



Condensed Interim Financial Statements  
For The Half Year Period Ended 30 June 2022

**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  
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### A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the half year financial period ended 30 June 2022

		<b>Group</b>		
		<b>(6 months ended)</b>		
		<b>30 Jun</b>	<b>30 Jun</b>	<b>%</b>
		<b>2022</b>	<b>2021</b>	
	<i>Note</i>	<b>US\$'000</b>	<b>US\$'000</b>	<b>Change</b>
Revenue	5	56,654	39,492	43.5%
Cost of sales		(28,455)	(20,477)	39.0%
<b>Gross profit</b>		<b>28,199</b>	<b>19,015</b>	<b>48.3%</b>
Other income		572	838	(31.7%)
Administrative expenses		(1,780)	(1,604)	11.0%
Other expenses		(168)	(1,017)	(83.5%)
Finance costs		(646)	(973)	(33.6%)
<b>Profit before tax</b>	6	<b>26,177</b>	<b>16,259</b>	<b>61.0%</b>
Income tax expense	7	(10,957)	(8,015)	36.7%
<b>Profit for the financial period, representing total comprehensive income for the financial period</b>		<b>15,220</b>	<b>8,244</b>	<b>84.6%</b>
<b>Total comprehensive income for the financial period attributable to:</b>				
Owners of the Company		12,383	6,946	78.3%
Non-controlling interests		2,837	1,298	118.6%
		<b>15,220</b>	<b>8,244</b>	<b>84.6%</b>
<b>Earnings per share (cents per share)</b>				
Basic	8	1.49	0.94	58.5%
Diluted	8	1.48	0.94	57.4%

## RH Petrogas Limited

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### B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

As at 30 June 2022

	Note	Group		Company	
		30 Jun	31 Dec	30 Jun	31 Dec
		2022	2021	2022	2021
		US\$'000	US\$'000	US\$'000	US\$'000
<b>Non-current assets</b>					
Oil and gas properties	9	676	676	-	-
Other plant and equipment		274	351	17	13
Deferred tax assets		494	1,024	-	-
Right-of-use assets		8,690	11,140	139	198
Cash and bank balances		3,190	3,189	-	-
Amounts due from subsidiaries		-	-	4,779	5,784
Other non-current assets	10	2,483	2,552	-	-
Investment in subsidiaries		-	-	-	-
		<b>15,807</b>	<b>18,932</b>	<b>4,935</b>	<b>5,995</b>
<b>Current assets</b>					
Inventories		544	770	-	-
Other current assets		29	43	28	40
Trade and other receivables	11	14,603	12,400	107	156
Cash and bank balances		47,515	33,817	1,525	2,066
		<b>62,691</b>	<b>47,030</b>	<b>1,660</b>	<b>2,262</b>
<b>Current liabilities</b>					
Income tax payable		7,377	6,873	-	-
Lease liabilities		6,667	6,964	119	117
Trade and other payables	12	22,075	22,380	580	1,217
		<b>36,119</b>	<b>36,217</b>	<b>699</b>	<b>1,334</b>
<b>Net current assets</b>		<b>26,572</b>	<b>10,813</b>	<b>961</b>	<b>928</b>
<b>Non-current liabilities</b>					
Provisions	13	26	27	26	27
Lease liabilities		5,099	7,842	21	84
		<b>5,125</b>	<b>7,869</b>	<b>47</b>	<b>111</b>
<b>Net assets</b>		<b>37,254</b>	<b>21,876</b>	<b>5,849</b>	<b>6,812</b>
<b>Equity attributable to owners of the Company</b>					
Share capital	15	270,065	269,982	270,065	269,982
Reserves		(238,753)	(251,211)	(264,216)	(263,170)
		31,312	18,771	5,849	6,812
Non-controlling interests		5,942	3,105	-	-
<b>Total equity</b>		<b>37,254</b>	<b>21,876</b>	<b>5,849</b>	<b>6,812</b>

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

For the half year financial period ended 30 June 2022

	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 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 period, representing total comprehensive income for the financial period	-	-	-	6,946	-	-	6,946	1,298	8,244
<u>Contributions by and distributions to owners</u>									
Exercise of employee share options	506	-	-	-	-	(240)	(240)	-	266
Share-based payments - Grant of equity-settled share options	-	-	-	-	-	24	24	-	24
<b>At 30 June 2021</b>	<b>258,666</b>	<b>2,886</b>	<b>(90)</b>	<b>(272,488)</b>	<b>1,764</b>	<b>59</b>	<b>(267,869)</b>	<b>(13,021)</b>	<b>(22,224)</b>
<b>At 1 January 2022</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>
Profit for the financial period, representing total comprehensive income for the financial period	-	-	-	12,383	-	-	12,383	2,837	15,220
<u>Contributions by and distributions to owners</u>									
Exercise of employee share options	83	-	-	-	-	(40)	(40)	-	43
Share-based payments - Grant of equity-settled share options	-	-	-	-	-	115	115	-	115
<b>At 30 June 2022</b>	<b>270,065</b>	<b>2,886</b>	<b>(90)</b>	<b>(243,441)</b>	<b>1,764</b>	<b>128</b>	<b>(238,753)</b>	<b>5,942</b>	<b>37,254</b>

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

For the half year financial period ended 30 June 2022

	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 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 period, representing total comprehensive income for the financial period	-	-	(1,053)	-	(1,053)	(1,053)
<u>Contributions by and distributions to owners</u>						
Exercise of employee share options	506	-	-	(240)	(240)	266
Share-based payments	-	-	-	24	24	24
- Grant of equity-settled share options	-	-	-	24	24	24
<b>At 30 June 2021</b>	<b>258,666</b>	<b>2,886</b>	<b>(265,189)</b>	<b>59</b>	<b>(262,244)</b>	<b>(3,578)</b>
<b>At 1 January 2022</b>	<b>269,982</b>	<b>2,886</b>	<b>(266,109)</b>	<b>53</b>	<b>(263,170)</b>	<b>6,812</b>
Loss for the financial period, representing total comprehensive income for the financial period	-	-	(1,121)	-	(1,121)	(1,121)
<u>Contributions by and distributions to owners</u>						
Exercise of employee share options	83	-	-	(40)	(40)	43
Share-based payments	-	-	-	115	115	115
- Grant of equity-settled share options	-	-	-	115	115	115
<b>At 30 June 2022</b>	<b>270,065</b>	<b>2,886</b>	<b>(267,230)</b>	<b>128</b>	<b>(264,216)</b>	<b>5,849</b>

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

For the half year financial period ended 30 June 2022

	Group	
	(6 months ended)	
	30 Jun 2022	30 Jun 2021
Note	US\$'000	US\$'000
<b>Operating activities</b>		
<b>Profit before tax</b>	26,177	16,259
Adjustments for:		
Amortisation of signature bonus and upfront fees	69	69
Depreciation of other plant and equipment	87	75
Depreciation of right-of-use assets	2,451	2,982
Interest expense on lease liabilities	646	973
Interest income from bank deposits	(32)	(13)
Net gain on early lease termination	-	(4)
Provision for decommissioning costs	15	-
Share-based payments	115	24
Unrealised foreign exchange gain	(1)	(316)
<b>Operating cash flows before changes in working capital</b>	<b>29,527</b>	<b>20,049</b>
<b>Changes in working capital</b>		
Decrease/(Increase) in inventories	227	(109)
(Increase)/Decrease in trade and other receivables	(2,190)	1,969
Decrease in trade and other payables	(304)	(983)
<b>Cash flows from operations</b>	<b>27,260</b>	<b>20,926</b>
Income tax paid	(9,922)	(6,148)
Interest received	32	13
<b>Net cash flows from operating activities</b>	<b>17,370</b>	<b>14,791</b>
<b>Investing activities</b>		
Additions to oil and gas properties	-	(488)
Cash call contributions for decommissioning provisions	(15)	(568)
Increase in short-term fixed deposits	(15,000)	-
Purchase of other plant and equipment	(10)	(3)
<b>Net cash flows used in investing activities</b>	<b>(15,025)</b>	<b>(1,059)</b>
<b>Financing activities</b>		
Increase in deposits pledged	(1)	(1)
Loan from non-controlling interest	-	4
Payment of lease liabilities	(3,689)	(3,106)
Proceeds from exercise of employee share options	43	266
Repayment of advances to related party	-	(4)
<b>Net cash flows used in financing activities</b>	<b>(3,647)</b>	<b>(2,841)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(1,302)</b>	<b>10,891</b>
Cash and cash equivalents at beginning of the financial period	33,817	14,913
<b>Cash and cash equivalents at end of the financial period</b>	<b>32,515</b>	<b>25,804</b>

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### D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the half year financial period ended 30 June 2022

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

	Group	
	(6 months ended)	
	30 Jun	30 Jun
	2022	2021
	US\$'000	US\$'000
Cash and bank balances	50,705	28,992
Less:		
Short-term fixed deposits	(15,000)	-
Long-term deposits pledged	(3,190)	(3,188)
<b>Cash and cash equivalents</b>	<b>32,515</b>	<b>25,804</b>



## **RH Petrogas Limited**

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### **E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

*For the half year financial period ended 30 June 2022*

#### **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 half year financial period ended 30 June 2022 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 2021.

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 2022.

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 2021.

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.

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

#### 2. Basis of preparation (continued)

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

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 30 June 2022 and 31 December 2021 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.

##### (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.

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

#### 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.

	<b>Oil and gas (6 months ended)</b>	
	<b>30 Jun 2022</b>	<b>30 Jun 2021</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>Revenue</b>	<u>56,654</u>	<u>39,492</u>
<b>Results</b>		
Depreciation and amortisation	(87)	(75)
Depreciation of right-of-use assets	(2,451)	(2,982)
Finance costs	(646)	(973)
Interest income	32	13
Provision for decommissioning costs	(15)	-
Segment profit before tax	26,177	16,259
Share-based payments	(115)	(24)
<b>Assets</b>		
Total capital expenditure	10	491 (A)
Segment assets	<u>78,498</u>	<u>59,207</u> (B)
<b>Segment liabilities</b>	<u>41,244</u>	<u>81,430</u>
(A) Total capital expenditure is consisted of the following additions: Additions in:		
- Oil and gas properties	-	488
- Other plant and equipment	10	3
	<u>10</u>	<u>491</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>494</u>	<u>1,058</u>
<u>Segment liabilities</u>		
Income tax payable	<u>7,377</u>	<u>6,729</u>

#### 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.

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

#### 5. Revenue (continued)

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

	Group (6 months ended)	
	30 Jun 2022	30 Jun 2021
	US\$'000	US\$'000
Sales of oil	50,833	34,541
Sales of natural gas	5,821	4,951
<b>Total revenue from contracts with external customers</b>	<b>56,654</b>	<b>39,492</b>
<b>Timing of transfer of goods</b>		
At a point in time	56,654	39,492

#### 6. Profit before taxation

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

	Group (6 months ended)	
	30 Jun 2022	30 Jun 2021
	US\$'000	US\$'000
Amortisation of signature bonus and upfront fees	(69)	(69)
Depreciation of other plant and equipment	(87)	(75)
Depreciation of right-of-use assets	(2,451)	(2,982)
Foreign exchange gain, net	336	314
Government grant	-	39
Interest expense on lease liabilities	(646)	(973)
Interest income from bank deposits	32	13
Net gain on early lease termination	-	4
Overlift expense	(3)	(870)
Provision for decommissioning costs	(15)	-
Share-based payments	(115)	(24)
Underlift income	-	311

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

	Group (6 months ended)	
	30 Jun 2022	30 Jun 2021
	US\$'000	US\$'000
Profit before tax	26,177	16,259
Amortisation of signature bonus and upfront fees	69	69
Depreciation of other plant and equipment	87	75
Interest expense on lease liabilities	646	973
Provision for decommissioning costs	15	-
	<b>26,994</b>	<b>17,376</b>

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

#### 6. Profit 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 (6 months ended)	
	30 Jun 2022	30 Jun 2021
	US\$'000	US\$'000
<b>Current income tax</b>		
- Current income taxation	(10,772)	(8,376)
<b>Deferred income tax</b>		
- Origination and reversal of temporary differences	(185)	365
- Under provision in respect of previous years	-	(4)
<b>Income tax expense recognised in profit and loss</b>	<u>(10,957)</u>	<u>(8,015)</u>

#### 8. Earnings per share

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

Diluted earnings per share is calculated by dividing earnings, 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	
	30 Jun 2022	30 Jun 2021
	(6 months)	(6 months)
Weighted average number of ordinary shares for basic earnings per share computation	832,220,991	735,249,067
Effects of dilution:		
- Share options	<u>2,020,104</u>	<u>2,030,529</u>
Weighted average number of ordinary shares for diluted earnings per share computation	<u>834,241,095</u>	<u>737,279,596</u>

	Group	
	30 Jun 2022	30 Jun 2021
	(6 months)	(6 months)
	Cents	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	<u>1.49</u>	<u>0.94</u>
(ii) On a fully diluted basis	<u>1.48</u>	<u>0.94</u>

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

#### 9. Oil and gas properties

	Group	
	30 Jun 2022	31 Dec 2021
	US\$'000	US\$'000
<b>Cost</b>		
At 1 January	839	19
Additions	-	1,210
Transfer to other plant and equipment	-	(390)
At 30 June/31 December	839	839
<b>Accumulated depletion and impairment</b>		
At 1 January	163	-
Charge for the financial period/year	-	163
At 30 June/31 December	163	163
<b>Net carrying amount</b>	676	676

The net book value as at 30 June 2022 relates to development assets under construction of US\$676,000 (30 June 2021: US\$117,000) which are not being depreciated. Cash outflow for the development of oil and gas properties for the half year period ended 30 June 2022 was US\$ nil (30 June 2021: US\$488,000).

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

During the half year period ended, 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 half year period ended 30 June 2022 and 2021. 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% (30 June 2021: 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 8 of RH Petrogas Limited's Annual Report 2021.

#### 10. Other non-current assets

	Group	
	30 Jun 2022	31 Dec 2021
	US\$'000	US\$'000
Signature bonuses	1,266	1,301
Upfront fees	1,217	1,251
	2,483	2,552

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

	Group	
	30 Jun 2022	31 Dec 2021
	US\$'000	US\$'000
At 1 January	189	52
Amortisation for the financial period/year	69	137
At 30 June/31 December	258	189

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

#### 10. Other non-current assets (continued)

Other non-current assets of US\$2,483,000 (30 June 2021: US\$2,620,000) comprised of signature bonuses and upfront fees paid for the issuance of performance bonds in relation to the signing of new 20-year PSCs for both the Kepala Burung and Salawati blocks. The signature bonus and upfront fees are amortised over the 20-year period from the commencement date of the new PSCs and the Group recorded amortisation expense of US\$69,000 for the half year period ended 30 June 2022 (30 June 2021: US\$69,000).

#### 11. Trade and other receivables

	Group		Company	
	30 Jun 2022	31 Dec 2021	30 Jun 2022	31 Dec 2021
	US\$'000	US\$'000	US\$'000	US\$'000
Trade receivables	11,043	4,113	-	-
Unbilled receivables	-	991	-	-
Share of joint venture receivables	2,796	3,758	-	-
Refundable deposits	34	35	33	34
Under-lift assets	-	2,854	-	-
Sundry receivables	730	649	74	122
Total trade and other receivables	14,603	12,400	107	156

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	
	30 Jun 2022	31 Dec 2021	30 Jun 2022	31 Dec 2021
	US\$'000	US\$'000	US\$'000	US\$'000
Trade payables	2,464	3,832	-	-
Accrued operating expenses	15,749	14,525	567	1,078
Accruals for potential claims	1,325	1,325	-	-
Proportionate share of joint venture's other payables	112	112	-	-
Accrued plug and abandonment costs	1,993	1,993	-	-
Sundry payables	432	593	13	139
Total trade and other payables	22,075	22,380	580	1,217

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

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

#### 13. Provisions

	Group		Company	
	30 Jun 2022	31 Dec 2021	30 Jun 2022	31 Dec 2021
	US\$'000	US\$'000	US\$'000	US\$'000
Termination liabilities	1,757	1,383	-	-
Decommissioning provision	11,492	11,477	-	-
Provision for reinstatement cost	26	27	26	27
	13,275	12,887	26	27
Less: Cash calls contributed for				
- Termination liabilities	(1,757)	(1,383)	-	-
- Decommissioning provision	(11,492)	(11,477)	-	-
	(13,249)	(12,860)	-	-
	26	27	26	27
Non-current	26	27	26	27

#### 14. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2022 and 31 December 2021:

	Group		Company	
	30 Jun 2022	31 Dec 2021	30 Jun 2022	31 Dec 2021
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Financial assets</b>				
Trade and other receivables	14,575	12,122	107	156
Amounts due from subsidiaries	-	-	4,779	5,784
Cash and bank balances	50,705	37,006	1,525	2,066
Total undiscounted financial assets	65,280	49,128	6,411	8,006
<b>Financial liabilities</b>				
Trade and other payables	22,075	22,380	580	1,217
Lease liabilities	13,224	16,886	148	217
Total undiscounted financial liabilities	35,299	39,266	728	1,434
<b>Net undiscounted financial assets</b>	29,981	9,862	5,683	6,572



## RH Petrogas Limited

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

#### 15. Share capital

	Group and Company			
	30 Jun 2022		31 Dec 2021	
	No. of shares	Amount US\$'000	No. of shares	Amount US\$'000
<b>Issued and fully paid:</b>				
At 1 January	830,707,400	269,982	734,277,400	258,160
Issuance of shares	-	-	90,000,000	11,432
Share issuance expenses	-	-	-	(172)
Exercise of equity-settled share options	2,510,000	83	6,430,000	562
At 30 June/31 December	<u>833,217,400</u>	<u>270,065</u>	<u>830,707,400</u>	<u>269,982</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 SG211229OTHRA2S3 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.

#### 16. Subsequent events

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

## **RH Petrogas Limited**

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### **F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2**

*For the half year financial period ended 30 June 2022*

#### **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 2021 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**

During the half year period ended 30 June 2022, 2,800,000 options (half year period ended 30 June 2021: 2,000,000 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.

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

The unissued shares of the Company under option as at 30 June 2022 are as follows:

Date of grant of options	Exercise price per share	Balance as at 01.01.2022	Granted during the financial period	Exercised during the financial period	Cancelled/lapsed during the financial period	Number of options outstanding as at 30.06.2022	Number of options outstanding as at 30.06.2021	Exercise period
06.03.2017	S\$0.084	-	-	-	-	-	200,000	07.03.2019 to 05.03.2022
06.03.2018	S\$0.074	-	-	-	-	-	200,000	07.03.2020 to 05.03.2023
05.03.2019	S\$0.044	-	-	-	-	-	200,000	06.03.2021 to 04.03.2024
06.03.2020	S\$0.023	2,510,000	-	(2,510,000)	-	-	2,510,000	07.03.2022 to 05.03.2025
05.03.2021	S\$0.024	2,000,000	-	-	(40,000)	1,960,000	2,000,000	06.03.2023 to 04.03.2026
04.03.2022	S\$0.220	-	2,800,000	-	-	2,800,000	-	05.03.2024 to 03.03.2027
		4,510,000	2,800,000	(2,510,000)	(40,000)	4,760,000	5,110,000	

#### **PERFORMANCE SHARE PLAN**

There were no shares awarded in the half year period ended 30 June 2022 (half year period ended 30 June 2021: Nil) pursuant to the Performance Share Plan.

#### **SHARE CAPITAL**

During the half year period ended 30 June 2022, the Company issued a total of 2,510,000 new ordinary shares (half year period ended 30 June 2021: 5,830,000 new ordinary shares) pursuant to the exercise of options granted under the RHP Share Option Scheme 2011.

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

	No. of shares	US\$'000
Balance as at 1 January 2022	830,707,400	269,982
Exercise of equity-settled share options	2,510,000	83
Balance as at 30 June 2022	833,217,400	270,065

There were no shares held as treasury shares by the Company and no subsidiary holdings, as at 30 June 2022 (as at 30 June 2021: 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 30 June 2022 was 833,217,400 (31 December 2021: 830,707,400).

#### **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.

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

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.

	Group		Company	
	30 Jun 2022 Cents	31 Dec 2021 Cents	30 Jun 2022 Cents	31 Dec 2021 Cents
Net asset value per ordinary share capital	3.76	2.26	0.70	0.82

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

6.1.1. The Group recorded revenue of US\$56,654,000 for half year period ended 30 June 2022 ("1H 2022"), an increase of 43.5% as compared to the US\$39,492,000 recorded for the half year period ended 30 June 2021 ("1H 2021"). The increase in revenue was mainly attributable to a 61.9% increase in the average realised oil price from US\$63 per barrel in 1H 2021 to US\$102 per barrel in 1H 2022, despite the lower volume of crude oil lifted in both the Kepala Burung production sharing contract ("PSC") and Salawati PSC.

6.1.2. The cost of sales increased by 39.0% from US\$20,477,000 in 1H 2021 to US\$28,455,000 in 1H 2022 mainly due to (i) higher field operating expenses as a result of increase in well services activities and additional equipment rental in both the Kepala Burung and Salawati PSCs; and (ii) the accrual of production expenses related to crude oil over-liftings in 1H 2022 for both the Kepala Burung and Salawati PSCs. These were partially offset by lower depreciation expense on right-of-use assets of US\$2,392,000 for 1H 2022 (1H 2021: US\$2,922,000).

6.1.3. As a result of the increase in revenue and partially offset by the higher cost of sales as stated above, gross profit increased by 48.3% from US\$19,015,000 in 1H 2021 to US\$28,199,000 in 1H 2022.

6.1.4. Other income decreased from US\$838,000 in 1H 2021 to US\$572,000 in 1H 2022 mainly due to the absence of underlift income of US\$311,000 which was recognised in the Salawati PSC and the expired Basin PSC in 1H 2021.

6.1.5. Administrative expenses for 1H 2022 increased by 11.0% to US\$1,780,000 as compared to 1H 2021 mainly due to increase in staff costs and share-based payments. These were partially offset by decrease in professional fees and other monthly overheads.

6.1.6. The significant decrease in other expenses for 1H 2022 was mainly due to lower overlift expenses of US\$3,000 recognised in 1H 2022 as compared to US\$870,000 recognised in 1H 2021.

6.1.7. Finance costs for 1H 2022 were lower as compared to 1H 2021 due to the lower interest expense on lease liabilities for both the Kepala Burung and Salawati PSCs.

6.1.8. The income tax expense of US\$10,957,000 in 1H 2022 mainly comprised (i) the Group's share of the income tax expense of US\$10,772,000 for both the Kepala Burung and Salawati PSCs; and (ii) reversal of deferred tax assets of US\$185,000 for the Kepala Burung PSC.

6.1.9. As a result of the above, the Group recorded a net profit of US\$15,220,000 and EBITDAX (see Section E Note 6.2 above) of US\$26,994,000 for 1H 2022 as compared to a net profit of US\$8,244,000 and EBITDAX of US\$17,376,000 for 1H 2021.

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

#### **6.2. Balance Sheet**

6.2.1 As at 30 June 2022, 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 decrease in other plant and equipment was due to depreciation of computers and IT equipments for the Company and Kepala Burung PSC.

6.2.3. The Group recognised deferred tax assets of US\$494,000 as at 30 June 2022 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 1H 2022.

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 decrease in inventories was mainly due to usage of materials for well services activities for the Kepala Burung PSC.

6.2.7. The increase in trade and other receivables was mainly attributable to the increase 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\$9,587,000 from both the Kepala Burung and Salawati PSCs in June 2022 with the proceeds received in July 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 1H 2022. The decrease in lease liabilities in the non-current liabilities was due to the reclassification to current liabilities. As at 30 June 2022, the lease liabilities in the current liabilities and non-current liabilities were US\$6,667,000 and US\$5,099,000 respectively.

6.2.9. The decrease in trade and other payables was mainly attributable to the decrease in trade creditors and other payables of the Kepala Burung PSC.

#### **6.3 Cash Flow**

6.3.1. The Group recorded net cash flows from operating activities of US\$17,370,000 in 1H 2022 as compared to US\$14,791,000 in 1H 2021. The increase was mainly due 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\$15,025,000 in 1H 2022. This comprised (i) placement of short-term fixed deposits of US\$15,000,000; (ii) cash call contribution for decommissioning costs of US\$15,000 for the expired Basin PSC; and (iii) purchase of other plant and equipment of US\$10,000.

6.3.3. Net cash flows used in financing activities of US\$3,647,000 in 1H 2022 mainly consisted of payment of lease liabilities of US\$3,689,000 for the Kepala Burung PSC and Salawati PSC and partially offset by proceeds from issuance of the new ordinary shares of US\$43,000 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\$17,370,000 for 1H 2022 and has cash and bank balances of US\$50,705,000 as at 30 June 2022.

### **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.

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

#### **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**

Oil markets started the year on a positive note with prices continuing their upswing, supported by tight supply and expectations that the spread of the Omicron variants would not derail global demand recovery. Following Russia's invasion of Ukraine in late February, Brent oil prices reached a high of US\$133 per barrel in March 2022, averaging around US\$107 per barrel for the first half of 2022. With Russia being one of the world's largest oil producers, the war and the subsequent sanctions imposed on Russia resulted in an energy supply crunch, exacerbating pre-existing global oil and gas supply structural issues due to the prolonged under-investment in the sector. In the face of rising oil prices, the US and other members of the International Energy Agency had announced a coordinated release of 300 million barrels of crude oil from their strategic reserves.

The high energy prices and supply chain disruptions caused by the current pandemic and the Russia-Ukraine war have resulted in rising inflation globally. In response, the US Federal Reserve and several countries have hiked interest rates to mitigate inflationary pressure, with more hikes expected in the coming months. Such interest rate hikes have raised concerns on the global economic recovery, with mounting fears of major economies tipping into recession. Any demand destruction for energy brought on by a global recession may help to ease the current supply crunch to some degree as supply is expected to tighten further when the full impact of the EU embargo on Russian oil comes into force at the end of 2022. Oil prices are expected to remain volatile as geopolitical and economic uncertainties continue to weigh on the markets.

The Group is targeting to commence an exploration well drilling in the fourth quarter of 2022, barring any unforeseen circumstances. The well forms part of the work commitment under the new PSCs, and any commercial discovery made would support the long term growth prospects of the Group. With the prevailing market uncertainties and volatility, the Group will continue to exercise prudence and discipline in its work programs and spending.

The Group remains mindful of safety protocols amid the resurgence of case numbers from highly transmissible COVID-19 Omicron subvariants. With more countries beginning to treat the virus as endemic and recalibrating their safe management measures, the Group continues to adapt while maintaining its priority on the well-being, health and safety of our staff and contractors to ensure business continuity.

#### **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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### **F. 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 half year period ended 30 June 2022. 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. The Group is targeting to commence an exploration well drilling in the fourth quarter 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)**

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 half year financial results for the financial period ended 30 June 2022 to be false or misleading in any material aspect.

#### **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).

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

Chang Cheng-Hsing Francis  
Group CEO & Executive Director

11 August 2022