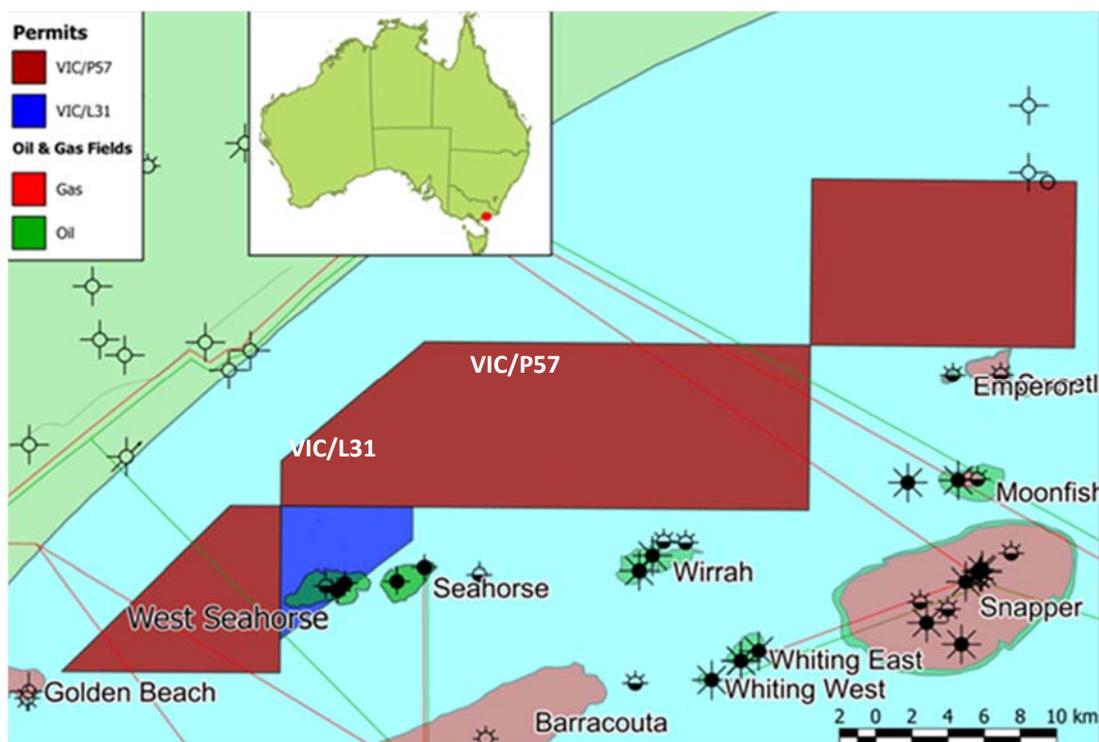


PART C – STATUS OF DEVELOPMENT AND EXPLORATION ACTIVITIES

1 EXPLORATION AND DEVELOPMENT ACTIVITIES IN RELATION TO THE PRODUCTION LICENSE VIC/L31 AND EXPLORATION PERMIT VIC/P57, GIPPSLAND BASIN, AUSTRALIA



Hibiscus Petroleum’s wholly-owned subsidiary, Carnarvon Hibiscus Pty Ltd (“**CHPL**”), as operator, is responsible for the day-to-day management of work activities within VIC/P57 and VIC/L31, affording us a high level of financial and operational control in these concessions.

In the VIC/P57 concession, CHPL currently has a direct interest of 55.1%. In addition to this, Hibiscus Petroleum, through HiRex (Australia) Pty Ltd (“**HiRex (Australia)**”) has a further 8.2% interest in this permit. CHPL also had recently acquired additional interest in VIC/L31, bringing its total interest held in VIC/L31 to 100%.

In the near term, the VIC/P57 joint venture has an obligation to drill an exploration well by August 2015 as required by the terms of the permit.

In October 2014, CHPL signed a rig sharing agreement with Australia’s Origin Energy Resources (“**Origin**”) to assume the services of the Seadrill West Telesto drilling rig, an independent leg cantilever jack-up rig, to spud and drill the Sea Lion exploration well after Origin’s drilling activities. The drilling of the Sea Lion exploration well is estimated to take up to 30 days.

The rig sharing agreement with Origin was chosen as a means of fulfilling the drilling obligations of CHPL in the VIC/P57 permit as it provided savings in mobilization and demobilization costs, and this arrangement provided certainty that the well would be drilled within timelines required in our permit. The West Telesto rig also has strong past operating performance, crew competence and good health, safety and environment records.

1 EXPLORATION AND DEVELOPMENT ACTIVITIES IN RELATION TO THE PRODUCTION LICENSE VIC/L31 AND EXPLORATION PERMIT VIC/P57, GIPPSLAND BASIN, AUSTRALIA (CONT'D)

In January 2015, the West Telesto rig arrived at Port Phillip Bay in Melbourne on a Heavy Lift Vessel (“HLV”) in anticipation of the start of Origin’s drilling activities in its Yolla field. Origin intends to drill two wells prior to handing over the rig to CHPL.

Hibiscus Petroleum further announced on 11 February 2015 that CHPL had progressed the plan to commence drilling operations of the Sea Lion exploration well in June 2015.

The Sea Lion exploration prospect has been selected as a viable drilling location after in-depth technical and economic evaluation, with estimated prospective resources of between 11 million barrels on a P50 case to 15.3 million barrels on an upside P10 case. It is important to note that a commercial discovery at Sea Lion would improve the economics of CHPL’s West Seahorse development as a tie-in of the two fields would be possible thereby materially reducing development and operating expenditure.



West Telesto being towed on a Heavy Lift Vessel into Port Phillip Bay, Melbourne

To oversee CHPL’s activities in Australia, a project team had been set up in Melbourne in late 2012 comprising representatives from Hibiscus Petroleum and 3D Oil Limited as well as other specialists to carry out Concept and Front-End Engineering Design studies as part of the wider West Seahorse field development programme. As part of this effort, the project team has selected an all-offshore solution consisting of a Mobile Offshore Production Unit (“MOPU”), a subsea pipeline and a Floating Storage and Offloading (“FSO”) vessel for the West Seahorse development. The same project team also manages all Sea Lion exploration drilling programme activities.

HIBISCUS PETROLEUM BERHAD
(Company No : 798322-P)
(Incorporated in Malaysia)

1 EXPLORATION AND DEVELOPMENT ACTIVITIES IN RELATION TO THE PRODUCTION LICENSE VIC/L31 AND EXPLORATION PERMIT VIC/P57, GIPPSLAND BASIN, AUSTRALIA (CONT'D)

The Britannia, a jack-up rig, was procured on behalf of the VIC/P57 joint venture for conversion into a MOPU in July 2013. A small site team was set up in Tuzla, Turkey (where the rig is currently located) to define the work required to (a) reactivate the rig's ABS class and (b) enable long term use of the rig as a MOPU for the West Seahorse project.

Final negotiations with the preferred MOPU contractor have been put on hold due to the recent drop in oil prices. While waiting for the Sea Lion exploration results, the project team will perform a value engineering effort on the current West Seahorse design in an effort to reduce capital and operating costs. All contracts will then be re-tendered in order to achieve the reduced pricing that should be available from the industry in 2015. The award of the MOPU contract and all other West Seahorse project contracts will likely be revised to the dates reflected in the summary below:

Contract	Contract Award
Operations & Maintenance – the Duty Holder of the field responsible for safe operation of the West Seahorse Project	Q4 2015
MOPU – purchase of the Britannia, refurbishment, reactivate class, supply of equipment, integration and installation	Q4 2015
FSO – purchase or charter of vessel that will store produced oil before selling to the market	Q1 2016
Export System – includes the supply of submarine pipeline and offloading hose	Q1 2016
Drilling – the supply of a Modular Platform drilling rig to drill and complete the wells from the Britannia in the second quarter of 2016	Q2 2016

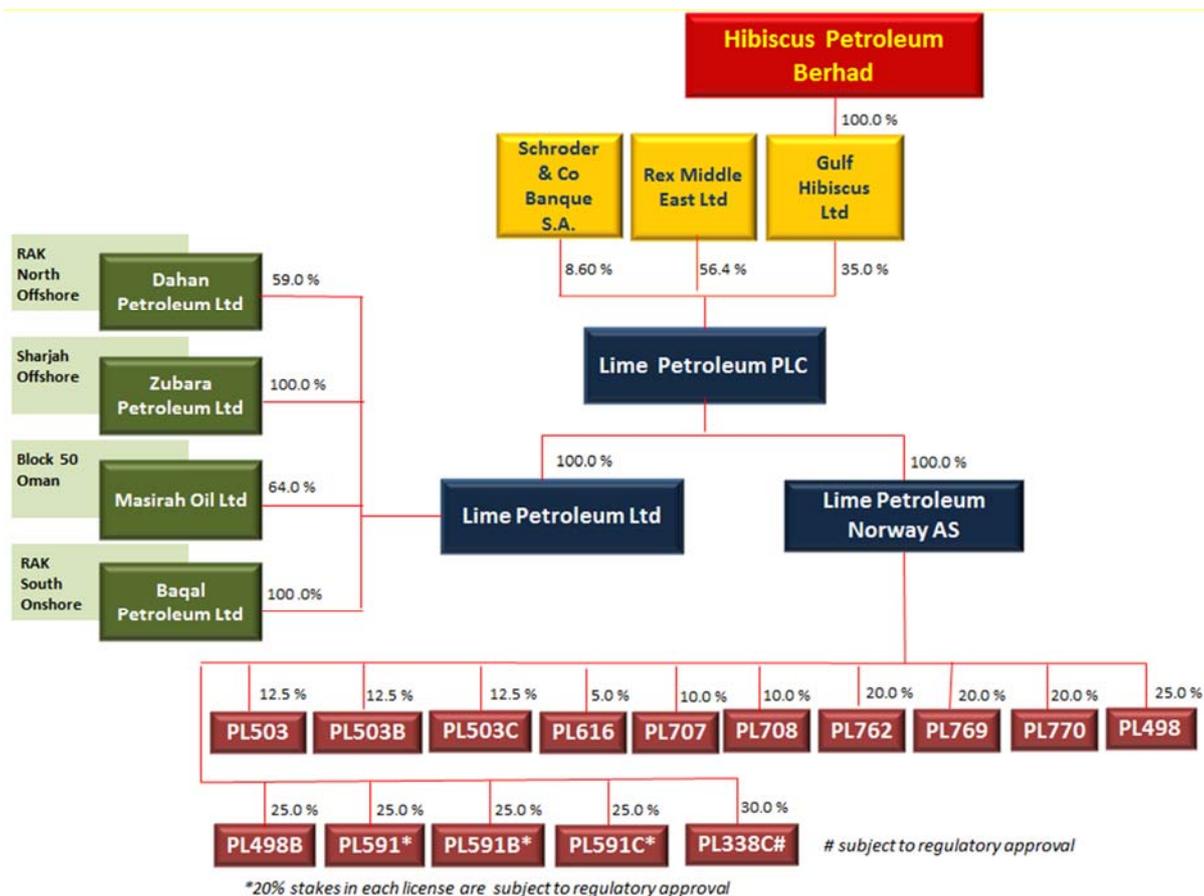
From a sub-surface perspective, a further independent assessment was performed by a third party expert, Gaffney, Cline & Associates (“**GCA**”) and delivered in early January 2014. The updated assessment is being used to secure financing for the project.

From a regulatory perspective, we believe the West Seahorse project is well-positioned. In October 2013, the Department of Sustainability, Environment, Water, Population and Communities of the Australian government approved our Environment Protection and Biodiversity Conservation Act referral as a non-controlled action (no threat to items of national significance). In November 2013, NOPTA approved the Field Development Plan for West Seahorse. In December 2013, NOPTA awarded CHPL (on behalf of the VIC/P57 Joint Venture) a production license VIC/L31 over the West Seahorse oilfield.

First volumes of commercial production from the VIC/L31 West Seahorse field are now expected in the first quarter of 2017, subject to the declaration of FID in the fourth quarter of 2015.

2 EXPLORATION ACTIVITIES UNDER THE LIME GROUP

LIME GROUP STRUCTURE



The Hibiscus Petroleum Berhad Group (the “**Group**”) has a 35% equity stake in Lime Petroleum Plc (“**Lime**”) which has access to the following oil and gas concessions:

(i) Norway

8 licences from the acquisition of participating interests from North Energy ASA, 6 offshore licenses issued by the Norwegian Ministry of Petroleum and Energy as part of the Awards in Predefined Areas (“**APA**”) process held in 2014 and 2015, and 1 licence from the acquisition of participating interest from Lundin Norway AS ¹ (“**Lundin**”).

¹ Lundin Petroleum has exploration and production assets mainly in Europe and South East Asia.

2 EXPLORATION ACTIVITIES UNDER THE LIME GROUP (CONT'D)

LIME GROUP STRUCTURE (Cont'd)

(ii) Middle East

- Block 50 Oman Concession in the Sultanate of Oman (“**Block 50 Oman Concession**”)
- RAK Offshore Concession in Ras Al Khaimah, United Arab Emirates (“**UAE**”) (“**RAK North Offshore Concession**”)
- RAK Onshore Concession in Ras Al Khaimah, UAE (“**RAK South Onshore Concession**”)
- Sharjah Offshore Concession in Sharjah, UAE (“**Sharjah East Coast Concession**”)

(iii) Summary of expenditure incurred

During the financial quarter/year ended 31 December 2014, the total expenditure incurred by Lime and its concession companies is set out below:

	QUARTER ENDED 31.12.2014 RM'000	YEAR ENDED 31.12.2014 RM'000
Intangible assets	37,756	184,381
Administrative expenses	8,951	25,192
	46,707	209,573

2.1 NORWAY

Our entry into Norway was part of a strategy to diversify the geopolitical risk of our asset portfolio. The fiscal terms available to qualified young explorers operating in Norway are attractive and allow for a risk-managed approach in a business sector where high risk profiles and costly operations are usually unavoidable. The attractive fiscal terms offered under the Norwegian Petroleum Tax Act give Lime Petroleum Norway AS (“**Lime Norway**”) the opportunity to recover approximately 78% of eligible exploration expenditure, irrespective of whether discovery or production is achieved.

As published in the Norwegian Ministry of Petroleum and Energy’s press release dated 20 January 2015, Lime Norway was awarded a licence, PL591C, an extension of its current licences (PL591 and PL591B) in the 2014 APA licensing round.

On 17 February 2015, Lime Norway acquired an additional 20% stake each in PL591, PL591B and PL591C, which is subject to regulatory approval.

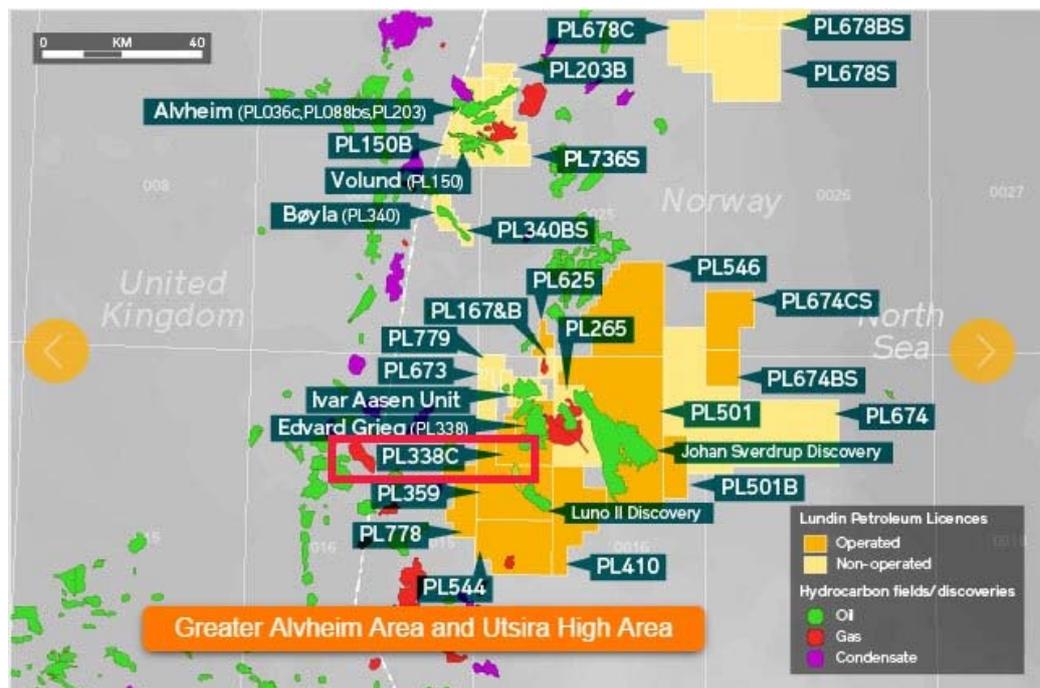
On 24 February 2015, Hibiscus Petroleum announced the execution of an agreement between Lime Norway and Lundin to acquire the latter’s 30% stake in PL338C, located in the North Sea. This acquisition is contingent on regulatory approval being received. An exploration well at PL338C was spudded by the semi-submersible Island Innovator on 15 February 2015. The drilling operation is expected to take approximately 40 days. Lundin is the operator at PL338C.

2 EXPLORATION ACTIVITIES UNDER THE LIME GROUP (CONT'D)

2.1 NORWAY (Cont'd)



The Gemini prospect in PL338C has been spudded using the semi-submersible Island Innovator



The PL338C license contains the Gemini prospect which is located about 10 kms from the Edvard Grieg production platform. According to Lundin’s presentation of February 2015, the estimated gross unrisks prospective resources is 93 million barrels of oil equivalent (mboe) (P50) with a chance of geological success of 24%, in Paleocene aged sandstones in a stratigraphic pinch-out trap.

Additionally, the license contains proven oil in the Rolvsnes oil discovery made in weathered basement, scheduled for further appraisal.

This acquisition was made after Rex Virtual Drilling (“RVD”) demonstrated strong anomalies, indicative of hydrocarbon presence, which is also consistent with conventional geological findings.

2 EXPLORATION ACTIVITIES UNDER THE LIME GROUP (CONT'D)

2.1 NORWAY (Cont'd)

Subsequent to the above announcements and upon completion of PL338C, Lime Norway has interests in 15 licences in the Norwegian Continental Shelf (“NCS”).

Following the above, the 2015 drilling plans of Lime Norway is as follows:

License	Rig	Spud Date/ Estimated Spud Date	Operator
PL338C	Island Innovator	February 2015	Lundin
PL591	Leiv Eriksson	June 2015	Tullow Oil Norge AS ²
PL616	Transocean Searcher	June 2015	Edison International Norway Branch ³
PL708	Transocean Arctic	November 2015	Lundin

Lime Norway is expected to have sufficient funds from equity injections together with a financing facility secured from Skandinaviska Enskilda Banken AB (“SEB”), to fulfil its work commitments.

At this juncture, Lime Norway has advised that decisions to drill wells or relinquish licences are expected to be made for PL 498 and PL498B in Q1 2016, while a similar determination is expected for PL503, PL503B and PL503C in the first quarter of 2015 (an extension has been sought to defer the decision to Q3 2015, subject to regulatory approval).

For the remaining licences in the Lime Norway portfolio, ‘drill or drop’ decisions are expected in 2016 and beyond.

In July 2014, Lime Norway surrendered its interests in PL509S, PL509BS and PL509CS in accordance with the timing of a deadline for drill or drop decisions imposed by the Norwegian regulator. The decision to drop our interests in these licences was made pursuant to the assessment of results from reprocessed seismic data, the application of the proprietary RVD technology and electromagnetic surveys. Comprehensive analysis of the available data was not able to define prospects with acceptable risk-reward profiles.

Lime Norway is continuously on the look-out for viable farm-in opportunities with the objective of achieving a meaningful participation in more firm wells in the short term, should positive results from RVD and conventional analysis be attained, in addition to acceptable commercial terms being offered.

² Tullow Oil Norge AS is part of the Tullow Oil Plc Group which is a leading independent oil company with over 140 licenses in over 20 countries.

³ Edison International is Europe’s oldest energy company.

2 EXPLORATION ACTIVITIES UNDER THE LIME GROUP (CONT'D)

2.2 BLOCK 50 OMAN CONCESSION

The key operations of Masirah Oil Ltd (“**Masirah**”) are being managed mainly by Hibiscus Petroleum. The Hibiscus Petroleum well-engineering team is located in Dubai in the UAE.

Masirah’s agreements with the regulatory authorities in the Sultanate of Oman require all public disclosures to be approved by the Omani government. Hence the information that is disclosed herewith is only information that has been previously approved for release by the authorities. Below are extracts from approved press releases issued regarding our drilling campaign.

Masirah began drilling its 1st exploration well in Masirah North North #1 (“**MNN #1**”) on 25 November 2013 as part of its 2-well drilling programme in the Block 50 Oman concession. The prospect MNN #1 was selected for drilling after in-depth technical evaluation and verification using RVD, in addition to confirmations provided via conventional methodologies. The prospect is located in the northern area of the Block 50 Oman concession which is about 17,000 square kilometres in size.

On 19 December 2013, Masirah suspended operations on its 1st exploration well, MNN #1 for safety reasons, for further evaluation. The MNN #1 well was drilled to a total depth of approximately 1,000 metres below mean sea level. Mud losses in two carbonate sections of the well prevented Masirah from reaching its planned target depth. A comprehensive data acquisition, coring and logging programme of the formations that were drilled was completed on 21 December 2013. Data analysis indicated presence of non-commercial hydrocarbons. Datasets acquired from the coring and logging programmes are being utilised to refine the geological understanding of the area.

On 30 December 2013, Masirah began drilling its second exploration well in GA–South #1 (“**GAS #1**”), located in the Block 50 Oman concession. On 3 February 2014, Masirah announced the successful reach of the well target depth in its 2nd exploration well to its final depth of more than 3,000 metres into the Cambrian formation. Hydrocarbons were discovered in several formations with good oil sample extracted.

On 6 March 2014, Masirah announced that during a 48-hour test, hydrocarbons were flowed to the surface and the well achieved light oil flow rate of up to 3,000 stock tank barrels per day (stb/d) with no water production. This is the first offshore oil discovery in the east of Oman after more than 30 years of exploration activities in that area.

On 2 December 2014, Masirah announced that it had commissioned a new 3D seismic survey in Block 50 Oman. The seismic survey commenced data acquisition activities in November 2014 and this is now completed. Data processing of the seismic data, including analysis with RVD is underway.

On 9 December 2014, Masirah and Hibiscus Petroleum delivered several presentations at the Offshore Development Oman 2014 Conference. Over 200 international and regional offshore oil and gas sector experts participated in this conference. Hibiscus Petroleum delivered a presentation regarding the execution of the Block 50 Oman offshore exploration project.

2 EXPLORATION ACTIVITIES UNDER THE LIME GROUP (CONT'D)

2.3 RAK NORTH OFFSHORE CONCESSION

The team had received (from the previous operator of the field) access to 3D seismic data acquired in 1984 covering the Saleh field (which has producing wells and lies within, but is excluded from Lime's concession), as well as some acreage within the concession boundaries. Whilst a preliminary prospect was identified last year in RAK North Offshore based on conventional evaluation, sequence stratigraphy and the application of RVD on 3D seismic, there is currently a need to review the results of the analysis as there are certain similarities between the sequence stratigraphy of our recently drilled MNN #1 well in Oman and the geology observed in the RAK North Offshore Concession area. Hence, as part of a risk mitigation plan, the drilling schedule in RAK North Offshore has been postponed temporarily pending careful study of all available data. The preliminary results of various studies are mixed in their conclusions and given current uncertainties relating to oil price, the possibility of relinquishing this license is being discussed between partners and the host government.

2.4 RAK SOUTH ONSHORE CONCESSION

The available seismic, gravity and magnetic survey datasets have been integrated and certain areas have been identified for future 3D seismic acquisition activities. Tenders for the seismic acquisition, interpretation and processing contract have been completed and submissions have been evaluated. Award of the contract for this work was deferred pending results of a potential farm-out of a portion of Lime's interests in the RAK South Onshore concession. However, given the recent downturn in global oil prices, it has been difficult to secure a farm-in partner. It should also be noted that the terms of the license agreement with the host government requires that the seismic work program commences before the expiry of the existing license agreement (April 2015). Given the current economic conditions affecting the oil and gas industry, it is highly probable that the seismic contract will not be awarded before the expiry of the license tenure. We intend to conduct discussions with the host government to examine the various options that will then be open to Lime.

2.5 SHARJAH EAST COAST CONCESSION

Zubara Petroleum Ltd ("**Zubara**"), a wholly-owned subsidiary of Lime, has received the necessary extension to its Concession Agreement from the government of Sharjah to commence engineering and procurement activities leading to the drilling of an exploration well by the third quarter of 2015.

Zubara, which owns 100% of the Sharjah East Coast Concession, finalized the award of a well management services contract on 31 July 2014. Additionally, an Environmental Impact Assessment ("**EIA**") as well as a site survey are scheduled for completion in the first quarter of 2015. It has always been the intention of Lime to share risks associated with the drilling of this concession. Several efforts are being made to farm-out interests in this concession and it is hoped that a farm-in partner will be found to participate in an exploration well.

2 EXPLORATION ACTIVITIES UNDER THE LIME GROUP (CONT'D)

2.5 SHARJAH EAST COAST CONCESSION (Cont'd)

Procurement activities for the long lead equipment required for the exploration well is well advanced and award of major components is scheduled for the first quarter of 2015 pending results of a potential farm-out of a portion of Lime's interests in the Sharjah concession.

By Order of the Board of Directors
Hibiscus Petroleum Berhad
27 February 2015