
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 October 2017:-

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

There were no material changes to the reserves or resources since the previous announcement dated 9 May 2017.

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

Following preparatory works that have been carried out in the first half of the year, KRL began to implement a small-scale production scheme with four (4) wells during the quarter. The crude oil produced was sold to the contracted buyer, China National Petroleum Corporation (“**CNPC**”) and delivered by trucks to CNPC’s storage terminal in accordance with the signed sales agreement. There are plans to expand the production scheme to up to twelve (12) wells by the end of the year.

Notwithstanding that market fundamentals have improved, the oil and gas industry remains challenging in terms of project economics and access to capital markets. The Company continues to monitor the situation closely and will review its overall development plans for the Fuyu field when appropriate. In the meantime, the Company continues to remain focused on cost control and operational efficiency.

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	325
Fixed Assets	2
Administrative expenses	128

BY ORDER OF THE BOARD

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