

RH PETROGAS LIMITED
(Incorporated in Singapore)
(Company Registration Number: 198701138Z)

PROPOSED DISPOSAL OF 100% OF THE ISSUED AND PAID-UP CAPITAL OF TRIM TECHNOLOGIES INTERNATIONAL PTE LTD

The Board of Directors of RH Petrogas Limited (the "Company") wishes to announce that the Company has on 19 August 2010, entered into a definitive sale and purchase agreement ("SPA") with Surreyville Pte. Ltd. (the "Purchaser") for the sale of its entire shareholdings ("Sale Shares") comprising 100% of the issued and paid up capital of TRIM Technologies International Pte Ltd ("TRIM Technologies") for S\$88,000 ("Sale Consideration") (the "Disposal").

1. PRINCIPAL BUSINESS OF TRIM TECHNOLOGIES

The electronics business of the Group is currently carried out and operated by TRIM Technologies. TRIM Technologies is a Singapore incorporated company which is the immediate holding company of TRIM Technologies (China) Pte Ltd and ultimate holding company of TRIM Technologies (Shenzhen) Co. Ltd and TRIM Technologies (Hong Kong) Ltd (collectively "TRIM PRC Group"). As at 30 June 2010, the unaudited net asset value of TRIM PRC Group is approximately S\$88,000.

2. CONSIDERATION

The Sale Consideration was arrived at on a 'willing buyer-willing seller' basis taking into account the net asset value of TRIM PRC Group based on the unaudited financial statements for the financial period ended 30 June 2010 and will be paid by the Purchaser to the Company in cash on the completion date of the SPA, which shall be at least three (3) business days prior to the specified completion date which shall be no later than two (2) weeks after the conditions precedent set out in the SPA are either fulfilled to the satisfaction of the Purchaser or waived by the Purchaser at its discretion.

3. MATERIAL TERMS

The completion is conditional upon, inter alia, the following conditions precedent being fulfilled:

- (i) all consents, approvals and authorisations of bankers, financial institutions, landlords of leases, relevant third parties, government or regulatory authorities (including but not limited to the Singapore Exchange Securities Trading Limited) in connection with the transfer of the Sale Shares from the Company to the Purchaser and the ownership by the Purchaser of the Sale Shares having been obtained;
- (ii) the approval of the shareholders of the Company in an extraordinary general meeting being obtained (if required),
- (iii) no material contract, lease, licence or other similar commercial arrangement of TRIM Technologies or any of its subsidiaries would be terminated or adversely affected as a result of a change in ownership of the Sale Shares;
- (iv) all representations, warranties and undertakings of the Company and the Purchaser under the SPA are complied with;

- (v) the performance of their respective covenants by the Company and the Purchaser under the SPA on or before the completion date;
- (vi) the Company or the Purchaser not having received notice of any injunction or other order, directive or notice restraining or prohibiting, and not being restrained or prohibited from entering into the SPA.

4. RATIONALE

TRIM PRC Group's business operation is neither integral nor critical to the Group's core business in the oil and gas resource sector. After assessing and evaluating the current market conditions of the electronics business and taking into account of the continuing losses of the electronic division, the Company is of the view that it is no longer viable to maintain the TRIM PRC Group. The Disposal was initiated by the Company in order to focus its resources on the oil and gas exploration and production business. The Company has considered the terms of the Disposal, and considered it to be timely and beneficial to the Group, as such divestment will enable the management to channel its resources to the core business segments of exploration, development and production of oil and gas resources.

Since the completion of the acquisition of Kingworld Resources Limited, the core business of the Group has evolved into exploration, development and production of oil and gas resources. In addition, the Company has also completed the acquisition of Orchard Energy Pte Ltd.

5. USE OF PROCEEDS

The Company expects to receive net proceeds of approximately S\$88,000 from the Disposal. The proceeds will be applied towards working capital of the Company.

6. NET LOSS ATTRIBUTABLE TO ASSETS SOLD

The net loss attributable to TRIM PRC Group for the financial period ended 30 June 2010 was approximately S\$582,000. The amount of loss on the Disposal is approximately S\$42,000 after taking into account the estimated expenses of approximately S\$20,000 and a write off of approximately S\$22,000, being the Company's office renovation costs.

7. FINANCIAL EFFECTS OF THE DISPOSAL

The table illustrates the financial effects of the Disposal on (i) the net tangible assets per share of the Company and (ii) the loss per share of the Company based on the audited consolidated financial statements of the Group for the most recently completed financial year ended 31 December 2009:

	Before the Disposal (cents)	After the Disposal (cents)
Effects of the Disposal on the net tangible assets per share assuming that the Disposal has been completed on 31 December 2009 ⁽¹⁾	4.93	4.92
Effects of the Disposal on the loss per share assuming that the Disposal has been completed on 1 January 2009 ⁽²⁾	1.35	0.55

Notes:

- (1) Computed based on the issued share capital of 455,821,443 ordinary shares as at 31 December 2009.
- (2) Computed based on the weighted average number of ordinary shares of 337,505,005 as at 31 December 2009.

8. RELATIVE FIGURES OF THE DISPOSAL UNDER CHAPTER 10 OF THE LISTING MANUAL

Based on the unaudited consolidated financial statements of the Group for the period ended 30 June 2010, the relative figures computed on the bases set out in Rule 1006 of the Listing Manual are as follows:

1006 (a)	Net Asset Value Test	Based on the unaudited consolidated financial statements of the Group for the period ended 30 June 2010, the net asset value of TRIM PRC Group being approximately S\$88,000 represents approximately 0.06% of the Group's net asset value of S\$136,917,000.
1006 (b)	Profits Test	Not meaningful, as the Disposal involves a loss-making company. Based on the unaudited consolidated financial statements of the Group for the period ended 30 June 2010, the Group's unaudited net loss for the period ended 30 June 2010 was S\$1,519,000, of which TRIM PRC Group contributed to S\$582,000, which represents approximately 38% of the Group's net loss.
1006 (c)	Consideration Test	The Sale Consideration of S\$88,000 represents less than 5% of the Company's market capitalisation of approximately S\$221,073,400 as at 18 August 2010 (the market day preceding the date of the SPA).
1006 (d)	Equity securities Test	Not applicable.

None of the relative figures as aforesaid crossed the prescribed threshold that requires Shareholders' approval under Rule 1014 of the Listing Manual. However, as the Disposal relates to a loss-making asset, the Company will be seeking clarification from the SGX-ST on whether the Disposal will constitute a major transaction under Rule 1007 of the Listing Manual, thus attracting shareholders' approval. Rule 1007(1) provides that if any of the relative figures computed pursuant to Rule 1006 is a negative figure, Chapter 10 of the Listing Manual may still be applicable to the transaction at the discretion of the SGX-ST.

9. INFORMATION ABOUT THE PURCHASER

The Purchaser is a company incorporated in Singapore and is a controlling shareholder of the Company, and is deemed to be an interested person within the definition of Chapter 9 of the Listing Manual.

10. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

The Purchaser is a controlling shareholder of the Company, and is deemed to be an interested person within the definition of Chapter 9 of the Listing Manual.

Tan Sri Datuk Sir Tiong Hiew King and Dato' Sri Dr. Tiong Ik King, the Directors of the Company own 55% and 45% respectively of the issued share capital of Woodsville International Limited, which is the holding company of the Purchaser.

The Disposal will be an interested person transaction, which is subject to the approval of the Audit Committee of the Company.

The value of the Disposal is less than S\$100,000. Rule 906(2) of the Listing Manual provides that Rule 906(1) does not apply to any transaction below S\$100,000. Hence, no shareholders' approval is required for the Disposal under Chapter 9 of the Listing Manual.

Save as disclosed above, none of the other Directors and Controlling Shareholders of the Company has any interest, direct or indirect in the Disposal.

11. DOCUMENTS FOR INSPECTION

A copy of the SPA is available for inspection at the Company's registered office at 20 Harbour Drive, PSA Vista #06-03, Singapore 117612 for three months from the date of this Announcement.

By Order of the Board

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