



Condensed Interim Financial Statements
For the Second Quarter and Half Year
Period Ended 30 June 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 second quarter and half year financial period ended 30 June 2024

	Note	Group (3 months ended)			Group (6 months ended)		
		30 Jun 2024	30 Jun 2023	%	30 Jun 2024	30 Jun 2023	%
		US\$'000	US\$'000	Change	US\$'000	US\$'000	Change
Revenue	5	24,346	20,383	19.4%	48,187	43,004	12.1%
Cost of sales		(13,267)	(17,364)	(23.6%)	(28,583)	(33,316)	(14.2%)
Gross profit		11,079	3,019	N.M.	19,604	9,688	102.4%
Other income		852	645	32.1%	1,444	1,273	13.4%
Administrative expenses		(1,112)	(1,166)	(4.6%)	(2,057)	(2,211)	(7.0%)
Other expenses		(967)	(1,355)	(28.6%)	(1,130)	(1,887)	(40.1%)
Finance costs		(141)	(349)	(59.6%)	(364)	(704)	(48.3%)
Profit before tax	6	9,711	794	N.M.	17,497	6,159	184.1%
Income tax expense	7	(4,863)	(1,295)	N.M.	(8,297)	(3,094)	168.2%
Profit/(Loss) for the financial period, representing total comprehensive income for the financial period		4,848	(501)	N.M.	9,200	3,065	N.M.
Total comprehensive income for the financial period attributable to:							
Owners of the Company		3,816	(641)	N.M.	7,339	2,342	N.M.
Non-controlling interests		1,032	140	N.M.	1,861	723	157.4%
		4,848	(501)	N.M.	9,200	3,065	N.M.
Earnings/(Loss) per share (cents per share)							
Basic	8	0.46	(0.08)	N.M.	0.88	0.28	N.M.
Diluted	8	0.46	(0.08)	N.M.	0.88	0.28	N.M.

N.M. : Not meaningful

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B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

As at 30 June 2024

	Note	Group		Company	
		30 Jun	31 Dec	30 Jun	31 Dec
		2024	2023	2024	2023
		US\$'000	US\$'000	US\$'000	US\$'000
Assets					
Non-current assets					
Oil and gas properties	9	1,332	1,330	-	-
Other plant and equipment		62	88	62	75
Deferred tax assets		1,159	2,251	-	-
Right-of-use assets		4,249	6,888	164	235
Exploration and evaluation assets	10	15,422	9,258	-	-
Cash and bank balances		3,194	3,193	-	-
Amounts due from subsidiaries	17	-	-	116,664	116,642
Other non-current assets	11	2,209	2,278	-	-
Investment in subsidiaries		-	-	-	-
		27,627	25,286	116,890	116,952
Current assets					
Inventories		11,885	11,759	-	-
Other current assets		45	39	45	39
Trade and other receivables	12	11,551	15,994	133	247
Cash and bank balances		45,758	51,442	2,505	3,659
		69,239	79,234	2,683	3,945
Total assets		96,866	104,520	119,573	120,897
Liabilities and equity					
Current liabilities					
Income tax payable		6,416	1,170	-	-
Lease liabilities		4,754	6,693	139	139
Trade and other payables	13	22,569	41,084	640	1,044
		33,739	48,947	779	1,183
Non-current liabilities					
Provisions	14	4,078	3,725	38	39
Lease liabilities		970	3,059	24	97
Amounts due to subsidiaries	17	-	-	2,590	2,343
		5,048	6,784	2,652	2,479
Total liabilities		38,787	55,731	3,431	3,662
Equity attributable to owners of the Company					
Share capital	16	270,138	270,138	270,138	270,138
Reserves		(220,805)	(228,234)	(153,996)	(152,903)
		49,333	41,904	116,142	117,235
Non-controlling interests		8,746	6,885	-	-
Total equity		58,079	48,789	116,142	117,235
Total liabilities and equity		96,866	104,520	119,573	120,897

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C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

For the second quarter and half year financial period ended 30 June 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
(Loss)/Profit for the financial period, representing total comprehensive income for the financial period	-	-	-	-	(641)	-	-	(641)	140	(501)
- Distribution to the joint operation	-	-	-	-	-	-	-	-	(1,500)	(1,500)
<u>Contributions by and distributions to owners</u>										
Share-based payments - Grant of equity-settled share options	-	-	-	-	-	-	87	87	-	87
At 30 June 2023	270,138	2,886	(90)	-	(233,355)	1,764	312	(228,483)	7,088	48,743

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

For the second quarter and half year financial period ended 30 June 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 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
Profit for the financial period, representing total comprehensive income for the financial period	-	-	-	-	3,816	-	-	3,816	1,032	4,848
<u>Contributions by and distributions to owners</u>										
Share-based payments										
- Grant of equity-settled share options	-	-	-	-	-	-	45	45	-	45
At 30 June 2024	270,138	2,886	(90)	(178)	(225,762)	1,764	575	(220,805)	8,746	58,079

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

For the second quarter and half year financial period ended 30 June 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
Loss for the financial period, representing total comprehensive income for the financial period	-	-	(623)	-	(623)	(623)
<u>Contributions by and distributions to owners</u>						
Share-based payments	-	-	-	87	87	87
- Grant of equity-settled share options	-	-	-	87	87	87
At 30 June 2023	270,138	2,886	(269,737)	312	(266,539)	3,599
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
Loss for the financial period, representing total comprehensive income for the financial period	-	-	(771)	-	(771)	(771)
<u>Contributions by and distributions to owners</u>						
Share-based payments	-	-	-	45	45	45
- Grant of equity-settled share options	-	-	-	45	45	45
At 30 June 2024	270,138	2,886	(157,457)	575	(153,996)	116,142

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D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the second quarter and half year financial period ended 30 June 2024

	Group		Group	
	(3 months ended)		(6 months ended)	
	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023
Note	US\$'000	US\$'000	US\$'000	US\$'000
Operating activities				
Profit before tax	9,711	794	17,497	6,159
Adjustments for:				
Amortisation of signature bonus and upfront fees	34	34	69	69
Defined pension plan expenses	273	239	553	472
Depletion and amortisation of oil and gas properties	16	297	52	489
Depreciation of other plant and equipment	12	43	37	86
Depreciation of right-of-use assets	738	2,488	1,999	4,821
Distribution by joint venture	(417)	-	(417)	-
Interest expense on lease liabilities	88	349	260	704
Interest income from bank deposits	(247)	(471)	(566)	(957)
Net (gain)/loss on early lease termination	(162)	108	(188)	108
Provision for decommissioning costs	35	34	69	64
Provision for expected credit loss for other receivables	-	4	-	4
Provision for legal compensation	984	-	984	-
Share-based payments	45	87	90	151
Unrealised foreign exchange gain	-	-	(1)	-
Unwinding of discount on decommissioning provisions	53	-	104	-
Write back of unsuccessful exploration and evaluation expenditures	(116)	-	(52)	-
Operating cash flows before changes in working capital	11,047	4,006	20,490	12,170
Changes in working capital				
Decrease/(Increase) in inventories	416	(2,341)	(126)	(1,920)
Decrease in trade and other receivables	580	5,660	4,438	6,527
(Decrease)/Increase in trade and other payables	(1,692)	3,533	(5,007)	(991)
Defined pension plan expenses	(165)	(186)	(338)	(366)
Cash flows from operations	10,186	10,672	19,457	15,420
Income tax paid	(1,959)	(2,412)	(1,959)	(4,733)
Interest received	247	471	566	957
Net cash flows from operating activities	8,474	8,731	18,064	11,644
Investing activities				
Additions to exploration and evaluation assets	(5,665)	(322)	(20,013)	(448)
Additions to oil and gas properties	-	(297)	(194)	(537)
Cash call contributions for decommissioning provisions	(35)	(34)	(69)	(64)
Purchase of other plant and equipment	(9)	-	(11)	-
Net cash flows used in investing activities	(5,709)	(653)	(20,287)	(1,049)
Financing activities				
Distribution to the joint operation	-	(1,500)	-	(1,500)
Increase in deposits pledged	(1)	-	(1)	(1)
Payment of lease liabilities	(1,719)	(4,030)	(3,460)	(5,215)
Proceeds from exercise of employee share options	-	-	-	35
Net cash flows used in financing activities	(1,720)	(5,530)	(3,461)	(6,681)
Net increase/(decrease) in cash and cash equivalents	1,045	2,548	(5,684)	3,914
Cash and cash equivalents at beginning of the financial period	44,713	58,639	51,442	57,273
Cash and cash equivalents at end of the financial period	45,758	61,187	45,758	61,187

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

For the second quarter and half year financial period ended 30 June 2024

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

	Group	
	(6 months ended)	
	30 Jun 2024	30 Jun 2023
	US\$'000	US\$'000
Cash and bank balances	48,952	64,379
Less:		
Long-term deposits pledged	(3,194)	(3,192)
Cash and cash equivalents	45,758	61,187

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E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the second quarter and half year financial period ended 30 June 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 second quarter and half year financial period ended 30 June 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.

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, associated production facilities, and other capital costs. The carrying amount of oil and gas development and production assets at 30 June 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.

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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)

(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.

4. Segment information

The Group has only one business unit (oil and gas) and has only one reportable segment.

No operating segments have been aggregated to form the above reportable operating segment.

	Oil and gas (6 months ended)	
	30 Jun 2024	30 Jun 2023
	US\$'000	US\$'000
Revenue	48,187	43,004
Results:		
Amortisation of signature bonus and upfront fees	(69)	(69)
Defined pension plan expenses	(553)	(472)
Depreciation and amortisation	(89)	(575)
Depreciation of right-of-use assets	(1,999)	(4,821)
Distribution by joint venture	417	-
Finance costs	(364)	(704)
Interest income	566	957
Net gain/(loss) on early lease termination	188	(108)
Overlift expense	-	(1,254)
Provision for decommissioning costs	(69)	(64)
Provision for expected credit loss for other receivables	-	(4)
Provision for legal compensation	(984)	-
Segment profit before tax	17,497	6,159
Share-based payments	(90)	(151)
Underlift income	-	6
Write back of unsuccessful exploration and evaluation expenditures	52	-

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

4. Segment information (continued)

	Oil and gas		
	(6 months ended)		
	30 Jun	30 Jun	
	2024	2023	
	US\$'000	US\$'000	
Assets			
Total capital expenditure	6,177	937	(A)
Segment assets	<u>96,866</u>	<u>89,827</u>	(B)
Segment liabilities			
	<u>38,787</u>	<u>41,084</u>	(B)
(A) Total capital expenditure is consisted of the following additions:			
Additions in:			
- Oil and gas properties	54	489	
- Exploration and evaluation assets	6,112	448	
- Other plant and equipment	11	-	
	<u>6,177</u>	<u>937</u>	
(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	<u>1,159</u>	<u>1,385</u>	
<u>Segment liabilities</u>			
Income tax payable	<u>6,416</u>	<u>1,662</u>	

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		Group	
	(3 months ended)		(6 months ended)	
	30 Jun	30 Jun	30 Jun	30 Jun
	2024	2023	2024	2023
	US\$'000	US\$'000	US\$'000	US\$'000
Sales of oil	21,028	17,322	41,621	36,784
Sales of natural gas	3,318	3,061	6,566	6,220
Total revenue from contracts with external customers	<u>24,346</u>	<u>20,383</u>	<u>48,187</u>	<u>43,004</u>
Timing of transfer of goods				
At a point in time	<u>24,346</u>	<u>20,383</u>	<u>48,187</u>	<u>43,004</u>

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

6. Profit before taxation

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

	Group (3 months ended)		Group (6 months ended)	
	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023
	US\$'000	US\$'000	US\$'000	US\$'000
Amortisation of signature bonus and upfront fees	(34)	(34)	(69)	(69)
Defined pension plan expenses	(273)	(239)	(553)	(472)
Depletion and amortisation of oil and gas properties	(16)	(297)	(52)	(489)
Depreciation of other plant and equipment	(12)	(43)	(37)	(86)
Depreciation of right-of-use assets	(738)	(2,488)	(1,999)	(4,821)
Distribution by joint venture	417	-	417	-
Foreign exchange gain/(loss), net	77	(7)	169	(460)
Interest expense on lease liabilities	(88)	(349)	(260)	(704)
Interest income from bank deposits	247	471	566	957
Net gain/(loss) on early lease termination	162	(108)	188	(108)
Overlift expense	-	(1,254)	-	(1,254)
Provision for decommissioning costs	(35)	(34)	(69)	(64)
Provision for expected credit loss for other receivables	-	(4)	-	(4)
Provision for legal compensation	(984)	-	(984)	-
Share-based payments	(45)	(87)	(90)	(151)
Underlift income	-	6	-	6
Unwinding of discount on decommissioning provisions	(53)	-	(104)	-
Write back of unsuccessful exploration and evaluation expenditures	116	-	52	-

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

	Group (3 months ended)		Group (6 months ended)	
	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023
	US\$'000	US\$'000	US\$'000	US\$'000
Profit before tax	9,711	794	17,497	6,159
Amortisation of signature bonus and upfront fees	34	34	69	69
Depletion and amortisation of oil and gas properties	16	297	52	489
Depreciation of other plant and equipment	12	43	37	86
Distribution by joint venture	(417)	-	(417)	-
Interest expense on lease liabilities	88	349	260	704
Provision for decommissioning costs	35	34	69	64
Provision for legal compensation	984	-	984	-
Unwinding of discount on decommissioning provisions	53	-	104	-
Write back of unsuccessful exploration and evaluation expenditures	(116)	-	(52)	-
	10,400	1,551	18,603	7,571

6.3. Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

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

7. Income tax

	Group		Group	
	(3 months ended)		(6 months ended)	
	30 Jun	30 Jun	30 Jun	30 Jun
	2024	2023	2024	2023
	US\$'000	US\$'000	US\$'000	US\$'000
Current income tax:				
- Current income taxation	4,652	633	7,220	2,945
- Under provision in respect of previous period	-	166	-	166
	<u>4,652</u>	<u>799</u>	<u>7,220</u>	<u>3,111</u>
Deferred income tax:				
- Origination and reversal of temporary differences	211	301	1,077	(212)
- Under provision in respect of previous period	-	195	-	195
	<u>211</u>	<u>496</u>	<u>1,077</u>	<u>(17)</u>
Income tax expense recognised in profit and loss	<u>4,863</u>	<u>1,295</u>	<u>8,297</u>	<u>3,094</u>

8. Earnings/(Loss) per share

Basic earnings/(loss) per share is calculated by dividing earnings/(loss), net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period.

Diluted earnings/(loss) per share is calculated by dividing earnings/(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:

	No. of Shares		No. of Shares	
	30 Jun	30 Jun	30 Jun	30 Jun
	2024	2023	2024	2023
	(3 months)	(3 months)	(6 months)	(6 months)
Weighted average number of ordinary shares for basic earnings/(loss) per share computation	835,177,400	835,177,400	835,177,400	834,484,361
Effects of dilution:				
- Share options	335,542	- ⁽¹⁾	389,190	550,409
Weighted average number of ordinary shares for diluted earnings/(loss) per share computation	<u>835,512,942</u>	<u>835,177,400</u>	<u>835,566,590</u>	<u>835,034,770</u>

⁽¹⁾ The share options granted to employees under the existing employee share option plans are anti-dilutive as their conversion to ordinary shares would decrease loss per share.

	Group		Group	
	30 Jun	30 Jun	30 Jun	30 Jun
	2024	2023	2024	2023
	(3 months)	(3 months)	(6 months)	(6 months)
	Cents	Cents	Cents	Cents
Earnings/(Loss) per ordinary share for the financial period based on net profit/(loss) attributable to owners of the Company				
(i) Based on the weighted average number of ordinary shares on issue; and	<u>0.46</u>	<u>(0.08)</u>	<u>0.88</u>	<u>0.28</u>
(ii) On a fully diluted basis	<u>0.46</u>	<u>(0.08)</u>	<u>0.88</u>	<u>0.28</u>

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

9. Oil and gas properties

	Group	
	30 Jun 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 30 June/31 December	4,193	4,139
Accumulated depletion and impairment:		
At 1 January	2,809	1,008
Charge for the financial period/year	52	1,801
At 30 June/31 December	2,861	2,809
Net carrying amount:	1,332	1,330

The net book value at 30 June 2024 includes decommissioning provision of US\$1,332,000.

Cash outflow for the development of oil and gas properties for the half year period ended 30 June 2024 was US\$194,000 (30 June 2023: US\$537,000), which includes cash outflow of US\$175,000 (30 June 2023: US\$48,000) for accruals made in prior years for the enhanced oil recovery project in the Kepala Burung PSC.

Impairment of assets

During the half year period, the Group carried out a review of recoverable amount of its oil and gas properties, right-of-use assets and other non-current assets, which has been allocated to the Salawati Group CGU. There was no impairment loss recognised for the half year period ended 30 June 2024 and 2023. The Group determined that the recoverable amount of the Salawati Group CGU based on its value in use using a pre-tax discount of 12.5% (30 June 2023: 12.5%).

The recoverable amount of the Salawati Group CGU is determined based on value in use calculations using cash flow projections from the production forecasts approved by management, covering periods until the end of the production sharing contract. The key assumptions used to determine the recoverable amount were disclosed in Note 8 on page 73 of the Notes to the Financial Statements of RH Petrogas Limited's Annual Report 2023.

10. Exploration and evaluation assets

	Group	
	30 Jun 2024	31 Dec 2023
	US\$'000	US\$'000
At 1 January	9,258	161
Additions	6,112	26,797
Transfer from oil and gas properties	-	27
Write back of/(Unsuccessful) exploration and evaluation expenditures	52	(17,727)
At 30 June/31 December	15,422	9,258

Cash outflows for additions of exploration and evaluation assets during the half year period ended 30 June 2024 was US\$20,013,000 (30 June 2023: US\$448,000), which includes cash outflow of US\$8,176,000 (30 June 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

During the half year period, the Group carried out a review of recoverable amount of its exploration and evaluation assets. There was no impairment loss recognised for the half year period ended 30 June 2024 and 2023. The recoverable amount of the exploration and evaluation assets were based on its value in use and the pre-tax discount rate used of 12.5% (30 June 2023: 12.5%).

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

11. Other non-current assets

	Group	
	30 Jun 2024	31 Dec 2023
	US\$'000	US\$'000
Signature bonuses	1,126	1,161
Upfront fees	1,083	1,117
	<u>2,209</u>	<u>2,278</u>

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

	Group	
	30 Jun 2024	31 Dec 2023
	US\$'000	US\$'000
At 1 January	463	326
Amortisation for the financial period/year	69	137
At 30 June/31 December	<u>532</u>	<u>463</u>

Other non-current assets of US\$2,209,000 (30 June 2023: US\$2,346,000) 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\$69,000 (30 June 2023: US\$69,000) for the half year period ended 30 June 2024.

12. Trade and other receivables

	Group		Company	
	30 Jun 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023
	US\$'000	US\$'000	US\$'000	US\$'000
Trade receivables	8,898	12,597	-	-
Share of joint venture receivables	1,070	1,294	-	-
Refundable deposits	37	38	37	38
Under-lift assets	791	1,279	-	-
Sundry receivables	755	786	96	209
Total trade and other receivables	<u>11,551</u>	<u>15,994</u>	<u>133</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.

13. Trade and other payables

	Group		Company	
	30 Jun 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023
	US\$'000	US\$'000	US\$'000	US\$'000
Trade payables	5,369	15,574	-	-
Accrued operating expenses	14,396	23,976	615	1,019
Accruals for potential claims	1,325	1,325	-	-
Proportionate share of joint venture's other payables	112	112	-	-
Over-lift liabilities	278	-	-	-
Provision for legal compensation	984	-	-	-
Sundry payables	105	97	25	25
Total trade and other payables	<u>22,569</u>	<u>41,084</u>	<u>640</u>	<u>1,044</u>

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

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

14. Provisions

	Group		Company	
	30 Jun 2024 US\$'000	31 Dec 2023 US\$'000	30 Jun 2024 US\$'000	31 Dec 2023 US\$'000
Provision for reinstatement cost	38	39	38	39
Decommissioning provision	20,218	19,999	-	-
Less: Cash calls contributed for - Decommissioning provision	(17,406)	(17,326)	-	-
	2,812	2,673	-	-
Present value of defined benefits liabilities	3,590	3,037	-	-
Fair value of plan assets	(2,362)	(2,024)	-	-
	1,228	1,013	-	-
	4,078	3,725	38	39
Non-current	4,078	3,725	38	39

15. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2024 and 31 December 2023:

	Group		Company	
	30 Jun 2024 US\$'000	31 Dec 2023 US\$'000	30 Jun 2024 US\$'000	31 Dec 2023 US\$'000
Financial assets				
Trade and other receivables	11,544	15,994	133	247
Amounts due from subsidiaries	-	-	116,664	116,642
Cash and bank balances	48,952	54,635	2,505	3,659
Total undiscounted financial assets	60,496	70,629	119,302	120,548
Financial liabilities				
Trade and other payables	22,569	41,084	640	1,044
Amounts due to subsidiaries	-	-	2,590	2,343
Lease liabilities	6,013	10,497	165	236
Total undiscounted financial liabilities	28,582	51,581	3,395	3,623
Net undiscounted financial assets	31,914	19,048	115,907	116,925

16. Share capital

	Group and Company			
	30 Jun 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 30 June/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.

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

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 (30 June 2023: US\$199,205,000).

	Company	
	30 Jun 2024 US\$'000	31 Dec 2023 US\$'000
Amounts due from subsidiaries	202,627	202,605
Less: Allowance for impairment	(85,963)	(85,963)
	<u>116,664</u>	<u>116,642</u>
Amounts due to subsidiaries	<u>2,590</u>	<u>2,343</u>

	Company	
	30 Jun 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 30 June/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.

During the half year period, the Group carried out a review of the recoverable amount of its amounts due from subsidiaries. There was no impairment loss recognised for the half year period ended 30 June 2024.

The recoverable amounts were determined based on Salawati Group CGU cash flow projections from the production forecasts approved by the management, covering periods until the end of the production sharing contract as well as the current financial position of the subsidiaries. The key assumptions used to determine the recoverable amount were disclosed in Note 8 on page 73 of the Notes to the Financial Statements of RH Petrogas Limited's Annual Report 2023.

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 second quarter and half year financial period ended 30 June 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 on page 43 (Independent Auditor's Report) and in 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 arrangements by subsidiary's management that might potentially benefit certain parties. 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. Details of the basis for the disclaimer of opinion are stated in the Independent Auditor's Report set out in the Annual Report.

As announced on 16 May 2024, in consultation with the Singapore Exchange Regulation ("**SGX Regco**"), the Company had appointed PricewaterhouseCoopers Risk Services Pte Ltd as the Independent Reviewer to conduct an independent investigation of the whistle blower allegations. The Independent Reviewer will report its findings directly to the Audit Committee and SGX RegCo.

In addition, as announced on 30 May 2024, the Company had also appointed WongPartnership LLP as external legal counsel to assist in the ongoing review process, as well as to review and advise the Audit Committee and the Company on the findings to be made by the Independent Reviewer.

As at the date of this report, the review process by the Independent Reviewer is still ongoing. The Company will publish an executive summary of the 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.

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

4(i) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

SHARE OPTIONS

There were no options granted in the second quarter period ended 30 June 2024 (second quarter period ended 30 June 2023: Nil) pursuant to the RHP Share Option Scheme 2011.

The unissued shares of the Company under the share option plan as at 30 June 2024 are as follows:

Date of grant of options	Exercise price per share	Balance as at 01.04.2024	Granted during the financial period	Exercised during the financial period	Cancelled/ lapsed during the financial period	Number of options outstanding as at 30.06.2024	Number of options outstanding as at 30.06.2023	Exercise period
04.03.2022	S\$0.220	2,600,000	-	-	-	2,600,000	2,800,000	05.03.2024 to 03.03.2027
03.03.2023	S\$0.150	3,680,000	-	-	-	3,680,000	3,780,000	04.03.2025 to 02.03.2028
		<u>6,280,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,280,000</u>	<u>6,580,000</u>	

PERFORMANCE SHARE PLAN

There were no shares awarded in the second quarter period ended 30 June 2024 (second quarter period ended 30 June 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 second quarter period ended 30 June 2024 (second quarter period ended 30 June 2023: Nil).

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 30 June 2024 (as at 30 June 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 30 June 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	
	30 Jun 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023
	Cents	Cents	Cents	Cents
Net asset value per ordinary share capital	5.91	5.02	13.91	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

Second quarter period ended 30 June 2024 ("2Q 2024") vs second quarter period ended 30 June 2023 ("2Q 2023")

6.1.1. The Group recorded revenue of US\$24,346,000 for 2Q 2024, an increase of 19.4% as compared to the US\$20,383,000 recorded for 2Q 2023. The increase was mainly attributable to a 12.2% increase in the average realised oil price from US\$74 per barrel in 2Q 2023 to US\$83 per barrel in 2Q 2024, as well as higher volume of crude oil lifted in both the Kepala Burung production sharing contract ("PSC") and Salawati PSC.

6.1.2. The cost of sales decreased by 23.6% from US\$17,364,000 in 2Q 2023 to US\$13,267,000 in 2Q 2024, which was mainly due to (i) lower field operating expenses, as the leased equipment required for the 2023 drilling program and well workovers and services was significantly reduced in 2024; (ii) lower usage of parts for plant and machinery and power plant; and (iii) absence of depletion and amortisation of oil and gas properties.

6.1.3. As a result of the higher revenue and lower cost of sales as explained above, the gross profit increased from US\$3,019,000 in 2Q 2023 to US\$11,079,000 in 2Q 2024.

6.1.4. Other income increased from US\$645,000 in 2Q 2023 to US\$852,000 in 2Q 2024 mainly due to (i) the distribution of US\$417,000 by the joint venture to the Group in relation to the expired Island PSC following the conclusion of a review by joint venture partners on the reconciliation of VAT receipts between 2007 to 2011 which occurred during the previous operatorship; and (ii) foreign exchange gain in 2Q 2024. These were partially offset by (i) lower interest income from the fixed deposits; and (ii) lower head office overheads charged to partners in the Kepala Burung and Salawati PSCs.

6.1.5. Administrative expenses for 2Q 2024 decreased by 4.6% to US\$1,112,000 as compared to 2Q 2023 mainly due to decrease in staff costs and share-based payments, and partially offset by increase in professional fees.

6.1.6. The decrease in other expenses in 2Q 2024 was mainly due to absence of overlift expenses of US\$1,254,000 recognised for the Kepala Burung PSC which was recorded in 2Q 2023, and partially offset by the provision for legal compensation of US\$984,000 awarded by the Indonesian courts to an individual plaintiff who claimed to be the rightful landowner of a 7,500m² plot and had not received any compensation for the land when it was acquired in 2001 by the previous operator of the expired Basin PSC (please refer to the Company's SGXNET Announcement No. SG240606OTHRT6BL dated 6 June 2024 for more details).

6.1.7. Finance costs for 2Q 2024 decreased by 59.6% to US\$141,000 as compared to 2Q 2023 due to 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\$1,295,000 in 2Q 2023 to US\$4,863,000 in 2Q 2024. The income tax expense of US\$4,863,000 in 2Q 2024 comprised (i) the Group's share of the income tax expense of US\$4,652,000 for both the Kepala Burung and Salawati PSCs; and (ii) reversal of deferred tax assets of US\$211,000 for the Kepala Burung PSC.

6.1.9. As a result of the above, the Group recorded a net profit of US\$4,848,000 and EBITDAX (see Section E Note 6.2 above) of US\$10,400,000 for 2Q 2024 as compared to a net loss of US\$501,000 and EBITDAX of US\$1,551,000 for 2Q 2023.

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

Half year period ended 30 June 2024 ("1H 2024") vs half year period ended 30 June 2023 ("1H 2023")

6.1.10. The Group recorded revenue of US\$48,187,000 for 1H 2024, an increase of 12.1% as compared to the US\$43,004,000 recorded for 1H 2023. The increase was mainly attributable a 7.9% increase in the average realised oil price from US\$76 per barrel in 1H 2023 to US\$82 per barrel in 1H 2024, as well as higher volume of crude oil lifted in both the Kepala Burung and Salawati PSCs.

6.1.11. The cost of sales decreased by 14.2% from US\$33,316,000 in 1H 2023 to US\$28,583,000 in 1H 2024, which was mainly due to (i) lower field operating expenses, as the leased equipment required for the 2023 drilling program and well workovers and services was significantly reduced in 2024; (ii) lower usage of parts for plant and machinery and power plant; and (iii) lower depletion and amortisation of oil and gas properties.

6.1.12. As a result of the increase in revenue and lower cost of sales as explained above, the gross profit more than doubled from US\$9,688,000 in 1H 2023 to US\$19,604,000 in 1H 2024.

6.1.13. Other income increased from US\$1,273,000 in 1H 2023 to US\$1,444,000 in 1H 2024 mainly due to (i) the distribution of US\$417,000 by the joint venture to the Group in relation to the expired Island PSC following the conclusion of a review by joint venture partners on the reconciliation of VAT receipts between 2007 to 2011 which occurred during the previous operatorship; and (ii) foreign exchange gain in 1H 2024. These were partially offset by lower interest income from the fixed deposits.

6.1.14. Administrative expenses for 1H 2024 decreased by 7.0% to US\$2,057,000 as compared to 1H 2023 mainly due to decrease in staff costs and share-based payments, and partially offset by increase in professional fees.

6.1.15. The decrease in other expenses for 1H 2024 was mainly due to absence of (i) overlift expenses of US\$1,254,000 recognised for the Kepala Burung PSC; and (ii) foreign exchange loss of US\$460,000, which were both recorded in 1H 2023. These were partially offset by the provision for legal compensation of US\$984,000 awarded by the Indonesian courts to an individual plaintiff who claimed to be the rightful landowner of a 7,500m² plot and had not received any compensation for the land when it was acquired in 2001 by the previous operator of the expired Basin PSC (please refer to the Company's SGXNET Announcement No. SG240606OTHR6BL dated 6 June 2024 for more details).

6.1.16. Finance costs for 1H 2024 were lower as compared to 1H 2023 due to lower interest expense on lease liabilities for both the Kepala Burung and Salawati PSCs.

6.1.17. In line with the increase in gross profit, the income tax expense increased from US\$3,094,000 in 1H 2023 to US\$8,297,000 in 1H 2024. The income tax expense of US\$8,297,000 in 1H 2024 comprised the Group's share of the income tax expense of US\$7,220,000 for both the Kepala Burung and Salawati PSCs; and (ii) reversal of deferred tax assets of US\$1,077,000 for the Kepala Burung PSC.

6.1.18. As a result of the above, the Group recorded a net profit of US\$9,200,000 and EBITDAX (see Section E Note 6.2 above) of US\$18,603,000 for 1H 2024 as compared to a net profit of US\$3,065,000 and EBITDAX of US\$7,571,000 for 1H 2023.

6.2. Balance Sheet

6.2.1 As at 30 June 2024, the carrying value of oil and gas properties includes assets retirement obligations of US\$1,332,000 for the Kepala Burung and Salawati PSCs.

6.2.2. The Group recognised deferred tax assets of US\$1,159,000 as at 30 June 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 lease liabilities.

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 during the period.

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 parts purchased for power plant and production equipment for the Kepala Burung PSC.

6.2.7. The decrease in trade and other receivables was mainly attributable to the decrease in trade and other joint venture receivables in both the Kepala Burung and Salawati PSCs. Included in trade and other receivables was the sale and lifting of crude oil of US\$6,844,000 from both the Kepala Burung and Salawati PSCs in June 2024 with the proceeds received in July 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 30 June 2024, the lease liabilities in the current liabilities and non-current liabilities were US\$4,754,000 and US\$970,000 respectively.

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

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 marine seismic survey acquired in the Salawati PSC 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

2Q 2024 vs 2Q 2023

6.3.1. The Group's net cash flows from operating activities decreased marginally from US\$8,731,000 in 2Q 2023 to US\$8,474,000 in 2Q 2024.

6.3.2. Net cash flows used in investing activities was US\$5,709,000 in 2Q 2024. This comprised (i) additions to exploration and evaluation assets of US\$5,665,000 for both the Kepala Burung and Salawati PSCs; (ii) cash call contribution for decommissioning costs of US\$35,000 for the expired Basin PSC; and (iii) purchase of other plant and equipment of US\$9,000.

6.3.3. Net cash flows used in financing activities of US\$1,720,000 in 2Q 2024 was mainly related to the payment of lease liabilities of US\$1,719,000 for the Kepala Burung PSC and Salawati PSC.

1H 2024 vs 1H 2023

6.3.4. The Group recorded net cash flows from operating activities of US\$18,064,000 in 1H 2024 as compared to US\$11,644,000 in 1H 2023. The increase was mainly due higher operating cash flows before changes in working capital and partially offset by the higher net working capital outflow.

6.3.5. Net cash flows used in investing activities was US\$20,287,000 in 1H 2024. This comprised (i) additions to exploration and evaluation assets of US\$20,013,000 for both the Kepala Burung and Salawati PSCs; (ii) enhanced oil recovery project costs of US\$194,000 for the Kepala Burung PSC; (iii) cash call contribution for decommissioning costs of US\$69,000 for the expired Basin PSC; and (iv) purchase of other plant and equipment of US\$11,000.

6.3.6. Net cash flows used in financing activities of US\$3,461,000 in 1H 2024 was mainly related to the payment of lease liabilities of US\$3,460,000 for the Kepala Burung PSC and Salawati PSC.

6.3.7. The Group recorded positive operating cash flows of US\$18,064,000 for 1H 2024 and has cash and bank balances of US\$48,952,000 as at 30 June 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 experienced big swings during the second quarter of 2024 ("2Q 2024"), with prices surging to a high of around US\$93 per barrel in mid-April before receding to a low of around US\$75 in early-June, and thereafter recovering to close the quarter at around US\$87 a barrel. The average price per barrel was US\$85 during the quarter, slightly higher than the US\$83 per barrel average for the first quarter of 2024. The early surge in oil prices was mainly driven by escalating geopolitical tension in the Middle East which saw Iran firing hundreds of drones and missiles directly into Israel. As threats of an expanding war receded and reports of progress being made in the ceasefire negotiations between Israel and Hamas, market sentiment shifted back to the weak economic fundamentals, which caused oil prices to ease. In early June, OPEC+ member countries announced an extension of their existing production cuts, part of which were due to expire by end of June 2024. This, together with rising expectations of a US Federal Reserve interest rate cut and fears of supply disruptions due to renewed geopolitical tensions in the Middle East, supported the recovery of oil prices in the last month of 2Q 2024.

Global oil demand is expected to grow in 2024, with forecasts of the demand growth ranging from less than 1 million barrels per day ("bpd") to 2.2 million bpd based on various market sources. On the supply side, the OPEC+ grouping has agreed to extend its existing production cut of 3.66 million bpd by a year until the end of 2025, while also prolonging the existing additional voluntary cuts of 2.2 million bpd by three months until the end of September 2024 before phasing it out over a year, with the assurance that any production restoration can be paused or reversed subject to market conditions. Supply growth in 2024 is expected to come mainly from non-OPEC+ countries, with estimates ranging from 1.2 million bpd to 1.5 million bpd according to various market reports.

The Group continues its active programmes of workovers and well services which are integral to maintaining oil and gas production from existing fields. The Group also seeks organic growth through development and exploration drillings. In this regard, the Group plans to drill another exploration well in its operated assets in the fourth quarter of 2024.

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 second quarter period ended 30 June 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 two exploration wells and commencement of the enhanced oil recovery project in the Kepala Burung PSC. The financial commitment net to the Group's working interests for the remaining work programmes is approximately US\$45.8 million as at 30 June 2024.

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 second quarter period ended 30 June 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 second quarter and half year financial results for the financial period ended 30 June 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

12 August 2024