

RH PETROGAS LIMITED

(Registration Number: 198701138Z)

QUARTERLY STATUS UPDATE ON THE PROGRESS OF THE CRUDE OIL PRODUCTION PROJECT AT FUYU 1 BLOCK

The Board of Directors of RH Petrogas Limited (the “**Company**”), the ultimate holding company of Kingworld Resources Limited (“**KRL**”), wishes to provide the following update on the project undertaken by KRL at Fuyu 1 PSC in the Songliao Basin, Jilin Province, the People’s Republic of China, which covers an area of approximately 255 square kilometres (“**Fuyu 1 Block**”), for the three months ended 31 January 2015:-

1. ANY MATERIAL CHANGES TO THE RESERVES OR RESOURCES (INCLUDING THE REASONS FOR THE CHANGE)

There are no material changes to the reserves or resources since the previous announcement dated 25 November 2009.

2. DETAILS OF DEVELOPMENT AND/OR PRODUCTION ACTIVITIES UNDERTAKEN BY KRL IN RESPECT OF THE FUYU 1 BLOCK PROJECT

As announced on 16 October 2014, the National Development and Reform Commission (“**NDRC**”) of the People’s Republic of China has approved the Overall Development Plan (“**ODP**”) for the phased development of the Yongping Oilfield in Fuyu 1 Block. With this approval, development drilling has commenced at Yongping Oilfield in the Fuyu 1 Block.

The approved ODP entails the drilling of up to 1,008 shallow wells over a five (5) year period. The crude oil in the Fuyu 1 Block is low sulphur and heavy in nature with an API of 18.5°.

Pre-development preparation and the procurement of long lead items started in early 2013. This allowed the drilling of the first 15 development wells to take place soon after the receipt of the ODP approval. The wells were completed within two months of drilling as scheduled. Plans are in place to drill another 40 to 100 shallow development wells in 2015. Production will be ramped up progressively as more wells are drilled under the approved ODP.

3. A SUMMARY OF THE MATERIAL EXPENDITURE INCURRED ON THE EVALUATION, DEVELOPMENT AND/OR PRODUCTION ACTIVITIES FOR THE THREE MONTHS PRECEDING THIS ANNOUNCEMENT

The summary of the expenditure for the three months preceding this announcement is as follows:

	US\$'000
Development expenditure	1,235
Fixed Assets	-
Administrative expenses	196

BY ORDER OF THE BOARD

Chang Cheng-Hsing Francis
Group CEO & Executive Director
27 February 2015