

RH Petrogas Limited

Company Registration No: 198701138Z

Unaudited Full Year Financial Statements and Dividend Announcement for the Year Ended 31 December 2015

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		% Change
	Year 2015 US\$'000	Year 2014 US\$'000	
Revenue	52,976	75,234	(30%)
Cost of sales	(59,003)	(62,186)	(5%)
Gross (loss)/profit	(6,027)	13,048	N.M.
Other income	1,330	742	79%
Administrative expenses	(5,563)	(4,803)	16%
Other expenses	(189,800)	(37,419)	N.M.
Finance costs	(2,664)	(3,145)	(15%)
Loss before tax	(202,724)	(31,577)	N.M.
Income tax credit	20,692	3,280	N.M.
Loss for the financial year	(182,032)	(28,297)	N.M.
Attributable to:			
Owners of the Company	(170,750)	(28,216)	N.M.
Non-controlling interest	(11,282)	(81)	N.M.
	(182,032)	(28,297)	N.M.
Loss per share attributable to owners of the Company (cents per share)			
Basic	(23.25)	(3.84)	N.M.
Diluted	(23.25)	(3.84)	N.M.

N.M. : not meaningful

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

	Group	
	Year 2015	Year 2014
	US\$'000	US\$'000
Allowance for doubtful debts trade receivables	(1,359)	(1,455)
Amortisation of upfront fee paid for loans granted	(289)	(426)
Changes in fair value of contingent liabilities	1,301	-
Depletion and amortisation of oil and gas properties	(14,842)	(15,064)
Depreciation of other plant and equipment	(368)	(511)
Foreign exchange loss, net	(1,942)	(50)
Gain/(loss) on disposal of other plant and equipment	1	(1)
Impairment loss on goodwill	(90,355)	(20,760)
Impairment loss on development expenditures	(3,543)	-
Impairment loss on exploration and evaluation assets	(66,657)	-
Impairment loss on oil and gas properties	(27,126)	(10,171)
Impairment loss on other plant and equipment	(452)	-
Interest expense on bank loans	(1,455)	(2,084)
Interest income from bank deposits	27	50
Net fair value (loss)/gain on derivatives	(254)	690
Share-based payments	(257)	(116)
Unwinding of discount on decommissioning provisions	(1,209)	(1,061)
Unsuccessful development expenditures	(36)	-
Write back/(Unsuccessful) exploration and evaluation expenditures	114	(2,965)
Write back/(Allowance) for inventory obsolescence	2,773	(1,223)

1(a)(ii) Consolidated Statement of Comprehensive Income for the year ended 31 December 2015

	Group	
	Year 2015	Year 2014
	US\$'000	US\$'000
Loss for the financial year	(182,032)	(28,297)
Other comprehensive income :		
<u>Item that may be reclassified subsequently to profit or loss:</u>		
Foreign currency translation	158	(247)
Other comprehensive income for the financial year, net of tax	158	(247)
Total comprehensive income for the financial year	(181,874)	(28,544)
Attributable to:		
Owners of the Company	(170,592)	(28,463)
Non-controlling interests	(11,282)	(81)
	(181,874)	(28,544)

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 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
	US\$'000	US\$'000	US\$'000	US\$'000
Non-Current Assets				
Oil and gas properties	29,372	66,283	-	-
Development expenditures	-	472	-	-
Other plant and equipment	587	1,363	78	54
Exploration and evaluation assets	2,536	70,194	-	-
Goodwill	-	90,355	-	-
Amount due from subsidiaries	-	-	29,221	93,838
Investment in subsidiaries	-	-	-	273
	32,495	228,667	29,299	94,165
Current Assets				
Inventories	2,299	773	-	-
Other current assets	253	426	46	55
Trade and other receivables	19,384	7,925	413	411
Derivatives	3	590	-	-
Cash and short-term deposits	6,280	36,717	383	2,146
	28,219	46,431	842	2,612
Current Liabilities				
Income tax payable	155	1,394	-	-
Trade and other payables	42,645	48,652	616	769
Derivatives	32	109	-	-
Loans and borrowings	19,846	13,680	-	-
	62,678	63,835	616	769
Net Current (Liabilities)/Assets	(34,459)	(17,404)	226	1,843
Non-Current Liabilities				
Provisions	3,616	3,936	-	-
Loan from non-controlling interest	9,406	5,317	-	-
Deferred tax liabilities	6,527	28,983	-	-
Loans and borrowings	8,224	19,846	8,224	-
Other liabilities	-	1,301	-	-
	27,773	59,383	8,224	-
Net (Liabilities)/Assets	(29,737)	151,880	21,301	96,008
Equity attributable to owners of the Company				
Share capital	258,160	258,160	258,160	258,160
Reserves	(278,525)	(108,190)	(236,859)	(162,152)
	(20,365)	149,970	21,301	96,008
Non-controlling interest	(9,372)	1,910	-	-
Total (Deficit)/Equity	(29,737)	151,880	21,301	96,008

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 2015 US\$'000	31 Dec 2014 US\$'000	31 Dec 2015 US\$'000	31 Dec 2014 US\$'000
Secured				
Amount repayable in one year or less, or on demand	19,846	13,680	-	-
Amount repayable after one year	-	19,846	-	-
	19,846	33,526	-	-
Unsecured				
Amount repayable in one year or less, or on demand	-	-	-	-
Amount repayable after one year	8,224	-	8,224	-
	8,224	-	8,224	-
Total				
Amount repayable in one year or less, or on demand				
USD - bank loans	19,846	13,680	-	-
	19,846	13,680	-	-
Amount repayable after one year, comprising				
USD - bank loans	-	19,846	-	-
Loans from related parties	8,224	-	8,224	-
	8,224	19,846	8,224	-
Total loans and borrowings	28,070	33,526	8,224	-

Details of any collateral

The secured borrowings of US\$19.8 million (31 December 2014: US\$33.5 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.

Breach of certain banking covenants

The subsidiary has not met certain banking covenants based on its finalised year-end financial position and is currently in discussion with its banker for a waiver.

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
	2015	2014
	US\$'000	US\$'000
Operating activities		
Loss before tax	(202,724)	(31,577)
Adjustments for:		
Allowance for doubtful debts trade receivables	1,359	1,455
Amortisation of upfront fee paid for loans granted	289	426
Changes in fair value of contingent liabilities	(1,301)	-
Depletion and amortisation of oil and gas properties	14,842	15,064
Depreciation of other plant and equipment	368	511
(Gain)/loss on disposal of other plant and equipment	(1)	1
Interest expense on bank loans	1,455	2,084
Interest income on bank deposits	(27)	(50)
Impairment loss on development expenditures	3,543	-
Impairment loss on exploration and evaluation assets	66,657	-
Impairment loss on goodwill	90,355	20,760
Impairment loss on oil and gas properties	27,126	10,171
Impairment loss on other plant and equipment	452	-
Net fair value loss/(gain) on derivatives	254	(690)
Share-based payments	257	116
Unsuccessful development expenditures	36	-
Unwinding of discount on decommissioning provisions	1,209	1,061
(Write back)/Unsuccessful exploration and evaluation expenditures	(114)	2,965
(Write back)/Allowance for inventory obsolescence	(2,773)	1,223
Operating cash flows before changes in working capital	1,262	23,520
Changes in working capital		
Decrease/(Increase) in inventories	1,232	(1,044)
(Increase)/Decrease in trade and other receivables	(12,965)	25,209
Decrease in trade and other payables	(5,290)	(14,860)
Cash flows (used in)/from operations	(15,761)	32,825
Income tax paid	(3,003)	(6,600)
Interest paid	(1,455)	(2,084)
Interest received	27	50
Net cash flows (used in)/from operating activities	(20,192)	24,191
Investing activities		
Additions to oil and gas properties	(4,992)	(5,985)
Additions to development expenditures	(1,692)	(472)
Additions to exploration and evaluation assets	(1,405)	(26,536)
Cash call contributions for assets retirement obligations	(878)	(1,300)
Proceeds from disposal of subsidiary	-	2,786
Proceeds from disposal of other plant and equipments	1	-
Purchase of other plant and equipment	(94)	(289)
Net cash flows used in investing activities	(9,060)	(31,796)
Financing activities		
Loan from non-controlling interest	4,088	5,317
Loan from related parties	8,224	-
Proceeds from exercise of employee share options	-	292
Proceeds from crude oil commodity options	287	-
Purchase of crude oil commodity options	(32)	(48)
Repayment of loans and borrowings	(13,680)	(13,680)
Net cash used in financing activities	(1,113)	(8,119)
Net decrease in cash and cash equivalents	(30,365)	(15,724)
Effect of exchange rate changes on cash and cash equivalents	(72)	(7)
Cash and cash equivalents at beginning of the financial year	33,950	49,681
Cash and cash equivalents at end of the financial year	3,513	33,950

Breakdown of Cash & Cash Equivalents at end of the financial year

	Group	
	Year	Year
	2015	2014
	US\$'000	US\$'000
Cash and short-term deposits	6,280	36,717
Less:		
Charge over project accounts	(2,767)	(2,767)
Cash and cash equivalents	3,513	33,950

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 2014	257,650	2,886	(393)	(83,646)	-	733	(80,420)	-	177,230
Loss for the financial year	-	-	-	(28,216)	-	-	(28,216)	(81)	(28,297)
Other comprehensive income for the financial year	-	-	(247)	-	-	-	(247)	-	(247)
Total comprehensive income for the financial 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>									
- Disposal of subsidiary without a change of control	-	-	-	-	795	-	795	1,991	2,786
At 31 December 2014 and 1 January 2015	258,160	2,886	(640)	(111,862)	795	631	(108,190)	1,910	151,880
Loss for the financial year	-	-	-	(170,750)	-	-	(170,750)	(11,282)	(182,032)
Other comprehensive income for the financial year	-	-	158	-	-	-	158	-	158
Total comprehensive income for the financial year	-	-	158	(170,750)	-	-	(170,592)	(11,282)	(181,874)
<u>Contributions by and distributions to owners</u>									
Share -based payment - Grant of equity-settled share options	-	-	-	-	-	257	257	-	257
At 31 December 2015	258,160	2,886	(482)	(282,612)	795	888	(278,525)	(9,372)	(29,737)

	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 2014	257,650	2,886	(91,385)	733	(87,766)	169,884
Loss for the financial year, representing total comprehensive income for the financial 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 and 1 January 2015	258,160	2,886	(165,669)	631	(162,152)	96,008
Loss for the financial year, representing total comprehensive income for the financial year	-	-	(74,964)	-	(74,964)	(74,964)
<u>Contributions by and distributions to owners</u>						
Share-based payments						
- Grant of equity-settled share options	-	-	-	257	257	257
At 31 December 2015	258,160	2,886	(240,633)	888	(236,859)	21,301

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 2015 (fourth quarter period ended 31 December 2014: Nil). During the financial year ended 31 December 2015, there were 2,950,000 options (financial year ended 31 December 2014: 711,800 options) 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 2015 are as follows:

Date of grant of options	Exercise price per share	Balance as at 01.01.15	Granted during the year	Exercised during the year	Cancelled/lapsed during the year	Number of options outstanding as at 31.12.15	Number of options outstanding as at 31.12.14	Exercise period
22.07.2011	S\$0.590	310,000	-	-	-	310,000	310,000	23.07.2013 to 21.07.2016
02.03.2012	S\$0.370	284,000	-	-	-	284,000	284,000	03.03.2014 to 01.03.2017
05.03.2013	S\$0.420	2,048,500	-	-	-	2,048,500	2,048,500	06.03.2015 to 04.03.2018
07.03.2014	S\$0.420	641,800	-	-	(5,900)	635,900	641,800	08.03.2016 to 06.03.2019
06.03.2015	S\$0.275	-	2,950,000	-	(20,000)	2,930,000	-	07.03.2017 to 05.03.2020
		3,284,300	2,950,000	-	(25,900)	6,208,400	3,284,300	

PERFORMANCE SHARE PLAN

There were no shares awarded for the financial year ended 31 December 2015 (financial year ended 31 December 2014: Nil) pursuant to the Performance Share Plan.

SHARE CAPITAL

There were no changes to the Company's issued share capital and no shares on convertibles were issued in the fourth quarter period ended 31 December 2015 (fourth quarter period ended 31 December 2014: Nil).

There were no shares held as treasury shares as at 31 December 2015 (as at 31 December 2014: 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 2015 was 734,277,400 (31 December 2014: 734,277,400).

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 2014.

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 2015.

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	Year
	2015	2014
	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	(23.25)	(3.84)
(ii) On a fully diluted basis	(23.25)	(3.84)

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 734,277,400 (31 December 2014 : 734,244,720 shares).

Diluted loss per share are calculated by dividing 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	Year
	2015	2014
Weighted average number of ordinary shares for basic loss per share computation	734,277,400	734,244,720
Effects of dilution:		
- Share options	-	1,083,202
Weighted average number of ordinary shares for diluted loss per share computation	734,277,400	735,327,922

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	31 Dec	31 Dec	31 Dec
	2015	2014	2015	2014
	Cents	Cents	Cents	Cents
Net asset value per ordinary share capital	(2.77)	20.42	2.90	13.08

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\$52,976,000 for the financial year ended 31 December 2015 ("FY2015") as compared to US\$75,234,000 in the financial year ended 31 December 2014 ("FY2014"). The decrease in revenue is mainly due to the average realised oil price for the year has declined significantly by 48% from US\$96 per barrel to US\$50 per barrel in both Basin and Island production sharing contracts ("PSC").

The cost of sales decreased by 5% in FY2015 as compared to FY2014 mainly due to lower production costs in Basin PSC and Island PSC. Included in the cost of sales is the rental of FPSO and its related support costs of approximately US\$3,828,000 for TBA field in Island PSC, where the lifting will only commence in 2016.

As a result of the significant decrease in revenue, partially offset by a decrease in cost of production, the Group recorded gross loss of US\$6,027,000 in FY2015 as compared to a gross profit of US\$13,048,000 in FY2014.

The increase in other income for FY2015 as compared to that for FY2014 is mainly due to changes in fair value of contingent liabilities of US\$1,301,000 in Island PSC, partially offset by the absence of net fair value gain on derivatives of US\$690,000 which was recorded in FY2014. As a result of the low oil price environment, it is unlikely that the Group will proceed with plan of development ("POD") for Koi field and therefore the fair value of the contingent liabilities being additional cash payable to previous owner of RHP Salawati Island B.V. upon submission and final approval of the POD for this offshore field is determined to be Nil.

The increase in administrative expenses for FY2015 as compared to that for FY2014 is mainly due to the increase in professional fees and other monthly overheads.

In view of the protracted low oil price environment, the Group carried out a reassessment of the goodwill and a review of the fair value of its exploration and evaluation assets, development expenditures as well as oil and gas properties. As a result, other expenses for FY2015 have increased significantly compared to that of FY2014 mainly due to the following :

- (i) Impairment loss on goodwill of US\$90,355,000 which arose from the acquisition of the working interest in Fuyu 1 Block;
- (ii) Impairment loss on oil and gas properties of US\$27,126,000 in Basin PSC and Island PSC;
- (iii) Impairment loss on exploration and evaluation assets of US\$66,657,000 in Fuyu 1 Block, SK331 PSC and Island PSC;
- (iv) Impairment loss on development expenditures of US\$3,543,000 in Fuyu 1 Block; and
- (v) Foreign exchange loss of US\$1,942,000.

These increases have been partially offset by (i) impairment loss on oil and gas properties of US\$10,171,000 and (ii) the absence of impairment loss on goodwill of US\$20,760,000 which arose from the acquisition of the working interest in Basin PSC and Island PSC and was recorded in FY2014.

Finance costs for FY2015 are lower than that for FY2014 mainly due to the decrease in interest expense as a result of the reduction in bank borrowings.

The income tax credit arises from (i) the write back of deferred tax liabilities of US\$18,919,000 as a result of the impairment loss on exploration and evaluation assets as well as oil and gas properties and (ii) US\$3,537,000 from derecognition of deferred tax liabilities as a result of depletion and amortisation of oil and gas properties, for Basin PSC and Island PSC in FY2015, partially offset by the income tax expense for FY2015 of US\$1,764,000.

As a result of the above, the Group recorded a net loss of US\$182,032,000 and EBITDAX (see paragraph 16) of US\$3,205,000 for FY2015 compared to net loss of US\$28,297,000 and EBITDAX of US\$21,039,000 in FY2014.

8.2 Balance Sheet

8.2.1 The decrease in oil and gas properties is mainly due to depletion and amortisation and impairment loss on oil and gas properties for Basin PSC and Island PSC.

8.2.2 The decrease in development expenditures and other plant and equipment are mainly due to impairment loss on these assets for Fuyu 1 Block.

8.2.3 The decrease in exploration and evaluation assets is mainly due to impairment loss on exploration and evaluation assets for Fuyu 1 Block, SK331 PSC and Island PSC.

8.2.4 The decrease in goodwill is mainly due to the charge of goodwill impairment of US\$90,355,000 which arose from the acquisition of the working interest in Fuyu 1 Block.

8.2.5 The increase in inventories is due to write back of inventory obsolescence of US\$2,773,000 in Basin and Island PSCs.

8.2.6 The increase in trade and other receivables is mainly due to the adjustment of US\$9,441,000 for the under-lift of hydrocarbon against the Group's entitlement. Included in trade and other receivables is the sale and lifting of crude oil of US\$4,518,000 from the Basin PSC and Island PSC in December 2015 with the proceeds received in January 2016.

8.2.7 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 2015 amounting to US\$3,000 was recognised as derivative assets in the balance sheet.

8.2.8 The decrease in trade and other payables is mainly attributable to absence of the adjustment of US\$7,254,000 for the over-lift of hydrocarbon against the Group's entitlement which was recorded in FY2014, partially offset by a decrease in trade creditors and other payables of Basin PSC and Island PSC.

8.2.9 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 of the interest rate swaps is recognised as derivatives liabilities in the balance sheet.

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

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

8.2.12 Loan and borrowings have decreased due to repayment of the bank loan of US\$13,680,000 in FY2015. The outstanding bank loan of US\$19,846,000 as at 31 December 2015 has been reclassified from non-current liabilities to current liabilities as the Group did not meet certain banking covenants (see paragraph 1(b)(ii)). The Group received interest free loans of US\$8,224,000 from the related parties in FY2015. Related parties are companies in which two directors have a substantial interest.

8.3 Cash Flow

The Group recorded net operating cash outflows of US\$20,192,000 in FY2015. This was funded out of the cash balances brought forward from previous year as well as interest free loans of US\$8,224,000 from the related parties.

The Group incurred a net loss of US\$182,032,000 and negative operating cash flow of US\$20,192,000 during the financial year ended 31 December 2015 and as at that date, the Group's current and total liabilities exceeded its current and total assets by US\$34,459,000 and US\$29,737,000 respectively.

Notwithstanding the above, the unaudited financial statements for FY2015 are prepared on a going concern basis because a substantial shareholder has given an undertaking to provide adequate funds to the Group till 30 June 2016 to meet its liabilities as and when they fall due. The Group is currently in discussion with the substantial shareholder to extend this undertaking to 30 June 2017. Furthermore, the Group is also actively exploring other financing options for the financing of the capital expenditure, operating expenditure and working capital requirements in relation to the exploration, development and production activities of the Group.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

These unaudited financial statements for FY2015 are consistent with the Company's SGXNET Announcement No. SG151109OTHR2RKS dated 9 November 2015.

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.

Oil prices remained depressed in the last quarter of the year due to factors including the global economy slowdown, historical high oil inventories, stronger US dollar and OPEC's decision to not rein in production. For the quarter, Brent averaged US\$44 per barrel. The average for 2015 was US\$52 per barrel, which reflected a weaker oil market in the second half of the year.

The Group believes the oversupply situation in the oil market will extend throughout 2016 and market rebalancing will take time. Meanwhile, the Group maintains a cautious outlook and continues to work on improving its operating and cost efficiency in the coming year ahead.

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.

15. Confirmation of undertaking pursuant to Rule 720(1).

The Group has procured undertakings from all its directors and executive officers pursuant to Rule 720(1).

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

16. 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	
	2015	2014
	US\$'000	US\$'000
Revenue	52,976	75,234
EBITDAX *	3,205	21,039
Loss for the financial year	(182,032)	(28,297)
Total assets	60,714	275,098
Total capital expenditure	8,183	33,282
Depletion and amortisation of oil and gas properties	(14,842)	(15,064)
Depreciation of other plant and equipment	(368)	(511)
Foreign exchange loss, net	(1,942)	(50)
Impairment loss on development expenditures	(3,543)	-
Impairment loss on exploration and evaluation assets	(66,657)	-
Impairment loss on goodwill	(90,355)	(20,760)
Impairment loss on oil and gas properties	(27,126)	(10,171)
Impairment loss on other plant and equipment	(452)	-
Net fair value (loss)/gain on derivatives	(254)	690
Unwinding of discount on decommissioning provisions	(1,209)	(1,061)
Write back/(Unsuccessful) exploration and evaluation expenditures	114	(2,965)

	EBITDAX *	
	2015 US\$'000	2014 US\$'000
Loss before tax	(202,724)	(31,577)
Depletion and amortisation of oil and gas properties	14,842	15,064
Depreciation of other plant and equipment	368	511
Interest expense on bank loans	1,455	2,084
Impairment loss on development expenditures	3,543	-
Impairment loss on exploration and evaluation assets	66,657	-
Impairment loss on goodwill	90,355	20,760
Impairment loss on oil and gas properties	27,126	10,171
Impairment loss on other plant and equipment	452	-
Unsuccessful development expenditures	36	-
Unwinding of discount on decommissioning provisions	1,209	1,061
(Write back)/Unsuccessful exploration and evaluation expenditures	(114)	2,965
	<u>3,205</u>	<u>21,039</u>

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

17. 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.

18. A breakdown of sales as follows :

	Group		
	2015 US\$'000	2014 US\$'000	% Change
(a) Sales reported for first half year	27,529	38,944	(29%)
(b) Operating (loss)/profit after tax before deducting minority interests reported for first half year	(2,693)	1,066	N.M.
(c) Sales reported for second half year	25,447	36,290	(30%)
(d) Operating loss after tax before deducting minority interests reported for second half year	(179,339)	(29,363)	N.M.

N.M. : not meaningful

19. 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 2015	Previous Full Year 2014
(a) Ordinary	-	-
(b) Preference	-	-
(c) Total	<u>-</u>	<u>-</u>

20. 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.

21. 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)	
	FY2015 US\$'000	FY2014 US\$'000	FY2015 US\$'000	FY2014 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⁾	Nil	2,786	Not Applicable	Not Applicable

Notes :

⁽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"). 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 TTE. As announced on 24 September 2014 (SGXNET Announcement No. SG140924OTHRNNKS), the Proposed Sale has been completed on 24 September 2014.

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 2015, the Group incurred a total of US\$8,089,000 for its exploration, development and production activities in Basin PSC, Island PSC, SK331 PSC and Fuyu 1 PSC. In Basin PSC and Island PSC, the Group incurred US\$3,920,000 for well workovers and other development activities in FY2015. In Fuyu 1 PSC, the total expenditure incurred for further evaluation and development activities which included the drilling of 14 development wells was approximately US\$2,581,000. In SK331 PSC, the Group incurred US\$1,588,000 for the processing and interpretation of seismic data and other evaluation activities.

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 2015 together with its full year audited accounts.

BY ORDER OF THE BOARD

Chang Cheng-Hsing Francis
Group CEO & Executive Director

26 February 2016