

RH Petrogas Limited

Company Registration No: 198701138Z

Unaudited Full Year Financial Statements and Dividend Announcement for the Year Ended 31 December 2013

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

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 year of the immediately preceding financial year.

Consolidated Income Statement

	Group		
	Year	Year	%
	2013	2012	Change
	US\$'000	US\$'000	
Revenue	86,393	86,376	0%
Cost of sales	(58,720)	(54,179)	8%
Gross profit	27,673	32,197	(14%)
Other income	1,442	39	N.M.
Administrative expenses	(6,114)	(5,319)	15%
Other expenses	(82,595)	(8,487)	N.M.
Finance costs	(3,340)	(2,222)	50%
(Loss)/Profit before tax	(62,934)	16,208	N.M.
Income tax expense	(2,949)	(10,105)	(71%)
(Loss)/Profit for the year	(65,883)	6,103	N.M.
(Loss)/earnings per share attributable to owners of the Company (cents per share)			
Basic	(10.30)	1.18	N.M.
Diluted	(10.29)	1.18	N.M.

N.M. : not meaningful

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

	Group	
	Year 2013	Year 2012
	US\$'000	US\$'000
Allowance for inventory obsolescence	(4,356)	(456)
Amortisation of upfront fee paid for loans granted	(393)	(220)
Depletion and amortisation of oil and gas properties	(10,531)	(10,389)
Depreciation of other property, plant and equipment	(422)	(437)
Realisation of foreign currency translation on dissolution of subsidiaries	(4,557)	-
Foreign exchange gain/(loss), net	1,379	(242)
Interest expense	(2,563)	(1,811)
Interest income from bank deposits	30	19
Impairment loss on goodwill	(28,758)	-
Loss on disposal of other property, plant and equipment	-	(53)
Loss on crude oil commodity options	-	(3,241)
Net fair value loss on derivatives	(86)	(1,078)
Share-based payments	(965)	(559)
Unwinding of discount on decommissioning provisions	(777)	(411)
Write off of unsuccessful exploration and evaluation expenditures	(44,213)	(1,502)
Write off of upfront fees upon termination of loan	-	(789)
Write back of/(Allowance for) doubtful debts, net	584	(333)

1(a)(ii) Consolidated Statement of Comprehensive Income for the year ended 31 December 2013

	Group	
	Year 2013	Year 2012
	US\$'000	US\$'000
(Loss)/Profit for the year	(65,883)	6,103
Other comprehensive income :		
<u>Item that may be reclassified subsequently to profit or loss:</u>		
Net gain on fair value changes of cash flow hedge	-	3,082
Realisation of foreign currency translation on dissolution of subsidiaries	4,557	-
Foreign currency translation	(483)	17
Other comprehensive income for the year, net of tax	4,074	3,099
Total comprehensive income for the year attributable to owners of the Company	(61,809)	9,202

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	
	31 Dec 2013 US\$'000	31 Dec 2012 US\$'000	31 Dec 2013 US\$'000	31 Dec 2012 US\$'000
Non-Current Assets				
Oil and gas properties	73,455	67,657	-	-
Other property, plant and equipment	1,593	911	87	123
Exploration and evaluation assets	59,519	66,571	-	-
Goodwill	111,115	139,872	-	-
	245,682	275,011	87	123
Current Assets				
Inventories	953	6,494	-	-
Other current assets	622	539	51	46
Trade and other receivables	34,821	8,816	557	479
Amounts due from subsidiaries	-	-	148,042	143,110
Derivatives	-	17	-	-
Cash and short-term deposits	52,448	28,615	21,927	15,991
	88,844	44,481	170,577	159,626
Current Liabilities				
Income tax payable	2,190	2,798	-	118
Trade and other payables	64,079	49,403	780	711
Derivatives	257	488	-	-
Loans and borrowings	13,680	5,280	-	-
	80,206	57,969	780	829
Net Current Assets/(Liabilities)	8,638	(13,488)	169,797	158,797
Non-Current Liabilities				
Provisions	4,197	2,371	-	-
Deferred tax liabilities	38,066	39,817	-	-
Loans and borrowings	33,526	37,006	-	-
Other liabilities	1,301	1,301	-	-
	77,090	80,495	-	-
Net Assets	177,230	181,028	169,884	158,920
Equity attributable to owners of the Company				
Share capital	257,650	199,640	257,650	199,640
Reserves	(80,420)	(18,612)	(87,766)	(40,720)
Total Equity	177,230	181,028	169,884	158,920

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 year reported on with comparative figures as at the end of the immediately preceding financial year:-

	Group		Company	
	31 Dec 2013 US\$'000	31 Dec 2012 US\$'000	31 Dec 2013 US\$'000	31 Dec 2012 US\$'000
Secured				
Amount repayable in one year or less, or on demand	13,680	5,280	-	-
Amount repayable after one year	33,526	37,006	-	-
	47,206	42,286	-	-
Unsecured				
Amount repayable in one year or less, or on demand	-	-	-	-
Amount repayable after one year	-	-	-	-
	-	-	-	-
Total				
Amount repayable in one year or less, or on demand				
USD - bank loans	13,680	5,280	-	-
	13,680	5,280	-	-
Amount repayable after one year, comprising				
USD - bank loans	33,526	37,006	-	-
	33,526	37,006	-	-
Total loans and borrowings	47,206	42,286	-	-

Details of any collateral

The secured borrowings of US\$47.2 million (31 December 2012: US\$42.3 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.

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

	Group	
	Year	Year
	2013	2012
	US\$'000	US\$'000
Operating activities		
(Loss)/Profit before tax	(62,934)	16,208
Adjustments for:		
Allowance for inventory obsolescence	4,356	456
Amortisation of upfront fee paid for loans granted	393	220
Depletion and amortisation of oil and gas properties	10,531	10,389
Depreciation of other property, plant and equipment	422	437
Realisation of foreign currency translation on dissolution of subsidiaries	4,557	-
Interest expense	2,563	1,811
Interest income on bank deposits	(30)	(19)
Impairment loss on goodwill	28,758	-
Loss on disposal of other property, plant and equipment	-	53
Net fair value loss on derivatives	86	1,078
Share-based payments	965	559
Unwinding of discount on decommissioning provisions	777	411
Unsuccessful exploration and evaluation expenditures	44,213	1,502
Write off of upfront fees upon termination of loan	-	789
Write back of/(Allowance for) doubtful debts, net	(584)	333
Operating cash flows before changes in working capital	34,073	34,227
<u>Changes in working capital</u>		
Decrease/(Increase) in inventories	1,193	(1,905)
Increase in trade and other receivables	(25,882)	(3,570)
Increase in trade and other payables	10,585	478
Cash flows from operations	19,969	29,230
Income tax paid	(5,302)	(7,539)
Interest paid	(2,563)	(1,811)
Interest received	30	19
Net cash flows from operating activities	12,134	19,899
Investing activities		
Additions to oil and gas properties	(19,407)	(10,810)
Additions to exploration and evaluation assets	(28,578)	(17,169)
Cash call contributions for assets retirement obligations	(911)	(1,087)
Purchase of other property, plant and equipment	(1,083)	(174)
Net cash flows used in investing activities	(49,979)	(29,240)
Financing activities		
Increase in charge over project accounts	-	(1,767)
Decrease on short-term deposit pledged	884	874
Proceeds from loans and borrowings	10,900	44,486
Proceeds from issuance of new shares	58,199	-
Proceeds from exercise of employee share options	940	-
Purchase of crude oil commodity options	(300)	(720)
Repayment of loans and borrowings	(5,980)	(28,700)
Share issuance expenses	(2,093)	(93)
Upfront fee paid for loans granted	-	(645)
Net cash from financing activities	62,550	13,435
Net increase in cash and cash equivalents	24,705	4,094
Effect of exchange rate changes on cash and cash equivalents	12	5
Cash and cash equivalents at beginning of the year	24,964	20,865
Cash and cash equivalents at end of the year	49,681	24,964

Breakdown of Cash & Cash Equivalents at end of the year

	Group	
	Year 2013	Year 2012
	US\$'000	US\$'000
Cash and short-term deposits	52,448	28,615
Less:		
Short-term deposits pledged	-	(884)
Charge over project accounts	(2,767)	(2,767)
Cash and cash equivalents	49,681	24,964

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 year 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 2012	138,201	2,886	(4,484)	(23,866)	(3,082)	173	(28,373)	109,828
Profit for the year	-	-	-	6,103	-	-	6,103	6,103
Other comprehensive income for the year	-	-	17	-	3,082	-	3,099	3,099
Total comprehensive income for the year	-	-	17	6,103	3,082	-	9,202	9,202
Share issued for debt conversion	61,532	-	-	-	-	-	-	61,532
Share issuance expenses	(93)	-	-	-	-	-	-	(93)
Share-based payments								
- Grant of equity-settled share options	-	-	-	-	-	559	559	559
At 31 December 2012 and 1 January 2013	199,640	2,886	(4,467)	(17,763)	-	732	(18,612)	181,028
Loss for the year	-	-	-	(65,883)	-	-	(65,883)	(65,883)
Other comprehensive income for the year	-	-	4,074	-	-	-	4,074	4,074
Total comprehensive income for the year	-	-	4,074	(65,883)	-	-	(61,809)	(61,809)
Issuance of new shares	58,199	-	-	-	-	-	-	58,199
Share issuance expenses	(2,093)	-	-	-	-	-	-	(2,093)
Share-based payments								
- Award of performance shares	397	-	-	-	-	-	-	397
- Grant of equity-settled share options	1,507	-	-	-	-	1	1	1,508
At 31 December 2013	257,650	2,886	(393)	(83,646)	-	733	(80,420)	177,230

	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 2012	138,201	2,886	(40,497)	173	(37,438)	100,763
Loss for the year, representing total comprehensive income for the year	-	-	(3,841)	-	(3,841)	(3,841)
Share issued for debt conversion	61,532	-	-	-	-	61,532
Share issuance expenses	(93)	-	-	-	-	(93)
Share-based payments						
- Grant of equity-settled share options	-	-	-	559	559	559
At 31 December 2012 and 1 January 2013	199,640	2,886	(44,338)	732	(40,720)	158,920
Loss for the year, representing total comprehensive income for the year	-	-	(47,047)	-	(47,047)	(47,047)
Issuance of shares	58,199	-	-	-	-	58,199
Share issuance expenses	(2,093)	-	-	-	-	(2,093)
Share-based payments						
- Award of performance shares	397	-	-	-	-	397
- Grant of equity-settled share options	1,507	-	-	1	1	1,508
At 31 December 2013	257,650	2,886	(91,385)	733	(87,766)	169,884

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 year reported on and as at the end of the corresponding period of the immediately preceding financial year.

SHARE OPTIONS

As at 31 December 2013, there were 3,638,500 options (as at 31 December 2012: 2,345,000) granted under the RHP Share Options Scheme 2011 which are exercisable after the second anniversary of the grant date and expiring on the fifth anniversary of such grant date.

The unissued shares of the Company under option as at 31 December 2013 are as follows:

Date of grant of options	Exercise price per share	Balance as at 01.01.13	Granted during the year	Exercised during the year	Cancelled/lapsed during the year	Number of options outstanding as at 31.12.13	Number of options outstanding as at 31.12.12	Exercise period
22.07.2011	S\$0.59	2,397,000	-	(2,000,000)	(72,000)	325,000	2,397,000	23.07.2013 to 21.07.2016
02.03.2012	S\$0.37	2,345,000	-	-	(1,042,000)	1,303,000	2,345,000	03.03.2014 to 01.03.2017
05.03.2013	S\$0.42	-	3,638,500	-	(1,540,000)	2,098,500	-	06.03.2015 to 04.03.2018
		4,742,000	3,638,500	(2,000,000)	(2,654,000)	3,726,500	4,742,000	

PERFORMANCE SHARE PLAN

As at 31 December 2013, the Company issued 1,000,000 (as at 31 December 2012: not applicable) new ordinary shares pursuant to an award and vesting of 1,000,000 new ordinary shares pursuant to the RHP Performance Share Plan.

SHARE CAPITAL

In the fourth quarter period ended 31 December 2013, the Company carried out a placement with the issue of 116,000,000 new ordinary shares in the share capital of the Company at the issue price of S\$0.63 per share which was completed on 16 October 2013.

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

	No. of ordinary shares	U\$'000
Balance as at 1 January 2013	614,277,400	199,640
Issuance of new shares pursuant to the Performance Share Plan	1,000,000	397
Issuance of new shares pursuant to the RHP Share Option Scheme 2011	2,000,000	1,507
Issuance of new shares pursuant to the placement of new ordinary shares	116,000,000	58,199
Share issuance expenses	-	(2,093)
Balance as at 31 December 2013	733,277,400	257,650

There were no shares held as treasury shares as at 31 December 2013 (as at 31 December 2012: Nil).

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial year and as at the end of the immediately preceding year.

Total number of issued shares excluding treasury shares as at 31 December 2013 was 733,277,400 (31 December 2012: 614,277,400).

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 year 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 2012.

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 2013.

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

	Group	
	Year 2013	Year 2012
	Cents	Cents
(Loss)/Earnings per ordinary share for the year based on net (loss)/profit attributable to owners of the Company		
(i) Based on the weighted average number of ordinary shares on issue; and	(10.30)	1.18
(ii) On a fully diluted basis	(10.29)	1.18

Basic (loss)/earnings per share is calculated with reference to (loss)/profit net of tax attributable to owners of the Company and the weighted average number of ordinary shares of 639,685,619 (31 December 2012 : 517,480,705 shares).

Diluted (loss)/earnings per share are calculated by dividing (loss)/profit, net of tax attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the year 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	
	Year 2013	Year 2012
	Weighted average number of ordinary shares for basic (loss)/earnings per share computation	639,685,619
Effects of dilution:		
- Share options	783,556	415,780
Weighted average number of ordinary shares for diluted (loss)/earnings per share computation	640,469,175	517,896,485

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 year reported on; and
(b) immediately preceding financial year.

	Group		Company	
	31 Dec 2013	31 Dec 2012	31 Dec 2013	31 Dec 2012
	Cents	Cents	Cents	Cents
Net asset value per ordinary share capital	24.17	29.47	23.17	25.87

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

The Group recorded revenue of US\$86,393,000 for the financial year ended 31 December 2013 ("FY2013"), relatively unchanged as compared with the revenue for financial year ended 31 December 2012 ("FY2012"). Though average production and realised oil prices for FY2013 were lower than those for FY2012, these were offset by the Group's higher oil and gas entitlement from the cost recovery for FY2013 under the terms of the production sharing contracts ("PSC") of the Basin and Island PSCs.

The cost of sales increased by 8% in FY2013 as compared to FY2012 mainly due to higher production costs in Basin PSC and Island PSC.

In line with the higher cost of production, the gross profit decreased by 14% from US\$32,197,000 in FY2012 to US\$27,673,000 in FY2013.

The increase in other income for FY2013 as compared to that for FY2012 is mainly due to the unrealised foreign exchange gain of US\$1,379,000.

The increase in administrative expenses for FY2013 as compared to that for FY2012 is mainly due to share-based payments for the issuance of performance shares to a director (see Paragraph 1(d)(ii)) and the increase in staff costs.

Other expenses for FY2013 have increased compared to that of FY2012 mainly due to the impairment loss on goodwill of US\$28,758,000, write-off of unsuccessful exploration and evaluation expenditures of US\$44,213,000 and realisation of foreign currency translation loss on dissolution of subsidiaries of US\$4,557,000, offset by reduction and losses on derivatives and crude oil commodity options of US\$4,233,000.

Finance costs for FY2013 are higher than that for FY2012 mainly 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 PSC and Island PSC's tax expense which is not relieved by the Group's expenses. The decrease in income tax expense is due to lower charges for both deferred and current income taxes for Basin PSC and Island PSC in FY2013.

As a result of the above, the Group recorded a net loss of US\$65,883,000 and EBITDAX (see Paragraph 15) of US\$28,887,000 for FY2013 compared to net profit of US\$6,103,000 and EBITDAX of US\$30,758,000 in FY2012.

8.2 Balance Sheet

8.2.1 The increase in oil and gas properties is mainly due to further development activities at Basin PSC and Island PSC.

8.2.2 The decrease in exploration and evaluation assets is mainly due to the write off of unsuccessful exploration wells and unsuccessful exploration and evaluation expenditures in Basin PSC, Island PSC and West Belida PSC, partially offset by further exploration activities at Basin PSC and Island PSC, commencement of exploration activities at SK331 PSC and pre-development preparation activities at Fuyu 1 Block.

8.2.3 The decrease in goodwill is mainly due to the charge of goodwill impairment of US\$28,758,000 which arose from the acquisition of the working interest in Basin PSC and Island PSC and subsequent unsuccessful exploration results.

8.2.4 The decrease in inventories is due to allowance for inventory obsolescence of US\$4,356,000 and utilisation of well supplies and raw materials for well drillings and daily operating activities.

8.2.5 The increase in trade and other receivables is mainly due to the sale and lifting of crude oil from the Basin PSC and Island PSC of US\$25,770,000 in December 2013 with the proceeds received in January 2014.

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

8.2.7 As required under the new loan facilities, the Group 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 liability of the interest rate swaps is recognised as derivatives in the balance sheet.

8.2.8 The increase in provisions is mainly due to the increase in decommissioning provisions for Basin PSC and Island PSC.

8.2.9 Loan and borrowings have increased mainly due to the drawdown of the bank loan of US\$10,900,000 from Malayan Banking Berhad in the first quarter period ended 31 March 2013, and offset by repayment of the bank loan of US\$5,980,000.

8.3 Cash Flow

The Group recorded net operating cash flows of US\$12,134,000 in FY2013. This was used to partly fund the Group's exploration and development activities and repayment of bank loan.

In the fourth quarter period ended 31 December 2013, the Group successfully raised net proceeds of S\$70,267,000 from the placement of 116,000,000 new ordinary shares at a price of S\$0.63 per share, as announced on 16 October 2013. Please refer to paragraph 21 for the update on the use of proceeds from the placement.

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.

Brent crude price averaged around US\$109 per barrel for the whole of 2013 as well as for 4Q2013. For the year ahead, concerns with the projected increase in non-OPEC supplies and the potential impact resulting from the US Federal Reserve's tapering of its stimulus programme might weigh down on oil prices.

Barring unforeseen circumstances, the Group is cautiously optimistic about its business prospects in 2014. A number of positive developments including development plan approvals for North Klalin (Basin PSC), SE Walio (Basin PSC), and Fuyu 1 Block are anticipated, which when received, will add on to the Group's reserves and production.

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.

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).

Not required for full year results announcement.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

15. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

The Group only operates in oil and gas sector.

	Oil & Gas	
	2013	2012
	US\$'000	US\$'000
Revenue	86,393	86,376
EBITDAX *	28,887	30,758
(Loss)/Profit for the year	(65,883)	6,103
Total assets	334,526	319,492
Total capital expenditure	49,068	28,153
Depreciation and amortisation	(10,953)	(10,826)
Impairment loss on goodwill	(28,758)	-
Net fair value loss on derivatives	(86)	(1,078)
Foreign exchange gain/(loss), net	1,379	(242)
Loss on crude oil commodity options	-	(3,241)
Unwinding of discount on decommissioning provisions	(777)	(411)
Write off of unsuccessful exploration and evaluation expenditures	(44,213)	(1,502)
Realisation of foreign currency translation on dissolution of subsidiaries	(4,557)	-
	EBITDAX *	
	2013	2012
	US\$'000	US\$'000
(Loss)/Profit before tax	(62,934)	16,208
Interest expense	2,563	1,811
Depreciation of other property, plant and equipment	422	437
Depletion and amortisation of oil and gas properties	10,531	10,389
Unwinding of discount on decommissioning provisions	777	411
Write off of unsuccessful exploration and evaluation expenditures	44,213	1,502
Impairment loss on goodwill	28,758	-
Realisation of foreign currency translation on dissolution of subsidiaries	4,557	-
	<u>28,887</u>	<u>30,758</u>

* Earnings before interest, taxation, depreciation, amortisation, exploration expenses, goodwill impairment and other non-recurring items (EBITDAX)

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to Paragraph 8.

17. A breakdown of sales as follows :

	Group		%
	2013 US\$'000	2012 US\$'000	
(a) Sales reported for first half year	38,535	40,287	(4%)
(b) Operating (Loss)/profit after tax before deducting minority interests reported for first half year	(4,258)	2,090	N.M.
(c) Sales reported for second half year	47,858	46,089	4%
(d) Operating (Loss)/profit after tax before deducting minority interests reported for second half year	(61,625)	4,013	N.M.

N.M. : not meaningful

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-

Total Annual Dividend

	Latest Full Year 2013	Previous Full Year 2012
(a) Ordinary	-	-
(b) Preference	-	-
(c) Total	-	-

19. Disclosure of person occupying a managerial position in the issuer or any its principal subsidiaries who is a relative of a director or Chief Executive Officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Board of Directors of RH Petrogas Limited (the "Company") confirms that there is no person occupying a managerial position in the Company or any of its principal subsidiaries that is related to a director or Chief Executive Officer or substantial shareholder of the Company.

20. Interested Person Transactions ("IPT")

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)	
	FY2013 US\$'000	FY2012 US\$'000	FY2013 US\$'000	FY2012 US\$'000
Tan Sri Datuk Sir Tiong Hiew King Acquisition of 50% participating interest in the Production Sharing Contract for Block M-1, Offshore Myanmar ⁽¹⁾	Nil	3,666	Not applicable	Not applicable

Notes :

⁽¹⁾ As announced on 11 December 2012, the Company had executed a farm-in option agreement with Rimbunan Petrogas Limited ("RPL") pursuant to which RPL has granted the Company a seismic option (the "Seismic Option"), to farm-in and acquire 50% of RPL's participating interest in the Production Sharing Contract for Block M-1 located offshore Myanmar. RPL is controlled by Tan Sri Datuk Sir Tiong Hiew King. As announced on 02 August 2013 ((SGXNET Announcement No. 93), the Company has decided not to exercise its Seismic Option which has since lapsed on 7 June 2013.

21. Update on Use of Proceeds from the Placement

The net proceeds from the placement of 116,000,000 new ordinary shares at a price of S\$0.63 per share, which was completed on 16 October 2013, was approximately S\$70,267,000, out of which the amount utilised as at 26 February 2014 was approximately S\$28,844,000 as set out below:

Intended use of net proceeds	Net proceeds from placement of shares S\$'000	Amount utilised S\$'000	Balance S\$'000
To fund the operating expenditure and capital expenditure in relation to exploration, development or production activities of Salawati Basin and Salawati Island	63,240	(25,831)	37,409
Working capital	7,027	(3,013) ⁽¹⁾	4,014
Total	70,267	(28,844)	41,423

Note :

⁽¹⁾ The breakdown of the working capital of S\$3,013,000 utilised was as follows:

	S\$'000
Staff costs	2,114
Office expenses	340
Professional fees	241
Other operating expenses	318
	<u>3,013</u>

The use of proceeds from the placement is in accordance with the intended use.

BY ORDER OF THE BOARD

Chang Cheng-Hsing Francis
Group CEO & Executive Director

28 February 2014