

Announcement

Hibiscus Petroleum Berhad (Co. No. 798322-P)

Date: 04 June 2015

TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS) : NON RELATED PARTY TRANSACTIONS

Type	Reply to Query
Reply to Bursa Malaysia's Query Letter - Reference ID	IQL-02062015-00002
Subject	TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS) : NON RELATED PARTY TRANSACTIONS
Description	PROPOSED ACQUISITION OF THE ENTIRE EQUITY INTEREST IN TALISMAN RESOURCES (JPDA 06-105) PTY LIMITED BY TIMOR HIBISCUS LIMITED FROM TALISMAN OIL & GAS (AUSTRALIA) PTY LIMITED FOR A PURCHASE PRICE OF USD18 MILLION TO BE FULLY SATISFIED IN CASH
Query Letter Contents	<p>We refer to your Company's announcement dated 1 June 2015, in respect of the aforesaid matter.</p> <p>In this connection, kindly furnish Bursa Securities with the following additional information for public release:-</p> <ol style="list-style-type: none">1) To specify the outstanding Conditions Precedent that are not satisfied by the Cut Off Date and the reasons thereof.2) Whether Hibiscus Petroleum Berhad ("Hibiscs") will be pursuing or taking any legal action.3) The financial impact (if any) to Hibiscs pursuant to the termination in terms of the effect on earnings per share and net asset per share. <p>Please furnish Bursa Securities with your reply within one (1) market day from the date hereof.</p>

Yours faithfully,
HENG TECK HENG
Vice President, Issuers,
Listing Division, Regulation
HTH/TEK

Cc : Market Surveillance Dept. , Securities Commission (via fax)

Further to Hibiscus Petroleum Berhad's (or the "Company") announcement dated 1 June 2015, and Bursa Malaysia Securities Berhad's ("Bursa Securities") query letter reference number IQL-02062015-00002, we set out our responses to the same :

Reply to Queries 1, 2 & 3 (Combined)

We refer to the Company's announcements dated 23 June 2014, 21 August 2014 and 1 June 2015 in relation to the Proposed Acquisition. Unless otherwise stated, the abbreviations and definitions used in this announcement shall have the same meaning as defined in the abovementioned announcements.

Hibiscus Petroleum wishes to clarify that the basis of termination of the SSA was clause 2.1(c), read in conjunction with clause 2.3(c) of the SSA, which was a material condition (Condition Precedent) which had not been satisfied or waived before the Cut Off Date of 31 May 2015 (and accordingly, had thereafter become incapable of satisfaction pursuant to the terms of the SSA).

The SSA is clear and unequivocal in stating that the Seller must use all reasonable endeavours to ensure that this Condition Precedent is satisfied as expeditiously as possible and in any event before the Cut Off Date. As this Condition Precedent is the responsibility of the Seller and Timor Hibiscus was not in a position to influence its satisfaction, we are not privy to information on the reason why this Condition Precedent was not met before the Cut Off Date of 31 May 2015.

Pursuant to the earlier announcement made on 1 June 2015, the Company wishes to state that the notice period pursuant to Timor Hibiscus' issuance of the termination notice to the Seller on 1 June 2015, has now expired and the SSA has therefore been terminated and is at an end.

With the termination of the SSA, no immediate financial impact to Hibiscus Petroleum in terms of the effect on earnings per share and net asset per share is expected. As it currently stands and subject to the Seller's due compliance with its post-termination obligations, Hibiscus Petroleum does not have any immediate intention to pursue or take any legal action following the termination of the SSA.

The Company wishes to advise that the Seller has, subsequent to the issue of our termination notice, now indicated that the relevant Condition Precedent which is the basis of the termination of the SSA by Timor Hibiscus was purportedly satisfied prior to the Cut Off Date. However, such an assertion is in direct conflict with the latest communications received from the Seller prior to the Cut Off Date whereby the Seller had (among others) expressly stated that the relevant Condition Precedent will only be satisfied at Completion (and not before the Cut Off Date, as is clearly required by clause 2.3(c)). In this regard, it would be noted that the Seller has also not provided any relevant information or evidence of such purported satisfaction of the said Condition Precedent before the Cut Off Date.

The Company will make further announcements of any material development on this matter from time to time, if any.

This announcement is dated 4 June 2015.