

## **RH PETROGAS LIMITED**

(Company Registration No.: 198701138Z)

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### **DEVELOPMENT DRILLING COMMENCES AT FUYU 1 BLOCK, JILIN PROVINCE, CHINA**

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The Board of Directors of RH Petrogas Limited (the “**Company**”), is pleased to update that development drilling has commenced at the Yongping Oilfield in the Fuyu 1 Block. This follows the approval of the Overall Development Plan (“**ODP**”) for the phased development of the Yongping Oilfield received from the National Development and Reform Commission (“**NDRC**”) of the People’s Republic of China, announced by the Company on 16 October 2014 (SGX announcement No. SG141016OTHR1XA5).

With a shallow reservoir depth ranging from 200 to 300 metres, the approved ODP entails the drilling of up to 1,008 wells over a five year period. Drilling of the first well commenced on 17 November 2014 and it is expected that up to 15 wells will be drilled and completed before the end of 2014. The wells will then be suspended in readiness to move into production in 2015, once the winter season is over.

The Yongping Oilfield produces low sulphur heavy crude oil with 18.5<sup>0</sup> API. In order for the oil to flow to the surface, thermal recovery using steam injection (Huff and Puff) is required for each well, which will be followed by steam flooding of the field. This thermal recovery method is a mature technology used in the oil & gas industry and the Company has employed the technology with good results in the pilot test area within the field in the last few years.

Besides the Yongping Oilfield development project, the Company continues to process and interpret a new 3D seismic data for future exploration and appraisal programs in the Fuyu 1 Block to further assess its resource potential.

Mr Francis Chang, Chief Executive Officer said: “I am very proud of our China team’s successful effort to begin drilling the first development well after obtaining ODP approval just one month earlier. The pre-development preparation since early 2013 has made this possible. These wells will start contributing to the Group’s production in 2015. The crude sales contract that was signed with CNPC provides a secure market for the oil produced.”

Fuyu 1 Block is located in Songliao Basin, Jilin Province, the People’s Republic of China and is operated by Kingworld Resources Limited (“**KRL**”), a wholly owned subsidiary of the Company. KRL entered into the petroleum contract for Fuyu 1 Block with China National Petroleum Corporation (“**CNPC**”) in November 2007 (“**Fuyu 1 PSC**”). KRL has a 100% working interest in the Fuyu 1 Block during the evaluation phase. Upon the commencement of commercial production under the Fuyu 1 PSC, CNPC would back in for a 51% working interest.

#### **BACKGROUND**

RH Petrogas Limited (“**RHP**”) is an independent upstream oil and gas company headquartered in Singapore. RHP is listed on the mainboard of the Singapore Stock Exchange and is focused on exploration, development and production of oil and gas deposits. RHP has producing, development and exploration blocks in Indonesia, China and Malaysia.

RHP aspires to be a leading independent oil and gas company in the region and is actively looking for further growth opportunities in the sector.

BY ORDER OF THE BOARD

Chang Cheng-Hsing Francis  
Group CEO & Executive Director  
17 November 2014