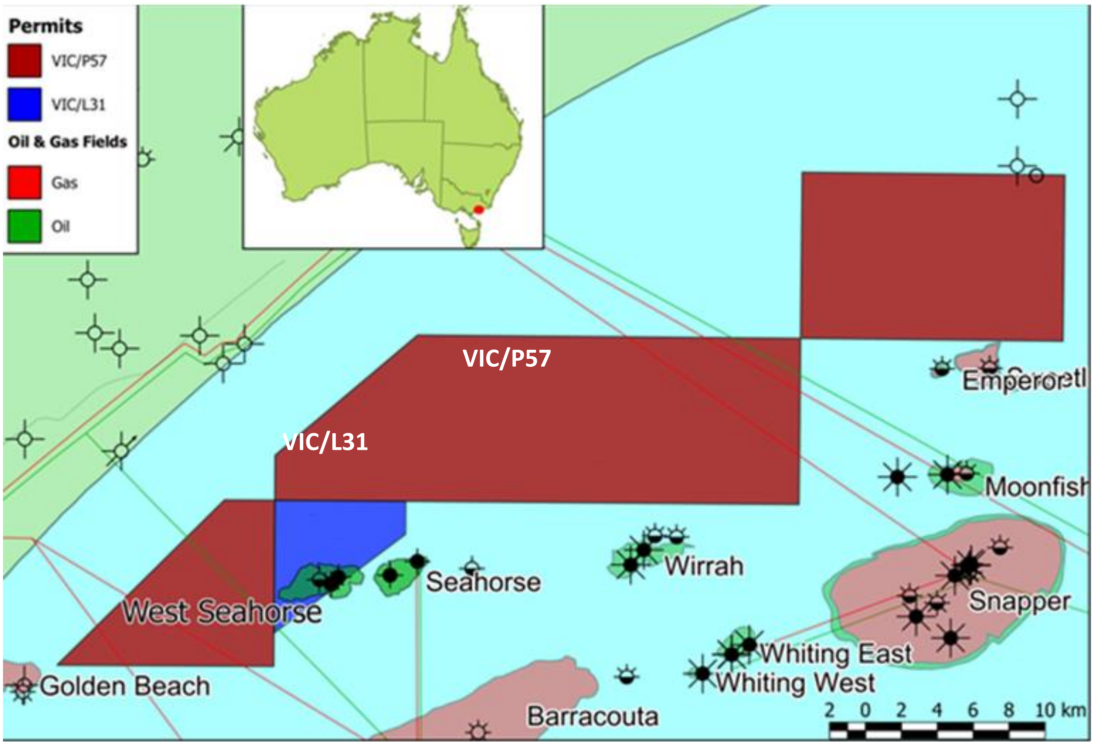
PART C – STATUS OF DEVELOPMENT AND EXPLORATION ACTIVITIES

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



Hibiscus Petroleum Berhad ("**Hibiscus Petroleum**" or the "**Company**")'s wholly-owned subsidiary, Carnarvon Hibiscus Pty Ltd ("**CHPL**"), as operator, is responsible for the day-to-day management of work activities within the VIC/P57 Exploration Permit ("**VIC/P57**") and the VIC/L31 Production Licence ("**VIC/L31**"), affording us a high level of financial and operational control in these concessions.

In the VIC/P57 concession, following exercising an option to acquire the interest in VIC/P57 held by HiRex (Australia) Pty Ltd ("**HiRex (Australia)**"), Hibiscus Petroleum Group (the "**Group**")'s interest is 78.3%. CHPL had on 17 November 2014 acquired additional interest in VIC/L31, bringing its total interest held in VIC/L31 to 100%.

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 was estimated to take up to 30 days.

In October 2015, CHPL announced that the West Telesto drilling rig was demobilized from its previous assignment and was handed over to CHPL on 20 October 2015. Following a 196 mile tow from its original location and an incident-free onsite preparation, CHPL announced that it commenced drilling operations at the Sea Lion-1 exploration well on 26 October 2015.

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

West Telesto drilling rig in tow to the Sea Lion site

In November 2015, CHPL announced that the drilling program was progressing safely and had reached total planned depth of the well on 9 November 2015. Formation evaluation testing was then performed by open-hole wireline logs to further define quality of the reservoir(s) and the productivity of each of the 6 zones of interest that indicated potential hydrocarbon bearing reservoirs.

On 11 November 2015, CHPL announced that the wireline evaluation and sampling of formation fluids over the 6 zones of interest had been completed. The wireline work confirmed that no zones of commercial hydrocarbons were encountered in the Sea Lion-1 well. The well was plugged and abandoned and the rig was then reassigned to Origin on 16 November 2015, 3 days in advance of the planned 30 day drilling program. While unsuccessful, the Sea Lion well was performed without any recordable safety or environmental incidents and ahead of schedule.

One additional obligation well in VIC/P57 is required by January 2018 to retain the lease. Discussions with the regulatory authorities will be held in early 2016 to request an extension of the license by 1 year to January 2019 in order to provide CHPL additional time to assess the results of the Sea Lion well before making a commitment to drill another exploration well in the license.

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

On 9 November 2015, Hibiscus Petroleum announced that it had executed a binding term sheet on 9 November 2015 to acquire 100% of the outstanding shares of Hydra Energy Holdings Pty Ltd ("**Hydra Energy**"). Subject to shareholder and regulatory approvals, and the satisfaction of conditions precedent to the binding term sheet, Hydra Energy will become a wholly-owned subsidiary of Hibiscus Petroleum. The addition of Hydra Energy and their portfolio of discovered oil fields offshore Australia will increase Hibiscus Petroleum's 2P/2C resources by 15 – 17 million barrels ("**mmbbl**") and also provides exploration upside. The acquisition will provide Hibiscus Petroleum with a significantly increased reserve base in Australia and allow shareholders to capitalise on the synergies that exist between the organisations and the asset bases.

The purchase price for the acquisition will be the fair market value of Hydra Energy as determined by an independent and competent valuer. The transaction will be satisfied through the issue of new Hibiscus Petroleum shares at an issue price to be determined on the date that the fair market value of Hydra Energy is determined. Both the Hibiscus Petroleum and Hydra Energy Board of Directors are working together to complete the transaction by first half of 2016. The management of Hibiscus Petroleum has provided an irrevocable undertaking on behalf of 17% of Hibiscus Petroleum shares on issue to vote in favour of the transaction. The management of Hibiscus Petroleum and Hydra Energy shareholders have agreed to a lock up period post consummation of the transaction and the transaction is structured such that it is not expected to trigger a mandatory general offer.

Hydra Energy is incorporated in Australia and has equity interests in 7 operated Petroleum Titles located in the Carnarvon Basin, offshore North West Australia as summarized below:

Petroleum Title	Field/Discovery, Prospect	Oil/Gas	Hydra Energy Interest
WA-41-R	Corowa, Corowa Extension	Oil	66.67%
WA-8-L*	Amulet	Oil	37.3684%
TL/2 & TP/7**	Taunton	Oil	90.00% / 87.526%
WA-47-R	Sage, Sage Deep	Oil	100.00%
WA-46-R	Tusk	Oil	80.00%
WA-52-R	Okapi	Oil	100.00%

* *Binding Sale & Purchase Agreement executed. Completion including transfer of Operatorship is subject to the terms of the joint operating agreementand regulatory approvals.*

** *Binding Sale & Purchase Agreements executed, to acquire an addtional 66.834% participating interest in TL/2 and an addtional 83.369% participating interest in TP/7. Completion including transfer of Operatorship subject to the terms of the joint operating agreements and regulatory approvals.*

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

The 7 Titles held by Hydra Energy are estimated to have 15 – 17 mmbbl net to Hydra Energy. On completion of this transaction, Hibiscus Petroleum's net 2P/2C Australian oil resource base would increase from 8 mmbbl (West Seahorse alone) to 23 – 25 mmbbl. Combined with the 2P/2C resources that are in the midst of being secured as part of the recent Anasuria Cluster transaction (UK sector of the North Sea), Hibiscus Petroleum's global net 2P/2C resource base would be approximately 47 million barrels of oil equivalent ("**mmboe**") following the completion of this acquisition.

In addition to the equity transaction, Hydra Energy's management, Global Natural Resources Investments ("**GNRI**") and Hibiscus Petroleum's management are finalizing a non-equity based USD20 million debt facility to underpin the combined companies' capital requirements. This facility will be utilized to fund existing operational commitments and also allows Hibiscus Petroleum to explore new business opportunities.

CHPL had previously 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 Hydra Energy assets have the technical and commercial advantages of utilizing the same concept of the relocatable production infrastructure that is being considered for the West Seahorse development although design of the facilities will need to be reevaluated with the addition of the Hydra Energy assets. The inclusion of the Hydra Energy assets into Hibiscus Petroleum's portfolio provides a basis for optimisations and synergies that should significantly reduce Hibiscus Petroleum's development costs per barrel in a low oil price environment.

Hibiscus Petroleum together with CHPL plan to assess the opportunity for an accelerated development of the combined Hibiscus Petroleum and Hydra Energy assets. Plans for the development of the Australian assets should be finalized during the first half of 2016. Contracts previously tendered will be re-tendered once the development concept is finalized in order to achieve the reduced pricing that should be available from the industry in 2016.

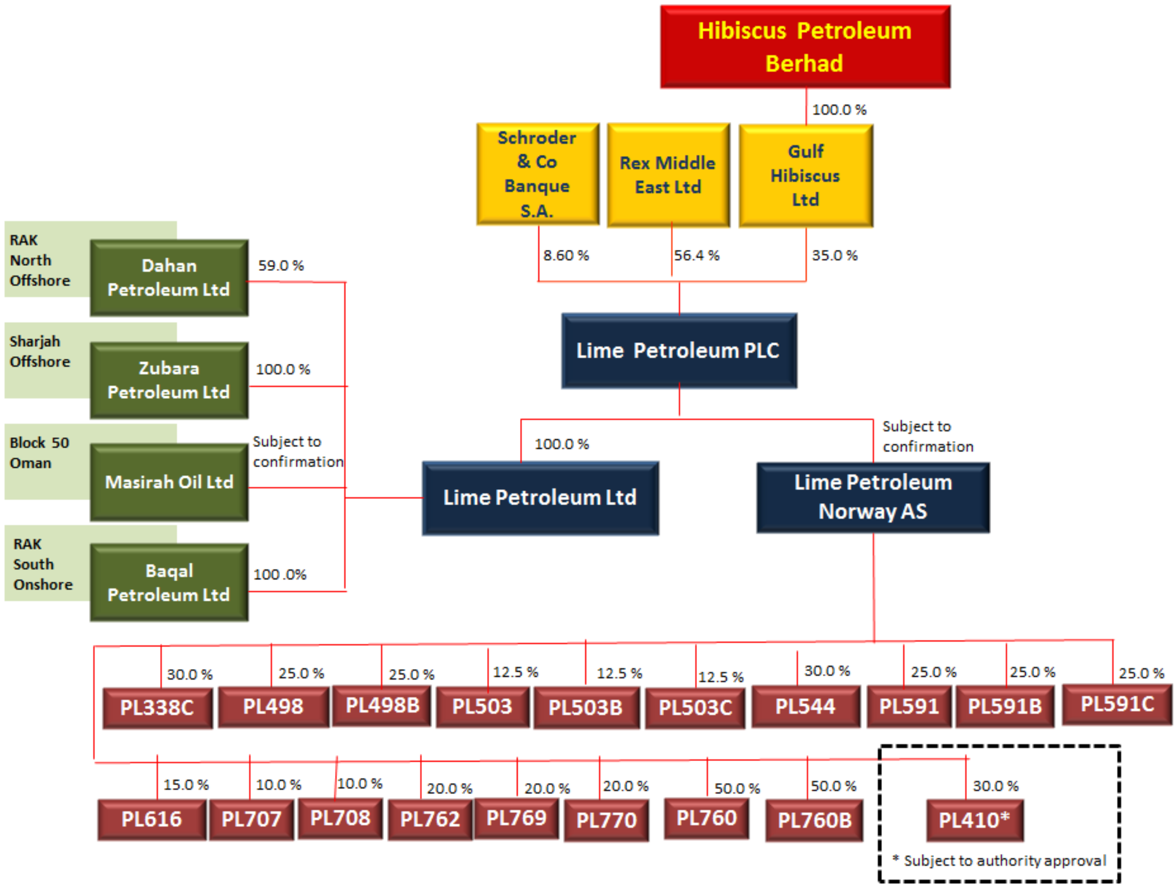
From a sub-surface perspective, a further independent assessment was performed by a third party expert, Gaffney, Cline & Associates ("**GCA**") and delivered in early January 2014. The updated assessment will be used to secure financing for the project.

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) the VIC/L31 Production Licence over the West Seahorse oilfield.

First volumes of commercial production from the VIC/L31 West Seahorse field are still expected in 2017, subject to a reassessment of the development concept for the combined Hibiscus Petroleum and Hydra Energy assets and subject also to the declaration of FID in the first half of 2016.

2 EXPLORATION ACTIVITIES UNDER THE LIME GROUP

LIME GROUP STRUCTURE



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 licenses from the acquisition of participating interests from North Energy ASA [1] ("**North Energy**"), 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, 3 licenses (of which 1 license is subject to authority approval) from the acquisition of participating interest from Lundin Norway AS [2] ("**Lundin**"), and 2 licenses from the acquisition of participating interest from EnQuest Norge AS [3] ("**EnQuest**").

[1] *North Energy is a qualified petroleum exploration company, listed on the Oslo Stock Exchange, which holds participating interests in 23 licenses in the Norwegian Continental Shelf.*

[2] *Lundin Petroleum has exploration and production assets mainly in Europe and South East Asia.*

[3] *EnQuest PLC is an independent oil and gas development and production company with a primary geographic focus on the United Kingdom Continental Shelf. EnQuest PLC trades on both the London Stock Exchange and the NASDAQ OMX Stockholm. It is building a presence in oil basins outside the United Kingdom North Sea, with substantial production from Malaysia.*

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/period ended 30 September 2015, the total expenditure incurred by Lime and its concession companies is set out below:

	QUARTER ENDED 30.09.2015 RM'000	**PERIOD ENDED 30.09.2015 RM'000**
Intangible assets	14,319	14,319
Administrative expenses	18,545	18,545
	32,864	32,864

(iv) Lime Group position

Given the extended period of low oil prices, the Company intends to continue its review of investments in licenses that are primarily exploration weighted. As a majority of the assets within the Lime Group fall into this category, a review of the Lime Group investment will constitute part of this process.

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.

On 16 October 2015, Lime Norway, a company in which its jointly-controlled entity, Lime Petroleum Plc ("Lime") is a shareholder, had informed the Company that it had participated in the drilling of exploration well 16/1-25S which commenced on 15 October 2015, to clarify the extent and size of the Rolvsnes discovery in North Sea licence PL338C.

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

LIME GROUP STRUCTURE (Cont'd)

2.1 NORWAY (Cont'd)

On 24 November 2015, Lime Norway informed the Company that it will be participating in the drilling of exploration well 7130/4-1 on the Ørnen prospect in PL708 in the Barents Sea, and that drilling of the well commenced on 22 November 2015 using the semi-submersible rig Transocean Arctic. The planned total depth is approximately 2,630 metres below mean sea level and the drilling operation is expected to take approximately 60 days.

The 2015 drilling plans of Lime Norway are as follows:

License	Rig	Estimated Spud Date	Operator
PL544	To be decided	December 2015 / January 2016	Lundin

At this juncture, Lime Norway has advised that decisions to drill wells or relinquish licenses are expected to be made for PL498 and PL498B in the fourth quarter of 2015, similar to the timeline for the same determination for PL503, PL503B and PL503C.

2.2 BLOCK 50 OMAN CONCESSION

The key operations of Block 50 Oman are carried out under Masirah Oil Ltd ("**Masirah**").

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 Rex Virtual Drilling ("**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 required early suspension of the operations although all key objectives of the well were met before suspension of the operations. 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.

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

2.2 BLOCK 50 OMAN CONCESSION (Cont'd)

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 has been completed and several prospects were identified by Masirah for further exploration drilling. Based on independent, conventional analysis, the sub-surface team of Hibiscus Petroleum does not believe that these are the best prospects to be considered for further exploration capital investment and unless mutually acceptable drilling locations can be agreed, Hibiscus Petroleum may not participate in the proposed drilling programme. In such circumstances, it is possible that our interests in Masirah may change. However, the Company will safeguard its rights and interests accordingly in this regard.

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.

Since completion of the seismic acquisition, fast track seismic interpretation and full processing has been done. Masirah is currently conducting full seismic interpretation to identify and rank drillable prospects, and will carry out further technical studies on selected prospects.

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. Based on results of various studies done subsequently and given current uncertainties relating to oil price, discussions are on-going with the relevant authorities on the options that are available to the Company.

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

2.4 RAK SOUTH ONSHORE CONCESSION

Given the recent downturn in global oil prices, the fact that the tenure of the license has formally expired (without a request for an extension being submitted) and given that it has been difficult to secure a farm-in partner to take up some equity in this project, it is likely that as part of a portfolio rationalisation exercise, the Company shall formally relinquish this license back to the host government in the very near future.

2.5 SHARJAH EAST COAST CONCESSION

Zubara Petroleum Ltd ("**Zubara**"), a wholly-owned subsidiary of Lime, 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 was scheduled for completion in the first quarter of 2015. However, given the economic conditions affecting the oil and gas industry, all work on the exploration well was placed on hold in the first quarter of 2015. Discussions with the host government are ongoing to seek an extension of the license agreement and a rescheduling of the drilling of the exploration well.

As it has always been the intention of Lime to share risks associated with the drilling of this concession, we continue efforts to farm-out interests in this concession. Provided the host government grants an extension to the license agreement, we hope to secure a farm-in partner by the fourth quarter of 2015 which should then allow drilling of the exploration well by the second half of 2016. It should be noted the well to be drilled in Sharjah is due for drilling by the end of 2015 and there is no certainty that the government of Sharjah would consider an extension to our concession favorably. In the interim, we have taken the prudent step to write down the investment we have made in this concession.

3 ANASURIA CLUSTER

On 6 August 2015, Hibiscus Petroleum, via its indirectly wholly-owned subsidiary, Anasuria Hibiscus UK Ltd with Ping Petroleum UK Ltd, entered into sale and purchase agreements to each acquire 50% of the entire interests of Shell UK Ltd ("**Shell UK**"), Shell EP Offshore Ventures Limited ("**Shell EP**") and Esso Exploration and Production UK Limited ("**Esso E&P**") in the Anasuria Cluster of oil and gas fields effective 1 January 2015 for a consideration of USD52.5 million. The acquisition of the Anasuria Cluster is subject to, amongst others, regulatory approvals, and third party consents, including approvals from the UK government and Hibiscus Petroleum shareholders.

3 ANASURIA CLUSTER (CONT'D)

The Anasuria Cluster is located approximately 175 kilometres east of Aberdeen in the UK Central North Sea and consists of:

- 100% interest in the Guillemot A field and the related field facilities;
- 100% interest in the Teal field and the related field facilities;
- 100% interest in the Teal South field and the related field facilities;
- 38.65% interest in the Cook field and the related field facilities; and
- 100% ownership in the common infrastructure known as the Anasuria Floating Production Storage and Offloading unit and the related equipment ("**Anasuria FPSO**").

The cluster represents an attractive, geographically focused package of operated interests in producing fields and associated infrastructure. The assets have a proven and producing resource base which provides a platform for further development. A number of incremental development and exploration opportunities exist within the licence areas which are expected to generate significant incremental value in the medium term.

Anasuria FPSO in the Central North Sea during a crude oil offtake

3 ANASURIA CLUSTER (CONT'D)

During the current quarter, the Company has been working with Ping Petroleum Limited ("**Ping Petroleum**") to establish the joint operating company, Anasuria Operating Company Limited ("**AOC**") in Aberdeen. The onshore organisation required to take over operatorship of the assets from Shell UK has been established in a newly opened office in Aberdeen. It intends to outsource the day-to-day operations and maintenance of the assets to Petrofac Facilities Management ("**Petrofac**"), a substantial Contract Operator of North Sea assets. The AOC office has hence been co-located in Petrofac's office.

The activities currently underway include:

- Submission of documentation to the UK regulatory bodies to obtain approval of AOC as Operator of the Anasuria Cluster and for transfer of the production licenses from Shell UK, Shell EP and Esso E&P to Anasuria Hibiscus UK Limited and Ping Petroleum UK Limited (a wholly-owned subsidiary of Ping Petroleum);
- Submission of the facility safety case and oil pollution emergency plan by Petrofac;
- Recruitment of personnel required to take over operatorship of the assets from Shell UK;
- Migration of the operating documentation and systems of work from Shell UK to Petrofac; and
- Establishment of a long term facilities management agreement with Petrofac.

It is currently estimated that the transition of operations from Shell UK to AOC will occur on 31 January 2016 subject to obtaining approvals for the transaction from the UK government and Hibiscus Petroleum shareholders. Completion of the transaction occurs on the date of transfer of operatorship with financial close shortly thereafter.

4 AWARD OF THE SOUTH EAST RAS EL USH CONCESSION IN EGYPT

Gulf Hibiscus Limited ("**Gulf Hibiscus**"), the Company's wholly-owned subsidiary, has been awarded the South East Ras El Ush concession ("**Block 2**") in Egypt by the Ganoub ElWadi Petroleum Holding Company ("**Ganope**"), an entity of the Ministry of Petroleum, Arab Republic of Egypt ("Award of the Concession").

The award was made pursuant to the successful submission of a bid by Gulf Hibiscus, together with its partner, Pacific Oil Limited [4] ("**Pacific Oil**"), for a joint equal ownership of the concession.

Pacific Oil will be the operator of the concession, to leverage on its management team's experience in Egypt. Block 2 is an offshore exploration block located in the southern Gulf of Suez, the most prolific petroleum province in Egypt. The block covers an area of 68 square kilometres with water depth of up to 75 metres, and is surrounded by development leases. Block 2 also contains the discovered West Ashrafi field, which is included in the above Award of the Concession, and may be developed with a production tie-in to the nearby existing onshore infrastructures. Two wells previously drilled in the West Ashrafi field had tested commercial oil and gas.

[4] *Pacific Oil was incorporated as a special purpose vehicle, registered in Seychelles, to pursue oil and gas, exploration and production opportunities predominantly in Africa. In July 2013, Pacific Oil was awarded a Petroleum Exploration License in the Republic of Malawi.*

4 AWARD OF THE SOUTH EAST RAS EL USH CONCESSION IN EGYPT (CONT'D)

The award is subject to the execution of a definitive agreement. Gulf Hibiscus' financial exposure to undertake the minimum work commitment is estimated to be approximately USD8 million over the first 4 years (first exploration phase).

Gulf Hibiscus is currently preparing the documentation required to participate in this concession.

By Order of the Board of Directors
Hibiscus Petroleum Berhad
30 November 2015