

# RH Petrogas Limited

Company Registration No: 198701138Z

## Unaudited Third Quarter Financial Statements and Dividend Announcement for the Financial Period Ended 30 September 2020

RH Petrogas Limited (the "Company") is required by the Singapore Exchange Securities Trading Limited ("SGX-ST") to announce these unaudited financial statements pursuant to Rule 705(2)(e) of the Listing Manual of the SGX-ST.

### PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2, & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

#### Consolidated Income Statement

	Group (3 months ended)			Group (9 months ended)		
	30 Sep 2020 US\$'000	30 Sep 2019 US\$'000	% Change	30 Sep 2020 US\$'000	30 Sep 2019 US\$'000	% Change
Revenue	11,838	14,267	(17.0%)	35,365	43,639	(19.0%)
Cost of sales	(10,795)	(12,009)	(10.1%)	(35,658)	(37,479)	(4.9%)
<b>Gross profit/(loss)</b>	<b>1,043</b>	<b>2,258</b>	<b>(53.8%)</b>	<b>(293)</b>	<b>6,160</b>	<b>N.M.</b>
Other income	566	192	194.8%	925	547	69.1%
Administrative expenses	(861)	(1,169)	(26.3%)	(2,651)	(3,762)	(29.5%)
Other expenses	(328)	(2,414)	(86.4%)	(363)	(2,973)	(87.8%)
Finance costs	(294)	(343)	(14.3%)	(1,073)	(1,292)	(17.0%)
<b>Profit/(Loss) before tax</b>	<b>126</b>	<b>(1,476)</b>	<b>N.M.</b>	<b>(3,455)</b>	<b>(1,320)</b>	<b>161.7%</b>
Income tax expense	(661)	(1,313)	(49.7%)	(1,244)	(1,445)	(13.9%)
<b>Loss for the financial period</b>	<b>(535)</b>	<b>(2,789)</b>	<b>(80.8%)</b>	<b>(4,699)</b>	<b>(2,765)</b>	<b>69.9%</b>
<b>Attributable to:</b>						
Owners of the Company	(171)	(2,206)	(92.2%)	(3,164)	(2,220)	42.5%
Non-controlling interests	(364)	(583)	(37.6%)	(1,535)	(545)	181.7%
	<b>(535)</b>	<b>(2,789)</b>	<b>(80.8%)</b>	<b>(4,699)</b>	<b>(2,765)</b>	<b>69.9%</b>
Loss per share attributable to owners of the Company (cents per share)						
Basic	(0.02)	(0.30)	(93.3%)	(0.43)	(0.30)	43.3%
Diluted	(0.02)	(0.30)	(93.3%)	(0.43)	(0.30)	43.3%

N.M. : not meaningful

1(a)(i) Profit/(Loss) before tax is arrived after crediting/(charging) the following :

	Group (3 months ended)		Group (9 months ended)	
	30 Sep 2020	30 Sep 2019	30 Sep 2020	30 Sep 2019
	US\$'000	US\$'000	US\$'000	US\$'000
Allowance for doubtful trade receivables	-	-	-	(1)
Cancellation of lease liabilities	194	-	194	-
Depletion and amortisation of oil and gas properties	(2,510)	(2,042)	(7,205)	(5,796)
Depreciation of other plant and equipment	(3)	(4)	(9)	(15)
Depreciation of right-of-use assets	(359)	(1,727)	(2,644)	(5,082)
Foreign exchange loss, net	(240)	(1,165)	(2)	(1,360)
Impairment loss on exploration and evaluation assets	-	(1,021)	(34)	(1,103)
Interest expense on lease liabilities	(146)	(175)	(401)	(781)
Interest income from bank deposits	5	73	42	119
Share-based payments	(17)	(25)	(56)	(72)
Underlift income/(Overlift expense)	426	(86)	426	(86)
Unwinding of discount on decommissioning provisions	(148)	(169)	(671)	(511)

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

	Group (3 months ended)		Group (9 months ended)	
	30 Sep 2020	30 Sep 2019	30 Sep 2020	30 Sep 2019
	US\$'000	US\$'000	US\$'000	US\$'000
Profit/(Loss) before tax	126	(1,476)	(3,455)	(1,320)
Depletion and amortisation of oil and gas properties	2,510	2,042	7,205	5,796
Depreciation of other plant and equipment	3	4	9	15
Impairment loss on exploration and evaluation assets	-	1,021	34	1,103
Interest expense on lease liabilities	146	175	401	781
Unwinding of discount on decommissioning provisions	148	169	671	511
	<u>2,933</u>	<u>1,935</u>	<u>4,865</u>	<u>6,886</u>

1(a)(iii) Consolidated Statement of Comprehensive Income for the financial period ended 30 September 2020

	Group (3 months ended)		Group (9 months ended)	
	30 Sep 2020	30 Sep 2019	30 Sep 2020	30 Sep 2019
	US\$'000	US\$'000	US\$'000	US\$'000
Loss for the financial period	(535)	(2,789)	(4,699)	(2,765)
<b>Other comprehensive income :</b>				
<u>Item that may be reclassified subsequently to profit or loss:</u>				
Foreign currency translation	-	1,594	-	1,551
<b>Other comprehensive income for the financial period, net of tax</b>	<b>-</b>	<b>1,594</b>	<b>-</b>	<b>1,551</b>
<b>Total comprehensive income for the financial period</b>	<b><u>(535)</u></b>	<b><u>(1,195)</u></b>	<b><u>(4,699)</u></b>	<b><u>(1,214)</u></b>
<b>Attributable to:</b>				
Owners of the Company	(171)	(612)	(3,164)	(669)
Non-controlling interests	(364)	(583)	(1,535)	(545)
	<b><u>(535)</u></b>	<b><u>(1,195)</u></b>	<b><u>(4,699)</u></b>	<b><u>(1,214)</u></b>

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	30 Sep 2020	31 Dec 2019	30 Sep 2020	31 Dec 2019
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Non-current assets</b>				
Oil and gas properties	346	7,291	-	-
Other plant and equipment	20	29	18	26
Right-of-use assets	3,882	3,734	120	217
Cash and bank balances	3,186	2,560	-	-
Amounts due from subsidiaries	-	-	5,859	6,740
Other non-current assets	2,716	2,741	-	-
	<b>10,150</b>	<b>16,355</b>	<b>5,997</b>	<b>6,983</b>
<b>Current assets</b>				
Inventories	631	745	-	-
Other current assets	41	76	33	28
Trade and other receivables	10,208	15,369	747	578
Cash and bank balances	13,036	9,511	2,091	536
	<b>23,916</b>	<b>25,701</b>	<b>2,871</b>	<b>1,142</b>
<b>Current liabilities</b>				
Income tax payable	2,476	2,443	-	-
Provisions	213	171	-	-
Lease liabilities	3,302	4,043	122	123
Trade and other payables	29,180	33,226	776	939
Loans and borrowings	124	482	124	482
	<b>35,295</b>	<b>40,365</b>	<b>1,022</b>	<b>1,544</b>
<b>Net current (liabilities)/assets</b>	<b>(11,379)</b>	<b>(14,664)</b>	<b>1,849</b>	<b>(402)</b>
<b>Non-current liabilities</b>				
Provisions	704	725	27	27
Loan from non-controlling interest	13,683	15,825	-	-
Deferred tax liabilities	-	774	-	-
Lease liabilities	2,397	228	-	91
Loans and borrowings	12,636	10,145	10,221	7,731
	<b>29,420</b>	<b>27,697</b>	<b>10,248</b>	<b>7,849</b>
<b>Net liabilities</b>	<b>(30,649)</b>	<b>(26,006)</b>	<b>(2,402)</b>	<b>(1,268)</b>
<b>Equity attributable to owners of the Company</b>				
Share capital	258,160	258,160	258,160	258,160
Reserves	(274,054)	(270,946)	(260,562)	(259,428)
	(15,894)	(12,786)	(2,402)	(1,268)
Non-controlling interests	(14,755)	(13,220)	-	-
<b>Total deficit</b>	<b>(30,649)</b>	<b>(26,006)</b>	<b>(2,402)</b>	<b>(1,268)</b>

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:-

	Group		Company	
	30 Sep 2020	31 Dec 2019	30 Sep 2020	31 Dec 2019
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Unsecured</b>				
Amount repayable in one year or less, or on demand	124	482	124	482
Amount repayable after one year	12,636	10,145	10,221	7,731
	<b>12,760</b>	<b>10,627</b>	<b>10,345</b>	<b>8,213</b>
<b>Total</b>				
Amount repayable in one year or less, or on demand				
Loans from related parties	124	482	124	482
	<b>124</b>	<b>482</b>	<b>124</b>	<b>482</b>
Amount repayable after one year, comprising				
Loans from related parties	12,636	10,145	10,221	7,731
	<b>12,636</b>	<b>10,145</b>	<b>10,221</b>	<b>7,731</b>
<b>Total loans and borrowings</b>	<b>12,760</b>	<b>10,627</b>	<b>10,345</b>	<b>8,213</b>

**1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Group (3 months ended)		Group (9 months ended)	
	30 Sep 2020	30 Sep 2019	30 Sep 2020	30 Sep 2019
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Operating activities</b>				
<b>Profit/(Loss) before tax</b>	126	(1,476)	(3,455)	(1,320)
Adjustments for:				
Allowance for doubtful trade receivables	-	-	-	1
Cancellation of lease liabilities	(194)	-	(194)	-
Depletion and amortisation of oil and gas properties	2,510	2,042	7,205	5,796
Depreciation of other plant and equipment	3	4	9	15
Depreciation of right-of-use assets	359	1,727	2,644	5,082
Impairment loss on exploration and evaluation assets	-	1,021	34	1,103
Interest expense on lease liabilities	146	175	401	781
Interest income from bank deposits	(5)	(73)	(42)	(119)
Share-based payments	17	25	56	72
Unrealised foreign exchange loss/(gain)	426	(295)	(15)	(59)
Unwinding of discount on decommissioning provisions	148	169	671	511
<b>Operating cash flows before changes in working capital</b>	<b>3,536</b>	<b>3,319</b>	<b>7,314</b>	<b>11,863</b>
<b>Changes in working capital</b>				
Decrease/(Increase) in inventories	-	129	114	(370)
Decrease/(Increase) in trade and other receivables	531	(1,308)	5,220	4,056
(Decrease)/Increase in trade and other payables	(529)	2,574	(3,009)	(2,315)
<b>Cash flows from operations</b>	<b>3,538</b>	<b>4,714</b>	<b>9,639</b>	<b>13,234</b>
Income tax paid	(1)	(743)	(1,986)	(2,201)
Interest received	5	73	42	119
<b>Net cash flows from operating activities</b>	<b>3,542</b>	<b>4,044</b>	<b>7,695</b>	<b>11,152</b>
<b>Investing activities</b>				
Additions to exploration and evaluation assets	-	(1,021)	(34)	(1,103)
Additions to oil and gas properties	(21)	(1,239)	(274)	(2,164)
Cash call contributions for termination liabilities and decommissioning provisions	(594)	(1,435)	(1,670)	(1,909)
Purchase of other plant and equipment	-	(2)	-	(7)
<b>Net cash flows used in investing activities</b>	<b>(615)</b>	<b>(3,697)</b>	<b>(1,978)</b>	<b>(5,183)</b>
<b>Financing activities</b>				
(Increase)/Decrease in deposits pledged	-	(313)	4,374	(938)
Loan from/(Repayment to) non-controlling interest	51	533	(2,142)	661
Payment of lease liabilities	(903)	(1,660)	(1,566)	(3,391)
(Repayment of advances)/Loan from related parties	(51)	(533)	2,142	(661)
<b>Net cash flows (used in)/from financing activities</b>	<b>(903)</b>	<b>(1,973)</b>	<b>2,808</b>	<b>(4,329)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>2,024</b>	<b>(1,626)</b>	<b>8,525</b>	<b>1,640</b>
Effect of exchange rate changes on cash and cash equivalents	-	(5)	-	(5)
Cash and cash equivalents at beginning of the financial period	11,012	10,686	4,511	7,420
<b>Cash and cash equivalents at end of the financial period</b>	<b>13,036</b>	<b>9,055</b>	<b>13,036</b>	<b>9,055</b>

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

	Group (9 months ended)	
	30 Sep 2020	30 Sep 2019
	US\$'000	US\$'000
Cash and bank balances	16,222	16,302
Less:		
Short-term deposits pledged	-	(5,000)
Long-term deposits pledged	(3,186)	(2,247)
<b>Cash and cash equivalents</b>	<b>13,036</b>	<b>9,055</b>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Share capital	Capital reduction reserve	Foreign currency translation reserve	Accumulated losses	Equity reserve	Employee share option reserve	Total reserves	Non-controlling interests	Total deficit
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Group</b>									
<b>At 1 January 2019</b>	<b>258,160</b>	<b>2,886</b>	<b>1,694</b>	<b>(278,315)</b>	<b>1,764</b>	<b>596</b>	<b>(271,375)</b>	<b>(9,817)</b>	<b>(23,032)</b>
Loss for the financial period	-	-	-	(14)	-	-	(14)	38	24
Other comprehensive income for the financial period	-	-	(42)	-	-	-	(42)	-	(42)
Total comprehensive income for the financial period	-	-	(42)	(14)	-	-	(56)	38	(18)
<u>Contributions by and distributions to owners</u>									
Share-based payments									
- Grant of equity-settled share options	-	-	-	-	-	47	47	-	47
- Expiry of employee share options	-	-	-	174	-	(174)	-	-	-
<b>At 30 June 2019</b>	<b>258,160</b>	<b>2,886</b>	<b>1,652</b>	<b>(278,155)</b>	<b>1,764</b>	<b>469</b>	<b>(271,384)</b>	<b>(9,779)</b>	<b>(23,003)</b>
Loss for the financial period	-	-	-	(2,206)	-	-	(2,206)	(583)	(2,789)
Other comprehensive income for the financial period	-	-	1,594	-	-	-	1,594	-	1,594
Total comprehensive income for the financial period	-	-	1,594	(2,206)	-	-	(612)	(583)	(1,195)
<u>Contributions by and distributions to owners</u>									
Share-based payments									
- Expiry of employee share options	-	-	-	-	-	25	25	-	25
<b>At 30 September 2019</b>	<b>258,160</b>	<b>2,886</b>	<b>3,246</b>	<b>(280,361)</b>	<b>1,764</b>	<b>494</b>	<b>(271,971)</b>	<b>(10,362)</b>	<b>(24,173)</b>

	Share capital	Capital reduction reserve	Foreign currency translation reserve	Accumulated losses	Equity reserve	Employee share option reserve	Total reserves	Non-controlling interests	Total deficit
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Group</b>									
<b>At 1 January 2020</b>	<b>258,160</b>	<b>2,886</b>	<b>(90)</b>	<b>(276,065)</b>	<b>1,764</b>	<b>559</b>	<b>(270,946)</b>	<b>(13,220)</b>	<b>(26,006)</b>
Loss for the financial period, representing total comprehensive income for the financial period	-	-	-	(2,993)	-	-	(2,993)	(1,171)	(4,164)
<u>Contributions by and distributions to owners</u>									
Share-based payments									
- Grant of equity-settled share options	-	-	-	-	-	39	39	-	39
<b>At 30 June 2020</b>	<b>258,160</b>	<b>2,886</b>	<b>(90)</b>	<b>(279,058)</b>	<b>1,764</b>	<b>598</b>	<b>(273,900)</b>	<b>(14,391)</b>	<b>(30,131)</b>
Loss for the financial period, representing total comprehensive income for the financial period	-	-	-	(171)	-	-	(171)	(364)	(535)
<u>Contributions by and distributions to owners</u>									
Share-based payments									
- Grant of equity-settled share options	-	-	-	-	-	17	17	-	17
<b>At 30 September 2020</b>	<b>258,160</b>	<b>2,886</b>	<b>(90)</b>	<b>(279,229)</b>	<b>1,764</b>	<b>615</b>	<b>(274,054)</b>	<b>(14,755)</b>	<b>(30,649)</b>

	Share capital	Capital reduction reserve	Accumulated losses	Employee share option reserve	Total reserves	Total equity / (deficit)
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Company</b>						
<b>At 1 January 2019</b>	<b>258,160</b>	<b>2,886</b>	<b>(261,455)</b>	<b>596</b>	<b>(257,973)</b>	<b>187</b>
Loss for the financial period, representing total comprehensive income for the financial period	-	-	(821)	-	(821)	(821)
<u>Contributions by and distributions to owners</u>						
Share-based payments						
- Grant of equity-settled share options	-	-	-	47	47	47
- Expiry of employee share options	-	-	174	(174)	-	-
<b>At 30 June 2019</b>	<b>258,160</b>	<b>2,886</b>	<b>(262,102)</b>	<b>469</b>	<b>(258,747)</b>	<b>(587)</b>
Loss for the financial period, representing total comprehensive income for the financial period	-	-	(203)	-	(203)	(203)
<u>Contributions by and distributions to owners</u>						
Share-based payments						
- Grant of equity-settled share options	-	-	-	25	25	25
<b>At 30 September 2019</b>	<b>258,160</b>	<b>2,886</b>	<b>(262,305)</b>	<b>494</b>	<b>(258,925)</b>	<b>(765)</b>
<b>At 1 January 2020</b>	<b>258,160</b>	<b>2,886</b>	<b>(262,873)</b>	<b>559</b>	<b>(259,428)</b>	<b>(1,268)</b>
Loss for the financial period, representing total comprehensive income for the financial period	-	-	(600)	-	(600)	(600)
<u>Contributions by and distributions to owners</u>						
Share-based payments						
- Grant of equity-settled share options	-	-	-	39	39	39
<b>At 30 June 2020</b>	<b>258,160</b>	<b>2,886</b>	<b>(263,473)</b>	<b>598</b>	<b>(259,989)</b>	<b>(1,829)</b>
Loss for the financial period, representing total comprehensive income for the financial period	-	-	(590)	-	(590)	(590)
<u>Contributions by and distributions to owners</u>						
Share-based payments						
- Grant of equity-settled share options	-	-	-	17	17	17
<b>At 30 September 2020</b>	<b>258,160</b>	<b>2,886</b>	<b>(264,063)</b>	<b>615</b>	<b>(260,562)</b>	<b>(2,402)</b>

1(d)(ii) 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 third quarter ended 30 September 2020 (third quarter period ended 30 September 2019: Nil) pursuant to the RHP Share Option Scheme 2011.

The unissued shares of the Company under option as at 30 September 2020 are as follows:

Date of grant of options	Exercise price per share	Balance as at 01.07.2020	Granted during the financial period	Exercised during the financial period	Cancelled/lapsed during the financial period	Number of options outstanding as at 30.09.2020	Number of options outstanding as at 30.09.2019	Exercise period
06.03.2015	S\$0.275	-	-	-	-	-	2,540,000	07.03.2017 to 05.03.2020
06.03.2017	S\$0.084	1,400,000	-	-	-	1,400,000	1,400,000	07.03.2019 to 05.03.2022
06.03.2018	S\$0.074	1,970,000	-	-	-	1,970,000	1,970,000	07.03.2020 to 05.03.2023
05.03.2019	S\$0.044	3,060,000	-	-	-	3,060,000	3,060,000	06.03.2021 to 04.03.2024
06.03.2020	S\$0.023	2,560,000	-	-	-	2,560,000	-	07.03.2022 to 05.03.2025
		8,990,000	-	-	-	8,990,000	8,970,000	

#### **PERFORMANCE SHARE PLAN**

There were no shares awarded in the third quarter period ended 30 September 2020 (third quarter period ended 30 September 2019: 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 third quarter period ended 30 September 2020 (third quarter period ended 30 September 2019: Nil).

There were no shares held as treasury shares by the Company and no subsidiary holdings, as at 30 September 2020 (as at 30 September 2019: Nil).

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

Total number of issued shares excluding treasury shares as at 30 September 2020 was 734,277,400 (31 December 2019: 734,277,400).

1(d)(iv) 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.

1(d)(v) 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.

2. 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.

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

Not applicable.

**3A. 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 year ended 31 December 2019 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. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as disclosed in paragraph 5 below, the Group has adopted the same accounting policies and methods of computation as the audited financial statements for the financial year ended 31 December 2019.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group has adopted applicable Singapore Financial Reporting Standards (International) ("SFRS(I)") which became effective for the financial years beginning on or after 1 January 2020.

The adoption of the new/revised SFRS(I) did not result in any material impact on the Group's results.

**6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:-**

	<u>Group</u>		<u>Group</u>	
	<u>30 Sep 2020</u>	<u>30 Sep 2019</u>	<u>30 Sep 2020</u>	<u>30 Sep 2019</u>
	<u>(3 months)</u>	<u>(3 months)</u>	<u>(9 months)</u>	<u>(9 months)</u>
	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>
<b>Loss per ordinary share for the financial period based on net loss attributable to owners of the Company</b>				
(i) Based on the weighted average number of ordinary shares on issue; and	(0.02)	(0.30)	(0.43)	(0.30)
(ii) On a fully diluted basis	(0.02)	(0.30)	(0.43)	(0.30)

Basic loss per share is calculated with reference to loss net of tax attributable to owners of the Company and the weighted average number of ordinary shares of 734,277,400 (30 September 2019: 734,277,400 shares).

Diluted loss per share are calculated by dividing loss, net of tax attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. The weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares were as follows:

	<u>No. of Shares</u>		<u>No. of Shares</u>	
	<u>30 Sep 2020</u>	<u>30 Sep 2019</u>	<u>30 Sep 2020</u>	<u>30 Sep 2019</u>
	<u>(3 months)</u>	<u>(3 months)</u>	<u>(9 months)</u>	<u>(9 months)</u>
Weighted average number of ordinary shares for basic loss per share computation	734,277,400	734,277,400	734,277,400	734,277,400
Effects of dilution:				
- Share options	(1)	(1)	(1)	(1)
Weighted average number of ordinary shares for diluted loss per share computation	734,277,400	734,277,400	734,277,400	734,277,400

<sup>(1)</sup> The share options granted to employees are not included in the calculation because they are anti-dilutive.

**7. 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.**

	<b>Group</b>		<b>Company</b>	
	<b>30 Sep 2020</b>	<b>31 Dec 2019</b>	<b>30 Sep 2020</b>	<b>31 Dec 2019</b>
	<b>Cents</b>	<b>Cents</b>	<b>Cents</b>	<b>Cents</b>
Net asset value per ordinary share capital	(2.16)	(1.74)	(0.33)	(0.17)

**8. 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.**

**8.1 Consolidated Income Statement**

8.1.1 The Group recorded revenue of US\$11,838,000 for the third quarter period ended 30 September 2020 ("3Q 2020"), a decrease of 17.0% as compared to the US\$14,267,000 recorded in the third quarter period ended 30 September 2019 ("3Q 2019"). The decrease in revenue was attributable to a 38% decrease in the average realised oil price for the period from US\$63 per barrel in 3Q 2019 to US\$39 per barrel in 3Q 2020, despite the higher lifting of crude oil in both Basin production sharing contract ("PSC") and Island PSC in 3Q 2020 as compared to 3Q 2019.

8.1.2 The cost of sales decreased by 10.1% in 3Q 2020 as compared to 3Q 2019 mainly due to the lower production expenses as a result of implementation of cost reduction and optimisation programmes in both the Basin and Island PSCs, partially offset by the higher depletion and amortisation of oil and gas properties. Included in the cost of sales was depreciation expense on right-of-use assets of US\$326,000 for 3Q 2020 (3Q 2019: US\$1,695,000).

8.1.3 As a result of the decrease in revenue and partially offset by the decrease in cost of sales, the gross profit decreased by 53.8% from US\$2,258,000 in 3Q 2019 to US\$1,043,000 in 3Q 2020.

8.1.4 Other income increased from US\$192,000 in 3Q 2019 to US\$566,000 in 3Q 2020 mainly due to (i) recognition of underlift income of US\$426,000 in Basin PSC and (ii) cash payouts received under the Government's Jobs Support Scheme during this period of economic uncertainty.

8.1.5 Administrative expenses for 3Q 2020 decreased by 26.3% to US\$861,000 as compared to 3Q 2019 due mainly to the absence of administrative expenses related to Kingworld Resources Ltd ("KRL") which was recorded in 3Q 2019. Mastique Investments Ltd, together with its wholly-owned subsidiary KRL ceased to be members of the Group following the completion of its disposal on 31 October 2019. Please refer to SGXNET Announcement No. SG190924OTHR6GHL and SG191031OTHCUB9 dated 24 September 2019 and 31 October 2019 respectively for more details.

8.1.6 The decrease in other expenses for 3Q 2020 was mainly due to (i) lower foreign exchange loss recognised in the current quarter and (ii) the absence of the impairment loss on exploration and evaluation assets of US\$1,021,000 for the SK331 PSC which was recorded in 3Q 2019.

8.1.7 Finance costs for 3Q 2020 were lower as compared to 3Q 2019 due to (i) a lower interest expense on lease liabilities for the Basin PSC and (ii) the decrease in unwinding of discount on decommissioning provisions for the Island PSC.

8.1.8 The income tax expense of US\$661,000 in 3Q 2020 comprised the Group's share of the income tax expense for both Basin and Island PSCs.

8.1.9 As a result of the above, the Group recorded a net loss of US\$535,000 and EBITDAX (see paragraph 1(a)(ii)) of US\$2,933,000 for 3Q 2020 as compared to net loss of US\$2,789,000 and EBITDAX of US\$1,935,000 for 3Q 2019.

**8.2 Balance Sheet**

8.2.1 The decrease in oil and gas properties was mainly due to depletion and amortisation for the Basin PSC. The remaining oil and gas properties in relation to Basin PSC will be fully depreciated by 15 October 2020, the date on which the Basin PSC will expire.

8.2.2 The right-of-use ("ROU") assets were mainly related to the leases of office and warehouse, motor vehicles, plant and machinery and other equipment for the Basin and Island PSCs. The increase in the ROU assets was due to recognition of additional ROU assets in the New Island PSC, and partially offset by the depreciation of the ROU assets.

8.2.3 The increase in cash and bank balances under the non-current assets was mainly due to additional deposits pledged for cash collateral requirement placed with the issuing bank of the performance bonds in relation to the signing of new 20-year PSCs for the Basin and Island blocks beyond their current contract expiry in 2020.

8.2.4 The decrease in inventories was mainly due to usage for well supplies, and materials for well workover and daily operating activities.

8.2.5 The decrease in trade and other receivables was mainly due to collection of the sale proceeds in January 2020 for the sale and lifting of crude oil completed in December 2019, partially offset by higher deferred expenses recognised in Island PSC as well as the increase in the Group's share of joint venture receivables in both Basin and Island PSCs. Included in trade and other receivables was the sale and lifting of crude oil of US\$3,685,000 from Basin and New Island PSCs in September 2020 with the proceeds received in October 2020.

8.2.6 The Group recognised lease liabilities in both current liabilities and the non-current liabilities with the adoption of SFRS(I) 16 with effective from 1 January 2019. The decrease in lease liabilities in the current liabilities was due to the payment of lease liabilities for the nine months period ended 30 September 2020 and partially offset by recognition of lease liabilities in the New Island PSC. The increase in lease liabilities in the non-current liabilities was due to recognition of lease liabilities in the New Island PSC. As at 30 September 2020, the lease liabilities in the current liabilities and the non-current liabilities were US\$3,302,000 and US\$2,397,000 respectively.

8.2.7 The decrease in trade and other payables was mainly attributable to the decrease in trade and other payables of Basin PSC and SK331 PSC.

8.2.8 The increase in provisions in the current liabilities was due to an increase in termination liabilities for Island PSC. The decrease in provisions in the non-current liabilities was mainly due to the decrease in decommissioning provisions in Island PSC, partially offset by the increase in decommissioning provisions in the Basin PSC.

8.2.9 The decrease in loan from non-controlling interest was due to the refund to Tumbuh Tiasa Enterprises Sdn Bhd ("TTE") of its 49% share of bank deposits pledged as collateral for the issuance of the bank guarantees to PETRONAS ("SK331 BG") together with the accumulated interest on such deposits totalling US\$2,494,000 and partially offset by its portion of cash call contribution of US\$352,000 for the SK331 PSC. TTE holds a 49% shareholding interest in RHP (Mukah) Pte Ltd.

8.2.10 The decrease in deferred tax liabilities was due to derecognition of deferred tax liabilities as a result of depletion and amortisation of oil and gas properties.

8.2.11 Total loans and borrowings increased due to the receipt of net advances of US\$2,142,000 from the related parties, partially offset by unrealised foreign exchange gain. Related parties are companies in which two directors have a substantial interest.

### **8.3 Cash Flow**

8.3.1 The Group recorded net cash flows from operating activities of US\$3,542,000 in 3Q 2020 as compared to US\$4,044,000 in 3Q 2019. The decrease was mainly due to the net working capital outflow and partially offset by higher operating cash flows before changes in working capital in the current quarter.

8.3.2 Net cash flows used in investing activities was US\$615,000 in 3Q 2020. This comprised mainly (i) cash call contribution for termination liabilities and decommissioning costs of US\$594,000 for the Basin PSC and (ii) well workovers of US\$21,000 for the Basin PSC.

8.3.3 Net cash flow used in financing activities of US\$903,000 in 3Q 2020 was mainly for the payment of lease liabilities for the Company, the Basin and Island PSCs.

8.3.4 Whilst the Group was in a negative working capital position as at 30 September 2020, the Group believes that its business operations would be able to generate sufficient cash flows to meet its short-term obligations as and when they fall due. The Group has no outstanding bank loan to serve. For the nine months period ended 30 September 2020, the Group recorded positive operating cash flows of US\$7,695,000 and has cash and cash equivalents of US\$13,036,000 as at 30 September 2020.

As disclosed in Note 2 on page 54 of RH Petrogas Limited's (the "Company") Annual Report 2019, the Group had received a letter of financial support from a substantial shareholder to provide adequate funds to the Group till 30 June 2021 to meet the Group's working capital needs.

### **9. 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 previously been disclosed.

**10. 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 reporting period and the next 12 months.**

Brent oil prices averaged around US\$43 per barrel in the third quarter of 2020, an increase of approximately 44% compared to the preceding quarter. Despite the rebound after price had plunged to a 21-year low in late April, this was still approximately 31% lower than the same period last year. Oil prices have come under pressure since the start of September due to concerns over prolonged weak demand recovery and the possibility of additional oil supplies coming onto the market.

Economic activities remain subdued as the world continued to grapple with the unrelenting COVID-19 pandemic, which saw many countries re-imposing lockdowns and movement restrictions. In light of the adverse circumstances, both OPEC and EIA have in their recent reports published in October, lowered their forecasts on global oil demand growth for 2021. While IEA has maintained its 2021 demand growth projection, it remarked that the oil market outlook remained fragile.

Given the intensely challenging environment and uncertainties, the Group's financial condition, as with most of its peers in the upstream oil industry, has been adversely impacted. The Group is conserving its cash reserves and will continue to exercise financial prudence and discipline during this difficult period, including the deferment of all non-essential capital expenditures and the implementation of cost cutting measures across its operations.

The safety and well-being of our staff and contractors are of top priority and concern to us. The Group and its operating subsidiaries have worked diligently to adhere to and implement the various COVID-19 health and safe management measures issued by the relevant government and regulatory advisories at places where we operate. For the Group's field operations in Sorong, West Papua, more stringent operating protocols have been adopted following the inclusion of Sorong into the list of Indonesia cities that face higher risks of COVID-19 transmission by the Indonesia's COVID-19 mitigation task force. As of 10 November 2020, the Group's detection, preventive and control measures had identified and isolated an additional 26 asymptomatic cases among its workers (35 cases in aggregate, comprising 8 staff and 27 contractor personnel) prior to their travel to the Group's field facilities or offices. These cases were subsequently confirmed to be COVID-19 positive based on follow-up testing by local health authorities and quarantined. These 35 cases were unrelated and not linked to each other. 23 personnel have since recovered and returned to work. The Group will continue to monitor the situation closely and implement appropriate supplementary measures as may be required. In the meantime, the Board wishes to advise shareholders of the Company and investors to exercise caution when dealing in the shares of the Company.

**11. 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.

**12. 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 third quarter period ended 30 September 2020. Given the challenging environment for the oil and gas industry, the Group is conserving its cash for operational requirements.

**13. 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 IPTs.

**14. 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 third quarter financial results for the financial period ended 30 September 2020 to be false or misleading in any material aspect.

**15. Confirmation of undertakings pursuant to Rule 720(1).**

The Group has procured undertakings from all its directors and executive officers pursuant to Rule 720(1).

**BY ORDER OF THE BOARD**

Chang Cheng-Hsing Francis  
Group CEO & Executive Director

11 November 2020