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

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

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

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

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

Fuyu field continued its small-scale production scheme and sold approximately 1,100 barrels of oil during the reporting quarter. With the onset of winter in the north-eastern part of China during the next reporting quarter, production activities at the fields are expected to be scaled down progressively. Currently, preparatory works are on-going with the target to drill 4 development wells in the last quarter of 2018.

Oil prices have extended their upward trend with average Brent oil price registering its fifth straight quarter of increases in the third quarter period ended 30 September 2018. The Company continues to monitor the situation and will review its production and development plans for the Fuyu field when appropriate.

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

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

	US\$'000
Production expenditure	85
Development expenditure	19
Fixed assets	10
Administrative expenses	287

BY ORDER OF THE BOARD

Chang Cheng-Hsing Francis
Group CEO & Executive Director
9 November 2018