

Unaudited Second Quarter and Half Year Financial Statement And Dividend Announcement for the Period Ended 30 June 2010

PART 1 – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1 (a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group Income Statement for the second quarter and six months ended 30 June 2010. These figures have not been audited.

| | Group 3 months ended | | | Group 6 months ended | | |
|---|--------------------------|--------------------------|----------------|--------------------------|--------------------------|----------------|
| | 30/06/2010 (3 months) | 30/06/2009 (3 months) | % Change | 30/06/2010 (6 months) | 30/06/2009 (6 months) | % Change |
| | \$'000 | \$'000 | | \$'000 | \$'000 | |
| Revenue | - | - | - | - | - | - |
| Cost of sales | - | - | - | - | - | - |
| Gross profit | - | - | - | - | - | - |
| Other income | 263 | 65 | 304.62 | 271 | 188 | 44.15 |
| Selling and distribution expenses | - | - | N.M. | - | (4) | N.M. |
| Administrative expenses | (675) | (286) | 136.01 | (1,037) | (418) | 148.09 |
| Other operating expenses | (26) | (24) | 8.33 | (51) | (47) | 8.51 |
| Finance costs | (50) | (69) | (27.54) | (120) | (146) | (17.81) |
| Loss before tax | (488) | (314) | 55.41 | (937) | (427) | 119.44 |
| Income tax expense | - | - | - | - | - | - |
| Loss from continuing operations, net of tax | (488) | (314) | 55.41 | (937) | (427) | 119.44 |
| Loss from proposed discontinuing operations, net of tax | (141) | (659) | (78.60) | (582) | (1,286) | (54.74) |
| Loss net of tax, representing loss attributable to owners of the parent | (629) | (973) | (35.35) | (1,519) | (1,713) | (11.33) |
| Basic and fully diluted loss per share from continuing operations attributable to owners of the parent (cents per share) | (0.11) | (0.11) | - | (0.21) | (0.16) | - |
| Basic and fully diluted loss per share from proposed discontinuing operations attributable to owners of the parent (cents per share) | (0.03) | (0.24) | - | (0.13) | (0.47) | - |

N.M. : not meaningful

1 (a)(i) Loss from proposed discontinuing operations, net of tax comprises the following :

| Proposed discontinuing operations | Group 3 months ended | | | Group 6 months ended | | |
|--|--------------------------|--------------------------|----------------|--------------------------|--------------------------|----------------|
| | 30/06/2010 (3 months) | 30/06/2009 (3 months) | % Change | 30/06/2010 (6 months) | 30/06/2009 (6 months) | % Change |
| | \$'000 | \$'000 | | \$'000 | \$'000 | |
| Revenue | 1,684 | 853 | 97.42 | 3,047 | 1,801 | 69.18 |
| Cost of sales | (1,472) | (1,005) | 46.47 | (2,803) | (2,177) | 28.76 |
| Gross profit/(loss) | 212 | (152) | N.M. | 244 | (376) | N.M. |
| Other income | 1 | - | N.M. | 1 | 233 | (99.57) |
| Selling and distribution expenses | (60) | (86) | (30.23) | (123) | (174) | (29.31) |
| Administrative expenses | (293) | (333) | (12.01) | (690) | (919) | (24.92) |
| Other operating expenses | - | (68) | (100.00) | (9) | (3) | 200.00 |
| Finance costs | (1) | (20) | (95.00) | (5) | (47) | (89.36) |
| Loss before tax from proposed discontinuing operations | (141) | (659) | (78.60) | (582) | (1,286) | (54.74) |
| Income tax expense | - | - | - | - | - | - |
| Loss from proposed discontinuing operations, net of tax | (141) | (659) | (78.60) | (582) | (1,286) | (54.74) |

N.M. : not meaningful

1 (a)(ii) Loss before taxation is arrived after crediting/(charging) the following :

| Continuing operations | Group (3 months ended) | | Group (6 months ended) | |
|---|---------------------------|--------------------------|---------------------------|--------------------------|
| | 30/06/2010 (3 months) | 30/06/2009 (3 months) | 30/06/2010 (6 months) | 30/06/2009 (6 months) |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Depreciation of property, plant and equipment | (102) | - | (203) | - |
| Interest expense | (50) | (69) | (120) | (146) |
| Interest income | 28 | - | 28 | - |
| Net fair value gain on asset held for sale | 195 | - | 195 | - |
| Gain on disposal of property, plant and equipment | - | 46 | - | 48 |
| Gain/(Loss) on foreign exchange | (2) | 18 | 6 | 105 |

| Proposed discontinuing operations | Group (3 months ended) | | Group (6 months ended) | |
|---|---------------------------|--------------------------|---------------------------|--------------------------|
| | 30/06/2010 (3 months) | 30/06/2009 (3 months) | 30/06/2010 (6 months) | 30/06/2009 (6 months) |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Depreciation of property, plant and equipment | (64) | (175) | (130) | (360) |
| Interest expense | (1) | (20) | (5) | (47) |
| Gain on disposal of property, plant and equipment | 1 | 2 | 1 | 278 |
| Gain/(Loss) on foreign exchange | 10 | (69) | (6) | (55) |
| Bad debts written off | - | (3) | - | (3) |
| Write back of allowance for inventory obsolescence | - | 1 | - | 1 |

1(a)(iii) Statement of Comprehensive Income for the second quarter and six months ended 30 June 2010

| | Group (3 months ended) | | Group (6 months ended) | |
|---|---------------------------|--------------------------|---------------------------|--------------------------|
| | 30/06/2010 (3 months) | 30/06/2009 (3 months) | 30/06/2010 (6 months) | 30/06/2009 (6 months) |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Loss net of tax | (629) | (973) | (1,519) | (1,713) |
| Other comprehensive income: | | | | |
| Foreign currency translation | (35) | 739 | (162) | 50 |
| Other comprehensive income for the period, net of tax | (35) | 739 | (162) | 50 |
| Total comprehensive income for the period that is attributable to owners of the parent | (664) | (234) | (1,681) | (1,663) |

1 (b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 30/06/2010 | 31/12/2009 | 30/06/2010 | 31/12/2009 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Non-Current Assets | | | | |
| Property, plant and equipment | 1,944 | 2,368 | 35 | 45 |
| Goodwill | 116,500 | 116,134 | - | - |
| Evaluation assets | 21,702 | 19,401 | - | - |
| | 140,146 | 137,903 | 35 | 45 |
| | | | | |
| Current Assets | | | | |
| Assets held for sale | 3,172 | 4,377 | - | - |
| Inventories | 755 | 976 | 1 | 41 |
| Trade and other receivables | 2,101 | 3,528 | 2,145 | 2,129 |
| Amount due from subsidiaries | - | - | 142,926 | 132,562 |
| Other current assets | 97 | 164 | 5 | 49 |
| Cash and cash equivalents | 13,529 | 22,663 | 10,410 | 20,511 |
| Restricted cash | 2,280 | - | - | - |
| | 21,934 | 31,708 | 155,487 | 155,292 |
| Assets of disposal group classified as held for sale | 2,032 | - | - | - |
| | 23,966 | 31,708 | 155,487 | 155,292 |
| | | | | |
| Current Liabilities | | | | |
| Loans and borrowings | 1,569 | 2,098 | - | 268 |
| Trade and other payables | 18,282 | 23,705 | 12,108 | 12,608 |
| Income tax payable | 144 | 144 | 144 | 144 |
| | 19,995 | 25,947 | 12,252 | 13,020 |
| Liabilities directly associated with disposal group classified as held for sale | 1,944 | - | - | - |
| | 21,939 | 25,947 | 12,252 | 13,020 |
| | | | | |
| Net Current Assets | 2,027 | 5,761 | 143,235 | 142,272 |
| | | | | |
| Non-Current Liabilities | | | | |
| Loans and borrowings | 5,256 | 5,066 | 4,947 | 2,977 |
| | 5,256 | 5,066 | 4,947 | 2,977 |
| Net Assets | 136,917 | 138,598 | 138,323 | 139,340 |
| | | | | |
| Capital and Reserves | | | | |
| Share capital | 176,877 | 176,877 | 176,877 | 176,877 |
| Reserves | (39,960) | (38,279) | (38,554) | (37,537) |
| Total Equity | 136,917 | 138,598 | 138,323 | 139,340 |

1 (b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

| As at 30/06/2010 | | As at 31/12/2009 | |
|------------------|-----------|------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| \$'000 | \$'000 | \$'000 | \$'000 |
| 1,569 | - | 1,830 | 268 |

Amount repayable after one year

| As at 30/06/2010 | | As at 31/12/2009 | |
|------------------|-----------|------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| \$'000 | \$'000 | \$'000 | \$'000 |
| 309 | 4,947 | 2,089 | 2,977 |

| | Group | | Company | |
|---------------------------------------|--------------|--------------|--------------|--------------|
| | 30/06/2010 | 31/12/2009 | 30/06/2010 | 31/12/2009 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Borrowings (Current) | | | | |
| Bank overdrafts | - | 592 | - | 268 |
| MYR – term loan | 1,569 | 1,506 | - | - |
| Total Borrowings (Current) | 1,569 | 2,098 | - | 268 |
| Borrowings (Non-current) | | | | |
| MYR – term loan | 309 | 2,089 | - | - |
| Loans from a corporate shareholder | 4,947 | 2,977 | 4,947 | 2,977 |
| Total Borrowings (Non-Current) | 5,256 | 5,066 | 4,947 | 2,977 |
| Total loans and borrowings | 6,825 | 7,164 | 4,947 | 3,245 |

Details of any collateral

The term loan is secured by first legal charge over the subsidiary's leasehold land and building and by the joint and several personal guarantee of two directors for approximately S\$4.35 million to a bank in Malaysia. In addition, a fresh Corporate Guarantee of approximately S\$4.35 million was provided by the Company.

1 (c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

| | Group 30/06/2010 (3 months) | Group 30/06/2009 (3 months) | Group 30/06/2010 (6 months) | Group 30/06/2009 (6 months) |
|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Operating activities | | | | |
| Loss before tax from continuing operations | (488) | (314) | (937) | (427) |
| Loss before tax from proposed discontinuing operations | (141) | (659) | (582) | (1,286) |
| Loss before tax, total | (629) | (973) | (1,519) | (1,713) |
| Adjustments for: | | | | |
| Write back of allowance for inventory obsolescence | - | (1) | - | (1) |
| Bad debts written off | - | 3 | - | 3 |
| Depreciation of property, plant and equipment | 166 | 175 | 333 | 360 |
| Gain on disposal of property, plant and equipment | (1) | (48) | (1) | (326) |
| Interest expense | 51 | 89 | 125 | 193 |
| Interest income on bank deposits | (28) | - | (28) | - |
| Net fair value gain on asset held for sale | (195) | - | (195) | - |
| | | | | |
| Operating cash flows before changes in working capital | (636) | (755) | (1,285) | (1,484) |
| (Increase)/Decrease in inventories | 174 | (20) | 23 | (66) |
| Decrease in trade and other receivables | 72 | 122 | 166 | 1,373 |
| Decrease in trade and other payables | (2,944) | (320) | (3,982) | (1,577) |
| Cash flows used in operations | (3,334) | (973) | (5,078) | (1,754) |
| | | | | |
| Income tax paid | - | (2) | - | (10) |
| Interest paid | (51) | (89) | (125) | (193) |
| Interest received | 28 | - | 28 | - |
| Net cash flows used in operating activities | (3,357) | (1,064) | (5,175) | (1,957) |
| | | | | |
| Investing activities | | | | |
| Net cash inflow on acquisition of a subsidiary | 1,972 | - | 1,972 | - |
| Proceeds from disposal of property, plant and equipment | 1,462 | 124 | 1,462 | 332 |
| Purchase of property, plant and equipment | (196) | (12) | (224) | (55) |
| Payment for professional fees for the acquisition of Kingworld Resources Limited | - | (191) | - | (506) |
| Purchase of evaluation assets | (1,248) | - | (2,214) | - |
| Net cash flows generated from/(used in) investing activities | 1,990 | (79) | 996 | (229) |
| | | | | |

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| | | | | |
|---|----------------|--------------|----------------|--------------|
| Financing activities | | | | |
| Repayment of term loans | (1,460) | (509) | (1,717) | (925) |
| Repayment of finance leases | - | (43) | - | (103) |
| Repayment of loan to related parties | (2,038) | - | (2,142) | - |
| Repayment of advances to subsidiary's previous shareholder | (2,280) | - | (2,280) | - |
| Loans from a corporate shareholder | 870 | 1,600 | 1,970 | 2,868 |
| Net cash (used in)/generated from financing activities | (4,908) | 1,048 | (4,169) | 1,840 |
| | | | | |
| Net decrease in cash and cash equivalents | (6,275) | (95) | (8,348) | (346) |
| Cash and cash equivalents at beginning of period | 19,870 | (88) | 22,071 | 244 |
| Effect of exchange rate changes on cash and cash equivalents | (33) | 97 | (161) | 16 |
| Cash and cash equivalents at end of the period | 13,562 | (86) | 13,562 | (86) |

Breakdown of Cash & Cash Equivalents at end of the period

| | 30/06/2010 (6 months) | 30/06/2009 (6 months) |
|---|----------------------------------|----------------------------------|
| | \$'000 | \$'000 |
| | | |
| Cash at bank and in hand | 13,529 | 1,654 |
| Bank overdrafts | - | (1,740) |
| Cash and cash equivalents transferred as Assets of disposal group classified as held for sale | 33 | - |
| Cash and cash equivalents at end of the period | 13,562 | (86) |

1 (d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

| | Share Capital | Capital Reduction reserve | Assets revaluation reserve | Foreign currency translation reserve | Accumulated losses | Total equity/ (deficit) |
|---|----------------|---------------------------|----------------------------|--------------------------------------|--------------------|-------------------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Group | | | | | | |
| At 1 January 2009 | 24,145 | 3,710 | 2,298 | (6,099) | (34,194) | (10,140) |
| Loss net of tax | - | - | - | - | (740) | (740) |
| Other comprehensive income for the period | - | - | - | (689) | - | (689) |
| Total comprehensive income for the period | - | - | - | (689) | (740) | (1,429) |
| At 31 March 2009 | 24,145 | 3,710 | 2,298 | (6,788) | (34,934) | (11,569) |
| Loss net of tax | - | - | - | - | (973) | (973) |
| Other comprehensive income for the period | - | - | - | 739 | - | 739 |
| Total comprehensive income for the period | - | - | - | 739 | (973) | (234) |
| At 30 June 2009 | 24,145 | 3,710 | 2,298 | (6,049) | (35,907) | (11,803) |
| | | | | | | |
| At 1 January 2010 | 176,877 | 3,710 | 2,298 | (5,523) | (38,764) | 138,598 |
| Loss net of tax | - | - | - | - | (890) | (890) |
| Other comprehensive income for the period | - | - | - | (127) | - | (127) |
| Total comprehensive income for the period | - | - | - | (127) | (890) | (1,017) |
| At 31 March 2010 | 176,877 | 3,710 | 2,298 | (5,650) | (39,654) | 137,581 |
| Loss net of tax | - | - | - | - | (629) | (629) |
| Other comprehensive income for the period | - | - | - | (35) | - | (35) |
| Total comprehensive income for the period | - | - | - | (35) | (629) | (664) |
| At 30 June 2010 | 176,877 | 3,710 | 2,298 | (5,685) | (40,283) | 136,917 |

| | Share Capital | Capital Reduction reserve | Assets revaluation reserve | Foreign currency translation reserve | Accumulated losses | Total equity/ (deficit) |
|---|----------------|---------------------------|----------------------------|--------------------------------------|--------------------|-------------------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Company | | | | | | |
| At 1 January 2009 | 24,145 | 3,710 | - | - | (36,022) | (8,167) |
| Loss net of tax | - | - | - | - | (464) | (464) |
| Total comprehensive income for the period | - | - | - | - | (464) | (464) |
| At 31 March 2009 | 24,145 | 3,710 | - | - | (36,486) | (8,631) |
| Loss net of tax | - | - | - | - | (1,810) | (1,810) |
| Total comprehensive income for the period | - | - | - | - | (1,810) | (1,810) |
| At 30 June 2009 | 24,145 | 3,710 | - | - | (38,296) | (10,441) |
| | | | | | | |
| At 1 January 2010 | 176,877 | 3,710 | - | - | (41,247) | 139,340 |
| Loss net of tax | - | - | - | - | (433) | (433) |
| Total comprehensive income for the period | - | - | - | - | (433) | (433) |
| At 31 March 2010 | 176,877 | 3,710 | - | - | (41,680) | 138,907 |
| Loss net of tax | - | - | - | - | (584) | (584) |
| Total comprehensive income for the period | - | - | - | - | (584) | (584) |
| At 30 June 2010 | 176,877 | 3,710 | - | - | (42,264) | 138,323 |

1 (d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares or cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There had been no change in the company's share capital in the current reported financial period.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

Total number of issued shares excluding treasury shares as at 30 June 2010 was 455,821,443 (31 December 2009: 455,821,443 shares).

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis on matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in paragraph 5 and 8 below, the Group has adopted the same accounting policies and methods of computation as the audited financial statements for the financial year ended 31 December 2009.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effects of, the change

The Group has adopted applicable Financial Reporting Standards ("FRS"), which became effective for financial years beginning on or after 1 January 2010.

The adoption of the new/revised FRS did not result in any material impact on the Group's results.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

| Continuing operations | Group | |
|--|------------|------------|
| | 30/06/2010 | 30/06/2009 |
| | Cents | Cents |
| Earnings per ordinary share for the period based on net loss attributable to owners of the parent | | |
| (i) Based on weighted average number of ordinary shares on issue; and | (0.21) | (0.16) |
| (ii) On a fully diluted basis | (0.21) | (0.16) |

| Proposed discontinuing operations | Group | |
|--|------------|------------|
| | 30/06/2010 | 30/06/2009 |
| | Cents | Cents |
| Earnings per ordinary share for the period based on net loss attributable to owners of the parent | | |
| (i) Based on weighted average number of ordinary shares on issue; and | (0.13) | (0.47) |
| (ii) On a fully diluted basis | (0.13) | (0.47) |

Basic loss per share is calculated with reference to the net loss attributable to owners of the parent and the weighted average number of ordinary shares of 455,821,443 (30 June 2009: 273,821,443 shares).

There are no potential dilutive ordinary shares outstanding during the period.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the: -**
(a) current period reported on and
(b) immediately preceding financial year

| | Group | | Company | |
|--|------------|------------|------------|------------|
| | 30/06/2010 | 31/12/2009 | 30/06/2010 | 31/12/2009 |
| | Cents | Cents | Cents | Cents |
| Net asset value per ordinary share capital | 30.04 | 30.41 | 30.35 | 30.57 |

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during financial period reported on**

The Company intends to sell and dispose of the entire issued share capital in TRIM Technologies International Pte Ltd ("TRIM Technologies") to Surreyville Pte. Ltd., and is currently in the process of finalizing the terms of the sale (the "Disposal"). The electronics business of the Group is currently carried out and operated by TRIM Technologies, and such business is no longer integral nor critical to the Group. After assessing and evaluating the current market conditions of the electronics business and taking into account the continuing losses of the electronic division, the Board is of the view that it will be in the best interest of the Company to dispose of it. The proposed disposal will enable the Company to focus its resources on the oil and gas exploration and production business. The Board will make further announcement of the proposed disposal when the sale and purchase agreement is signed.

Consequently the results related to the electronics division for the second quarter and six months ended 30 June 2010 are presented separately on the income statement as "Loss from proposed discontinuing operations, net of tax".

8.1 Oil and gas division – continuing operations

For the three months ended 30 June 2010, the Group incurred a loss before tax of S\$488,000 from its oil and gas division.

Losses of this division mainly comprise of administrative expenses related to professional fees, depreciation, payroll, traveling expenses and other monthly overhead for the period.

Other income comprises of interest received on short term deposits, refund of commission on banker guarantee and gain from disposal of leasehold vacant land by our Malaysian subsidiary.

There is no revenue generated from these operations.

8.2 Electronics division – proposed discontinuing operations

Whilst the results of the electronics division have improved compared to the previous periods, it has continued to incur losses of S\$141,000 in the quarter ended 30 June 2010.

8.3 Balance Sheet

8.3.1 As a result of the proposed disposal of electronics division mentioned in paragraph 8 above, the assets and liabilities related to the Disposal have been presented in the balance sheet as “Assets of disposal group classified as held for sale” and “Liabilities directly associated with disposal group classified as held for sale”.

8.3.2 The increase in goodwill has resulted from the acquisition of Orchard Energy Pte Ltd (“Orchard Energy”) and its subsidiaries. Orchard Energy’s name was changed to RH Petrogas Singapore Pte Ltd on 7 July 2010.

8.3.3 The increase in evaluation assets is mainly from the oil and gas division.

8.3.4 Assets held for sale has decreased due to the completion of the disposal of the leasehold vacant land in Penang, Malaysia in quarter ended 30 June 2010. The remaining amount is for the balance of leasehold land together with a single storey detached factory building erected on it, for which the disposal has yet to be completed at the date of this announcement.

The net proceeds from the disposal of the leasehold vacant land has been utilized to repay the Group’s bank borrowings.

8.3.5 Property, plant and equipment, inventories and trade and other receivables have decreased due mainly to the reclassification of the property, plant and equipment, inventories and trade and other receivables related to the Disposal as “Assets of disposal group classified as held for sale”.

8.3.6 Trade and other payables have decreased due mainly to the reclassification of the trade and other payables related to the Disposal as “Liabilities directly associated with disposal group classified as held for sale”. The reduction is also due to repayment to creditors and related parties of Kingworld Resources Limited (“KRL”), which had funded the operations of KRL before the acquisition.

8.3.7 The reduction in bank borrowings has been funded by the net proceeds from the disposal of the leasehold vacant land and also by additional shareholder loans.

8.4 Cash Flow

For the quarter ended 30 June 2010, the Group funded its working capital requirements and repayments of its short term borrowings from additional loans of S\$870,000 from a corporate shareholder. The Group also utilized approximately S\$206,000 from placement proceeds to fund its working capital requirement.

The Group has paid S\$2,280,000 to Orchard Energy’s previous shareholder for the fixed deposits pledged as security for performance bond given by Orchard Energy to the Central Government of the Republic of Indonesia. This is in relation to the activities as set out in the terms of the production sharing contract for exploration and production of petroleum in West Belida Block, Jambi, South Sumatra, Indonesia. The fixed deposits pledged as security for performance bond is treated as restricted cash in the balance sheet.

The net cash inflow on acquisition of a subsidiary comprises the following:

| | 30/06/2010 (3 months) | 30/06/2010 (6 months) |
|---|----------------------------------|----------------------------------|
| | \$'000 | \$'000 |
| Total consideration for 100% equity interest acquired | 351 | 351 |
| Less : Cash and cash equivalents of subsidiary acquired | (2,323) | (2,323) |
| Net cash inflow on acquisition | 1,972 | 1,972 |

The cash and cash equivalents of subsidiary acquired included the restricted cash of S\$2,280,000.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The results of the current financial period were generally in line with: -

- (a) the forecast made in the first quarter financial statement and dividend announcement for financial period ended 31 March 2010, which was released on 10 May 2010; and
- (b) the quarterly update pursuant to Rule 1313(2) of the Listing Manual as announced on 25 May 2010.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

Group's oil & gas business

- Fuyu 1 Block: KRL has submitted the Overall Development Plan of Fuyu 1 Block to relevant authorities for approval. Commercial production will only commence after obtaining such approval.

- West Belida Block: a 2D seismic program of 253 km is scheduled for completion in first quarter 2011, followed by processing and interpretation. Commitment well location will be determined by the final mapping.

Group's electronics business

As stated in paragraph 8, the Company intends to sell and dispose of the entire issued share capital in TRIM Technologies to Surreyville Pte. Ltd., and is currently in the process of finalizing the terms of the sale. As the proposed purchaser is a controlling shareholder of the Company, the proposed disposal will be considered an interested person transaction within the definition of Chapter 9 of the Listing Manual, if transacted. The Board will make further announcement of the proposed disposal when the sale and purchase agreement is signed.

Watch-list

The Company is currently exploring all suitable steps to remove itself from the SGX Watch-List and will update Shareholders via SGXNET announcement as appropriate.

11. Dividend

(a) Current Financial Period Reported on

Any dividend declared for the current financial period reported on? None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?
None

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared / recommended, a statement to that effect

Not applicable.

13. Interested Person Transactions

Not applicable.

14. Confirmation by the board pursuant to Rule 705(5)

We, Dr Tan Jee-Theng, Tony and Dato' Sri Dr Tiong Ik King, being two Directors of **RH PETROGAS LIMITED** (the "Company"), do hereby confirm on behalf of the Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the second quarter and six months financial results for the period ended 30 June 2010 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Dr Tan Jee-Theng, Tony
Director

Dato' Sri Dr Tiong Ik King
Director

BY ORDER OF THE BOARD

Tan Sri Datuk Sir Tiong Hiew King
Executive Chairman
10 August 2010