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

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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 30 April 2017:-

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

The Company had appointed RPS Energy Consultants Limited (“**RPS**”), an independent reserve evaluator, to conduct the annual assessment of the oil and gas reserves and resources of its subsidiaries as of 1 January 2017. RPS has since completed the independent qualified person’s report (“**QPR**”) for the Fuyu 1 Block in March 2017.

Based on the QPR, there were no material changes to the reserves and resources since the last update as provided in the previous announcement dated 11 May 2016. The aggregate proved plus probable reserves (“**2P**”) and best estimate contingent resources (“**2C**”) of the Fuyu 1 Block attributable to KRL’s 49% working interest were 13.2 MMBO (million barrels of oil) and 13.8 MMBO respectively as of 1 January 2017. Please refer to Summary of Reserves and Resources on page 108 of the Company’s Annual Report 2016 for additional information.

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

There has been no material development activities conducted at the block during the period under review. The Company continues to monitor the market and will review its drilling plans as market condition changes. In the meantime, the Company remains focused on cost control and cash conservation.

**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	194
Fixed Assets	-
Administrative expenses	98

**BY ORDER OF THE BOARD**

Chang Cheng-Hsing Francis  
Group CEO & Executive Director  
9 May 2017