

RH Petrogas Limited

Company Registration No: 198701138Z

Unaudited Full Year Financial Statements and Dividend Announcement for the Year Ended 31 December 2014

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 2014 US\$'000	Year 2013 US\$'000	% Change
Revenue	75,234	86,393	(13%)
Cost of sales	(62,186)	(58,720)	6%
Gross profit	13,048	27,673	(53%)
Other income	742	1,442	(49%)
Administrative expenses	(4,803)	(6,114)	(21%)
Other expenses	(37,419)	(82,595)	(55%)
Finance costs	(3,145)	(3,340)	(6%)
Loss before tax	(31,577)	(62,934)	(50%)
Income tax credit/(expense)	3,280	(2,949)	N.M.
Loss for the year	(28,297)	(65,883)	(57%)
Attributable to:			
Owners of the Company	(28,216)	(65,883)	(57%)
Non-controlling interests	(81)	-	N.M.
	(28,297)	(65,883)	(57%)
Loss per share attributable to owners of the Company (cents per share)			
Basic	(3.84)	(10.30)	(63%)
Diluted	(3.84)	(10.29)	(63%)

N.M. : not meaningful

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

	Group	
	Year	Year
	2014	2013
	US\$'000	US\$'000
Allowance for doubtful debts, net	(1,455)	-
Allowance for inventory obsolescence	(1,223)	(4,356)
Amortisation of upfront fee paid for loans granted	(426)	(393)
Depletion and amortisation of oil and gas properties	(15,064)	(10,531)
Depreciation of other property, plant and equipment	(511)	(422)
Foreign exchange (loss)/gain, net	(50)	1,379
Interest on bank loans	(2,084)	(2,563)
Interest income from bank deposits	50	30
Impairment loss on goodwill	(20,759)	(28,757)
Impairment loss on oil and gas properties	(10,171)	-
Loss on disposal of other property, plant and equipment	(1)	-
Net fair value gain/(loss) on derivatives	690	(86)
Realisation of foreign currency translation on dissolution of subsidiaries	-	(4,557)
Share-based payments	(116)	(965)
Unwinding of discount on decommissioning provisions	(1,061)	(777)
Unsuccessful exploration and evaluation expenditures	(2,965)	(44,213)

1(a)(ii) Consolidated Statement of Comprehensive Income for the year ended 31 December 2014

	Group	
	Year	Year
	2014	2013
	US\$'000	US\$'000
Loss for the year	(28,297)	(65,883)
Other comprehensive income :		
<u>Item that may be reclassified subsequently to profit or loss:</u>		
Realisation of foreign currency translation on dissolution of subsidiaries	-	4,557
Foreign currency translation	(247)	(483)
Other comprehensive income	(247)	4,074
for the year, net of tax		
Total comprehensive income for the year	(28,544)	(61,809)
Attributable to:		
Owners of the Company	(28,463)	(61,809)
Non-controlling interests	(81)	-
	(28,544)	(61,809)

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 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
	US\$'000	US\$'000	US\$'000	US\$'000
Non-Current Assets				
Oil and gas properties	66,283	73,455	-	-
Development Expenditure	472	-	-	-
Other property, plant and equipment	1,363	1,593	54	87
Exploration and evaluation assets	70,194	59,519	-	-
Goodwill	90,355	111,115	-	-
Amount due from subsidiaries	-	-	93,838	-
Investment in subsidiaries	-	-	273	-
	228,667	245,682	94,165	87
Current Assets				
Inventories	773	953	-	-
Other current assets	426	621	55	51
Trade and other receivables	7,925	34,821	411	557
Amounts due from subsidiaries	-	-	-	148,042
Derivatives	590	1	-	-
Cash and short-term deposits	36,717	52,448	2,146	21,927
	46,431	88,844	2,612	170,577
Current Liabilities				
Income tax payable	1,394	2,190	-	-
Trade and other payables	48,652	64,079	769	780
Derivatives	109	257	-	-
Loans and borrowings	13,680	13,680	-	-
	63,835	80,206	769	780
Net Current (Liabilities)/Assets	(17,404)	8,638	1,843	169,797
Non-Current Liabilities				
Provisions	3,936	4,197	-	-
Loan from non-controlling interest	5,317	-	-	-
Deferred tax liabilities	28,983	38,066	-	-
Loans and borrowings	19,846	33,526	-	-
Other liabilities	1,301	1,301	-	-
	59,383	77,090	-	-
Net Assets	151,880	177,230	96,008	169,884
Equity attributable to owners of the Company				
Share capital	258,160	257,650	258,160	257,650
Reserves	(108,190)	(80,420)	(162,152)	(87,766)
	149,970	177,230	96,008	169,884
Non-controlling interest	1,910	-	-	-
Total Equity	151,880	177,230	96,008	169,884

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 2014 US\$'000	31 Dec 2013 US\$'000	31 Dec 2014 US\$'000	31 Dec 2013 US\$'000
Secured				
Amount repayable in one year or less, or on demand	13,680	13,680	-	-
Amount repayable after one year	19,846	33,526	-	-
	33,526	47,206	-	-
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	13,680	-	-
	13,680	13,680	-	-
Amount repayable after one year, comprising				
USD - bank loans	19,846	33,526	-	-
	19,846	33,526	-	-
Total loans and borrowings	33,526	47,206	-	-

Details of any collateral

The secured borrowings of US\$33.5 million (31 December 2013: US\$47.2 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
	2014	2013
	US\$'000	US\$'000
Operating activities		
Loss before tax	(31,577)	(62,934)
Adjustments for:		
Allowance for doubtful debts, net	1,455	-
Allowance for inventory obsolescence	1,223	4,356
Amortisation of upfront fee paid for loans granted	426	393
Depletion and amortisation of oil and gas properties	15,064	10,531
Depreciation of other property, plant and equipment	511	422
Interest on bank loans	2,084	2,563
Interest income on bank deposits	(50)	(30)
Impairment loss on goodwill	20,759	28,757
Impairment loss on oil and gas properties	10,171	-
Loss on disposal of other property, plant and equipment	1	-
Net fair value (gain)/loss on derivatives	(690)	86
Realisation of foreign currency translation on dissolution of subsidiaries	-	4,557
Share-based payments	116	965
Unwinding of discount on decommissioning provisions	1,061	777
Unsuccessful exploration and evaluation expenditures	2,965	44,213
Operating cash flows before changes in working capital	23,519	34,656
<u>Changes in working capital</u>		
(Increase)/Decrease in inventories	(1,044)	1,193
Decrease/(Increase) in trade and other receivables	25,209	(26,465)
(Decrease)/Increase in trade and other payables	(14,859)	10,585
Cash flows from operations	32,825	19,969
Income tax paid	(6,600)	(5,302)
Interest paid	(2,084)	(2,563)
Interest received	50	30
Net cash flows from operating activities	24,191	12,134
Investing activities		
Additions to oil and gas properties	(5,985)	(19,407)
Additions to development expenditure	(472)	-
Additions to exploration and evaluation assets	(26,536)	(28,578)
Cash call contributions for assets retirement obligations	(1,300)	(911)
Proceeds from partial disposal of subsidiary without change in control	2,786	-
Purchase of other property, plant and equipment	(289)	(1,083)
Net cash flows used in investing activities	(31,796)	(49,979)
Financing activities		
Decrease on short-term deposit pledged	-	884
Loan from non-controlling interest	5,317	-
Proceeds from loans and borrowings	-	10,900
Proceeds from issuance of new shares	-	58,199
Proceeds from exercise of employee share options	292	940
Purchase of crude oil commodity options	(48)	(300)
Repayment of loans and borrowings	(13,680)	(5,980)
Share issuance expenses	-	(2,093)
Net cash (used in)/from financing activities	(8,119)	62,550
Net (decrease)/increase in cash and cash equivalents	(15,724)	24,705
Effect of exchange rate changes on cash and cash equivalents	(7)	12
Cash and cash equivalents at beginning of the year	49,681	24,964
Cash and cash equivalents at end of the year	33,950	49,681

Breakdown of Cash & Cash Equivalents at end of the year

	Group	
	Year	Year
	2014	2013
	US\$'000	US\$'000
Cash and short-term deposits	36,717	52,448
Less:		
Charge over project accounts	(2,767)	(2,767)
Cash and cash equivalents	33,950	49,681

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	Equity Reserve	Employee share option reserve	Total reserves	Non-controlling interest	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Group									
At 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)
<u>Contributions by and distributions to owners</u>									
Issuance of new shares	58,199	-	-	-	-	-	-	-	58,199
Share issuance expenses	(2,093)	-	-	-	-	-	-	-	(2,093)
Share -based payment									
- Award of performance shares	397	-	-	-	-	-	-	-	397
- Grant of equity-settled share options	1,507	-	-	-	-	1	1	-	1,508
At 31 December 2013 and 1 January 2014	257,650	2,886	(393)	(83,646)	-	733	(80,420)	-	177,230
Loss for the year	-	-	-	(28,216)	-	-	(28,216)	(81)	(28,297)
Other comprehensive income for the year	-	-	(247)	-	-	-	(247)	-	(247)
Total comprehensive income for the year	-	-	(247)	(28,216)	-	-	(28,463)	(81)	(28,544)
<u>Contributions by and distributions to owners</u>									
Share -based payment									
- Grant of equity-settled share options	510	-	-	-	-	(102)	(102)	-	408
<u>Changes in ownerships interest in subsidiary</u>									
Partial disposal of subsidiary without change in control	-	-	-	-	795	-	795	1,991	2,786
At 31 December 2014	258,160	2,886	(640)	(111,862)	795	631	(108,190)	1,910	151,880

	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 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)
<u>Contributions by and distributions to owners</u>						
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 and 1 January 2014	257,650	2,886	(91,385)	733	(87,766)	169,884
Loss for the year, representing total comprehensive income for the year	-	-	(74,284)	-	(74,284)	(74,284)
<u>Contributions by and distributions to owners</u>						
Share-based payments						
- Grant of equity-settled share options	510	-	-	(102)	(102)	408
At 31 December 2014	258,160	2,886	(165,669)	631	(162,152)	96,008

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

There were no options granted in the fourth quarter period ended 31 December 2014 (fourth quarter period ended 31 December 2013: Nil). During the financial year ended 31 December 2014, there were 711,800 options (financial year ended 31 December 2013: 3,638,500 options) granted under the RHP Share Option 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 2014 are as follows:

Date of grant of options	Exercise price per share	Balance as at 01.01.14	Granted during the year	Exercised during the year	Cancelled/lapsed during the year	Number of options outstanding as at 31.12.14	Number of options outstanding as at 31.12.13	Exercise period
22.07.2011	S\$0.59	325,000	-	-	(15,000)	310,000	325,000	23.07.2013 to 21.07.2016
02.03.2012	S\$0.37	1,303,000	-	(1,000,000)	(19,000)	284,000	1,303,000	03.03.2014 to 01.03.2017
05.03.2013	S\$0.42	2,098,500	-	-	(50,000)	2,048,500	2,098,500	06.03.2015 to 04.03.2018
07.03.2014	S\$0.42	-	711,800	-	(70,000)	641,800	-	08.03.2016 to 06.03.2019
		3,726,500	711,800	(1,000,000)	(154,000)	3,284,300	3,726,500	

PERFORMANCE SHARE PLAN

There were no shares awarded for the financial year ended 31 December 2014 (financial year ended 31 December 2013: 1,000,000 ordinary shares) pursuant to the Performance Share Plan.

SHARE CAPITAL

There was no change to the Company's issued share capital in the fourth quarter period ended 31 December 2014 (fourth quarter period ended 31 December 2013: 116,000,000 ordinary shares). During the financial year ended 31 December 2014, the Company issued 1,000,000 new ordinary shares (financial year ended 31 December 2013: 119,000,000 ordinary shares) pursuant to the RHP Share Option Scheme 2011.

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

	No. of ordinary shares	US\$'000
Balance as at 1 January 2014	733,277,400	257,650
Issuance of new shares pursuant to the RHP Share Option Scheme 2011	1,000,000	510
Balance as at 31 December 2014	734,277,400	258,160

There were no shares held as treasury shares as at 31 December 2014 (as at 31 December 2013: 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 2014 was 734,277,400 (31 December 2013: 733,277,400).

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 2013.

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 2014.

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 2014	Year 2013
	Cents	Cents
Loss per ordinary share for the year based on net loss attributable to owners of the Company		
(i) Based on the weighted average number of ordinary shares on issue; and	(3.84)	(10.30)
(ii) On a fully diluted basis	(3.84)	(10.29)

Basic loss per share is calculated with reference to loss net of tax attributable to owners of the Company and the weighted average number of ordinary shares of 734,244,720 (31 December 2013 : 639,685,619 shares).

Diluted loss per share are calculated by dividing loss, 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 2014	Year 2013
	Weighted average number of ordinary shares for basic loss per share computation	734,244,720
Effects of dilution:		
- Share options	1,083,202	783,556
Weighted average number of ordinary shares for diluted loss per share computation	735,327,922	640,469,175

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 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
	Cents	Cents	Cents	Cents
Net asset value per ordinary share capital	20.42	24.17	13.08	23.17

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\$75,234,000 for the financial year ended 31 December 2014 ("FY2014") as compared to US\$86,393,000 in the financial year ended 31 December 2013 ("FY2013"). The decrease in revenue is mainly due to the decrease in average realised oil prices and lower cost recovery for FY2014 under the terms of the production sharing contracts ("PSC") of the Basin and Island PSCs.

The cost of sales increased by 6% in FY2014 as compared to FY2013 mainly due to the increase in depletion and amortisation of oil and gas properties in Basin PSC and Island PSC.

In line with the lower revenue and increase in cost of production, the gross profit decreased by 53% from US\$27,673,000 in FY2013 to US\$13,048,000 in FY2014.

The decrease in other income for FY2014 as compared to that for FY2013 is mainly due to absence of foreign exchange gain of US\$1,379,000 which was recorded in FY2013, partially offset by net fair value gain on derivatives of US\$690,000.

The decrease in administrative expenses for FY2014 as compared to that for FY2013 is mainly due to the decrease in share-based payments for the issuance of stock options to directors and employees as well as the decrease in other monthly overheads.

Other expenses for FY2014 have decreased compared to that of FY2013 mainly due to lower impairment loss on goodwill and lower write-off for unsuccessful exploration and evaluation expenditures as well as the absence of realisation of foreign currency translation loss on dissolution of subsidiaries of US\$4,557,000 which was recorded in FY2013, partially offset by impairment loss on oil and gas properties of US\$10,171,000.

Finance costs for FY2014 are lower than that for FY2013 mainly due to the decrease in interest expense as a result of the reduction in bank borrowings.

The income tax credit arises from the write back of deferred tax liabilities of US\$9,084,000 mainly as a result of the impairment loss on oil and gas properties, partially offset by the income tax expense for FY2014 of US\$5,804,000.

As a result of the above, the Group recorded a net loss of US\$28,297,000 and EBITDAX (see Paragraph 15) of US\$21,038,000 for FY2014 compared to net loss of US\$65,883,000 and EBITDAX of US\$28,886,000 in FY2013.

8.2 Balance Sheet

8.2.1 The decrease in oil and gas properties is mainly due to depletion and amortisation and impairment loss. The decrease is partially offset by the transfer of exploration wells in Basin PSC to oil and gas properties which were put on production in third quarter period ended 30 September 2014.

8.2.2 The increase in exploration and evaluation assets is mainly due to further exploration activities at SK331 PSC and commencement of development activities at Fuyu 1 Block. The increase is partially offset by write-off of unsuccessful exploration and evaluation expenditures of US\$2,965,000.

8.2.3 The decrease in goodwill is mainly due to the charge of goodwill impairment of US\$20,759,000 which arose mainly from the acquisition of the working interest in Basin PSC and Island PSC.

8.2.4 The decrease in trade and other receivables is mainly due to the collection of revenue from crude oil and gas sales.

8.2.5 As required under the loan facilities, the Group entered into crude oil commodity put options. The fair value of the crude oil commodity put options as at 31 December 2014 amounting to US\$590,000 was recognised as derivative assets in the balance sheet.

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

8.2.7 As required under the 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 derivative liabilities in the balance sheet.

8.2.8 The increase in loan from non-controlling interest is mainly due to cash call contribution for SK331 PSC from Tumbuh Tiasa Enterprises Sdn Bhd which holds 49% shareholding interest in RHP (Mukah) Pte Ltd (see Paragraph 8.3).

8.2.9 The decrease in provisions is mainly due to the decrease in decommissioning provisions for Basin PSC and Island PSC.

8.2.10 Loan and borrowings have decreased due to repayment of the bank loan of US\$13,680,000.

8.3 Cash Flow

The Group recorded net operating cash flows of US\$24,191,000 in FY2014. This was used to partly fund the Group's exploration and development activities.

The Group received proceeds of US\$2,786,000 from disposal of 49% shareholding interest in RHP (Mukah) Pte Ltd to Tumbuh Tiasa Enterprises Sdn. Bhd. which was completed on 24 September 2014.

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 previously been 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.

Since reaching a year high of US\$115 per barrel in June, Brent has declined sharply to US\$55 per barrel at end of the year 2014. For the whole of 2014, Brent averaged US\$99 per barrel. A combination of factors including weak global demand and strong supply growth from US shale oil and sustained OPEC output continued to weigh on oil prices in the last quarter of the year, with the price decline extending into 2015. The prospect of an oil price rebound remains uncertain in the near term, which may significantly impact the Group's performance in 2015.

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.

17. A breakdown of sales as follows :

	Group		% Change
	2014 US\$'000	2013 US\$'000	
(a) Sales reported for first half year	38,944	38,535	1%
(b) Operating profit/(loss) after tax before deducting minority interests reported for first half year	1,066	(4,258)	N.M.
(c) Sales reported for second half year	36,290	47,858	(24%)
(d) Operating loss after tax before deducting minority interests reported for second half year	(29,363)	(61,625)	(52%)

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 2014	Previous Full Year 2013
(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)	
	FY2014 US\$'000	FY2013 US\$'000	FY2014 US\$'000	FY2013 US\$'000
Tan Sri Datuk Sir Tiong Hiew King and Dato' Sri Dr. Tiong Ik King Sale and purchase agreement with Tumbuh Tiasa Enterprises Sdn. Bhd. ⁽¹⁾	2,786	Nil	Not Applicable	Not Applicable

Note:

⁽¹⁾ As announced on 17 April 2014 (SGXNET Announcement No. SG140417OTHR44E2), RH Petrogas Investments Pte. Ltd. ("RHPI"), a wholly-owned subsidiary of the Company, had entered into a sale and purchase agreement with Tumbuh Tiasa Enterprises Sdn. Bhd. ("TTE") to sell 3,184,881 ordinary shares representing 49% of the entire issued share capital of RHP (Mukah) Pte. Ltd., a wholly-owned subsidiary of RHPI, to the TTE for an aggregate sale consideration of US\$2,786,000 ("Proposed Sale"). TTE is controlled by Tan Sri Datuk Sir Tiong Hiew King. As announced on 24 September 2014 (SGXNET Announcement No. SG140924OTHRNKS), the Proposed Sale has been completed on 24 September 2014.

21. Update on Use of Proceeds from the Placement

As announced on 18 December 2014, the usage of the net placement proceeds of S\$70,267,000 from the placement of 116,000,000 new ordinary shares at a price of S\$0.63 each in the share capital of the Company completed on 16 October 2013 was as follows:-

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	(63,240)	-
Working capital	7,027	(7,027) ⁽¹⁾	-
Total	70,267	(70,267)	-

Note :

⁽¹⁾ The breakdown of the working capital of S\$7,027,000 utilised was as follows:

	S\$'000
Staff costs	4,631
Professional fees	1,016
Office expenses	502
Fixed assets	179
Other operating expenses	699
	<u>7,027</u>

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

The Board wishes to inform that the balance of the net placement proceeds of the above placement have been fully utilized for the aforesaid purposes.

22. Details of exploration (including geophysical surveys), development and/or production activities undertaken by the issuer and a summary of the expenditure incurred on those activities, including explanations for any material variances with previous projections, for the period under review. If there has been no exploration, development and/or production activity respectively, that fact must be stated.

For the financial year ended 31 December 2014, the Group conducted a series of geological and geophysical surveys including surface geochemistry survey, Full Tensor Gradiometry survey, 2D seismic survey and passive seismic survey as well as further evaluation activities, at its SK331, West Belida and Fuyu-1 Blocks, incurring a total of approximately US\$20,994,000. In addition, the Group drilled a number of development wells at its Fuyu-1 and Basin Blocks, incurring approximately US\$6,457,000. The drilling of an exploration well in the Island Block which started in 2013 was completed during the year, incurring approximately US\$5,542,000 for the year.

23. An update on its reserves and resources, where applicable, in accordance with the requirements as set out in Practice Note 6.3, including a summary of reserves and resources as set out in Appendix 7.5.

The Company has commenced and is continuing with a review of its reserves and resources with the assistance of an independent qualified person. Upon completion of the review an update on the Company's reserves and resources will be provided in the Company's Annual Report 2014 together with its full year audited accounts.

BY ORDER OF THE BOARD

Chang Cheng-Hsing Francis
Group CEO & Executive Director

27 February 2015