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RH Petrogas forges ahead at Fuyu 1 Block, commences drilling of first development well

- **Up to 15 development wells to be drilled and completed by end of 2014**
- **Oil production to commence after the end of the upcoming winter season**
- **Group to process and interpret new 3D seismic data to further access resource potential of Fuyu 1 Block**

SINGAPORE – 17 November 2014 – Mainboard-listed **RH Petrogas Limited** (“RHP” or the “Group”), engaged in the business of exploration, development and production of oil and gas resources, is pleased to announce that the Group has commenced the drilling of its first development well at Fuyu 1 Block, Jilin Province, China.

On 16 October 2014, the Group announced that the Overall Development Plan (“ODP”) for the phased development of the Yongping Oilfield in Fuyu 1 Block had been approved by the National Development and Reform Commission of the People’s Republic of China. This approved ODP entails the drilling of up to 1,008 wells over a five year period. The wells are expected to be drilled to a depth of around 200 to 300 metres due to the shallow reservoir.

The drilling of the first development well commenced on 17 November 2014 and it is expected that up to 15 of such wells will be drilled and completed before the end of 2014. Upon the completion of drilling, the wells will be suspended in readiness to move into production in 2015 when the upcoming winter season ends.

The Yongping Oilfield produces low sulphur heavy crude oil with 18.5^o API. In order for the oil to flow to the surface, thermal recovery using steam injection (Huff and Puff) is required for each well, which will be followed by steam flooding of the field. This thermal recovery method is a mature technology used in the oil & gas industry and the Group has employed the technology with good results in the pilot test area within the field in the last few years.

Mr Francis Chang, Chief Executive Officer of RH Petrogas said, *“I am very proud of our China team’s successful effort to begin drilling the first development well after obtaining ODP approval just one month earlier. The pre-development preparation since early 2013 has made this possible. These wells will start contributing to the Group’s production in 2015. The crude sales contract that was signed with CNPC provides a secure market for the oil produced.”*

Moving forward, the Group will continue to process and interpret a new 3D seismic data for future exploration and appraisal programs in the Fuyu 1 Block to further assess its resource potential.

More on Fuyu 1 Block

Fuyu 1 Block is located in Songliao Basin, Jilin Province, the People's Republic of China and is operated by Kingworld Resources Limited ("KRL"), a wholly owned subsidiary of the Company. KRL entered into the petroleum contract for Fuyu 1 Block with China National Petroleum Corporation ("CNPC") in November 2007 ("Fuyu 1 PSC"). KRL has a 100% working interest in the Fuyu 1 Block during the evaluation phase. Upon the commencement of commercial production under the Fuyu 1 PSC, CNPC would back in for a 51% working interest.

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ABOUT RH PETROGAS LIMITED (Bloomberg Ticker: RHP SP)

RH Petrogas Limited ("RHP") is an independent upstream oil and gas company headquartered in Singapore. RHP is focused on exploration, development and production of oil and gas deposits. RHP has producing, development and exploration blocks in Indonesia, China and Malaysia.

RHP aspires to be a leading independent upstream oil and gas company in the region and is actively looking for further growth opportunities in the sector.

For more information please visit the website at: www.rhpetrogas.com

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