



POLO RESOURCES LIMITED
(“Polo” or the “Company”)

HIBISCUS PETROLEUM – INVESTMENT UPDATE

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 today released an announcement on the raising of up to RM2 billion (USD0.48 billion) from a proposed private placement of convertible redeemable preference shares (“CRPS”) (“Proposed Private Placement of CRPS”) to acquire good-value, high-quality producing oil and gas assets.

The Group views the Proposed Private Placement of CRPS as the most appropriate mechanism for the raising of funds upfront so as to optimise the chances of acquiring attractive assets in a timely manner, particularly those assets sold via bidding rounds with tight timelines for completion. Such acquisitions, if they materialise, would likely contribute positively to its earnings potential in the near future.

The net proceeds from the Proposed Private Placement of CRPS will be maintained in an Islamic trust account of a licensed bank and managed by an independent custodian. The acquisition(s) will need to meet specific qualifying criteria endorsed by an independent expert, which include, amongst others, having a payback period of less than or equivalent to five years and an internal rate of return of more than or equivalent to 12%.

The Group will prioritise assets with strong production potential coupled with cost optimisation opportunities and remains committed to growing its business in its areas of geographic focus, particularly South East Asia.

The proposed placement of up to 2 billion CRPS may be implemented in single or multiple tranches. The conversion price for the first tranche of the CRPS has been fixed at RM0.66, representing a premium of approximately 10% over the 5-day volume weighted average market price of the ordinary shares in Hibiscus Petroleum on Bursa Malaysia Securities Berhad up to 8 September 2020 (the last market day before the announcement), of RM0.5972.

CIMB Investment Bank Berhad (“CIMB”) and Hong Leong Investment Bank Berhad (“HLIB”) have been appointed as the Joint Principal Advisers. Affin Hwang Investment Bank Berhad, CIMB and HLIB have been appointed to act as the Joint Bookrunners to procure prospective placees for the CRPS. The Proposed Placement of CRPS is subject to various regulatory and shareholders’ approvals being obtained. An Extraordinary General Meeting will be convened for this purpose.

Commenting on the Proposed Placement of CRPS, Managing Director, Dr Kenneth Pereira, said, “The quantum of new capital that we are attempting to raise is more than double our current market capitalisation and is nearly three times the aggregate amount raised through equity instruments since our inception. We are excited by the opportunities that we see on the horizon and we are determined to be prepared to address them from an equity and debt perspective. We look forward to your support as we embark on this growth journey.”

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.