

RH PETROGAS LIMITED

(Company Registration No.: 198701138Z)

USAGE OF PLACEMENT PROCEEDS

Further to the announcement made on 25 August 2010 in relation to re-allocation of the usage of the net placement proceeds of S\$41.6 million from the placement of 54,500,000 new shares at S\$0.80 each in the share capital of RH Petrogas Limited ("the Company"), the Board of Directors of the Company wishes to provide the following update on the usage of the net placement proceeds of S\$41.6 million, as follows:-

Intended uses	Re-allocated uses	Net placement proceeds allocated S\$'000	Net placement proceeds used to date S\$'000	Balance S\$'000
As part payment of the unpaid cash consideration for the acquisition of the entire issued share capital of Kingworld Resources Limited	Not Applicable	10,000	10,000	-
To fund the capital expenditure and operating costs in connection with the crude oil production project at Fuyu 1 Block in preparation for commercial production	To fund the capital expenditure, operating costs and other funding requirements of: (a) the crude oil production project at Fuyu 1 Block in preparation for commercial production; and (b) other petroleum exploration and production projects	30,000	26,226	3,774 ⁽¹⁾
Working capital	Not Applicable	1,615	1,359	256
Total		41,615	37,585	4,030

Note (1) : The balance included the fixed deposits of S\$2,280,000 pledged as security for performance bond given by Orchard Energy Pte Ltd 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 and was disclosed in the unaudited financial statement for period ended 30 September 2010 which was announced on 13 November 2010.

The Board will continue to provide periodic announcements on the utilization of the re-allocated usage of the net placement proceeds as and when the proceeds are materially disbursed.

BY ORDER OF THE BOARD

Tan Sri Datuk Sir Tiong Hiew King
Executive Chairman
29 November 2010