

20 August 2019



**POLO RESOURCES LIMITED**

("Polo" or the "Company")

**HIBISCUS PETROLEUM – INVESTMENT UPDATE**

**Hibiscus Petroleum Announces Significant Growth in 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" or the "Group") has announced today that for the Financial Year ended 30 June 2019 ("FY2019"), the Group's profit after tax ("PAT") rose by 13% to RM230.0 million (USD55 million) (FY2018: RM203.7 million (USD48.7 million)) while earnings before interest, taxes, depreciation and amortisation ("EBITDA") rose by 64% to RM549.4 million (USD131.4 million) (FY2018: RM334.1 million (USD79.9 million)). The significant improvement in overall Group performance compared to FY2018 was attributable to the contribution from the Malaysian North Sabah asset. This was the first full year that the Malaysian asset was under the Group's operatorship. In addition, there was higher overall production from the Anasuria Cluster in the United Kingdom ("UK").

For FY2019, the Group sold approximately 3.3 million barrels ("bbls") of crude oil across both assets with five offtakes from the Anasuria Cluster, and a further seven offtakes from North Sabah. This exceeded a previously disclosed target of delivering 2.7-3.0 million bbls for FY2019.

The Group remains debt-free with an unrestricted cash balance of RM206.7 million (USD49.4 million) as at 30 June 2019. The following table summarises the key financial highlights of the Group:

(Figures are subject to rounding. In millions, unless stated otherwise.)

	FY2019 vs FY2018		
	30 Jun. 2019	30 Jun. 2018	Change
Revenue	RM 988.3	RM 394.3	151%
EBITDA*	RM 549.4	RM 334.1	64%
PBT*	RM 391.5	RM 244.5	60%
PAT*	RM 230.0	RM 203.7	13%
EPS (diluted)**	14.48 sen	12.48 sen	16%

\* FY2018 includes a fair value gain of RM206.3 million upon completion of the North Sabah acquisition.

\*\* EPS – Earnings per share.

Hibiscus also announced that a Dividend Policy has been established through which the company may issue dividend payments to reward shareholders for their continuous support. The Dividend Policy, which describes the company's present intention and the various considerations that are required to declare any dividends, can be found on the company's website (<https://www.hibiscuspetroleum.com/dividendpolicy/>).

Commenting on the outlook for the Group, Hibiscus Petroleum's Managing Director, Dr Kenneth Pereira, said, "Our asset teams from both North Sabah and the Anasuria Cluster are progressing through an exciting capital expenditure programme to drill a total of nine wells in the 2019 calendar year; two wells in the UK and a further seven in Malaysia. Earlier today, we announced the results of the St Joseph Infill Drilling project. At St Joseph, we drilled three oil producers which are delivering approximately 3,200 barrels of oil per day\*, exceeding pre-drill estimates. This is consistent with our mission to enhance the Group's net production rate to 20,000 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 significant potential to drive future earnings growth. We look forward to safely delivering all our projects and enhancing value for our shareholders."

\*Subject to PETRONAS approval

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](http://www.poloresources.com).