

RH Petrogas Limited

Company Registration No: 198701138Z

Unaudited First Quarter Financial Statements and Dividend Announcement for the Financial Period Ended 31 March 2021

RH Petrogas Limited (the "Company") is required by the Singapore Exchange Securities Trading Limited ("SGX-ST") to announce these unaudited financial statements pursuant to Rule 705(2)(e) of the Listing Manual of the SGX-ST.

PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2, & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

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 period of the immediately preceding financial year.

Consolidated Income Statement

	Group		
	31 Mar 2021 (3 months) US\$'000	31 Mar 2020 (3 months) US\$'000	% Change
Revenue	18,667	13,330	40.0%
Cost of sales	(10,146)	(11,997)	(15.4%)
Gross profit	8,521	1,333	N.M.
Other income	743	576	29.0%
Administrative expenses	(773)	(929)	(16.8%)
Other expenses	(66)	(139)	(52.5%)
Finance costs	(483)	(426)	13.4%
Profit before tax	7,942	415	N.M.
Income tax (expense)/credit	(4,012)	137	N.M.
Profit for the financial period	3,930	552	N.M.
Attributable to:			
Owners of the Company	3,359	593	N.M.
Non-controlling interests	571	(41)	N.M.
	3,930	552	N.M.
Earnings per share attributable to owners of the Company (cents per share)			
Basic	0.46	0.08	N.M.
Diluted	0.46	0.08	N.M.

N.M. : not meaningful

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

	Group	
	31 Mar 2021	31 Mar 2020
	(3 months)	(3 months)
	US\$'000	US\$'000
Amortisation of signature bonus and upfront fees	(34)	-
Depletion and amortisation of oil and gas properties	-	(2,505)
Depreciation of other plant and equipment	(3)	(3)
Depreciation of right-of-use assets	(1,433)	(1,159)
Foreign exchange gain, net	408	434
Impairment loss on exploration and evaluation assets	-	(34)
Interest expense on lease liabilities	(483)	(107)
Interest income from bank deposits	7	32
Share-based payments	(15)	(22)
Underlift income	232	-
Unwinding of discount on decommissioning provisions	-	(318)

1(a)(ii) Group earnings before interest, tax, depreciation, amortisation, exploration expenses, impairment and other non-recurring items (EBITDAX)

	Group	
	31 Mar 2021	31 Mar 2020
	(3 months)	(3 months)
	US\$'000	US\$'000
Profit before tax	7,942	415
Amortisation of signature bonus and upfront fees	34	-
Depletion and amortisation of oil and gas properties	-	2,505
Depreciation of other plant and equipment	3	3
Impairment loss on exploration and evaluation assets	-	34
Interest expense on lease liabilities	483	107
Unwinding of discount on decommissioning provisions	-	318
	8,462	3,382

1(a)(iii) Consolidated Statement of Comprehensive Income for the financial period ended 31 March 2021

	Group	
	31 Mar 2021	31 Mar 2020
	(3 months)	(3 months)
	US\$'000	US\$'000
Profit for the financial period	3,930	552
Other comprehensive income :		
<u>Item that may be reclassified subsequently to profit or loss:</u>		
Foreign currency translation	-	-
Other comprehensive income	-	-
for the financial period, net of tax		
Total comprehensive income for the financial period	3,930	552
Attributable to:		
Owners of the Company	3,359	593
Non-controlling interests	571	(41)
	3,930	552

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 Mar 2021	31 Dec 2020	31 Mar 2021	31 Dec 2020
	US\$'000	US\$'000	US\$'000	US\$'000
Non-current assets				
Oil and gas properties	498	19	-	-
Other plant and equipment	19	19	16	17
Deferred tax assets	706	694	-	-
Right-of-use assets	15,300	16,733	287	317
Cash and bank balances	3,187	3,187	-	-
Amounts due from subsidiaries	-	-	4,909	3,933
Other non-current assets	2,654	2,689	-	-
Investment in subsidiaries	-	-	-	-
	22,364	23,341	5,212	4,267
Current assets				
Inventories	5	-	-	-
Other current assets	54	74	47	27
Trade and other receivables	13,968	12,813	576	593
Cash and bank balances	21,310	14,913	2,532	3,962
	35,337	27,800	3,155	4,582
Current liabilities				
Income tax payable	8,004	4,497	-	-
Lease liabilities	7,413	7,375	114	116
Trade and other payables	31,233	30,349	688	615
Loans and borrowings	109	115	109	115
	46,759	42,336	911	846
Net current (liabilities)/assets	(11,422)	(14,536)	2,244	3,736
Non-current liabilities				
Provisions	497	595	27	28
Loan from non-controlling interest	13,700	13,696	-	-
Lease liabilities	10,576	12,272	173	205
Loans and borrowings	12,982	13,000	10,388	10,585
	37,755	39,563	10,588	10,818
Net liabilities	(26,813)	(30,758)	(3,132)	(2,815)
Equity attributable to owners of the Company				
Share capital	258,160	258,160	258,160	258,160
Reserves	(271,225)	(274,599)	(261,292)	(260,975)
	(13,065)	(16,439)	(3,132)	(2,815)
Non-controlling interests	(13,748)	(14,319)	-	-
Total deficit	(26,813)	(30,758)	(3,132)	(2,815)

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 period reported on with comparative figures as at the end of the immediately preceding financial year:-

	Group		Company	
	31 Mar 2021	31 Dec 2020	31 Mar 2021	31 Dec 2020
	US\$'000	US\$'000	US\$'000	US\$'000
Unsecured				
Amount repayable in one year or less, or on demand	109	115	109	115
Amount repayable after one year	12,982	13,000	10,388	10,585
	13,091	13,115	10,497	10,700
Total				
Amount repayable in one year or less, or on demand				
Loans from related parties	109	115	109	115
	109	115	109	115
Amount repayable after one year, comprising				
Loans from related parties	12,982	13,000	10,388	10,585
	12,982	13,000	10,388	10,585
Total loans and borrowings	13,091	13,115	10,497	10,700

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	31 Mar 2021	31 Mar 2020
	(3 months)	(3 months)
	US\$'000	US\$'000
Operating activities		
Profit before tax	7,942	415
Adjustments for:		
Amortisation of signature bonus and upfront fees	34	-
Depletion and amortisation of oil and gas properties	-	2,505
Depreciation of other plant and equipment	3	3
Depreciation of right-of-use assets	1,433	1,159
Impairment loss on exploration and evaluation assets	-	34
Interest expense on lease liabilities	483	107
Interest income from bank deposits	(7)	(32)
Share-based payments	15	22
Unrealised foreign exchange gain	(403)	(625)
Unwinding of discount on decommissioning provisions	-	318
Operating cash flows before changes in working capital	9,500	3,906
Changes in working capital		
(Increase)/Decrease in inventories	(5)	45
(Increase)/Decrease in trade and other receivables	(1,134)	7,693
Decrease in trade and other payables	(826)	(3,982)
Cash flows from operations	7,535	7,662
Income tax paid	(517)	(350)
Interest received	7	32
Net cash flows from operating activities	7,025	7,344
Investing activities		
Additions to exploration and evaluation assets	-	(34)
Additions to oil and gas properties	(217)	(206)
Cash call contributions for decommissioning provisions	(98)	(736)
Purchase of other plant and equipment	(3)	-
Net cash flows used in investing activities	(318)	(976)
Financing activities		
Decrease in deposits pledged	-	4,687
Loan from/(Repayment to) non-controlling interest	4	(2,266)
Payment of lease liabilities	(310)	(288)
(Repayment to)/Loan from related parties	(4)	2,266
Net cash flows (used in)/from financing activities	(310)	4,399
Net increase in cash and cash equivalents	6,397	10,767
Cash and cash equivalents at beginning of the financial period	14,913	4,511
Cash and cash equivalents at end of the financial period	21,310	15,278

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

	Group	
	31 Mar 2021	31 Mar 2020
	(3 months)	(3 months)
	US\$'000	US\$'000
Cash and bank balances	24,497	18,151
Less:		
Long-term deposits pledged	(3,187)	(2,873)
Cash and cash equivalents	21,310	15,278

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 capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period 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 interests	Total deficit
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Group									
At 1 January 2020	258,160	2,886	(90)	(276,065)	1,764	559	(270,946)	(13,220)	(26,006)
Profit/(Loss) for the financial period, representing total comprehensive income for the financial period	-	-	-	593	-	-	593	(41)	552
<u>Contributions by and distributions to owners</u>									
Share-based payments									
- Grant of equity-settled share options	-	-	-	-	-	22	22	-	22
At 31 March 2020	258,160	2,886	(90)	(275,472)	1,764	581	(270,331)	(13,261)	(25,432)
At 1 January 2021	258,160	2,886	(90)	(279,434)	1,764	275	(274,599)	(14,319)	(30,758)
Profit for the financial period, representing total comprehensive income for the financial period	-	-	-	3,359	-	-	3,359	571	3,930
<u>Contributions by and distributions to owners</u>									
Share-based payments									
- Grant of equity-settled share options	-	-	-	-	-	15	15	-	15
At 31 March 2021	258,160	2,886	(90)	(276,075)	1,764	290	(271,225)	(13,748)	(26,813)

	Share capital	Capital reduction reserve	Accumulated losses	Employee share option reserve	Total reserves	Total deficit
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Company						
At 1 January 2020	258,160	2,886	(262,873)	559	(259,428)	(1,268)
Profit for the financial period, representing total comprehensive income for the financial period	-	-	65	-	65	65
<u>Contributions by and distributions to owners</u>						
Share-based payments						
- Grant of equity-settled share options	-	-	-	22	22	22
At 31 March 2020	258,160	2,886	(262,808)	581	(259,341)	(1,181)
At 1 January 2021	258,160	2,886	(264,136)	275	(260,975)	(2,815)
Loss for the financial period, representing total comprehensive income for the financial period	-	-	(332)	-	(332)	(332)
<u>Contributions by and distributions to owners</u>						
Share-based payments						
- Grant of equity-settled share options	-	-	-	15	15	15
At 31 March 2021	258,160	2,886	(264,468)	290	(261,292)	(3,132)

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

SHARE OPTIONS

During the first quarter period ended 31 March 2021, 2,000,000 options (first quarter period ended 31 March 2020: 2,560,000 options) were granted under the RHP Share Option Scheme 2011. These options are exercisable after the second anniversary of the grant date and expire on the fifth anniversary of such grant date.

The unissued shares of the Company under option as at 31 March 2021 are as follows:

Date of grant of options	Exercise price per share	Balance as at 01.01.2021	Granted during the financial period	Exercised during the financial period	Cancelled/lapsed during the financial period	Number of options outstanding as at 31.03.2021	Number of options outstanding as at 31.03.2020	Exercise period
06.03.2017	S\$0.084	1,400,000	-	-	-	1,400,000	1,400,000	07.03.2019 to 05.03.2022
06.03.2018	S\$0.074	1,970,000	-	-	-	1,970,000	1,970,000	07.03.2020 to 05.03.2023
05.03.2019	S\$0.044	3,060,000	-	-	-	3,060,000	3,060,000	06.03.2021 to 04.03.2024
06.03.2020	S\$0.023	2,560,000	-	-	-	2,560,000	2,560,000	07.03.2022 to 05.03.2025
05.03.2021	S\$0.024	-	2,000,000	-	-	2,000,000	-	06.03.2023 to 04.03.2026
		<u>8,990,000</u>	<u>2,000,000</u>	<u>-</u>	<u>-</u>	<u>10,990,000</u>	<u>8,990,000</u>	

PERFORMANCE SHARE PLAN

There were no shares awarded in the first quarter period ended 31 March 2021 (first quarter period ended 31 March 2020: 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 first quarter period ended 31 March 2021 (first quarter period ended 31 March 2020: Nil).

There were no shares held as treasury shares by the Company and no subsidiary holdings, as at 31 March 2021 (as at 31 March 2020: Nil).

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

Total number of issued shares excluding treasury shares as at 31 March 2021 was 734,277,400 (31 December 2020: 734,277,400).

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period 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 modifications or emphasis of a matter).

Not applicable.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

(a) Updates on the efforts taken to resolve each outstanding audit issue.

Not applicable. The audited financial statements for the financial year ended 31 December 2020 was not subjected to an adverse opinion, qualified opinion or disclaimer of opinion.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

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 2020.

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 Singapore Financial Reporting Standards (International) ("SFRS(I)") which became effective for the financial years beginning on or after 1 January 2021.

The adoption of the new/revised SFRS(I) did not result in any material impact on the Group's results.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:-

	Group	
	31 Mar 2021 (3 months) Cents	31 Mar 2020 (3 months) Cents
Earnings per ordinary share for the financial period based on net profit attributable to owners of the Company		
(i) Based on the weighted average number of ordinary shares on issue; and	0.46	0.08
(ii) On a fully diluted basis	0.46	0.08

Basic earnings per share is calculated with reference to profit net of tax attributable to owners of the Company and the weighted average number of ordinary shares of 734,277,400 (31 March 2020: 734,277,400 shares).

Diluted earnings 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 financial period 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	
	31 Mar 2021 (3 months)	31 Mar 2020 (3 months)
Weighted average number of ordinary shares for basic earnings per share computation	734,277,400	734,277,400
Effects of dilution: - Share options	202,068	222,798
Weighted average number of ordinary shares for diluted earnings per share computation	734,479,468	734,500,198

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

- (a) current financial period reported on; and
(b) immediately preceding financial year.**

	Group		Company	
	31 Mar 2021	31 Dec 2020	31 Mar 2021	31 Dec 2020
	Cents	Cents	Cents	Cents
Net asset value per ordinary share capital	(1.78)	(2.24)	(0.43)	(0.38)

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

8.1.1 The Group recorded revenue of US\$18,667,000 for the first quarter period ended 31 March 2021 ("1Q 2021"), an increase of 40.0% as compared to the US\$13,330,000 recorded in the first quarter ended 31 March 2020 ("1Q 2020"). The increase in revenue was mainly attributable to the higher volume of crude oil lifted in both the Kepala Burung production sharing contract ("PSC") and the Salawati PSC in 1Q 2021 as compared to 1Q 2020, and a 9.3% increase in the average realised oil price for the period from US\$54 per barrel in 1Q 2020 to US\$59 per barrel in 1Q 2021.

8.1.2 The cost of sales decreased by 15.4% to US\$10,146,000 in 1Q 2021 as compared to 1Q 2020 mainly due to the absence of depletion and amortisation of oil and gas properties (see paragraph 8.2.1 below), and was partially offset by the higher depreciation expense on right-of-use assets of US\$1,403,000 for 1Q 2021 (1Q 2020: US\$1,126,000).

8.1.3 The gross profit increased from US\$1,333,000 in 1Q 2020 to US\$8,521,000 in 1Q 2021 as a result of the higher revenue and decrease in cost of sales.

8.1.4 Other income increased from US\$576,000 in 1Q 2020 to US\$743,000 in 1Q 2021 mainly due (i) recognition of underlift income of US\$232,000 in Kepala Burung PSC and (ii) cash payouts received from the Singapore Government Jobs Support Scheme. These were partially offset by (i) lower head office overheads charged to partners in Kepala Burung PSC and (ii) lower foreign exchange gain.

8.1.5 Administrative expenses for 1Q 2021 decreased by 16.8% to US\$773,000 as compared to 1Q 2020 mainly due to decrease in staff costs, professional fees and other monthly overheads.

8.1.6 The decrease in other expenses for 1Q 2021 was mainly due to (i) the absence of impairment loss on exploration and evaluation assets of US\$34,000 for the SK331 PSC which was relinquished on 5 June 2020 and (ii) the decrease in other miscellaneous expenses.

8.1.7 Finance costs for 1Q 2021 were higher as compared to 1Q 2020 due to the higher interest expense on lease liabilities for the Kepala Burung and Salawati PSCs, and was partially offset by the absence of unwinding of discount on decommissioning provisions for the expired Basin and Island PSCs which was recorded in 1Q 2020.

8.1.8 The increase in income tax expense is due to increase in profit before tax as a result of higher revenue recorded in 1Q 2021. The income tax expense of US\$4,012,000 in 1Q 2021 mainly comprised the Group's share of the income tax expense for both the Kepala Burung PSC and Salawati PSC.

8.1.9 As a result of the above, the Group recorded a net profit of US\$3,930,000 and EBITDAX (see paragraph 1(a)(ii)) of US\$8,462,000 for 1Q 2021 as compared to net profit of US\$552,000 and EBITDAX of US\$3,382,000 for 1Q 2020.

8.2 Balance Sheet

8.2.1 As at 31 March 2021, the carrying value of oil and gas properties includes development assets under construction of US\$498,000 for the Kepala Burung PSC which are not being depreciated.

8.2.2 The Group recognised deferred tax assets of US\$706,000 as at 31 March 2021 mainly due to differences in depreciation for tax purposes for the Kepala Burung PSC.

8.2.3 The right-of-use ("ROU") assets were mainly related to the leases of office and warehouse, motor vehicles, plant and machinery and other equipment for both the Kepala Burung PSC and Salawati PSC. The decrease in the ROU assets was due to the depreciation of the ROU assets in 1Q 2021.

8.2.4 The cash and bank balances under the non-current assets relates to deposits placed with the bank as collateral for the issue of performance bonds in relation to both the Kepala Burung PSC and Salawati PSC. The required cash collateral has been fully satisfied as of 31 December 2020.

8.2.5 The increase in trade and other receivables was mainly attributable to the increase in trade receivables as well as an increase in the Group's share of joint venture receivables in the Kepala Burung PSC and Salawati PSC. Included in trade and other receivables was the sale and lifting of crude oil of US\$5,784,000 from both the Kepala Burung and Salawati PSCs in March 2021 with the proceeds received in April 2021.

8.2.6 The increase in lease liabilities in the current liabilities was due to the reclassification of the lease liabilities from the non-current liabilities to current liabilities, and was partially offset by payment of lease liabilities for both the Kepala Burung and the Salawati PSCs in 1Q 2021. As at 31 March 2021, the lease liabilities in the current liabilities and non-current liabilities were US\$7,413,000 and US\$10,576,000 respectively.

8.2.7 The increase in trade and other payables was mainly attributable to the increase in trade creditors and other payables of both the Kepala Burung and Salawati PSCs.

8.2.8 The decrease in provisions in the non-current liabilities was mainly due to the decrease in decommissioning provisions in the expired Island PSC.

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

8.2.10 Total loans and borrowings decreased due to the repayment to related parties and unrealised foreign exchange gain. Related parties are companies in which two directors have a substantial interest.

8.3 Cash Flow

8.3.1 The Group recorded net cash flows from operating activities of US\$7,025,000 in 1Q 2021 as compared to US\$7,344,000 in 1Q 2020. The decrease was mainly due to the net working capital outflow and partially offset by higher operating cash flows before changes in working capital in the current quarter.

8.3.2 Net cash flows used in investing activities was US\$318,000 in 1Q 2021. This comprised mainly (i) addition of development assets under construction and other capital expenditure of US\$217,000 for the Kepala Burung PSC and (ii) cash call contribution for decommissioning costs of US\$98,000 for the expired Island PSC.

8.3.3 Net cash flow used in financing activities in 1Q 2021 mainly consisted of the payment of lease liabilities of US\$310,000 for the Kepala Burung PSC and Salawati PSC.

8.3.4 Whilst the Group was in a negative working capital position as at 31 March 2021, 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. The Group has no outstanding bank loan to serve. For 1Q 2021, the Group recorded positive operating cash flows of US\$7,025,000 and has cash and cash equivalents of US\$21,310,000 as at 31 March 2021.

As disclosed in Note 2 on page 52 of RH Petrogas Limited's Annual Report 2020, the Group had received a letter of financial support from a substantial shareholder to provide adequate funds to the Group till 30 June 2022 to meet the Group's working capital needs.

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 oil prices climbed steadily in the first quarter of 2021 to a high of almost US\$70 on 5 March 2021, a level not seen since early-January 2020, before the onset of the COVID-19 pandemic. The average oil price of US\$61 for the quarter was 38% higher as compared to the previous quarter. The buoyant performance was supported by supply curbs undertaken by members of the OPEC+ alliance and Saudi Arabia's voluntary additional oil production cuts until April 2021. The uptick was also attributed to the stabilising labour market and falling crude inventories in the US, as well as the optimism of an oil demand recovery in the second half of the year with the global roll-out of COVID-19 vaccinations.

In April 2021, IEA and OPEC raised the global oil demand forecasts for 2021 to 96.7 million barrels per day ("MMBPD") and 96.5 MMBPD respectively, a growth of around 6 MMBPD from 2020. However, concerns over risks and uncertainties associated with the COVID-19 pandemic remain, as global economic recovery is contingent on the mitigation of the resurging COVID-19 infections in certain countries, the pace at which vaccinations are being rolled out and the take-up rate, and the effectiveness of the vaccines against virus mutations. The collective efforts of OPEC+ members toward oil rebalancing had been and will continue to be critical in providing stability and improvement to the oil markets.

Given the uncertain external environment, the Group will keep a close watch on developments in the oil market and global economy, with plans to resume exploration and well drilling activities in our two production blocks when the situation recovers. The Group will continue to strengthen its operations through various optimisation programmes to improve production productivity, enhance efficiencies, and manage cost and cashflow.

The well-being and health of our staff and contractors are our top priority and are of concern to us. The Group and its operating subsidiaries will continue to diligently adhere to the various COVID-19 health and safe management measures issued by the relevant government and health authorities at places where we operate.

11. If a decision regarding dividend has been made:-

(a) Whether an interim (final) ordinary dividend 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 and the reason(s) for the decision.

No dividend has been proposed by the Board for the first quarter period ended 31 March 2021. The Group is conserving its cash towards funding the work programs of its assets and to grow its reserve and production base.

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).

We, Chang Cheng-Hsing Francis and Dato' Sri Dr Tiong Ik King, being two Directors of RH Petrogas Limited (the "Company"), do hereby confirm on behalf of the Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited first quarter financial results for the financial period ended 31 March 2021 to be false or misleading in any material aspect.

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

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

BY ORDER OF THE BOARD

Chang Cheng-Hsing Francis
Group CEO & Executive Director

7 May 2021