



# **RH Petrogas Limited**

## **Strengthening Our Core**

**AGM**  
**27 April 2017**

# RH Petrogas Overview

## Asset

Number of Assets	4
Locations	China (1), Indonesia (2), Malaysia (1)
Net 2P Reserves	18.3 MMBOE (as at 1/1/17) 93% oil, 7% gas
Net 2C Resources	49.9 MMBOE (as at 1/1/17) 58% oil, 42% gas

## Operations

	<u>2016</u>	<u>2015</u>
Production	4,380 BOEPD	4,230 BOEPD
Revenue	US\$52 MM	US\$53 MM
EBITDAX	US\$3.4 MM	US\$3.2 MM

# Asia Focused Portfolio



China	FUYU 1 PSC
W.I.	49%*
Operator	RHP
Status	Development

\* The Group currently holds 100% interest in the PSC. CNPC is deemed to back in for a 51% W.I. once commercial production commences, leaving the Group with 49% W.I.

Malaysia	SK 331 PSC
W.I.	40.8%
Operator	RHP
Status	Exploration

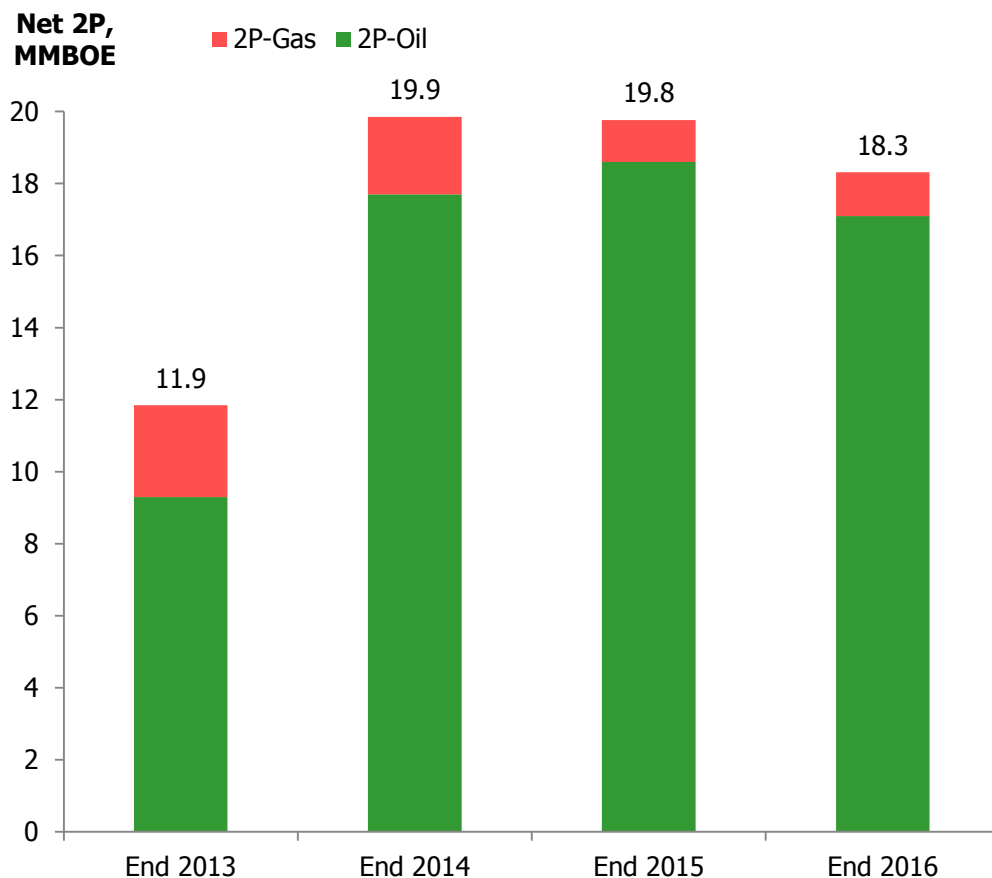
Indonesia	Island PSC
W.I.	33.2%
Operator	PetroChina and Pertamina
Status	Production

Indonesia	Basin PSC
W.I.	60%
Operator	RHP
Status	Production

W.I. – Working Interest

# Reserves and Resources

## 2P Reserves

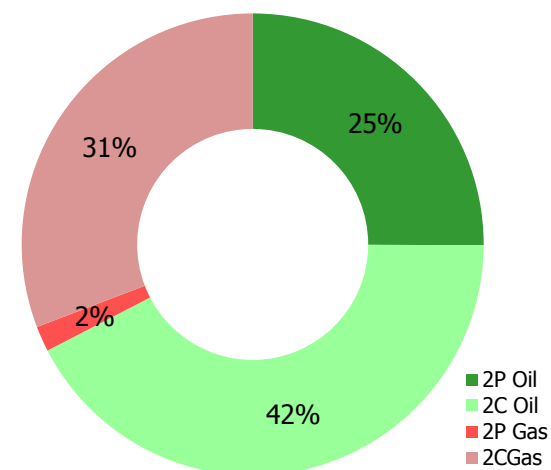


## As at 1 Jan 2017:

	Net 2P (MMBOE)	Net 2C (MMBOE)
Indonesia	5.1	36.1
China	13.2	13.8
<b>Total</b>	<b>18.3</b>	<b>49.9</b>

The reserves and resources figures were certified by independent qualified person

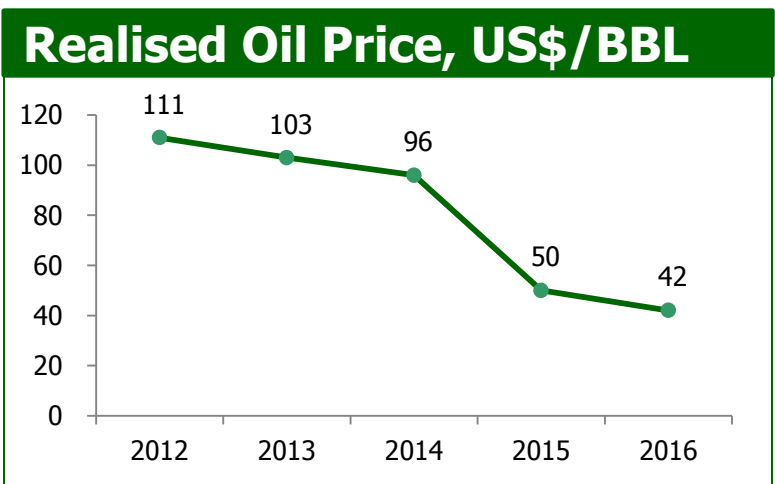
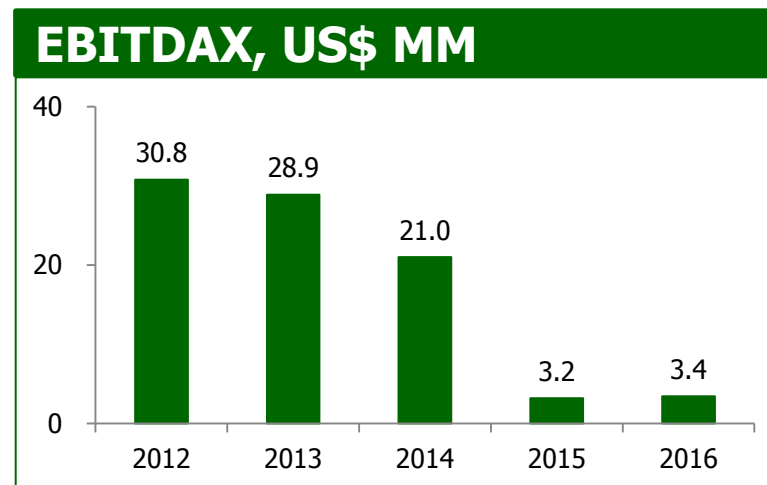
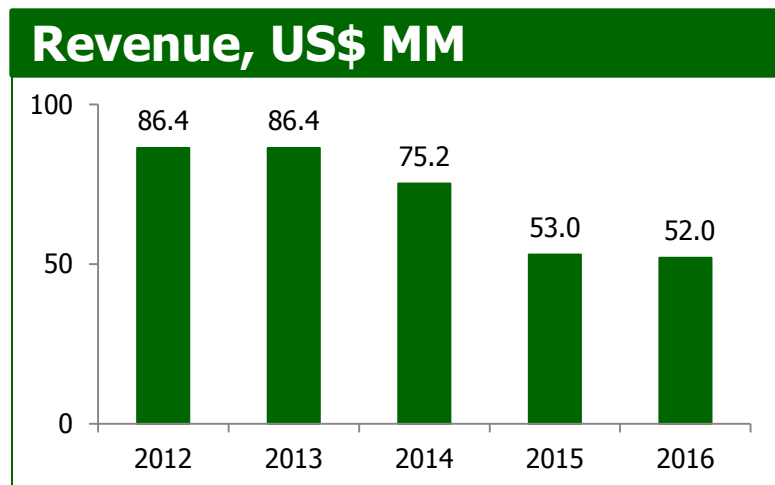
## 2P+2C (67% oil, 33% gas)



# Financial Performance

	<b>Group</b>	
	<b>Year</b>	<b>Year</b>
	<b>2016</b>	<b>2015</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>Revenue</b>	51,966	52,976
Cost of sales	(50,959)	(59,003)
<b>Gross profit/(loss)</b>	<b>1,007</b>	<b>(6,027)</b>
Other income	507	1,330
Administrative expenses	(4,125)	(5,563)
Other expenses	(5,755)	(189,800)
Finance costs	(1,958)	(2,664)
<b>Loss before tax</b>	<b>(10,324)</b>	<b>(202,724)</b>
Income tax credit	1,385	20,692
<b>Loss for the year</b>	<b>(8,939)</b>	<b>(182,032)</b>

# Financial Summary



### As at 31 Dec 2016, US\$ MM

Debt outstanding <sup>(1)</sup>	6.2
Cash	8.3
Net Cash <sup>(2)</sup>	2.1
Shareholder loan	16.9

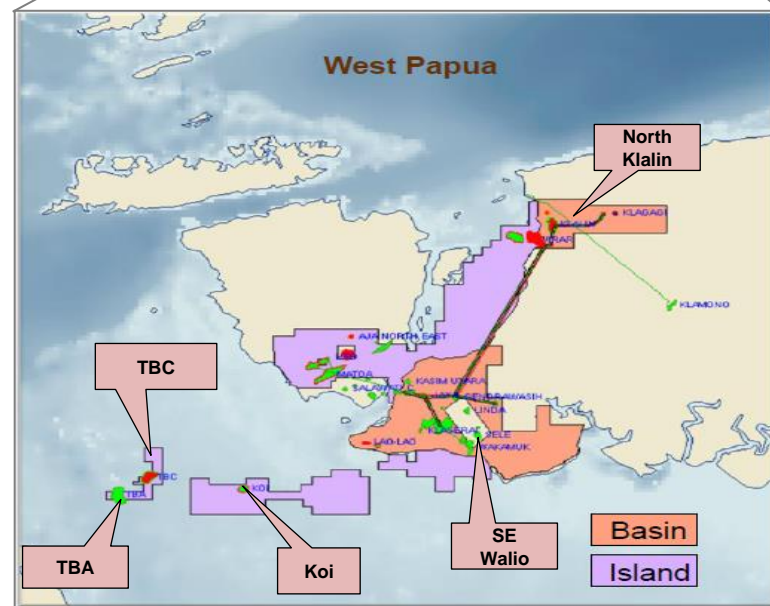
(1) Debt outstanding consists of external bank loan

(2) Defined as total debt and borrowings minus cash and short-term deposits

# Production: Basin PSC and Island PSC

## Asset Summary

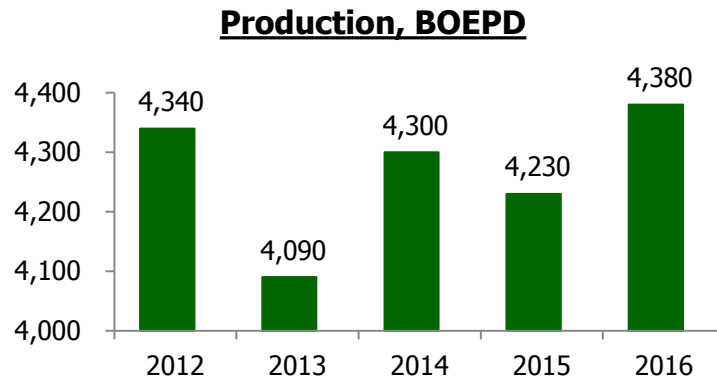
Location	West Papua, Indonesia (onshore and offshore)
Area	1,969 km <sup>2</sup>
Partners	<p><u>Basin PSC</u>                      RHP (60%, Op*)                      PetroChina (30%)                      Pertamina (10%)</p> <p><u>Island PSC</u>                      Pertamina (50%, Joint Op*)                      PetroChina (16.8%, Joint Op*)                      RHP (33.2%)</p>
PSC expiry	2020
Production	4,380 BOEPD in 2016
Net 2P	5.1 MMBOE (1/1/2017)
Net 2C	36.1 MMBOE (1/1/2017)



\*Op- Operator

# Production:

## Basin PSC and Island PSC



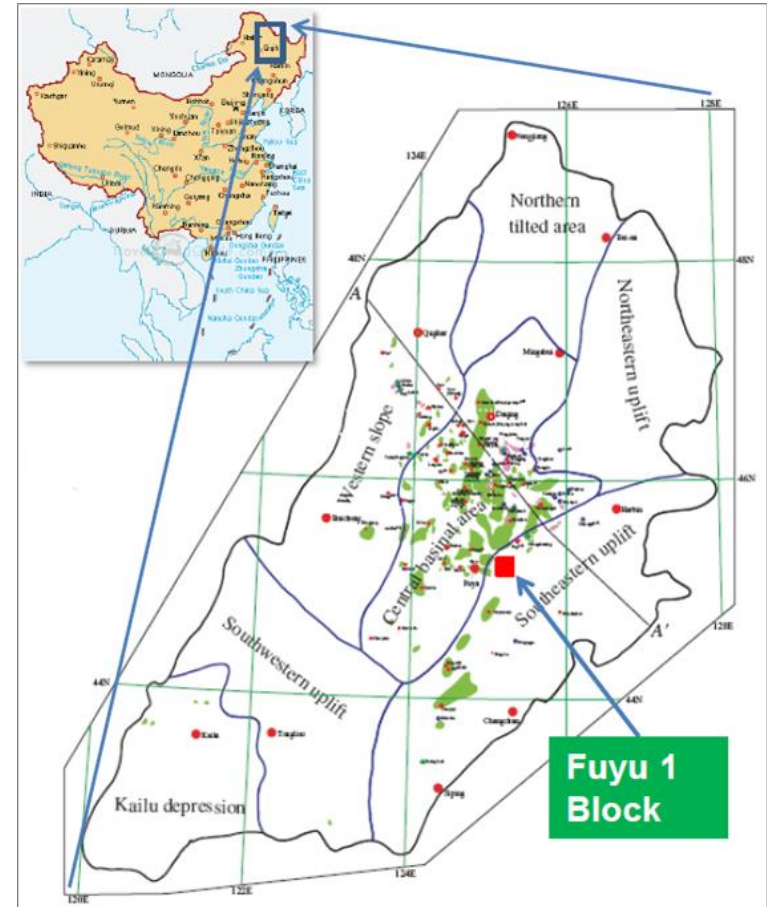
- Basin PSC – Operator since Jan 2016
  - ✓ Better positioned to control costs and manage operations at the company's largest producing asset
  - ✓ Implemented stringent cost control measures since taking over operatorship to lower overall operating costs
  - ✓ Focused on maintaining and enhancing existing field production
- Island PSC – Oil field reactivation and cost reduction
  - ✓ Reactivation of offshore TBA oil field added to production growth
  - ✓ Continue to evaluate ways to lower production costs
- Reviewing plans for extension of rights beyond PSC expiry in 2020



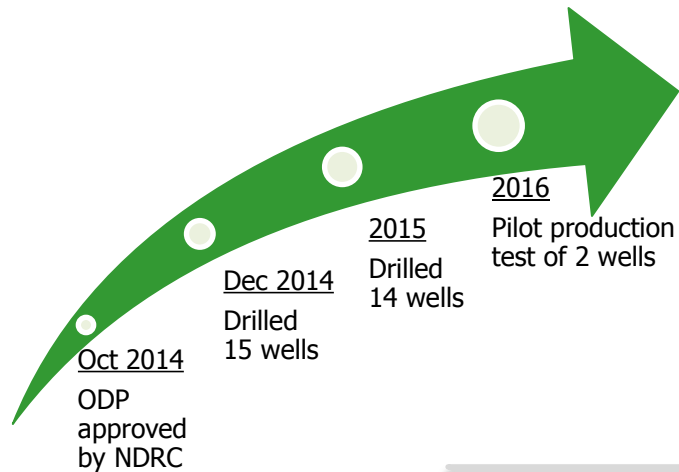
# Development: Fuyu 1 PSC

## Asset Summary

Location	Southern extension of Songliao Basin (Daqing field) in North East China
Area	255 km <sup>2</sup>
Partner	RHP (49%*, Op) CNPC (51%) * RHP currently holds 100% interest in the PSC through its subsidiary Kingworld Resources Limited. CNPC is deemed to back in for a 51% W.I. once commercial production commences, leaving the Group with 49% W.I.
PSC expiry	By 2038
Net 2P	13.2 MMBO (1/1/2017)
Net 2C	13.8 MMBO (1/1/2017)



# Development: Fuyu 1 PSC

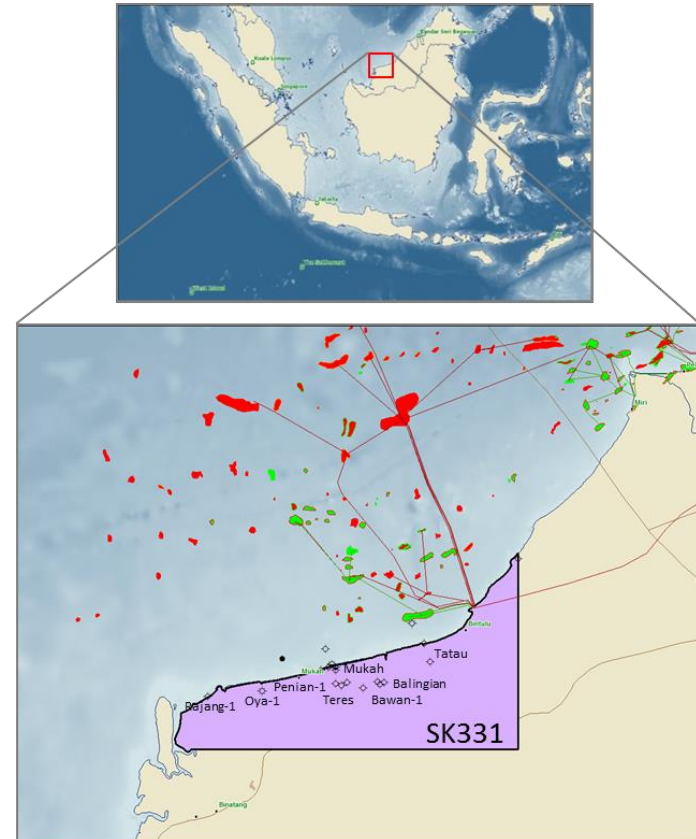


- Overall Development Plan (ODP) approved by NDRC in Oct 2014
- Shallow heavy crude, requires steam injection
- Crude sales agreement signed
- 29 development wells drilled in 2014/2015, with some wells showing thicker than expected pay zone
- Development drilling temporarily suspended pending oil price recovery
- Pilot production testing of 2 newly drilled wells performed to expectation

# Exploration: SK 331 PSC

## Asset Summary

Location	Onshore extension of Balingian sub basin, Sarawak, Malaysia
Area	11,600 km <sup>2</sup>
Partners	RHP Mukah* (80%, Op) Petronas Carigali (20%) * RHP (Mukah) Pte Ltd, a subsidiary which is 51% owned by RHP and 49% owned by Tumbuh Tiasa Enterprise Sdn Bhd
PSC expiry	Exploration phase extended to Dec 2017
Status update	Fulfilled all work commitment under the exploration work commitment, except for the drilling of one exploration well



# 2017 Outlook

## ✓ **The worst may be over?**

- ✓ OPEC and key non-OPEC producers planned 6-month 1.8 MMBOPD production cut began in 1/1/2017 to accelerate market rebalancing
- ✓ High compliance by participants achieved
- ✓ Strong likelihood cut will be extended
- ✓ US shale production remains a near term risk

## ✓ **Can supply meet demand in the future?**

- ✓ Global energy demand continues to grow with Asia at the forefront
- ✓ Natural production decline continues at existing oil fields
- ✓ New oil and gas discoveries at 60 year low (source: IHS Markit)
- ✓ Project underinvestment and cancellation due to low oil prices will affect future supply stream (source: Wood Mackenzie)

## ✓ **RH Petrogas**

- ✓ Balanced and diversified asset portfolio with exposure to full upstream value chain
- ✓ Near term development potential within current portfolio
- ✓ Actively exploring value accretive acquisition opportunities
- ✓ Committed management and operations team with extensive industry experience
- ✓ Support from major shareholder with extensive business network globally
- ✓ Low debt with no exposure to capital market borrowings

# Corporate Social Responsibility



*Provision of mass medical treatment and food supplement*



Health Care



*Education support for high school students*

Education

Community Development



*Built houses for local villagers*



- We believe that conducting our operations in a socially and environmentally responsible manner is integral to operating a successful and sustainable business.
- Corporate social responsibility programmes are carried out on a regular basis in areas where we have an active operation.



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