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26 February 2020



POLO RESOURCES LIMITED

(“Polo” or the “Company”)

HIBISCUS PETROLEUM – INVESTMENT UPDATE

Hibiscus Petroleum Encouraged by New Oil Production from North Sabah Fields

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 a Corporate and Business Update (the “Update”) outlining the Group’s targets and initiatives as well as operational updates in conjunction with the release of its quarterly financial results for the period ended 31 December 2019 (“2Q FY2020”).

In the Update, the Group was pleased to report that average gross oil production from its North Sabah asset improved by approximately 20% compared to the previous financial quarter. This additional oil production was delivered through infill drilling projects carried out as part of an aggressive production enhancement programme executed in calendar year 2019 (“CY2019”). This programme involved drilling a total of nine wells in Malaysia and the United Kingdom and demonstrated Hibiscus Petroleum’s commitment towards growing its business in these areas.

With the current and future enhancement projects across both North Sabah and Anasuria assets, together with potential production from existing developments or new acquisitions, the Group aims to achieve its 2021 Mission of 20,000 barrels (“bbls”) of oil production per day.

For its 2Q FY2020 results, the Group announced Revenue of RM271.8m (USD64.2m) and a PAT of RM51.2m (USD12.09m), from the sale of 921,156 barrels of oil. EBITDA for the period was RM142.3m (USD33.61m) with a strong EBITDA margin of 52.4%. Barring unforeseen circumstances, the Group remains on track to deliver between 3.3 to 3.5 million bbls of oil in FY2020.

The Group also reported an unrestricted cash balance of RM87.2 million (USD20.6 million) and was debt-free as of 31 December 2019. Commenting on the outlook for the Group, Managing Director, Dr Kenneth Pereira, said, *“The increased production from our North Sabah asset is testament to work the Group has put in together with our JV partner Petronas Carigali, and keeps us on track towards achieving our 2021 Mission. Further plans are being finalised to drill additional wells in North Sabah as part of our CY2020 production enhancement projects. We will also continue to position ourselves for high-quality acquisitions in our areas of geographic focus and look forward to the potential growth they may bring.”*

The full details of these announcements together with a Podcast explaining the latest financial results and corporate strategy 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

