Condensed Interim Financial Statements For the Second Half and Full Year Ended 31 December 2023

RH Petrogas Limited

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

RH Petrogas Limited

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

Table of Contents

RH Petrogas Limited

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

A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the second half and full year ended 31 December 2023

	Note	Group (6 months ended) 31 Dec 2023 US$'000	Group (6 months ended) 31 Dec 2022 US$'000	% Change	Group (12 months ended) 31 Dec 2023 US$'000	Group (12 months ended) 31 Dec 2022 US$'000	% Change
Revenue	*5*	51,087	48,285	5.8%	94,091	104,939	(10.3%)
Cost of sales		(34,750)	(32,416)	7.2%	(68,065)	(60,871)	11.8%
Gross profit		**16,337**	**15,869**	**2.9%**	**26,026**	**44,068**	**(40.9%)**
Other income		2,350	1,236	90.1%	3,413	1,808	88.8%
Administrative expenses		(1,655)	(2,326)	(28.8%)	(3,867)	(4,106)	(5.8%)
Other expenses		(17,903)	(212)	N.M.	(19,580)	(380)	N.M.
Finance costs		(78)	(697)	(88.8%)	(782)	(1,343)	(41.8%)
(Loss)/Profit before tax	*6*	**(949)**	**13,870**	**N.M.**	**5,210**	**40,047**	**(87.0%)**
Income tax credit/(expense)	*7*	1,037	(4,203)	N.M.	(2,057)	(15,160)	(86.4%)
Profit for the financial period/year		**88**	**9,667**	**(99.1%)**	**3,153**	**24,887**	**(87.3%)**
Profit attributable to:							
Owners of the Company		253	7,744	(96.7%)	2,596	20,127	(87.1%)
Non-controlling interests		(165)	1,923	N.M.	557	4,760	(88.3%)
		88	**9,667**	**(99.1%)**	**3,153**	**24,887**	**(87.3%)**
Profit for the financial period/year		**88**	**9,667**	**(99.1%)**	**3,153**	**24,887**	**(87.3%)**
Other comprehensive income:							
Item that may be reclassified subsequently to profit or loss:							
Remeasurement of defined benefit plan		(215)	-	N.M.	(215)	-	N.M.
Other comprehensive income for the period/year		**(215)**	**-**	**N.M.**	**(215)**	**-**	**N.M.**
Total comprehensive income for the period/year		**(127)**	**9,667**	**N.M.**	**2,938**	**24,887**	**(88.2%)**
Total comprehensive income attributable to:							
Owners of the Company		75	7,744	(99.0%)	2,418	20,127	(88.0%)
Non-controlling interests		(202)	1,923	N.M.	520	4,760	(89.1%)
		(127)	**9,667**	**N.M.**	**2,938**	**24,887**	**(88.2%)**
Earnings per share (cents per share)							
Basic	*8*	0.03	0.93	(96.8%)	0.31	2.42	(87.2%)
Diluted	*8*	0.03	0.93	(96.8%)	0.31	2.41	(87.1%)

N.M. : Not meaningful

RH Petrogas Limited

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

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
As at 31 December 2023

	Note	Group 31 Dec 2023 US$'000	Group 31 Dec 2022 US$'000	Company 31 Dec 2023 US$'000	Company 31 Dec 2022 US$'000
Assets					
Non-current assets					
Oil and gas properties	*9*	1,330	-	-	-
Other plant and equipment		88	202	75	27
Deferred tax assets		2,251	1,368	-	-
Right-of-use assets		6,888	12,999	235	79
Exploration and evaluation assets	*10*	9,258	161	-	-
Cash and bank balances		3,193	3,191	-	-
Amounts due from subsidiaries	*17*	-	-	116,642	4,934
Other non-current assets	*11*	2,278	2,415	-	-
Investment in subsidiaries		-	-	-	-
		25,286	**20,336**	**116,952**	**5,040**
Current assets					
Inventories		11,759	1,270	-	-
Other current assets		39	31	39	28
Trade and other receivables	*12*	15,994	13,266	247	169
Cash and bank balances		51,442	57,273	3,659	1,134
		79,234	**71,840**	**3,945**	**1,331**
Total assets		**104,520**	**92,176**	**120,897**	**6,371**
Liabilities and equity					
Current liabilities					
Income tax payable		1,170	3,286	-	-
Lease liabilities		6,693	11,409	139	84
Trade and other payables	*13*	41,084	24,535	1,044	1,657
		48,947	**39,230**	**1,183**	**1,741**
Non-current liabilities					
Provisions	*14*	3,725	727	39	27
Lease liabilities		3,059	5,227	97	-
Amounts due to subsidiaries	*17*	-	-	2,343	-
		6,784	**5,954**	**2,479**	**27**
Total liabilities		**55,731**	**45,184**	**3,662**	**1,768**
Equity attributable to owners of the Company					
Share capital	*16*	270,138	270,065	270,138	270,065
Reserves		(228,234)	(230,938)	(152,903)	(265,462)
		41,904	39,127	117,235	4,603
Non-controlling interests		6,885	7,865	-	-
Total equity		**48,789**	**46,992**	**117,235**	**4,603**
Total liabilities and equity		**104,520**	**92,176**	**120,897**	**6,371**

RH Petrogas Limited

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

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
For the financial year ended 31 December 2023

	Share capital	Capital reduction reserve	Foreign currency translation reserve	Reserve for defined benefit plan	Accumulated losses	Equity reserve	Employee share option reserve	Total reserves	Non-controlling interests	Total equity
	US$'000	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**
<u>**Group**</u>										
At 1 January 2022	**269,982**	**2,886**	**(90)**	**-**	**(255,824)**	**1,764**	**53**	**(251,211)**	**3,105**	**21,876**
Profit for the financial year, representing total comprehensive income for the financial year	-	-	-	-	20,127	-	-	20,127	4,760	24,887
<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	-	-	-	-	-	-	186	186	-	186
At 31 December 2022 and 1 January 2023	**270,065**	**2,886**	**(90)**	**-**	**(235,697)**	**1,764**	**199**	**(230,938)**	**7,865**	**46,992**
Profit for the financial year	-	-	-	-	2,596	-	-	2,596	557	3,153
Other comprehensive income for the financial year	-	-	-	(178)	-	-	-	(178)	(37)	(215)
Total comprehensive income for the financial year	-	-	-	(178)	2,596	-	-	2,418	520	2,938
- Distribution to the joint venture partner	-	-	-		-	-	-	-	(1,500)	(1,500)
<u>Contributions by and distributions to owners</u>										
Exercise of employee share options	73	-	-		-	-	(38)	(38)	-	35
Share-based payments										
- Grant of equity-settled share options	-	-	-		-	-	324	324	-	324
At 31 December 2023	**270,138**	**2,886**	**(90)**	**(178)**	**(233,101)**	**1,764**	**485**	**(228,234)**	**6,885**	**48,789**

RH Petrogas Limited

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

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (continued)
For the financial year ended 31 December 2023

	Share capital	Capital reduction reserve	Accumulated losses	Employee share option reserve	Total reserves	Total equity
	US$'000	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**
Company						
At 1 January 2022	**269,982**	**2,886**	**(266,109)**	**53**	**(263,170)**	**6,812**
Loss for the financial year, representing total comprehensive income for the financial year	-	-	(2,438)	-	(2,438)	(2,438)
Contributions by and distributions to owners						
Exercise of employee share options	83	-	-	(40)	(40)	43
Share-based payments						
- Grant of equity-settled share options	-	-	-	186	186	186
At 31 December 2022 and 1 January 2023	**270,065**	**2,886**	**(268,547)**	**199**	**(265,462)**	**4,603**
Profit for the financial year, representing total comprehensive income for the financial year	-	-	112,273	-	112,273	112,273
Contributions by and distributions to owners						
Exercise of employee share options	73	-	-	(38)	(38)	35
Share-based payments						
- Grant of equity-settled share options	-	-	-	324	324	324
At 31 December 2023	**270,138**	**2,886**	**(156,274)**	**485**	**(152,903)**	**117,235**

RH Petrogas Limited

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

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2023

	Note	Group (12 months ended) 31 Dec 2023 US$'000	Group (12 months ended) 31 Dec 2022 US$'000
Operating activities			
Profit before tax		5,210	40,047
Adjustments for:			
Amortisation of signature bonus and upfront fees		137	137
Defined benefit plan expenses		1,050	1,311
Depletion and amortisation of oil and gas properties		1,801	845
Depreciation of other plant and equipment		186	175
Depreciation of right-of-use assets		7,939	5,897
Net interest gain on assets retirement obligations		(649)	-
Interest expense on lease liabilities		782	1,343
Interest income from bank deposits		(1,898)	(538)
Net gain on early lease termination		(58)	-
Provision for decommissioning costs		133	40
Share-based payments		324	186
Unsuccessful exploration and evaluation expenditures	*10*	17,727	-
(Write back of)/Provision for expected credit loss for other receivables		(8)	21
Operating cash flows before changes in working capital		**32,676**	**49,464**
Changes in working capital			
Increase in inventories		(10,489)	(500)
Increase in trade and other receivables		(2,728)	(875)
Increase in trade and other payables		1,471	2,100
Defined benefit plan liabilities		(952)	(611)
Cash flows from operations		**19,978**	**49,578**
Income tax paid		(5,054)	(19,092)
Interest received		1,898	538
Net cash flows from operating activities		**16,822**	**31,024**
Investing activities			
Additions to exploration and evaluation assets	*10*	(9,852)	(105)
Additions to oil and gas properties	*9*	(1,701)	(169)
Cash call contributions for decommissioning provisions		(133)	(40)
Purchase of other plant and equipment		(72)	(26)
Net cash flows used in investing activities		**(11,758)**	**(340)**
Financing activities			
Distribution to the joint venture partner		(1,500)	-
Increase in deposits pledged		(2)	(2)
Payment of lease liabilities		(9,428)	(7,269)
Proceeds from exercise of employee share options		35	43
Net cash flows used in financing activities		**(10,895)**	**(7,228)**
Net (decrease)/increase in cash and cash equivalents		(5,831)	23,456
Cash and cash equivalents at beginning of the financial year		57,273	33,817
Cash and cash equivalents at end of the financial year		**51,442**	**57,273**

RH Petrogas Limited

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

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (continued)
For the financial year ended 31 December 2023

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

	Group (12 months ended)	
	31 Dec 2023	31 Dec 2022
	US$'000	US$'000
Cash and bank balances	54,635	60,464
Less:		
Long-term deposits pledged	(3,193)	(3,191)
Cash and cash equivalents	**51,442**	**57,273**

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the second half and full year ended 31 December 2023

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 subsidiaries are:
(a) Investment holding
(b) Oil and gas exploration and production

2. Basis of preparation

The condensed interim financial statements for the second half and financial year ended 31 December 2023 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("**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 2022.

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 SFRS(I) which became effective for the financial years beginning on or after 1 January 2023.

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 2022.

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.

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 resouce 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 2023 and 31 December 2022 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) Exploration and evaluation expenditures

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgment to determine whether future economic benefits are likely from either future exploitation or sale, or whether activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The determination of reserves and resources is, in itself, an estimation process that involves varying degrees of uncertainty depending on how the resources are classified. These estimates directly impact when the Group defers exploration and evaluation expenditure. The deferral policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular, whether an economical viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after expenditure is capitalised, information becomes available suggesting that the recovery of the expenditure is unlikely, the relevant capitalised amount is written off in profit or loss in the period when the new information becomes available.

(c) 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 indicationof impairment exists. The Group treats both the Kepala Burung Production Sharing Contract (" **PSC** and Salawati PSC ("**Salawati Group CGU**") as a single CGU for the purposes of impairment assessment. 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.

RH Petrogas Limited

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

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.

	Oil and gas (6 months ended)		Oil and gas (12 months ended)		
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	
	US$'000	US$'000	US$'000	US$'000	
Revenue	51,087	48,285	94,091	104,939	
Results:					
Amortisation of signature bonus and upfront fees	(68)	(68)	(137)	(137)	
Defined benefit plan expenses	(578)	(937)	(1,050)	(1,311)	
Depreciation and amortisation	(1,412)	(933)	(1,987)	(1,020)	
Depreciation of right-of-use assets	(3,118)	(3,446)	(7,939)	(5,897)	
Finance costs	(78)	(697)	(782)	(1,343)	
Interest income	941	506	1,898	538	
Net gain on early lease termination	166	-	58	-	
Net interest gain on assets retirement obligations	649	-	649	-	
Overlift expense	-	-	(1,254)	(3)	
Provision for decommissioning costs	(69)	(25)	(133)	(40)	
Segment (loss)/profit before tax	(949)	13,870	5,210	40,047	
Share-based payments	(173)	(71)	(324)	(186)	
Underlift income	-	87	6	87	
Unsuccessful exploration and evaluation expenditures	(17,727)	-	(17,727)	-	
Write back of/(Provision for) expected credit loss for other receivables	12	(21)	8	(21)	
Assets					
Total capital expenditure	27,760	346	28,697	356	(A)
Segment assets	104,520	92,176	104,520	92,176	(B)
Segment liabilities	55,731	45,184	55,731	45,184	(B)

(A) Total capital expenditure is consisted of the following additions:

Additions in:				
- Oil and gas properties	1,312	169	1,801	169
- Exploration and evaluation assets	26,376	161	26,824	161
- Other plant and equipment	72	16	72	26
	27,760	346	28,697	356

(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:

Segment assets		
Deferred tax assets	2,251	1,368
Segment liabilities		
Income tax payable	1,170	3,286

E. 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 (6 months ended)		Group (12 months ended)	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	US$'000	US$'000	US$'000	US$'000
Sales of oil	44,615	42,301	81,399	93,134
Sales of natural gas	6,472	5,984	12,692	11,805
Total revenue from contracts with external customers	51,087	48,285	94,091	104,939
Timing of transfer of goods				
At a point in time	51,087	48,285	94,091	104,939

6. Profit before taxation

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

	Group (6 months ended)		Group (12 months ended)	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	US$'000	US$'000	US$'000	US$'000
Amortisation of signature bonus and upfront fees	(68)	(68)	(137)	(137)
Defined benefit plan expenses	(578)	(937)	(1,050)	(1,311)
Depletion and amortisation of oil and gas properties	(1,312)	(845)	(1,801)	(845)
Depreciation of other plant and equipment	(100)	(88)	(186)	(175)
Depreciation of right-of-use assets	(3,118)	(3,446)	(7,939)	(5,897)
Foreign exchange gain/(loss), net	210	347	(250)	683
Interest expense on lease liabilities	(78)	(697)	(782)	(1,343)
Interest income from bank deposits	941	506	1,898	538
Net gain on early lease termination	166	-	58	-
Net interest gain on assets retirement obligations	649	-	649	-
Overlift expense	-	-	(1,254)	(3)
Provision for decommissioning costs	(69)	(25)	(133)	(40)
Share-based payments	(173)	(71)	(324)	(186)
Underlift income	-	87	6	87
Unsuccessful exploration and evaluation expenditures	(17,727)	-	(17,727)	-
Write back of/(Provision for) expected credit loss for other receivables	12	(21)	8	(21)

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

6. Profit before taxation (continued)

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

	Group (6 months ended)		Group (12 months ended)	
	31 Dec 2023	**31 Dec 2022**	**31 Dec 2023**	**31 Dec 2022**
	US$'000	**US$'000**	**US$'000**	**US$'000**
(Loss)/Profit before tax	(949)	13,870	5,210	40,047
Amortisation of signature bonus and upfront fees	68	68	137	137
Depletion and amortisation of oil and gas properties	1,312	845	1,801	845
Depreciation of other plant and equipment	100	88	186	175
Interest expense on lease liabilities	78	697	782	1,343
Net interest gain on assets retirement obligations	(649)	-	(649)	-
Provision for decommissioning costs	69	25	133	40
Unsuccessful exploration and evaluation expenditures	17,727	-	17,727	-
	17,756	15,593	25,327	42,587

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)		Group (12 months ended)	
	31 Dec 2023	**31 Dec 2022**	**31 Dec 2023**	**31 Dec 2022**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Current income tax:				
- Current income taxation	(155)	5,542	2,790	16,314
- (Over)/Under provision in respect of previous years	(32)	(465)	134	(465)
	(187)	5,077	2,924	15,849
Deferred income tax:				
- Origination and reversal of temporary differences	(1,375)	(1,175)	(1,587)	(990)
- Under provision in respect of previous years	525	301	720	301
	(850)	(874)	(867)	(689)
Income tax (credit)/expense recognised in profit and loss	(1,037)	4,203	2,057	15,160

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

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/year.

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/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 2023 (6 months)	31 Dec 2022 (6 months)	31 Dec 2023 (12 months)	31 Dec 2022 (12 months)
Weighted average number of ordinary shares for basic earnings per share computation	835,177,400	833,217,400	834,833,729	832,556,777
Effects of dilution:				
- Share options	899,390	1,719,981	718,962	1,794,032
Weighted average number of ordinary shares for diluted earnings per share computation	836,076,790	834,937,381	835,552,691	834,350,809

	Group		Group	
	31 Dec 2023 (6 months)	31 Dec 2022 (6 months)	31 Dec 2023 (12 months)	31 Dec 2022 (12 months)
	Cents	Cents	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	0.03	0.93	0.31	2.42
(ii) On a fully diluted basis	0.03	0.93	0.31	2.41

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

9. Oil and gas properties

	Group	
	31 Dec 2023	**31 Dec 2022**
	US$'000	**US$'000**
Cost:		
At 1 January	1,008	839
Additions	1,828	169
Transfer to exploration and evaluation assets	(27)	-
Change in decommissioning provision	1,330	-
At 31 December	4,139	1,008
Accumulated depletion and impairment:		
At 1 January	1,008	163
Charge for the financial year	1,801	845
At 31 December	2,809	1,008
Net carrying amount:	1,330	-

Cash outflow for the development of oil and gas properties for the financial year ended 31 December 2023 was US$1,701,000 (2022: US$169,000), which includes cash outflow of US$49,000 (2022: US$ nil) for accruals made in prior years for unbilled costs for the wells in the Kepala Burung PSC.

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

In 2023, the Group carried out a review of recoverable amount of its oil and gas properties, right-of-use assets and other non-current assets, which has been allocated to the Salawati Group CGU. There was no impairment loss recognised for the financial years ended 31 December 2023 and 2022. The Group determined that the recoverable amount of the Salawati Group CGU based on its value in use using a pre-tax discount of 12.5% (2022: 12.5%).

The recoverable amount of the Salawati Group CGU 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 on page 76 and 77 of the Notes to the Financial Statements of RH Petrogas Limited's Annual Report 2022.

10. Exploration and evaluation assets

	Group	
	31 Dec 2023	**31 Dec 2022**
	US$'000	**US$'000**
At 1 January	161	-
Additions	26,797	161
Transfer from oil and gas properties	27	-
Unsuccessful exploration and evaluation expenditures	(17,727)	-
At 31 December	9,258	161

Cash outflows for additions of exploration and evaluation assets during the financial year ended 31 December 2023 was US$9,852,000 (2022: US$105,000), which includes cash outflow of US$146,000 (2022: US$ nil) for accruals made in prior years for unpaid costs for the exploration well of the Kepala Burung PSC. The remaining additions of US$17,091,000 (2022: US$56,000) relates to accruals made for unpaid costs for the exploration wells of the Kepala Burung PSC and 3D seismic acquisition of the Salawati PSC.

The Group wrote-off unsuccessful exploration and evaluation expenditures of US$17,727,000 in relation to the Riam-1 and Karuka-1 exploration wells drilled in the Kepala Burung PSC.

Impairment of exploration and evaluation assets

During the financial year, certain subsidiaries of the Group carried out a review of recoverable amount of its exploration and evaluation assets. There was no impairment loss recognised for the financial years ended 31 December 2023 and 2022. The recoverable amount of the exploration and evaluation assets were based on its value in use and the pre-tax discount rate used of 12.5% (2022: 12.5%).

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

11. Other non-current assets

	Group	
	31 Dec 2023	**31 Dec 2022**
	US$'000	**US$'000**
Signature bonuses	1,161	1,231
Upfront fees	1,117	1,184
	2,278	2,415

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

	Group	
	31 Dec 2023	**31 Dec 2022**
	US$'000	**US$'000**
At 1 January	326	189
Amortisation for the financial year	137	137
At 31 December	463	326

Other non-current assets of US$2,278,000 (2022: US$2,415,000) 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$137,000 (2022: US$137,000) for the year.

12. Trade and other receivables

	Group		Company	
	31 Dec 2023	**31 Dec 2022**	**31 Dec 2023**	**31 Dec 2022**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Trade receivables	12,597	9,214	-	-
Share of joint venture receivables	1,294	2,507	-	-
Refundable deposits	38	35	38	34
Under-lift assets	1,279	791	-	-
Sundry receivables	786	719	209	135
Total trade and other receivables	15,994	13,266	247	169

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.

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

13. Trade and other payables

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	US$'000	US$'000	US$'000	US$'000
Trade payables	15,574	3,522	-	-
Accrued operating expenses	23,976	17,494	1,019	1,650
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	-	-
Sundry payables	97	89	25	7
Total trade and other payables	41,084	24,535	1,044	1,657

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

14. Provisions

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	US$'000	US$'000	US$'000	US$'000
Provision for reinstatement cost	39	27	39	27
Decommissioning provision	19,999	11,517	-	-
Less: Cash calls contributed for				
- Decommissioning provision	(17,326)	(11,517)	-	-
	2,673	-	-	-
Present value of defined benefits liabilities	3,037	2,543	-	-
Fair value of plan assets	(2,024)	(1,843)	-	-
	1,013	700	-	-
	3,725	727	39	27
Non-current	3,725	727	39	27

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 2023 and 31 December 2022:

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	US$'000	US$'000	US$'000	US$'000
Financial assets				
Trade and other receivables	15,994	13,266	247	169
Amounts due from subsidiaries	-	-	116,642	4,934
Cash and bank balances	54,635	60,464	3,659	1,134
Total undiscounted financial assets	70,629	73,730	120,548	6,237
Financial liabilities				
Trade and other payables	41,084	24,535	1,044	1,657
Amounts due to subsidiaries	-	-	2,343	-
Lease liabilities	10,497	18,091	235	88
Total undiscounted financial liabilities	51,581	42,626	3,622	1,745
Net undiscounted financial assets	19,048	31,104	116,926	4,492

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

16. Share capital

	Group and Company			
	31 Dec 2023		31 Dec 2022	
	No. of shares	Amount US$'000	No. of shares	Amount US$'000
Issued and fully paid:				
At 1 January	833,217,400	270,065	830,707,400	269,982
Exercise of equity-settled share options	1,960,000	73	2,510,000	83
At 31 December	835,177,400	270,138	833,217,400	270,065

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

17. Amounts due from/(to) subsidiaries

Amounts due from/(to) subsidiaries are non-trade related, unsecured, non-interest bearing and are to be settled in cash. These amounts are stated after allowances of US$85,963,000 (2022: US$199,205,000).

	Company	
	31 Dec 2023 US$'000	31 Dec 2022 US$'000
Amounts due from subsidiaries	202,605	204,139
Less: Allowance for impairment	(85,963)	(199,205)
	116,642	4,934
Amounts due to subsidiaries	2,343	-

	Company	
	31 Dec 2023 US$'000	31 Dec 2022 US$'000
Movements in allowance for impairment:		
At 1 January	(199,205)	(199,205)
Allowance written back	113,242	-
At 31 December	(85,963)	(199,205)

For the financial year ended 31 December 2022, the Company has receivables of US$204,139,000 from its subsidiaries, which an impairment of US$199,205,000 was provided for in prior years. Following a review of the recoverable amounts, the Group reversed allowance for impairment of US$113,242,000 (2022: Nil) mainly in respect of the amounts due from RH Petrogas Investments Pte Ltd.

The recoverable amounts were determined based on Salawati Group CGU cash flow projections from the production forecasts approved by the management, covering periods until the end of the production sharing contract as well as the current financial position of the subsidiaries. The key assumptions used to determine the recoverable amount were disclosed in Note 8 on page 76 and 77 of the Notes to the Financial Statements of RH Petrogas Limited's Annual Report 2022.

18. Subsequent events

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

RH Petrogas Limited

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

F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2
For the second half and full year ended 31 December 2023

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 2022 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 second half period ended 31 December 2023 (second half period ended 31 December 2022: Nil) pursuant to the RHP Share Option Scheme 2011. During the financial year ended 31 December 2023, there were 3,780,000 options (financial year ended 31 December 2022: 2,800,000 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 the share option plan as at 31 December 2023 are as follows:

Date of grant of options	Exercise price per share	Balance as at 01.01.2023	Granted during the financial year	Exercised during the financial year	Cancelled/ lapsed during the financial year	Number of options outstanding as at 31.12.2023	Number of options outstanding as at 31.12.2022	Exercise period
05.03.2021	S$0.024	1,960,000	-	(1,960,000)	-	-	1,960,000	06.03.2023 to 04.03.2026
04.03.2022	S$0.220	2,800,000	-	-	-	2,800,000	2,800,000	05.03.2024 to 03.03.2027
03.03.2023	S$0.150	-	3,780,000	-	-	3,780,000	-	04.03.2025 to 02.03.2028
		4,760,000	3,780,000	(1,960,000)	-	6,580,000	4,760,000	

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

PERFORMANCE SHARE PLAN
There were no shares awarded in the second half period ended 31 December 2023 (second half period ended 31 December 2022: Nil) and the financial year ended 31 December 2023 (financial year ended 31 December 2022: Nil) pursuant to the Performance Share Plan.

SHARE CAPITAL
There were no changes to the Company's issued share capital and no shares on convertibles were issued in the second half period ended 31 December 2023 (second half period ended 31 December 2022: Nil).

During the financial year ended 31 December 2023, the Company issued a total of 1,960,000 new ordinary shares (financial year ended 31 December 2022: 2,510,000 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 2023	833,217,400	270,065
Exercise of equity-settled share options	1,960,000	73
Balance as at 31 December 2023	835,177,400	270,138

There were no shares held as treasury shares by the Company and no subsidiary holdings, as at 31 December 2023 (as at 31 December 2022: 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 2023 was 835,177,400 (31 December 2022: 833,217,400).

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.

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	Cents	Cents	Cents	Cents
Net asset value per ordinary share capital	5.02	4.70	14.04	0.55

F. 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

<u>Second half period ended 31 December 2023 ("**2H 2023**") vs second half period ended 31 December 2022 ("**2H 2022**")</u>

6.1.1. The Group recorded revenue of US$51,087,000 for 2H 2023, an increase of 5.8% as compared to the US$48,285,000 recorded for 2H 2022. The increase was mainly attributable to the higher volume of crude oil lifted in both the Kepala Burung production sharing contract ("**PSC**") and Salawati PSC, despite a 5.7% decrease in the average realised oil price from US$88 per barrel in 2H 2022 to US$83 per barrel in 2H 2023.

6.1.2. The cost of sales increased by 7.2% from US$32,416,000 in 2H 2022 to US$34,750,000 in 2H 2023, which was mainly attributed to higher field operating expenses in both the Kepala Burung and Salawati PSCs arising from (i) the rental of additional rig and heavy equipment to support the planned well workovers and services; (ii) increased number of well service jobs being carried out; (iii) higher costs and increased number of parts being used in the upgrading, repair and maintenance of the production facilities; and (iv) higher depletion and amortisation of oil and gas properties.

6.1.3. As a result of the higher revenue and partially offset by the increase in cost of sales as explained above, the gross profit increased by 2.9% from US$15,869,000 in 2H 2022 to US$16,337,000 in 2H 2023.

6.1.4. Other income increased from US$1,236,000 in 2H 2022 to US$2,350,000 in 2H 2023 mainly due to (i) higher interest income from the fixed deposits; (ii) net interest gain on assets retirement obligations; and (iii) higher head office overheads charge-out to the Kepala Burung and Salawati PSCs. These were partially offset by (i) lower foreign exchange gain; and (ii) the absence of underlift income of US$87,000 which was recorded in 2H 2022.

6.1.5. Administrative expenses for 2H 2023 decreased by 28.8% to US$1,655,000 as compared to 2H 2022 mainly due to decrease in staff costs and partially offset by increase in professional fees, share-based payments and other monthly overheads.

6.1.6. The significant increase in other expenses for 2H 2023 was mainly due to the write-off of US$17,727,000 for unsuccessful exploration and evaluation expenditures incurred in relation to the Riam-1 and Karuka-1 exploration wells drilled in the Kepala Burung PSC (please refer to the Company's SGXNET Announcements No. SG231006OTHRPQ62 dated 6 October 2023 and SG231226OTHRIKEO dated 26 December 2023 for more details).

6.1.7. Finance costs for 2H 2023 were lower as compared to 2H 2022 due to lower interest expense on lease liabilities for both the Kepala Burung and Salawati PSCs.

6.1.8. The income tax credit of US$1,037,000 in 2H 2023 comprised the recognition of deferred tax assets of US$850,000 for the Kepala Burung PSC, overprovision of tax in the first half of 2023 of US$155,000 for the Kepala Burung PSC, and overprovision of tax in prior years of US$32,000 for the Salawati PSC.

6.1.9. As a result of the above, the Group recorded a net profit of US$88,000 and EBITDAX (see Section E Note 6.2 above) of US$17,756,000 for 2H 2023 as compared to a net profit of US$9,667,000 and EBITDAX of US$15,593,000 for 2H 2022.

6.1.10. Excluding the write-off of unsuccessful exploration and evaluation expenditures of US$17,727,000 as mentioned in para 6.1.6 above, the Group would have recorded a net profit of approximately US$10,724,000 for 2H 2023.

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

Financial year ended 31 December 2023 ("**FY2023**") vs financial year ended 31 December 2022 ("**FY2022**")

6.1.11. The Group recorded revenue of US$94,091,000 for FY2023, a decrease of 10.3% as compared to the US$104,939,000 recorded for FY2022. The decrease was mainly attributable to a 15.8% decrease in the average realised oil price from US$95 per barrel in FY2022 to US$80 per barrel in FY2023, despite the higher volume of crude oil lifted.

6.1.12. The cost of sales increased by 11.8% from US$60,871,000 in FY2022 to US$68,065,000 in FY2023, which was mainly attributed to higher field operating expenses in both the Kepala Burung and Salawati PSCs arising from (i) the rental of additional rig and heavy equipment to support the planned well workovers and services; (ii) increased number of well workover and service jobs being carried out and higher cost associated with some of these well services; (iii) higher repair costs and increased number of parts being used in the upgrading and maintenance of the production facilities; (iv) higher maintenance and repair costs incurred for the power plant; (v) higher marine transportation costs due to higher charter rates of cargo vessels and increased number of trips made; and (vi) higher depletion and amortisation of oil and gas properties.

6.1.13. As a result of the decrease in revenue and higher cost of sales as explained above, the gross profit decreased by 40.9% from US$44,068,000 in FY2022 to US$26,026,000 in FY2023.

6.1.14. Other income increased from US$1,808,000 in FY2022 to US$3,413,000 in FY2023 mainly due to the (i) higher interest income from fixed deposits; (ii) net interest gain on assets retirement obligations; and (iii) higher head office overheads charge-out to the Kepala Burung and Salawati PSCs. These were partially offset by the (i) absence of foreign exchange gain; and (ii) lower underlift income.

6.1.15. Administrative expenses for FY2023 decreased by 5.8% to US$3,867,000 as compared to FY2022 mainly due to decrease in staff costs and partially offset by increase in professional fees, share-based payments and other monthly overheads.

6.1.16. The significant increase in other expenses for FY2023 was mainly due to (i) the write-off of US$17,727,000 for unsuccessful exploration and evaluation expenditures incurred as at 31 December 2023 in relation to the Riam-1 and Karuka-1 exploration wells drilled in the Kepala Burung PSC (please refer to the Company's SGXNET Announcements No. SG231006OTHRPQ62 dated 6 October 2023 and SG231226OTHRIKEO dated 26 December 2023 for more details); (ii) higher overlift expenses of US$1,254,000 recognised in FY2023, and (iii) foreign exchange loss.

6.1.17. Finance costs for FY2023 were lower as compared to FY2022 due to the lower interest expense on lease liabilities for both the Kepala Burung and Salawati PSCs.

6.1.18. The income tax expense of US$2,057,000 in FY2023 comprised the Group's share of the income tax expense of US$2,790,000 for both the Kepala Burung and Salawati PSCs, underprovision of tax in prior years of US$134,000 for the Salawati PSC, and partially offset by the recognition of deferred tax assets of US$867,000 for the Kepala Burung PSC.

6.1.19. As a result of the above, the Group recorded a net profit of US$3,153,000 and EBITDAX (see Section E Note 6.2 above) of US$25,327,000 for FY 2023 as compared to a net profit of US$24,887,000 and EBITDAX of US$42,587,000 for FY2022.

6.1.20. Excluding the write-off of unsuccessful exploration and evaluation expenditures of US$17,727,000 as mentioned in para 6.1.16 above, the Group would have recorded a net profit of approximately US$13,789,000 for FY2023.

6.2. Balance Sheet

6.2.1 As at 31 December 2023, the carrying value of oil and gas properties includes assets retirement obligations of US$1,330,000 for the Kepala Burung and Salawati PSCs.

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$2,251,000 as at 31 December 2023 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 ROU assets was mainly due to depreciation of ROU assets for both the Kepala Burung and Salawati PSCs and partially offset by the additional lease agreements entered for the Kepala Burung PSC during the year.

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

6.2.5. The increase in exploration and evaluation assets was mainly due to (i) the acquisition of 100 km^2 of 3D marine seismic survey; and (ii) costs incurred for well site preparation, purchase of subsurface equipment and drilling materials for the planned exploration drilling in the Salawati PSC.

6.2.6. 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.

6.2.7. The increase in inventories was mainly due to (i) materials purchased for planned well workover and drilling activities; and (ii) parts for power plant and production equipment for both the Kepala Burung and Salawati PSCs.

6.2.8. The increase in trade and other receivables was mainly attributable to the increase in trade receivables and under-lift assets recognised in the Kepala Burung PSC. Included in trade and other receivables was the sale and lifting of crude oil of US$10,487,000 from both the Kepala Burung and Salawati PSCs in December 2023 with the proceeds received in January 2024.

6.2.9. The total lease liabilities decreased during the period due to payments made, and this reduction was partially offset by the addition of new leases signed during the same period for the Kepala Burung PSC. As at 31 December 2023, the lease liabilities in the current liabilities and non-current liabilities were US$6,693,000 and US$3,059,000 respectively.

6.2.10. The increase in trade and other payables was mainly attributable to the increase in trade payables in both the Kepala Burung and Salawati PSCs as well as the accrued expenses in relation to the unpaid costs for the two exploration wells drilled in the Kepala Burung PSC and the 3D marine seismic survey acquired in the Salawati PSC.

6.2.11. The increase in provisions was due to the increase in defined benefit plan liabilities and provision for decommissioning for both the Kepala Burung and Salawati PSCs.

6.3. Cash Flow

6.3.1. The Group recorded net cash flows from operating activities of US$16,822,000 in FY2023 as compared to US$31,024,000 in FY2022. The decrease was mainly due lower operating cash flows before changes in working capital and partially offset by lower net working capital outflow.

6.3.2. Net cash flows used in investing activities was US$11,758,000 in FY2023. This comprised (i) additions to exploration and evaluation assets of US$9,852,000 for both the Kepala Burung and Salawati PSCs; (ii) well workovers, enhanced oil recovery project, and other capital expenditure of US$1,701,000 for the Kepala Burung PSC; (iii) cash call contribution for decommissioning costs of US$133,000 for the expired Basin PSC; and (iv) purchase of other plant and equipment of US$72,000.

6.3.3. Net cash flows used in financing activities of US$10,895,000 in FY2023 mainly consisted of (i) payment of lease liabilities of US$9,428,000 for the Kepala Burung PSC and Salawati PSC; and (ii) a distribution of US$1,500,000 by the Group's 82.65% owned subsidiary, Petrogas (Basin) Ltd., to its joint venture partner, PT Citra Wahana Abadi, which is derived from its share of production entitlement from the field. These were partially offset by proceeds from issuance of new ordinary shares of US$35,000 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$16,822,000 for FY2023 and has cash and bank balances of US$54,635,000 as at 31 December 2023.

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.

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

Brent crude prices saw a modest increase from an average of US$80 per barrel for the first half of 2023 to an average of US$85 per barrel for the second half of 2023 ("**2H 2023**"). The improvement was attributed to rising oil prices with Brent reaching almost US$100 towards end-September due to tightening oil supply as Saudi Arabia and Russia announced additional voluntary production cuts totaling 1.3 million BOPD until the end of 2023, on top of the existing production curbs already implemented by the OPEC+ alliance.

Going into the fourth quarter, the outbreak of war between Israel and Hamas in the Middle East, which was triggered by Hamas' attack on Israel on 7 October, drove oil prices up slightly. However, the momentum could not be sustained, and oil prices began to trend downwards due to reemerging concerns over the pace of global economic recovery and its impact on oil demand, even as OPEC+ members had in its November 2023 meeting agreed to further voluntary cuts through the first quarter of 2024. For the full year of 2023, Brent oil prices averaged around US$82 a barrel, a sharp decline of around 19% from the almost US$101 average recorded in 2022.

In its January 2024 Monthly Oil Market Report, OPEC forecasts global oil demand to grow by 2.2 million barrels per day in 2024. OPEC expects oil demand to be supported by a normalising Chinese economy and sustained growth in the US and other major economies with the easing of monetary policy. However, supply risks remain in the form of geopolitical risks and the threat of disruption to the Suez Canal shipping route, amid ongoing Houthi attacks on vessels traversing the Red Sea as well as concerns over the escalation of the Israel-Hamas conflict to the wider region.

During 2H 2023, the Group drilled 2 exploration wells in the Kepala Burung block and completed the acquisition of a 3D seismic survey in the South Walio Offshore area of the adjoining Salawati block. Processing and interpretation of the 3D survey is ongoing, and the results would help to assess the prospectivity of this area for further exploration planning. On 20 January 2024, the Group spudded its first exploration well, the Piarawi-1 well, in the Salawati block (SGXNet Announcement No. SG240120OTHR0X4V) and drilling is still progressing at the time of this report. Besides seeking organic growth through its stepped-up exploration programmes which has been delayed due to the Covid-19 pandemic, the Group also continues its active programmes of workovers and well services which are integral to maintaining oil and gas production from existing fields.

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.

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 financial year ended 31 December 2023. The Group is conserving its cash towards funding its exploration and development work programmes 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 programmes 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. In 2023, the Group made progress towards the fulfilment of its exploration work commitment with the acquisition of a 3D seismic survey offshore Salawati PSC and the drilling of the two exploration wells in the Kepala Burung PSC. In addition, at the time of this report, the Group had commenced drilling of the first exploration well in the Salawati PSC as part of its exploration work commitment.

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 ("**IPT**").

During the FY2023, the Group did not enter into any IPT of S$100,000 or more.

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).

RH Petrogas Limited

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

F. 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 E (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 F (Other Information Required by Listing Rule Appendix 7.2).

16. A breakdown of sales as follows:-

	Group		
	31 Dec 2023	31 Dec 2022	%
	US$'000	US$'000	Change
(a) Sales reported for first half year	43,004	56,654	(24.1%)
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	3,065	15,220	(79.9%)
(c) Sales reported for second half year	51,087	48,285	5.8%
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	88	9,667	(99.1%)

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 2023	Latest Full Year 2022
(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.

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

19. 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 FY2023, the Group incurred US$26,824,000 for additions to exploration and evaluation assets for the Kepala Burung and Salawati PSCs and US$1,801,000 for well workovers, enhanced oil recovery project, and other capital expenditure for the Kepala Burung PSC.

BY ORDER OF THE BOARD

Chang Cheng-Hsing Francis
Group CEO & Executive Director

27 February 2024