

RH PETROGAS LIMITED

(Company Registration No.: 198701138Z)

RELINQUISHMENT OF BLOCK SK331 PRODUCTION SHARING CONTRACT, MALAYSIA

The Board of Directors of RH Petrogas Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to update that its subsidiary, RHP (Mukah) Pte. Ltd. (“**RHPM**”), will not be seeking a further extension of the Block SK331 Production Sharing Contract (“**SK331 PSC**”) when its current exploration period expires on 5 June 2020. The Group has arrived at this decision after taking into consideration the block’s geological risks and the magnitude of additional exploratory works required to further appraise the prospectivity of the block, as well as the current challenging business environment facing the oil and gas industry. As such, the Group will be proceeding to relinquish the block.

The Group has fulfilled the minimum work commitments under the SK331 PSC, and all exploration and evaluation costs associated with the block as of the date of this announcement have been expensed or written off to the profit and loss accounts. The Group is expected to incur expenses of approximately US\$130,000 in relinquishment costs during the financial year ending 31 December 2020 covering retrenchment costs for RHPM employees, professional fees and other related expenses. The relinquishment process of the SK331 block is expected to be fully completed before the end of the year and until then, the Group will continue to incur staff and administrative costs at RHPM’s office in Malaysia.

Mr. Francis Chang, Chief Executive Officer said: “The relinquishment of SK331 PSC will allow the Group to focus its resources on developing its key producing assets in Indonesia. As previously announced, the Group had been awarded two new 20-year production sharing contracts in Indonesia, namely the Salawati PSC and the Kepala Burung PSC, which will both commence this year. Besides existing production, these two blocks are highly prospective with a large inventory of exploration prospects and leads. In the longer term, the Group remains committed to growing its asset portfolio and will continue to seek new opportunities in the region to create sustainable value for its stakeholders.”

BACKGROUND

The SK331 PSC is located onshore Sarawak in East Malaysia and covers an area of approximately 8,963 km². The Group operates the SK331 PSC via its subsidiary RHPM, which holds an 80% working interest (“**WI**”) in the PSC. Petronas Carigali Sdn Bhd, the exploration and production subsidiary of Petroliaam Nasional Berhad (“**PETRONAS**”), holds the remaining 20% WI. RHPM is a 51% owned subsidiary of the Group, with the remaining 49% equity interest held by Tumbuh Tiasa Enterprises Sdn Bhd. Hence, the Group’s effective WI in the SK331 PSC is 40.8%. The SK331 PSC was awarded in 2012 and is currently in the third exploration extension period which is set to expire on 5 June 2020.

RH Petrogas Limited (“**RHP**”) is an independent upstream oil and gas company headquartered in Singapore. RHP is listed on the mainboard of the Singapore Stock Exchange and is focused on the exploration, development and production of oil and gas deposits.

RHP aspires to be a leading independent oil and gas company in the region and continues to seek further growth opportunities in the sector.

BY ORDER OF THE BOARD

Chang Cheng-Hsing Francis
Group CEO & Executive Director
26 May 2020