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**QUARTERLY STATUS UPDATE ON THE PROGRESS OF THE CRUDE OIL PRODUCTION PROJECT AT FUYU 1 BLOCK**

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The Board of Directors of RH Petrogas Limited (the “**Company**”), the ultimate holding company of Kingworld Resources Limited (“**KRL**”), wishes to provide the following update on the project undertaken by KRL at Fuyu 1 PSC in the Songliao Basin, Jilin Province, the People’s Republic of China, which covers an area of approximately 255 square kilometres (“**Fuyu 1 Block**”), for the three months ended 31 July 2018:-

**1. ANY MATERIAL CHANGES TO THE RESERVES OR RESOURCES (INCLUDING THE REASONS FOR THE CHANGE)**

There were no material changes to the reserves or resources since the previous announcement dated 9 May 2018.

**DETAILS OF DEVELOPMENT AND/OR PRODUCTION ACTIVITIES UNDERTAKEN BY KRL IN RESPECT OF THE FUYU 1 BLOCK PROJECT**

Following the completion of the 2017 production cycle, small-scale production activities continued with eight wells in the second quarter of 2018. Results from the production will be analysed and incorporated into future work programme. At the same time, construction of ancillary facilities and infrastructure continued incrementally at the field.

Oil prices have improved during the quarter with average Brent oil price registering its fourth straight quarter of increase. The Company continues to monitor the situation and will review its overall development plans for the Fuyu field when appropriate.

**2. A SUMMARY OF THE MATERIAL EXPENDITURE INCURRED ON THE EVALUATION, DEVELOPMENT AND/OR PRODUCTION ACTIVITIES FOR THE THREE MONTHS PRECEDING THIS ANNOUNCEMENT**

The summary of the expenditure for the three months preceding this announcement is as follows:

	US\$'000
Production expenditure	87
Development expenditure	12
Fixed assets	4
Administrative expenses	434

**BY ORDER OF THE BOARD**

Chang Cheng-Hsing Francis  
Group CEO & Executive Director  
7 August 2018