



Condensed Interim Financial Statements  
For the Fourth Quarter and  
Full Year Ended 31 December 2021

**RH Petrogas Limited**

Company Registration No: 198701138Z  
(Incorporated in the Republic of Singapore)

# **RH Petrogas Limited**

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## RH Petrogas Limited

Company Registration No: 198701138Z  
(Incorporated in the Republic of Singapore)

### A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the fourth quarter and financial year ended 31 December 2021

	Note	Group (3 months ended)			Group (12 months ended)		
		31 Dec 2021	31 Dec 2020	%	31 Dec 2021	31 Dec 2020	%
		US\$'000	US\$'000	Change	US\$'000	US\$'000	Change
Revenue	5	20,813	15,135	37.5%	82,465	50,500	63.3%
Cost of sales		(12,941)	(11,976)	8.1%	(44,820)	(47,634)	(5.9%)
<b>Gross profit</b>		<b>7,872</b>	<b>3,159</b>	<b>149.2%</b>	<b>37,645</b>	<b>2,866</b>	<b>N.M.</b>
Other income		10,418	628	N.M.	11,421	1,553	N.M.
Administrative expenses		(1,142)	(632)	80.7%	(3,516)	(3,283)	7.1%
Other expenses		(633)	(1,186)	(46.6%)	(1,719)	(1,549)	11.0%
Finance costs		(274)	(377)	(27.3%)	(1,642)	(1,450)	13.2%
<b>Profit/(Loss) before tax</b>	6	<b>16,241</b>	<b>1,592</b>	<b>N.M.</b>	<b>42,189</b>	<b>(1,863)</b>	<b>N.M.</b>
Income tax expense	7	(2,686)	(1,718)	56.3%	(14,875)	(2,962)	N.M.
<b>Profit/(Loss) for the financial period/year</b>		<b>13,555</b>	<b>(126)</b>	<b>N.M.</b>	<b>27,314</b>	<b>(4,825)</b>	<b>N.M.</b>
<b>Profit/(Loss) attributable to:</b>							
Owners of the Company		11,942	(562)	N.M.	23,610	(3,726)	N.M.
Non-controlling interests		1,613	436	N.M.	3,704	(1,099)	N.M.
		<b>13,555</b>	<b>(126)</b>	<b>N.M.</b>	<b>27,314</b>	<b>(4,825)</b>	<b>N.M.</b>

N.M. : Not meaningful

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### B. CONDENSED INTERIM CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the fourth quarter and financial year ended 31 December 2021

Note	Group (3 months ended)			Group (12 months ended)			
	31 Dec 2021	31 Dec 2020	%	31 Dec 2021	31 Dec 2020	%	
	US\$'000	US\$'000	Change	US\$'000	US\$'000	Change	
Profit/(Loss) for the financial period/year	13,555	(126)	N.M.	27,314	(4,825)	N.M.	
<b>Other comprehensive income:</b>							
<u>Item that may be reclassified subsequently to profit or loss:</u>							
Foreign currency translation	-	-	-	-	-	-	
<b>Other comprehensive income</b>	-	-	-	-	-	-	
<b>Total comprehensive income for the financial period/year</b>	<b>13,555</b>	<b>(126)</b>	<b>N.M.</b>	<b>27,314</b>	<b>(4,825)</b>	<b>N.M.</b>	
<b>Total comprehensive income attributable to:</b>							
Owners of the Company	11,942	(562)	N.M.	23,610	(3,726)	N.M.	
Non-controlling interests	1,613	436	N.M.	3,704	(1,099)	N.M.	
	<b>13,555</b>	<b>(126)</b>	<b>N.M.</b>	<b>27,314</b>	<b>(4,825)</b>	<b>N.M.</b>	
<b>Earnings/(Loss) per share attributable to owners of the Company (cents per share)</b>							
Basic	8	1.61	(0.08)	N.M.	3.20	(0.51)	N.M.
Diluted	8	1.60	(0.08)	N.M.	3.18	(0.51)	N.M.

N.M. : Not meaningful

## RH Petrogas Limited

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### C. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

As at 31 December 2021

	Note	Group		Company	
		31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
		US\$'000	US\$'000	US\$'000	US\$'000
<b>Non-current assets</b>					
Oil and gas properties	9	676	19	-	-
Other plant and equipment		351	19	13	17
Deferred tax assets		1,024	694	-	-
Right-of-use assets		11,140	16,733	198	317
Cash and bank balances		3,189	3,187	-	-
Amounts due from subsidiaries		-	-	5,784	3,933
Other non-current assets	10	2,552	2,689	-	-
Investment in subsidiaries		-	-	-	-
		<b>18,932</b>	<b>23,341</b>	<b>5,995</b>	<b>4,267</b>
<b>Current assets</b>					
Inventories		770	-	-	-
Other current assets		43	74	40	27
Trade and other receivables	11	12,400	12,813	156	593
Cash and bank balances		33,817	14,913	2,066	3,962
		<b>47,030</b>	<b>27,800</b>	<b>2,262</b>	<b>4,582</b>
<b>Current liabilities</b>					
Income tax payable		6,873	4,497	-	-
Lease liabilities		6,964	7,375	117	116
Trade and other payables	12	22,380	30,349	1,217	615
Loans and borrowings	13	-	115	-	115
		<b>36,217</b>	<b>42,336</b>	<b>1,334</b>	<b>846</b>
<b>Net current assets/(liabilities)</b>		<b>10,813</b>	<b>(14,536)</b>	<b>928</b>	<b>3,736</b>
<b>Non-current liabilities</b>					
Provisions	14	27	595	27	28
Loan from non-controlling interest		-	13,696	-	-
Lease liabilities		7,842	12,272	84	205
Loans and borrowings	13	-	13,000	-	10,585
		<b>7,869</b>	<b>39,563</b>	<b>111</b>	<b>10,818</b>
<b>Net assets/(liabilities)</b>		<b>21,876</b>	<b>(30,758)</b>	<b>6,812</b>	<b>(2,815)</b>
<b>Equity attributable to owners of the Company</b>					
Share capital	16	269,982	258,160	269,982	258,160
Reserves		(251,211)	(274,599)	(263,170)	(260,975)
		18,771	(16,439)	6,812	(2,815)
Non-controlling interests		3,105	(14,319)	-	-
<b>Total equity/(deficit)</b>		<b>21,876</b>	<b>(30,758)</b>	<b>6,812</b>	<b>(2,815)</b>

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### D. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

	Share capital	Capital reduction reserve	Foreign currency translation reserve	Accumulated losses	Equity reserve	Employee share option reserve	Total reserves	Non-controlling interests	Total (deficit)/ equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Group</b>									
<b>At 1 January 2020</b>	<b>258,160</b>	<b>2,886</b>	<b>(90)</b>	<b>(276,065)</b>	<b>1,764</b>	<b>559</b>	<b>(270,946)</b>	<b>(13,220)</b>	<b>(26,006)</b>
Loss for the financial year, representing total comprehensive income for the financial year	-	-	-	(3,726)	-	-	(3,726)	(1,099)	(4,825)
<u>Contributions by and distributions to owners</u>									
Share-based payments									
- Grant of equity-settled share options	-	-	-	-	-	73	73	-	73
- Expiry of employee share options	-	-	-	357	-	(357)	-	-	-
<b>At 31 December 2020 and 1 January 2021</b>	<b>258,160</b>	<b>2,886</b>	<b>(90)</b>	<b>(279,434)</b>	<b>1,764</b>	<b>275</b>	<b>(274,599)</b>	<b>(14,319)</b>	<b>(30,758)</b>
Profit for the financial year, representing total comprehensive income for the financial year	-	-	-	23,610	-	-	23,610	3,704	27,314
Effects of debt conversion of non-controlling interests in a subsidiary	-	-	-	-	-	-	-	13,720	13,720
Exercise of employee share options	562	-	-	-	-	(266)	(266)	-	296
<u>Contributions by and distributions to owners</u>									
Debt conversion	11,432	-	-	-	-	-	-	-	11,432
Share issuance expenses	(172)	-	-	-	-	-	-	-	(172)
Share-based payments									
- Grant of equity-settled share options	-	-	-	-	-	44	44	-	44
<b>At 31 December 2021</b>	<b>269,982</b>	<b>2,886</b>	<b>(90)</b>	<b>(255,824)</b>	<b>1,764</b>	<b>53</b>	<b>(251,211)</b>	<b>3,105</b>	<b>21,876</b>

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### D. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (continued)

For the financial year ended 31 December 2021

	Share capital	Capital reduction reserve	Accumulated losses	Employee share option reserve	Total reserves	Total (deficit)/ equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Company</b>						
<b>At 1 January 2020</b>	<b>258,160</b>	<b>2,886</b>	<b>(262,873)</b>	<b>559</b>	<b>(259,428)</b>	<b>(1,268)</b>
Loss for the financial year, representing total comprehensive income for the financial year	-	-	(1,620)	-	(1,620)	(1,620)
<u>Contributions by and distributions to owners</u>						
Share-based payments						
- Grant of equity-settled share options	-	-	-	73	73	73
- Expiry of employee share options	-	-	357	(357)	-	-
<b>At 31 December 2020 and 1 January 2021</b>	<b>258,160</b>	<b>2,886</b>	<b>(264,136)</b>	<b>275</b>	<b>(260,975)</b>	<b>(2,815)</b>
Loss for the financial year, representing total comprehensive income for the financial year	-	-	(1,973)	-	(1,973)	(1,973)
Exercise of employee share options	562	-	-	(266)	(266)	296
<u>Contributions by and distributions to owners</u>						
Debt conversion	11,432	-	-	-	-	11,432
Share issuance expenses	(172)	-	-	-	-	(172)
Share-based payments						
- Grant of equity-settled share options	-	-	-	44	44	44
<b>At 31 December 2021</b>	<b>269,982</b>	<b>2,886</b>	<b>(266,109)</b>	<b>53</b>	<b>(263,170)</b>	<b>6,812</b>

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### E. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2021

	Note	Group	
		(12 months ended)	
		31 Dec 2021	31 Dec 2020
		US\$'000	US\$'000
<b>Operating activities</b>			
<b>Profit/(Loss) before tax</b>		42,189	(1,863)
Adjustments for:			
Amortisation of signature bonus and upfront fees		137	52
Depletion and amortisation of oil and gas properties		163	7,028
Depreciation of other plant and equipment		161	12
Depreciation of right-of-use assets		4,896	3,489
Impairment loss on exploration and evaluation assets		-	34
Interest expense on lease liabilities		1,642	729
Interest income from bank deposits		(34)	(49)
Net gain on early lease termination		(65)	(201)
Provision for decommissioning cost		104	-
Provision for expected credit loss for other receivables		509	302
Reversal of accruals for potential claims		(6,439)	-
Settlement of joint venture's other payables		(3,692)	-
Share-based payments		44	73
Unrealised foreign exchange loss		-	360
Unwinding of discount on decommissioning provisions		-	721
Write off of oil and gas properties		-	537
<b>Operating cash flows before changes in working capital</b>		<b>39,615</b>	<b>11,224</b>
<b>Changes in working capital</b>			
(Increase)/Decrease in inventories		(770)	745
(Increase)/Decrease in trade and other receivables		(64)	2,255
Increase/(Decrease) in trade and other payables		1,678	(2,876)
<b>Cash flows from operations</b>		<b>40,459</b>	<b>11,348</b>
Income tax paid		(12,830)	(2,376)
Interest received		34	49
<b>Net cash flows from operating activities</b>		<b>27,663</b>	<b>9,021</b>
<b>Investing activities</b>			
Additions to exploration and evaluation assets		-	(34)
Additions to oil and gas properties	9	(727)	(293)
Cash call contributions for decommissioning provisions		(672)	(1,023)
Purchase of other plant and equipment		(103)	(2)
<b>Net cash flows used in investing activities</b>		<b>(1,502)</b>	<b>(1,352)</b>
<b>Financing activities</b>			
(Increase)/Decrease in deposits pledged		(2)	4,373
Loan from/(Repayment to) non-controlling interest		24	(2,129)
Payment of lease liabilities		(5,720)	(1,640)
Proceeds from exercise of employee share options		296	-
(Repayment of advances to)/Loan from related party	13	(1,683)	2,129
Share issuance expense		(172)	-
<b>Net cash flows (used in)/from financing activities</b>		<b>(7,257)</b>	<b>2,733</b>
<b>Net increase in cash and cash equivalents</b>		<b>18,904</b>	<b>10,402</b>
Cash and cash equivalents at beginning of the financial year		14,913	4,511
<b>Cash and cash equivalents at end of the financial year</b>		<b>33,817</b>	<b>14,913</b>

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

	Group	
	(12 months ended)	
	31 Dec 2021	31 Dec 2020
	US\$'000	US\$'000
Cash and bank balances	37,006	18,100
Less:		
Long-term deposits pledged	(3,189)	(3,187)
<b>Cash and cash equivalents</b>	<b>33,817</b>	<b>14,913</b>



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### F. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the fourth quarter and financial year ended 31 December 2021

#### 1. Corporate information

The Company is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The registered office and principal place of business of the Company is located at 20 Harbour Drive, #06-03, Singapore 117612.

The principal activities of the Company were those of a trading company, investment holding, and exploration and production of oil and gas. The principal activities of the Group are:

- (a) Investment holding
- (b) Oil and gas exploration and production

#### 2. Basis of preparation

The condensed interim financial statements for the fourth quarter and financial year ended 31 December 2021 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in United States Dollar ("**USD**") which is the Company's functional currency and all values are rounded to the nearest thousand ("**US\$'000**") except when otherwise indicated.

##### 2.1 New and amended standards adopted by the Group

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 of the Group's results.

##### 2.2 Use of judgements and estimates (SFRS(I))

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Significant changes in assumptions, estimations, and risks that will result in material adjustments to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

- (a) Hydrocarbon reserve and resource estimates

Oil and gas production properties are depreciated on units of production basis at a rate calculated by reference to total proved developed and undeveloped reserves determined in accordance with Society of Petroleum Engineers rules and incorporating the estimated future cost of developing those reserves. The Group estimates its commercial reserves based on information compiled by appropriately qualified persons relating to the geological and technical data on the size, depth, shape and grade of the hydrocarbon body and suitable production techniques and recovery rates. Commercial reserves are determined using estimates of oil and gas in place, recovery factors and future oil prices. Future development costs are estimated using assumptions as to number of wells required to produce the commercial reserves, the cost of such wells, associated production facilities, and other capital costs. The carrying amount of oil and gas development and production assets at 31 December 2021 and 31 December 2020 are shown in Note 9.

As the economic assumptions used may change and as additional geological information is obtained during the operation of a field, estimates of recoverable reserves may change. Such changes may impact the Group's reported financial position and results.

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### F. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 2.2 Use of judgements and estimates (SFRS(I)) (continued)

##### (b) Recoverability of oil and gas assets

The Group assesses each asset or cash generating unit ("CGU") (excluding goodwill, which is assessed annually regardless of indicators) at each reporting period to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of fair value less costs of disposal and value in use. These assessments require the use of estimates and assumptions such as long-term oil prices (taking into account current and historical prices, price trends and related factors), discount rates, production and sales volumes, operating costs, future capital requirements, decommissioning costs and exploration potential. These estimates and assumptions are subject to risk and uncertainty. Therefore, there is a possibility that changes in circumstances may result in deviation from these projections, which may in turn impact on the recoverable amount of the assets and/or CGUs.

#### 3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period/year.

#### 4. Segment information

The Group has only one business unit (oil and gas) and has only one reportable segment.

No operating segments have been aggregated to form the above reportable operating segment.

	Oil and gas (12 months ended)	
	31 Dec 2021	31 Dec 2020
	US\$'000	US\$'000
<b>Revenue</b>	<u>82,465</u>	<u>50,500</u>
<b>Results</b>		
Depreciation and amortisation	(324)	(7,040)
Depreciation of right-of-use assets	(4,896)	(3,489)
Finance costs	(1,642)	(1,450)
Impairment loss on exploration and evaluation assets	-	(34)
Interest income	34	49
Provision for decommissioning cost	(104)	-
Provision for expected credit loss for other receivables	(509)	(302)
Reversal of accruals for potential claims	6,439	-
Segment profit/(loss) before tax	42,189	(1,863)
Settlement of joint venture's other payables	3,692	-
Share-based payments	(44)	(73)
<b>Assets</b>		
Total capital expenditure	1,313	329 (A)
Segment assets	<u>65,962</u>	<u>51,141</u> (B)
<b>Segment liabilities</b>	<u>44,086</u>	<u>81,899</u>
(A) Total capital expenditure is consisted of the following additions: Additions in:		
- Oil and gas properties	1,210	293
- Exploration and evaluation assets	-	34
- Other plant and equipment	103	2
	<u>1,313</u>	<u>329</u>
(B) The following items are added to the segment assets and liabilities to arrive at total assets and liabilities reported in the consolidated balance sheet:		
<u>Segment assets</u>		
Deferred tax assets	<u>1,024</u>	<u>694</u>
<u>Segment liabilities</u>		
Income tax payable	<u>6,873</u>	<u>4,497</u>

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### F. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 5. Revenue

Revenue is measured based on consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation is satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

An analysis of the Group's revenue are as follows:

	Group (3 months ended)		Group (12 months ended)	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	US\$'000	US\$'000	US\$'000	US\$'000
Production of oil	17,433	13,206	71,665	43,864
Sales of natural gas	3,380	1,929	10,800	6,636
<b>Total revenue from contracts with external customers</b>	<b>20,813</b>	<b>15,135</b>	<b>82,465</b>	<b>50,500</b>
<b>Timing of transfer of goods</b>				
At a point in time	20,813	15,135	82,465	50,500

#### 6. Profit/(Loss) before taxation

##### 6.1. Profit/(Loss) before tax is arrived after crediting/(charging) the following:

	Group (3 months ended)		Group (12 months ended)	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	US\$'000	US\$'000	US\$'000	US\$'000
Amortisation of signature bonus and upfront fees	(34)	(28)	(137)	(52)
Depletion and amortisation of oil and gas properties	(163)	177	(163)	(7,028)
Depreciation of other plant and equipment	(43)	(2)	(161)	(12)
Depreciation of right-of-use assets	(586)	(845)	(4,896)	(3,489)
Foreign exchange (loss)/gain, net	(11)	(378)	368	(996)
Government grant	-	33	39	142
Impairment loss on exploration and evaluation assets	-	-	-	(34)
Interest expense on lease liabilities	(274)	(328)	(1,642)	(729)
Interest income from bank deposits	11	6	34	49
Net gain on early lease termination	61	6	65	201
Overlift expense	-	-	(870)	-
Provision for decommissioning cost	(104)	-	(104)	-
Provision for expected credit loss for other receivables	(509)	(302)	(509)	(302)
Reversal of accruals for potential claims	6,439	-	6,439	-
Settlement of joint venture's other payables	3,692	-	3,692	-
Share-based payments	(10)	(17)	(44)	(73)
Underlift income	133	460	444	886
Unwinding of discount on decommissioning provisions	-	(49)	-	(721)
Write off of oil and gas properties	-	(537)	-	(537)

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

	Group (3 months ended)		Group (12 months ended)	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	US\$'000	US\$'000	US\$'000	US\$'000
Profit/(Loss) before tax	16,241	1,592	42,189	(1,863)
Amortisation of signature bonus and upfront fees	34	28	137	52
Depletion and amortisation of oil and gas properties	163	(177)	163	7,028
Depreciation of other plant and equipment	43	2	161	12
Impairment loss on exploration and evaluation assets	-	-	-	34
Interest expense on lease liabilities	274	328	1,642	729
Provision for decommissioning cost	104	-	104	-
Reversal of accruals for potential claims	(6,439)	-	(6,439)	-
Settlement of joint venture's other payables	(3,692)	-	(3,692)	-
Unwinding of discount on decommissioning provisions	-	49	-	721
	<b>6,728</b>	<b>1,822</b>	<b>34,265</b>	<b>6,713</b>

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### F. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 6. Profit/(Loss) before taxation (continued)

##### 6.3. Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

#### 7. Income tax

	Group		Group	
	(3 months ended)		(12 months ended)	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Current income tax</b>				
- Current income taxation	(2,439)	(2,412)	(14,861)	(4,430)
<b>Deferred income tax</b>				
- Origination and reversal of temporary differences	279	2,778	516	3,552
- Under provision in respect of previous years	(526)	(2,084)	(530)	(2,084)
<b>Income tax expense recognised in profit and loss</b>	<b>(2,686)</b>	<b>(1,718)</b>	<b>(14,875)</b>	<b>(2,962)</b>

#### 8. Earnings/(Loss) per share

Basic earnings/(loss) per share is calculated by dividing earnings/(loss), net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period/year.

Diluted earnings/(loss) per share is calculated by dividing earnings/(loss), net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period/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		No. of Shares	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	(3 months)	(3 months)	(12 months)	(12 months)
Weighted average number of ordinary shares for basic earnings/(loss) per share computation	742,663,922	734,277,400	738,471,384	734,277,400
Effects of dilution:				
- Share options	3,898,572	- <sup>(1)</sup>	3,266,563	- <sup>(1)</sup>
Weighted average number of ordinary shares for diluted earnings/(loss) per share computation	<u>746,562,494</u>	<u>734,277,400</u>	<u>741,737,947</u>	<u>734,277,400</u>

<sup>(1)</sup> The share options granted to employees under the existing employee share option plans are anti-dilutive and not included in the calculation as their conversion to ordinary shares would decrease loss per share.

	Group		Group	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	(3 months)	(3 months)	(12 months)	(12 months)
	Cents	Cents	Cents	Cents
Earnings/(Loss) per ordinary share for the financial period/year based on net profit/(loss) attributable to owners of the Company				
(i) Based on the weighted average number of ordinary shares on issue; and	1.61	(0.08)	3.20	(0.51)
(ii) On a fully diluted basis	<u>1.60</u>	<u>(0.08)</u>	<u>3.18</u>	<u>(0.51)</u>

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### F. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 9. Oil and gas properties

	Group	
	31 Dec 2021 US\$'000	31 Dec 2020 US\$'000
<b>Cost</b>		
At 1 January	144,227	144,471
Additions	1,210	293
Transfer to other plant and equipment	(390)	-
Written off	-	(537)
	<u>145,047</u>	<u>144,227</u>
<b>Accumulated depletion and impairment</b>		
At 1 January	144,208	137,180
Charge for the financial year	163	7,028
	<u>144,371</u>	<u>144,208</u>
<b>Net carrying amount</b>	<u>676</u>	<u>19</u>

The net book value as at 31 December 2021 relates to development assets under construction of US\$676,000 (31 December 2020: US\$19,000) which are not being depreciated. Cash outflow for the development of oil and gas properties for the financial year ended 2021 was US\$727,000 (2020: US\$293,000). The remaining additions of US\$483,000 (2020: Nil) relates to accruals made for the unbilled costs for the development assets in Kepala Burung PSC.

#### Impairment of assets for cash generating units ("CGUs") containing oil and gas properties

During the financial year, certain subsidiaries of the Group carried out a review of recoverable amount of its oil and gas properties. There was no impairment loss recognised for the financial years ended 31 December 2021 and 2020. The recoverable amount of the oil and gas properties was determined by management based on its value in use and pre-tax discount rate used of 12.5% (2020: 12.5%).

The recoverable amount of the assets is determined based on value in use calculations using cash flow projections from the production forecasts approved by management, covering periods until the end of the production sharing contract. The key assumptions used to determine the recoverable amount were disclosed in Note 9 of RH Petrogas Limited's Annual Report 2020.

#### 10. Other non-current assets

	Group	
	31 Dec 2021 US\$'000	31 Dec 2020 US\$'000
Signature bonuses	1,301	1,371
Upfront fees	1,251	1,318
	<u>2,552</u>	<u>2,689</u>

The movement in amortisation of signature bonus and upfront fees are as follows:

	Group	
	31 Dec 2021 US\$'000	31 Dec 2020 US\$'000
At 1 January	52	-
Amortisation for the financial year	137	52
At 31 December	<u>189</u>	<u>52</u>

Other non-current assets of US\$2,552,000 (2020: US\$2,689,000) comprised signature bonuses and upfront fees paid for the issuance of performance bonds in relation to the signing of new 20-year PSCs for the Basin and Island blocks beyond their contract expiry in 2020. The signature bonus and upfront fees are amortised over the 20-year period from the commencement date of the new PSCs. The Group recorded amortisation expense of US\$137,000 (2020: US\$52,000) for the year.

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### F. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 11. Trade and other receivables

	Group		Company	
	31 Dec 2021 US\$'000	31 Dec 2020 US\$'000	31 Dec 2021 US\$'000	31 Dec 2020 US\$'000
Trade receivables	4,113	6,551	-	-
Unbilled receivables	991	-	-	-
Share of joint venture receivables	3,758	3,842	-	-
Refundable deposits	35	404	34	399
Under-lift assets	2,854	1,387	-	-
Sundry receivables	649	629	122	194
<b>Total trade and other receivables</b>	<b>12,400</b>	<b>12,813</b>	<b>156</b>	<b>593</b>

Trade receivables are non-interest bearing and are generally on 15 to 30 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

#### 12. Trade and other payables

	Group		Company	
	31 Dec 2021 US\$'000	31 Dec 2020 US\$'000	31 Dec 2021 US\$'000	31 Dec 2020 US\$'000
Trade payables	3,832	5,396	-	-
Accrued operating expenses	14,525	10,274	1,078	595
Accruals for potential claims	1,325	7,764	-	-
Proportionate share of joint venture's other payables	112	4,602	-	-
Accrued plug and abandonment costs	1,993	1,993	-	-
Sundry payables	593	320	139	20
<b>Total trade and other payables</b>	<b>22,380</b>	<b>30,349</b>	<b>1,217</b>	<b>615</b>

Trade payables are non-interest bearing and are normally settled on 60-day terms.

#### 13. Loans and borrowings

	Group		Company	
	31 Dec 2021 US\$'000	31 Dec 2020 US\$'000	31 Dec 2021 US\$'000	31 Dec 2020 US\$'000
<b>Current</b>				
Loans from related party, unsecured	-	115	-	115
	-	115	-	115
<b>Non-current</b>				
Loans from related party, unsecured	-	13,000	-	10,585
	-	13,000	-	10,585
<b>Total loans and borrowings</b>	<b>-</b>	<b>13,115</b>	<b>-</b>	<b>10,700</b>

During the financial year, the Group has made a net repayment of advances of US\$1,683,000 (2020: received net advances of US\$2,129,000) to its related party which a director has a substantial interest.

On 6 October 2021, the Company announced that it had on the same day, entered into a conditional capitalisation deed (the "Deed") with Surreyville Pte Ltd ("Surreyville"), pursuant to which the Company had agreed, subject to and upon the terms and conditions set out in the Deed, to capitalise S\$15,480,000 of the S\$17,696,315 shareholder's loans owing by the Company to Surreyville via the allotment and issuance of 90,000,000 new ordinary shares of the Company at the issue price of S\$0.172 per share (the "Capitalisation Shares") to Surreyville in full repayment and discharge of the sum of S\$15,480,000 (the "Proposed Capitalisation"). The Capitalisation Shares shall on issue rank pari passu in all respects with the then existing ordinary shares of the Company as at the date of their issue. The Proposed Capitalisation was effected and completed on 29 December 2021 and the Capitalisation Shares were allotted and issued to Surreyville on 29 December 2021. Please refer to the SGXNET Announcements No. SG211006OTHR0MBI and SG211229OTHRA2S3 dated 6 October 2021 and 29 December 2021 respectively for more details.

Following the completion of the Proposed Capitalisation and the repayment of advances, the loans from related party has been fully repaid as at 31 December 2021.

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### F. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 14. Provisions

	Group		Company	
	31 Dec 2021 US\$'000	31 Dec 2020 US\$'000	31 Dec 2021 US\$'000	31 Dec 2020 US\$'000
Termination liabilities	1,383	569	-	-
Decommissioning provision	11,477	11,373	-	-
Provision for reinstatement cost	27	28	27	28
	<u>12,887</u>	<u>11,970</u>	<u>27</u>	<u>28</u>
Less: Cash calls contributed for				
- Termination liabilities	(1,383)	(569)	-	-
- Decommissioning provision	(11,477)	(10,806)	-	-
	<u>(12,860)</u>	<u>(11,375)</u>	<u>-</u>	<u>-</u>
	<u>27</u>	<u>595</u>	<u>27</u>	<u>28</u>
Non-current	<u>27</u>	<u>595</u>	<u>27</u>	<u>28</u>

#### 15. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2021 and 31 December 2020:

	Group		Company	
	31 Dec 2021 US\$'000	31 Dec 2020 US\$'000	31 Dec 2021 US\$'000	31 Dec 2020 US\$'000
<b>Financial assets</b>				
Trade and other receivables	12,122	10,141	156	593
Amounts due from subsidiaries	-	-	5,784	3,933
Cash and bank balances	37,006	18,100	2,066	3,962
<b>Total undiscounted financial assets</b>	<u>49,128</u>	<u>28,241</u>	<u>8,006</u>	<u>8,488</u>
<b>Financial liabilities</b>				
Trade and other payables	22,380	30,349	1,217	615
Loans and borrowings	-	13,115	-	10,700
Lease liabilities	14,828	21,370	201	321
Loan from non-controlling interest	-	13,696	-	-
<b>Total undiscounted financial liabilities</b>	<u>37,208</u>	<u>78,530</u>	<u>1,418</u>	<u>11,636</u>
<b>Net undiscounted financial assets/(liabilities)</b>	<u>11,920</u>	<u>(50,289)</u>	<u>6,588</u>	<u>(3,148)</u>

#### 16. Share capital

	Group and Company			
	31 Dec 2021		31 Dec 2020	
	No. of shares	Amount US\$'000	No. of shares	Amount US\$'000
<b>Issued and fully paid:</b>				
At 1 January	734,277,400	258,160	734,277,400	258,160
Debt conversion	90,000,000	11,432	-	-
Share issuance expenses	-	(172)	-	-
Exercise of equity-settled share options	6,430,000	562	-	-
At 31 December	<u>830,707,400</u>	<u>269,982</u>	<u>734,277,400</u>	<u>258,160</u>

On 6 October 2021, the Company entered into a conditional capitalisation deed (the "Deed") with Surreyville Pte Ltd ("Surreyville"), pursuant to which the Company had agreed, subject to and upon the terms and conditions set out in the Deed to capitalise S\$15,480,000 of the S\$17,696,315 shareholder's loans owing by the Company to Surreyville and to allot and issue 90,000,000 new ordinary shares of the Company at the issue price of S\$0.172 per share ("Capitalisation Shares") to Surreyville in full repayment and discharge of the sum of S\$15,480,000 (the "Proposed Capitalisation"). The Proposed Capitalisation was effected and completed on 29 December 2021 and the Capitalisation Shares were allotted and issued to Surreyville on 29 December 2021. Please refer to the SGXNET Announcements No. SG211006OTHR0MBI and SG211229OTHR2S3 dated 6 October 2021 and 29 December 2021 respectively for more details.

There are no treasury shares held in the issued share capital of the Company.

#### 17. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

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### G. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

For the fourth quarter and financial year ended 31 December 2021

#### PART I - INFORMATION REQUIRED FOR QUARTERLY, HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

**1. 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.

**2. Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).**

Not applicable.

**3. 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(i) 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**

There were no options granted in the fourth quarter period ended 31 December 2021 (fourth quarter period ended 31 December 2020: Nil) pursuant to the RHP Share Option Scheme 2011. During the financial year ended 31 December 2021, there were 2,000,000 options (financial year ended 31 December 2020: 2,560,000 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 2021 are as follows:

Date of grant of options	Exercise price per share	Balance as at 01.01.2021	Granted during the financial year	Exercised during the financial year	Cancelled/ lapsed during the financial year	Number of options outstanding as at 31.12.2021	Number of options outstanding as at 31.12.2020	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	-	-	(50,000)	2,510,000	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>(6,430,000)</u>	<u>(50,000)</u>	<u>4,510,000</u>	<u>8,990,000</u>	

#### **PERFORMANCE SHARE PLAN**

There were no shares awarded in the fourth quarter period ended 31 December 2021 (fourth quarter period ended 31 December 2020: Nil) and the financial year ended 31 December 2021 (financial year ended 31 December 2020: Nil) pursuant to the Performance Share Plan.



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### G. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (continued)

#### SHARE CAPITAL

During the financial year ended 31 December 2021, the Company issued a total of 6,430,000 new ordinary shares (financial year ended 31 December 2020: Nil) pursuant to the exercise of options granted under the RHP Share Option Scheme 2011.

During the fourth quarter period ended 31 December 2021, the Company issued 90,000,000 new ordinary shares at the issue price of S\$0.172 per share (fourth quarter period ended 31 December 2020: Nil) pursuant to the proposed capitalisation of shareholder's loans (please refer to the SGXNET Announcement No. SG2110060THR0MBI dated 6 October 2021) which was approved by shareholders at the Extraordinary General Meeting of the Company held on 29 December 2021 (please refer to the SGXNET Announcement No. SG2112290THRA2S3 dated 29 December 2021).

The details of changes in the Company's share capital were as follows:

	<u>No. of shares</u>	<u>US\$'000</u>
Balance as at 1 January 2021	734,277,400	258,160
Exercise of equity-settled share options	6,430,000	562
Balance as at 30 September 2021	740,707,400	258,722
Debt conversion	90,000,000	11,432
Share issuance expenses	-	(172)
Balance as at 31 December 2021	<u>830,707,400</u>	<u>269,982</u>

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

#### 4(ii) 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 December 2021 was 830,707,400 (31 December 2020: 734,277,400).

#### 4(iii) 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.

#### 4(iv) 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.

#### 5. 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.

	<u>Group</u>		<u>Company</u>	
	<u>31 Dec 2021</u>	<u>31 Dec 2020</u>	<u>31 Dec 2021</u>	<u>31 Dec 2020</u>
	Cents	Cents	Cents	Cents
Net asset value per ordinary share capital	<u>2.26</u>	<u>(2.24)</u>	<u>0.82</u>	<u>(0.38)</u>

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### G. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (continued)

**6. 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.**

#### 6.1. Consolidated Income Statement

##### Fourth quarter period ended 31 December 2021 ("4Q 2021") vs fourth quarter period ended 31 December 2020 ("4Q 2020")

6.1.1. The Group recorded revenue of US\$20,813,000 for 4Q 2021, an increase of 37.5% as compared to the US\$15,135,000 recorded for 4Q 2020. The increase was mainly attributable to a 90.5% increase in the average realised oil price for the period from US\$42 per barrel in 4Q 2020 to US\$80 per barrel in 4Q 2021 for the crude oil lifted in both the Kepala Burung production sharing contract ("**PSC**") and the Salawati PSC.

6.1.2. The cost of sales increased by 8.1% to US\$12,941,000 in 4Q 2021 as compared to 4Q 2020 mainly due to higher well services activities.

6.1.3. As a result of the increase in revenue and partially offset by the increase in cost of sales, the Group recorded a gross profit of US\$7,872,000 in 4Q 2021 as compared to the gross profit of US\$3,159,000 in 4Q 2020.

6.1.4. Other income increased from US\$628,000 in 4Q 2020 to US\$10,418,000 in 4Q 2021 was mainly due to settlement of joint venture's other payables of US\$3,692,000 and one-time reversal of accruals for potential claims of US\$6,439,000 in relation to the Basin PSC which expired in 2020 following the conclusion of final audits and settlement among partners in 2021. These were partially offset by (i) lower underlift income being recognised in the expired Basin PSC in 4Q 2021; and (ii) lower cash payouts received under the Singapore Government Jobs Support Scheme.

6.1.5. Administrative expenses increased from US\$632,000 in 4Q 2020 to US\$1,142,000 in 4Q 2021 mainly due to increase in staff costs and depreciation of other plant and equipment.

6.1.6. The decrease in other expenses for 4Q 2021 was mainly due to lower foreign exchange loss and partially offset by the increase in provision for expected credit loss for other receivables.

6.1.7. Finance costs for 4Q 2021 were lower as compared to 4Q 2020 due to the lower interest expense on lease liabilities for both the Kepala Burung and Salawati PSCs and partially offset by the absence of unwinding of discount on decommissioning provisions for the expired Island PSC which was recorded in 4Q 2020.

6.1.8. The income tax expense of US\$2,686,000 in 4Q 2021 mainly comprised (i) the Group's share of the income tax expense of US\$2,439,000 for both the Kepala Burung and Salawati PSCs; and (ii) recognition of deferred tax assets of US\$247,000 for the Kepala Burung PSC.

6.1.9. As a result of the above, the Group recorded a net profit of US\$13,555,000 and EBITDAX (see Section F Note 6.2 above) of US\$6,728,000 for 4Q 2021 as compared to a net loss of US\$126,000 and EBITDAX of US\$1,822,000 for 4Q 2020.

##### Financial year ended 31 December 2021 ("FY2021") vs financial year ended 31 December 2020 ("FY2020")

6.1.10. The Group recorded revenue of US\$82,465,000 for FY2021, an increase of 63.3% as compared to the US\$50,500,000 recorded for the FY2020. The significant increase in revenue was mainly attributable to a 70.7% increase in the average realised oil price for the year from US\$41 per barrel in FY2020 to US\$70 per barrel in FY2021 for the crude oil lifted in both the Kepala Burung and Salawati PSCs.

6.1.11. The cost of sales decreased by 5.9% to US\$44,820,000 in FY2021 as compared to FY2020 mainly due to a significantly lower depletion and amortisation of oil and gas properties which was recorded in FY2021. This was partially offset by (i) the higher well services activities and (ii) higher depreciation expense on right-of-use assets of US\$4,777,000 for FY2021 (FY2020: US\$3,360,000).

6.1.12. The gross profit increased significantly from US\$2,866,000 in FY2020 to US\$37,645,000 in FY2021 as a result of the increase in revenue and decrease in cost of sales as stated in the above.

6.1.13. Other income increased from US\$1,553,000 in FY2020 to US\$11,421,000 in FY2021 was mainly due to settlement of joint venture's other payables of US\$3,692,000 and one-time reversal of accruals for potential claims of US\$6,439,000 in relation to the Basin PSC which expired in 2020 following the conclusion of final audits and settlement among partners in 2021. These were partially offset by (i) lower underlift income being recognised in both the expired Basin and Island PSCs in FY2021; (ii) lower cash payouts received under the Singapore Government Jobs Support Scheme; and (iii) lower head office overheads charged to partners in both the Kepala Burung and Salawati PSCs.

6.1.14. Administrative expenses for FY2021 increased by 7.1% to US\$3,516,000 as compared to FY2020 mainly due to increase in staff costs and depreciation of other plant and equipment.

6.1.15. The increase in other expenses for FY2021 was mainly due to (i) the recognition of overlift expenses of US\$870,000 in the expired Island PSC and Kepala Burung PSC; and (ii) higher provision for expected credit loss for other receivables for both the expired Basin and Island PSCs. These were partially offset by absence of (i) foreign exchange loss of US\$996,000; and (ii) impairment loss on exploration and evaluation assets of US\$34,000 for the SK331 PSC which was relinquished on 5 June 2020, both of which were recorded in FY2020.

6.1.16. Finance costs for FY2021 were higher as compared to FY2020 due to the higher interest expense on lease liabilities for both the Kepala Burung and Salawati PSCs and partially offset by the absence of unwinding of discount on decommissioning provisions for the expired Island PSC which was recorded in FY2020.

6.1.17. The income tax expense of US\$14,875,000 in FY2021 mainly comprised (i) the Group's share of the income tax expense of US\$14,861,000 for both the Kepala Burung and Salawati PSCs; and (ii) reversal of deferred tax assets of US\$14,000 for the Kepala Burung PSC.

6.1.18. As a result of the above, the Group recorded a net profit of US\$27,314,000 and EBITDAX (see Section F Note 6.2 above) of US\$34,265,000 for FY2021 as compared to a net loss of US\$4,825,000 and EBITDAX of US\$6,713,000 for FY2020.

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### G. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (continued)

#### 6.2. Balance Sheet

6.2.1. As at 31 December 2021, the carrying value of oil and gas properties includes development assets under construction of US\$676,000 for the Kepala Burung PSC which are not being depreciated.

6.2.2. The increase in other plant and equipment was due to purchase of computers and IT equipments for the Company and Kepala Burung PSC.

6.2.3. The Group recognised deferred tax assets of US\$1,024,000 as at 31 December 2021 mainly due to differences in depreciation for tax purposes for the Kepala Burung PSC.

6.2.4. The right-of-use ("ROU") assets mainly relate to lease contracts for office and warehouse, plant and machinery, motor vehicles and other equipment for both the Kepala Burung and Salawati PSCs. The decrease in the ROU assets was mainly due to the depreciation of the ROU assets in FY2021.

6.2.5. 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 and Salawati PSCs. The required cash collateral has been fully satisfied as of 31 December 2020.

6.2.6. The increase in inventories was mainly due to purchase of repair and replacement parts for power plant, materials for well services activities for both the Kepala Burung and Salawati PSCs.

6.2.7. The decrease in trade and other receivables was mainly attributable to the decrease in trade receivables in both the Kepala Burung and Salawati PSCs. Included in trade and other receivables was the sale and lifting of crude oil of US\$3,248,000 from both the Kepala Burung and Salawati PSCs in December 2021 with the proceeds received in January 2022.

6.2.8. The decrease in lease liabilities in the current liabilities was due to payment of lease liabilities for both the Kepala Burung and Salawati PSCs for FY2021. The decrease in lease liabilities in the non-current liabilities was due to the reclassification to current liabilities. As at 31 December 2021, the lease liabilities in the current liabilities and non-current liabilities were US\$6,964,000 and US\$7,842,000 respectively.

6.2.9. The decrease in trade and other payables was mainly attributable to the settlement of joint venture's other payables of US\$3,692,000 and reversal of accruals for potential claims of US\$6,439,000 in relation to the Basin PSC which expired in 2020 following the conclusion of final audits and settlement among partners in 2021. This was partially offset by the increase in accrued operating expenses in both the Kepala Burung and Salawati PSCs.

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

6.2.11. The decrease in loan from non-controlling interest was due to the capitalisation deed entered into on 5 November 2021 by Tumbuh Tiasa Enterprises Sdn Bhd ("TTE"), RH Petrogas Investments Pte Ltd ("RHPI"), a wholly owned subsidiary of the Company and RHP (Mukah) Pte Ltd ("RHP (Mukah)"), a joint venture company and indirect subsidiary of the Company, in which RHPI holds a 51% shareholding interest and TTE holds the remaining 49% shareholding interest, to capitalise interest-free shareholders' loans (the "Loans") amounting to an aggregate of US\$28,001,004 (equivalent to S\$38,112,167 based on the exchange rate of US\$1.00 : S\$1.3611 as at 30 September 2021) advanced by RHPI (US\$14,280,512, equivalent to S\$19,437,205 based on the exchange rate of US\$1.00 : S\$1.3611 as at 30 September 2021) and TTE (US\$13,720,492, equivalent to S\$18,674,962 based on the exchange rate of US\$1.00 : S\$1.3611 as at 30 September 2021) to RHP (Mukah) in proportion to their shareholding interests in RHP (Mukah), into an aggregate of 38,112,167 new ordinary shares of RHP (Mukah) ("Shares") to be credited as fully paid and to be allotted and issued to RHPI (19,437,205 Shares) and TTE (18,674,962 Shares) in proportion to their shareholding interests in RHP (Mukah) in full repayment and discharge of the Loans (the "RHPM Capitalisation"). The RHPM Capitalisation was effected and completed and the Shares were allotted and issued on 5 November 2021. Please refer to the Company's SGXNET Announcement No. SG211105OTHRAML dated 5 November 2021 for more details.

6.2.12. Total loans and borrowings decreased due to (i) the capitalisation of S\$15,480,000 shareholder's loans owing by the Company to Surreyville Pte Ltd ("Surreyville") via the allotment and issuance of 90,000,000 new ordinary shares of the Company at the issue price of S\$0.172 per share to Surreyville in full repayment and discharge of the sum of S\$15,480,000 (see Section F Note 13 above); and (ii) repayment of US\$1,683,000 to Surreyville.

#### 6.3 Cash Flow

6.3.1. The Group recorded net cash flows from operating activities of US\$27,663,000 in FY2021 as compared to US\$9,021,000 in FY2020. The increase was mainly due to the higher operating cash flows before changes in working capital and partially offset by the net working capital outflow.

6.3.2. Net cash flows used in investing activities was US\$1,502,000 in FY2021. This mainly comprised (i) addition of development assets under construction and other capital expenditure of US\$727,000 for the Kepala Burung PSC; (ii) cash call contribution for decommissioning costs of US\$672,000 for the expired Basin and Island PSCs; and (iii) purchase of other plant and equipment of US\$103,000.

6.3.3. Net cash flows used in financing activities of US\$7,257,000 in FY2021 mainly consisted of (i) payment of lease liabilities of US\$5,720,000 for the Kepala Burung PSC and Salawati PSC; (ii) repayment of loans and borrowings of US\$1,683,000 to a related party; and (iii) share issuance expense of US\$172,000 relating to the capitalisation of shareholder's loans. These are partially offset by proceeds from issuance of the new ordinary shares of US\$296,000 pursuant to the exercise of options granted under the RHP Share Option Scheme 2011.

6.3.4. The Group recorded positive operating cash flows of US\$27,663,000 for FY2021 and has cash and cash equivalents of US\$33,817,000 as at 31 December 2021.

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### G. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (continued)

#### 7. 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 been previously disclosed to shareholders.

#### 8. 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 operating period and the next 12 months

Brent oil prices rallied in the fourth quarter of 2021 ("4Q 2021"), holding above US\$80 per barrel for most of the quarter before dipping towards the end of November after the World Health Organisation designated the emerging COVID-19 Omicron variant as a variant of concern. The average Brent oil price for 4Q 2021 was approximately US\$80 per barrel, 8% higher than the previous quarter's average of US\$74 per barrel. Despite reports in late November 2021 of major oil consuming countries such as the U.S., China, India, Japan, South Korea and UK agreeing to release oil stockpiles from their strategic reserve in response to the high oil prices, and as the OPEC+ alliance continued to stick with its previously announced plans of increasing oil supply by 400,000 barrels a day for each month, global oil prices remained firm, supported by the softer-than-expected impact of the Omicron variant on global oil demand and economic recovery. For the whole of 2021, oil price averaged around US\$71 per barrel, a sharp recovery from the average of around US\$42 per barrel recorded a year earlier.

In its February 2022 Oil Market Report, the IEA observed that OECD oil inventories were at their lowest levels in seven years, and the inability of some OPEC+ members to meet their output quotas further exacerbated the market tightness. The IEA expects that further easing of pandemic restrictions will boost oil demand to over 100 million barrels per day in 2022. However, the IEA had also highlighted the likelihood of a supply surplus materialising in 2022 if non-OPEC+ producers ramp up supply, OPEC+ countries fully unwind their cuts and sanctions on Iran are lifted resulting in Iranian oil returning to the market.

In the face of continuing expected volatility considering the various demand and supply uncertainties, the Group maintains a prudent approach to its spending, and will undertake selective well drilling and enhanced oil recovery programs to increase field production and productivity. The Group also plans to commence its first exploration well drilling in 2022 as part of its work commitment under the new PSCs and to support its long term sustainable growth prospects.

Amid the global spread of the highly transmissible Omicron variant, the Group continues to place top priority on the well-being, health and safety of our staff and contractors. The Group continues 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. As more countries begin to treat COVID-19 as endemic and progressively calibrate their protocols towards the reopening of their economies and borders, the Group will continue to monitor and assess the situations closely and will adjust its safe management protocols in order to maintain business continuity of its key operations.

#### 9. 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.

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### **G. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (continued)**

#### **10. 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 financial year ended 31 December 2021. The Group is conserving its cash towards funding its exploration work programs over the next few years, which are central to the Group's strategy to grow its reserve and production organically. Under the terms of the new Kepala Burung PSC and Salawati PSC which both commenced in 2020, the Group is committed to conduct an agreed set of exploration work programs in the two blocks during the first five contract years, which carry a firm financial commitment of approximately US\$68.2 million net to the Group's working interests. Due to the challenges brought on by the Covid-19 pandemic, such exploration programs have been delayed and are expected to commence in 2022, barring any unforeseen circumstances.

#### **11. 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 Interested Person Transactions.

#### **12. Negative confirmation pursuant to Rule 705(5)**

Not required for full year results announcement.

#### **13. 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).

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### G. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (continued)

#### PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

#### 14. Segmented revenue and results for business or geographical 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.

Please refer to Note 4 of Section F (Notes to the Condensed Interim Consolidated Financial Statements).

#### 15. 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 6 of Section G (Other Information Required by Listing Rule Appendix 7.2).

#### 16. A breakdown of sales as follows:-

	Group		% Change
	31 Dec 2021 US\$'000	31 Dec 2020 US\$'000	
(a) Sales reported for first half year	39,492	23,526	67.9%
(b) Operating profit/(loss) after tax before deducting non-controlling interests reported for first half year	8,244	(4,164)	N.M.
(c) Sales reported for second half year	42,973	26,974	59.3%
(d) Operating profit/(loss) after tax before deducting non-controlling interests reported for second half year	19,070	(661)	N.M.

#### 17. 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 2021	Latest Full Year 2020
(a) Ordinary	-	-
(b) Preference	-	-
(c) Total	-	-

#### 18. Disclosure of person occupying a managerial position in the issuer or any of 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.

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### G. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (continued)

#### 19. Interested Person Transactions ("IPT")

Name of Interested Person	Nature of Relationship	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 under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)	
		FY2021 US\$'000	FY2020 US\$'000	FY2021 US\$'000	FY2020 US\$'000
RHP (Mukah) Pte. Ltd. (" <b>RHP (Mukah)</b> ") <sup>(1)</sup> - Loans from RH Petrogas Investments Pte. Ltd. (" <b>RHPI</b> ") to RHP (Mukah) <sup>(2)</sup> - Capitalisation of interest-free shareholders' loans advanced by RHPI to RHP (Mukah) into new ordinary shares of RHP (Mukah) <sup>(2),(3)</sup>	An associate of the Company's Directors and Controlling Shareholders <sup>(2)</sup>	26	379	Not Applicable	Not Applicable
		14,281	-	Not Applicable	Not Applicable
Tumbuh Tiasa Enterprises Sdn. Bhd. (" <b>TTE</b> ") <sup>(1)</sup> - Capitalisation of interest-free shareholders' loans advanced by TTE to RHP (Mukah) into new ordinary shares of RHP (Mukah) <sup>(2),(3)</sup>	An associate of the Company's Directors and Controlling Shareholders <sup>(2)</sup>	13,720	-	Not Applicable	Not Applicable
Surreyville Pte. Ltd. (" <b>Surreyville</b> ") - Capitalisation of interest-free shareholder's loans owing by the Company to Surreyville into new ordinary shares of the Company <sup>(4)</sup>	Substantial Shareholders	11,432	-	Not Applicable	Not Applicable

#### Notes:

<sup>(1)</sup> As announced on 7 October 2016 (SGXNET Announcement No. SG161007OTHR39JX), Singapore Exchange Securities Trading Limited ("**SGX-ST**") has granted its approval in a letter dated 4 October 2016, allowing the Company to determine the materiality of interested person transactions for the purposes of Rules 905 and 906 of the SGX-ST Listing Manual based on the Company's market capitalisation as at the previous financial year end, for so long as the Group's latest audited consolidated net tangible assets ("**NTA**") or the Group's latest audited consolidated net asset value ("**NAV**") remains negative. The Group's NTA and NAV are negative for the financial year ended 31 December 2020.

<sup>(2)</sup> Loans provided by RHPI, a wholly owned subsidiary of the Company, to RHP (Mukah) following the completion of the sale by RHPI of 3,184,881 ordinary shares representing 49% of the entire issued share capital of RHP (Mukah), to TTE on 24 September 2014 (which was announced by the Company on 24 September 2014 under SGXNET Announcement No. SG140924OTHRNKS), 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). Tan Sri Datuk Sir Tiong Hiew King, a Controlling Shareholder, Dato' Sri Dr Tiong Ik King, a Director and Controlling Shareholder, Mr Tiong Kiong King, a Director, together with their family members, indirectly own the majority of the issued share capital of TTE.

<sup>(3)</sup> On 5 November 2021, the Company announced that RHP (Mukah), RHPI and TTE had on the same day entered into a capitalisation deed to capitalise interest-free shareholders' loans (the "**Loans**") amounting to an aggregate of US\$28,001,004 advanced by RHPI (US\$14,280,512) and TTE (US\$13,720,492) to RHP (Mukah) in proportion to their shareholding interests in RHP (Mukah), into an aggregate of 38,112,167 new ordinary shares of RHP (Mukah) ("**Shares**") credited as fully paid to be allotted and issued to RHPI (19,437,205 Shares) and TTE (18,674,962 Shares) in proportion to their shareholding interests in RHP (Mukah) in full repayment and discharge of the Loans (the "**RHPM Capitalisation**"). The RHPM Capitalisation was effected and completed on 5 November 2021. Please refer to the Company's SGXNET Announcement No. SG211105OTHRMLR dated 5 November 2021 for more details.

<sup>(4)</sup> On 6 October 2021, the Company entered into a conditional capitalisation deed (the "**Deed**") with Surreyville, pursuant to which the Company had agreed, subject to and upon the terms and conditions set out in the Deed to capitalise S\$15,480,000 of the S\$17,696,315 shareholder's loans owing by the Company to Surreyville and to allot and issue 90,000,000 new ordinary shares of the Company at the issue price of S\$0.172 per share ("**Capitalisation Shares**") to Surreyville in full repayment and discharge of the sum of S\$15,480,000 (the "**Proposed Capitalisation**"). The Proposed Capitalisation was effected and completed on 29 December 2021 and the Capitalisation Shares were allotted and issued to Surreyville on 29 December 2021. Please refer to the SGXNET Announcements No. SG211006OTHR0MBI and SG211229OTHRAS3 dated 6 October 2021 and 29 December 2021 respectively for more details.

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### **G. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (continued)**

**20. 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 FY2021, the Group incurred US\$1,210,000 for addition to production facilities and other capital expenditure in the Kepala Burung PSC.

### **BY ORDER OF THE BOARD**

Chang Cheng-Hsing Francis  
Group CEO & Executive Director

24 February 2022