HIBISCUS PETROLEUM BERHAD (“HIBISCUS PETROLEUM” OR THE “COMPANY”)

(I) New Concession, RAK Onshore Concession located in Ras Al Khaimah, the United Arab Emirates (“UAE”) secured by Lime Petroleum Plc (“Lime”),

(II) Variation to the terms of the previous Exploration and Production Sharing Agreement (“EPSA”) governing the existing RAK North Offshore Concession.


1. INTRODUCTION

Hibiscus Petroleum is pleased to announce that Lime has, on 10 April 2012, successfully negotiated and secured a fourth concession in the Middle East region, more specifically located onshore in Ras Al Khaimah, an Emirate in the UAE. The EPSA signed between Baqal Petroleum Ltd (“Baqal”), a wholly-owned subsidiary company of Lime Petroleum Limited (which is a wholly owned subsidiary of Lime), and the Government of Ras Al Khaimah allows the rights to explore and produce hydrocarbons from the designated area (“RAK Onshore Concession”).

In addition, on the same date, Lime has executed a revised EPSA in relation to one of its existing concessions, the RAK North Offshore Concession, located offshore in Ras Al Khaimah.

The award of a fourth concession to Lime Group, i.e. the RAK Onshore Concession, represents the final condition precedent as set out in the SSA (Share Subscription Agreement) and SPA (Share Purchase Agreement) in relation to the Proposals.

With the fulfilment of all conditions precedent as set out in the SSA and SPA on 10 April 2012, Hibiscus Petroleum will now proceed to complete the Proposals.
2. INFORMATION ON LIME GROUP

Lime Group is principally involved in the exploration and production ("E&P") activities in the oil and gas industry.

The shareholding structure of Lime Group and its concession rights in oil and gas exploration assets after the completion of the Proposals and the Proposed Acquisition of Norwegian Interests by Lime are set out below:

For further details of Lime’s existing concessions, please refer to the Circular to shareholders dated 28 February 2012 ("Circular"), which is available on our website (www.hibiscuspetroleum.com).
3. DETAILS OF THE NEW RAK ONSHORE CONCESSION

3.1 Key terms of the EPSA

The RAK Onshore Concession covers an area of 886km² in Ras Al Khaimah, and is located in the southern part of the Emirate of Ras Al Khaimah, one of the emirates of the UAE.

The RAK Onshore Concession is governed by an EPSA executed on 10 April 2012, between Baqal and the Government of Ras Al Khaimah (as represented by Rakgas L.L.C.). The EPSA outlines the rights and obligations of the parties in relation to the RAK Onshore Concession.

<table>
<thead>
<tr>
<th>Details</th>
<th>RAK Onshore EPSA</th>
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<tbody>
<tr>
<td>Term</td>
<td>Initial term – 18 months</td>
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<tr>
<td></td>
<td>Second term – 2 years</td>
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<tr>
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<td>Upon DOC (Declaration of Commerciality) – 20 years, with rights to request for renewal for an additional 5 years</td>
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<tr>
<td>Effective date of the EPSA</td>
<td>10 April 2012</td>
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<tr>
<td>Parties to the EPSA</td>
<td>Government of Ras Al Khaimah (as represented by RAK GAS L.L.C) and Baqal</td>
</tr>
<tr>
<td>Contractor and Operator</td>
<td>Baqal</td>
</tr>
<tr>
<td>Ownership</td>
<td>Baqal currently owns 100% participating interest in the RAK Onshore Concession</td>
</tr>
</tbody>
</table>

A signature bonus of USD100,000 (equivalent to RM307,853)* is payable to the Government of Ras Al Khaimah within 30 days of the Effective Date of the EPSA.

* converted at an assumed exchange rate of RM 3.07853 to United States Dollar (“USD”) 1.00 and the assumed exchange rate is applicable throughout this announcement, unless otherwise indicated.
3.2 Location of the RAK Onshore Concession

The RAK Onshore Concession is bordered on the onshore-west by an onshore concession held by DNO International ASA, in the onshore-east by Block 17 in Oman operated by PetroTel Inc, in the south-east by an onshore Fujairah concession previously operated by Naftogaz Middle East LLC, and in the south-west by the Emirate of Umm-Al Quwain and the Crescent Petroleum concession in Sharjah.

3.3 Operatorship

Baqal is the contractor and operator of the RAK Onshore Concession.

It is significant to note that under the terms of the PMTSA (Project Management and Technical Services Agreement) executed between Lime and Hibiscus Oilfield Services Limited (“Hibiscus Oilfield”), a wholly-owned subsidiary of Hibiscus Petroleum, Hibiscus Oilfield undertakes the responsibility for the day-to-day operations and management of the Middle East concessions within Lime Group. This scope will now also include the new RAK Onshore Concession. The undertaking of this scope provides Hibiscus Oilfield with a high level of operational control and decision-making in the management and timing of the conduct of activities within this concession.
3.4 Merits of the new RAK Onshore Concession – Lime Perspective

The award of the new RAK Onshore Concession provides several benefits to Lime Group (and Hibiscus Petroleum as a substantial shareholder of Lime), which are primarily the following:-

- **Securing of an onshore concession in an highly prospective region**
  
  Lime has secured an onshore concession in a region that is known to be highly prospective. Onshore concessions are generally cheaper to explore and develop and in the event of drilling and appraisal success, are quicker to put into production.

- **Proximity to oil and gas production infrastructure**
  
  During the development and producing phases, onshore fields in a developed area would have access to production, transportation and storage facilities. The oil and gas infrastructure in the UAE has been long established and also has a highly developed network of trunk gas pipelines covering in excess of 1,300 kilometres.

- **Forges closer partnership with the Government of Ras Al Khaimah**
  
  The RAK Onshore Concession is the second concession received from the Government of Ras Al Khaimah, with the first being the RAK North Offshore Concession which was awarded on 24 May 2010.

  Securing a second concession in the Emirate of Ras Al Khaimah demonstrates that the business relationship between Lime and the regulatory authorities of the Emirate is further strengthening which could lead to more opportunities either in Ras Al Khaimah or in other ventures being pursued by Rakgas L.L.C. in other areas.

- **Developed E&P industry in the UAE**
  
  The UAE ranks 8th amongst the major oil producing nations as of 2010 with 3.5% of the global market share (Source: BP Statistical Review 2010). In Ras Al Khaimah, around 24 wells, 8 onshore and 16 offshore, have been drilled since the mid-1960s (Source: Wood MacKenzie UAE Country Report).
• Optimized Deployment of Operating Personnel

Lime, together with Hibiscus Oilfield, is establishing a technical unit in the Middle East to oversee drilling operations that are being planned. The addition of a fourth concession in close proximity to existing concessions allows more optimal utilization of personnel who are being deployed to the region.

3.5 Merits of the new RAK Onshore Concession – Hibiscus Petroleum Perspective

Apart from the direct benefits to Lime (and Hibiscus Petroleum, a shareholder of Lime) as stated in Section 3.4, Hibiscus Petroleum will indirectly benefit from the award of the new RAK Onshore Concession in the following manner:

• Enhanced value at a fixed entry cost

The cost of Hibiscus Petroleum’s 35% stake in Lime does not change with the inclusion of this additional concession.

4. VARIATION TO THE EPSA TERMS OF THE EXISTING RAK NORTH OFFSHORE CONCESSION

The RAK North Offshore Concession covers an area of 1,200 km² on the west coast of Ras Al Khaimah, in the east of the Persian Gulf.

The previous RAK North EPSA between The Government of Ras Al Khaimah/Rakgas L.L.C. (“Rakgas”) and Dahan dated 24 May 2010 (“Previous EPSA”) is superseded by following agreements dated 10 April 2012:

a. The Amended and Restated EPSA between The Government of Ras Al Khaimah and Dahan;

b. The Amended and Restated Petroleum Concession Agreement for the Saleh Area between The Government of Ras Al Khaimah, Rakgas, DNO Al Khaleej Limited (“DNO”) and Dahan; and

c. The Deed of Amendment between The Government of Ras Al Khaimah, Rakgas, DNO and Dahan;

collectively referred to as the “Revised EPSA”.

The Revised EPSA significantly improves the clarity of the terms and conditions of the Previous EPSA and takes into account several structural changes that had occurred within the local business environment with minimal commercial impact. Pareto, an independent valuer appointed by Hibiscus Petroleum, had previously valued Hibiscus Petroleum’s 35% equity interest in Lime at between USD52 million and USD58 million (equivalent to RM160 million and RM178 million) based on the terms and conditions of the Previous EPSA. Based on the terms of the Revised EPSA, Pareto has indicated that the valuation has improved by between USD0.4 million and USD0.6 million (equivalent to RM1.2 million and RM1.8 million).

This announcement is dated 12 April 2012.