

PROPOSED SALE OF 49% OF THE ENTIRE ISSUED SHARE CAPITAL OF RHP (MUKAH) PTE. LTD. AS AN INTERESTED PERSON TRANSACTION

1. INTRODUCTION

The Board of Directors of RH Petrogas Limited ("**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that RH Petrogas Investments Pte. Ltd. ("**Vendor**"), a wholly-owned subsidiary of the Company, had on 17 April 2014 entered into a sale and purchase agreement ("**SPA**") with Tumbuh Tiasa Enterprises Sdn. Bhd. ("**Purchaser**") to sell 3,184,881 ordinary shares ("**Sale Shares**") representing 49% of the entire issued share capital of RHP (Mukah) Pte. Ltd. ("**RHP (Mukah)**") to the Purchaser for an aggregate sale consideration of US\$2.79 million ("**Sale Consideration**") ("**Proposed Sale**").

2. INFORMATION ON RHP (MUKAH)

RHP (Mukah) is a company incorporated in Singapore on 10 October 2012, with an issued and paid-up share capital of S\$2.00 comprising of two ordinary shares as at the date of this announcement. The Vendor is the sole shareholder of RHP (Mukah). Prior to completion of the Proposed Sale, the Group will capitalise the amount of US\$5.17 million, being the debt owing by RHP (Mukah) to the Group for the funding of its business operations upto 31 March 2014, as paid-up capital in the capital of RHPM with the issue of 6,499,756 ordinary shares of S\$1.00 each (the "**Debt Conversion**").

RHP (Mukah) is the operator of the SK331 Production Sharing Contract ("**SK331**"), onshore Sarawak, Malaysia and holds an 80% working interest in the block. Its partner is Petronas Carigali Sdn Bhd, which has a 20% working interest and is owned by Petroliaam Nasional Berhad, the national oil company of Malaysia, which is vested with the entire ownership and control of petroleum resources in Malaysia.

3. INFORMATION ON THE PURCHASER

The Purchaser is a company incorporated in Malaysia. Tan Sri Datuk Sir Tiong Hiew King and Dato' Sri Dr. Tiong Ik King, who are both Directors of the Company, together with their family members, indirectly own majority of the issued share capital of the Purchaser. Hence, Tan Sri Datuk Sir Tiong Hiew King and Dato' Sri Dr. Tiong Ik King are deemed to be interested in the Purchaser and the Proposed Sale will amount to an "interested person transaction" under Chapter 9 of the Singapore Exchange Securities Trading Limited Listing Manual ("**Listing Manual**"). Please refer to paragraph 7 of this announcement for further details.

4. SALE CONSIDERATION

The Sale Consideration was arrived at on a 'willing buyer-willing seller' basis taking into account the aggregate amount contributed to-date to fund the business operations of RHP (Mukah) with a 10% premium added on. It will be paid by the Purchaser to the Vendor in cash on the completion date of the SPA, which shall be no later than two (2) weeks after the conditions precedent set out in the SPA are either fulfilled to the satisfaction of the Purchaser or waived by the Purchaser at its discretion.

5. RATIONALE FOR THE PROPOSED SALE

The Proposed Sale is part of the Company's strategy to diversify and reduce its exposure to the exploration risk and cost in relation to SK331. At the date of this announcement, SK331 is still at its exploration phase.

6. VALUE ATTRIBUTABLE TO THE SALE SHARES

The value attributable to the Sale Shares as at 31 December 2013 is a net liability of approximately US\$0.38 million. Following the Debt Conversion referred to in paragraph 2 of this announcement, the value attributable to the Sale Shares is approximately US\$2.1 million. There was no independent valuation conducted for the Sale Shares.

7. INTERESTED PERSON TRANSACTION

The Sale Consideration represents approximately 4.2% of the Group's audited net tangible assets as at 31 December 2013. As the value of the Proposed Sale is less than 5% of the Group's latest audited net tangible assets as at 31 December 2013, when aggregated with other transactions entered into with the same interested person during the same financial year, the Proposed Sale is not subject to the approval of the shareholders of the Company at a general meeting pursuant to Rule 906(1) of the Listing Manual.

Tan Sri Datuk Sir Tiong Hiew King and Dato' Sri Dr. Tiong Ik King, who are both Directors of the Company, together with their family members, indirectly own majority of the issued share capital of the Purchaser. As such, Tan Sri Datuk Sir Tiong Hiew King and Dato' Sri Dr. Tiong Ik King have abstained from voting the Board's review and approval process relating to the Proposed Sale.

The aggregate value of all interested person transactions with Tan Sri Datuk Sir Tiong Hiew King and Dato' Sri Dr. Tiong Ik King during the financial year ending 31 December 2014 up to the date of the announcement is approximately US\$2.82 million, which represents approximately 4.3% of the Group's latest audited net tangible assets as at 31 December 2013.

8. OPINION OF THE AUDIT COMMITTEE

The Audit Committee had reviewed the terms and conditions of the Proposed Sale and is of the opinion that the terms of the Proposed Sale are on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

Dato' Sri Dr. Tiong Ik King, a member of the Audit Committee, had abstained from making any recommendation as he is deemed to be interested in the Proposed Sale.

9. OTHERS

- (a) The Proposed Sale is not expected to have any material impact on the net tangible assets per share and earnings per share of the Group for the financial year ending 31 December 2014.
- (b) As the relative figures under Rule 1006 of the Listing Manual do not exceed 5%, the Proposed Sale is a non-discloseable transaction for the purposes of Chapter 10 of the Listing Manual.
- (c) Save as disclosed above, none of the other Directors and Controlling Shareholders has any interest, direct or indirect, in the Proposed Sale.

BY ORDER OF THE BOARD

Chang Cheng-Hsing Francis
Group CEO & Executive Director

17 April 2014