM 22.8	852%
PAT	RM 50.1	RM 11.0	354%	RM 150.1	RM 21.8	589%

Approximately 1.7 million bbls of crude oil across both assets have been sold in the first two quarters of the financial year ending 30th June 2019 (“FY2019”). The Group hopes to maintain current production momentum to deliver on its target of between 2.7 and 3.0 million bbls of oil from the Group’s two producing assets in FY2019.

Commenting on the outlook for the Group, Hibiscus Petroleum’s Managing Director, Dr Kenneth Pereira, said, *“The Group’s total net oil production rate is approximately 8,850 barrels per day from two producing assets. Our asset teams from both Anasuria and North Sabah are targeting to execute production enhancement projects that could potentially enhance our net production to over 12,000 barrels of oil per day by 2021. Additionally, we have commenced the evaluation of options to develop the Marigold and*

Sunflower discovered oilfields in the UK, which hold potential to drive significant future earnings growth once these fields commence production. We are excited by the activities that lay ahead for Hibiscus Petroleum and hope these developments will act as positive value enhancing triggers for our shareholders.”

The full details of this announcement can be found at <http://www.hibiscuspetroleum.com/>.

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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.