GOLD MINING AT BUKIT IBAM, PAHANG

1. INTRODUCTION

The Board of Directors of Borneo Oil Berhad ("**BORNOIL**") are pleased to announce that the gold mining tenement at Bukit Ibam, Pahang, operated under an Exclusive Production Sharing Agreement between our wholly-owned subsidiary Borneo Oil Corporation Sdn. Bhd. ("**BOC**") and HDL Global Sdn Bhd ("**HDL**"), has received approval from the Department of Minerals and Geoscience Malaysia on 9 February 2026 to undertake mine development, mining and processing operations within the tenement in accordance with the approved Operational Mining Scheme ("**OMS**").

No percentage ratio is applicable to this announcement as no consideration is payable in relation to the approval obtained. Nevertheless, the Company is making this voluntary announcement pursuant to Paragraph 10.05(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

2. BACKGROUND

Bukit Ibam Gold Mining Project at Pahang

The Bukit Ibam gold prospect is located in the State of Pahang, Peninsular Malaysia, approximately 40 km from Muadzam Shah and 90 km from Kuantan. The prospect lies on the eastern side of the Central Gold Belt, which extends from Johor to Kelantan. Gold exploration in this area dates back many years, with mining activities recorded since the British colonial era in the 19th century. Subsequent exploration was also undertaken during the early and mid-20th century. However, earlier exploration methods were less advanced, and significant mineral potential remains to be further delineated.

On 11 March 2015, BOC entered into an Exclusive Production Sharing Agreement with HDL Global Sdn. Bhd ("**the Agreement**") for mining works at an area measuring approximately 1,200 hectares (3,000 acres) known as Blok A, SKC(H), 1/2001, Hutan Simpan Bukit Ibam Mukim Keratong, Daerah Rompin, Pahang Darul Makmur (**the "Mining Area")** contracted to HDL by Perbadanan Kemajuan Negeri Pahang ("**PKNP**") on 21st May 2010.

The Agreement grants BOC the exclusive rights to prospect, explore, mine, extract, process, market, sell, and collect revenue from all minerals and precious metals, including gold, within the Mining Area ("**the Mining Works**").

BOC is currently conducting Mining Works at the following mining leases:

1. Mining Lease under Ref No; ROM 7/2/0675 SJ.1 ML 17/2009 measuring 187 hectares (462.08 acres) located at Lot 25442, Hutan Simpanan Bukit Ibam, Mukim Keratong, District of Rompin, Pahang ("**the Mining Lease")** and

2. Mining Lease issued on the 21 April 2021 under reference: PTG.PHG. (ML) 16/015/09/06.2010) covers an area of 175.04 hectares (432.53 acres) ("**Mining Lease 2"**) adjacent to the Mining Lease.

In July 2016, BOC completed an independent exploration report based on trenching and drilling data. Trenching commenced in January 2016 and was completed by 30 April 2016, with assay results finalised on 10 June 2016. A total of 2,209 samples were collected from 15 trenches, with additional trenches excavated for site infrastructure. Sampling intervals were generally 2.5 metres, with intervals of 1 metre and 5 metres in areas of varying mineralisation.

Based on the resource estimation, the Bukit Ibam Gold Project is estimated to contain 60,814 ounces of gold (1.892 mt of gold).

In 2020, BOC appointed Dr. Yves Cheze (MAIG, IGM) to evaluate the JORC-compliant gold resources for the Bukit Ibam Gold Mining Project. The JORC report covered a portion of the mining area referred to as "Zone B." Based on a geological model of a vertical mineralised structure, the resources were estimated to an average vertical depth of approximately 100 metres, with potential for further extensions at depth. Based on the said report, the inferred reserves for gold at Zone B is 22,200 ounces (0.69mt of gold).

In 2022, drilling conducted on part of Zone D and H, yielded an inferred resource 6,360 ounces (0.2mt of gold) as contained in an interim report as announced.

The above information was previously disclosed in the Company's announcements dated 19 July 2016, 6 August 2020, 10 August 2020 and 5 May 2022 in relation to the Mineral Resources and Ore Reserve Reports.

Further to the Mineral Resources and Ore Reserve Reports referred to above, BOC has also carried out an internal assessment, which is not JORC-compliant, to evaluate the gold content on the oxide resources. The total inferred gold resources over an estimated volume of 1,560,975 m3 of gold containing oxide ore is estimated to be at 56,460 ounces (1.756 mt of gold).

In addition, the old tailings at Bukit Ibam tenement are estimated to contain approximately 1.18 million tonnes of ores, representing an estimated approximately 14,570 ounces (0.47mt of gold)

Based on the above, the total inferred gold reserve as at to date is estimated at 5.008mt of gold available for the CIL processing, which involves a combined cycle of gravity and leaching processes. From the metallurgical tests done by BOC, 30% of the gold in the oxide ore is recoverable by gravity and the remaining balance of gold in the oxide ore is recoverable via the CIL leaching process with a recovery rate up to 80%. In line with the OMS, BOC has to date recovered approximately 5,343 grams (5.343 kgs) of gold through the gravitational process.

In 2021, BOC completed its first pilot Carbon-In-Leach (CIL) plant at Bukit Ibam. The plant is operational but pending the issuance of the relevant licences and permits.

BORNOIL is now pleased to announce that the approval for the Operational Mining Scheme for the Mining Lease covering an area of 187.0 hectares has been obtained on the 4th February 2026 and valid until 21 December 2027. The Mining Lease was originally registered on 9 December 2009 under registration number ML.17/2009, and mining operations commenced on 1 June 2010 following the approval of the Operational Mining Scheme (reference Phg 29/2010). The approving authority has reviewed and approved the application to construct a processing plant using the Carbon-In-Leach (CIL) method at the tenement with conditions attached thereto.

The Company will be implementing the construction of the CIL plant and has shortlisted qualified EPCC contractors to construct and commission the plant.

3. EFFECTS OF THE APPROVAL

3.1 Share capital and substantial shareholders' shareholding

The Approval will not have any effect on the issued and paid-up share capital of BORNOIL and the shareholding of its substantial shareholders as the Approval does not entail any issuance of new ordinary shares in the Company and/or convertible securities in the Company.

3.2 Net assets ("NA"), NA per BORNOIL share and gearing

The Approval is not expected to have a material effect on the NA, NA per BORNOIL share and gearing of the BORNOIL Group for the financial year ending 30 June 2026.

3.3 Earnings and earnings per share ("EPS")

The Approval is not expected to have a material effect on the consolidated earnings and EPS of the BORNOIL Group. However, subject to the successful implementation and commissioning of the CIL plant, it will contribute positively to future earnings.

4. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED

None of the Directors and major shareholders of BORNOIL and/or persons connected with them has any interest, whether direct or indirect, in the Approval.

5. DIRECTORS' RECOMMENDATION

The Board, having considered all aspects of the Project, including the rationale and benefits, is of the opinion that the Project is in the best interest of the BORNOIL Group.

6. DOCUMENT FOR INSPECTION

The approval letter for the Operational Mining Scheme is available for inspection at the registered office at 1st & 2nd Floor, Victoria Point, Jalan OKK Awang Besar, 87007, W.P. Labuan, during regular office hours from Monday to Friday (except for public holidays) for a period of three (3) months from the date of this announcement.

This announcement is dated 10 February 2026.