

## **RH PETROGAS LIMITED**

(Registration Number: 198701138Z)

---

### **PROFIT WARNING**

---

The Board of Directors (the “**Board**”) of RH Petrogas Limited (the “**Company**”) wishes to announce that following a review of the unaudited financial results of the Company and its subsidiaries (the “**Group**”) for the third quarter period ended 30 September 2013 (“**3Q2013**”), the Group is expected to record a loss for the 3Q2013, which will result in a loss for the full financial year ending 31 December 2013 (“**FY2013**”).

The expected loss is mainly due to the following factors:

- (1) Following a review of the results of the exploration wells – Klaimas-1, Klabaru-1 and Klari-2 – drilled in the Kepala Burung Production Sharing Contract (“**Basin PSC**”), the Group has decided that these three wells are either non-commercial or non-conclusive and that no further work will be carried out on these wells. As such, the Group will write off all the past costs incurred on these three wells as well as the estimated costs associated with plugging and abandoning these wells, amounting to a total of approximately US\$14.0 million. At the same time, the Group will also write back the deferred tax liabilities of approximately US\$6.0 million previously provided for these wells. The net impact on the Group’s 3Q2013 results is a write-off of approximately US\$8.0 million. Under the Production Sharing Contract regime for the Basin PSC, such exploration costs are recoverable from the Basin PSC oil and gas production.
- (2) Following a review of the preliminary results of an audit on the Basin PSC and the Salawati Kepala Burung Production Sharing Contract (“**Island PSC**”) conducted by an external accounting firm during the third quarter of 2013, the Group has decided to make a provision of approximately US\$3.8 million, mainly in respect of certain inventories which have become obsolete. The Group deems it prudent to make the full provision at this time pending final resolution of the matter.

The Group is in the business of exploration, development and production of oil and natural gas. To build and grow the Group’s oil and gas portfolio, the Group will from time to time explore for and drill exploration wells with a view to adding to the Group’s existing reserves and resources. Exploration success will contribute to the Group’s organic growth and add value to stakeholders. At the time of this announcement, testing of the Zircon-1 exploration well drilled in the Island PSC is on-going, while preparation is underway to conduct wire-line logging in the Klagalo-1 exploration well drilled in the Basin PSC.

Barring the above write-off and provision, the Group would have recorded higher net profit for 3Q2013 as compared with the corresponding period ended 30 September 2012.

This profit warning is based on a preliminary review of the draft management accounts of the Group for 3Q2013. Details of the Group’s financial performance for 3Q2013 and FY2013 will be disclosed when the Company announces its un-audited consolidated financial statement for the relevant periods.

In the meantime, the Board wishes to advise shareholders of the Company and investors to exercise caution when dealing in the shares of the Company.

### **BY ORDER OF THE BOARD**

Tan Sri Datuk Sir Tiong Hiew King  
Executive Chairman  
8 November 2013