

**USAGE OF PLACEMENT PROCEEDS**

The Board of Directors of the of RH Petrogas Limited (“**the Company**”), refers to its announcement (SGXNet Announcement No 119) made on 29 November 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 wishes to provide the following update on the usage of the net placement proceeds of S\$41.6 million, as follows:-

<b>Intended uses</b>	<b>Re-allocated uses</b>	<b>Net placement proceeds allocated S\$'000</b>	<b>Net placement proceeds used to date S\$'000</b>	<b>Balance S\$'000</b>
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	28,286	1,714 <sup>(1)</sup>
Working capital	Not Applicable	1,615	1,615	-
<b>Total</b>		<b>41,615</b>	<b>39,901</b>	<b>1,714</b>

Note (1) : Included in the balance is the fixed deposit of S\$1,080,000 pledged as security for a performance bond given by RH Petrogas Singapore Pte Ltd (formerly known as 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 “**PSC**”). The amount of the fixed deposit pledged was reduced from S\$2,280,000 to S\$1,080,000 in January 2012 following the fulfillment of the first and second years’ work commitments under the PSC.

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  
21 March 2012