

RH PETROGAS LIMITED

(Company Registration No.: 198701138Z)

RECLASSIFICATION TO THE UNAUDITED CONSOLIDATED CASH FLOW STATEMENT OF THE GROUP FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

The Board of Directors of RH Petrogas Limited ("the **"Company"** and together with its subsidiaries, the **"Group"**) refers to the unaudited full year financial statement and dividend announcement for the financial year ended 31 December 2009 ("FY2009") released by the Company on 25 February 2010.

Pursuant to Rule 1207(5) of the Listing Manual of the SGX-ST, the Board wishes to highlight certain reclassifications to the unaudited consolidated cash flow statement of the Group for FY2009, following the finalisation of the audit.

The reclassifications do not have any impact on the Company's results for FY2009.

The Company wishes to clarify the aforesaid reclassification by appending below the Audited and Unaudited Consolidated Cash Flow Statement for FY2009 and the corresponding explanations:

	Audited 31/12/2009 \$'000	Unaudited 31/12/2009 \$'000	Variance \$'000	Notes
Operating activities				
Loss before tax	(4,690)	(4,690)	-	
Adjustment for :				
Allowance for inventory obsolescence	20	20	-	
Bad debts written off	3	3	-	
Depreciation of property, plant and equipment	752	752	-	
Gain/(loss) on disposal of property, plant and equipment	(541)	(541)	-	
Impairment loss in value of idle property, plant and equipment	162	162	-	
Interest expense	387	387	-	
Interest income on bank deposits	(2)	(2)	-	
Write-off of dry wells	242	242	-	
Write-back of non-recurring engineering cost provision	-	(101)	101	A
Currency realignment	-	1,407	(1,407)	B
Operating cash flows before changes in working capital	(3,667)	(2,361)		
(Increase)/decrease in inventories	(526)	(514)	(12)	B
Decrease in trade and other receivables	2,287	1,565	722	B
Decrease in trade and other payables	(1,394)	(1,490)	96	A/B
Cash flows used in operations	(3,300)	(2,800)		

	Audited 31/12/2009 \$'000	Unaudited 31/12/2009 \$'000	Variance \$'000	Notes
Income tax refund	35	35	-	
Interest paid	(387)	(387)	-	
Interest received	2	2	-	
Net cash flows used in operating activities	(3,650)	(3,150)		
Investing activities				
Proceeds from disposal of property, plant and equipment	588	617	(29)	C
Purchase of property, plant and equipment	(748)	(748)	-	
Payment for professional fees for the acquisition of Kingworld Resources Limited	(867)	(1,054)	187	D
Purchase of evaluation assets	(7,252)	(7,808)	556	B
Net cash outflow on acquisition of a subsidiary	(9,735)	(9,548)	(187)	D
Net cash flows used in investing activities	(18,014)	(18,541)		
Financing activities				
Repayment of term loans	(958)	(958)	-	
Repayment of finance leases	(147)	(147)	-	
Repayment of loan to related companies	(1,470)	(1,470)	-	
Loans from a corporate shareholder	4,278	4,278	-	
Net proceeds from issuance of shares	41,732	41,732	-	
Net cash generated from financing activities	43,435	43,435		
Net increase in cash and cash equivalents	21,771	21,744	27	B
Cash and cash equivalents at beginning of year	244	244	-	
Effect of exchange rate changes on cash and cash equivalents	56	83	(27)	B
Cash and cash equivalents at end of year	22,071	22,071		

Notes :

The adjustment to the unaudited Consolidated Cash Flow Statements was due to :

- A** Reclassification of write-back of non-recurring engineering cost provision to movement in trade and other payables.
- B** Effect on foreign translation was reclassified to movement in changes in working capital, purchase of evaluation assets and cash and cash equivalents.
- C** Administrative error in deriving at the net cash proceeds of sale of assets.
- D** Reclassification of 187,000 from net cash outflow on acquisition of a subsidiary to payment for professional fees for the acquisition of Kingworld Resources Limited.

BY ORDER OF THE BOARD

Tan Sri Datuk Sir Tiong Hiew King
Executive Chairman
8 April 2010