

30 August 2018



**POLO RESOURCES LIMITED**

**("Polo" or the "Company")**

**HIBISCUS PETROLEUM – INVESTMENT UPDATE**

**Newly Acquired North Sabah Asset Lifts Hibiscus Petroleum's FY2018 Profit After Tax to RM203.7M (USD49.55M)**

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 (HIBI:MK) ("Hibiscus Petroleum") has announced it has recorded a tenth consecutive quarter profitability for the fourth financial quarter ended 30 June 2018 ("4Q2018"). Fair value gains from its newly acquired North Sabah asset also lifted full year ("FY2018") Group profit after tax ("PAT") by 92% to RM203.7 million (USD49.55M) (FY2017: RM106.1 million (USD25.82M)) (and earnings before interest, taxes, depreciation and amortisation ("EBITDA") by 114% to RM334.1 million (USD81.30M) (FY2017: RM156.5 million (USD38.08M)), respectively.

For 4Q2018 the Group's PAT increased sharply to RM98.8 million (USD24.04M) (4Q2017: RM8.7 million (USD2.12M)) whilst EBITDA increased to RM177.2 (USD43.12M) (4Q2017: RM49.0 million (USD11.92M)) due to the fair value gain upon completion on 31 March 2018 of the acquisition of a 50% interest in the 2011 North Sabah Enhanced Oil Recovery Production Sharing Contract ("North Sabah") as well as earnings from its crude oil production at the Anasuria Cluster in the North Sea off the United Kingdom.

Earnings Per Share ("EPS") for FY2018 on a fully diluted basis increased to 12.48 sen compared to 7.51 sen in FY2017. The Group remains debt-free with a cash balance of RM122.1 million ringgit (USD29.71M) as at 30 June 2018.

Commenting on the results, Hibiscus Petroleum's Managing Director, Dr Kenneth Pereira, said, *"We are pleased to have completed and begun recognising the financial performance of our 50% interest in the North Sabah asset. Thus, we now have two assets which are delivering positive cash flows amidst a backdrop of strengthening oil prices."*

*Having completed the North Sabah transaction as planned, our focus will be on integration of the North Sabah operations into existing work processes and performance-based operating culture with a view to lowering average unit production costs over the medium term. We intend to ramp up planned maintenance activities over the next two quarters and commence development projects in 2019.*

*At the Anasuria Cluster we have identified several drilling opportunities for 2019 and 2020 and will continue to pursue enhanced uptime and production rates as part of our strategy to achieve average production of 5,000 barrels per day by FY2020 compared to approximately 3,000 barrels of oil equivalent per day in FY2018. As announced on 23 August 2018, the proven and probable (2P) oil reserves base of our Anasuria asset have been materially upgraded by an independent expert, demonstrating our efforts to add long-term value.*

*Our FY2018 performance provides a strong foundation to further enhance stakeholder value in FY2019 and beyond."*

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).