

RH PETROGAS LIMITED

(Registration Number: 198701138Z)

PROFIT GUIDANCE FOR THE FULL YEAR RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

Further to the profit guidance issued on 1 November 2019 (SGXNET Announcement No. SG191101OTHR1VJ9), the Board of Directors (the “**Board**”) of RH Petrogas Limited (the “**Company**”) wishes to announce that following a preliminary review of the unaudited consolidated financial results of the Company and its subsidiaries (the “**Group**”) for the financial year ended 31 December 2019 (“**FY2019**”), the Group is expected to record a loss for FY2019 as compared to a profit for the previous financial year ended 31 December 2018.

The expected loss is mainly due to (i) the increase in the cost of production and higher depletion and amortisation of oil and gas properties in the Kepala Burung Production Sharing Contract (“**Basin PSC**”); (ii) the impairment loss on exploration and evaluation assets in relation to the acquisition and processing of a new 2D seismic data program in the SK331 PSC; (iii) the accrual for plug and abandonment costs for the TBA offshore field in the Salawati Kepala Burung PSC (“**Island PSC**”); and (iv) the increase in finance costs due to the recognition of interest expense on lease liabilities.

The loss for FY2019 were partially offset by the higher revenue from sale and lifting of crude oil; and the gain on disposal of Mastique Investments Limited and its only subsidiary Kingworld Resources Limited (both indirect wholly owned subsidiaries of the Company) which was completed on 31 October 2019, as well as lower income tax expense.

Notwithstanding the above, the Group continued to generate positive EBITDAX⁽¹⁾ and net cash flows from operations in the FY2019. Details of the Group’s financial performance for FY2019 will be disclosed when the Company announces its unaudited consolidated financial results for FY2019 on or before 29 February 2020.

In the meantime, the Board wishes to advise shareholders of the Company and investors to exercise caution when dealing in the shares of the Company.

BY ORDER OF THE BOARD

Chang Cheng-Hsing Francis
Group CEO & Executive Director
19 February 2020

(1) EBITDAX - Earnings before interest, tax, depreciation, amortisation, exploration expenses, impairment and other non-recurring items