



Condensed Interim Financial Statements
For the First Quarter Period Ended 31 March 2024

RH Petrogas Limited

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

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RH Petrogas Limited

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A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the first quarter financial period ended 31 March 2024

		Group (3 months ended)		
		31 Mar 2024	31 Mar 2023	%
Note		US\$'000	US\$'000	Change
	Revenue	23,841	22,621	5.4%
	Cost of sales	(15,316)	(15,952)	(4.0%)
	Gross profit	8,525	6,669	27.8%
	Other income	592	628	(5.7%)
	Administrative expenses	(945)	(1,045)	(9.6%)
	Other expenses	(163)	(532)	(69.4%)
	Finance costs	(223)	(355)	(37.2%)
	Profit before tax	7,786	5,365	45.1%
	Income tax expense	(3,434)	(1,799)	90.9%
	Profit for the financial period, representing total comprehensive income for the financial period	4,352	3,566	22.0%
	Total comprehensive income for the financial period attributable to:			
	Owners of the Company	3,523	2,983	18.1%
	Non-controlling interests	829	583	42.2%
		4,352	3,566	22.0%
	Earnings per share (cents per share)			
	Basic	0.42	0.36	16.7%
	Diluted	0.42	0.36	16.7%

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B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

As at 31 March 2024

	Note	Group		Company	
		31 Mar	31 Dec	31 Mar	31 Dec
		2024	2023	2024	2023
		US\$'000	US\$'000	US\$'000	US\$'000
Assets					
Non-current assets					
Oil and gas properties	9	1,348	1,330	-	-
Other plant and equipment		65	88	65	75
Deferred tax assets		1,370	2,251	-	-
Right-of-use assets		6,125	6,888	199	235
Exploration and evaluation assets	10	15,374	9,258	-	-
Cash and bank balances		3,193	3,193	-	-
Amounts due from subsidiaries	17	-	-	116,650	116,642
Other non-current assets	11	2,243	2,278	-	-
Investment in subsidiaries		-	-	-	-
		29,718	25,286	116,914	116,952
Current assets					
Inventories		12,301	11,759	-	-
Other current assets		33	39	33	39
Trade and other receivables	12	12,142	15,994	230	247
Cash and bank balances		44,713	51,442	3,172	3,659
		69,189	79,234	3,435	3,945
Total assets		98,907	104,520	120,349	120,897
Liabilities and equity					
Current liabilities					
Income tax payable		3,723	1,170	-	-
Lease liabilities		6,335	6,693	138	139
Trade and other payables	13	29,426	41,084	849	1,044
		39,484	48,947	987	1,183
Non-current liabilities					
Provisions	14	3,918	3,725	38	39
Lease liabilities		2,319	3,059	59	97
Amount due to subsidiaries	17	-	-	2,397	2,343
		6,237	6,784	2,494	2,479
Total liabilities		45,721	55,731	3,481	3,662
Equity attributable to owners of the Company					
Share capital	16	270,138	270,138	270,138	270,138
Reserves		(224,666)	(228,234)	(153,270)	(152,903)
		45,472	41,904	116,868	117,235
Non-controlling interests		7,714	6,885	-	-
Total equity		53,186	48,789	116,868	117,235
Total liabilities and equity		98,907	104,520	120,349	120,897

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C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

For the first quarter financial period ended 31 March 2024

	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
Group										
At 1 January 2023	270,065	2,886	(90)	-	(235,697)	1,764	199	(230,938)	7,865	46,992
Profit for the financial period, representing total comprehensive income for the financial period	-	-	-	-	2,983	-	-	2,983	583	3,566
<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	-	-	-	-	-	-	64	64	-	64
At 31 March 2023	270,138	2,886	(90)	-	(232,714)	1,764	225	(227,929)	8,448	50,657
At 1 January 2024	270,138	2,886	(90)	(178)	(233,101)	1,764	485	(228,234)	6,885	48,789
Profit for the financial period, representing total comprehensive income for the financial period	-	-	-	-	3,523	-	-	3,523	829	4,352
<u>Contributions by and distributions to owners</u>										
Share-based payments - Grant of equity-settled share options	-	-	-	-	-	-	45	45	-	45
At 31 March 2024	270,138	2,886	(90)	(178)	(229,578)	1,764	530	(224,666)	7,714	53,186

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

For the first quarter financial period ended 31 March 2024

	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 2023	270,065	2,886	(268,547)	199	(265,462)	4,603
Loss for the financial period, representing total comprehensive income for the financial period	-	-	(567)	-	(567)	(567)
<u>Contributions by and distributions to owners</u>						
Exercise of employee share options	73	-	-	(38)	(38)	35
Share-based payments	-	-	-	64	64	64
- Grant of equity-settled share options	-	-	-	64	64	64
At 31 March 2023	270,138	2,886	(269,114)	225	(266,003)	4,135
At 1 January 2024	270,138	2,886	(156,274)	485	(152,903)	117,235
Loss for the financial period, representing total comprehensive income for the financial period	-	-	(412)	-	(412)	(412)
<u>Contributions by and distributions to owners</u>						
Share-based payments	-	-	-	45	45	45
- Grant of equity-settled share options	-	-	-	45	45	45
At 31 March 2024	270,138	2,886	(156,686)	530	(153,270)	116,868

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D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the first quarter financial period ended 31 March 2024

	Note	Group	
		(3 months ended)	
		31 Mar 2024	31 Mar 2023
		US\$'000	US\$'000
Operating activities			
Profit before tax		7,786	5,365
Adjustments for:			
Amortisation of signature bonus and upfront fees		35	35
Defined benefit plan expenses		280	233
Depletion and amortisation of oil and gas properties		36	192
Depreciation of other plant and equipment		25	43
Depreciation of right-of-use assets		1,261	2,333
Interest expense on lease liabilities		172	355
Interest income from bank deposits		(319)	(486)
Net gain on early lease termination		(26)	-
Provision for decommissioning costs		34	30
Share-based payments		45	64
Unrealised foreign exchange gain		(1)	-
Unsuccessful exploration and evaluation expenditures		64	-
Unwinding of discount on decommissioning provisions		51	-
Operating cash flows before changes in working capital		9,443	8,164
Changes in working capital			
(Increase)/Decrease in inventories		(542)	421
Decrease in trade and other receivables		3,858	867
Decrease in trade and other payables		(3,315)	(4,524)
Decrease in defined benefit plan liabilities		(173)	(180)
Cash flows from operations		9,271	4,748
Income tax paid		-	(2,321)
Interest received		319	486
Net cash flows from operating activities		9,590	2,913
Investing activities			
Additions to exploration and evaluation assets	10	(14,348)	(126)
Additions to oil and gas properties	9	(194)	(240)
Cash call contributions for decommissioning provision		(34)	(30)
Purchase of other plant and equipment		(2)	-
Net cash flows used in investing activities		(14,578)	(396)
Financing activities			
Increase in deposits pledged		-	(1)
Payment of lease liabilities		(1,741)	(1,185)
Proceeds from exercise of employee share options		-	35
Net cash flows used in financing activities		(1,741)	(1,151)
Net (decrease)/increase in cash and cash equivalents		(6,729)	1,366
Cash and cash equivalents at beginning of the financial period		51,442	57,273
Cash and cash equivalents at end of the financial period		44,713	58,639

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

For the first quarter financial period ended 31 March 2024

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

	Group	
	(3 months ended)	
	31 Mar	31 Mar
	2024	2023
	US\$'000	US\$'000
Cash and bank balances	47,906	61,831
Less:		
Long-term deposits pledged	(3,193)	(3,192)
Cash and cash equivalents	44,713	58,639

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E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the first quarter financial period ended 31 March 2024

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 first quarter financial period ended 31 March 2024 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 2023.

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 2024.

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 2023.

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 and associated production facilities, and other capital costs. The carrying amount of oil and gas development and production assets at 31 March 2024 and 31 December 2023 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 indication of 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.

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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.

	Oil and gas (3 months ended)	
	31 Mar 2024	31 Mar 2023
	US\$'000	US\$'000
Revenue	23,841	22,621
Results:		
Amortisation of signature bonus and upfront fees	(35)	(35)
Defined benefit plan expenses	(280)	(233)
Depreciation and amortisation	(61)	(235)
Depreciation of right-of-use assets	(1,261)	(2,333)
Finance costs	(223)	(355)
Interest income	319	486
Net gain on early lease termination	26	-
Provision for decommissioning costs	(34)	(30)
Segment profit before tax	7,786	5,365
Share-based payments	(45)	(64)
Unsuccessful exploration and evaluation expenditures	(64)	-
Assets		
Total capital expenditure	6,236	366 (A)
Segment assets	98,907	91,608 (B)
Segment liabilities	45,721	40,951 (B)
(A) Total capital expenditure is consisted of the following additions: Additions in:		
- Oil and gas properties	54	240
- Exploration and evaluation assets	6,180	126
- Other plant and equipment	2	-
	6,236	366
(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	1,370	1,882
<u>Segment liabilities</u>		
Income tax payable	3,723	3,276

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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 (3 months ended)	
	31 Mar 2024	31 Mar 2023
	US\$'000	US\$'000
Sales of oil	20,593	19,462
Sales of natural gas	3,248	3,159
Total revenue from contracts with customers	23,841	22,621
Timing of transfer of goods		
At a point in time	23,841	22,621

6. Profit before taxation

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

	Group (3 months ended)	
	31 Mar 2024	31 Mar 2023
	US\$'000	US\$'000
Amortisation of signature bonus and upfront fees	(35)	(35)
Defined benefit plan expenses	(280)	(233)
Depletion and amortisation of oil and gas properties	(36)	(192)
Depreciation of other plant and equipment	(25)	(43)
Depreciation of right-of-use assets	(1,261)	(2,333)
Foreign exchange gain/(loss), net	92	(453)
Interest expense on lease liabilities	(172)	(355)
Interest income from bank deposits	319	486
Net gain on early lease termination	26	-
Provision for decommissioning costs	(34)	(30)
Share-based payments	(45)	(64)
Unsuccessful exploration and evaluation expenditures	(64)	-
Unwinding of discount on decommissioning provisions	(51)	-

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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	
	(3 months ended)	
	31 Mar	31 Mar
	2024	2023
	US\$'000	US\$'000
Profit before tax	7,786	5,365
Amortisation of signature bonus and upfront fees	35	35
Depletion and amortisation of oil and gas properties	36	192
Depreciation of other plant and equipment	25	43
Interest expense on lease liabilities	172	355
Provision for decommissioning costs	34	30
Unsuccessful exploration and evaluation expenditures	64	-
Unwinding of discount on decommissioning provisions	51	-
	<u>8,203</u>	<u>6,020</u>

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	
	(3 months ended)	
	31 Mar	31 Mar
	2024	2023
	US\$'000	US\$'000
Current income tax:		
- Current income taxation	2,568	2,312
	<u>2,568</u>	<u>2,312</u>
Deferred income tax:		
- Origination and reversal of temporary differences	866	(513)
	<u>866</u>	<u>(513)</u>
Income tax expense recognised in profit and loss	<u>3,434</u>	<u>1,799</u>

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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.

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	
	31 Mar 2024 (3 months)	31 Mar 2023 (3 months)
Weighted average number of ordinary shares for basic earnings per share computation	835,177,400	833,783,622
Effects of dilution:		
- Share options	440,318	278,429
Weighted average number of ordinary shares for diluted earnings per share computation	835,617,718	834,062,051

	Group	
	31 Mar 2024 (3 months) Cents	31 Mar 2023 (3 months) Cents
Earnings per ordinary share for the financial period based on net profit attributable to owners of the Company		
(i) Based on the weighted average number of ordinary shares on issue; and	0.42	0.36
(ii) On a fully diluted basis	0.42	0.36

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

9. Oil and gas properties

	Group	
	31 Mar 2024	31 Dec 2023
	US\$'000	US\$'000
Cost:		
At 1 January	4,139	1,008
Additions	54	3,158
Transfer to exploration and evaluation assets	-	(27)
At 31 March/31 December	4,193	4,139
Accumulated depletion and impairment:		
At 1 January	2,809	1,008
Charge for the financial period/year	36	1,801
At 31 March/31 December	2,845	2,809
Net carrying amount:	1,348	1,330

The net book value at 31 March 2024 includes decommissioning provision of US\$1,348,000.

Cash outflow for the development of oil and gas properties for the first quarter period ended 31 March 2024 was US\$194,000 (31 March 2023: US\$240,000), which includes cash outflow of US\$175,000 (first quarter period ended 31 March 2023: US\$49,000) for accruals made in prior years for the enhanced oil recovery project in Kepala Burung PSC.

Impairment of assets

The Group's oil and gas properties, right-of-use assets, exploration and evaluation assets and other non-current assets have been allocated to the Salawati Group cash generating unit ("CGU"). The Salawati Group CGU has not been tested for impairment as there was no indication of impairment as at 31 March 2024.

10. Exploration and evaluation assets

	Group	
	31 Mar 2024	31 Dec 2023
	US\$'000	US\$'000
At 1 January	9,258	161
Additions	6,180	26,797
Transfer from oil and gas properties	-	27
Unsuccessful exploration and evaluation expenditures	(64)	(17,727)
At 31 March/31 December	15,374	9,258

Cash outflows for additions of exploration and evaluation assets during the first quarter period ended 31 March 2024 was US\$14,348,000 (31 March 2023: US\$126,000), which includes cash outflows of US\$8,168,000 (31 March 2023: US\$ Nil) for accruals made in prior years for unpaid costs for the exploration wells of the Kepala Burung PSC and 3D seismic acquisition of the Salawati PSC.

Impairment of exploration and evaluation assets

The exploration and evaluation assets have not been tested for impairment as there was no indication of impairment as at 31 March 2024.

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

11. Other non-current assets

	Group	
	31 Mar 2024	31 Dec 2023
	US\$'000	US\$'000
Signature bonuses	1,143	1,161
Upfront fees	1,100	1,117
	<u>2,243</u>	<u>2,278</u>

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

	Group	
	31 Mar 2024	31 Dec 2023
	US\$'000	US\$'000
At 1 January	463	326
Amortisation for the financial period/year	35	137
At 31 March/31 December	<u>498</u>	<u>463</u>

Other non-current assets of US\$2,243,000 (31 March 2023: US\$2,380,000) 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\$35,000 (31 March 2023: US\$35,000) for the first quarter period ended 31 March 2024.

12. Trade and other receivables

	Group		Company	
	31 Mar 2024	31 Dec 2023	31 Mar 2024	31 Dec 2023
	US\$'000	US\$'000	US\$'000	US\$'000
Trade receivables	8,989	12,597	-	-
Share of joint operations' receivables	1,187	1,294	-	-
Refundable deposits	37	38	37	38
Under-lift assets	1,040	1,279	-	-
Sundry receivables	889	786	193	209
Total trade and other receivables	<u>12,142</u>	<u>15,994</u>	<u>230</u>	<u>247</u>

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.

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

13. Trade and other payables

	Group		Company	
	31 Mar 2024 US\$'000	31 Dec 2023 US\$'000	31 Mar 2024 US\$'000	31 Dec 2023 US\$'000
Trade payables	8,626	15,574	-	-
Accrued operating expenses	19,281	23,976	834	1,019
Accruals for potential claims	1,325	1,325	-	-
Proportionate share of joint operations' other payables	112	112	-	-
Sundry payables	82	97	15	25
Total trade and other payables	<u>29,426</u>	<u>41,084</u>	<u>849</u>	<u>1,044</u>

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

14. Provisions

	Group		Company	
	31 Mar 2024 US\$'000	31 Dec 2023 US\$'000	31 Mar 2024 US\$'000	31 Dec 2023 US\$'000
Provision for reinstatement cost	38	39	38	39
Decommissioning provision	20,126	19,999	-	-
Less: Cash calls contributed for - Decommissioning provision	<u>(17,366)</u>	<u>(17,326)</u>	<u>-</u>	<u>-</u>
	2,760	2,673	-	-
Present value of defined benefit liabilities	3,317	3,037	-	-
Fair value of plan assets	<u>(2,197)</u>	<u>(2,024)</u>	<u>-</u>	<u>-</u>
	1,120	1,013	-	-
	<u>3,918</u>	<u>3,725</u>	<u>38</u>	<u>39</u>
Non-current	<u>3,918</u>	<u>3,725</u>	<u>38</u>	<u>39</u>

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

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 March 2024 and 31 December 2023:

	Group		Company	
	31 Mar 2024	31 Dec 2023	31 Mar 2024	31 Dec 2023
	US\$'000	US\$'000	US\$'000	US\$'000
Financial assets				
Trade and other receivables	12,141	15,994	230	247
Amounts due from subsidiaries	-	-	116,650	116,642
Cash and bank balances	47,906	54,635	3,172	3,659
Total undiscounted financial assets	60,047	70,629	120,052	120,548
Financial liabilities				
Trade and other payables	29,426	41,084	849	1,044
Amounts due to subsidiaries	-	-	2,397	2,343
Lease liabilities	9,072	10,497	200	236
Total undiscounted financial liabilities	38,498	51,581	3,446	3,623
Net undiscounted financial assets	21,549	19,048	116,606	116,925

16. Share capital

	Group and Company			
	31 Mar 2024		31 Dec 2023	
	No. of shares	Amount US\$'000	No. of shares	Amount US\$'000
Issued and fully paid:				
At 1 January	835,177,400	270,138	833,217,400	270,065
Exercise of equity-settled share options	-	-	1,960,000	73
At 31 March/31 December	835,177,400	270,138	835,177,400	270,138

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 (31 March 2023: US\$199,205,000).

	Company	
	31 Mar 2024	31 Dec 2023
	US\$'000	US\$'000
Amounts due from subsidiaries	202,613	202,605
Less: Allowance for impairment	(85,963)	(85,963)
	116,650	116,642
Amounts due to subsidiaries	2,397	2,343

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

17. Amounts due from/(to) subsidiaries (continued)

	Company	
	31 Mar 2024 US\$'000	31 Dec 2023 US\$'000
Movements in allowance for impairment:		
At 1 January	(85,963)	(199,205)
Allowance written back	-	113,242
At 31 March/31 December	<u>(85,963)</u>	<u>(85,963)</u>

In 2023, the Company reversed allowance for impairment of US\$113,242,000 mainly in respect of the amounts due from RH Petrogas Investments Pte Ltd, following a review of the recoverable amounts. The amounts due from subsidiaries have not been tested for impairment as there was no indication of impairment as at 31 March 2024.

18. Subsequent events

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

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F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

For the first quarter financial period ended 31 March 2024

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.

The independent auditor of the Company, Messrs Ernst & Young LLP (“**Independent Auditor**”), had issued a disclaimer of opinion in its Independent Auditor’s Report dated 9 April 2024 in respect of the consolidated financial statements of the Group for the financial year ended 31 December 2023 (“**FY2023**”).

As disclosed in page 43 (Independent Auditor’s Report) and Note 31 of the Annual Report for FY2023 (“**Annual Report**”), the Company had received whistle blower messages pertaining to, amongst others, alleged bribery and alleged changes to contracting exploration arrangements by subsidiary’s management that might potentially benefit certain parties. An independent investigation to determine the veracity of the allegations had not been conducted as of the date of the Annual Report. In addition, the Independent Auditor was also unable to complete the necessary procedures to ascertain if there had been any non-compliance with laws and regulations or other wrongdoings due to insufficient time. Further investigation may uncover other information that may impact the financial statements. As the whistle blower matters had not been satisfactorily resolved as at the date of the financial statements, the Independent Auditor had not been able to obtain sufficient appropriate audit evidence to conclude whether the financial statements for FY2023 would require any adjustments or additional disclosures.

As of the date of this report, the Independent Auditors have been able to complete some but not all of the top-up procedures they had set out to perform to determine whether or not there had been any non-compliance with laws and regulations or other wrongdoing. To the extent that the procedures have been completed, no exceptions were noted. As the Company decided to appoint an independent reviewer to conduct an independent investigation of the allegations, the Independent Auditor has stopped performing the remaining top-up procedures as these will be undertaken by the independent reviewer as part of their investigations.

As announced on 29 April 2024, SGX Regco had in principle approved the appointment of PricewaterhouseCoopers Risk Services Pte Ltd as the Independent Reviewer. Discussions on the terms of reference and scope of review to be performed by the Independent Reviewer are currently ongoing. The Company will provide an update announcement once the Independent Reviewer has been officially appointed. The Independent Reviewer will report its findings directly to the Audit Committee and SGX RegCo. The Company will publish an executive summary of all key findings of the Independent Reviewer on SGXNet upon completion of the review.

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

Based on current available information, the Board confirms that the impact of the outstanding audit issues on the financial statements have been adequately disclosed.

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 first quarter period ended 31 March 2024 (first quarter period ended 31 March 2023: 3,780,000 options) pursuant to the RHP Share Option Scheme 2011.

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

The unissued shares of the Company under the share option plan as at 31 March 2024 are as follows:

Date of grant of options	Exercise price per share	Balance as at 01.01.2024	Granted during the financial period	Exercised during the financial period	Cancelled/ lapsed during the financial period	Number of options outstanding as at 31.03.2024	Number of options outstanding as at 31.03.2023	Exercise period
04.03.2022	S\$0.220	2,800,000	-	-	(200,000)	2,600,000	2,800,000	05.03.2024 to 03.03.2027
03.03.2023	S\$0.150	3,780,000	-	-	(100,000)	3,680,000	3,780,000	04.03.2025 to 02.03.2028
		<u>6,580,000</u>	<u>-</u>	<u>-</u>	<u>(300,000)</u>	<u>6,280,000</u>	<u>6,580,000</u>	

PERFORMANCE SHARE PLAN

There were no shares awarded in the first quarter period ended 31 March 2024 (first quarter period ended 31 March 2023: Nil) pursuant to the Performance Share Plan.

SHARE CAPITAL

There were no changes to the Company's issued share capital and no shares on convertibles were issued in the first quarter period ended 31 March 2024. During the first quarter period ended 31 March 2023, the Company had issued a total of 1,960,000 new ordinary shares pursuant to the exercise of options granted under the RHP Share Option Scheme 2011.

Please refer to Section E Note 16 above for more details.

There were no shares held as treasury shares by the Company and no subsidiary holdings, as at 31 March 2024 (as at 31 March 2023: 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 March 2024 was 835,177,400 (31 December 2023: 835,177,400).

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	
	31 Mar 2024	31 Dec 2023	31 Mar 2024	31 Dec 2023
	Cents	Cents	Cents	Cents
Net asset value per ordinary share capital	5.44	5.02	13.99	14.04

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\$23,841,000 for first quarter period ended 31 March 2024 ("**1Q 2024**"), an increase of 5.4% as compared to the US\$22,621,000 recorded for the first quarter period ended 31 March 2023 ("**1Q 2023**"). The increase in revenue was mainly attributable to an increase in the average realised oil price from US\$79 per barrel in 1Q 2023 to US\$82 per barrel in 1Q 2024.

6.1.2. The cost of sales decreased by 4.0% from US\$15,952,000 in 1Q 2023 to US\$15,316,000 in 1Q 2024 mainly due to (i) lower field operating expenses as a result of the termination of the additional rig which was used to support the planned well workover and services in 2023; (ii) lower usage of parts for plant and machinery and other production equipment; and (iii) lower depletion and amortisation of oil and gas properties.

6.1.3. As a result of the increase in revenue and lower cost of sales as stated above, gross profit increased by 27.8% from US\$6,669,000 in 1Q 2023 to US\$8,525,000 in 1Q 2024.

6.1.4. Other income decreased from US\$628,000 in 1Q 2023 to US\$592,000 in 1Q 2024 mainly due to lower interest income from fixed deposits and partially offset by (i) higher head office overheads charged to partners in the Salawati production sharing contract ("**PSC**"); and (ii) foreign exchange gain in 1Q 2024.

6.1.5. Administrative expenses for 1Q 2024 decreased by 9.6% to US\$945,000 as compared to 1Q 2023 mainly due to decrease in staff costs, share-based payments and other monthly overheads.

6.1.6. The decrease in other expenses for 1Q 2024 was mainly due to absence of foreign exchange loss which was recorded in 1Q 2023.

6.1.7. Finance costs for 1Q 2024 decreased by 37.2% to US\$223,000 as compared to 1Q 2023 due to the lower interest expense on lease liabilities for both the Kepala Burung and Salawati PSCs.

6.1.8. In line with the increase in gross profit, the income tax expense increased from US\$1,799,000 in 1Q 2023 to US\$3,434,000 in 1Q 2024. The income tax expense of US\$3,434,000 in 1Q 2024 comprised (i) the Group's share of the income tax expense of US\$2,568,000 for both the Kepala Burung and Salawati PSCs; and (ii) reversal of deferred tax assets of US\$866,000 for the Kepala Burung PSC.

6.1.9. As a result of the above, the Group recorded a net profit of US\$4,352,000 and EBITDAX (see Section E Note 6.2 above) of US\$8,203,000 for 1Q 2024 as compared to a net profit of US\$3,566,000 and EBITDAX of US\$6,020,000 for 1Q 2023.

6.2. Balance Sheet

6.2.1 As at 31 March 2024, the carrying value of oil and gas properties includes assets retirement obligations of US\$1,348,000 for the Kepala Burung and Salawati PSCs.

6.2.2. The Group recognised deferred tax assets of US\$1,370,000 as at 31 March 2024 mainly due to differences in depreciation for tax purposes for the Kepala Burung PSC. The decrease was due to the reversal of deferred tax assets, mainly related to the exploration and evaluation assets.

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

6.2.3. 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 agreement entered for the Kepala Burung PSC in 1Q 2024.

6.2.4. The increase in exploration and evaluation assets was mainly due to drilling costs incurred for the Piarawi-1 exploration well in the Salawati PSC.

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

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

6.2.7. The decrease in trade and other receivables was mainly attributable to the decrease in trade receivables 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\$6,988,000 from both the Kepala Burung and Salawati PSCs in March 2024 with the proceeds received in April 2024.

6.2.8. The total lease liabilities decreased during the period due to payments made, and this reduction was partially offset by the addition of a new lease signed during the same period for the Kepala Burung PSC. As at 31 March 2024, the lease liabilities in the current liabilities and non-current liabilities were US\$6,335,000 and US\$2,319,000 respectively.

6.2.9. The decrease in trade and other payables was mainly attributable to the payments made during the period towards trade payables in both the Kepala Burung and Salawati PSCs as well as the settlement of accrued expenses in relation to the two exploration wells drilled in the Kepala Burung PSC and the 3D seismic survey acquired in the Salawati PSC incurred in 2023.

6.2.10. 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\$9,590,000 in 1Q 2024 as compared to US\$2,913,000 in 1Q 2023. The increase was due to higher operating cash flows before changes in working capital and lower net working capital outflow.

6.3.2. Net cash flows used in investing activities was US\$14,578,000 in 1Q 2024. This mainly comprised (i) payment for additions and settlement of accrued expenses of US\$14,348,000 in relation to exploration and evaluation assets for both the Kepala Burung and Salawati PSCs; (ii) enhanced oil recovery project costs of US\$194,000 for the Kepala Burung PSC; and (iii) cash call contribution for decommissioning costs of US\$34,000 for the Kepala Burung PSC.

6.3.3. Net cash flows used in financing activities of US\$1,741,000 in 1Q 2024 was related to the payment of lease liabilities for the Kepala Burung and Salawati PSCs.

6.3.4. The Group recorded positive operating cash flows of US\$9,590,000 for 1Q 2024 and has cash and bank balances of US\$47,906,000 as at 31 March 2024.

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.

Brent crude prices traded in the range of US\$75-85 per barrel during the first quarter of 2024 ("1Q 2024"), averaging US\$83 per barrel for the quarter, slightly lower than the average of US\$84 per barrel for the final quarter of 2023. Price movements were largely limited as concerns over uncertainties in global economic growth was offset by supply curtailment due to continuing voluntary production cuts by OPEC+ members.

In April 2024, the conflict in the Middle East threatened to expand into the wider Arab region, with Iran carrying out a massive strike directly on Israel territory in retaliation for a suspected Israeli air strike on the Iranian consulate in Syria. This was the first-ever direct strike on Israel from Iranian soil after decades of proxy war between the two countries. Anticipation of an escalation in regional conflict sent Brent oil prices above US\$90 per barrel, which later eased as the situation de-escalated.

In its April 2024 Monthly Oil Market Report, OPEC continues to see potential upside for global economic growth in 2024, and maintained its forecast for global oil demand to grow by 2.25 million barrels per day ("bpd") this year. To support oil market stability in the months ahead, OPEC+ members have extended their additional voluntary production cuts of 2.2 million bpd to the end of the second quarter 2024, on top of their original production cuts of 3.66 million bpd which have previously been extended to the end of 2024.

In 1Q 2024, the Group drilled the Piarawi-1 exploration well in the Salawati block and encountered oil-bearing reservoir in the target Kais formation (SGXNet Announcement No. SG240313OTHRJ5ZF). As reported, the reservoir encountered is of low porosity and permeability which may impede oil flow, and further appraisal works are being planned to determine an appropriate stimulation strategy that may enable optimal recovery of oil. Besides seeking organic growth through exploration activities, 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.

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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 first quarter period ended 31 March 2024. 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. As of the date of this report, the Group had made progress towards the fulfilment of its exploration work commitment with the drilling of one exploration well and acquisition of an offshore 3D seismic survey in the Salawati PSC, as well as the drilling of the two exploration wells in the Kepala Burung PSC.

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 first quarter period ended 31 March 2024, the Group did not enter into any IPT of S\$100,000 or more.

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 first quarter financial results for the financial period ended 31 March 2024 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

10 May 2024