

RH Petrogas Limited

Company Registration No: 198701138Z

Unaudited Full Year Financial Statements and Dividend Announcement for the Year Ended 31 December 2016

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 2016	Year 2015	
	US\$'000	US\$'000	Change
Revenue	51,966	52,976	(2%)
Cost of sales	(50,959)	(59,003)	(14%)
Gross profit/(loss)	1,007	(6,027)	N.M.
Other income	507	1,330	(62%)
Administrative expenses	(4,125)	(5,563)	(26%)
Other expenses	(5,755)	(189,800)	(97%)
Finance costs	(1,958)	(2,664)	(27%)
Loss before tax	(10,324)	(202,724)	(95%)
Income tax credit	1,385	20,692	(93%)
Loss for the financial year	(8,939)	(182,032)	(95%)
Attributable to:			
Owners of the Company	(8,554)	(170,750)	(95%)
Non-controlling interests	(385)	(11,282)	(97%)
	(8,939)	(182,032)	(95%)
Loss per share attributable to owners of the Company (cents per share)			
Basic	(1.16)	(23.25)	(95%)
Diluted	(1.16)	(23.25)	(95%)

N.M. : not meaningful

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

	Group	
	Year	Year
	2016	2015
	US\$'000	US\$'000
Allowance for doubtful trade receivables	(402)	(1,359)
(Allowance for)/Write back of inventory obsolescence	(1,514)	2,773
Amortisation of upfront fee paid for loans granted	(224)	(289)
Changes in fair value of contingent liabilities	-	1,301
Depletion and amortisation of oil and gas properties	(10,318)	(14,842)
Depreciation of other plant and equipment	(95)	(368)
Foreign exchange loss, net	(1,876)	(1,942)
Gain on disposal of other plant and equipment	-	1
Impairment loss on development expenditures	(1,469)	(3,543)
Impairment loss on exploration and evaluation assets	-	(66,657)
Impairment loss on goodwill	-	(90,355)
Impairment loss on oil and gas properties	-	(27,126)
Impairment loss on other plant and equipment	-	(452)
Interest expense on bank loans	(771)	(1,455)
Interest income on bank deposits	10	27
Other plant and equipment written off	(12)	-
Net fair value gain/(loss) on derivatives	92	(254)
Share-based payments	(210)	(257)
Unsuccessful development expenditures	-	(36)
Unwinding of discount on decommissioning provisions	(1,187)	(1,209)
Write back of exploration and evaluation expenditures	80	114

1(a)(ii) Consolidated Statement of Comprehensive Income for the year ended 31 December 2016

	Group	
	Year	Year
	2016	2015
	US\$'000	US\$'000
Loss for the financial year	(8,939)	(182,032)
Other comprehensive income :		
<u>Item that may be reclassified subsequently to profit or loss:</u>		
Foreign currency translation	2,372	158
Other comprehensive income	2,372	158
for the financial year, net of tax		
Total comprehensive income for the financial year	(6,567)	(181,874)
Attributable to:		
Owners of the Company	(6,182)	(170,592)
Non-controlling interests	(385)	(11,282)
	(6,567)	(181,874)

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 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
	US\$'000	US\$'000	US\$'000	US\$'000
Non-Current Assets				
Oil and gas properties	18,373	29,372	-	-
Development expenditures	-	-	-	-
Other plant and equipment	476	587	48	78
Exploration and evaluation assets	2,536	2,536	-	-
Amount due from subsidiaries	-	-	18,648	29,221
	21,385	32,495	18,696	29,299
Current Assets				
Inventories	687	2,299	-	-
Other current assets	104	253	28	46
Trade and other receivables	16,025	19,384	805	413
Derivatives	-	3	-	-
Cash and bank balances	8,267	6,280	755	383
	25,083	28,219	1,588	842
Current Liabilities				
Income tax payable	1,431	155	-	-
Trade and other payables	42,824	42,645	573	616
Derivatives	2	32	-	-
Loans and borrowings	6,166	19,846	-	-
	50,423	62,678	573	616
Net Current (Liabilities)/Assets	(25,340)	(34,459)	1,015	226
Non-Current Liabilities				
Provisions	2,916	3,616	-	-
Loan from non-controlling interest	9,765	9,406	-	-
Deferred tax liabilities	2,575	6,527	-	-
Loans and borrowings	16,883	8,224	14,253	8,224
	32,139	27,773	14,253	8,224
Net (Liabilities)/Assets	(36,094)	(29,737)	5,458	21,301
Equity attributable to owners of the Company				
Share capital	258,160	258,160	258,160	258,160
Reserves	(284,497)	(278,525)	(252,702)	(236,859)
	(26,337)	(20,365)	5,458	21,301
Non-controlling interest	(9,757)	(9,372)	-	-
Total (Deficit)/Equity	(36,094)	(29,737)	5,458	21,301

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 2016 US\$'000	31 Dec 2015 US\$'000	31 Dec 2016 US\$'000	31 Dec 2015 US\$'000
Secured				
Amount repayable in one year or less, or on demand	6,166	19,846	-	-
Amount repayable after one year	-	-	-	-
	6,166	19,846	-	-
Unsecured				
Amount repayable in one year or less, or on demand	-	-	-	-
Amount repayable after one year	16,883	8,224	14,253	8,224
	16,883	8,224	14,253	8,224
Total				
Amount repayable in one year or less, or on demand				
USD - bank loans	6,166	19,846	-	-
	6,166	19,846	-	-
Amount repayable after one year, comprising				
USD - bank loans	-	-	-	-
Loans from related parties	16,883	8,224	14,253	8,224
	16,883	8,224	14,253	8,224
Total loans and borrowings	23,049	28,070	14,253	8,224

Details of any collateral

The secured borrowings of US\$6.2 million (31 December 2015: US\$19.8 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

A subsidiary has not met certain financial covenants under its loan facility based on its finalised year-end financial position and is currently in discussion with its banker for a waiver. Nevertheless the subsidiary is expected to be able to continue paying its monthly installments and the bank loans will be fully repaid by June 2017.

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 2016 US\$'000	Year 2015 US\$'000
Operating activities		
Loss before tax	(10,324)	(202,724)
Adjustments for:		
Allowance for doubtful trade receivables	402	1,359
Allowance for/(write back) inventory obsolescence	1,514	(2,773)
Amortisation of upfront fee paid for loans granted	224	289
Changes in fair value of contingent liabilities	-	(1,301)
Depletion and amortisation of oil and gas properties	10,318	14,842
Depreciation of other plant and equipment	95	368
Gain on disposal of other plant and equipment	-	(1)
Impairment loss on development expenditures	1,469	3,543
Impairment loss on exploration and evaluation assets	-	66,657
Impairment loss on goodwill	-	90,355
Impairment loss on oil and gas properties	-	27,126
Impairment loss on other plant and equipment	-	452
Interest expense on bank loans	771	1,455
Interest income on bank deposits	(10)	(27)
Other plant and equipment written off	12	-
Net fair value (gain)/loss on derivatives	(92)	254
Share-based payments	210	257
Unrealised foreign exchange gain	(291)	-
Unsuccessful development expenditures	-	36
Unwinding of discount on decommissioning provisions	1,187	1,209
Write back of exploration and evaluation expenditures	(80)	(114)
Operating cash flows before changes in working capital	5,405	1,262
<u>Changes in working capital</u>		
Decrease in inventories	95	1,232
Decrease/(Increase) in trade and other receivables	2,626	(12,965)
Increase/(Decrease) in trade and other payables	7,999	(3,955)
Cash flows from/(used in) operations	16,125	(14,426)
Income tax paid	(1,291)	(3,003)
Interest paid	(770)	(1,455)
Interest received	10	27
Net cash flows from/(used in) operating activities	14,074	(18,857)
Investing activities		
Additions to development expenditures	(1,469)	(1,692)
Additions to exploration and evaluation assets	-	(1,405)
Additions to oil and gas properties	(2,700)	(6,327)
Cash call contributions for assets retirement obligations	(935)	(878)
Proceeds from disposal of other plant and equipments	2	1
Purchase of other plant and equipment	(61)	(94)
Net cash flows used in investing activities	(5,163)	(10,395)
Financing activities		
Loan from non-controlling interest	359	4,088
Proceeds from crude oil commodity options	65	287
Purchase of crude oil commodity options	-	(32)
Loan from related parties	6,321	8,224
Repayment of loans and borrowings	(13,680)	(13,680)
Net cash used in financing activities	(6,935)	(1,113)
Net increase/(decrease) in cash and cash equivalents	1,976	(30,365)
Effect of exchange rate changes on cash and cash equivalents	11	(72)
Cash and cash equivalents at beginning of the financial year	3,513	33,950
Cash and cash equivalents at end of the financial year	5,500	3,513

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

	Group	
	Year 2016	Year 2015
	US\$'000	US\$'000
Cash and bank balances	8,267	6,280
Less:		
Charge over project accounts	(2,767)	(2,767)
Cash and cash equivalents	5,500	3,513

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/(deficit)
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Group									
At 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 payments									
- Grant of equity-settled share options	-	-	-	-	-	257	257	-	257
At 31 December 2015 and 1 January 2016	258,160	2,886	(482)	(282,612)	795	888	(278,525)	(9,372)	(29,737)
Loss for the financial year	-	-	-	(8,554)	-	-	(8,554)	(385)	(8,939)
Other comprehensive income for the financial year	-	-	2,372	-	-	-	2,372	-	2,372
Total comprehensive income for the financial year	-	-	2,372	(8,554)	-	-	(6,182)	(385)	(6,567)
<u>Contributions by and distributions to owners</u>									
Share-based payments									
- Grant of equity-settled share options	-	-	-	-	-	210	210	-	210
- Expiry of employee share options	-	-	-	88	-	(88)	-	-	-
At 31 December 2016	258,160	2,886	1,890	(291,078)	795	1,010	(284,497)	(9,757)	(36,094)

	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 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 and 1 January 2016	258,160	2,886	(240,633)	888	(236,859)	21,301
Loss for the financial year, representing total comprehensive income for the financial year	-	-	(16,053)	-	(16,053)	(16,053)
<u>Contributions by and distributions to owners</u>						
Share-based payments						
- Grant of equity-settled share options	-	-	-	210	210	210
- Expiry of employee share options	-	-	88	(88)	-	-
At 31 December 2016	258,160	2,886	(256,598)	1,010	(252,702)	5,458

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 2016 (fourth quarter period ended 31 December 2015: Nil) pursuant to the RHP Share Option Scheme 2011. During the financial year ended 31 December 2016, there were no options (financial year ended 31 December 2015: 2,950,000 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 2016 are as follows:

Date of grant of options	Exercise price per share	Balance as at 01.01.2016	Granted during the year	Exercised during the year	Cancelled/ lapsed during the year	Number of options outstanding as at 31.12.2016	Number of options outstanding as at 31.12.2015	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	-	-	(13,500)	2,035,000	2,048,500	06.03.2015 to 04.03.2018
07.03.2014	S\$0.420	635,900	-	-	(9,200)	626,700	635,900	08.03.2016 to 06.03.2019
06.03.2015	S\$0.275	2,930,000	-	-	(150,000)	2,780,000	2,930,000	07.03.2017 to 05.03.2020
		6,208,400	-	-	(482,700)	5,725,700	6,208,400	

PERFORMANCE SHARE PLAN

There were no shares awarded in the financial year 31 December 2016 (financial year ended 31 December 2015: 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 2016 (fourth quarter period ended 31 December 2015: Nil).

There were no shares held as treasury shares as at 31 December 2016 (as at 31 December 2015: 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 2016 was 734,277,400 (31 December 2015: 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 2015.

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 2016.

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 2016 Cents	Year 2015 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	(1.16)	(23.25)
(ii) On a fully diluted basis	(1.16)	(23.25)

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 2015 : 734,277,400 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 2016	Year 2015
Weighted average number of ordinary shares for basic loss per share computation	734,277,400	734,277,400
Effects of dilution:		
- Share options	-	-
Weighted average number of ordinary shares for diluted loss per share computation	734,277,400	734,277,400

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 2016 Cents	31 Dec 2015 Cents	31 Dec 2016 Cents	31 Dec 2015 Cents
Net asset value per ordinary share capital	(3.59)	(2.77)	0.74	2.90

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\$51,966,000 for the financial year ended 31 December 2016 ("FY2016") with a 2% decrease as compared to US\$52,976,000 in the financial year ended 31 December 2015 ("FY2015"). The decrease in revenue is mainly due to the average realised oil price for the year has declined by 16% from US\$50 per barrel in FY2015 to US\$42 per barrel in FY2016, partially offset by additional production from TBA field in the Island production sharing contract ("PSC").

The cost of sales decreased by 14% in FY2016 as compared to FY2015 mainly due to lower production costs and decrease in depletion and amortisation of oil and gas properties in Basin PSC and Island PSC.

As a result of the decrease in cost of production as well as decrease in depletion and amortisation of oil and gas properties, the Group recorded gross profit of US\$1,007,000 in FY2016 as compared to a gross loss of US\$6,027,000 in FY2015.

The decrease in other income for FY2016 as compared to that for FY2015 is mainly due to the absence of the changes in fair value of contingent liabilities of US\$1,301,000 in Island PSC which was recorded in FY2015, partially offset by the head office overhead charged to partners in Basin PSC of US\$405,000 in FY2016.

The decrease in administrative expenses for FY2016 as compared to that for FY2015 is mainly due to the decrease in staff costs, professional fees and other monthly overheads.

Other expenses for FY2016 have decreased significantly compared to that of FY2015 mainly due to the absence of impairment loss on goodwill of US\$90,355,000, impairment loss on oil and gas properties of US\$27,126,000 and impairment loss on exploration and evaluation assets of US\$66,657,000 which were recorded in FY2015.

Finance costs for FY2016 are lower than that for FY2015 mainly due to the decrease in interest expense as a result of the reduction in bank borrowings.

The income tax credit arises from the derecognition of deferred tax liabilities of US\$3,952,000 as a result of depletion and amortisation of oil and gas properties for Basin PSC and Island PSC in FY2016, partially offset by the income tax expenses for FY2016 of US\$2,451,000 and under provision of income tax for prior year of US\$116,000 in Basin PSC.

As a result of the above, the Group recorded a net loss of US\$8,939,000 and EBITDAX (see paragraph 16) of US\$3,436,000 for FY2016 compared to net loss of US\$182,032,000 and EBITDAX of US\$3,205,000 in FY2015.

8.2 Balance Sheet

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

8.2.2 The decrease in inventories is mainly due to provision for inventory obsolescence of US\$1,514,000 in Basin and Island PSCs.

8.2.3 The decrease in trade and other receivables is mainly due to the absence of the adjustment for under-lift of hydrocarbon against the Group's entitlement in FY2016. Included in trade and other receivables is the sale and lifting of crude oil of US\$11,353,000 from the Basin PSC and Island PSC in December 2016 with the proceeds received in January 2017.

8.2.4 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.

8.2.5 The increase in loan from non-controlling interest is due to cash call contribution of US\$359,000 for SK331 PSC from Tumbuh Tiasa Enterprises Sdn Bhd which holds 49% shareholding interest in RHP (Mukah) Pte Ltd.

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

8.2.7 Loan and borrowings in the current liabilities have decreased due to repayment of the bank loan of US\$13,680,000 in FY2016. The Group received interest free loans of US\$6,321,000 from the related parties in FY2016. Related parties are companies in which two directors have a substantial interest.

8.3 Cash Flow

The Group recorded net operating cash inflows of US\$14,074,000 in FY2016. This was used to fund the Group's development and production activities and partly for the repayment of the bank loan.

Whilst the Group is in a negative working capital position as at 31 December 2016, the Group believes that its business operations would be able to generate sufficient cash flows to meet its short-term obligations as and when they fall due. For FY2016, the Group has recorded positive operating cash flows of US\$14,074,000 as compared to negative operating cash flows of US\$18,857,000 in FY2015.

In addition, the Group has embarked on several cost cutting programs for cost optimization and to improve its operational efficiency. As disclosed in Note 2 on page 45 of RH Petrogas Limited's (the "Company") Annual Report 2015, the Group has received an undertaking from the Company's controlling shareholder to provide adequate funds to the Group until 30 June 2017 to meet all the Group's forecasted future cash obligations as and when they fall due. From 1 June 2015 to 31 December 2016, the Group had received a total of approximately US\$14.5 million in interest free loans from the controlling shareholder. The Group is currently in discussion with the controlling shareholder to extend this undertaking to 30 June 2018.

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.

Brent crude prices started the year at decades-low US\$26 per barrel but settled at US\$55 per barrel at year end. However, average price for the year was US\$44 per barrel, down from US\$52 per barrel for 2015.

In late-November 2016, OPEC (Organization of Petroleum Exporting Countries) followed through with its decision taken in September 2016 with an agreement to cut oil production by 1.2 million barrels a day for a period of six months, starting January 2017. Non-OPEC producers have also agreed to join in by cutting their combined output by around 0.6 million barrels a day. The actions taken by oil producers to accelerate oil market supply-demand rebalancing have provided support and stability to global oil markets since December, with Brent crude prices consistently staying above US\$50 per barrel. Reports of high compliance by OPEC to its agreed production cuts in January 2017 have further bolstered confidence in the market. Near term risks will hinge on whether OPEC will extend its production cuts after the six-month period, as well as the extent of output revival from US shale producers in response to higher oil prices.

In the year ahead, the Group will continue to put its focus on strengthening its operations and on cost optimization.

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	
	2016	2015
	US\$'000	US\$'000
Revenue	51,966	52,976
EBITDAX *	3,436	3,205
Loss for the financial year	(8,939)	(182,032)
Total assets	46,468	60,714
Total capital expenditure	4,230	9,518
Depletion and amortisation of oil and gas properties	(10,318)	(14,842)
Depreciation of other plant and equipment	(95)	(368)
Foreign exchange loss, net	(1,876)	(1,942)
Impairment loss on development expenditures	(1,469)	(3,543)
Impairment loss on exploration and evaluation assets	-	(66,657)
Impairment loss on goodwill	-	(90,355)
Impairment loss on oil and gas properties	-	(27,126)
Impairment loss on other plant and equipment	-	(452)
Other plant and equipment written off	(12)	-
Net fair value gain/(loss) on derivatives	92	(254)
Unwinding of discount on decommissioning provisions	(1,187)	(1,209)
Write back of exploration and evaluation expenditures	80	114
	EBITDAX *	
	2016	2015
	US\$'000	US\$'000
Loss before tax	(10,324)	(202,724)
Depletion and amortisation of oil and gas properties	10,318	14,842
Depreciation of other plant and equipment	95	368
Interest expense on bank loans	771	1,455
Impairment loss on development expenditures	1,469	3,543
Impairment loss on exploration and evaluation assets	-	66,657
Impairment loss on goodwill	-	90,355
Impairment loss on oil and gas properties	-	27,126
Impairment loss on other plant and equipment	-	452
Unsuccessful development expenditures	-	36
Unwinding of discount on decommissioning provisions	1,187	1,209
Write back of exploration and evaluation expenditures	(80)	(114)
	<u>3,436</u>	<u>3,205</u>

* Group earnings 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		
	2016 US\$'000	2015 US\$'000	% Change
(a) Sales reported for first half year	24,932	27,529	(9%)
(b) Operating loss after tax before deducting minority interests reported for first half year	(2,372)	(2,693)	(12%)
(c) Sales reported for second half year	27,034	25,447	6%
(d) Operating loss after tax before deducting minority interests reported for second half year	(6,567)	(179,339)	(96%)

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 2016	Previous Full Year 2015
(a) Ordinary	-	-
(b) Preference	-	-
(c) Total	-	-

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)	
	FY2016 US\$'000	FY2015 US\$'000	FY2016 US\$'000	FY2015 US\$'000
Tan Sri Datuk Sir Tiong Hiew King, Dato' Sri Dr. Tiong Ik King and Tiong Kiong King Loans from RH Petrogas Investments Pte. Ltd. to RHP (Mukah) Pte. Ltd. ⁽¹⁾	374	2,118	Not Applicable	Not Applicable

Note :

⁽¹⁾ Loans provided by RH Petrogas Investments Pte. Ltd. ("RHPI"), a wholly owned subsidiary of the Company, to RHP (Mukah) Pte. Ltd. ("RHP (Mukah)") following the completion of the sale (the "Sale") by RHPI of 3,184,881 ordinary shares representing 49% of the entire issued share capital of RHP (Mukah), to Tumbuh Tiasa Enterprises Sdn. Bhd. ("TTE") on 24 September 2014 (which was announced by the Company on 24 September 2014 under SGXNET Announcement No. SG140924OTHRNNKS), pursuant to the shareholders' agreement between RHPI, TTE and RHP (Mukah), under which RHPI and TTE are to provide the funding required by RHP (Mukah) for the exploration and evaluation activities under the Production Sharing Contract in respect of Block SK331 to RHP (Mukah) in proportion to their equity interest in RHP (Mukah). Before the Sale, RHP (Mukah) was a wholly-owned subsidiary of RHPI and such funding required by RHP (Mukah) was provided entirely by RHPI and the Company. Mr Tiong Kiong King was appointed as a Director of the Company on 15 September 2016. Tan Sri Datuk Sir Tiong Hiew King and Dato' Sri Dr Tiong Ik King, who are both Directors and Controlling Shareholders of the Company, together with Mr Tiong Kiong King and their family members, indirectly own the majority of the issued share capital of TTE.

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 2016, the Group incurred a total of US\$4,169,000 for its exploration, development and production activities in Basin PSC, Island PSC, and Fuyu 1 PSC combined. In Basin PSC and Island PSC, the Group incurred US\$2,700,000 for well workovers and other capital expenditure during FY2016. In Fuyu 1 PSC, the total expenditure incurred for further evaluation and development activities which included pilot production tests on two wells was approximately US\$1,469,000. There has been no major exploration and evaluation activity being conducted in SK331 PSC during FY2016.

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 2016 together with its full year audited accounts.

BY ORDER OF THE BOARD

Chang Cheng-Hsing Francis
Group CEO & Executive Director

24 February 2017