

RH PETROGAS LIMITED
(Registration Number: 198701138Z)

PROPOSED PLACEMENT OF UP TO 116,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF RH PETROGAS LIMITED AT A PLACEMENT PRICE OF S\$0.63 PER SHARE

The Board of Directors of RH Petrogas Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has entered into a placement agreement dated 2 October 2013 (“**Placement Agreement**”) with UOB Kay Hian Private Limited as placement agent (“**Placement Agent**”).

Pursuant to the Placement Agreement, the Company has agreed to issue up to 116,000,000 new ordinary shares (“**Placement Shares**”) in the capital of the Company at a placement price of S\$0.63 (“**Placement Price**”) for each Placement Share (“**Placement**”) and the Placement Agent has agreed to procure the subscription and payment for, the Placement Shares at the Placement Price for each Placement Share on a best endeavors basis. A placement commission of 3.5% of the Placement Price for each Placement Share subscribed, is payable by the Company to the Placement Agent pursuant to the Placement Agreement. The Placement is non-underwritten.

The Placement Shares

The Placement Shares will be placed by the Placement Agent to institutional investors pursuant to Section 274 of the Securities and Futures Act (Cap 289) of Singapore, and/or accredited investors pursuant to Section 275 of the Securities and Futures Act (Cap 289) of Singapore.

Conditions precedent and other salient terms

The Placement is conditional upon, *inter-alia* the approval of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) for the listing of and quotation for the Placement Shares on the Official List of the SGX-ST.

The Company will be making an application to the SGX-ST for the listing of and quotation for the Placement Shares on the Official List of the SGX-ST. None of the Placement Shares will be placed to persons within the categories as set out in Rule 812(1) of the Listing Manual of the SGX-ST.

An announcement will be made in due course to notify the shareholders when the approval of the SGX-ST has been obtained.

The Placement Shares are intended to be issued pursuant to the general mandate obtained at the annual general meeting of the Company held on 25 April 2013 which authorises the Directors of the Company pursuant to Section 161 of the Companies Act, Rule 806 of the Listing Manual of the SGX-ST and the Articles of Association of the Company, to allot and issue new shares of up to 20% of the Company’s issued share capital if such shares are not issued on a pro-rata basis to existing shareholders. Assuming that the Placement is fully subscribed, the Placement Shares will represent approximately 18.85% of the Company’s existing issued and paid up share capital of 615,277,400 ordinary shares as at the date of this announcement. The Placement Shares, when issued and fully paid, will rank *pari passu* in all respects with the existing ordinary shares of the Company.

Upon completion of the Placement and assuming the Placement is fully subscribed, the issued and paid up share capital of the Company will increase to 731,277,400 ordinary shares and the Placement Shares will represent approximately 15.86% of the Company’s enlarged share capital after completion of the Placement.

The Placement Price

The Placement Price of S\$0.63 for each Placement Share represents a discount of approximately 9.47% to the weighted average price of S\$0.6959 for trades done on the Company's Shares on the SGX-ST for the full market day on 30 September 2013 and up to the time of the trading halt on 1 October 2013. The Company has effected the above mentioned trading halt of its Shares on 1 October 2013 at 3.10 p.m..

Financial Effects

Solely for illustration purposes only and may not be reflective of the actual future financial situation of the Group upon actualization, the effects of the Placement on the net asset value ("**NAV**") per share and earnings per share ("**EPS**") of the Company and its subsidiaries for the financial year ended 31 December 2012 ("**FY2012**") are set out in the table below.

NAV per share

For illustrative purposes only, the financial effects of the Placement on the NAV of the Group, assuming that the Placement have been completed at the end of FY2012 are as follows:-

	Before the Placement	After the Placement
Effect of the Placement on the NAV per share (US cents) ⁽³⁾	29.47 ⁽¹⁾	32.46 ⁽²⁾

Notes:-

- (1) Computed based on NAV as at 31 December 2012 and the issued share capital of 614,277,400 ordinary shares as at 31 December 2012.
- (2) Computed based on NAV as at 31 December 2012, adjusted for the net proceeds from the Placement Shares and the issued share capital of 730,277,400 ordinary shares, after taking into account the issuance of 116,000,000 Placement Shares.
- (3) The rate of US\$1.00: S\$1.254 which is the average mid-price of the interbank exchange rates of US\$ against S\$ as published in the Business Times taken over a period of three Market Days, being 30 September, 1 and 2 October 2013.

EPS

For illustrative purposes only, the financial effects of the Placement on the EPS of the Group, assuming that the Placement have been completed at the beginning of FY2012 are as follows:-

	Before the Placement	After the Placement
Effect of the Placement on the EPS (US cents) ⁽⁵⁾ :		
- Basic	1.18 ⁽¹⁾	0.96 ⁽³⁾
- Diluted	1.18 ⁽²⁾	0.96 ⁽⁴⁾

Notes:-

- (1) Basic EPS - Computed based on weighted average number of ordinary shares of 517,480,705 as at 31 December 2012.
- (2) Diluted EPS - Computed based on weighted average number of ordinary shares of 517,896,485 after taking into account the effects of dilution arising from the share options issued under RHP Share Option Scheme 2011 that are outstanding as of 31 December 2012, which have been assumed to be issued at the beginning of FY2012.
- (3) Basic EPS - Computed based on weighted average number of ordinary shares of 633,480,705, after taking into account the issue of 116,000,000 Placement Shares.
- (4) Diluted EPS - Computed based on weighted average number of ordinary shares of 633,896,485, after taking into account the issue of 116,000,000 Placement Shares and the effects of dilution arising from the share options issued under RHP Share Option Scheme 2011 that are outstanding as of 31 December 2012, which have been assumed to be issued at the beginning of FY2012.
- (5) The rate of US\$1.00: S\$1.254 which is the average mid-price of the interbank exchange rates of US\$ against S\$ as published in the Business Times taken over a period of 3 Market Days, being 30 September, 1 and 2 October 2013.

Use of Net Proceeds

Assuming the Placement is fully subscribed, the estimated net proceeds from the Placement (after deducting estimated expenses pertaining to the Placement of S\$2,856,000 (equivalent to US\$2,278,000)) will be approximately S\$70,224,000 (equivalent to US\$56,000,000) ("**Net Proceeds**").

The Company intends to allocate and utilize i) up to 90% of the Net Proceeds to fund the operating expenditure and capital expenditure in relation to exploration, development or production activities of Salawati Basin and Salawati Island; and (ii) the balance of the Net Proceeds for the working capital requirements of the Group.

Pending the deployment of the proceeds for the purposes mentioned above, the Net Proceeds may be deposited with banks and/or financial institutions, invested in short-term money markets and/or marketable securities, or used for any other purpose on a short-term basis, as the Directors may, in their absolute discretion, deem appropriate in the interests of the Group.

Interest of Directors and Substantial Shareholders

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect (other than through their shareholdings in the Company), in the Placement.

BY ORDER OF THE BOARD

Tan Sri Datuk Sir Tiong Hiew King
Executive Chairman

2 October 2013