

RH PETROGAS LIMITED

(Registration Number: 198701138Z)

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 under the Fuyu 1 Production Sharing Contract 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 January 2019:-

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

As announced on 18 February 2019 (SGX announcement no. SG1902180THRZKGX), RPS Energy Consultants Limited has completed its independent qualified person report (“**QPR**”) with respect to the oil and gas reserves and resources of the Company and its subsidiaries (the “**Group**”) as of 1 January 2019. Based on the QPR, the aggregate proved plus probable reserves (“**2P reserves**”) attributable to Group’s working interests in the Fuyu 1 Block of 12.9 million barrels of oil (“**MMBO**”) as of 1 January 2018 has been reclassified to best estimate contingent resources (“**2C resources**”) as of 1 January 2019. As a result, no 2P reserve was reported for the Fuyu 1 Block as of 1 January 2019, while the 2C resources attributable to the Group’s working interests increased from 14.3 MMBO as of 1 January 2018 to 27.2 MMBO as of 1 January 2019. This reclassification was due to the continued suspension of development activities in the block since early 2016, which was in view of uncertainties in the global economies and crude oil price outlook.

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 during the reporting quarter.

Oil prices tumbled during the last quarter of 2018 with the price of Brent crude dropping more than 40% shortly after hitting its year high of around US\$86.07 per barrel on 4 October 2018. Prices have rebounded substantially since the turn of the year, hitting a high of US\$62.46 per barrel during January 2019, an increase of 23.5% over its closing price at the end of 2018. The oil price volatility was in part due to growing geopolitical discord which added to the uncertainties over the demand and supply dynamics of oil. The Company continues to review its options and future plans for Fuyu 1 Block and will make an announcement 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	176
Development expenditure	-
Fixed assets	16
Administrative expenses	647

BY ORDER OF THE BOARD

Chang Cheng-Hsing Francis
Group CEO & Executive Director
26 February 2019