

RH Petrogas Limited

Company Registration No: 198701138Z

Unaudited Third Quarter Financial Statements and Dividend Announcement for the Period Ended 30 September 2012

PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

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

Consolidated Income Statement

	Group (3 months ended)			Group (9 months ended)		
	30/9/2012	30/9/2011	%	30/9/2012	30/9/2011	%
	(3 months)	(3 months)	Change	(9 months)	(9 months)	Change
	US\$'000	US\$'000		US\$'000	US\$'000	
Revenue	20,066	22,308	(10%)	60,353	63,084	(4%)
Cost of sales	(13,193)	(14,925)	(12%)	(37,697)	(40,388)	(7%)
Gross profit	6,873	7,383	(7%)	22,656	22,696	(0%)
Other income	4	1	N.M.	19	1	N.M.
Administrative expenses	(1,443)	(2,101)	(31%)	(3,734)	(4,196)	(11%)
Other expenses	(2,026)	(1,280)	58%	(5,394)	(5,330)	1%
Finance costs	(622)	(359)	73%	(1,769)	(1,093)	62%
Profit before tax	2,786	3,644	(24%)	11,778	12,078	(2%)
Income tax expense	(2,716)	(3,366)	(19%)	(9,618)	(11,624)	(17%)
Profit for the period	70	278	(75%)	2,160	454	N.M.
Basic and fully diluted earnings per share attributable to owners of the Company (cents per share)	0.01	0.06	(83%)	0.45	0.10	N.M.

N.M. : not meaningful

1(a)(i) Profit before tax is arrived after crediting/(charging) the following :

	Group		Group	
	(3 months ended)		(9 months ended)	
	30/9/2012	30/9/2011	30/9/2012	30/9/2011
	(3 months)	(3 months)	(9 months)	(9 months)
	US\$'000	US\$'000	US\$'000	US\$'000
Depletion and amortisation of oil and gas properties	(2,481)	(3,019)	(7,641)	(8,806)
Depreciation of other property, plant and equipment	(110)	(109)	(322)	(329)
Foreign exchange (loss)/gain, net	(154)	86	(277)	136
Interest expense	(443)	(359)	(1,220)	(1,093)
Interest income on bank deposits	3	2	4	2
Loss on crude oil commodity options	(850)	(1,404)	(3,241)	(3,994)
Loss on disposal of other property, plant and equipment	-	-	-	(13)
Management fees	-	(189)	-	(579)
Net fair value (loss)/gain on derivatives	(557)	379	(1,057)	(407)
Share-based payments	(151)	(648)	(409)	(648)
Unwinding of discount on decommissioning provisions	(178)	-	(548)	-

1(a)(ii) Group Earnings before interest, taxation, depreciation and amortisation (EBITDA)

	Group		Group	
	30/9/2012	30/9/2011	30/9/2012	30/9/2011
	(3 months)	(3 months)	(9 months)	(9 months)
	US\$'000	US\$'000	US\$'000	US\$'000
EBITDA	5,998	7,131	21,509	22,306

1(a)(iii) Consolidated Statement of Comprehensive Income for the period ended 30 September 2012

	Group		Group	
	30/9/2012	30/9/2011	30/9/2012	30/9/2011
	(3 months)	(3 months)	(9 months)	(9 months)
	US\$'000	US\$'000	US\$'000	US\$'000
Profit for the period	70	278	2,160	454
Other comprehensive income :				
Foreign currency translation	(20)	48	6	133
Net fair value gain/(loss) on cash flow hedge	-	5,513	3,082	(1,829)
Other comprehensive income for the period, net of tax	(20)	5,561	3,088	(1,696)
Total comprehensive income for the period attributable to owners of the Company	50	5,839	5,248	(1,242)

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

	Group		Company	
	30/9/2012	31/12/2011	30/9/2012	31/12/2011
	US\$'000	US\$'000	US\$'000	US\$'000
Non-Current Assets				
Oil and gas properties	62,987	64,636	-	-
Other property, plant and equipment	1,033	1,187	126	131
Exploration and evaluation assets	63,426	53,449	-	-
Goodwill	139,872	139,872	-	-
Investment in subsidiaries	-	-	-	-
	267,318	259,144	126	131
Current Assets				
Inventories	4,661	5,043	-	-
Other current assets	588	945	68	87
Trade and other receivables	34,529	5,535	445	396
Amount due from subsidiaries	-	-	146,452	161,727
Income tax recoverable	615	-	-	-
Derivatives	86	-	-	-
Cash and short-term deposits	21,701	23,623	13,320	496
	62,180	35,146	160,285	162,706
Current Liabilities				
Income tax payable	5,404	2,425	117	111
Trade and other payables	59,484	49,152	659	738
Derivatives	535	3,194	-	-
Loans and borrowings	5,280	1,387	-	-
	70,703	56,158	776	849
Net Current (Liabilities)/ Assets	(8,523)	(21,012)	159,509	161,857
Non-Current Liabilities				
Provisions	3,057	3,046	-	-
Deferred tax liabilities	39,187	37,619	-	-
Loans and borrowings	38,326	78,628	-	53,515
Other liabilities	1,301	9,011	-	7,710
	81,871	128,304	-	61,225
Net Assets	176,924	109,828	159,635	100,763
Capital and Reserves				
Share capital	199,640	138,201	199,640	138,201
Reserves	(22,716)	(28,373)	(40,005)	(37,438)
Total Equity	176,924	109,828	159,635	100,763

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:-

	Group		Company	
	30/9/2012 US\$'000	31/12/2011 US\$'000	30/9/2012 US\$'000	31/12/2011 US\$'000
Secured				
Amount repayable in one year or less, or on demand	5,280	1,387	-	-
Amount repayable after one year	38,326	25,113	-	-
	43,606	26,500	-	-
Unsecured				
Amount repayable in one year or less, or on demand	-	-	-	-
Amount repayable after one year	-	53,515	-	53,515
	-	53,515	-	53,515
Total				
Amount repayable in one year or less, or on demand				
USD - bank loans	5,280	1,387	-	-
	5,280	1,387	-	-
Amount repayable after one year, comprising				
USD - bank loans	38,326	25,113	-	-
Loan from a related party	-	50,000	-	50,000
Loan from a corporate shareholder	-	3,515	-	3,515
	38,326	78,628	-	53,515
Total loans and borrowings	43,606	80,015	-	53,515

Details of any collateral

The secured borrowings of US\$43.6 million (31 December 2011: US\$26.5 million) relates to the bank loans secured by way of a fixed charge over a subsidiary's bank accounts and all amounts standing to the credit of these accounts and a pledge of shares in certain subsidiaries of the Group.

As announced on 16 July 2012, a loan agreement was entered into between Malayan Banking Berhad and RHP Salawati Holdings B.V. ("RHP Salawati"), a wholly-owned indirect subsidiary of the Company, for loan facilities of up to US\$56.5 million (the "Facility"). The Facility is to refinance the existing loan facilities which RHP Salawati had obtained from BNP Paribas and for, *inter alia*, the working capital requirements of the Company and its subsidiaries.

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

	Group (3 months ended)		Group (9 months ended)	
	30/9/2012	30/9/2011	30/9/2012	30/9/2011
	US\$'000	US\$'000	US\$'000	US\$'000
Operating activities				
Profit before tax	2,786	3,644	11,778	12,078
Adjustments for:				
Depletion and amortisation of oil and gas properties	2,481	3,019	7,641	8,806
Depreciation of other property, plant and equipment	110	109	322	329
Interest expense	443	359	1,220	1,093
Interest income on bank deposits	(3)	(2)	(4)	(2)
Loss on disposal of other property, plant and equipment	-	-	-	13
Net fair value loss/(gain) on derivatives	557	(379)	1,057	407
Share-based payments	151	648	409	648
Unwinding of discount on decommissioning provisions	178	-	548	-
Operating cash flows before changes in working capital	6,703	7,398	22,971	23,372
<u>Changes in working capital</u>				
Decrease/(Increase) in inventories	330	(199)	383	1,906
(Increase)/Decrease in trade and other receivables	(9,138)	(2,516)	(28,638)	17,136
Increase/(Decrease) in trade and other payables	5,854	(1,345)	9,884	(7,587)
Cash flows from operations	3,749	3,338	4,600	34,827
Income tax paid	(709)	(2,403)	(5,691)	(8,338)
Interest paid	(443)	(359)	(1,220)	(1,093)
Interest received	3	2	4	2
Net cash flows from/(used in) operating activities	2,600	578	(2,307)	25,398
Investing activities				
Additions to exploration and evaluation assets	(5,885)	(6,567)	(9,902)	(10,608)
Additions to oil and gas properties	(694)	(1,825)	(5,993)	(9,544)
Cash call contributions for assets retirement obligations	(570)	-	(570)	-
Purchase of other property, plant and equipment	(140)	(35)	(166)	(55)
Net cash flows used in investing activities	(7,289)	(8,427)	(16,631)	(20,207)
Financing activities				
Increase in charge over project accounts	(1,767)	(880)	(1,767)	(762)
Decrease in short-term deposit pledged	-	-	925	-
Net decrease in amounts due to related parties	-	-	-	(10,000)
Proceeds from loans and borrowings	36,486	-	44,486	31,099
Repayment of advances from a corporate shareholder	-	-	-	(4,000)
Repayment on loans and borrowings	(25,990)	-	(27,380)	-
Share issuance expenses	(93)	-	(93)	-
Net cash from/(used in) financing activities	8,636	(880)	16,171	16,337
Net increase/(decrease) in cash and cash equivalents	3,947	(8,729)	(2,767)	21,528
Effect of exchange rate changes on cash and cash equivalents	2	154	3	243
Cash and cash equivalents at beginning of the period	14,152	33,243	20,865	2,897
Cash and cash equivalents at end of the period	18,101	24,668	18,101	24,668

Breakdown of Cash & Cash Equivalents at end of the period

	Group	
	(9 months ended)	
	30/9/2012	30/9/2011
	US\$'000	US\$'000
Cash and short-term deposits	21,701	27,342
Less:		
Short-term deposit pledged	(833)	(1,774)
Charge over project accounts	(2,767)	(900)
Cash and cash equivalents	18,101	24,668

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	Foreign currency translation reserve	Accumulated losses	Cash flow hedge reserve	Employee share option reserve	Total reserves	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Group								
At 1 January 2011	137,616	2,886	(4,660)	(26,798)	-	-	(28,572)	109,044
Profit for the period	-	-	-	176	-	-	176	176
Other comprehensive income for the period	-	-	85	-	(7,342)	-	(7,257)	(7,257)
Total comprehensive income for the period	-	-	85	176	(7,342)	-	(7,081)	(7,081)
At 30 June 2011	137,616	2,886	(4,575)	(26,622)	(7,342)	-	(35,653)	101,963
Profit for the period	-	-	-	278	-	-	278	278
Other comprehensive income for the period	-	-	48	-	5,513	-	5,561	5,561
Total comprehensive income for the period	-	-	48	278	5,513	-	5,839	5,839
Issue of share capital	585	-	-	-	-	-	-	585
Recognition of share-based payment	-	-	-	-	-	63	63	63
At 30 September 2011	138,201	2,886	(4,527)	(26,344)	(1,829)	63	(29,751)	108,450
At 1 January 2012	138,201	2,886	(4,484)	(23,866)	(3,082)	173	(28,373)	109,828
Profit for the period	-	-	-	2,090	-	-	2,090	2,090
Other comprehensive income for the period	-	-	26	-	3,082	-	3,108	3,108
Total comprehensive income for the period	-	-	26	2,090	3,082	-	5,198	5,198
Share-based payments - Grant of equity-settled share options	-	-	-	-	-	258	258	258
At 30 June 2012	138,201	2,886	(4,458)	(21,776)	-	431	(22,917)	115,284
Profit for the period	-	-	-	70	-	-	70	70
Other comprehensive income for the period	-	-	(20)	-	-	-	(20)	(20)
Total comprehensive income for the period	-	-	(20)	70	-	-	50	50
Share issued for debt conversion	61,532	-	-	-	-	-	-	61,532
Share issuance expenses	(93)	-	-	-	-	-	-	(93)
Share-based payments - Grant of equity-settled share options	-	-	-	-	-	151	151	151
At 30 September 2012	199,640	2,886	(4,478)	(21,706)	-	582	(22,716)	176,924

	Share capital	Capital reduction reserve	Accumulated losses	Employee share option reserve	Total reserves	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Company						
At 1 January 2011	137,616	2,886	(35,846)	-	(32,960)	104,656
Loss for the period	-	-	(2,217)	-	(2,217)	(2,217)
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	(2,217)	-	(2,217)	(2,217)
At 30 June 2011	137,616	2,886	(38,063)	-	(35,177)	102,439
Loss for the period	-	-	(1,949)	-	(1,949)	(1,949)
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	(1,949)	-	(1,949)	(1,949)
Issue of share capital	585	-	-	-	-	585
Recognition of share-based payment	-	-	-	63	63	63
At 30 September 2011	138,201	2,886	(40,012)	63	(37,063)	101,138
At 1 January 2012	138,201	2,886	(40,497)	173	(37,438)	100,763
Loss for the period	-	-	(2,000)	-	(2,000)	(2,000)
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	(2,000)	-	(2,000)	(2,000)
Share-based payments						
- Grant of equity-settled share options	-	-	-	258	258	258
At 30 June 2012	138,201	2,886	(42,497)	431	(39,180)	99,021
Loss for the period	-	-	(976)	-	(976)	(976)
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	(976)	-	(976)	(976)
Share issued for debt conversion	61,532	-	-	-	-	61,532
Share issuance expenses	(93)	-	-	-	-	(93)
Share-based payments						
- Grant of equity-settled share options	-	-	-	151	151	151
At 30 September 2012	199,640	2,886	(43,473)	582	(40,005)	159,635

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 for 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.

SHARE OPTIONS

There were no options awarded in the third quarter ended 30 September 2012 (third quarter ended 30 September 2011: 2,437,000) pursuant to the RHP Share Option Scheme 2011.

The unissued shares of the Company under option as at 30 September 2012 are as follows:

Date of grant of options	Exercise price per share	Balance as at 01.07.12	Granted during the period	Exercised during the period	Cancelled/ lapsed during the period	Number of options outstanding as at 30.09.12	Number of options outstanding as at 30.09.11	Exercise period
22.07.2011	S\$0.59	2,397,000	-	-	-	2,397,000	2,437,000	22.07.2013 to 21.07.2016
02.03.2012	S\$0.37	2,345,000	-	-	-	2,345,000	-	02.03.2014 to 01.03.2017
		<u>4,742,000</u>	-	-	-	<u>4,742,000</u>	<u>2,437,000</u>	

PERFORMANCE SHARE PLAN

There were no shares awarded in the third quarter ended 30 September 2012 (third quarter ended 30 September 2011: 1,000,000 ordinary shares) pursuant to the Performance Share Plan.

SHARE CAPITAL

In the third quarter ended 30 September 2012, the Company issued 157,455,957 new ordinary shares at the issue price of S\$0.492 for each debt conversion share pursuant to the debt conversion exercise approved by shareholders at the Extraordinary General Meeting held on 7 August 2012.

The details of changes in the Company's share capital were as follows:

	<u>No. of ordinary shares</u>	<u>US\$'000</u>
Balance as at 1 July 2012	456,821,443	138,201
Share issued for debt conversion	157,455,957	61,532
Share issuance expenses	-	(93)
Balance as at 30 September 2012	<u>614,277,400</u>	<u>199,640</u>

There were no shares held as treasury shares at as 30 September 2012 and 30 September 2011.

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 September 2012 was 614,277,400 (31 December 2011: 456,821,443).

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 of a 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 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 2011.

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 effect of, the change.

The Group has adopted applicable Financial Reporting Standards ("FRS"), which became effective for financial years beginning on or after 1 January 2012.

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 financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group		Group	
	30/9/2012	30/9/2011	30/9/2012	30/9/2011
	(3 months)	(3 months)	(9 months)	(9 months)
	Cents	Cents	Cents	Cents

Earnings per ordinary share for the period based on net profit attributable to owners of the Company

(i) Based on the weighted average number of ordinary shares on issue; and	0.01	0.06	0.45	0.10
(ii) On a fully diluted basis	0.01	0.06	0.45	0.10

Basic earnings per share is calculated with reference to profit net of tax attributable to owners of the Company and the weighted average number of ordinary shares of 484,979,625 (30 September 2011 : 456,081,516 shares).

Diluted earnings per share are calculated by dividing profit net of tax attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. The weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares were as follows:

	No. of Shares			
	Group		Group	
	30/9/2012	30/9/2011	30/9/2012	30/9/2011
	(3 months)	(3 months)	(9 months)	(9 months)
Weighted average number of ordinary shares for basic earnings per share computation	540,683,855	456,593,182	484,979,625	456,081,516
Effects of dilution:				
- Share options	448,019	222,797	389,001	93,891
Weighted average number of ordinary shares for diluted earnings per share computation	541,131,874	456,815,979	485,368,626	456,175,407

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued share excluding treasury shares of the issuer at the end of the:-

- (a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	30/9/2012	31/12/2011	30/9/2012	31/12/2011
	Cents	Cents	Cents	Cents

Net asset value per ordinary share capital	28.80	24.04	25.99	22.06
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8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) 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; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

8.1 Consolidated Income Statement

Revenue for the third quarter ended 30 September 2012 ("3Q 2012") is lower than that for the third quarter ended 30 September 2011 ("3Q 2011") due mainly to the decrease in average oil price for the period and decline in production primarily due to field's operational issues.

The cost of sales decreased by 12% in 3Q 2012 as compared to 3Q 2011 mainly due to lower operational expenses and decrease in depletion and amortisation of oil and gas properties.

In line with the lower revenue, partially offset by a decrease in cost of production, the gross profit decreased from US\$7,383,000 in 3Q 2011 to US\$6,873,000 in 3Q 2012.

The decrease in administrative expenses for 3Q 2012 as compared to that for 3Q 2011 is mainly due to the absence of share-based payment for issuance of performance shares recorded in 3Q 2011.

Other expenses for 3Q 2012 have increased compared to that of 3Q 2011 mainly due to the following:

- (i) Write off of the remaining capitalized upfront fees and payment of cancellation fees of US\$1,039,000 in relation to the BNP Paribas loan facilities which has been refinanced with loans provided by Malayan Banking Berhad (see Note 1(b)(ii));
- (ii) Fair value loss on interest rate swaps; and
- (iii) Foreign exchange loss.

These increases have been offset by the following:

- (i) Write back of prior year provisions of US\$692,000 for the working interest in Basin PSC which are no longer required; and
- (ii) Cessation of the management fees paid to RH Capital Limited with effect from 1 January 2012.

Finance costs for 3Q 2012 are higher than that for 3Q 2011 due to the increase in interest expense from additional bank borrowings and unwinding of discount on decommissioning provisions.

Income tax expense mainly comprises the Group's share of the Basin and Island PSC's tax expense which is not relieved by the Group's expenses. The decrease in income tax expense is in line with the lower revenue recorded during the period.

8.2 Consolidated Statement of Comprehensive Income

The hedging agreement with BNP Paribas was terminated in July 2012 following the refinancing of the Group's loan facilities and accordingly there was no further net fair value gain/loss recognised in 3Q 2012.

8.3 Balance Sheet

8.3.1 The increase in exploration and evaluation assets is mainly due to further exploration activities at Basin PSC and additional evaluation works at Fuyu block and West Belida block.

8.3.2 The decrease in other current assets is mainly due to the write off of remaining upfront fees which were capitalised in prior year on loan facilities obtained from BNP Paribas.

8.3.3 The increase in trade and other receivables is mainly due to the sale and lifting of crude oil in the Basin PSC.

8.3.4 The income tax recoverable refers to the excess tax paid as a result of operator's update that the Indonesian government is reviewing certain past costs for cost recovery under the Island PSC in 2011.

8.3.5 As required under the new loan facilities, the Group entered into crude oil commodity put options and paid an option premium of US\$720,000. The fair value of the crude oil commodity put options amounting to US\$86,000 was recognized as derivative assets in the balance sheet.

8.3.6 The increase in trade and other payables is mainly attributable to the increase in other creditors of Basin and Island PSCs and adjustment for the over-lift of hydrocarbon against the Group's entitlement.

8.3.7 As required under the new loan facilities, the Group also entered into interest rate swaps to manage its exposure to interest rate movements on its bank borrowings by swapping a proportion of those borrowings from floating rates to fixed rates. The fair value loss on the interest rate swaps of US\$535,000 was charged to the profit and loss and the corresponding entry was recognized as derivative liabilities in the balance sheet.

8.3.8 The increase in income tax payable is due to higher tax provisions for the working interest in Basin PSC and Island PSC.

8.3.9 Loan and borrowings have decreased mainly due to conversion of loan from RH Capital Limited of US\$50,000,000 and Surreyville Pte Ltd of US\$3,515,000 into 127,947,154 and 9,183,600 new ordinary shares respectively on 13 August 2012 (see Note 1(d)(ii)).

8.3.10 Other liabilities have decreased due to conversion of balance purchase consideration of S\$10,000,000 owing to Sharptone Investments Limited for the acquisition of Kingworld Resources Limited, into 20,325,203 new ordinary shares on 13 August 2012 (see Note 1(d)(ii)).

8.4 Cash Flow

The Group recorded net operating cash flows of US\$2,600,000 in 3Q 2012. This was used to fund the Group's exploration and development activities.

The Group has received loan of US\$36,486,000 from Malayan Banking Berhad in 3Q 2012. Of this US\$25,100,000 has been utilised to repay the loan facilities with BNP Paribas.

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

No forecast or prospect statement has been previously disclosed.

10. A commentary at the date of the announcement of the significant trends and 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.

The announcement by major central banks of new programs to buy bonds and to keep interest rates low coupled with the new round of quantitative easing announced by the US Federal Reserve to spur growth and reduce unemployment have provided temporary relief to the global economic scene during the quarter. Brent oil prices recovered from US\$94 per barrel to end the quarter at around US\$111 per barrel, hovering mainly within the US\$110 - US\$120 per barrel region. The global financial system remains fragile with uncertainty in advanced economies affecting emerging market and developing economies and factors such as the challenges posed by oil price volatility may also impact on the Group's performance in 2012.

11. If a decision regarding dividend has been made:-

(a) Whether an interim (final) ordinary has been declared (recommended); and

None.

(b) (i) Amount per share in cents.

Not applicable.

(ii) Previous corresponding period in cents.

Not applicable.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

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

No dividend has been declared or recommended for the quarter ended 30 September 2012.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate from shareholders for IPTs.

14. Negative confirmation 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 unaudited third quarter financial results for the period ended 30 September 2012 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

08 November 2012