MOVING FORWARD

ANNUAL REPORT 2022

REX INTERNATIONAL HOLDING LIMITED

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CORPORATE PROFILE

A multinational oil exploration and production company listed on Singapore's Mainboard

Rex International Holding Limited ("**Rex International Holding**", "**Rex**" or the "**Company**", and together with its subsidiaries, the "**Group**") is a multinational oil exploration and production ("**E&P**") company listed on the Singapore Exchange Securities Trading Limited's Mainboard. The Group has interests in exploration and production licences in Oman, Norway and Malaysia, and holds operatorship for the assets in Oman and Malaysia.

The Group de-risks its portfolio of exploration and development assets using its proprietary liquid hydrocarbon indicator Rex Virtual Drilling technology, which can identify liquids in the sub-surface using seismic data. Since the Company's listing in July 2013, the Group has achieved four offshore discoveries, one in Oman and three in Norway.

VISION

Rex International Holding's vision is to be a leading independent energy company with an international portfolio of concessions and energy-related businesses driven by technology and scientific innovation.

VALUES

INNOVATION
Game-changing, environmentally friendly technologies that will transform the energy industry.

INTEGRITY
Trustworthy in both words and actions, in all business dealings.

ENTREPRENEURSHIP
Our forward-looking, agile and entrepreneurial team aims to create long-term value for all stakeholders.

GROUP STRUCTURE

REX INTERNATIONAL HOLDING LIMITED

EXPLORATION & PRODUCTION

LIME PETROLEUM AS
91.65%
19 offshore concessions
NORWAY

MASIRAH OIL LTD
91.81%
1 offshore concession
OMAN

PANTAI RHU ENERGY SDN BHD
100%
2 offshore concessions
MALAYSIA

TECHNOLOGY SERVICES

REX TECHNOLOGY INVESTMENTS PTE. LTD.
100%

All percentages represent effective equity interest in significant and core entities held by the Group as at 23 March 2023.

FINANCIAL HIGHLIGHTS

GROUP

US$'000	FY2022	FY2021
Revenue from sale of crude oil	170,259	158,444
Adjusted EBITDA#	61,654	111,195
Profit for the year, net of tax	353	78,939
Total comprehensive (loss)/income for the year, net of tax	(4,704)	79,972
(Loss)/earnings per share (US cents)	(0.08)	5.16

US$'000	31 Dec 2022	31 Dec 2021
Non-current assets	427,964	349,985
Current assets	240,594	193,175
Total assets	**668,558**	**543,160**
Non-current liabilities	336,169	285,234
Current liabilities	143,906	58,671
Total liabilities	**480,075**	**343,905**
Net asset value ("NAV")*	**188,483**	**199,255**
Total equity	**188,483**	**199,255**
NAV per share (US cents)	**14.47**	**15.30**

#Adjusted EBITDA = Earnings - depletion of oil and gas properties - amortisation of intangible assets - taxes - interest expense and income - impairment losses on exploration and evaluation assets
*Net asset value as disclosed above includes non-controlling interests

MOVING FORWARD

DEAR SHAREHOLDERS,

PUTTING UNFORESEEN CHALLENGES OCCURRING IN 2022 BEHIND, REX IS MOVING FORWARD WITH ITS PLAN TO GROW PRODUCTION FROM MULTIPLE ASSETS

2022 was yet another roller coaster year for Brent crude oil prices, which started at US$79 a barrel in January, peaked at US$123 a barrel in March, and then ended the year at US$85[1] a barrel, in tandem with the gradual reopening of economies after the lifting of Covid-19 social restrictions, the start of the Russia-Ukraine conflict and subsequent concerns about rising inflation and potential recession in global markets.

The oil and gas industry in 2022 was marked by windfall taxes, price caps, and calls for more oil and gas production. According to a report by Wood MacKenzie, the clash of priorities to produce more oil and gas on one hand, and to uphold energy transition commitments on the other, will make for a complicated year in oil and gas in 2023[2]. Moody's Investors Service stated in a report that the upstream oil and gas sector will have another strong year in 2023 based on favourable supply-demand fundamentals, although average energy prices will not reach the high of 2022 levels. Sharp oil price swings will remain a norm, making large or long-term capital investment decisions difficult for companies.[3] Meanwhile, the International Energy Agency (IEA) has forecast a gap of some 900,000 bpd between demand and supply.[4]

Profit Despite a Challenging Year

For the year ended 31 December 2022 ("**FY2022**"), the Group recorded revenue of US$170.3 million, mainly from subsidiary Masirah Oil Ltd's ("**MOL**") share of produced oil after the Oman government's take and Lime Petroleum AS's ("**LPA**") share of oil sales from the Brage Field in Norway. This was a 7.5 per cent increase from revenue of US$158.44 million in the year ended 31 December 2021 ("**FY2021**").

Profit after tax of US$0.4 million was recorded in FY2022, compared to US$78.94 million in FY2021. Adjusted EBITDA* for FY2022 came in at US$61.7 million.

As at 31 December 2022, the Group's cash and cash equivalents and quoted investments totalled US$138.8 million (31 December 2021: US$86.9 million); with cash and cash equivalents at US$115.8 million (31 December 2021: US$60.6 million); and quoted investments at US$23.0 million (31 December 2021: US$26.3 million).

Oman: Production Facilities Changed Out; Operational Issues Resolved

Average realised oil price increased from US$67 per barrel in FY2021 to US$88 per barrel in FY2022 for crude oil sales from the Yumna Field in Block 50 Oman. However, production

[1] FactSet data
[2] Oil & Gas 360 / Oil Price, Oil and gas in for turbulent year as governments and industry butt heads, 30 January 2023
[3] Rigzone, Upstream Oil and Gas Will Have Another Strong Year in 2023, 19 January 2023
[4] Oil Price, Oil Unmoved After EIA Reports Small Crude Build, 25 January 2023
* Adjusted EBITDA = Earnings – depletion of oil and gas properties – depreciation – amortisation of intangible assets – taxes – interest expense and income – impairment losses on exploration and evaluation assets

volumes in 2022 were lower than the production highs in 2021 due to natural declines, compounded by planned and unplanned facility stoppages mainly in the first half of 2022. The planned change-outs of the floating storage tanker and Mobile Offshore Production Unit (MOPU) were necessary, and these will serve until the end of Yumna Field's life. Unforeseen operational issues caused by a faulty Electric Submersible Pump (ESP) and a damaged flowline were resolved during the year.

A dual-objective drilling campaign was carried out in the fourth quarter of the year and the Yumna-4 well commenced production on 2 January 2023. A summary qualified person's report on the Yumna Field dated 2 March 2023 stated that as of 31 December 2022, the Yumna Field had produced 7.1 MMstb of oil.

Norway: Second Producing Asset Acquired

LPA's acquisition of a 10 per cent interest in the Yme Field (the "**Yme Acquisition**") in 2022 further strengthens LPA's position as a full-fledged exploration and production player in the Norwegian Continental Shelf, following its acquisition of a 33.8434 per cent interest in the producing Brage Field in 2021. The Norwegian Petroleum Directorate states that remaining reserves in the Yme Field stand at 8.71 million Sm^3 of oil equivalent[6] i.e. there are remaining 2P Reserves of about 5.5 mmboe in the Yme Field net to LPA; while there are 2.5 million Sm^3 of oil equivalent or 15.7 mmboe of remaining reserves in the Brage Field[7] i.e. 2P Reserves of about 5.32 mmboe net to LPA.

According to Bloomberg, for the first time, more money was raised in the debt markets for climate-friendly projects than for fossil-fuel companies in 2022.[5] Amid such an environment and continual oil price volatility, LPA's ability to raise NOK 1,200 million (approximately US$122 million) for its three-year senior secured bond issue is a testament to the quality of its assets.

As part of the Yme Field acquisition, LPA will assume significant tax balances. Including the existing tax balance of the LPA, these deferred tax assets are recoverable for LPA. It is especially important as the Norwegian tax system has been restructured to a cash-flow tax, among which is the removal of the specific tax incentive for exploration activities from 2022.

While the drilling of an exploration well at the Brage South prospect targeting the deeper reservoir sections in the producing Brage Field was completed in 2022 without a discovery, the well allowed for economies of scale for a side-track of a production well in the field.

LPA also acquired 30 per cent interests in licences PL820 S and PL 820 SB in the North Sea during the year. The PL820 S and PL820 SB licences with the Iving and Evra discoveries, lie on the Utsira High area adjacent to the giant Vår Energy-operated Balder Field, and just north of PL818 Orkja and PL867 Gjegnalunden, in which LPA has 30 per cent and 20 per cent interests respectively.

Malaysia: Potential Geographical Diversification for Production

The unforeseen prolonged production stoppage in the Yumna Field during 2022 underscored the importance of and affirmed the Group's strategies on prudent capital management and to geographically diversify its portfolio of producing assets to mitigate risks, as well as to continue with new drilling campaigns with potential to add to the Group's reserves and resources. To this end, Rex is working to add production from Malaysia during 2023.

The drawing up of field development plans for the Group's 95 per cent participating interest in two Production Sharing Contracts ("**PSCs**") for the Rhu-Ara and the Diwangsa Clusters (the "**Clusters**") in Malaysia are still in progress, taking into consideration the volatility in availability and costs for drilling services and equipment. In July 2022, the Carlingford division of GFI Securities Limited ("**Carlingford**") was appointed the exclusive mandated arranger of financing for the development of the two PSCs. More details will be shared in due course.

mmboe: million barrels of oil equivalent
MMstb: millions of stock tank barrels
bpd: barrels per day

[5] Bloomberg, Green Lending Tops Fossil Fuel as Big Oil Gets Cash Elsewhere, 4 January 2023
[6] Norwegian Petroleum Directorate website, Yme Field
[7] Norwegian Petroleum Directorate website, Brage Field

Business Diversification

In December 2022, Rex entered into an agreement to invest up to another US$4 million into Xer Technologies Pte. Ltd. ("**Xer**"), bringing its shareholding interest in the Singapore-registered commercial drone company from 40 per cent to approximately 53 per cent. The Company had invested in Xer in July 2021 to diversify from its core business of oil exploration and production to an investment in a promising company in an up-and-coming industry that exhibits strong growth potential, at a relatively modest consideration, coupled with limited risks. Xer had achieved most of the conditions precedent pursuant to the agreement in relation to the previous acquisition, and the latest acquisition will allow Xer to continue to make headways towards commercialisation.

Research suggests that the global commercial drone market size is anticipated to reach US$501.4 billion by 2028, registering a Compound Annual Growth Rate (CAGR) of 57.5 per cent from 2021 to 2028.[8] Goldman Sachs had forecast a US$100 billion market opportunity for drones between 2016 and 2020, helped by growing demand from the commercial and civil government sectors.[9]

The Company through a wholly-owned subsidiary, entered into a conditional share purchase agreement to purchase the entire issued share capital of Moroxite T AB ("**Moroxite T**") at a nominal consideration of SEK 1 (approximately US$0.10), with a commitment to invest up to an additional SEK 43.2 million (approximately US$4.12 million), subject to the fulfilment of certain conditions. Moroxite T is a medical-technology ("**med-tech**") company that is developing a new drug delivery device or a combined pharma med-tech product to increase the percentage of specific drugs actually penetrating the targeted tumour area, for which the global market opportunities are growing.

While the Company intends to continue as an oil and gas exploration and production company for many years to come, it intends to seize business opportunities to invest in projects that have unicorn business potential with limited risks, without any material change to the Company's business profile and risks, as a sustainable business diversification strategy. The Company is of the view that the Moroxite T acquisition does not change the risk profile of the Company. A circular regarding the Moroxite T acquisition will be sent to Rex shareholders in due course.

Corporate Actions: Move to Mainboard, Maiden Dividend, Capital Reduction, Board Renewal

Rex moved to the Mainboard on 8 March 2022 and paid out its maiden dividend of 0.5 Singapore cents per ordinary share for the financial year ended 31 December 2021 on 10 October 2022.

The Company's proposed capital reduction to cancel the share capital of the Company that had been lost or was unrepresented by available assets to the extent of US$168,096,000 was 99.99 per cent approved by shareholders at an Extraordinary General Meeting held on 20 January 2023. The capital reduction serves to rationalise the balance sheet of the Company to reflect more accurately the value of its underlying assets, and thus the financial position of the Company. In addition, the Company would be in a better position to retain profits and enhance its ability to declare dividends, where appropriate, if the accumulated losses are written off. The Board will take into consideration the present and future funding needs of the Company and the Group before declaring any dividends.

As part of the Board renewal process, Mr Muhammad Sameer Yousuf Khan retired as Independent Non-Executive Director with effect from 29 April 2022 and three new board directors, including our first female board member, were appointed on 4 May 2022. We thank Mr Khan for his unstinting service and counsel over the years and welcome Ms Mae Heng, Mr John d'Abo and Dr Mathias Lidgren to the Rex Board. We believe that their extensive experience, strong business network and fresh perspectives will further enhance the Board's diversity and strengths to guide the Group in business sustainability, strategic direction and growth.

The Company is pleased to be recognised for its efforts in corporate governance and transparency. Accolades garnered during the year include Best Managed Board (Mid-cap) (Bronze) and Best Investor Relations (Mid-cap) (Bronze) at the Singapore Corporate Awards 2022, and Runner-Up, Singapore Corporate Governance Award (Mid-cap) at the SIAS (Securities Investors Association (Singapore)) Investors' Choice Awards 2022.

[8] Source: Globe Newswire, Commercial Drone Market Size, Share & Trends Analysis Report By Product, By Application, By End-use, By Region And Segment Forecasts, 2021 - 2028, 5 May 2021

[9] Source: Goldman Sachs website, Drones: Reporting for Work (goldmansachs.com)

For 2023, our target is to build up and start getting production from three areas; namely, Oman, Norway and Malaysia.

Yumna Field, Oman

Moving Forward

For 2023, our target is to build up and start getting production from three areas; namely, Oman, Norway and Malaysia. From January 2023, another production well has been added in Oman, and LPA will be receiving 10 per cent of production from the newly acquired Yme Field in Norway, on top of its 33.8434 per cent interest in the Brage Field production. As at February 2023, production in the Yumna Field, Oman was at gross 5,515 stock tank barrels per day (stb/d) while production in the Brage and Yme fields was at 3,907.6 barrels per day net to LPA.

As of 31 December 2022, the Yumna Field had produced 7.1 MMstb. The Summary QPR dated 2 March 2023 estimates remaining 2P gross reserves in the Yumna Field to have increased to 8.7 MMstb, making a total of 15.8 MMstb. This means the production will be able to continue for longer in Oman than previously envisaged.

The Group's long-term target to get to 20,000 boepd remains but in 2023, this will be dependent on the availability of rigs and other equipment, particularly for Oman and Malaysia. In addition, we will continue to look for investment and development opportunities to bolster our production.

The International Energy Agency (IEA), in its report produced in cooperation with the World Economic Forum (WEF) presented at WEF's Annual Meeting in Davos on 21 January 2023, opined that oil and gas companies are facing a critical challenge as the world increasingly shifts towards clean energy transitions. Fossil fuels drive the companies' near-term returns, but failure to address growing calls to reduce greenhouse gas emissions could threaten their long-term social acceptability and profitability. However, investment in oil and gas projects will still be needed, even in rapid clean energy transitions.[10] Meanwhile, banks have been under pressure from investors and climate activists, and many are cutting fossil-fuel financing.[11]

Against this backdrop, Rex is committed to operate its core business in oil exploration and production in accordance to strict environmental, social and governance (ESG) rules in the respective jurisdictions where it has a presence and will continue to explore carbon capture opportunities.

Given Rex's limited resources, a more sustainable long-term business diversification strategy would be to invest in low-risk projects that have unicorn business potential that do not materially change the Company's business and risk profile, rather than compete with big energy firms on current renewable energy options like solar, wind and nuclear, which are capital intensive. The Management and Board will continue to be highly selective of other new business diversification projects going forward.

Acknowledgements

We would like to thank our Board for their contribution, guidance and counsel, and our colleagues for their commitment and hard work during a year of unforeseen challenges. We would also like to express our appreciation to our shareholders for their understanding and continual support.

Dan Broström
Executive Chairman

Måns Lidgren
Chief Executive Officer

23 March 2023

[10] IEA, Oil and gas industry needs to step up climate efforts now, 20 January 2023
[11] Seeking Alpha, BofA, Citi, other big banks should move faster to cut fossil-fuel financing, investors say, 25 January 2023

CORPORATE DATA

DIRECTORS

Board of Directors
Dan Broström, Executive Chairman
Dr Karl Lidgren, Executive Director
Sin Boon Ann, Lead Independent Director
Dr Christopher Atkinson, Independent Director
Mae Heng, Independent Director
John d'Abo, Independent Director
Dr Mathias Lidgren, Non-Independent Non-Executive Director

BOARD COMMITTEES

Nominating Committee
Sin Boon Ann, Chairman
Dr Karl Lidgren
Dr Mathias Lidgren
John d'Abo

Remuneration Committee
Sin Boon Ann, Chairman
Dan Broström
John d'Abo

Audit Committee
Mae Heng, Chairman
Sin Boon Ann
Dan Broström

COMPANY SECRETARIES

Kong Wei Fung
Cheok Hui Yee

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Audit Partner: Ronald Tay Ser Teck
(Appointed in 2018)

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PRINCIPAL BANKERS

Barclays Bank PLC
National Bank of Oman
Skandinaviska Enskilda Banken AB
UBS AG
Union Bancaire Privée (Europe) S.A.
United Overseas Bank Limited

BOARD DIRECTORS

DAN BROSTRÖM
Chairman and Executive Director
Member, Remuneration and Audit Committees

Mr Dan Broström, 79, has been with the Group since 2011. He was appointed as an Executive Director on 11 January 2013 and re-elected to the Board on 23 April 2021.

Prior to joining the Company, Mr Broström was a senior partner at MVI Holdings Ltd between 1993 and 2005, where as a consultant, he assisted Swedish companies in setting up businesses in Singapore through fundraising activities and sourcing for suitable business partners. From 1990 to 1993, Mr Broström was the chief executive officer at Hufvudstaden UK Ltd, a real estate company. Before Hufvudstaden UK Ltd, Mr Broström worked in the shipping industry, where he was based in London and held the position of chief executive officer of Brostrom UK Ltd for the period from 1980 to 1987.

Mr Broström has a degree in Economics from Stanford University in the United States of America, and a Bachelor of Arts in Economics from Gothenburg University in Sweden.

DR KARL LIDGREN
Executive Director
Member, Nominating Committee

Dr Karl Lidgren, 75, was appointed as a Non-Independent Non-Executive Director on 1 May 2013 and was re-designated as a Non-Independent Executive Director on 15 January 2015. He was last re-elected to the Board on 29 April 2022.

Dr Lidgren and his brother, Mr Hans Lidgren, have since the 1980s, utilised satellite altimeter data in oil exploration activities which enabled major oil and gas findings. A founder of Rex International Holding, Dr Lidgren represents the interests of Limea Ltd on the Company's Board of Directors.

Dr Lidgren graduated from Lund University in Sweden in 1970 with a degree in Economics. Upon graduation, he taught in Lund University until 1972 before taking on the role of an investigator for the Swedish Government from 1972 to 1980. He concurrently obtained a Doctor of Philosophy in Economics from Lund University in 1976. Dr Lidgren taught in Lund University as a Professor from 1980 until his retirement in 2000.

SIN BOON ANN BBM, PBM
Lead Independent Non-Executive Director
Chairman, Nominating and Remuneration Committees
Member, Audit Committee

Mr Sin Boon Ann, 65, was appointed as an Independent Non-Executive Director on 26 June 2013 and was appointed as the Lead Independent Director on 24 February 2014. He was re-elected to the Board on 23 April 2021. His continued appointment as an Independent Director was approved on 29 April 2022 via two-tier voting by all shareholders and by shareholders excluding the directors and chief executive officer of the Company and their associates.

He received his Bachelor of Arts and Bachelor of Laws (Honours) from the National University of Singapore in 1982 and 1986 respectively, and a Master of Laws from the University of London in 1988. Mr Sin was admitted to the Singapore Bar in 1987 and was a member of the teaching staff of the law faculty, National University of Singapore from 1987 to 1992.

Mr Sin joined Drew & Napier LLC in 1992. He was the Deputy Managing Director of Drew & Napier's Corporate and Finance Department and the Co-head of the Capital Markets Practice before he retired to be a consultant with the firm in March 2018.

Mr Sin was a Member of Parliament for Tampines GRC from 1996 to 2011. In appreciation of his valuable public services rendered to the Ministry of Home Affairs, Mr Sin was conferred the Singapore National Day Award - "The Public Service Star (Bintang Bakti Masyarakat)" in 2018 and "The Public Service Medal (Pingat Bakti Masyarakat)" in 2013 by the President of Singapore. Additionally, in recognition of his constant support and contributions to the Labour Movement, Mr Sin received the NTUC May Day Award – "Distinguished Service Award" in 2018, "Meritorious Service Award" in 2013 and "Friends of Labour Award" in 2003.

DR CHRISTOPHER ATKINSON
Independent Non-Executive Director

Dr Christopher Atkinson, 65, was appointed as an Independent Non-Executive Director on 6 January 2015 and was re-elected to the Board on 29 April 2022. He is also an independent Board member of Masirah Oil Ltd and of Lime Petroleum AS, subsidiaries of the Group.

Dr Atkinson is a professional geologist with over 35 years of experience in the upstream oil and gas sector. He is currently the founder and Chairman of Helios Aragon Pte Limited and a director of Worldwide Petroleum Services Pte Limited. Prior to this, Dr Atkinson was a founding investor in Serica Energy plc in 2004 and in several other successful E&P start-ups between 2006-2016. In 2020, he was elected to the board of Far East Gold, an eco-focused miner listed on the Australian stock exchange. He has also worked for Shell International Petroleum Company and was a 15-year career veteran with the Atlantic Richfield Company (ARCO), where his last held position was Vice President of Exploration, Europe/North Africa.

Dr Atkinson holds a Doctor of Philosophy in Geology and a Bachelor of Science (1st Class Honours) in Geology from the University of Wales, Swansea. He is a member of the Singapore Institute of Directors and is a Life Member of the Petroleum Exploration Society of Southeast Asia, where he served as President from 2002 to 2003.

MAE HENG
Independent Non-Executive Director
Chairperson, Audit Committee

Ms Mae Heng, 52, was appointed as an Independent Non-Executive Director on 4 May 2022.

Ms Mae Heng has over 16 years of experience working at Ernst & Young Singapore. She is an Independent Non-Executive Director of Novo Tellus Alpha Acquisition, Grand Venture Technology Limited, Chuan Hup Holdings Limited, HRnetGroup Limited, Ossia International Limited and Apex Healthcare Berhad, and is chairperson or a member of these companies' various board committees. Ms Heng also holds directorships in her family-owned investment holding companies. She was also the former Audit Committee Chairperson of an SGX-listed real estate developer, as well as an online travel company.

Ms Heng holds a Bachelor of Accountancy from the Nanyang Technological University. She is a Fellow Chartered Accountant with the Institute of Singapore Chartered Accountants and an ASEAN Chartered Professional Accountant.

JOHN D'ABO
Independent Non-Executive Director
Member, Nominating and Remuneration Committees

Mr John d'Abo, 54, was appointed as an Independent Non-Executive Director on 4 May 2022. He is also an independent board member of Moroxite Holding Pte. Ltd., a subsidiary of the Group.

Mr John d'Abo has over 30 years of executive experience in global investment banks and associated businesses mainly in Southeast Asia, advising listed companies on fund raising in both equity and debt and corporate advisory, during which he established relationships with a wide array of companies and investors across multiple sectors. His investment banking career of 23 years includes stints at Royal Bank of Canada Capital Markets (Hong Kong), Royal Bank of Scotland (Hong Kong), Credit Suisse (Hong Kong), CLSA Asia-Pacific Markets (Hong Kong and New York) and HSBC James Capel (London). He is the founder and current Director of Erland Advisors Ltd.

Mr d'Abo holds a Bachelor of Arts with joint honours in French and Spanish from the University of Bristol, United Kingdom.

DR MATHIAS LIDGREN
Non-Independent Non-Executive Director
Member, Nominating Committee

Dr Mathias Lidgren, 41, was appointed as a Non-Independent Non-Executive Director on 4 May 2022. He is also a board member of Moroxite Holding Pte. Ltd., a subsidiary of the Group.

Dr Mathias Lidgren will represent the interests of Limea Ltd., the controlling shareholder of the Company. He has been a practising medical doctor since 2013 and has worked for the National Health Service (NHS), United Kingdom, the Hôpitaux Universitaires de Genéve, Geneva, Switzerland, and the Sahlgrenska University Hospital, Gothenburg, Sweden. He is currently practising at Skane University Hospitals in Lund, Sweden, and is also a post-doctoral researcher in the Division of Molecular Medicine and Gene Therapy, Department of Laboratory Medicine in Lund University, Sweden. Dr Lidgren currently holds directorships in Propatria AB, Rotationsplast i Munka-Ljungby AB, Caithness Fastighets AB, Forvaltningsaktiebolaget Maple, Trolleholms Slott AB, Captiosus AB, Strominnate Therapeutics AB and Moroxite T AB; companies in Sweden involved in a range of businesses including real estate, manufacturing and medicine. He is also Chief Medical Officer of Moroxite T AB.

Dr Lidgren holds a Doctor of Philosophy in Health Economics from the Karolinska Institutet, Sweden, a Master of Arts in Genetics, as well as a medical degree (MB BChir) from the University of Cambridge, United Kingdom and a Bachelor of Science in Business Administration (BSBA) from the International University of Monaco. His medical degree is recognised by the Commission des professions médicales, Switzerland and Socialstyrelsen, Sweden. He is licensed to practice medicine in the canton of Geneva, Switzerland and in Sweden. He is also a board-certified specialist in clinical genetics in Sweden.

SENIOR MANAGEMENT (CORPORATE)

MÅNS LIDGREN
Chief Executive Officer

Mr Måns Lidgren is the Chief Executive Officer and is responsible for overseeing the strategic positioning and business expansion of the Group, including making major business and finance decisions.

Prior to joining the Company in January 2013, Mr Lidgren was interim chief executive officer and director of Lime Petroleum Plc from August 2011 to December 2012 and chief financial officer of his family's business from August 2009 to August 2011. He has seven years of experience in financial structuring, mergers & acquisitions, investments and business development. From January 2008 to August 2009, Mr Lidgren was vice president of business development under the private banking division of Credit Suisse, where he managed his own client portfolio and acted as a broker for sourcing of new business and pre-screened business proposals. From 2002 to 2007, he joined his family business in private investments first as a business analyst in 2002, and subsequently a merger & acquisitions manager in 2003 and 2004. From 2005 to 2007, he assumed the position of senior investment manager in his family's business, and carried out portfolio management, liaison with partner banks and private equity transactions. Upon his graduation, Mr Lidgren also provided consultancy services to Global Responsibility, an organisation that seeks to promote responsible citizenship worldwide, where he helped companies communicate their efforts in environmental, health and safety issues.

Mr Lidgren holds a Bachelor of Science and a Master of Science, both in Business Administration and Economics, from Lund University, Sweden.

SVEIN KJELLESVIK
Chief Operating Officer

Mr Svein Kjellesvik is the Chief Operating Officer and Executive Chairman of the Group's subsidiary, Lime Petroleum AS. He is responsible for the Group's overall operations, including the integration of new business development plans into the Group's operations.

Prior to joining the Company, Mr Kjellesvik has been an independent entrepreneur and he has been involved in the start-up of Rex Middle East Ltd (formerly known as Rex Oil & Gas Ltd) and Lime Petroleum Plc. Before retiring from Schlumberger in 2002, Mr Kjellesvik has held leading positions in Schlumberger's seismic division and corporate headquarters. He has also been the President of their Global Marine Seismic Division. Mr Kjellesvik has played leading roles in key innovations in the seismic industry which includes multi-cable 3D seismic, 4 component seismic, and seismic 4D.

Mr Kjellesvik holds a Master degree in Applied Geophysics from the Norwegian Institute of Technology (NTH) in Trondheim and is a member of the Society of Exploration Geophysicists, the European Association of Petroleum Geoscientists and the American Association of Petroleum Geoscientists.

PER LIND
Chief Financial Officer

Mr Per Lind is the Chief Financial Officer overseeing the Group's finance, legal, administration and group structural matters. He also works with the CEO in business development. He has been a board member of Masirah Oil Ltd since 2015, Rex Technology Investments Pte Ltd since 2020 and Pantai Rhu Energy Sdn Bhd since 2021, all of which are subsidiaries of the Group. He is also a member of the Joint Management Committee of Block 50 Oman.

Prior to joining the Company, from 2009 to 2013, he was Vice President, Investments at Tangerine Time, a Singapore-based investment company investing in real estate and financial services in Singapore, India and the UK. Before being Senior Vice President of Finance in AEP Investment Management, a Singapore-based investment management company in 2008, Mr Lind spent five years as Director of Finance & Corporate Development with 1st Software Corporation Ltd, a software company listed on the mainboard of the Singapore Exchange from 2003 to 2008. He had also worked for six years in the London and Singapore offices of Merchant Venture Investments, an international federation of private equity investors.

Mr Lind graduated with a degree in business administration and economics in 1996 from the School of Business, Economics and Law at the Gothenburg University in Sweden.

KRISTOFER SKANTZE
Chief Commercial Officer

Mr Kristofer Skantze is the Chief Commercial Officer and manages business development for the Group, including for Rex Technology Management Ltd. He is also Chief Executive Officer of the Group’s commercial drone associated company, Xer Technologies Pte. Ltd..

Prior to joining the Company, he was the Head of Sales and Marketing at textile chemical company HeiQ Materials AG from 2007 to 2012, where he forged partner alliances with well-known textile brands. From 2000 to 2007, Mr Skantze worked for Anoto Group AB, a Swedish high-tech company. He held various positions within the company's headquarters in Lund, Sweden from 2000 to 2005, and was Business Development Manager of Anoto Inc. in Boston from 2005 to August 2007, where he managed the partner network and was responsible for all new North American customers. During his stint in Anoto Group AB in Sweden, Mr Skantze also invented and filed for several patents, of which at least nine were granted.

Mr Skantze holds a Master’s degree in Engineering Physics from the Faculty of Engineering of University of Lund in Sweden.

LINA BERNTSEN
Chief Technology Officer

Mrs Lina Berntsen is the Chief Technology Officer and co-ordinates the use of Rex Technologies for the Group. Mrs Berntsen re-joined the Group in 2012 as the Rex Virtual Drilling Specialist to Lime Petroleum Norway AS (now known as Lime Petroleum AS). Prior to this from 2011 to 2012, she provided consultancy services to the Group as a Technology Specialist at Equus Consulting AB, a business providing advanced mathematical analysis. From 2010 to 2011, Mrs Berntsen was the Rex Virtual Drilling Specialist for Rex Oil & Gas Ltd. and oversaw the operations and coordinated analyses in relation to the use of Rex Virtual Drilling.

Prior to this, Mrs Berntsen was Development Engineer in Gambro Lundia AB, a global medical technology company, where she was responsible for product development and design control relating to dialysis technology. She was previously the Marketing Coordinator in biotechnology company Chemel AB, where she also worked on product development.

Mrs Berntsen holds a Master of Science in Chemical Engineering from the University of Lund, Sweden.

MOK LAI SIONG
Chief Communications Officer

Ms Mok Lai Siong is the Chief Communications Officer, and is responsible for the Group's strategic communications with shareholders, potential investors, analysts and the media, as well as for sustainability reporting, branding and marketing.

Ms Mok has over 25 years of experience in communications and investor relations in multinational listed firms. Prior to joining the Company, she was Group General Manager, Corporate Communications & Investor Relations for the then Singapore mainboard-listed conglomerate WBL Corporation from 2010 to 2013. From 2007 to 2010, Ms Mok worked in YTL Starhill REIT Management, the manager of Starhill Global REIT, where her last held position was Senior Vice President, Investor Relations & Corporate Communications. She has also held positions in CapitaLand, Oversea-Chinese Banking Corporation, Overseas Union Bank, Pidemco Land and the National University of Singapore.

Ms Mok holds a Master of Business (International Marketing) degree from the Curtin University of Technology, Australia, and a Bachelor of Arts degree in English and Philosophy from the National University of Singapore.

SENIOR MANAGEMENT (OPERATIONS)

HANS LIDGREN
Masirah Oil Ltd
– Chairman

Mr Hans Lidgren is one of the founders of the Rex Group. Limea Ltd, in which Mr Lidgren has a 50 per cent interest, is a majority shareholder of Rex International Holding Limited.

Mr Lidgren has extensive experience in the oil and gas industry. Since the early 1980s, Mr Lidgren has utilised satellite altimeter data in oil exploration activities which enabled major oil and gas findings. He made way for major findings such as the Haltenbanken area in Norway and the Bukha field in Oman. The Haltenbanken area was only discovered in the 1980s after Mr Lidgren's surveys showed positive satellite altimetry results as to the presence of oil and gas.

Mr Lidgren also developed the Rex Technologies, comprising Rex Gravity, Rex Seepage, Rex Gas Indicator and Rex Virtual Drilling, the Rex Group's proprietary liquid hydrocarbon indicator.

MIKE HOPKINSON
Masirah Oil Ltd
– General Manager

Mr Mike Hopkinson has more than 30 years of upstream experience in many different international locations. He is skilled at all engineering and operations aspects of the petroleum business, from exploration, through development and production.
His experience includes onshore, offshore, both shallow and deep water, developments. Project locations include UK North Sea, Gulf of Mexico, Ghana, Equatorial Guinea, Ukraine, Georgia, Ecuador and Guatemala.

Prior to joining Masirah Oil Ltd, Mr Hopkinson was the Energy Transition Coordinator for Cox Oil in Dallas, Texas, USA. He started his career in 1985 as Operations Engineer with Marathon Oil Company in Aberdeen, Scotland. After transferring to the USA, Mr Hopkinson has also held various upstream oil and gas positions in Kosmos Energy Inc., Caelus Energy LLC, Energy Resource Technology (a Helix company) and Triton Energy Inc., all of which are based in Texas, USA with international and domestic operations.

Mr Hopkinson holds a Master of Science in Petroleum Engineering from Imperial College, UK, and a Bachelor of Science (Honours) in Engineering with Business Studies from the University of Portsmouth, UK.

SVEIN KJELLESVIK
Lime Petroleum AS
– Chairman

Mr Svein Kjellesvik was appointed Chairman of Lime Petroleum AS ("**LPA**") on 19 April 2016. He was appointed Executive Chairman of LPA on 1 June 2017.

Please refer to page 14 for more details.

LARS HÜBERT
Lime Petroleum AS
– Chief Executive Officer

Mr Hübert has some 25 years' extensive experience in the oil industry, with a focus on the Norwegian Continental Shelf, ranging from rank exploration to production and operations.

He joined Lime Petroleum in 2014 as Chief Geologist, and was appointed Exploration Manager in 2018. Prior to Lime Petroleum, Mr Hübert was Exploration Manager for San Leon Energy in Warsaw, Poland. He started his career with Exxon in New Orleans, and was responsible for Exxon's first horizontal well in the Gulf of Mexico. Mr Hübert has also held various positions in Halliburton, Rock Solid Images and Legends Exploration.

Mr Hübert holds a Bachelor of Science from the University of Oslo, Norway, a Master of Science from the University of Wyoming, US and a Master of Business Administration from Heriot-Watt University, UK.

JOHN PRINGLE
Pantai Rhu Energy Sdn Bhd
– General Manager

Mr John Pringle has 35 years of experience in oil exploration & production (E&P) engineering and projects in the UK, the Middle East, Norway and Southeast Asia.

He started his career in the E&P industry in 1985 as Petroleum Engineer with BP in the Hague and then in Aberdeen. From 1990 to 1994, Mr Pringle held various petroleum engineering and production technology positions in oil majors Total, Conoco and Shell in Abu Dhabi and Norway. From 1994 to 2005, he was with independent oil companies Petroleum Experts, Dome and Landmark, as well as national oil company Petro-Canada. In these companies, he was responsible for marketing, operations, training, development of accounting systems and field development plans for projects in the Middle East, including in Dubai, Iraq, Saudi Arabia and Libya; as well as in Algeria. From 2005 to 2012, Mr Pringle held various engineering positions in Petronas Carigali, Malaysia and in Coastal Energy, Thailand. In 2012, he set up Coastal Energy KBM in Malaysia and delivered the only profitable and successful Risk Service Project there. Before joining Masirah Oil Ltd in 2019, Mr Pringle was Managing Director of Bluefin Petroleum in Malaysia, a company focused on exploration, development and production operations in 'fast track' projects. As General Manager of Masirah Oil Ltd, Mr Pringle was instrumental in leading the development of the Yumna Field by installing a Mobile Offshore Production Unit and Storage and Offloading Tanker and drilling of Oman Block 50's first three production wells in the Yumna Field. He moved to Malaysia to set up Pantai Rhu Energy Sdn Bhd in 2021.

Mr Pringle holds a Master of Science in Petroleum Engineering from Heriot-Watt University, UK and a Bachelor of Science in Civil and Structural Engineering from the University of Edinburgh, UK.

REX VIRTUAL DRILLING

Rex Virtual Drilling, the Group's proprietary liquid hydrocarbon indicator, is developed by Rex Technology Investments, a company set up by two of our founders, Dr Karl Lidgren and Mr Hans Lidgren. Rex Technology Investments is an indirect wholly-owned subsidiary of Rex International Holding. Rex Virtual Drilling is offered as a de-risking tool for offshore oil exploration companies around the world.

REX VIRTUAL DRILLING

REX VIRTUAL DRILLING™

Rex Virtual Drilling ("**RVD**") is a proprietary technology which uses conventional seismic data to extract information about the presence of reservoir rock and liquid hydrocarbons. Seismic data is the conventional technology used by the oil industry to image the subsurface and guide in the exploration and production decision-making process. Seismic data is collected by shooting acoustic energy – sound pulses – into the ground and listening to the responding acoustic signals as the sound pulses interact with liquid and rock layers. Although seismic data has been used by the exploration industry for almost a century, identifying reservoir rock and liquid types remains very difficult, which is why global average oil exploration success rate remains at only about 10 to 15 per cent.

With the liquid hydrocarbon indicator RVD, the exploration success rate can be increased. RVD processes and extracts information from seismic data using unique algorithms that create 3D maps that show correlation with the presence of oil in the ground. The data is then used together with conventional sub-surface analysis to assess how it fits in a geological setting, providing guidance for better decision-making.

The efficiency of RVD has been extensively tested in blind tests, live tests and actual drilling campaigns since 2009. Since its inception, the technology has undergone several revisions and improvements to refine its predictive capabilities.

With the support of RVD, the Group has achieved four commercial oil discoveries in Oman and Norway over the years - **Oman:** the Yumna discovery in Block 50 Oman in 2014; and in **Norway:** the PL 338C Rolvsnes discovery in the North Sea in 2015, in the PL838 Shrek discovery in the Norwegian Sea in 2019, and in the PL263D/E Apollonia gas discovery in the Norwegian Sea in 2020.

The Group has been using the RVD technology extensively to de-risk farm-in opportunities and to select licences to apply for in Norway's Awards in Predefined Areas (APA) rounds. The technology has allowed the Lime Petroleum AS team of exploration geoscientists to focus on licences with RVD support and discard areas without, building up a portfolio of both discoveries and high potential prospects.

The technology has also proven to be highly accurate in predicting dry wells. By incorporating RVD into existing de-risking processes, oil exploration companies can increase the chances of finding oil whilst saving millions of dollars in futile capital expenditure drilling dry wells.

RVD has undergone continuous research and development ("**R&D**") over the years to improve processing speed, results resolution and accuracy. In 2022, Rex Technology Investments released its fifth major upgrade of its RVD software. RVDv5 is more resilient to seismic data processing and provide a higher degree of predictive capability and accuracy. The balanced integration of RVD with traditional geological models and geophysics attributes continues to be a core R&D effort for the Rex Group's exploration and production teams.

REX VIRTUAL DRILLING

Rex Virtual Drilling is a multi-attribute seismic analytical tool which studies dispersion events in the seismic data; utilising its proprietary, high-resolution spectral decomposition engine. This engine analyses frequencies in the seismic data with high accuracy, permitting detailed spectral analysis and subsequent dispersion calculations. Dispersion is an indicator for presence of reservoir rock. A positive dispersion signal may also provide information about the presence of the fluid type such as liquid hydrocarbons (oil). The lack of dispersion signatures in the RVD data for a target location correlates with a "tight rock" i.e. a rock without moveable liquid.

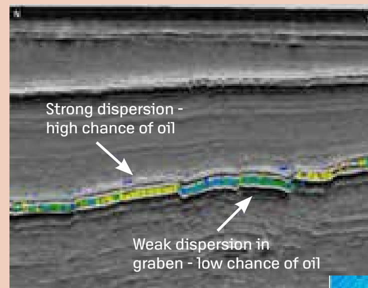
This allows geoscientists to further de-risk assets. RVD is therefore used for de-risking in all steps of the exploration and production value chain, from exploration de-risking and appraisal planning, and all the way to reservoir control.

In recent years, the Group has actively promoted RVD internationally, including with presentations made at various major oil & gas events such as the Society of Exploration Geophysicists (SEG) workshop in Oman and the Society of Petroleum Engineers' Abu Dhabi International Petroleum Exhibition & Conference (SPE ADIPEC). A paper on RVD, written for the SPE ADIPEC, is available on www.onepetro.org.

REFERENCE CASES

The RVD software provides valuable information to help in the search for oil. The example section below from the Norwegian Barents Sea illustrates its usefulness in oil exploration. The graben area in the centre of the picture in green/blue indicates less dispersion and therefore less chance of finding oil. The adjacent areas in yellow indicate strong dispersion and therefore strong correlation with a presence of oil.

In a next step, the indications are assessed for congruence with a geological structures and other seismic attributes and interpretations. In this example, the RVD results suggest oil could have migrated towards the boundaries of the graben area, leaving the graben area empty. Structurally, the graben reservoir would be less likely to contain oil either due to oil arriving after the development of the graben, or because the seal above the graben has allowed oil to escape.



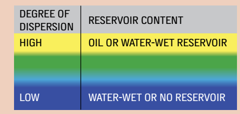
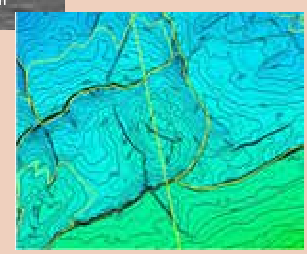


Image left: RVD values draped over horizon. Less dispersive signal in graben itself.



In another example from the Norwegian North Sea, we see how RVD can help with assessing potential fluid content and how it may correlate with up-dip pinch-outs:

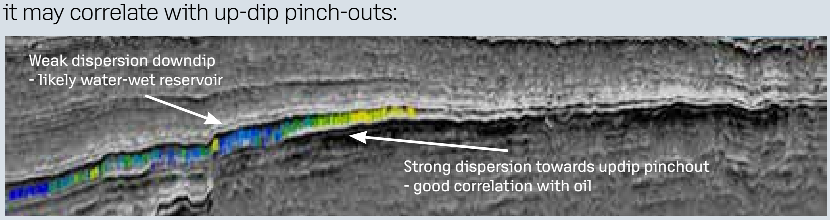


Image: RVD results demonstrating increased values of dispersion higher up in structure, towards pinch-out. High chance of oil at the structural high and water further downdip. Possible approximate oil-water contact identified.

Here, the RVD results indicate higher likelihood of hydrocarbons higher up in the structure. The results corroborate the common situation of oil migrating upwards in a structure. The seismic data suggest a pinch-out at target location and therefore an potential explanation why oil could be trapped as suggested by the RVD indications. Further downdip, the RVD indications for oil are weaker (green/blue), which correlate with a lack of oil and instead a presence of water in the reservoir. A potential oil-water contact point can also be identified.

These examples show the value of applying RVD analysis for the purpose of further de-risking of assets prior to drilling, saving costs and permitting investments where there is a higher chance of financial return.

MILESTONES

2022

26 January
Rex obtained approval in-principle from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") in relation to the proposed transfer of its listing from the Catalist Board to the Mainboard of the SGX-ST.

24 February
A summary Qualified Person's Report (QPR) for the Yumna Field in Block 50 Oman is issued.

28 February
Rex adopts a dividend policy, which allows for dividends to be paid-out subject to eligibility, for evaluation of the Company's financial year results for the relevant period / year. The declaration and payment of dividends, if any, shall be determined at the sole discretion of the Board. Any recommendation for dividends to be paid will be tabled for Shareholders' approval at the Company's annual general meetings.

8 March
Rex commences trading on the Mainboard of the SGX-ST.

9 March
Masirah Oil Limited ("**MOL**") announces the completion of the change-out of the floating storage tanker. The replacement will allow for the tanker to be in the field for several years without the need for dry-docking. A change-out of the Mobile Offshore Production Unit (MOPU) with upgraded facilities on-board is also announced.

18 April
Lime Petroleum AS ("**LPA**") acquires 40 per cent interests in licences PL820 S and PL820 SB in the North Sea. The PL820 S and PL820 SB licences with the Iving and Evra discoveries, lie on the Utsira High area adjacent to the giant Vår Energy-operated Balder Field, and just north of PL818 Orkja and PL867 Gjegnalunden in which Lime has 30 per cent and 20 per cent interests respectively.

28 April
Rex signs deeds of novation with PETRONAS, partner Duta Marine Sdn. Bhd. and the Company's wholly-owned subsidiary Pantai Rhu Energy Sdn Bhd ("**PRE**"), for PRE to replace the Company under the two Production Sharing Contracts ("**PSCs**") in Malaysia.
All provisions of the PSCs remain in full force and effect and binding.

4 May
Rex appoints three new directors to its Board as part of its Board renewal process. The new directors are: Ms Mae Heng, Independent Non-Executive Director and chairperson of the Audit Committee; Mr John d'Abo, Independent Non-Executive Director and member of the Nominating and Remuneration Committees; and Dr Mathias Lidgren, Non-Independent Non-Executive Director and member of the Nominating Committee.


Yumna Field, Oman

22 June
LPA engages an exclusive manager to arrange fixed income investor meetings. The purpose of the new bond issue is refinancing of the existing NOK 500 million (approximately US$51 million) senior secured bonds with maturity in January 2024 (ISIN NO0011037343) and for acquisition purposes on the Norwegian Continental Shelf, as well as general working capital purposes.

29 June
LPA successfully raises a three-year senior secured bond issue of NOK 950 million (approximately US$96.7 million) after the bonds were fully subscribed.

1 July
LPA announces the farm-down by 10 per cent, its 40 per cent interests in licences PL820 S and PL 820 SB in the North Sea, as part of LPA's strategy to have balanced holdings in its portfolio of assets.

4 July
PRE engages the Carlingford division of GFI Securities Limited ("**Carlingford**") as its exclusive mandated arranger of financing for the development of the Rhu-Ara Cluster and the Diwangsa Cluster (the "**Clusters**") located in offshore Peninsular Malaysia, in which the Group holds 95 per cent interests and operatorship.

21 July
Drilling of an exploration well at the Brage South prospect targeting the deeper reservoir sections in the producing Brage Field, in which LPA holds a 33.8434 per cent interest, has been completed without a discovery. The drilling of the prospect allows for economies of scale for a side-track of a production well in the Brage Field.

10 August
LPA enters into a sale and purchase agreement to acquire KUFPEC Norway AS's 10 per cent interest in the producing Yme Field on the Norwegian North Sea, for a post-tax consideration of US$68.053 million (about NOK 633 million).

1 November
LPA's acquisition of 40 per cent interests in licences PL820 S and PL 820 SB in the North Sea and its subsequent farm-down by 10 per cent of the same licences are completed, bringing its interests in the licences to 30 per cent.

11 November
The Yumna-4 Deep appraisal / exploration well in the Yumna Field is spudded, with dual objectives. The shallow objective will be to test the eastern extension of the Yumna Field which is productive from the Aruma Formation at about 1,700 metres.

MILESTONES

After reaching the Aruma, the well will be deepened to the exploration objective which is a structural closure in the Khufai Formation at about 3,000 metres. The Khufai Formation is productive onshore Oman but is under-explored in the offshore area.

23 November

Rex proposes to undertake a capital reduction exercise pursuant to Section 78A read with Section 78C of the Companies Act 1967 of Singapore, to reduce the share capital of the Company by the cancellation of the share capital of the Company that has been lost or is unrepresented by available assets to the extent of the amount of the accumulated losses of the Company up to 31 December 2021 of US$168,096,000.

23 December

LPA's acquisition of a 10 per cent interest in the Repsol-operated Yme Field on the Norwegian North Sea, for a post-tax consideration of US$68.053 million from KUFPEC Norway AS is completed. The acquisition was concluded with an initial payment of US$55 million. Deferred payment of the balance, including the settlement costs, will be paid no later than 30 working days after the Completion. As part of the settlement, ABG Sundal Collier ASA has been engaged to raise NOK 250 million (approximately US$25.5 million) from the tap mechanism in the bond (ISIN NO0012559246) (the "**Tap**").
The Tap will be raised during the month of January 2023, with ABG Sundal Collier ASA as underwriter.

30 December

Wholly-owned subsidiary Rex Technology Investments Pte Ltd ("**RTI**") enters into a conditional subscription agreement with Xer Technologies Pte. Ltd. ("**Xer**") to subscribe for 23,809 new shares in Xer, at a consideration of US$1 million (the "**Xer Subscription Shares**") and subsequent capital commitment of up to US$3 million. This will bring RTI's shareholding interest in the Singapore-registered commercial drone company from 40 per cent to approximately 53 per cent, making Xer a subsidiary of the Company.

Wholly-owned subsidiary Moroxite Holding Pte. Ltd. enters into a conditional share purchase agreement with Moroxite AB ("**MA**") to purchase the entire issued share capital of medical technology company


Yumna Field, Oman

Moroxite T AB ("**Moroxite T**"), comprising 1,000 shares, at a nominal consideration of SEK 1 (approximately US$0.10), with a commitment to invest up to an additional SEK 43.2 million (approximately US$4.12 million), subject to the fulfilment of certain conditions.

2023

9 January

MOL announces the completion of the 4Q 2022 drilling campaign which consisted of a workover of the Yumna-3 well to replace the electrical submersible pump and drilling of the Yumna-4 well, which was completed for production. Drilling of the well reached a total depth of 3,416 metres. Oil shows were encountered in the Khufai and 16.5 metres of core was recovered from the formation and had been sent to a laboratory for detailed analysis. Results of the core analysis will likely determine if additional drilling / evaluation of this Khufai prospect is justified.

11 January

LPA successfully raises NOK 250 million (approximately US$25.3 million) by tapping on its existing Lime Petroleum AS FRN Senior Secured Bond Issue 2022/2025 with ISIN NO0012559246 (the "**Bond**") in accordance with the loan agreement for the Bond (the "**Tap Issue**"). After the Tap Issue is carried out, the total outstanding amount pertaining to the refinancing of the previous senior secured bonds and for the Yme acquisition, as well as general working capital purposes is NOK 1,200 million (approximately US$122 million).

13 January

LPA is offered participating interests in two new offshore licences in the 2022 Awards in Predefined Areas (APA) round in Norway.

10 February

A minor discovery in the PL867 Gjegnalundun well, in which LPA has a 20 per cent interest, is announced. LPA will work with the well results to identify further resources in PL867, and also to evaluate the results against the prospectivity in the neighbouring PL818 licence with the Orkja prospect, in which LPA has a 30 per cent share.

2 March

A summary Qualified Person's Report (QPR) for the Yumna Field in Block 50 Oman is issued.

21 March

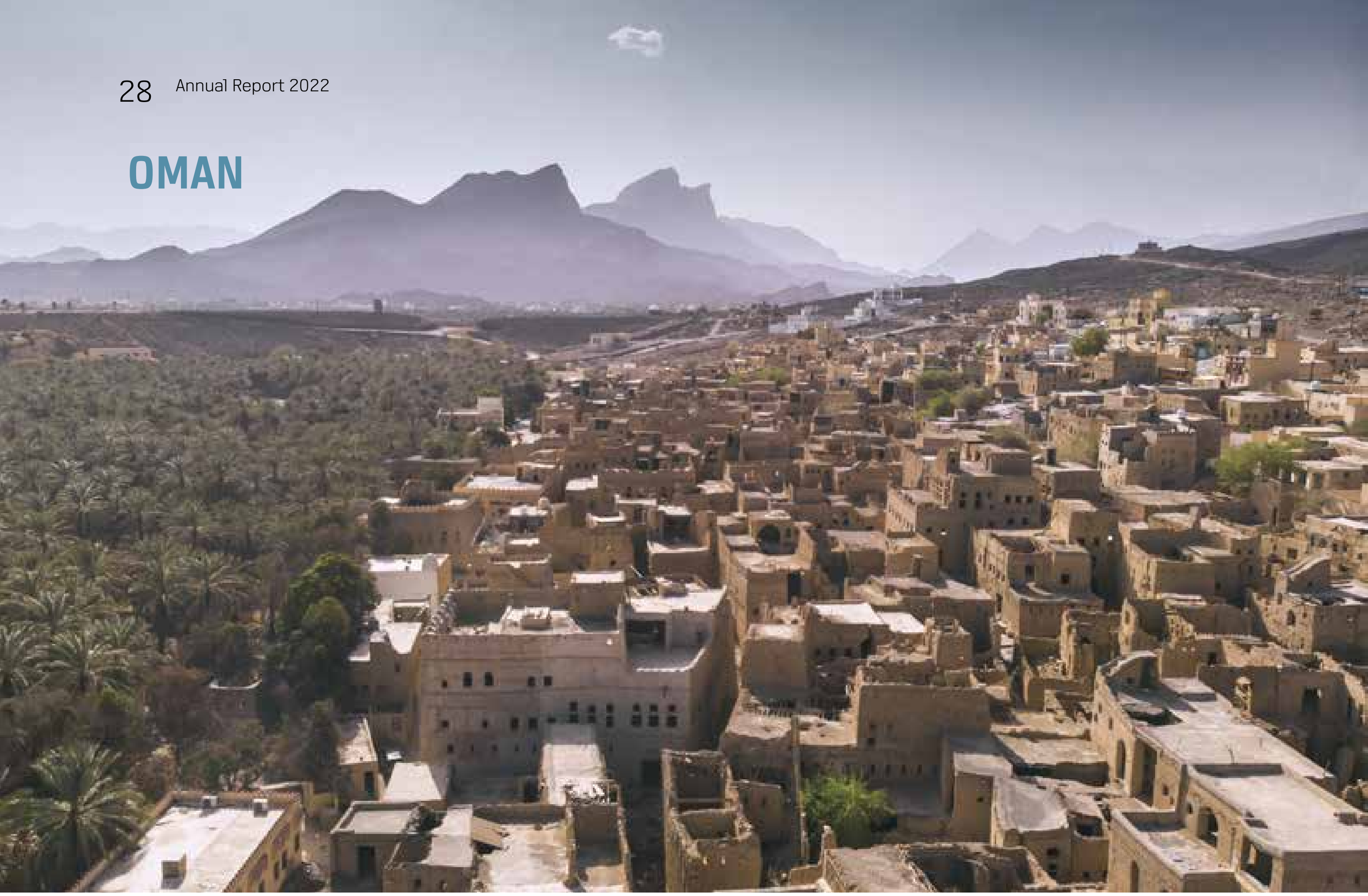
Independent Summary QPRs for Brage Field and Yme Field in Norway are issued.

OPERATIONS REVIEW

Yme Field, Norway
Photo courtesy of Bitmap - Repsol Norway AS

In 2022, the Group carried out major change-outs of the Floating Storage Tanker and Mobile Offshore Production Unit, resolved unforeseen operational issues and completed a dual-objective drilling campaign in Oman. In Norway, the Group's subsidiary acquired a 10 per cent interest in the Yme Field, its second production asset on the Norwegian Continental Shelf.

OMAN

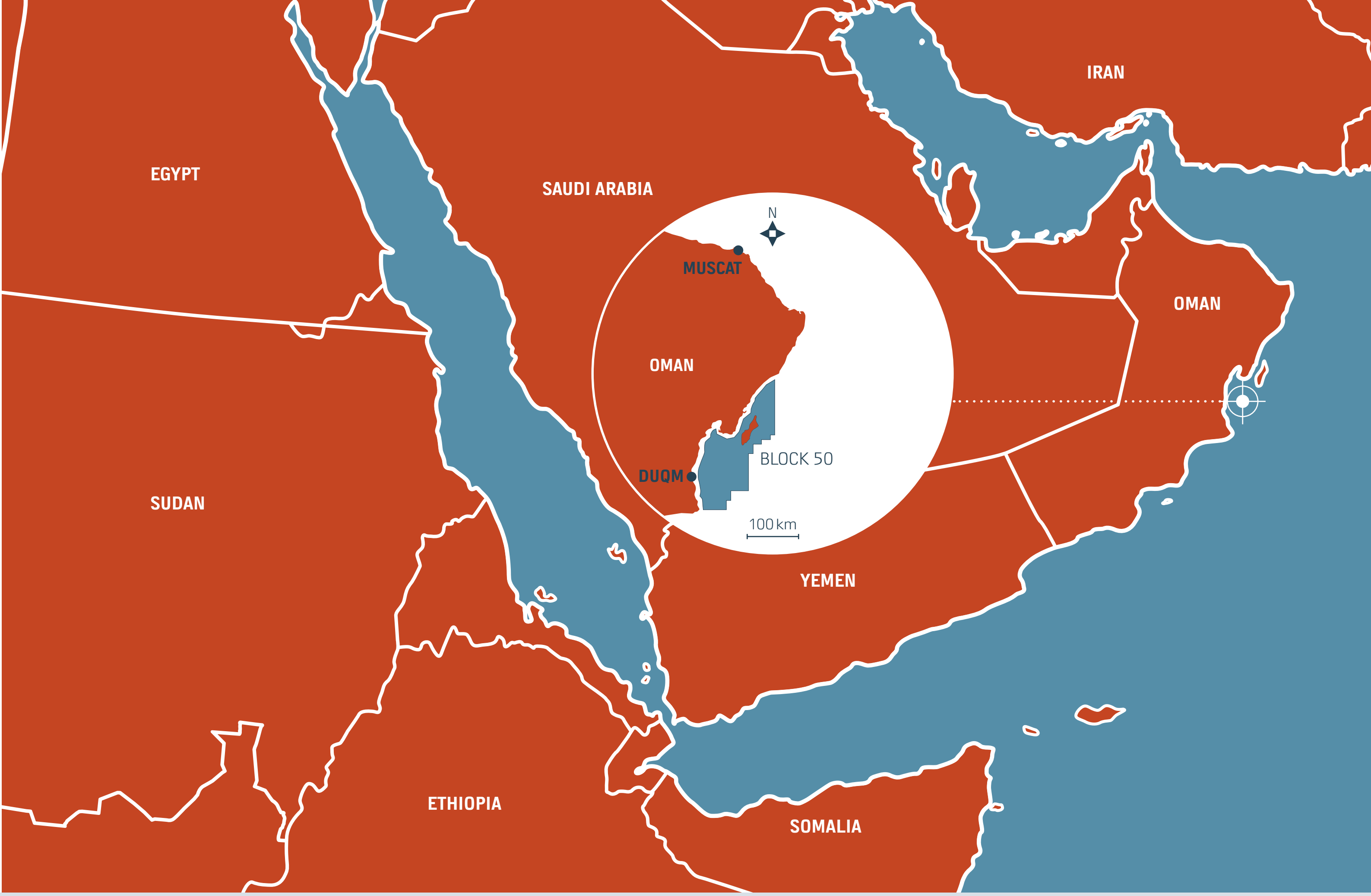


In 2022, Masirah Oil Ltd completed major change-outs of the Floating Storage Tanker and the Mobile Offshore Production Unit. These change-outs were essential and will allow these production facilities to serve until the field's end of life. A dual-objective drilling campaign was also completed towards the end of the year, during which a workover of the Yumna-3 well was performed to replace the faulty electrical submersible pump. The Yumna-4 well was drilled and completed for production.

OVERVIEW

According to the US International Trade Administration, oil has been the driving force of the Omani economy since Oman began commercial production in 1967. The oil industry supports Oman's modern and expansive infrastructure, including electric utilities, roads, public education, and medical services.

Oman can produce upwards of one million barrels per day of crude oil and condensates, but honors OPEC+ quotas. Oman's oil reserves primarily consist of heavy crude, and China is the predominant export market. Oman's government derives roughly 70 per cent of its annual budget from oil and gas revenues through taxation and joint ownership of some of the most productive fields, and the industry accounts for 30 per cent of Oman's gross domestic product. In June 2022, the Ministry of Energy and Minerals (MEM) announced that Oman's crude oil reserves stood at 5.2 billion barrels, and gas reserves at around 24 trillion cubic feet. MEM also announced that it had made new oil discoveries that would raise Oman's production by 50,000 to 100,000 barrels in the coming two to three years.



The 2020 oil price crash hit the sector hard, but it has recovered with a rebound in oil prices to above pre-pandemic levels. Oman's 2022 government budget estimated revenues of US$27.6 billion, based on average oil prices of US$50 per barrel, with oil and gas accounting for 42 and 26 per cent of total revenue, respectively. The government reported revenues of US$17.4 billion (and a US$2 billion surplus) in the first half of 2022 based on an average oil price of US$87 per barrel; and it is on track to record its first annual surplus in a decade.[1]

Oman is the Middle East's biggest oil producer outside OPEC and exports its crude via the Mina al Fahal terminal in the Persian Gulf.

It was reported in late December 2021 that Oman's Ras Markaz crude storage outside the strategic Strait of Hormuz will come onstream by the end of the second quarter of 2022 with an initial capacity of 26.7 million barrels, which could be later increased depending on demand from investors. Infrastructure to store crude at Ras Markaz in Duqm on the southern coast of Oman is already complete.

This second export facility at Ras Markaz can help the country deal with surplus production.

The Duqm Special Economic Zone and port is the site of several energy infrastructure projects under development and construction.

The storage park also can be a source of oil from Duqm refinery, which will be connected to the facility with an 80-km long pipeline and eight tanks built to store the refinery's crude.[2]

BLOCK 50 OMAN

Block 50 is an offshore concession, approximately 17,000 sq km, located in Gulf of Masirah, east of Oman.

Masirah Oil Ltd ("**MOL**") holds 100 per cent of the Block 50 Oman concession. Rex International Holding holds an effective interest of 91.81 per cent in MOL through the indirect wholly-owned subsidiary Rex Oman Ltd.

1 International Trade Administration (US), Oman – Country Commercial Guide (Oil & Gas), 14 September 2022
2 S&P Global Insights, Oman's Ras Markaz crude storage outside Strait of Hormuz to come onstream Q2, 29 December 2021

Yumna Field, Oman

2022 OPERATIONS UPDATE

- Issued a summary Qualified Person's Report (QPR) for the Yumna Field in Block 50 Oman.
- Completed change-out of the Floating Storage Tanker. The replacement will allow for the tanker to be in the field for several years without the need for dry-docking.
- Completed change-out of the Mobile Offshore Production Unit (MOPU) with upgraded facilities on-board.
- Commenced drilling of dual-objective appraisal / exploration well in the Yumna Field, to test the eastern extension of the Yumna Field which is productive from the Aruma Formation and to deepen the exploration objective in a structural closure in the Khufai Formation at about 3,000 metres.

2023

- Completed the 4Q 2022 drilling campaign which consisted of a workover of the Yumna-3 well to replace the electrical submersible pump and drilling of the Yumna-4 well, which was completed for production.
- Issued a summary Qualified Person's Report (QPR) for the Yumna Field in Block 50 Oman.

Going forward

- MOL continues to optimise the production facilities and well operations. Integration of the data collected during the drilling of the Yumna-4 well into the sub-surface field model has expanded the potential resource. During 2023, the MOL team in Muscat will implement a contracting strategy which conforms to the Ministry of Energy and Minerals procurement rules in preparation for drilling and completing additional wells to capture the additional resource. In addition, a block wide review of exploration potential will be performed. Based on the results of the review, planning of the acquisition of additional targeted seismic will be implemented.

ABOUT THE YUMNA FIELD

Block 50 Oman is one of the first concessions secured by the founders of Rex International Holding before the Company's IPO. The Company's founders were involved in Lundin Petroleum's (then known as International Petroleum Corporation (IPC)) commercial oil discovery in the Bukha field, offshore Oman in 1986.

On 4 February 2014, an oil discovery was announced in Block 50 Oman. The second exploration well that was drilled in the concession had successfully reached the well target depth of more than 3,000 metres into the Cambrian formation. Hydrocarbons were discovered in several formations with good oil sample extracted.

The oil discovery is significant as it is the first offshore discovery east of Oman, after 30 years of exploration activity in the area and won the 'Offshore Discovery of the Year' award.

In 2017, the Karamah#1 well which was drilled identified a 5-metre oil bearing interval on the wireline logs and found hydrocarbon shows in several stratigraphic zones, confirming the presence of a working petroleum system in the block.

In July 2020, the Ministry of Oil and Gas in Oman (now renamed Ministry of Energy and Minerals) approved the Field Development Plan for the Yumna Field and awarded Declaration of Commerciality. The Yumna-1 well had produced more than one million barrels of oil by then and the first three cargoes of Masirah crude were sold in April, May and June 2020, following successful completion of liftings from the first offshore ship-to-ship transfers in Oman.

In November 2020, MOL awarded a drilling rig contract to Shelf Drilling, to utilise the Tenacious jackup rig, to drill two development wells and one exploration well in Block 50 Oman, starting from December 2020. In December 2020, a second development well in the Yumna Field was spudded.

Yumna-2 encountered 10 metres of Lower Aruma sandstone with a porosity of 21 per cent, proving that the good quality reservoir sand is extensive to the north of Yumna-1; the permeability is about 2,000 md. The reservoir pressure depletion over the first year of production was around 100 psi, confirming that excellent pressure support is provided by a strong aquifer. Production at Yumna-2 started on 23 January 2021.

Yumna-3, the third production well, targeting a crestal location in the field to the east and up-dip from the discovery well GAS-1, was drilled back-to-back from Yumna-2 in January 2021, even as the production facilities on the Yumna Mobile Offshore Production Unit (MOPU) were being upgraded to increase the liquid (i.e. oil and water) processing capacity to 30,000 bpd, to accommodate production from the three Yumna wells.

Following the successful drilling of the two development wells Yumna-2 and Yumna-3, three exploration wells were drilled near the Yumna Field as a five-well campaign with major cost savings. The results of the three exploration wells confirmed the extent of the good quality Lower Aruma sandstone and will help to refine the understanding of the trap mechanisms in the area.

In the fourth quarter of 2022, MOL commenced a drilling campaign which was completed in early 2023. The drilling campaign consisted of a workover of the Yumna-3 well to replace the electrical submersible pump and drilling of the Yumna-4 well, which was completed for production. Drilling of the well reached a total depth of 3,416 metres. Oil shows were encountered in the Khufai Formation and 16.5 metres of core was recovered from the formation and had been sent to a laboratory for detailed analysis. Results of the core analysis will likely determine if additional drilling/evaluation of this Khufai prospect is justified.

NORWAY

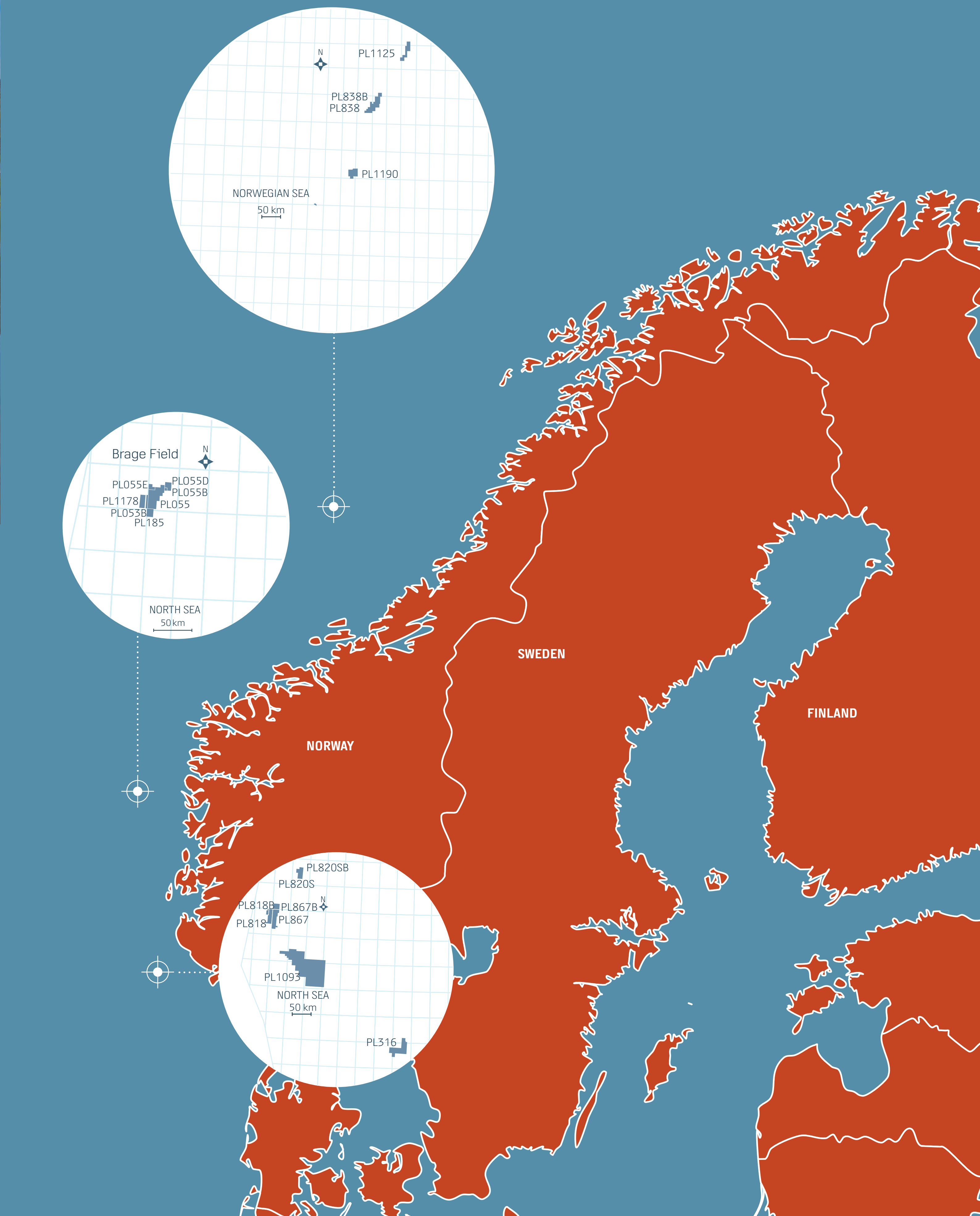
In 2022, subsidiary Lime Petroleum AS's most significant transaction was its acquisition of a 10 per cent interest in the producing Yme Field, further strengthening the company's position as a full-fledged exploration and production player in the Norwegian Continental Shelf, following its acquisition of a 33.8434 per cent interest in the producing Brage Field in 2021. To partly finance the transaction, a three-year senior secured bond issue of NOK 1,200 million (approximately US$122 million) has been put in place. In 2022, the company also acquired 40 per cent interests and subsequently farmed down to 30 per cent interests in two discovery licences, and participated in the drilling of an exploration well in the Brage Field.

OVERVIEW

According to the Norwegian Petroleum Directorate (NPD), a total of about 230 million Sm^3 of oil equivalents was produced on the Norwegian Continental Shelf in 2022 – which corresponds to around 4 million barrels per day; similar to that in 2021. This consistently high production level can be attributed to three main factors, the first of which is the high number (93) of producing fields on the Shelf. The second phase of the Johan Sverdrup development came on stream in the North Sea in December 2022. The Nova Field has commenced production, and Njord has started up following modification work. Several new fields are projected to start producing in the years to come. And finally, older fields are producing longer, and producing more, than previously expected.

The authorities received plans for 13 new developments (PDOs), as well as several plans for projects aimed at increasing recovery near existing fields or extending field lifetimes. Decisions have also been made to approve major investments on existing fields.

Sources:
NPD website: http://www.npd.no/
Norwegian Petroleum Directorate, Investments for the future on the Shelf , 16 January 2023


N
PL1125
PL838B
PL838
PL1190
NORWEGIAN SEA
50 km
Brage Field
N
PL055E
PL055D
PL055B
PL1178
PL055
PL053B
PL185
NORTH SEA
50 km
SWEDEN
FINLAND
NORWAY
PL820SB
PL820S
PL818B
PL867B
N
PL818
PL867
PL1093
NORTH SEA
50 km
PL316

Brage Field, Norway
Photo courtesy of Okea ASA

According to figures provided to the NPD by the licensees, this entails total investments of around NOK 300 billion delivering an overall present value of NOK 200 billion. Together this amounts to a growth in reserves of 252 million Sm^3 of oil equivalents, half of which is gas.

In 2022, 32 exploration wells were completed, of which 28 were wildcats. There were 11 discoveries, but some of these were smaller than expected, resulting in a lower resource growth than in the three previous years.

In January 2023, 47 new production licences were awarded in the Awards in predefined areas (APA) 2022.

Norwegian petroleum activities are subject to a stringent framework for emissions to air and discharges to sea. New fields are either developed with an alternative power supply or tied back to existing infrastructure. The industry is also making good progress in energy efficiency measures to help reduce emissions even while production increases.

There is also growing interest in acreage for injection and storage of CO_2. In 2022, the authorities awarded three exploration licences for storage of CO_2, one in the Barents Sea and two in the North Sea. The initial objective of these licences is to determine whether these areas are suitable for CO_2 storage.

All of Norway's oil reserves are located offshore on the Norwegian Continental Shelf, which is divided into three sections: the North Sea, the Norwegian Sea, and the Barents Sea. The bulk of Norway's oil production occurs in the North Sea. New exploration and production activity is taking place further north in the Norwegian Sea and Barents Sea.

STRATEGY

Lime Petroleum AS ("**LPA**") was established in 2012 with offices at Skøyen in Oslo. The company was pre-qualified as a licence holder in February 2013 and has since built a portfolio of assets focusing on mature areas, following a technology and infrastructure-led strategy.

LPA has used the Group's Rex Virtual Drilling ("**RVD**") technology to select and build a portfolio of investments in the Norwegian Continental Shelf. The licences are in oil-prolific areas that already have producing fields and pipeline infrastructure in place, allowing for a rapid path to potential commercialisation and return on investment when more oil discoveries are made in LPA's assets.

LICENCES

LPA is 91.65 per cent directly held by Rex's wholly-owned subsidiary Rex International Investments Pte Ltd.

LICENCE/ FIELD	LOCATION	LIME NORWAY'S STAKE	REX'S EFFECTIVE STAKE IN LICENCE HOLDING ENTITY	OPERATOR	OTHER PARTNERS	EXPIRY DATE
PRODUCING ASSETS						
Brage Field PL053B PL055 PL055B PL055D PL055E PL185	North Sea	33.8434%	31.0%	OKEA ASA	DNO Norge AS Vår Energi AS MVest Energy AS	06.04.2030 06.04.2030 06.04.2030 06.04.2030 06.04.2030 06.04.2030
Yme Field PL316	North Sea	10.00%	9.17%	Repsol Norge AS	LOTOS Exploration and Production Norge AS OKEA ASA	18.06.2030
DISCOVERY ASSETS						
PL820S Iving/ Evra	North Sea	30.00%	27.5%	Vår Energi ASA	AkerBP ASA Pandion Energy AS Wintershall Dea Norge AS	05.02.2024
PL820SB Iving/ Evra	North Sea	30.00%	27.5%	Vår Energi ASA	AkerBP ASA Pandion Energy AS Wintershall Dea Norge AS	05.02.2024
PL838 Shrek	Norwegian Sea	30.0%	27.5%	Aker BP ASA	PGNiG Upstream Norway AS	05.08.2023
PL1125 Falk/ Linerle	Norwegian Sea	50%	45.8%	OKEA ASA	---	19.02.2024
EXPLORATION ASSETS						
PL 818 Orkja	North Sea	30.0%	27.5%	Aker BP ASA	Equinor Energy AS	05.02.2026
PL818B Orkja	North Sea	30.0%	27.5%	Aker BP ASA	Equinor Energy AS	05.02.2026
PL838B Felicia	Norwegian Sea	30.0%	27.5%	PGNiG Upstream Norway AS	AkerBP ASA	01.03.2028
PL867 Gjegnalunden	North Sea	20.0%	18.3%	Aker BP ASA	---	10.02.2027
PL867B	North Sea	20.0%	18.3%	Aker BP ASA	---	10.02.2027
PL1093 El Teide / Timanfaya	North Sea	20.0%	18.3%	Harbour Energy Norge AS	Petoro AS	19.02.2028
PL1178	North Sea	50.0%	45.8%	OKEA ASA	---	---
PL1190	Norwegian Sea	30.0%	27.5%	Harbour Energy	PGNiG	---

2022 OPERATIONS UPDATE

- Added an additional development project by acquiring 40 per cent interests in licences PL820 S and PL 820 SB in the North Sea. The licences with the Iving and Evra discoveries, lie on the northern end of the Utsira High area adjacent to the giant Vår Energy-operated Balder field, and just north of PL818 Orkja and PL867 Gjegnalunden in which LPA has 30 per cent and 20 per cent interests respectively.

- Farmed down by 10 per cent, LPA's 40 per cent interests in licences PL820 S and PL 820 SB, to Vår Energy, as part of LPA's strategy to have balanced holdings in its portfolio of assets.

- Engaged an exclusive manager to arrange fixed income investor meetings for a new bond issue to refinance the existing NOK 500 million (approximately US$51 million) senior secured bonds with maturity in January 2024 (ISIN NO0011037343) and for acquisition purposes on the Norwegian Continental Shelf, as well as general working capital purposes.

- Raised a three-year senior secured bond issue of NOK 1,250 million and issued NOK 950 million of the bond (approximately US$96.7 million) in 2022, with the possibility of tapping into the remaining NOK 300 million at a later date.

- Terminated and repaid the Senior Secured Bond NOK 500,000,000 (ISIN NO0011037343) with maturity in January 2024.

- Participated in the drilling of an exploration well at the Brage South prospect targeting the deeper reservoir sections in the producing Brage Field, which was completed without a discovery. The drilling of the prospect allowed for economies of scale for a side-track of a production well in the Brage Field, keeping exploration costs low.

- Completed a purchase transaction to acquire 10 per cent interest in the oil producing Yme Field on the Norwegian North Sea, NOK 538.6 million.

- As a consortium member, completed phase 1C of Carbon Capture and Storage, identifying a potentially viable injection site on the Norwegian Continental Shelf. The project will continue into 2023 with LPA's two other partners.

- Completed acquisition of a 10 per cent interest in the Yme Field with an initial payment of US$55 million. As part of the settlement, ABG Sundal Collier ASA was engaged to raise NOK 250 million (approximately US$25.3 million) from the tap mechanism in the bond (ISIN NO0012559246) (the "**Tap**") in January 2023, with ABG Sundal Collier ASA as underwriter.

- Strengthened its capital structure by a shareholder loan from its shareholder Rex of NOK 49 million in December 2022.

Brage Field (LPA's interest: 33.8434 per cent)

- OKEA successfully took over operatorship of the Brage Field from Wintershall DEA on 1 November 2022.

- The scheduled maintenance stop was postponed from May to September 2022. No significant issues with the facility were found during the maintenance stop. However, bringing production levels back up after the shutdown proved to be more time consuming than anticipated, especially for gas production.

- Production efficiency for 2022 was approximately 85 per cent, which was mostly due to the scheduled revision stop (turnaround). The production efficiency is expected to be well above 90 per cent in the coming years.

- Throughout 2022, 27 wells were active out of which 22 were producers, four were water injectors and one was a water producer used for sourcing Utsira formation water for water injection.

Brage Field, Norway
Photo courtesy of Okea ASA

- The gross production on Brage field in 2022 was 2.66 MMboe or 0.90 MMboe net to LPA. This translates in average gross daily production of 7,287 boepd or 2,465 boepd net to LPA.

- The Brage South well was concluded in July 2022, 20 days ahead of schedule, and the targets were found to be dry. The well is now planned to be side-tracked to a Fensfjord Formation production target in the first quarter of 2023. After the maintenance stop, drilling of the A-11 well with multiple targets in the Talisker area (proven in 2021) was initiated.

- Three additional infill wells are currently planned, one of which will test an exploration target on the southwestern flank of the field.

Yme Field (LPA's interest: 10 per cent)

- Throughout 2022, Yme went through an extended commissioning phase. This includes drilling both from the production rig (Yme Inspirer) on the main structure (Gamma) at Yme and from the Valeris Viking on the satellite structure (Beta).

- Drilling on the Beta structure concluded at the end of 2022, while drilling on the Gamma structure from the Yme Inspirer rig is ongoing and will continue in 2023 with three further wells.

- Clean-up and testing of existing wells, and phasing in of newly drilled wells will continue into 2023.

- The commissioning phase at the Yme Field has been challenging and the field has experienced several shutdowns during 2022. The Operator indicates that Production Efficiency will gradually increase through 2023. Currently production levels are in line with the Operator's expectations, and ahead of LPA's forecast.

- Plateau production was initially expected to be reached in the fourth quarter of 2022. However, it is now expected in mid-2023. Production improved significantly through December 2022, reaching a monthly average of 14,000 bopd from four wells, with a peak production level reached in late-December of 29,680 bopd from eight wells.

PL820 S Iving/Evra (LPA's interest: 30 per cent)

- LPA has conducted a feasibility study on behalf of the licence for further appraising and developing the Iving and Evra discoveries.

- LPA will work closely with the operator Vår Energi on further maturing the discoveries. This may result in drilling operations in 2024 or 2025.

Shrek, Fogelberg and Falk

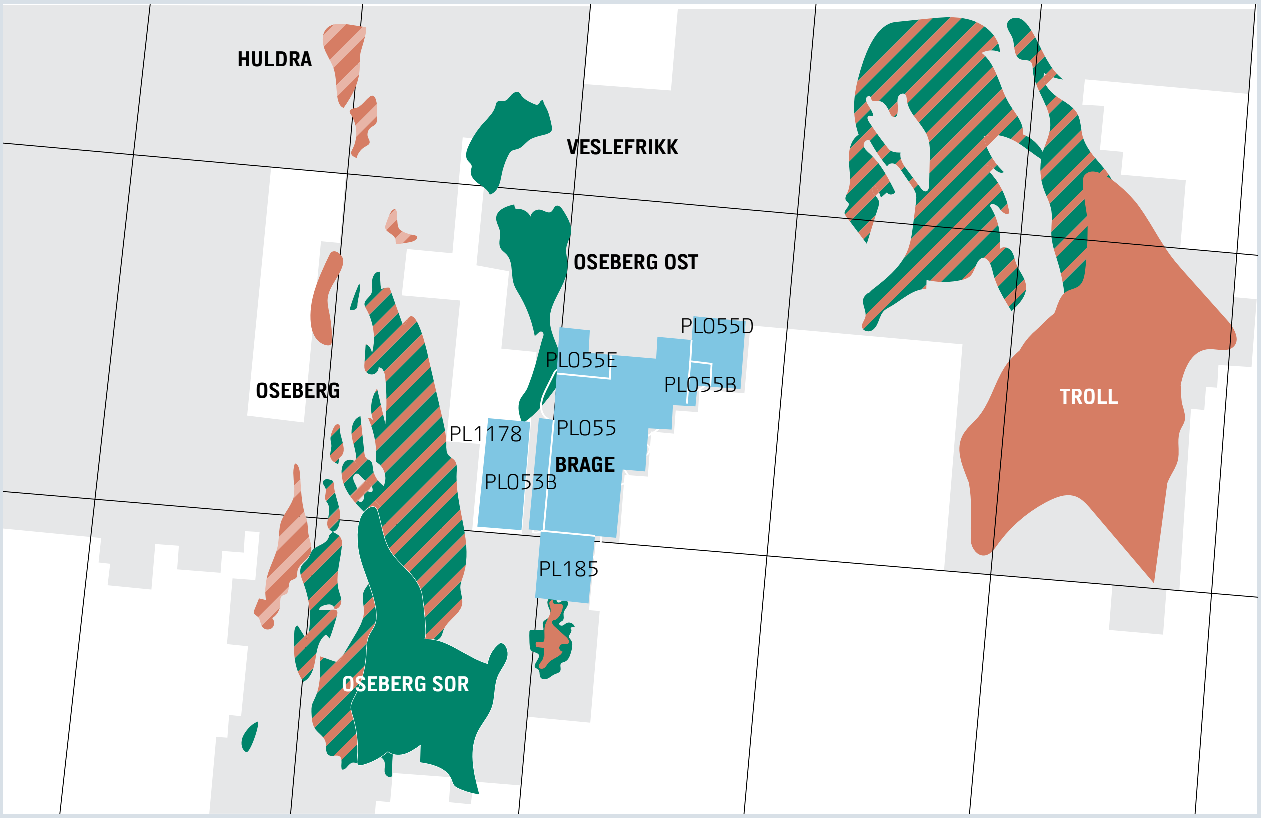
- The licence partnership on PL433 (Fogelberg) decided to relinquish the licence rather than move forward with a plan for development and operation (PDO) in 2022. The licence was fully impaired by the end of 2022.

- Similarly, PL1111 was relinquished and fully impaired. A PDO in PL838 for the Shrek discovery was not submitted as expected in 2022. The discovery will now be considered with another development solution, and the licence partners are currently reviewing further exploration opportunities within the licence.

- The PL1125 licence partnership has found that there is not a strong basis to develop the Falk discovery as a stand-alone field. LPA is working on maturing further prospects within the licence to add material volumes to a potential Falk development.

PL867/B Gjegnalunden (LPA's interest: 20 per cent)

- Drilling operations on the Gjegnalunden prospect, for which AkerBP is the Operator with 80 per cent, concluded in February 2023, with a minor discovery. Work will be ongoing in 2023 to evaluate the discovery and its impact on other prospects in the area, including Orkja in neighbouring PL818.



According to the Norwegian Petroleum Directorate, there are 2.5 million Sm^3 of oil equivalent or 15.7 mmboe of remaining reserves in the Brage Field. Accordingly, giving LPA net 2P Reserves of about 5.32 mmboe. Based on the gross production on the Brage Field in 2022, production averaged 2,465 boepd net to LPA.

Development

Brage is a field in the northern part of the North Sea, 10 kilometres east of the Oseberg field. The water depth is 140 metres. Brage was discovered in 1980 and production started in 1993. The field is developed with an integrated production, drilling and accommodation facility with a steel jacket. Oil and gas is separated on the platform. Oil is piped through the Oseberg Transport System (OTS) to the Sture terminal. Gas is transported through Statpipe to Kårstø.

Status

Brage has been producing for a long time, and work is still ongoing to find new ways of increasing recovery from the field. New wells are being drilled, both production wells and exploration wells.

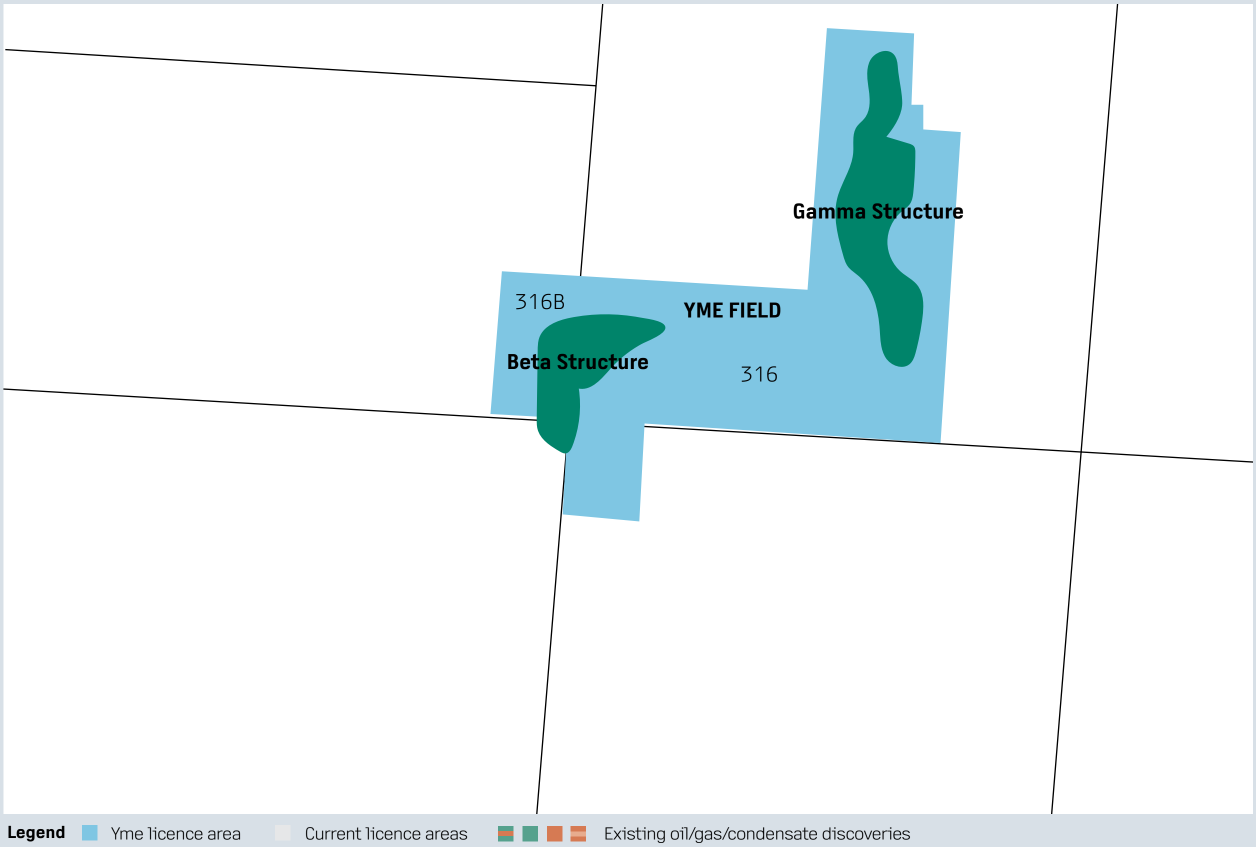
Reservoir

Brage produces oil from sandstone of Early Jurassic age in the Statfjord Group, and sandstone of Middle Jurassic age in the Brent Group and the Fensfjord Formation. There is also oil and gas in Upper Jurassic sandstone in the Sognefjord Formation. The reservoirs lie at a depth of 2,000 to 2,300 metres. The reservoir quality varies from poor to excellent.

Brage Climate Response Programme

The licence is considering options to bring down the field's carbon footprint, including electrification of the platform.

Source: Norwegian Production Directorate website, Field: BRAGE - Factpages - NPD



According to the Norwegian Petroleum Directorate, remaining reserves in the Yme Field stand at 8.71 million Sm^3 of oil equivalent i.e. there are remaining 2P Reserves of about 5.5 mmboe in the Yme Field net to LPA. With this reserve base, the field has gone through a complete redevelopment, and production started again in October 2021. Plateau production was initially expected to be reached in the fourth quarter of 2022. However, it is now expected in mid-2023. Production improved significantly through December 2022, reaching a monthly average of 14,000 bopd, from four wells, with a peak production level reached in late-December of 29,680 bopd.

Development

Yme, discovered in 1987, is a field in the southeastern part of the Norwegian sector of the North Sea, 130 kilometres northeast of the Ula field. The water depth is 100 metres. The field comprises two separate main structures, Gamma and Beta, which are 12 kilometres apart. Production started in 1996 but ceased in 2001 because operation of the field was at the time no longer regarded as profitable, however there were significant remaining reserves. Yme was redeveloped with a jack-up rig (Yme Inspirer) equipped with drilling and production facilities installed on the main structure (Gamma), and with subsea tie-back of wells from the Beta structure. Oil is stored in a subsea tank before shipping to market. Gas and water is reinjected into the reservoir.

Source: Norwegian Production Directorate website, Field: YME - Factpages - NPD

Status

Production started again in October 2021, and production levels are rising as new wells are being added.

Reservoir

The reservoir contains oil in two separate main structures, Gamma and Beta. The structures comprise six deposits. The reservoirs are in sandstone of Middle Jurassic age in the Sandnes Formation, at a depth of 3,150 metres. They are heterogeneous and have variable reservoir properties.

MALAYSIA

Rex International was awarded 95 per cent interests and operatorship of two Production Sharing Contracts (PSCs) by Petroliam Nasional Berhad (PETRONAS) in Malaysia in 2021. These PSCs are related to the development and production of the Rhu-Ara and the Diwangsa Clusters (the "**Clusters**") located in offshore Peninsular Malaysia. The Rhu-Ara Cluster contains two discovered oil fields and the Diwangsa Cluster contains four discovered oil fields. The Clusters are awarded following the Malaysia Bid Round 2020.

OVERVIEW

Malaysia is the second-largest oil producer in Southeast Asia and the world's third largest exporter of liquefied natural gas (LNG). At the end of 2020, the country held proved oil reserves of 2.7 billion barrels and natural gas deposits totalling 32.1 trillion cubic feet. The country's oil and gas reserves are located mainly offshore in the South China Sea, near the coasts of the states of Kelantan, Terengganu, Sarawak, and Sabah.[1]

According to data compiled by the US Energy Information Administration (EIA), in 2020, the country's total liquid fuel production was close to 655,000 barrels per day (b/d), of which about 556,000 b/d was estimated to be crude oil and 49,000 b/d was natural gas plant liquids (NGPL).[1]

Petronas holds stakes in most of the oil and natural gas blocks in Malaysia, and Petronas financial contributions to government revenue in the form of taxes, dividends, and cash payments comprised about 35 per cent of total government revenue in 2019.[2]

According to the Oil & Gas Journal (OGJ), Malaysia held proved oil reserves of 3.6 billion barrels as of January 2020, the fourth-largest reserves in Asia Pacific after China, India, and Vietnam. Nearly all of Malaysia's oil comes from offshore fields.[2]

[1] ISEAS – Yusof Ishak Institute (ISEAS) (formerly Institute of Southeast Asian Studies), 2022/21 "Malaysia's Oil and Gas Sector: Constant Expectations despite Diminishing Returns" by Pritish Bhattacharya and Francis E. Hutchinson, ISEAS Perspective 2022/21, 2 March 2022
[2] US Energy Information Administration, Country Analysis Executive Summary: Malaysia, 25 January 2021

THE RHU-ARA AND THE DIWANGSA CLUSTERS

In 2021, Rex International was awarded 95 per cent interests and operatorship of two PSCs by PETRONAS, Malaysia's national oil corporation. These PSCs are related to the development and production of the Rhu-Ara and the Diwangsa Clusters located in offshore Peninsular Malaysia. The Rhu-Ara Cluster contains two discovered oil fields and the Diwangsa Cluster contains four discovered oil fields.

The Rhu-Ara Cluster, consisting of Rhu and Ara fields, lies within the Penyu Basin 150km off the coast of oil centre Kerteh, Terengganu. The Diwangsa Cluster, which lies in the northwestern side of the Malay Basin, comprises Diwangsa, Bubu, Korbu and Lerek fields. These previously discovered fields have total estimated recoverables of 12.7 MMstb for the Rhu-Ara Cluster and 10.7 MMstb for the Diwangsa Cluster. Both clusters are now primed for development under the SFA PSC terms which incorporates a simplified fiscal model and governance process.

The award of these two new Small Field Asset (SFA) PSCs marks Rex's maiden entry into Malaysia's upstream industry, in partnership with local company Duta Marine Sdn Bhd (Duta Marine), which will hold the remaining 5 per cent. Rex brings to the table significant operating experience and expertise in developing and producing small oil fields in the Middle East as well as participation in joint ventures in the North Sea.

The fields were offered during the Malaysia Bid Round 2020 based on the SFA fiscal terms introduced in the same year that intensifies PETRONAS' commitment to monetising small discovered resource opportunities in Malaysian waters. The new SFA PSC terms include an up-to-two-year pre-development phase followed by a two-year development and a 10-year production period. Over the next two years, the Group's focus will be on the pre-development phase of the Clusters.

PETRONAS Press Release, PETRONAS Intensifies Malaysia's Small Fields Development, Awards Two New Production Sharing Contracts | PETRONAS Global, 30 August 2021

RESERVES & RESOURCES

YUMNA FIELD, OMAN

The following reserves table has been extracted from the Summary Qualified Person's Report ("**QPR**") prepared by the Group's in-house qualified person, Mr Lars B. Hübert. With reference to the Company's announcement on 3 March 2022, an extract from the summary QPR of the reserves of the Yumna Field which is attributable to MOL, a subsidiary in which the Company has an indirect 91.81 per cent interest, is provided below:

Category	Gross Attributable to Licence (MMstb) [1,2]	MOL Net Entitlement Volume [2,3]			Rex Net Entitlement Volume [2,3]			Risk Factors[6]	Remarks
		Previous Report (MMstb)[4]	Current Report (MMstb)[5]	% Change from Previous Update	Previous Report (MMstb)[4]	Current Report (MMstb)[5]	% Change from Previous Update		
Low 1P	5.6	2.7	3.6	+33%	2.5	3.3	+32%	N/A	Change due to production[5], maturation of reserves and updated volumetrics
Base 2P	8.7	4.0	5.5	+38%	3.7	5.0	+36%	N/A	Change due to production[5], maturation of reserves and updated volumetrics
High 3P	10.3	4.6	6.5	+41%	4.2	6.0	+43%	N/A	Change due to transfer to production[5], maturation of reserves and updated volumetrics

Notes:
1. Gross field Reserves (100% basis) after economic limit test as of 31 December 2022
2. Economic cut off year for the 1P, 2P and 3P reserves in 2028
3. Company net entitlement Reserves after economic limit test
4. Volume as at 31 December 2021
5. Volume after subtraction of net entitlement production of 850 MMstb gross from 1 January 2022 until 31 December 2022 plus upgrade and maturation of reserves
6. No risk is applied to Reserves

MMstb: Million stock tank barrels

1P Proven reserves have high degree of certainty to be recovered from reservoirs under existing conditions. There is relatively little risk associated with such reserves.

2P Proven & Probable reserves have at least a 50% probability that reserves will be recovered. This is determined after analysing geological and engineering data.

3P Proven, Probable & Possible reserves has a low degree of certainty to be recovered. There is relatively high risk associated with these reserves.

Name of Qualified Person: Lars B. Hübert
Date: 2 March 2023
Professional Society Affiliation / Membership: American Association of Petroleum Geologists and the Society of Petroleum Engineers

As of 31 December 2022, the Yumna Field had produced 7.1 MMstb. Based on the recoverable reserve estimate from the 2022 internal work, the remaining reserves are presented in the table above. Remaining 2P gross reserves in the Yumna Field had increased to 8.7 MMstb. The produced volumes have been subtracted from the updated remaining reserves volumes for each of the three cases (Low, Base, High) on a gross basis attributable to the licence, and on a net entitlement basis to MOL (as presented in the table above). The QPR was prepared on a voluntary basis.

BRAGE AND YME FIELDS, NORWAY

The following reserves and contingent resources tables have been extracted from the Independent Summary QPRs dated 21 March 2023, prepared by AGR energy Services AS.

With reference to the Company's announcement on 21 March 2023, extracts from the Independent QPRs of the reserves and contingent resources in the Brage Field and Yme Field in Norway, in which Rex's 91.65 per cent subsidiary LPA holds 33.8434 per cent and 10 per cent respectively, are provided below:

Brage Field

Category	Gross Attributable to Licence (MMbbl/Bcf)	Net Attributable (33.8434% LPA share) (MMbbl / Bcf)	Net Attributable (91.652% Rex Int share of LPA) (MMbbl / Bcf)	% Change from previous update	Risk Factors[2]	Remarks
RESERVES						
Oil Reserves						
1P	5.88	1.99	1.82	-	N.A.	-
2P	7.02	2.38	2.18	-	N.A.	-
3P	10.72	3.63	3.33	-	N.A.	-
Natural Gas Reserves						
1P	10.01	3.39	3.10	-	N.A.	-
2P	14.86	5.03	4.61	-	N.A.	-
3P	21.16	7.16	6.56	-	N.A.	-
Natural Gas Liquids Reserves						
1P	0.77	0.26	0.24	-	N.A.	-
2P	1.14	0.39	0.35	-	N.A.	-
3P	1.63	0.55	0.50	-	N.A.	-
CONTINGENT RESOURCES						
Oil						
1C	5.48	1.85	1.70	-	0.48	Weighted average of three projects
2C	9.73	3.29	3.02	-	0.48	
3C	13.96	4.72	4.33	-	0.48	
Natural Gas						
1C	16.20	5.48	5.03	-	0.48	-
2C	16.67	5.64	5.17	-	0.48	-
3C	16.61	5.62	5.15	-	0.48	-
Natural Gas Liquids						
1C	1.27	0.43	0.39	-	0.48	-
2C	1.30	0.44	0.40	-	0.48	-
3C	1.30	0.44	0.40	-	0.48	-

Notes:
1. Net Attributable to Issuer means the Company's effective working interest share under the respective production licence. The Company is entitled to a full share of these volumes. LPA's shareholders are Rex International Investments Pte. Ltd. (at 91.652%), a wholly owned subsidiary of Rex International Holding Limited, and Schroder & Co Banque SA (at 8.348%).
2. Applicable to Resources. "Risk Factor" for Contingent Resources means the estimated chance, or probability, that the volumes will be commercially extracted.

Yme Field

Category	Gross Attributable to Licence (MMbbl / Bcf)	Net Attributable (10.00% LPA share) (MMbbl / Bcf)	Net Attributable (91.652% Rex Int Share of LPA) (MMbbl / Bcf)	%Change From Previous Update	Risk Factors[2]	Remarks
RESERVES						
Oil Reserves						
1P	25.79	2.58	2.36	-	N.A.	-
2P	54.67	5.47	5.01	-	N.A.	-
3P	58.08	5.81	5.32	-	N.A.	-
Natural Gas Reserves						
1P	-	-	-	-	-	-
2P	-	-	-	-	-	-
3P	-	-	-	-	-	-
Natural Gas Liquids Reserves						
1P	-	-	-	-	-	-
2P	-	-	-	-	-	-
3P	-	-	-	-	-	-
CONTINGENT RESOURCES						
Oil						
1C	1.50	0.15	0.14	-	0.50	Immature projects
2C	3.00	0.30	0.27	-	0.50	
3C	4.50	0.45	0.41	-	0.50	
Natural Gas						
1C	-	-	-	-	-	-
2C	-	-	-	-	-	-
3C	-	-	-	-	-	-
Natural Gas Liquids						
1C	-	-	-	-	-	-
2C	-	-	-	-	-	-
3C	-	-	-	-	-	-

Notes:
1. Net Attributable to Issuer means the Company's effective working interest share under the respective production licence. The Company is entitled to a full share of these volumes. LPA's shareholders are Rex International Investments Pte. Ltd. (at 91.652%), a wholly owned subsidiary of Rex International Holding Limited, and Schroder & Co Banque SA (at 8.348%)
2. Applicable to Resources. "Risk Factor" for Contingent Resources means the estimated chance, or probability, that the volumes will be commercially extracted.

MMbbl: Millions of barrels
Bcf: Billions of cubic feet

1P: Proved
2P: Proved + Probable
3P: Proved + Probable + Possible

Name of Qualified Person: Steinar S. Johansen
Date: 21 March 2023
Professional Society Affiliation / Membership: Society of Petroleum Engineers (SPE), European Association of Geoscientists and Engineers (EAGE), London Petrophysical Society (LPS), CFA Institute

SHREK DISCOVERY, NORWAY

The following resources table has been extracted from the Independent QPR dated 20 March 2020, prepared by RPS Group Plc.

With reference to the Company's announcement on 23 March 2020, an extract from the Independent QPR of the contingent resources in PL838 in Norway, where the Shrek discovery was made in 2019, is provided below.

LPA holds a 30 per cent working interest in the asset. There has been no material change since the Independent QPR.

Category	Gross Attributable to Licence		LPA's 30% Working Interest			Rex's 91.65% interest in LPA			Risk Factors[1]	Remarks
	Contingent Resources		Contingent Resources		% Change from Previous Update	Contingent Resources		% Change from Previous Update		
Contingent Resources – Oil[2]										
	MMcm	**MMstb**	**MMcm**	**MMstb**		**MMcm**	**MMstb**			
1C	1.65	10	0.50	3.1	N.A.	0.46	2.84	N.A.	N.A.	N.A.
2C	2.42	15	0.73	4.6	N.A.	0.67	4.22	N.A.	N.A.	N.A.
3C	3.55	22	1.07	6.7	N.A.	0.98	6.14	N.A.	N.A.	N.A.
Contingent Resources – Gas[2,3]										
	Bcm	**Bscf**	**Bcm**	**Bscf**		**Bcm**	**Bscf**			
1C	0.68	24	0.20	7.2	N.A.	0.18	6.60	N.A.	N.A.	N.A.
2C	0.97	34	0.29	10.0	N.A.	0.27	9.17	N.A.	N.A.	N.A.
3C	1.40	50	0.42	15.0	N.A.	0.38	13.75	N.A.	N.A.	N.A.

Notes:

1. Given the early stage of assessment of development options and the recent change of operator, RPS does not deem it appropriate to assign a change of development.
2. Total of individual reservoirs summed statistically. An arithmetic summation of individual 1C, 2C and 3C quantities will not produce a total 1C, 2C and 3C. Statistical aggregation takes into account all outcomes. The process of statistical addition will, as a result of the central limit theorem, produce a 1C that is greater than the arithmetic sum of all 1C quantities and a 3C that is less than the arithmetic sum of all 3C quantities and do not add arithmetically.
3. Volumes include free and associated gas.

MMcm: Millions cubic metres
MMstb: Million stock tank barrels (at 14.7 PSI and 60°F)
Bcm: Billion cubic metres
Bscf: Billions of standard cubic feet

Name of Qualified Person: Gordon Taylor
Date: 20 March 2020
Professional Society Affiliation / Membership: Geological Society, Institute of Materials, Minerals and Mining, AAPG Division of Professional Affairs and the Society of Petroleum Engineers

FALK DISCOVERY, NORWAY

The following resources table has been extracted from the Independent QPR dated 22 April 2021, prepared by RPS Group Plc.

With reference to the Company's announcement on 22 April 2021, an extract from the Independent QPR of the contingent resources in PL1125 in Norway, where the Falk discovery was made in 2000, is provided below.

LPA holds a 50 per cent working interest in the asset. There has been no material change since the Independent QPR.

Category	Gross Attributable to Licence Contingent Resources		LPA's 50% Working Interest Contingent Resources		% Change from Previous Update	Rex's Interest (91.65% in LPA) Contingent Resources		Risk Factors[1]	Remarks
Contingent Resources - Oil									
	MMcm	**MMstb**	**MMcm**	**MMstb**		**MMcm**	**MMstb**		
1C	2.77	17.40	1.39	8.70	N.A.	1.27	7.97	N.A.	-
2C	4.42	27.80	2.21	13.90	N.A.	2.03	12.74	N.A.	-
3C	6.86	43.20	3.43	21.60	N.A.	3.14	19.80	N.A.	-
Contingent Resources – Gas[2]									
	Bcm	**Bscf**	**Bcm**	**Bscf**		**Bcm**	**Bscf**		
1C	0.08	2.89	0.04	1.45	N.A.	0.04	1.33	N.A.	-
2C	0.13	4.67	0.07	2.34	N.A.	0.06	2.14	N.A.	-
3C	0.21	7.32	0.11	3.66	N.A.	0.10	3.35	N.A.	-

Notes:
1. Given the early stage of assessment of development options, RPS does not deem it appropriate to assign a chance of development.
2. Associated gas only.

MMcm: Millions cubic metres
MMstb: Million stock tank barrels
Bcm: Billion cubic metres
Bscf: Billions of standard cubic feet

Name of Qualified Person: Gordon Taylor
Date: 22 April 2021
Professional Society Affiliation / Membership: Geological Society, Institute of Materials, Minerals and Mining, AAPG Division of Professional Affairs and the Society of Petroleum Engineers

Yumna Field, Oman

FINANCIAL REVIEW

PROFIT FOR THE YEAR AND ADJUSTED EBITDA

The Group recorded a profit after tax of US$0.35 million in the financial year ended 31 December 2022 ("**FY2022**"), as compared to profit after tax of US$78.94 million in the corresponding financial year ended 31 December 2021 ("**FY2021**").

Adjusted EBITDA# for FY2022 was a positive US$61.65 million as compared to a positive US$111.20 million for FY2021.

REVENUE AND COST OF SERVICES

Revenue from sale of crude oil increased to US$170.26 million in FY2022, from US$158.44 million in FY2021, from the sale of crude oil from the Yumna Field (after the Oman government take) and the Brage Field. The increase in revenue was due to inclusion of oil liftings from the Brage Field in Norway (the acquisition of which was completed on 31 December 2021) and an increase in the average realised oil price sold from US$67 per barrel in FY2021 to US$88 per barrel in FY2022 for the sale of crude oil from the Yumna Field in Oman. The increase in revenue was partially offset by a decrease in the volume of oil lifted and sold from the Yumna Field in FY2022, due to production stoppages for the planned major change-outs and upgrades made to the production facilities from February 2022 to April 2022 and unforeseen operational issues in June and November 2022 in both Oman and Norway.

Production and operating expenses increased to US$73.96 million in FY2022, from US$25.55 million in FY2021, mainly due to 1) inclusion of production costs from the Brage Field in Norway and 2) an increase in production costs in Oman from the planned change-out of the floating storage tanker and the planned change-out of the Mobile Offshore Production Unit (MOPU) with upgraded facilities onboard.

Depletion of oil and gas properties decreased to US$28.25 million in FY2022, from US$36.24 million in FY2021, due to the decrease in volume of oil lifted and sold in Oman in FY2022.

Exploration and evaluation expenditure (excluding impairment of exploration and evaluation assets) decreased to US$3.23 million in FY2022, from US$11.91 million in FY2021, mainly due to one-off expensed exploration costs of US$9.73 million in Oman for three exploration wells that were deemed non-commercial in FY2021.

Impairment of exploration and evaluation assets of US$24.29 million in FY2022 relates to the relinquishment of licences PL937, PL433 and PL1111 in Norway, while impairment of exploration and evaluation assets of US$1.02 million in FY2021 relates to the relinquishment of licence PL1062 in Norway.

ADMINISTRATIVE EXPENSES

Administrative expenses remained fairly consistent in both financial years, US$28.57 million and US$29.11 million in FY2022 and FY2021 respectively.

OTHER EXPENSES/OTHER INCOME

Other expenses of US$3.44 million recorded in FY2022 was mainly due to 1) unrealised fair value loss of quoted investments of US$2.79 million, as a result of the poor performance in the bond and equity markets in Europe, and 2) loss on disposal of property, plant and equipment of US$0.51 million. Other expenses in FY2021 was negligible.

Other income of US$0.62 million recorded in FY2022 was due to realised gain from the disposal of quoted investments. Comparatively, other income of US$20.83 million recorded in FY2021 was mainly due to 1) bargain purchase of US$18.24 million from acquisition of the Brage Field, and 2) recovery of bad debts previously written-off of US$1.72 million.

NET FINANCE COSTS

Finance income remained fairly consistent in both financial years, US$0.74 million and US$0.73 million in FY2022 and FY2021 respectively.

Finance costs increased to US$14.77 million in FY2022, from US$3.64 million in FY2021, due to the issuance of senior secured bonds by a subsidiary.

Net foreign exchange loss increased to US$1.45 million in FY2022, from US$0.71 million in FY2021 due to the weakening of the Norwegian Kroner and Euro against the United States dollar in FY2022. A portion of the quoted investments were denominated in Euro.

TAXATION

The Group recorded tax credits of US$6.96 million and US$9.52 million in FY2022 and FY2021 respectively, in relation to refundable tax arising from exploration costs incurred in Norway.

Adjusted EBITDA = Earnings - depletion of oil and gas properties - amortisation of intangible assets - taxes - interest expense and income - impairment losses on exploration and evaluation assets

NON-CURRENT ASSETS

Non-current assets of the Group increased to US$427.96 million as at 31 December 2022, from US$349.99 million as at 31 December 2021. The increase was mainly due to 1) an increase in oil and gas properties and recognition of US$31.91 million goodwill from the acquisition of the Yme Field in Norway, and 2) further investment in an associate.

CURRENT ASSETS

Inventories increased to US$13.73 million as at 31 December 2022, from US$11.28 million as at 31 December 2021 was largely attributable to the acquisition of the Yme Field.

Current trade and other receivables of the Group decreased to US$88.06 million as at 31 December 2022, from US$94.99 million as at 31 December 2021, largely due to a decrease in trade receivables from the sale of crude oil in Oman as a result of significantly shorter payment terms.

Quoted investments decreased to US$23.04 million as at 31 December 2022, from US$26.31 million as at 31 December 2021, mainly due to unrealised fair value loss as a result of the poor performance in the bond and equity markets in Europe.

NON-CURRENT LIABILITIES

Decommissioning provisions decreased to US$190.66 million as at 31 December 2022, from US$197.15 million as at 31 December 2021, mainly due to 1) reversal of decommissioning provision relating to the Brage Field in Norway and 2) foreign currency translation loss on consolidation as a result of weakening of the Norwegian Kroner against the United States dollar. The decrease was partly offset by the recognition of additional decommissioning provisions from the acquisition of the Yme Field.

Deferred tax liabilities increased to US$66.89 million as at 31 December 2022, from US$40.83 million as at 31 December 2021, due to an increase in oil and gas properties, as well as exploration and evaluation assets in Norway.

Total current and non-current loan and borrowings increased to US$91.95 million as at 31 December 2022, from US$55.62 million as at 31 December 2021, due to an increase in the amount of secured bonds raised by a subsidiary to fund the acquisitions on the Norwegian Continental Shelf (NCS), as well as for general working capital purposes. Please refer to the Company's press release dated 29 June 2022 for further information.

CURRENT LIABILITIES

Trade and other payables increased to US$129.54 million as at 31 December 2022, from US$49.73 million as at 31 December 2021, largely due to 1) deferred consideration payable of US$29.51 million from the acquisition of the Yme Field, 2) prepayment of US$30.00 million from a customer for the sale of crude oil in Norway and 3) increase in accrued production costs in relation to the production activities in both Norway and Oman.

CASH FLOWS

As at 31 December 2022, the Group's cash and cash equivalents and quoted investments totalled US$138.80 million (31 December 2021: US$86.91 million); with cash and cash equivalents at US$115.76 million (31 December 2021: US$60.60 million); and quoted investments at US$23.04 million (31 December 2021: US$26.31 million).

The Group reported net cash generated from operating activities of US$169.06 million in FY2022, after accounting for movements in working capital. This was primarily due to sale of crude oil and tax receipts from the Norwegian authorities for exploration and evaluation activities in Norway. The net cash generated from operating activities was partially offset by production and operating expenses used in the production activities in Oman, as well as administrative and other operational expenses incurred in relation to the Group's business.

Net cash used in investing activities of US$137.27 million in FY2022 was mainly attributable to 1) the acquisition of the Yme Field of US$54.82 million, 2) additions to oil and gas properties of US$56.30 million, 3) exploration and evaluation expenditure of US$24.52 million, 4) investment in an associate of US$2.00 million, 5) purchase of quoted investments of US$11.07 million and 6) purchase of property, plant and equipment of US$0.95 million. The net cash used in investing activities was also partially offset by proceeds from the disposal of quoted investments of US$11.65 million and interest received of US$0.74 million.

Net cash generated from financing activities of US$21.92 million in FY2022 was mainly due to proceeds from the issuance of secured bonds by a subsidiary of US$89.36 million, which was partially offset by 1) settlement of an existing bond of US$49.59 million (NOK 500 million), 2) transaction costs of US$3.73 million paid in relation to the issuance of secured bonds by a subsidiary, 3) dividends paid to the owners of the Company of US$4.54 million, and 4) interest paid of US$8.13 million.

As a result of the aforementioned, the Group recorded an overall net increase in cash and cash equivalents of US$53.72 million in FY2022, as compared to US$28.55 million in FY2021.

INVESTOR RELATIONS & COMMUNICATIONS

Rex International Holding aims to provide regular, succinct, transparent and timely information on the Group's strategy, business activities and financial performance, and to address concerns and strengthen relationships with its stakeholders. The Company employs various platforms, including announcements, press releases, investor presentations, meetings, briefings, conference calls, annual reports, the corporate website and social media, to communicate with its stakeholders comprising shareholders, investors, analysts, the media and the general public.

The Company announces the financial statements of the Company and the Group on a half-yearly basis. However, as a mineral, oil and gas company, the Company continues to provide quarterly updates on its use of funds as required under Rules 705(6) and 705(7) of the Listing Manual. All announcements, including the aforementioned, are released on SGXNet and are also available the Company's website, which is a primary source of information.

Investors can subscribe to email alerts on the Company's new announcements at https://investor.rexih.com/email_alerts.html.

2022 INVESTOR RELATIONS ACTIVITIES

1Q 2022

- Extraordinary General Meeting
- Release of FY2021 financial results
- Summary Independent Qualified Person's Report on Yumna Field, Oman
- Transfer of listing from the Catalist Board to the Mainboard of the SGX-ST

2Q 2022

- SG 30 Gems, ShareInvestor Virtual Investor Conference
- Announcement on Use of Funds/Cash by Mineral, Oil and Gas Companies
- Annual General Meeting
- Extraordinary General Meeting

3Q 2022

- Release of 1H FY2022 financial results

4Q 2022

- Announcement on Use of Funds/Cash by Mineral, Oil and Gas Companies

CONTACT US

If you have any enquiries or would like to find out more about Rex International Holding, please contact:

SHAREHOLDER ENQUIRIES

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SHARE REGISTRAR

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Phone: +65 6535 7511
Fax: +65 6535 0775
Email: cdp@sgx.com
Website:
https://investors.sgx.com/dashboard

Bronze

Singapore Corporate Awards 2022[1]

Best Managed Board (Mid-cap)
Best Investor Relations (Mid-cap)

Singapore Corporate Governance Awards (SCGA) 2022, Mid Cap Category, SIAS Investors' Choice Awards 2022[2]

Runner-Up

No. 1

Straits Times / Statista Singapore's Fastest Growing Companies 2023

Ranked No. 1 in the Straits Times / Statista Singapore's Fastest Growing Companies 2023 list, which includes 100 local businesses that achieved markedly high revenue growth between 2018 and 2021[3]

55

Singapore Corporate Transparency Index 2022

Ranked No. 55 in the Singapore Governance and Transparency Index (SGTI) 2022 with a total score of 88[4]. This was well above the mean overall score of 70.6. This is the first time the score in this category has crossed the 70-point threshold since the inception of the index in 2009[5]. The Company continued to be the highest ranked among Singapore-listed oil exploration & production companies for the seventh consecutive year.

>88

announcements and press releases were issued in 2022.

109%

2-year Shareholder Return

With Brent Crude Oil futures rallying from US$48.50 per barrel to US$75.20 per barrel in 2021, Rex generated returns of 109 per cent over the year[6]

[1] Business Times, Celebrating exemplary corporate governance, 31 August 2022
Business Times, Thirty-two companies, 6 individuals awarded at the 17th Singapore Corporate Awards, 31 August 2022
[2] SIAS Investors' Choice Award Winners, 7 October 2022
[3] Straits Times, Singapore's fastest-growing companies in 2023, 17 January 2023
[4] Business Times, Singapore Governance and Transparency Index 2022: General Category, 4 August 2022
[5] National University of Singapore, Singapore-listed companies and trusts strengthen corporate governance and transparency, 3 August 2022
[6] SGX, STI Rebounded 14% in 2021 as Economy Expanded 7%, 3 January 2022

SUSTAINABILITY REPORT

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER / CHIEF SUSTAINABILITY OFFICER

We are pleased to present the Sustainability Report (the "**SR**") of Rex International Holdings ("**Rex**" or the "**Company**" and together with its subsidiaries, the "**Group**") which reports our performance and practices on sustainability during the financial year ended 31 December 2022 ("**FY2022**").

We believe the core tenet of Environmental, Social and Governance ("**ESG**") is to ensure that businesses are sufficiently prepared to adapt to changing stakeholder expectations and externalities related to sustainability. Through regular engagement with our diverse stakeholders, the Group ensures that their expectations are comprehensively tabled and adequately monitored. To create long-term value for shareholders, the Group focuses our sustainability efforts on maintaining good corporate governance and protecting the health and safety of all workers throughout our operations. We also strive to protect our environment and empower the communities we operate in.

The Group recognises that climate change issues impact the oil and gas industry significantly. The impacts of climate change are wide-reaching and the majority of industries and businesses will be affected. It is expected that our revenue, operating costs, assets and supply chain will be impacted during the transition to a low-carbon economy. We have undertaken steps to bolster the Group's climate resilience and enhanced our climate reporting.

The Group shall continue to progressively expand the scope and detail of our sustainability reporting given that ESG issues will continue to feature prominently in the corporate agenda. We are building the organisational capacity to mitigate risks and capture opportunities that may arise from a global move towards sustainable energy.

Thank you for your interest in our sustainability journey and we welcome feedback from stakeholders on how the Company can improve on its sustainability performance.

Måns Lidgren
Chief Executive Officer and Chief Sustainability Officer

REPORTING PRACTICE

This SR contains information about the Group's commitment, governance, policies, performance and targets in managing sustainability (ESG) factors as well as the impact of climate change on our business. This SR supplements information on the Group's strategies and activities in relation to sustainability practices, which are covered in other parts of this Annual Report.

Reporting Principles & Statement of Use

This SR has been produced in accordance with the Global Reporting Initiative ("**GRI**") Standards 2021 and GRI 11: Oil and Gas Sector 2021 Standards, covering the financial period from 1 January 2022 to 31 December 2022. The GRI Standards, being widely used and globally recognised, were selected for their broad selection of topics for reporting on economic, environmental and social impacts.

The following GRI reporting principles were applied to guide the Group in ensuring the quality and proper presentation of the information in this SR: Accuracy, Balance, Clarity, Comparability, Completeness, Sustainability Context, Timeliness and Verifiability. For more information on GRI disclosures, please refer to the GRI Content Index.

To provide stakeholders with an adequate understanding of our climate-related risk and opportunities, this SR presents the Group's climate-related financial information in line with the recommendations of the Taskforce for Climate-related Financial Disclosures ("**TCFD**") framework. The United Nations Sustainable Development Goals ("**UN SDGs**") have also been incorporated into the SR to highlight the Group's contributions to sustainable development.

This SR is compliant with Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Rules 711A and 711B. The Board of Directors has reviewed and approved the reported information, including the material topics.

Reporting Scope

This SR provides information on the Group as well as its subsidiaries. It excludes ESG performance data for operations, joint ventures and partnerships where the Group does not have management and / or operational control, with the exception of greenhouse gas ("**GHG**") emissions data. We report our GHG emissions in accordance with the GHG Protocol and have disclosed our emissions data according to both an equity share and operational control approach separately. The Malaysian subsidiary is not included in the reporting scope as production has yet to commence in FY2022.

Restatements

There are no restatements of information made from previous reporting periods.

Assurance

The Group has established internal controls and verification mechanisms to ensure the accuracy and reliability of the narratives and data disclosed within this SR. We have also considered the recommendations of an external ESG consultant for the selection of material topics as well as compliance with GRI Standards, SGX-ST Listing Rules and alignment to TCFD recommendations. Pursuant to Rule 711B(3) of the SGX Listing Rules, the Group has subjected the sustainability reporting process to internal review by outsourced internal auditors RSM Risk Advisory Pte Ltd. The Board of Directors has assessed that external assurance is not required for the SR at this juncture.

Availability & Feedback

This report is available online at SGXNet and www.rexih.com. Any feedback from stakeholder on this Report may be sent to info@rexih.com.

ORGANISATIONAL PROFILE

Rex International Holding Limited is a multinational oil exploration and production ("**E&P**") company listed on Singapore Exchange Securities Trading Limited's Mainboard. The Group has interests in exploration and production licences in Oman, Norway and Malaysia, and holds operatorship for the assets in Oman and Malaysia. The Group's subsidiaries under the exploration and production segment include Lime Petroleum AS ("**LPA**") in Norway, Masirah Oil Ltd ("**MOL**") in Oman and Pantai Rhu Energy Sdn Bhd in Malaysia. Rex Virtual Drilling ("**RVD**"), the Group's proprietary liquid hydrocarbon indicator, is developed by Rex Technology Investments, an indirect wholly-owned subsidiary of Rex International Holding.

The Group's main business activities comprise the sale of crude oil and co-operating with several partners in the exploration, development, production, management and operation of concessions and licences. Our experience and partnerships with established oil and gas players allow us to leverage on our international network to source for new oil & gas investment opportunities.

Oman

Block 50 Oman, in which the producing Yumna Field is located, is a key asset of the Group. Block 50 Oman, approximately 17,000 sq km, is the first offshore oil producing concession in the Gulf of Masirah, east of Oman. In 2022, the Yumna Field production facilities underwent major change-outs and upgrades. This included the replacement of the previous floating storage tanker and a change-out of the Mobile Offshore Production Unit ("**MOPU**") to handle increased liquid production.

A drilling campaign in 4Q 2022 was completed in January 2023. The drilling campaign consisted of a workover of the Yumna-3 well which involved the replacement of the electrical submersible pump and the drilling of the dual-objective Yumna-4, which was completed as a production well.

The Group achieved first oil in February 2020 and Declaration of Commerciality ("**DOC**") in July 2020. As of 31 December 2022, the Yumna Field had produced 7.1 MMstb of oil. Produced oil is sold to an off-taker which handles the ship-to-ship liftings of oil.

MMstb: millions of stock tank barrels
bpd: barrels per day

Norway

LPA has used the Group's RVD technology to select and build a portfolio of investments in the Norwegian Continental Shelf. The licences are in oil-prolific areas that already have producing fields and pipeline infrastructure in place, allowing for a fast-track path to potential commercialisation and return on investment when more oil discoveries are made in LPA's assets. LPA's assets include producing assets, discovery assets and exploration assets, which are operated through joint ventures with various operators and partners.

OKEA is the operator on the Brage Field, and the operatorship was transferred from Wintershall DEA from 1 November 2022. LPA entered as partner on Brage in January 2022. For more details on LPA's assets, please refer to our Annual Report 2022.

Malaysia

The Group was awarded 95 per cent interests and operatorship of two Production Sharing Contracts ("**PSCs**") by Petroliam Nasional Berhad ("**PETRONAS**") in Malaysia in 2021. These PSCs are related to the development and production of the Rhu-Ara and the Diwangsa Clusters (the "**Clusters**") located in offshore Peninsular Malaysia. The Rhu-Ara Cluster contains two discovered oil fields and the Diwangsa Cluster contains four discovered oil fields. The Group has been focusing on the pre-development phase of the Clusters. The anticipated production will be a potential third leg to the Group's production and reserves base.

Rex Virtual Drilling

RVD is the Group's proprietary technology which uses conventional seismic data to extract information about the presence of reservoir rock and liquid hydrocarbons. With the support of RVD, the Group has achieved four commercial oil discoveries in Oman and Norway over the years. The Group has been using the RVD technology extensively to de-risk farm-in opportunities and to select licences to apply for in Norway's Awards in Predefined Areas rounds. RVD is used for de-risking in all steps of the exploration and production value chain, from exploration de-risking and appraisal planning, and all the way to reservoir control.

Singapore

The Group's corporate office is located in Singapore and supports the abovementioned business segments.

For more details on the Group's corporate structure and business activities, please refer to the relevant sections of our Annual Report 2022.

SUSTAINABILITY STRATEGY OVERVIEW

Focus and Strategy

Since its listing on 31 July 2013, Rex International Holding has strived to create long-term growth to shareholders, offer investors a sound investment opportunity based on its game-changing technology, adopt responsible business practices and high corporate governance standards, lessen adverse impact to the environment, be an employer of choice and contribute back to communities where we operate. In order to meet the increasingly stringent demands of our stakeholders, the Group has identified the following five focus areas to guide our sustainability strategy:

Focus 1: Upholding Governance and Ethics

With ever evolving laws and compliance requirements, the Group's corporate governance practices have enabled it to navigate complex regulations in countries it operates in. The Board of Directors oversees the Company's sustainability practices and guides the management team by setting a strong compliance culture and outlining key ESG issues in the industry.

Focus 2: Prioritising Health and Safety

The Group aims for zero incidents by inculcating robust workplace health and safety policies. The Group has been diligent in implementing processes and conducting regular inspections to minimise the occurrence of health and safety incidents.

Focus 3: Resilience for Climate Change

The Group's climate reporting has been enhanced by identifying climate-related risks and opportunities. The transition to a low-carbon economy poses a strategic challenge to the Group and steps have been taken to address such risks and capture opportunities during this transition.

Focus 4: Protecting our Environment

The Group undertakes precautions to limit negative impacts on local marine and land biodiversity by managing waste and effluents at its wells responsibly. The Group also aims to manage the carbon footprint of its operations by deploying energy efficiency strategies and technologies.

Focus 5: Creating Inclusive Communities

The Group strives to create positive impacts on the local community wherever it operates. We practice non-discriminatory hiring and remunerate our employees fairly based on performance. Extensive training and development programmes are provided for our employees. There is a conscious effort to hire locally and engage local suppliers where possible.

Awards and Accreditations

As a testament to its commitment to corporate governance and transparency, the Group has been awarded the following accolades:

- Ranked No. 1 in the Straits Times / Statista Singapore's Fastest Growing Companies 2023 list, which includes 100 local businesses that achieved markedly high revenue growth between 2018 and 2021
- Runner Up of the Singapore Corporate Governance Awards (SCGA) 2022, Mid Cap Category, SIAS Investors' Choice Awards 2022
- Best Managed Board (Mid-cap) (Bronze) – Singapore Corporate Awards 2022
- Best Investor Relations (Mid-cap) (Bronze) – Singapore Corporate Awards 2022
- Ranked No. 55 in the Singapore Governance and Transparency Index (SGTI) 2022 with a total score of 88

The Group is also a proud member of the Singapore Business Federation.

Aligning our Strategic Focus to the United Nations Sustainable Development Goals (UN SDGs)

The Group contributes to the UN SDGs through its daily operations, strategy development and collaboration with its stakeholders. The attainment of the UN SDGs is a continuing global effort and forms part of the Group's long-term focus on sustainability. The following table highlights the Group's contributions to the attainment of the relevant UN SDGs.

Focus Area	UN SDGs	The Group's Contribution
FOCUS 1: Upholding Governance and Ethics	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Comply fully with all socioeconomic and environmental laws and regulations and promote strong corporate governance practices.
FOCUS 2: Prioritising Health and Safety	8 DECENT WORK AND ECONOMIC GROWTH	Provide a safe working environment and productive employment and jobs with equal pay for equal work.
FOCUS 3: Resilience for Climate Change	7 AFFORDABLE AND CLEAN ENERGY	Contribute to the electrification and reduction of carbon footprint in the oil and gas supply chain. Explore options for renewable energy generation.
	13 CLIMATE ACTION	Improve climate-resilience and risk management by considering climate-related risks and opportunities guided by the TCFD Recommendations.
FOCUS 4: Protecting our Environment	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Reduce waste generation through recycling and reusing of resources where possible.
FOCUS 5: Creating Inclusive Communities	1 NO POVERTY	For operations in developing countries, remunerations provided ensure basic necessities are met and adhere to local labour laws.
	5 GENDER EQUALITY	Ensure access to career advancement and fair remuneration regardless of gender.
	10 REDUCED INEQUALITIES	Promote social and economic inclusivity regardless of gender or age.

ESG Performance Highlights

Zero fatality rate for operations in both Norway and Oman

Zero non-compliance with laws and regulations in the environmental, social or economic areas

Runner Up of Singapore Corporate Governance Awards (SCGA) 2022, Mid Cap Category, SIAS Investors' Choice Awards 2022

STAKEHOLDER ENGAGEMENT

The Group understands that stakeholder engagement is key to sustainable growth. We believe that open and transparent communication with our stakeholders allows us to help stakeholders understand our business strategies and respond quickly and effectively to their concerns. Our stakeholders are groups that have a material impact on or are materially impacted by our operations. We engage with them through various platforms and channels throughout the year. Apart from communicating important developments and updates about the Group, the perspectives and valuable feedback from our stakeholders are important in helping the Group to improve our services and ultimately advance our sustainability goals. The following table summarises our key stakeholders, modes of engagement, their key concerns and how the Group has responded to those concerns.

SOCIETY

KEY STAKEHOLDERS	MODE OF ENGAGEMENT	AREAS OF CONCERN	OUR RESPONSE	SECTION REFERENCE
Community	• Corporate social responsibility efforts	• Environment • Corporate philanthropy	• Contribute to the communities we operate in	Focus 5: Creating Inclusive Communities

PEOPLE

KEY STAKEHOLDERS	MODE OF ENGAGEMENT	AREAS OF CONCERN	OUR RESPONSE	SECTION REFERENCE
Employees	• Weekly internal meetings • Employment incentives • Training and development • Staff bonding activities	• Reward and recognition • Training and career development	• Provide fair employee remuneration and benefits • Provide training programmes catered to the experience and interest of employees	Focus 2: Prioritising Health and Safety Focus 5: Creating Inclusive Communities

MARKET PLACE AND CUSTOMERS

KEY STAKEHOLDERS	MODE OF ENGAGEMENT	AREAS OF CONCERN	OUR RESPONSE	SECTION REFERENCE
Investors & Analysts	• Dedicated Investor Relations section on the Company's website • SGXNet announcements • Annual / Extraordinary General Meetings • Half-yearly financial reports • Annual Reports / circulars • Meetings / calls with investors and analysts, roadshows and conferences • Corporate and marketing videos, factsheets • Communications via email and social media	• Business performance and strategy • Debt position • Sustainable delivery of returns • Industry conditions • Market presence • Sustainability performance	• Provide timely and accurate information to shareholders and the investing public	Focus 1: Upholding Governance and Ethics Focus 3: Resilience for Climate Change Focus 4: Protecting our Environment
Partners and Clients	• Meetings, feedback and correspondences • Electronic communications • Supplier assessment	• Timely financial contribution to exploration drillings • Fast and accurate RVD analyses • Environmental, health & safety	• Engage and evaluate suppliers regularly and provide meaningful feedback • Collaborative efforts with partners to find oil in exploration drilling campaigns and in oil production • Provide timely and accurate Rex Virtual Drilling ("**RVD**") analyses to clients	Focus 1: Upholding Governance and Ethics Focus 4: Protecting our Environment
Government & Regulators	• Regular meetings, feedback and correspondences	• Compliance with government policies, rules and regulations • Fair and reasonable treatment • Regulatory and legal compliance • Government requirements and guidelines on COVID-19	• Ensure full compliance with all applicable local laws and regulations • Sharing of best practices	Focus 1: Upholding Governance and Ethics

MATERIALITY ASSESSMENT

As part of our ongoing monitoring of ESG factors, we worked with an external consultant to conduct a materiality assessment workshop during FY2022. The purpose of the workshop was to identify new ESG factors that may have emerged as a result of recent global events, as well as to validate the relevance of existing material ESG factors. In line with the GRI 11 Oil and Gas Sector Standards, new material ESG topics have been included for FY2022 and are indicated in the table below.

The workshop involved our senior management and we determined our material topics based on the significance of their impact in relation to the key concerns of our internal and external stakeholders. Our selected material topics have also taken into consideration a survey of comparable peer companies, areas of concern in the oil & gas industry, and current sustainability themes.

The following steps were taken to present the relevant material topics in this Report:

1. Identification: Selection of potential material factors based on the risks and opportunities in the sector.

2. Prioritisation: Material factors are prioritised based on their alignment with the concerns of internal and external stakeholders, key organisational values, policies, operational management systems, goals and targets.

3. Review: Review the relevance of previously identified material factors.

4. Validation: Validate selected material factors in the Sustainability Report with the Board.

The following table lists the material topics and where the impacts occur for each material topic:

ADDRESSED IN THIS REPORT	REX'S ESG MATERIAL TOPICS	WHERE THE IMPACT OCCURS
Focus 1: **Upholding Governance and Ethics**	• Anti-corruption • Anti-competitive behaviour (New) • Tax (New) • Child labour (New) • Forced or Compulsory Labour (New) • Supplier Environmental and Social Assessment (New) • Customer Privacy (New)	Group-wide
Focus 2: **Prioritising Health and Safety**	• Occupational Health and Safety	Group-wide
Focus 3: **Resilience for Climate Change**	• Economic Performance	Group-wide
Focus 4: **Protecting Our Environment**	• Energy (New) • Water and Effluents (New) • Biodiversity (New) • Emissions (New) • Waste (New)	Group-wide
Focus 5: **Creating Inclusive Communities**	• Market Presence (New) • Indirect Economic Impacts (New) • Procurement Practices • Employment (New) • Labour/Management Relations (New) • Training and Education (New) • Diversity and Equal Opportunity (New) • Non-discrimination (New) • Local Communities (New)	Group-wide

FOCUS 1: UPHOLDING GOVERNANCE AND ETHICS

The Group's commitment to good corporate governance practices has enabled us to navigate complex regulations in countries we operate in.

Board Statement

Rex International Holding aspires to create a sustainable business model by adopting best practices in the environment, social and governance aspects of its business. Our sustainability objectives are to create long-term value for shareholders, our marketplace and customers, the communities we operate in, our people and the environment.

Sustainability Governance Structure

Reporting directly to the Board, the management team oversees, manages and monitors the Group's sustainability efforts and materiality topics. In 2022, all Board directors have attended sustainability training recognised by SGX. The Management, headed by the Chief Executive Officer, oversees the Group's sustainability matters. This sets the tone for the integration of business and sustainability strategy from the top. Management also reviews the Group's sustainability strategy, approach and performance.

Board of Directors

Chief Executive Officer

Management

Chief Financial Officer
Chief Operation Officer
Chief Communications Officer

Risk Management

The Board considers sustainability issues when formulating the Group's strategy, and approves and validates the material environmental, social and economic topics identified by the Management. The Board also ensures that the material factors identified are well managed and monitored.
The Board of Directors has reviewed and approved the reported information in this SR, including the material topics.

The Group implements a comprehensive risk management framework and takes a precautionary approach towards strategic decision making and our daily operations.
The Group views Risk Management as a key governance factor and is committed to maintaining a sound system of risk management and internal controls to safeguard our assets and the interest of our shareholders. The Group has put in place a Risk Management Committee ("**RMC**") which is overseen by the Audit Committee. We had engaged an independent third party, KPMG Services Pte. Ltd., to assist with the development of a Board Assurance Framework from FY2013 to FY2018. This includes an enterprise risk management framework to assess our evolving risk profile and risk mitigation plans since FY2013. The risk review was subsequently performed in-house by the RMC since FY2019 to oversee the Group's risk governance and ensure that we have a sound system of risk management and internal controls to safeguard shareholders' interests and that our assets are well maintained. The RMC has considered in detail the most material risks to the Group which includes strategic, financial, operational, compliance, fraud and corruption, litigation and cyber security risks.

In addressing these risks, regular discussions are held with our employees to focus on addressing any specific risks related to the Group's operations. The Group also carries out follow-up reviews to ensure the effective implementation of our risk management procedures. The Company aims to continue to mitigate risks effectively and to ensure that internal controls remain robust.

More details on the Company's enterprise risk management framework and internal controls can be found in the Corporate Governance section of our Annual Report 2022.

Corporate Compliance

The laws and regulations that are applicable to the Group include the Code of Corporate Governance 2018, regulations by the Monetary Authority of Singapore, Listing Rules of the SGX-ST, the Accounting and Corporate Regulatory Authority ("**ACRA**") and the Securities and Futures Act, amongst others.

Reviews of new regulations and updates to existing regulations are regularly conducted by our employees, secretarial firm and auditors. Updates are disseminated to relevant staff and processes are put in place to monitor the activities and associated performance on a regular basis.

Additionally, updates on relevant legal, accounting and regulatory developments are provided to Directors by email. The Company Secretary also circulates articles, reports and press releases issued by the SGX-ST and the ACRA which are relevant to the Directors.

There were no instances of non-compliance with laws and regulations in the environmental, social or economic areas.

Anti-corruption

GRI 205-1, 205-3, 11.20.5

The Group strongly believes that the success of the business is based on upholding business ethics and integrity. The Group has assessed all of our operations for risks related to corruption, covering money laundering and terrorism financing, theft and fraud. We have put in place a Code of Conduct that serve as a guide to proper business conduct for all employees. Policies on whistle blowing and conflict of interests are also in place. Across all regions, our leadership and all employees are expected to observe the highest standards of ethics and integrity in their conduct. Outside of the organisation, we have established strong business relations with our business partners based on integrity and a clear stance on anti-corruption. As of FY2022, there were no reported incidents of corruption.

The Group's licenses are publicly accessible via our subsidiaries' websites and the Norwegian Petroleum Directorate.

Whistle Blowing Policy

GRI 2-16, 2-26

The Group aims to have transparency in our business operations and is committed to providing a platform for employees and stakeholders to communicate their concerns. In doing so, we have established a Whistle Blowing Policy by which staff may, in confidence, raise concerns about possible misconduct in matters of accounting, financial reporting, business conduct or any other matters. The Group will work with and/or refer matters to the Board's Audit Committee for appropriate action if the investigations are likely to have a material impact on the Group's operating results or financial position. Further details can be found in the Corporate Governance section of the Annual Report.

There were no incidences of whistle-blowing in FY2022.

Anti-Competitive Behaviour

GRI 206-1

The Group is dedicated to ethical, fair and vigorous competition as outlined in our Code of Conduct. The Group promotes its products and services based on their merit, superior quality, functionality and competitive pricing. The Group also strives to practise fair competition in all business transactions and disclose any information which is important to a business transaction, in a manner such that none of its competitors will have an unfair advantage over others. Confidentiality pertaining to pricing and proprietary information will also be maintained.

On 5 August 2022, Petroci Holding filed a claim against the Company's subsidiaries, Rex Oman Limited, MOL and certain past and present directors of MOL in the High Court, Commercial Division of the British Virgin Islands, in connection with the alleged conduct of MOL's affairs, which led to the dilution of Petroci's interest in MOL as a partner and minority shareholder. While the outcome of this legal case is pending court's hearing, the Group's management considers the above claims and allegations as frivolous, baseless and unmeritorious.

Customer Privacy and Data Protection

GRI 418-1

We conduct our business in compliance with the Personal Data Protection Act in Singapore and the European Union General Data Protection Regulation. The Group is committed to respecting the privacy of our stakeholders. As part of this continuing commitment, our Privacy Statement on our corporate website outlines how we collect, process, disclose and store personal data.

Cyber security continues to be an area of risk to the industry and remains a key priority. As with previous years, the Group has experienced threats, including phishing campaigns, but none of these had a significant impact on our business in 2022. We will continue to focus on maintaining security across the organisation and encouraging vigilance amongst our employees through cyber security training and awareness campaigns.

There were no reported data breaches in FY2022.

Sustainable Supply Chain Management

GRI 308-1, 308-2

The Group understands that sustainability extends beyond the Group and its operations. In promoting sustainability to our upstream business partners, we ensure that potential contractors and subcontractors are assessed for their sustainability performance prior to engaging them. For the Group's operations in Oman, 100 per cent of new suppliers are screened using a minimum set of health, safety and environment ("**HSE**") criteria. After the supplier is shortlisted, they will be invited to the Request for Quote tender which is subjected to a set of comprehensive HSE criteria.

In FY2022, the Group has assessed that all of our suppliers in Oman were compliant with the relevant laws and regulations in being a supplier of choice. A total of 70 suppliers were assessed for environmental impacts and there were no suppliers identified as having significant and potential negative environmental impacts.

Under the new Norwegian Transparency Act, LPA will be required to carry out due diligence activities to ensure that it is operating responsibly, respecting both human rights and decent working conditions in its operation and supply chain. LPA shall exercise their "see-to-duty" including environmental impact reports of potential partners and license operators in which LPA has an interest. A procedure for the assessment of operators and partners is being set up starting in FY2023.

Forced Labour and Modern Slavery

GRI 408-1, 409-1

The Group is committed to reducing human rights risks and impacts that are linked with our business activities, including the rights of our workforce and those living in communities affected by our activities. We aim to contribute to eliminate human rights abuses such as child labour, human trafficking and forced labour. When considering new investments or when tendering for goods and services, we review any associated human rights issues and consider how we can ensure that our operations do not come into conflict with any of these fundamental human rights principles. There have been no reported incidents during the reporting period which pose a significant risk of child labour or young workers exposed to hazardous work.

Tax Compliance

GRI 207-1, 207-2, 207-3

The Group's strategy and approach to tax is to fully comply with relevant tax laws and regulations in all jurisdictions we operate in. This indirectly supports the local governments and authorities in their economic, environmental and social development objectives. The Group has zero tolerance for any intentional breach of tax laws and regulations.

Relevant staff attend tax-related trainings to keep themselves updated on key changes. The Group also engages qualified professional tax advisors in all jurisdictions to ensure compliance at the transactional level as well as fulfilling required tax filings. The Audit Committee may also engage the Group's internal auditor to monitor compliance with the tax governance and control framework from time to time. Any cases of non-compliance will be reported to the Audit Committee and resolved promptly.

Financial Assistance received from the Government

GRI 201-4

With oil exploration being a capital-intensive industry, the Group looks to invest in assets in jurisdictions that offer attractive tax incentives. Incentives or financial assistance from the governments in these jurisdictions are a factor in the Group's investment decisions as these will have a bearing on the Group's return on investment in the long term.

In Norway, the Company's subsidiary, LPA was established in 2012 and became a Pre-qualified Petroleum Company in February 2013. As a Pre-qualified Petroleum Company, LPA is eligible for marginal tax rate in the petroleum tax regime of 78 per cent.

For more information on the changes in tax assistance received from the government, please refer to our financial statements in our Annual Report.

	FY2021	FY2022
Tax Rebates from the Norwegian Government (US$ Million)	18.71	39.07

In 2022, the Norwegian tax system has been restructured to a cash-flow tax, among which is the removal of the specific tax incentive for exploration activities from 2022. LPA expects to receive an income tax receivable of US$57 million from the Norway tax authorities in relation to its exploration activities in 2022.

In Oman, an audit of recoverable costs and proposed budget is regularly presented to the Omani Ministry of Energy and Minerals for approval.

Governance and Ethics Targets

Targets for FY2022	Status	FY2022 Performance
Zero tolerance towards fraud, corruption and unethical actions	Met	No instance of whistle-blowing, and no instances of bribery or corruption have been identified in FY2022.
To invest in exploration assets in jurisdictions that offer attractive tax incentives:	Met	
• Norway: Annual cash refunds for 78% of all exploration expenditures are given annually.		Norway received NOK 383 million in 2022 in tax refunds that were earned in 2021, from the Norwegian government.
• Oman: Cost recovery pool can be reclaimed after declaration of commerciality (“DOC”).		In Oman, the DOC was awarded and cost recovery is in progress.

Targets for FY2023

- Zero incidents of non-compliance with corporate laws and regulations
- Zero complaints concerning breaches of customer privacy and losses of customer data
- Zero reported incidents of corruption

Photo courtesy of Okea ASA

FOCUS 2: PRIORITISING HEALTH AND SAFETY

Safety plays an integral role across our operations and is the Group's priority. We are committed to providing a safe and healthy workplace for all of our employees, contractors and stakeholders. We manage our activities in accordance with our HSE Policy to continuously reduce risk, deliver performance improvement and achieve our objectives of "no accidents, no harm to people and no damage to the environment". Processes have been implemented to identify, mitigate and report potential hazards to reduce the likelihood of workplace injuries and fatalities. We communicate closely with our contractors and subcontractors to ensure that they are kept well-informed of our workplace safety requirements and expectations.

Occupational Health and Safety

GRI 403-1, 403-2, 403-4, 403-7, 403-8

The oil and gas exploration and production sector is a capital and labour intensive sector. During exploration, the drilling of exploratory wells requires a technically specialised crew to be on-site for weeks in a potentially combustible environment. This carries significant risks to our employees and contractors who supports us on-site at various locations. Any on-site accidents may adversely impact our workforce, business operations and reputation. As such, Rex prioritises our workers' health and safety to be of utmost importance.

Where Rex International Holding or any of its subsidiaries is the operator, risks associated with operations are managed through the implementation of the Group's Operations Risk Management System ("**ORMS**") which covers all workers and contractors. The ORMS is adapted to the local rules and regulations in each jurisdiction where necessary. The ORMS is also subjected to annual internal review to improve its effectiveness.

In mitigating and preventing any possible workplace safety hazards, the Group has established and implemented standardised procedures to identify, assess and mitigate health, safety, security and environmental hazards within our operations. Competent personnel are involved in conducting risk assessments to assess levels of exposure to various health hazards and risks. The findings of these assessments are used to evaluate and continually improve the ORMS which is updated yearly.

In Norway, LPA's company risk assessment and office inspections are performed on a regular basis and at least twice a year. In accordance to Norwegian regulations, notification routines and regular meetings with the Safety Delegate are established.

LPA has also established procedures, notifications and reporting system for internal incidents. In addition, LPA registers incidents occurring on non-operated activities as one element in LPA's "see-to-duty".

In Oman, MOL reviews all management systems yearly. In FY2022, MOL carried out change-outs of the floating storage tanker and the Mobile Offshore Production Unit (MOPU) with upgraded facilities on-board. The replacements will allow for these production facilities to be in the field for several years without the need for dry-docking.

A drilling campaign done during 4Q FY2022 consisted of a workover of the Yumna-3 well to replace the electrical submersible pump and drilling of the Yumna-4 well, which was completed for production in January 2023.

The Group strives to continuously improve on its HSE policy and procedures. We consult employees, contractors and the authorities to ensure that their inputs are included in our processes impacting on workplace health and safety. Having reinforced these standardised processes to our workers and contractors on-site, we advocate for our employees and contractors to remain vigilant and that the safety of our people is everyone's responsibility. In ensuring the safety of our workplace, operators managing exploration drillings involving the Group have to adhere to strict HSE regulations and are subject to prequalification and audit for every drilling undertaken in the respective jurisdictions.

Health and Working Environment

GRI 403-3, 403-6

As a partner on the Brage Field operated by OKEA, LPA follows closely on the Operator's HSE programme, major accident workshops, occupational programme, incidents, investigation and follow-ups plans. The Working Environment Act and HSE regulations for petroleum activity cover exposure that include chemicals, noise, vibration, ergometry, physio-somatic impacts. The Operator has the legal responsibility and the partners, including LPA, have legally-binding "see-to-duty" requirements. The Operator does not have access to private health information. All information on the employees is handled in accordance to the GDPR Directive which is kept confidential. Annual planning programme is normally conducted on the basis for the yearly activities or planned campaigns. Detailed regulations, comprehensive guidelines, working environment committee and involvement of the Safety Delegate are essential elements to fulfil the requirements.

Health and Safety Trainings

GRI 403-5

Norway

To ensure that all workers remain safe during the course of their employment, mandatory safety training is conducted for all employees and crew members across all locations. For the Brage Field, OKEA conducts offshore campaigns to improve knowledge and promote high level performance on safety and health issues.

Oman

In 2022, a total of 4,800 hours on occupational health and safety training were conducted for employees in Oman. This included third party contractor training on electrical hazards, isolation and lockout/tagout ("**LOTO**") procedures to ensure that equipment is shut down, inoperable, and (where relevant) de-energised, as well as food safety awareness. Other training include personnel hygiene, cleaning, control of physical, chemical and biological hazards as well as ergonomic risk.

Work-related Injuries and Ill-health

GRI 403-9, 403-10

The Group strives to prevent workplace safety hazards and accidents and we are committed to continuously improving our performance through monitoring and evaluating our progress on workplace safety hazard prevention. There was one high-consequence work-related injury recorded in FY2022 where a passenger twisted his ankle while transferring from one vessel rescue zone to another. Prompt medical attention was rendered to the passenger.

The following table summarises the Group's workplace health and safety performance for operations in Oman for FY2022.

Health and Safety Metrics[2]

Health and Safety Metrics	Number	Rate
Fatalities as a result of work-related injury	0	0
High-consequence work-related injury (excluding fatalities)	1	0.23
Recordable work-related injury	1	0.23
Fatalities as a result of work-related ill health	0	0
Recordable work-related ill health	0	0
No. of man hours clocked	429,868	-

[2]*Based on all employees and contractors for operated asset in Oman*

Crisis and Emergency Preparedness

In 2020, our subsidiary MOL started production operations in Oman. Since its operations, MOL has conducted joint emergency drills with local authorities. The objective of the exercises was the protection of crew on board both the jack-up barge and vessel, as well as hostages in case of terrorism. Routine weekly and monthly emergency simulations are also conducted on the Mobile Offshore Production Unit ("**MOPU**") and the floating storage and offload unit ("**FSO**").

In Norway, LPA is partner on the Brage Field operated by OKEA and performs the "see-to-duty" activities to ensure that OKEA operates in accordance to the legal framework. OKEA has the overall legal responsibility for the Emergency Response Organization ("**ERO**") with 1st, 2nd and 3rd Line. In addition, LPA has established an ERO, emergency management plan and training programme as a non-operator.

OKEA is a member of the Norwegian Clean Seas Association for Operating Companies, as well as the Operator's Association for Emergency Response. These are two professional organisations with the sole purpose of supplying personnel and equipment for emergency response if needed. As part of the management system, OKEA has comprehensive emergency preparedness and response plans, and a competent and well-trained organisation to handle any situation in the unlikely event of an emergency.

Health and Safety Targets

Targets for FY2022	Status	FY2022 Performance
Zero fatality rate	Met	Zero fatality rate for operations in both Norway and Oman
No down time related to HSE issues	Met	No major HSE issues

Targets for FY2023	
Short-term	• To achieve zero workplace fatalities • No downtime related to HSE issues

FOCUS 3: RESILIENCE FOR CLIMATE CHANGE

Over the past few years, the Group has witnessed the impact of climate change on our business and stakeholders, which has given us the impetus to consider climate change and sustainability factors in our business decisions. In order to provide greater accountability and transparency, we have enhanced our climate-related disclosures to highlight the Group's assessment of climate-related risks and opportunities, as well as our management of the potential impact of climate-related issues on our business strategy and financial planning.

Impact of Climate Change on our Business

GRI 201-2

Climate change and the energy transition represent a significant challenge for the energy sector and society at large. The Group continues to assess the associated risks and opportunities and strives to forge a resilient path for its business through the energy transition. This section has been structured in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures.

	TCFD Recommended Disclosures	FY2022 Status	Summary and Next Steps
Governance	Describe the board's oversight of climate-related risks and opportunities	Met	Climate risks and opportunities were discussed and identified by the senior management based on the TCFD framework. In addition to the identified risks and opportunities, the Management has articulated their risk mitigation plans and strategies, which were presented to the Board. The Board has collectively reviewed and approved the climate risks and opportunities identified by the Management. In mitigating the impact of climate change, the Board will endeavour to implement and continuously fine tune its sustainability governance structure by engaging the assistance of our Management and operational leadership teams to oversee our climate mitigation strategies. The Board will be updated on the progress of the Group's mitigation and strategy against the identified climate risks and opportunities at least once a year or whenever necessary.
	Describe Management's role in assessing and managing climate-related risks and opportunities	Met	The identification of climate related risks and opportunities was undertaken by the management team. The Management will be supporting the Board to implement the identified climate-related strategies, together with the support of the operational leadership teams across the oil exploration and production process. The operational leaders and the Group's Management will regularly review the progress and strategies within the operations to ensure that the strategies are implemented accordingly. For critical decisions pertaining to sustainability that might present risks or opportunities to the Group's operations, the Management and operational leaders will oversee the decision making.
Strategy	Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	Met	The Group has engaged an external ESG consultant to facilitate the discussion by senior management in identifying the climate-related risks and opportunities. Please refer to the Climate Risks and Opportunities section for more information.
	Describe the impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning	Met	
	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	In progress	In line with SGX's phased implementation approach for TCFD adoption, the Group will incorporate scenario analysis in our subsequent sustainability reports.

	TCFD Recommended Disclosures	FY2022 Status	Summary and Next Steps
Risk Management	Describe the organisation's processes for identifying and assessing climate-related risks	Met	Rex conducts annual discussions on climate change risks and opportunities involving senior management across business units. This is facilitated by an independent ESG consultant to determine the key sustainability issues that are crucial to our stakeholders. The Group has identified the relevant climate-related risks and opportunities as outlined in the Climate Risks and Opportunities section below. Each identified risk is assessed based on: 1) the likelihood of occurrence; and 2) the severity of potential impacts arising from the risk.
	Describe the organisation's processes for managing climate-related risks	Met	Climate-related risks may include impact on operations at asset level, performance at business level and development at regional level, arising from extreme weather conditions or global shift towards a lower carbon economy. The leadership at asset level will meet with the Group's Management regularly to highlight potential climate-related risks and undertake appropriate contingency planning and actions to mitigate these risks.
	Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	Met	The Board and Management will undertake a periodic review of the identified climate-related risks and the risk management approach.
Metrics and Targets	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Met	For information on our energy consumption and emissions performance, please refer to Energy and Carbon Management under Focus 4. This is the Group's first year of disclosing our emissions, we shall continue to monitor our emissions before setting any quantitative emissions reduction targets. The Group shall continue to measure its Scope 3 emissions and improve its supply chain emissions reporting over time. The Group is also evaluating other metrics that may potentially warrant inclusion as targets to manage climate-related risks.
	Disclose Scope 1, Scope 2, and if appropriate, Scope 3 GHG emissions, and the related risks	In progress	
	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	In progress	

Climate-related Risks and Opportunities

Risks

To present our climate-related financial disclosures consistent with the TCFD Recommendations, our identification and assessment of climate-related risks considers:

- **Transition risks:** include changes to policy and legal obligations, technological innovation, changing market demand for products, and changing stakeholder expectations.
- **Physical risks:** risks relating to the physical impacts of climate change (both acute and chronic). Acute physical risks refer to those that are event-driven, including increased severity of extreme weather events, such as cyclones, hurricanes, or floods, while chronic physical risks refer to longer-term shifts in climate patterns (e.g., sustained higher temperatures) that may cause sea level rise or chronic heat waves.

The table below reflects our understanding of our most significant climate-related risks relevant to our business. The Group recognises and is aware that the list is not exhaustive, and we will continue to enhance our understanding and responses to these risks.

Transition Risks	Description	Risk Mitigation
Policy and Legal	**Efforts by countries to achieve decarbonisation targets will lead to lower demand of fossil fuels** • Renewable energy technologies are preferred by policy makers to achieve countries' decarbonisation targets • Green technology in machinery and equipment are preferred. Some examples would be electric vehicles, rechargeable generator sets. • With the global shift away from fossil fuels, the Group may experience lower demand for crude oil. **Time period**: Medium , Long **Likelihood**: High **Financial impact**: Decrease in demand resulting in lower revenue	The Group is of the view that there will still be dependence on oil and gas (at least in the short-term) and will continue to evaluate and consider other forms of business diversification to reduce concentration risk in the oil and gas business. Rex shareholders had in 2019, approved the Group's business diversification mandate to diversify the Group's business to include sustainable solutions for energy production and materials used in various industries. The Company had since gone on to invest in commercial drone company Xer Technologies Pte Ltd ("**Xer**") in an up-and-coming industry. In FY2022, the Group committed to an additional investment of up to US$4 million into Xer, which is making headways towards commercialisation. The Group also entered into a conditional share purchase agreement to purchase the entire issued share capital of medical technology company Moroxite T AB, comprising 1,000 shares, at a nominal consideration of SEK 1 (approximately US$0.10), with a commitment to invest up to an additional SEK 43.2 million (approximately US$4.12 million), subject to the fulfilment of certain conditions. The transaction is pending shareholders' approval.
	Increase in carbon tax will directly increase the cost of operating oil and gas production facilities • The Norwegian government is considering an increase in carbon tax by 2030. • The cost for CO_2 quotas (EU ETS) is expected to increase in the coming years. • Meanwhile, carbon taxes have not been proposed by the Oman government. **Time period**: Short[3], Medium[4], Long[5] **Likelihood**: High **Financial impact**: Higher cost associated with energy usage	The Group's subsidiary LPA is in a project group that is exploring the use of storage sites in the Norwegian Continental Shelf to inject and store CO_2 permanently, which can be used to offset emissions and consequently, mitigate the Group's carbon tax exposure.
	Potential exposure to risk of climate litigation as Rex continues to grow its oil and gas business. • The Group recognises that the oil and gas industry is a key target of climate litigation. • Litigations may be triggered by adverse operational impacts such as oil spills or health and safety accidents. **Time period**: Short, Medium, Long **Likelihood**: Low **Financial impact**: Higher cost incurred to comply with operational safety requirement	The Group participates in projects where environmental damage is minimal and its operations are under stringent environmental regulations in the various jurisdictions. The Group's operating subsidiaries have in-house HSE managers to oversee the impacts of drilling and production activities. External consultancy firms are sometimes engaged to conduct Environmental Impact Assessments ("**EIA**").
Technology	**Technological advancements such as cheaper solar panels and improved batteries** • The Group recognises that the advancement in technology of solar panels and batteries reduces consumers reliance on traditional fossil fuels. **Time period**: Long **Likelihood**: Medium **Financial impact**: Reduced demand for oil leading to lower revenue	In the short term, we will continue to monitor short term oil prices and may do hedging to reduce price volatility. For the longer term, the Group has obtained shareholder approval to diversify into sustainable solutions for energy production and materials used in various industries. As part of its business diversification strategy, the Group has invested in some businesses unrelated to oil and gas, in 2021 and 2022, that do not materially change the risk profile of the Group.

[3,4,5] Definition of time period used in this Report: • Short: 1-3 years • Medium: 3-5 years • Long: More than 5 years

Transition Risks	Description	Risk Mitigation
Market	**Consumer preference for greener energy alternatives (e.g. transportation, appliances)** • Increasing customer awareness on green alternatives reduces their reliance on traditional fuels. • The availability of competitive technologies leads to lower demand and price of oil. • This may also impact the volatility of oil prices as climate change is factored into the perception of risk for oil. **Time period**: Short, Medium, Long **Likelihood**: Low **Financial impact**: Higher cost of investment	The Group will consider competitive technologies to integrate into its processes and continue to hedge short term oil prices to reduce price volatility.
	Increase in cost of capital for funding oil and gas exploration and production projects. • Undersubscription of equity or debt issuances due to investor unwillingness to fund oil and gas exploration. • Investor capital in the energy sector is diverted to renewable energy research. **Time period**: Short, Medium, Long **Likelihood**: Medium **Financial impact**: Higher cost of capital	The Group shall practise prudent cash management and maintain strong banking relationships. LPA, the Group's subsidiary in Norway, has in FY2022, raised a three-year senior secured bond issue of NOK 1,200 million (approximately US$122 million) to refinance its previous NOK 500 million (approximately US$51 million) senior secured bonds with maturity in January 2024 (ISIN NO0011037343) and for LPA's acquisition of a 10 per cent interest in the producing Yme Field, as well as general working capital purposes.
Reputation	**Decline in reputation and brand.** • There is increasing societal pressure on the oil and gas sector to minimise damage to the environment in the context of climate change and the energy transition. • This could negatively impact Rex's brand, reputation and licence to operate, which in turn may restrict access to capital markets or attract staff. **Time period**: Short, Medium, Long **Likelihood**: Low **Financial impact**: Increase in operational cost as there could be an increase in turnover rate	The Group's subsidiary LPA is looking to contribute towards global efforts in carbon capture and storage technologies by participating in a group project to explore the use of storage sites in the Norwegian Continental Shelf to inject and store CO_2 permanently.

Physical Risks	Description	Risk Mitigation
Acute **Chronic**	The Group is exposed to several types of physical climate risks, such as • Sea storms may affect offshore oil and gas operations • Cyclones may affect some land based wells in Oman • Inland fresh water depletion may affect ability of production facilities to access water • Changes in seasons (e.g. prolonged monsoon season) • Decrease in natural resources worldwide **Time period:** Short, Medium, Long **Likelihood:** Likely **Financial impact:** • Reduced revenue if operations were to be impacted • Increased operating costs and/or capital expenditure incurred to mitigate our infrastructure against the impacts of climate change • Higher insurance premiums	The Group shall continue to monitor developments in the market and assess the technology available to mitigate such risks.

Opportunities

While the changes in the economy and impact of climate change pose certain risks to the Group, there are also opportunities that may arise. The Group is well positioned to capture such opportunities and create long-term value for our stakeholders.

Opportunities	Description	Management's Response
Resource Efficiency	Increase in energy efficiency and efficient water management in our production. • The Group can improve energy and water efficiency to better manage resource consumption. • This can potentially reduce operating costs and increase our competitiveness. **Time period:** Medium, Long **Likelihood:** Likely **Financial impact:** Cost reduction on energy consumption	The Group shall be judicious with its selection of projects. Drilling campaigns shall aim to select rigs with lower carbon emissions. The Group will continue to source for suppliers and equipment with lower carbon emissions.
Resilience	Leverage on the use of technology to develop Rex Virtual Drilling ("**RVD**") to reduce energy wastage. **Time period:** Short, Medium **Likelihood:** Likely **Financial impact:** Reduction in cost of oil exploration	The Group shall continue our investment in Rex Virtual Drilling as it increases the success of finding oil. This reduces the incidence of drilling dry wells, and hence, the use of resources, during oil exploration.
Markets	Participate in carbon capture and storage solutions. **Time period:** Medium **Likelihood:** Possible **Financial impact:** Increase in an alternative source of revenue for third parties who wish to store carbon at Rex's Norwegian site	The Group is exploring the use of storage sites in the Norwegian Continental Shelf to inject and store CO_2 permanently.

Carbon Footprint Reduction Targets

Targets for FY2023	
Medium-term	• Explore the commercial feasibility of renewable energy projects.
Long-term	• Rex is actively looking into alternative sustainable solutions for energy production, rather than conventional renewal energy projects.

Economic Performance Targets

	Targets	FY2022 Performance
Short-term	• To unlock value by achieving more oil discoveries and building up on its contingent resources and reserves • To have commercial oil production as stable revenue stream	**Oman:** • Added one production well in the Yumna Field as of end of December 2022. **Norway:** • LPA acquired a 10 per cent interest in the producing Yme Field. • LPA participated in one combination exploration and developing drilling operation in well in the Brage Field where it has a 33.8434 per cent interest. **Group:** • Reported revenue of US$170.3 million and profit after tax of US$0.4 million in FY2022.
Medium-term	• By unlocking value by selling oil-in-the-ground	
Long-term	• To sustain profitability	

FOCUS 4: PROTECTING OUR ENVIRONMENT

The Group undertakes precautions to limit negative impacts on local marine and land biodiversity by managing waste and effluents at its wells responsibly. The Group also aims to manage the carbon footprint of its operations by deploying energy efficiency strategies and technologies.

The Group aims to maintain a strong environmental performance in the coming year and proactively manage environmental impacts and resource consumption.

Energy and Carbon Management in our Operations

GRI 302-1, 302-3, 305-1, 305-2, 305-3, 305-4, 305-7

MOL's fuel consumption primarily comes from diesel and is used to produce energy onsite for the MOPU and the FSO, as well as to operate vessels. MOL also utilises district heating for its heating and hot water needs. All other energy consumption within our corporate offices is derived from purchased electricity.

The Group is aware of the effects of Greenhouse Gas ("**GHG**") emissions on global warming and has begun to track its carbon footprint from FY2022 onwards. GHG emissions are accounted for according to the Greenhouse Gas Protocol established by the World Resources Institute and the World Business Council for Sustainable Development. Emissions data have been disclosed according to both an equity share and operational control approach separately.

The primary sources of our Scope 1 emissions comprise emissions from gas flaring and energy production. Scope 2 emissions refer to indirect emissions that result from the Group's consumption of purchased electricity and heating. Scope 3 emissions include emissions from purchased goods and services as well as the Group's non-operated asset, the Brage Field in Norway.

Emissions of NOx are mainly related to the combustion of hydrocarbon fuels for the generation of electric power needed at our platforms and drilling rigs. Reductions of NOx emissions can be achieved through energy optimisation measures. Emissions of SOx mainly arise from the use of diesel in the power turbines.

Energy Metrics[6]

	Group (Total)
Total fuel usage (non-renewable) (TJ)	176
Heating consumption (TJ)	0.1
Total Electricity consumption (TJ)	0.6
Total energy consumption (TJ)	176.7
Energy Intensity	25TJ/MMstb

Emissions Metrics (operational control)[7]

	Group (Total)
Total Scope 1 Emissions[8] (tonnes CO_2e)	27,567
Scope 1 - CO_2 (tonnes)	27,485
Scope 1 - CH_4 (tonnes CO_2e)	29
Scope 1 - N_2O (tonnes CO_2e)	53
Total Scope 2 Emissions[9] (tonnes CO_2e) (location-based)	6.5
Total Scope 2 Emissions (tonnes CO_2e) (market-based)	0.3
Total Scope 3 Emissions (tonnes CO_2e)	63,395
Emissions Intensity (Scope 1 and 2)	162 tonnes CO_2e/$mil USD revenue
Total GHG Emissions (Scope 1, 2 & 3) (tonnes CO_2e)	90,968
NOx (tonnes)	0.1
SOx (tonnes)	12.8

Emissions Metrics (equity share)[10]

	Group (Total)
Total Scope 1 Emissions (tonnes CO_2e)	25,309
Total Scope 2 Emissions (tonnes CO_2e) (location-based)	6.4
Total Scope 2 Emissions (tonnes CO_2e) (market-based)	0.3
Total Scope 3 (tonnes CO_2e)	53,250
Total GHG Emissions (Scope 1, 2 & 3) (tonnes CO_2e)	78,565

Indirect Scope 3 GHG emissions[11]

	LPA
Total Scope 3 Emissions (tonnes CO_2e)	63,395
Organic waste (kg CO_2e)	0*
Paper and cardboard (kg CO_2e)	0*
Glass (kg CO_2e)	0*
Metal (kg CO_2e)	0*
Electronic waste (kg CO_2e)	0*
Plastic (kg CO_2e)	0*
Hazardous waste (kg CO_2e)	0*
Mixed waste (kg CO_2e)	0*
Non-Operated Asset - Brage Field (tonnes CO_2e)	63,394

The Group has undertaken efforts to improve the energy usage efficiency at the wells, which can lead to cost improvements at each well site. In Oman, water handling on the FSO increases significant requirements of pumping and other associated power usage. In 2022, the Group embarked on a feasibility study regarding the water management on the MOPU to minimise energy consumption on the FSO.

In the Singapore office, the total electricity consumption was 12,557kWh while the total municipal water consumption was 6.4m^3 in FY2022. Despite its lean staff strength, we have made efforts to reduce energy consumption as well, such as:

- Monitor and publish water consumption results using digitalised platforms
- Install energy-efficient appliances and energy-saving fittings such as LED light
- Allow staff to telecommute where possible
- Set up a recycling corner in the workplace
- Reduce usage of single-use items such as straws, plastic utensils and cups
- Dispose waste appropriately to minimise marine pollution
- Reduce paper usage by printing on both sides and opting for soft copies
- Work with staff and stakeholders to encourage environmental sustainability

The Group's proprietary liquid hydrocarbon indicator, the RVD technology, empowers the Group to have a higher chance of success in finding oil, and in turn, minimises the use of resources and the adverse impact on the environment as fewer dry wells will be drilled.

Diversification into Sustainable Solutions and Carbon Sequestration

GRI 203-2

The Group recognises the global trend to move from fossil fuel towards clean and sustainable energy. Renewables are representing the largest growth area in new energy supply. In 2019, the Group obtained shareholders' approval to diversify its business into sustainable solutions for energy production, materials used in various industries, and ownership or acquisition of related technology. The Group will, if the right opportunities arise, consider investments in these fields.

6 Based on the operated asset in Oman and offices in Singapore and Norway
7 Emissions data includes assets in which the Group has operational control. GHG emissions are derived in accordance with the GHG Protocol.
8 Scope 1 direct emissions are calculated using emission factors from IPCC Guidelines for National Greenhouse Gas Inventories, 2006 and global warming potentials from the IPCC 6th Assessment Report (AR6).
9 The equivalent CO_2 emissions for electricity and heating used are calculated based on the updated simple operating margin grid emission factor from the Energy Market Authority in Singapore for the relevant time period, a supplier emission factor for district heating and the Nordic mix for Norway.
10 Emissions are reported according to the Group's share of equity in both operated and non-operated assets.
11 Scope 3 indirect emissions are calculated using emission factors for waste using the LCA-method and Ecoinvent database as well as data provided by the operator. The reported emissions for the non-operated asset Brage Field is based on LPA's proportional share of equity in the asset and was pending operator's verification at press time.
* Less than 0.5 tonnes

In December 2022, the Group's wholly-owned subsidiary Rex Technology Investments Pte Ltd ("**RTI**") entered into a conditional subscription agreement with Xer Technologies Pte Ltd ("**Xer**") to acquire more shares in Xer at a consideration of US$1 million. This has brought the Group's shareholding interest in the Singapore-registered commercial drone company from 40 per cent to approximately 53 per cent. Additionally, as part of the deal, RTI will have to enter into a shareholders' agreement that would oblige it in having to inject a capital amount of up to S$3 million if Xer achieves certain technical and sales milestones.

Xer's unique heavy-duty drones will promote sustainable practices for corporations and government institutions on a global scale by replacing larger and heavier modes of transport such as helicopters, trucks and sea vessels for a wide range of applications, minimising environmental impact and reducing CO_2 emissions. As such, the acquisition brings the Group a step closer towards its business diversification mandate.

In December 2022, the Group's wholly-owned subsidiary Moroxite Holding Pte. Ltd. entered into a conditional share purchase agreement with Moroxite AB ("**MA**") to purchase the entire issued share capital of medical technology company Moroxite T AB ("**Moroxite T**"), comprising 1,000 shares, at a nominal consideration of SEK 1 (approximately US$0.10), with a commitment to invest up to an additional SEK 43.2 million (approximately US$4.12 million), subject to the fulfilment of certain conditions. This transaction is pending shareholders' approval.

In 2021, LPA entered into an agreement with Nautilus Carbon Services AS to participate in the first phase of a larger project involving several other joint-industry project partners, which aims to secure a storage site in the Norwegian Continental Shelf ("**NCS**") where CO_2 can be injected and safely stored permanently. Phase 1C of this carbon capture and storage project was completed in 2022, where a potentially viable injection site on the NCS had been identified. LPA is continuing with this project with two other partners.

Marine Biodiversity

GRI 304-2

The Group respects the interdependency of the marine ecosystem and aims to preserve marine biodiversity. As some of our sites are situated in the open sea or are situated near the coast, we have taken precautions to reduce the potential of harmful discharge into the oceans. The Group ensures that prior to the exploration of a new site, an EIA is conducted to ensure that we minimise the environmental damage on the selected location. The Group also actively looks for sites that have low levels of biodiversity to ensure that our operations do not adversely impact the marine life at sea.

In Norway, offshore operations near vulnerable areas will have stringent requirements and the operator has to demonstrate appropriate environmental risk management plans based on environmental survey or monitoring, mitigation measures and a comprehensive EIA for the application process. LPA has licences and developments projects in areas with challenges related to cold water corals, but these are resolved with detailed planning and communication with the relevant authorities.

The Brage Field is located in the northern part of the North Sea, and the production started in 1993. Vulnerable habitats or protected areas are not registered in near distance to the site.

The Group has also actively deployed its in-house technology – Rex Virtual Drilling to de-risk exploration prospects before drilling. The technology has provided the Group with an additional tool to assess the presence of oil through the study of seismic data, and has aided the Group in achieving four discoveries over the years. This has saved the Group from participating in exploration drillings that eventually turned out dry, hence reducing the waste of resources.

While the Group operates in offshore areas where biodiversity is scarce, it will work towards ensuring that its operations do not affect any protected species on the conservation list and adhere to legal requirements to perform site specific EIAs where required, independent of the level of biodiversity.

Waste Management

GRI 306-1, 306-2, 306-3, 306-4, 306-5

Typical non-hazardous and hazardous wastes generated at the Group's offshore facilities include domestic waste and process related wastes such as general and packaging wastes, food waste, waste oils, oil-contaminated rags, hydraulic fluids, used batteries, paint cans, waste chemicals and used chemical containers, used filters, scrap metals, and medical waste, among others. Wastewaters routinely generated at offshore facilities are sewage, ballast water, deck drainage water and bilge water.

In Oman, MOL has implemented an operations-specific Waste Management Plan covering all wastes generated during operations. This has been developed in accordance with applicable international requirements and local environmental regulations. All wastes generated offshore are brought onshore and will be managed by the vessel contractors and the collection by a third-party at the Port of Duqm in compliance with local applicable Oman environmental regulations.

MOL also collects and monitors waste-related data through the consignment note and receipt for the delivery of all offshore waste disposed onshore by third party waste operators.

Waste Metrics[12]

Total Waste Generated (tonnes)	72
Total Hazardous Waste (tonnes)	0.5
Total Non-hazardous Waste (tonnes)	68.2
Total Drilling Waste (tonnes)	3.3
Total waste diverted from disposal (tonnes)	0
Total waste directed to disposal (tonnes)	72

MOL is aware of the risk of oil spill occurrences offshore and an Oil Spill Contingency Plan has been put in place. In FY2022, while there were no significant spills events (>0.1m^3), there was a total of 0.048m^3 of oil spills to sea recorded in the Yumna Field. MOL recognises the significant adverse impacts of oil spills on the ocean and marine biodiversity, and is committed to ensure that its operations are safeguarded by strong operational control onsite to prevent such incidents from occurring.

Water and Effluents Management

GRI 303-1, 303-2, 303-3, 303-4, 303-5

As a partner on the Brage Field operated by OKEA, LPA exercises its "see-to-duty" duty to ensure that OKEA adheres to all applicable NCS regulations pertaining to water and effluent management. Discharges of effluents (produced water, drain water, displaced water) and chemicals needed for safe and efficient production is managed according to Norwegian regulations. The discharge permit is regulated by the Norwegian authorities and states that effluent discharge should be below 30 mg oil/L per month (weighted average).

In Oman, operations are not located in water-stressed environments and no freshwater is withdrawn for oil production. The new FSO is equipped with a Reverse Osmosis Plant which processes sea water for general use resulting in the reduction of consumption of potable water by the FSO. This effort is part of the Group's commitment to reduce water usage and increase water recycling. In line with the Group's Produced Water Management Plan, we ensure that produced water is being treated and disposed safely into the marine environment in accordance with MARPOL and local environmental authority requirements and standards.

There were no exceedances of the regulatory discharge limits for produced water in 2022.

Water Metrics[13]

	Oman	Singapore	Norway
Total Water Withdrawn (megalitres)			
Seawater	636	0	0
Municipal water	0*	0*	0*
Total Water Discharged (megalitres)			
Seawater	634	0	0
Municipal Sewage	0*	0*	0*
Concentration (mg/L) of hydrocarbons in the water discharged	15	NA	NA
Total Water Consumption (megalitres)			
Seawater	2	0	0

Environmental Targets

Targets for FY2022	Status	FY2022 Performance
100% Compliance with environmental laws and regulations	Met	Zero environmental non-compliance

Targets for FY2023

Short-term	• Recycle and reuse waste materials • Monitor and reduce resource consumption whenever possible
Long-term	• Minimise environmental impact on marine biodiversity

[12] Based on the operated asset in Oman
[13] Based on the operated asset in Oman
* Less than 0.5 megalitres

FOCUS 5: CREATING INCLUSIVE COMMUNITIES

Local Employment and Procurement

GRI 202-2, 204-1

The Group focuses on engaging local talent in countries of our operations and upholds a strong commitment to develop a workforce that reflects the diversity of the communities we serve. We ensure that our employment contracts are compliant with local laws and regulations. The Group also remunerates local employees according to the merit of the work conducted. All employees are remunerated based on merit as there is no legislation on minimum wage in the regions we operate in.

The Group believes that hiring locals can bring about intangible benefits to our business operations as we contribute economically to the respective jurisdictions. We actively seek to hire senior management locally for our significant locations of operation in Singapore, Norway and Oman. This includes individuals either born or who have the legal right to reside indefinitely (i.e. naturalised citizens or permanent visa holders) in the same geographic market as the operation. The Group has identified individuals who are responsible for the Group's core management function to be assigned as part of the senior management. In FY2022, a significant proportion of our senior and middle management across our locations are hired from the local community.

In addition, the Group contributes back to the local economy by procuring from local suppliers. We have prioritised sourcing from local equipment suppliers, where applicable, and only engage overseas suppliers when there are no eligible local suppliers available. This increases the resiliency of our supply chain while ensuring that we are well-equipped at our operational sites.

Proportion of Spending on Local Suppliers

Singapore Suppliers	68%
Norway Suppliers	100%
Oman Suppliers	60%

Workforce Profile and Diversity

GRI 401-1, 405-1, 405-2

The Group recognises that its success depends on its employees and the contributions they make. We are an equal opportunity employer that is fully committed to creating and maintaining an organisation that embraces and celebrates diversity.

Employees are recruited based on merit, regardless of age, ethnicity, gender, religion, marital status and disability, and the Group treats each individual with equal respect. Diversity allows the Company access to a greater pool of talent and can help to drive better business performance over time.

The Group values having a diverse set of opinions at Board level. Rex has formed a group of knowledgeable and diverse Board members who guides the organisation towards greater growth.

Board age diversity	Number (#)	Percentage (%)
<30 years old	0	0
30-50 years old	1	14
51-70 years old	4	57
>70 years old	2	29
Board gender diversity	**Number (#)**	**Percentage (%)**
Male	6	86
Female	1	14

While the Group hires mostly permanent employees, there are workers who are employed by our suppliers who are assigned to sites under the Group's control. However, they do not contribute to the Group's workforce. The Group currently does not actively track the number of such workforce.

The following table provides the breakdown of our employees by permanent, temporary, non-guaranteed hours, full-time and part-time employees. The number of employees reported are the numbers at the end of the reporting period.

	Norway	Singapore	Oman
Total employees (#)	18	7*	22
Total employees by employment type (#)			
Full-time, Fixed Term	18	6	22
Part-time/Non-guaranteed hours	0	1	0
Total employees by gender (#)			
Female	6	5	5
Male	12	2	17
Employee age diversity (%)			
Senior Management (<30 years old)	0	0	0
Senior Management (30-50 years old)	20	0	50
Senior Management (>50 years old)	80	100	50
Middle Management (<30 years old)	0	0	0
Middle Management (30-50 years old)	50	100	100
Middle Management (>50 years old)	50	0	0
Other employees (<30 years old)	0	0	40
Other employees (30-50 years old)	44	75	53
Other employees (>50 years old)	56	25	7
Employee gender diversity – females (%)			
Senior Management	25	50	0
Middle Management	50	100	0
Other employees	33	75	33

* Excludes Rex's overseas workforce

In FY2022, there were three departures and 13 new hires. As at 31 December 2022, the breakdown of our new employee hire and departures according to gender, age group and region are as follows.

	Norway	Singapore	Oman
Total new employee hire (#)	6	0	7
New employee hire by age group			
Below 30 years old (#)	0	0	2
Below 30 years old (rate)	0	0	9
Between 30 and 50 years old (#)	3	0	2
Between 30 and 50 years old (rate)	12.5	0	9
Above 50 years old (#)	3	0	3
Above 50 years old (rate)	12.5	0	14
New employee hire by gender			
Male (#)	5	0	6
Male (rate)	20.8	0	27
Female (#)	1	0	1
Female (rate)	4.2	0	4
Total employee turnover (#)	0	0	3
Employee turnover by age group			
Below 30 years old	0	0	0
Between 30 and 50 years old	0	0	0
Above 50 years old	0	0	3
Employee turnover by gender			
Male	0	0	3
Female	0	0	0

Staff Benefits

GRI 401-2

The Group strives to provide competitive benefits to our employees to retain talent. We offer fair compensation packages, based on practices of pay-for-performance and promotion based on merit, to its employees. The Group provides various healthcare and insurance subsidies for full-time employees. This includes group personal accident insurance, life insurance, healthcare, disability and invalidity coverage, as well as dental coverage.

We believe in allowing our employees to spend time together with their family. Employees who are parents, are entitled to parental leave to spend time meaningfully with their children. The following are the statistics for our parental leave entitlement.

	Norway	Singapore	Oman
Total number of employees that were entitled to parental leave			
Male	1	0	11
Female	0	0	3
Total number of employees that took parental leave			
Male	1	NA	2
Female	NA	NA	2
Total number of employees that returned to work in the reporting period after parental leave ended			
Male	1	NA	2
Female	NA	NA	2
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work			
Male	1	NA	2
Female	NA	NA	2
Return to work rate			
Male	100%	NA	100%
Female	NA	NA	100%
Retention rate			
Male	N/A; Prior reporting year data not available	NA	100%
Female	NA	NA	100%

Training and Development

GRI 404-1, 404-2

Providing appropriate staff development and training opportunities is one of the key internal performance targets monitored by the Group. In FY2022, employees in Singapore attended a variety of seminars and webinars, while adhering to local COVID-19 measures put in place by the authorities.

	Norway	Singapore	Oman
Total number of training hours conducted for all employees	250	68	251
Total number of training hours by gender			
Male	167	0	201
Female	83	68	50
Average hours of training by gender			
Male	14	0	50
Female	14	13.6	25
Total training hours by employment category			
Senior Management	80	20.5	0
Middle Management	120	26	0
Average training hours by employee category			
Senior Management	40	20.5	0
Middle Management	60	26	0

In 2022, employees in Singapore attended a variety of seminars and webinars:

Finance

- Inland Revenue Authority of Singapore: Companies' Corporate Income Tax Obligations for Year of Assessment 2022
- Ernst & Young: What you should know about the IRAS' New Tax Governance Framework and its implications for your business
- Ernst & Young: Navigating Risk of Tax Disputes and Controversy in Singapore
- KPMG: New IRAS Tax Governance Initiatives
- Deloitte & Touche: Fundamentals of Withholding Tax
- Deloitte & Touche: Financial Reporting Updates and Tax Developments
- Ernst & Young: GST Updates: Budget 2022 and Other Recent Developments
- Ernst & Young: Singapore Budget 2022 webinar series
- Ernst & Young: Transfer pricing documentation
- Institute of Singapore Chartered Accountants: Ethical Issues in Fair Value Accounting
- Institute of Singapore Chartered Accountants: Ethics Update for Professional Accountants in Business
- KPMG: Understanding Employer CPF Obligations

Corporate Governance & Sustainability

- Ernst & Young: Enhancing Reporting for Long-Term Sustainability
- Singapore Business Federation: Greening your Business - Carbon Management and RECs
- Singapore Institute of Directors: Singapore Governance and Transparency Forum 2022
- Singapore Business Federation: Why Now? How Now? Towards Corporate Sustainability
- Singapore Institute of Directors: 12th Board of Directors Survey
- Singapore Institute of Directors: Singapore Governance and Transparency Forum 2022
- Singapore Exchange Limited & Global Compact Network Singapore: Task Force on Climate-Related Financial Disclosures
- Singapore Exchange Limited: Climate Change (TCFD) Report - Preparation, Meeting Requirements & Digital Data Submission"
- Singapore Exchange Limited: ESGenome Disclosure Portal Pilot Programme
- RSM & Greenbees: Green Business Advisory Seminar

Energy

- Rystad Energy: Road to Transition: How will the new market reality play out for the upstream industry?

Non-Discrimination

GRI 406-1

The Group is committed to creating a work environment where all staff are treated with dignity and respect as outlined in our Code of Conduct. This entails providing fair welfare and compensation, workplace health and safety, and a workplace that is free of discrimination. As at 31 December 2022, there were no incidents of workplace discrimination occurring within our operations. The Group does not tolerate any cases of discrimination and any reported incidents will be investigated.

Labour and Management Relations

GRI 402-1

The Group understands that there could be changes at our operational sites which could result in changes in our employee's working hours and condition. Therefore, we have ensured that our employees are informed of the change at least two weeks prior to implementing the change.

Uplifting Local Communities

GRI 413-1

The Group aims to uplift the communities in locations we operate in. In 2022, our Singapore office donated food hampers to the Boys' Brigade Share-A-Gift 2022 project, which impacted 44,167 beneficiaries.

Inclusive Communities Targets

Targets for FY2022	Status	FY2022 Performance
To procure all services from local suppliers, provided they can deliver the required quality on cost and time	Met	Majority of contracts for the drilling of the Brage South well in Norway and the Yumna-4 well campaign in Oman were procured from local service providers.

Targets for FY2023

Short-term	• Provide performance reviews for 100% of employees • Assess new suppliers based on social and environmental considerations • To procure all services from local suppliers where possible • Increase number of community engagements
Long-term	• Assess all existing and new suppliers on social and environmental considerations • To achieve at least **10** hours of training programmes per employee

SGX-ST 6 Primary Components Index

S/N	Primary Component	Section Reference
1	Material Topics	• Materiality Assessment
2	Climate-related disclosures consistent with the TCFD recommendations	• Focus 3: Resilience for Climate Change
3	Policies, Practices and Performance	• Sustainability Strategy Overview • Focus 1 to 5
4	Board Statement	• Board Statement • Sustainability Governance Structure • Risk Management
5	Targets	• Focus 1 to 5
6	Framework	• Reporting Practice

GRI Content Index

Statement of use	Rex International Holding has reported in accordance with the GRI Standards for the period 1 January 2022 to 31 December 2022.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	GRI 11: Oil and Gas Sector 2021

GRI Standard	Disclosure	Location	Omission		GRI Sector Standard Ref. No.
			Reason	Explanation	
GRI 2: General Disclosures 2021	2-1 Organisational details	Organisational Profile			
	2-2 Entities included in the organisation's sustainability reporting	Reporting Practice			
	2-3 Reporting period, frequency and contact points	Reporting Practice			
	2-4 Restatements of information	Reporting Practice			
	2-5 External assurance	Reporting Practice			
	2-6 Activities, value chain and other business relationships	Organisational Profile, Annual Report 2022			
	2-7 Employees	Focus 5: Creating Inclusive Communities			
	2-8 Workers who are not employees	-	Information not available	The Group does not track this metric.	
	2-9 Governance structure and composition	Sustainability Governance Structure & Board Statement Corporate Governance Report			
	2-10 Nomination and selection of the highest governance body	Corporate Governance Report			
	2-11 Chair of the highest governance body	Corporate Governance Report			
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability Governance Structure & Board Statement			
	2-13 Delegation of responsibility for managing impacts	Sustainability Governance Structure & Board Statement			
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Governance Structure & Board Statement			
	2-15 Conflicts of interest	Corporate Governance Report			
	2-16 Communication of critical concerns	Focus 1: Upholding Governance and Ethics			
	2-17 Collective knowledge of the highest governance body	Sustainability Governance Structure & Board Statement			
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance Report			
	2-19 Remuneration policies	Corporate Governance Report			
	2-20 Process to determine remuneration	Corporate Governance Report			
	2-21 Annual total compensation ratio	-	Confidentiality constraints		
	2-22 Statement on sustainable development strategy	Message from the Chief Executive Officer / Chief Sustainability Officer			
	2-23 Policy commitments	Focus 1 to 5			
	2-24 Embedding policy commitments	Focus 1 to 5			
	2-25 Processes to remediate negative impacts	Focus 1: Upholding Governance and Ethics			
	2-26 Mechanisms for seeking advice and raising concerns	Focus 1: Upholding Governance and Ethics			
	2-27 Compliance with laws and regulations	Focus 1: Upholding Governance and Ethics			
	2-28 Membership associations	Awards and Accreditations			
	2-29 Approach to stakeholder engagement	Stakeholder Engagement			
	2-30 Collective bargaining agreements	-	Not applicable	Not applicable to REX	
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Assessment			
	3-2 List of material topics	Materiality Assessment			

GRI Standard	Disclosure	Location	Omission		GRI Sector Standard Ref. No.
			Reason	Explanation	
Greenhouse Gas (GHG) Emissions					
GRI 3: Material Topics 2021	3-3 Management of material topic	Focus 4: Protecting our Environment			11.1.1
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Focus 4: Protecting our Environment			11.1.2
	302-2 Energy consumption outside of the organisation	-	Not applicable	Metric under evaluation	11.1.3
	302-3 Energy Intensity	Focus 4: Protecting our Environment			11.1.4
	302-4 Reduction of energy consumption	-	Not applicable	Metric under evaluation	
	302-5 Reductions in energy requirements of products and services	-	Not applicable	Not applicable to REX	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Focus 4: Protecting our Environment			11.1.5
	305-2 Energy indirect (Scope 2) GHG emissions	Focus 4: Protecting our Environment			11.1.6
	305-3 Other indirect (Scope 3) GHG emissions	Focus 4: Protecting our Environment			11.1.7
	305-4 GHG emissions intensity	Focus 4: Protecting our Environment			11.1.8
Climate adaptation, resilience, and transition					
GRI 3: Material Topics 2021	3-3 Management of material topic	Focus 3: Resilience for Climate Change			11.2.1
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	Focus 3: Resilience for Climate Change			11.2.2
GRI 305: Emissions 2016	305-5 Reduction of GHG emissions		Not applicable	Metric under evaluation	11.2.3
Air Emissions					
GRI 3: Material Topics 2021	3-3 Management of material topic	Focus 4: Protecting our Environment			11.3.1
GRI 305: Emissions 2016	305-6 Emissions of ozone-depleting substances (ODS)	-	Not applicable	Not applicable to REX	
	305-7 Nitrogen oxides (NOx), sulfur oxides(Sox), and other significant air emissions	Focus 4: Protecting our Environment			11.3.2
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of products and service categories	-	Not applicable	Limited applicability to upstream operations	11.3.3
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	-	Not applicable	Limited applicability to upstream operations	
Biodiversity					
GRI 3: Material Topics 2021	3-3 Management of material topic	Focus 4: Protecting our Environment			11.4.1
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	-	Not applicable	Not applicable to REX	11.4.2
	304-2 Significant impacts of activities, products and services on biodiversity	Focus 4: Protecting our Environment			11.4.3
	304-3 Habitats protected or restored	-	Not applicable	Not applicable to REX	11.4.4
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	-	Not applicable	Not applicable to REX	11.4.5

GRI Standard	Disclosure	Location	Omission		GRI Sector Standard Ref. No.
			Reason	Explanation	
Waste					
GRI 306: Effluents and Waste 2016	3-3 Management of material topic	Focus 4: Protecting our Environment			11.5.1
	306-1 Waste generation and significant waste-related impacts	Focus 4: Protecting our Environment			11.5.2
	306-2 Management of significant waste-related impacts	Focus 4: Protecting our Environment			11.5.3
	306-3 Waste generated	Focus 4: Protecting our Environment			11.5.4
	306-4 Waste diverted from disposal	Focus 4: Protecting our Environment			11.5.5
	306-5 Waste directed to disposal	Focus 4: Protecting our Environment			11.5.6
Water and Effluents					
GRI 3: Material Topics 2021	3-3 Management of material topic	Focus 4: Protecting our Environment			11.6.1
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Focus 4: Protecting our Environment			11.6.2
	303-2 Management of water discharge-related impacts	Focus 4: Protecting our Environment			11.6.3
	303-3 Water withdrawal	Focus 4: Protecting our Environment			11.6.4
	303-4 Water discharge	Focus 4: Protecting our Environment			11.6.5
	303-5 Water consumption	Focus 4: Protecting our Environment			11.6.6
Closure and Rehabilitation					
GRI 3: Material Topics 2021	3-3 Management of material topic	Focus 5: Creating Inclusive Communities			11.7.1
GRI 402: Labour/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Focus 5: Creating Inclusive Communities			11.7.2 11.10.5
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	Focus 5: Creating Inclusive Communities			11.7.3 11.10.7
List the operational sites that: - have closure and rehabilitation plans in place - have been closed - are in the process of being closed		-	Not applicable	Not applicable to REX	11.7.4
List the decommissioned structures left in place and describe the rationale for leaving them in place		-	Not applicable	Not applicable to REX	11.7.5
Report the total monetary value of financial provisions for closure and rehabilitation made by the organisation, including post-closure monitoring and aftercare for operational sites.		-	Not applicable	Not applicable to REX	11.7.6
Asset integrity and critical incident management					
GRI 3: Material Topics 2021	3-3 Management of material topic	Focus 2: Prioritising Health and Safety			11.8.1
GRI 306: Effluents and Waste 2016	306-3 Significant spills	Focus 4: Protecting our Environment			11.8.2
Report the total number of Tier 1 and Tier 2 process safety events, and a breakdown of this total by business activity (e.g., exploration, development, production, closure and rehabilitation, refining, processing, transportation, storage)		-	Not applicable	Not applicable to REX	11.8.3

GRI Standard	Disclosure	Location	Omission		GRI Sector Standard Ref. No.
			Reason	Explanation	
Occupational health and safety					
GRI 3: Material Topics 2021	3-3 Management of material topic	Focus 2: Prioritising Health and Safety			11.9.1
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Focus 2: Prioritising Health and Safety			11.9.2
	403-2 Hazard identification, risk assessment, and incident investigation	Focus 2: Prioritising Health and Safety			11.9.3
	403-3 Occupational health services	Focus 2: Prioritising Health and Safety			11.9.4
	403-4 Worker participation, consultation, and communication on occupational health and safety	Focus 2: Prioritising Health and Safety			11.9.5
	403-5 Worker training on occupational health and safety	Focus 2: Prioritising Health and Safety			11.9.6
	403-6 Promotion of worker health	Focus 2: Prioritising Health and Safety			11.9.7
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Focus 2: Prioritising Health and Safety			11.9.8
	403-8 Workers covered by an occupational health and safety management system	Focus 2: Prioritising Health and Safety			11.9.9
	403-9 Work-related injuries	Focus 2: Prioritising Health and Safety			11.9.10
	403-10 Work-related ill health	Focus 2: Prioritising Health and Safety			11.9.11
Employment Practices					
GRI 3: Material Topics 2021	3-3 Management of material topic	Focus 5: Creating Inclusive Communities			11.10.1
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Focus 5: Creating Inclusive Communities			11.10.2
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Focus 5: Creating Inclusive Communities			11.10.3
	401-3 Parental leave	Focus 5: Creating Inclusive Communities			11.10.4 11.11.3
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Focus 5: Creating Inclusive Communities			11.10.6 11.11.4
Supply Chain Management					
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Focus 1: Upholding Governance and Ethics			
	308-2 Negative environmental impacts in the supply chain and actions taken	Focus 1: Upholding Governance and Ethics			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers screened using social criteria	-	Not applicable	Not applicable to REX	11.10.8 11.12.3
	414-2 Negative social impacts in the supply chain and actions taken	-	Not applicable	Not applicable to REX	11.10.9
Non-discrimination and equal opportunity					
GRI 3: Material Topics 2021	3-3 Management of material topic	Focus 5: Creating Inclusive Communities			11.11.1

GRI Standard	Disclosure	Location	Omission		GRI Sector Standard Ref. No.
			Reason	Explanation	
GRI 202: Market Presence	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	-	Not applicable	No employees compensated based on entry level wage by gender / local minimum wage rules	
	202-2 Proportion of senior management hired from the local community	Focus 5: Creating Inclusive Communities			11.11.2
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Focus 5: Creating Inclusive Communities			11.11.5
	405-2 Ratio of basic salary and remuneration	-	Not applicable	Metric under evaluation	11.11.6
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Focus 5: Creating Inclusive Communities			11.11.7
Forced labor and modern slavery					
GRI 3: Material Topics 2021	3-3 Management of material topic	Focus 1: Upholding Governance and Ethics			11.12.1
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Focus 1: Upholding Governance and Ethics			
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Focus 1: Upholding Governance and Ethics			11.12.2
Economic Impacts					
GRI 3: Material Topics 2021	3-3 Management of material topic	Focus 5: Creating Inclusive Communities			11.14.1
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Annual Report 2022			11.14.2 11.21.2
	201-3 Defined benefit plan obligations and other retirement plans	-	Not applicable	Not applicable for Singapore Companies	
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	-	Not applicable	Not applicable to REX	11.14.4
	203-2 Significant indirect economic impacts	Focus 4: Protecting our Environment			11.14.5
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Focus 5: Creating Inclusive Communities			11.14.6
Local communities					
GRI 3: Material Topics 2021	3-3 Management of material topic	Focus 5: Creating Inclusive Communities			11.15.1
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Focus 5: Creating Inclusive Communities			11.15.2
	413-2 Operations with significant actual and potential negative impacts on local communities	-	Not applicable	Not applicable to REX	11.15.3
Report the number and type of grievances from local communities identified , including : - Percentage of the grievances that were addressed and resolved - Percentage of the grievances that were resolved through remediation		-	Not applicable	Not applicable to REX	11.15.4

GRI Standard	Disclosure	Location	Omission		GRI Sector Standard Ref. No.
			Reason	Explanation	
Anti-competitive behavior					
GRI 3: Material Topics 2021	3-3 Management of material topic	Focus 1: Upholding Governance and Ethics			11.19.1
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Focus 1: Upholding Governance and Ethics			11.19.2
Anti-corruption					
GRI 3: Material Topics 2021	3-3 Management of material topic	Focus 1: Upholding Governance and Ethics			11.20.1
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Focus 1: Upholding Governance and Ethics			11.20.2
	205-2 Communication and training about anti-corruption policies and procedures	-	Not applicable	Not applicable to REX	11.20.3
	205-3 Confirmed incidents of corruption and actions taken	Focus 1: Upholding Governance and Ethics			11.20.4
Describe the approach to contract transparency, including: - Whether contracts and licenses are made publicly and, if so, where they are published - If contracts or licenses are not publicly available, the reason for this and actions taken to make them public in the future		Focus 1: Upholding Governance and Ethics			11.20.5
List the organisation's beneficial owners and explain how the organisation identifies the beneficial owners of business partners, including joint ventures and suppliers		-	Not applicable	Not applicable to REX	11.20.6
Payments to government					
GRI 3: Material Topics 2021	3-3 Management of material topic	Focus 1: Upholding Governance and Ethics			11.21.1
GRI 201: Economic Performance 2016	201-4 Financial assistance received from government	Focus 1: Upholding Governance and Ethics			11.21.3
GRI 207: Tax 2019	207-1 Approach to tax	Focus 1: Upholding Governance and Ethics			11.21.4
	207-2 Tax governance, control, and risk management	Focus 1: Upholding Governance and Ethics			11.21.5
	207-3 Stakeholder engagement and management of concerns related to tax	Focus 1: Upholding Governance and Ethics			11.21.6
	207-4 Country-by-country reporting	-	Not applicable	Not applicable to REX	11.21.7
For oil and gas purchased from the state, or from third parties appointed by the state to sell on their behalf, report: - volumes and types of oil and gas purchased; - full names of the buying entity and the recipient of the payment; - payments made for the purchase		-	Not applicable	Not applicable to REX	11.21.8
Customer Privacy					
GRI 418: Customer Privacy 2016	418-1 Substantiated complains concerning breaches of customer privacy and losses of customer data	Focus 1: Upholding Governance and Ethics			

Topics in the GRI 11: Oil and Gas Sector Standards determined as not material

Topic	Explanation
11.13 Freedom of association and collective bargaining	Rex employees are not covered under collective bargaining agreements
11.16 Land and Resource Rights	Rex operates offshore
11.17 Rights of Indigenous Peoples (GRI 411)	Rex does not operate near indigenous communities
11.18 Conflict and Security (GRI 410)	Rex does not operate within locations of conflict
11.22 Public Policy (GRI 415)	Rex does not participate in political contributions

TCFD Index

TCFD Disclosure		Section reference
Governance		
a)	Board's oversight of climate related risks	Focus 3: Resilience for Climate Change
b)	Management's role in assessing and managing climate-related risks	
Strategy		
a)	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	Focus 3: Resilience for Climate Change
b)	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	
c)	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2 degree or lower scenario	The Group is taking a phased approach to TCFD adoption. The Group will incorporate scenario analysis and planning into our subsequent sustainability reports when more information and tools are available for greater accuracy and relevant analysis
Risk Management		
a)	Describe the organisation's processes for identifying and assessing climate-related risks	Focus 3: Resilience for Climate Change
b)	Describe the organisation's processes for managing climate-related risks	
c)	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	
Metrics and Targets		
a)	Disclose the metrics sued by organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Focus 3: Resilience for Climate Change
b)	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	Focus 3: Resilience for Climate Change Focus 4: Protecting our Environment
c)	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Focus 4: Protecting our Environment

Brage Field, Norway
Photo courtesy of Okea ASA

CORPORATE GOVERNANCE REPORT

The Board of Directors (the "**Board**" or the "**Directors**") of Rex International Holding Limited (the "**Company**" and together with its subsidiaries, the "**Group**") is committed to achieving and maintaining high standards of corporate governance principles and processes in managing its business and affairs to enhance long-term shareholder value and business performance, by embracing the tenets of good governance, including accountability, transparency and sustainability of the Group.

During the financial year under review, the Directors of the Company have reviewed its corporate governance practices and ensured that they are in compliance with the applicable provisions of the Code of Corporate Governance 2018 (the "**Code**") issued by the Monetary Authority of Singapore and the applicable listing rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") (the "**Listing Rules**"). Where applicable, deviations from the Code have been explained and how the Group's practices are consistent with the intent of the relevant principles.

This corporate governance report sets out how the Company has applied the principles of good corporate governance in a disclosure-based regime where the accountability of the Board to the Company's shareholders and the Management to the Board provides a framework for achieving a mutually beneficial tripartite relationship aimed at creating, enhancing and growing sustainable shareholders' value.

GUIDELINE

General

Compliance to the Code

The Company has complied with the principles and provisions as set out in the Code and the disclosure guide developed by the SGX-ST in 2018 (the "**Guide**"), where applicable. Appropriate explanations have been provided in the relevant sections below where there are deviations from the Code.

BOARD MATTERS

The Board's Conduct of Affairs

Principle 1 ***The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.***

1.1

Role of the Board

Composition of the Board	
Name of Director	**Designation**
Dan Broström	Executive Chairman
Dr Karl Lidgren	Executive Director
Sin Boon Ann	Lead Independent Non-Executive Director
Dr Christopher Atkinson	Independent Non-Executive Director
Mae Heng	Independent Non-Executive Director
John d'Abo	Independent Non-Executive Director
Dr Mathias Lidgren	Non-Independent Non-Executive Director

The Company's Board is committed to achieving and maintaining high standards of corporate governance principles and processes in managing its business and affairs to enhance long-term shareholder value and business performance, by embracing the tenets of good governance, including accountability, transparency and sustainability of the Group.

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The Board sees as its role to:

(a) Provide entrepreneurial leadership guidance, set corporate strategic objectives and directions for Management, which should include appropriate focus on value creation, innovation and sustainability;
(b) Set the appropriate tone-from-the-top and desired organisational culture, and to ensure proper accountability within the Company;
(c) Ensure that the necessary resources are in place for the Company to meet its strategic objectives;
(d) Establish and maintain a sound risk management framework to effectively monitor and manage risks, and to achieve an appropriate balance between risks and company performance;
(e) Constructively challenge Management and review its performance;
(f) Instil an ethical corporate culture and ensure that the Company's values, standards, policies and practices are consistent with the culture; and
(g) Oversee the overall corporate governance of the Group and ensure transparency and accountability to key stakeholder groups.

The Company's Board of Directors Policy sets out the principles and general guidelines for the Directors, who should abide by the policy and any applicable law, legislation, the Listing Rules or the Companies Act. The policy covers aspects including Board composition and balance, Board diversity, tenure and number of directorships, Board member selection and orientation, and code of conduct for the avoidance of conflicts of interest and dealing in the shares of the Company.

Conflicts of Interest

Specifically, Directors facing conflicts of interest are to recuse themselves from discussions and decisions involving the issues of conflict. The Company has in place a policy on Board of Directors whereby Directors should refrain from having any conflicts of interests with the Company to ensure that their duty to act in the best interest of the Company is not jeopardised. Where the director faces a conflict of interest, he or she should disclose this and recuse himself or herself from discussion and decisions involving the issue. For instance, if the Chairman of the Board (Chairman) is a member of the Nominating Committee ("**NC**"), he or she may face a conflict of interest on discussions relating to the succession of the Chairman and should thus recuse himself or herself from such discussions after providing his or her input to the NC on other matters. This ensures that Directors continually meet the stringent requirements of independence under the Code.

1.2 *Director Competencies*

All directors have a good understanding of the Company's business as well as their directorship duties (including their roles as executive, non-executive and independent directors). For future appointments, the Company will provide each newly appointed Director with a formal letter of appointment setting out the Director's role, duties, obligations and responsibilities, and the expectations of their contribution to the Company.

Directors are expected to develop their competencies to effectively discharge their duties and are provided with opportunities to develop and maintain their skills and knowledge at the Company's expense.

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All newly appointed Directors will undergo an orientation programme where the Director would be briefed on the Group's strategic direction, governance practices, business and organisation structure, and participate in an external course detailing the expected duties of a director of a listed company. To get a better understanding of the Group's business, the Directors will also be given the opportunity to visit the Group's operational facilities and meet with Management, whenever required. A new Director who has no prior experience as a director of an issuer listed on the SGX-ST must also undergo mandatory training in his roles and responsibilities as prescribed by the SGX-ST. All directors are required to undergo a one-time training on sustainability.

Except for Mr Sin Boon Ann and Ms Mae Heng, the rest of the Directors of the Company did not have prior experience holding directorship(s) in public listed companies in Singapore. All of the Directors except for Ms Mae Heng, Mr John d'Abo and Dr Mathias Lidgren, have been on the Company's board for more than seven years. To prepare and familiarise themselves with the roles and responsibilities of Directors of a public listed company, Mr John d'Abo and Dr Mathias Lidgren had completed the Listed Company Director courses conducted by the Singapore Institute of Directors (the "**SID**") following their appointment to the Board. All directors have also completed the mandatory courses related to sustainability reporting.

Directors are also regularly updated with the latest professional developments in relation to the Listing Rules and other applicable regulatory updates or amendments to relevant laws, rules and regulations to ensure the compliance of the same by all Directors.

In 2022, the Directors attended the following:

Dr Christopher Atkinson	(1)	Singapore Institute of Directors - LED Environmental, Social and Governance Essentials
Dan Broström	(1)	Singapore Institute of Directors - Criticaleye Global Virtual Roundtable: Evaluating the Impact of ESG
	(2)	Singapore Exchange - Fireside Chat with Professor Tommy Koh
	(3)	Singapore Institute of Directors - LED Environmental, Social and Governance Essentials
John d'Abo	(1)	Singapore Institute of Directors - LED1 Listed Entity Director Essentials PART 1
	(2)	Singapore Institute of Directors - LED1 Listed Entity Director Essentials PART 2
	(3)	Singapore Institute of Directors - LED2 Board Dynamics
	(4)	Singapore Institute of Directors - LED3 Board Performance
	(5)	Singapore Institute of Directors - LED4 Stakeholder Engagement
	(6)	Singapore Institute of Directors - LED7 Nominating Committee Essentials
	(7)	Singapore Institute of Directors - LED8 Remuneration Committee Essentials
	(8)	Singapore Institute of Directors - LED Environmental, Social and Governance Essentials
Dr Karl Lidgren	(1)	Singapore Institute of Directors - LED Environmental, Social and Governance Essentials

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Mae Heng	(1)	Complete Corporate Services and Moore Stephens LLP - Singapore Budget 2022
	(2)	Ernst & Young - Singapore Budget 2022
	(3)	Singapore Institute of Directors - LED Environmental, Social and Governance Essentials
	(4)	Securities Commission Malaysia - Audit Oversight Board Conversation with Audit Committees
	(5)	The Institute of Internal Auditors Singapore - Public Sector Internal Audit (PSIA) Conference 2022: Positioning Internal Audit for the Future
	(6)	Bursa Malaysia - Advocacy Sessions for Directors and Senior Management of Main Market Listed Issuers
	(7)	KPMG - Understanding the requirements in Bursa Malaysia's Enhanced Sustainability Reporting Framework
	(8)	Securities Commission Malaysia - Audit Oversight Board Conversation with Audit Committees
Dr Mathias Lidgren	(1)	Singapore Institute of Directors - LED1: Listed Entity Director Essentials PART 1
	(2)	Singapore Institute of Directors - LED1: Listed Entity Director Essentials PART 2
	(3)	Singapore Institute of Directors - LED2: Board Dynamics
	(4)	Singapore Institute of Directors - LED3: Board Performance
	(5)	Singapore Institute of Directors - LED4: Stakeholder Engagement
	(6)	Singapore Institute of Directors - LED7: Nominating Committee Essentials
	(7)	Singapore Institute of Directors - LED Environmental, Social and Governance Essentials
Sin Boon Ann	(1)	National University of Singapore Faculty of Law - The Role of Precedent in the Construction and Implication of Terms in Contracts by Dr John Eldridge, Serle Court, UK
	(2)	MDD Forensic Accountants - Accounting 101
	(3)	National University of Singapore Faculty of Law - Sat Pal Khattar Professorial Lecture: The Future of Tax Jurisdiction
	(4)	Singapore Management University - Yong Pung How Professorship of Law Lecture 2022 - The Effect of Choice of Court Agreements on Third Parties
	(5)	Singapore Institute of Directors - LED Environmental, Social and Governance Essentials

1.3 ***Material Transactions Requiring Board Approval***

Matters that require the Board's approval include, amongst others, the following:

- Overall Group business and budget strategy;
- Annual and half-yearly financial reports and announcements on quarterly use of funds/cash by mineral, oil and gas companies;
- Capital expenditures exceeding certain material limits;

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- Investments or divestments;
- All capital-related matters including capital issuance;
- Significant policies governing the operations of the Company;
- Corporate strategic development and restructuring;
- Interested person transactions exceeding a S$100,000 threshold; and
- Risk management strategies.

1.4 ***Board Committees***

The Board has delegated certain responsibilities to the Audit Committee (the "**AC**"), the Remuneration Committee (the "**RC**") and the Nominating Committee (the "**NC**") (collectively, the "**Board Committees**"). The composition of the Board Committees are as follows:

Board Committee Designation	AC	NC	RC
Chairperson	• Mae Heng	• Sin Boon Ann	• Sin Boon Ann
Members	• Dan Broström • Sin Boon Ann	• Dr Karl Lidgren • John d'Abo • Dr Mathias Lidgren	• Dan Broström • John d'Abo

Each Board Committee has clear written terms of reference setting out their compositions, authorities and duties, including reporting back to the Board.

1.5 ***Board and Board Committee Meetings and Attendance***

The Board meets on a quarterly basis, and as and when circumstances require. In the financial year ended 31 December 2022 ("**FY2022**"), the number of Board and Board Committee meetings held and the attendance of each Board member at such meetings as well as at the Annual General Meeting ("**AGM**") held on 29 April 2022 and the Extraordinary General Meetings ("**EGM**") held on 3 March 2022 and 29 April 2022 are shown below:

Board, Board Committee and General Meetings in FY 2022	Board	AC	NC	RC	AGM	EGM
Number of Meetings Held	4	4	3	3	1	2
Name of Director	**Number of Meetings Attended**					
Dan Broström	4	4	-	3	1	2
Dr Karl Lidgren	4	-	3	-	1	2
Sin Boon Ann	4	4	3	3	1	2
Muhammad Sameer Yousuf Khan (1)	1	1	1	1	1	1
Dr Christopher Atkinson	4	-	-	-	1	2
Mae Heng (2)	3	3	-	-	-	-
John d'Abo (3)	3	-	2	2	-	-
Dr Mathias Lidgren (4)	3	-	2	-	-	-

Notes:
(1) Mr Muhammad Sameer Yousuf Khan retired as Independent Non-Executive Director of the Company upon the conclusion of the AGM held on 29 April 2022.
(2) Ms Mae Heng was appointed as Independent Non-Executive Director of the Company and Chairperson of the Audit Committee on 4 May 2022.
(3) Mr John d'Abo was appointed as Independent Non-Executive Director of the Company and member of the Remuneration and Nominating Committees on 4 May 2022.
(4) Dr Mathias Lidgren was appointed as Non-Independent Non-Executive Director of the Company and member of the Nominating Committee on 4 May 2022.

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To ensure that meetings are held regularly with maximum Directors' participation, the Company's Constitution allows for meetings to be held through telephone and video conferencing software. The Company ensures that telephonic and screen sharing facilities are made available for directors to attend the board meetings.

Regular meetings are held by the Board to deliberate the strategic policies of the Company including significant acquisitions and disposals, review and approve annual budgets, review the performance of the business and approve the public release of periodic financial results. The Board will also convene additional meetings for particular matters as and when they are deemed necessary.

While the Board considers Directors' attendance at Board meetings to be important, it is not the only criterion which the Board uses to measure Directors' contributions. The Board also takes into account the contributions by Board members in other forms including periodical reviews, provision of guidance and advice on various matters relating to the Group.

The responsibility of day-to-day management, administration and operation of the Group are delegated to the Executive Chairman, the Executive Director and the Chief Executive Officer of the Group (the "**CEO**"). The CEO does not sit on the Board. The CEO has accumulated sufficient and valuable experience to hold his position in order to ensure that his fiduciary duties can be carried out in an effective and efficient manner.

1.6 *Complete, Adequate and Timely Information*

Management ensures that all Directors are furnished on an on-going basis with relevant, complete, adequate and timely information concerning the Company, to enable them to make informed decisions and discharge their duties and responsibilities. Information provided to the Board include board papers, copies of disclosure documents, budgets, forecasts, business strategies, risk analyses and assessments, internal financial statements and reports from the internal and external auditors. Most of the information distributed on electronic devices to the Board are password protected for added cyber security. The Board has unrestricted access to the Company's records and information.

Management recognises the importance of circulating information on a timely basis to ensure that the Board has adequate time to review the materials to facilitate a constructive and effective discussion during the scheduled meetings. As such, Management endeavours to circulate information for the Board meetings at least one week prior to the meetings to allow sufficient time for the Directors' review.

1.7 Directors have separate and independent access to Management, the Company Secretary, and external advisers (where necessary) at the Company's expense. The appointment and removal of the Company Secretary is a decision of the Board as a whole.

Board's Independent Access to Management

Management is available to provide explanatory information in the form of emails, telephone conferences or briefings to the Directors or formal presentations in attendance at Board meetings, or such information can also be provided by external consultants engaged on specific projects. Directors are also provided with the contact details of key management personnel to facilitate direct and independent access to Management.

CORPORATE GOVERNANCE REPORT

Management will also provide any additional material or information that is requested by Directors or that is necessary to enable the Board to make a balanced and informed decision or assessment of the Group's performance, position and prospects.

Meetings with subsidiaries, partners and consultants through overseas trips are also arranged, whenever possible. The Executive Chairman also provides frequent information updates to other fellow Directors through emails, telephone conferences and informal meetings.

Furthermore, the Management keeps the Board apprised of regulatory updates and implications, as well as significant project updates.

Company Secretary

The role of the Company Secretary, the appointment and removal of whom is a matter for the Board as a whole, is as follows:

- Ensuring that Board procedures are observed and that the Company's Constitution, relevant rules and regulations, including requirements of the Securities and Futures Act 2001, the Companies Act 1967 and the Listing Rules, are complied with;
- Assisting the Executive Chairman to ensure good information flow within the Board and the Board Committees and Management;
- Attending and preparing minutes for Board meetings;
- Assisting to ensure coordination and liaison between the Board, the Board Committees and Management, in its capacity as secretary to all other Board Committees; and
- Assisting the Executive Chairman, the Chairperson of each Board Committee and Management in the development of the agenda for the various Board and Board Committee meetings.

The Directors have separate and independent access to the Company Secretary.

Independent Professional Advice

Each Director has the right to seek independent legal and other professional advice, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to fulfil their duties and responsibilities as Directors.

Board Composition and Guidance

Principle 2 ***The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.***

2.1 *Independent Directors*

The Board takes into account the existence of relationships or circumstances, including those identified by the Code, that are relevant in its determination as to whether a Director is independent.

The NC has reviewed and confirmed the independence of the Independent Directors in accordance with the Code's definition of an "independent director", practice guidance as to the relationships, the existence of which would deem a Director not to be independent and under the applicable Listing Rules. The Independent Directors have also confirmed their independence in accordance with the Code and under the applicable Listing Rules.

CORPORATE GOVERNANCE REPORT

There is no Director who is deemed independent by the Board, notwithstanding the existence of a relationship as stated in the practice guidance to the Code that would otherwise deem him not to be independent.

Duration of Independent Directors' Tenure

It is the Company's policy that the submission for re-election of an Independent Director who has served beyond nine years since the date of his or her appointment would be reviewed and approved by the NC.

Mr Sin Boon Ann is the only independent director who has served beyond nine years since the date of his appointment (26 June 2013) (whether before or after listing). His continued appointment as an independent director was passed via two-tier voting by all shareholders and by shareholders, excluding the directors and the chief executive officer of the Company and their associates, at the Company's annual general meeting held on 29 April 2022. Mr Sin Boon Ann remains as independent director until the conclusion of the annual general meeting of the Company for the financial year ending 31 December 2023 pursuant to the Transition Practice Note 4 Transitional Arrangements regarding the Tenure Limit for Independent Directors. The other independent director, Dr Christopher Atkinson, who was appointed to the Board on 6 January 2015, will remain as independent director until the conclusion of the annual general meeting of the Company for the financial year ending 31 December 2023. The Company had put in place a board renewal plan. Independent directors Ms Mae Heng and Mr John d'Abo were appointed to the Board on 4 May 2022.

2.2 *Proportion of Independent Non-Executive Directors*

In view that the Executive Chairman is part of the management team and is not an independent director, Provision 2.2 of the Code is met as the Independent Directors make up more than half of the Board since the Company's listing in July 2013.

A majority of four out of seven directors on the Board are Independent Non-Executive Directors.

2.3 *Lead Independent Director*

The Company has a lead independent director who plays an additional facilitative role within the Board, and where necessary, may also facilitate communication between the Board and shareholders or other stakeholders of the Company. Please refer to Provision 3.3 of this report for more information.

2.4 *Board Diversity*

The Board comprises seven directors: One Executive Chairman, one Executive Director, one Non-Independent Non-executive Director and four Independent Non-Executive Directors, who have the appropriate mix of core competencies and diversity of experience, to direct and lead the Company. There is a good balance between the Executive and Non-Executive Directors, with a strong and independent element on the Board.

The composition of the Board will be reviewed on an annual basis by the NC to ensure that the Board has the appropriate mix of expertise and experience, and collectively possess the necessary core competencies for effective functioning and informed decision-making.

CORPORATE GOVERNANCE REPORT

The Board's policy in identifying director nominees is primarily to have an appropriate mix of members with complementary skills, core competencies and experience for the Group, regardless of background, gender, ethnicity or nationality. The current seven Board members are of three different nationalities.

The Board is of the view that the current board size is appropriate to effectively facilitate decision making in relation to the operations of the Group, taking into account the nature and scope of the Company's operations, while the Company is transitioning through a board renewal. The Board believes that the current Board members comprise persons whose diverse skills, knowledge, experience, gender, age and attributes provide for an appropriate balance for effective direction for the Group that would avoid groupthink and foster constructive debate. The NC is also of the view that the current Board members comprise persons with a broad range of expertise and experience in diverse areas including accounting, finance, legal, business and management, technology, oil and gas, strategic planning and regional business experience.

In accordance to Rule 710A(1) of the SGX Listing Rules, the Company has in place a board diversity policy, which includes the Board's objectives to ensure that:

(a) female candidates are included for consideration by the NC whenever it seeks to identify a new director for appointment to the Board; and

(b) there is appropriate female representation on the Board at any one time from 2023.

The Board has taken the following steps to maintain or enhance its objective to have balance and diversity on the Board:

- Annual review by the NC and periodic engagement of external consultants to assess if the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and
- Annual evaluation by the Directors of the skill sets the other Directors possess, with a view to understand the range of expertise which is lacking by the Board.

As part of its Board renewal process, the Company appointed two Independent Non-Executive directors and one Non-Independent Non-Executive director in 2022. The Company achieved gender diversity on the Board with the appointment of its first female director to the Board in May 2022.

To meet the changing challenges in the industry and countries which the Group operates in, such reviews and evaluations, which includes considering factors such as the expertise, skills and perspectives which the Board needs against the existing competencies, would be done on an annual basis to ensure that the Board dynamics remain optimal.

The NC will also monitor the implementation of board diversity and report annually on the Board's composition in terms of diversity, in the Company's Corporate Governance Report and will consider the results of these exercises in its recommendation for the appointment of new directors and/or the re-appointment of incumbent directors.

CORPORATE GOVERNANCE REPORT

2.5 ***Non-Executive Director Meetings in Absence of Management***

The Independent Non-Executive Directors constructively challenge and help develop proposals on strategies. From time to time, the Independent Non-Executive Directors, led by any independent director as appropriate, have met in the absence of Management in FY2022 to discuss concerns or matters such as overall Group business strategies and investments. The chairperson of such meetings provides feedback to the Board and/or the Executive Chairman as appropriate.

Chairman and Chief Executive Officer

Principle 3 ***There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.***

3.1 ***Segregation of the Role of Chairman and the CEO***

The roles of the Executive Chairman and the CEO are separate to ensure a clear division of their responsibilities, increased accountability and greater capacity of the Board for independent decision making. The Executive Chairman is not related to the CEO and is not a substantial shareholder of the Company.

The Executive Chairman leads and ensures the effectiveness of the Board, and his roles include:

(a) Promoting a culture of openness and debate at the Board;
(b) Facilitating the effective contribution of all Directors; and
(c) Promoting high standards of corporate governance.

The Executive Chairman sets the Board's meeting agenda and ensures the quality, quantity and timeliness of the flow of information between the Board and Management to facilitate efficient decision-making. He chairs the Board meetings and encourages the Board members to present their views on topics under discussion at the meetings in a boardroom culture that promotes open interaction and contributions by all. He also assists in ensuring compliance with the Group's guidelines on corporate governance.

Externally, the Executive Chairman is the face of the Board and ensures effective communication with shareholders and other stakeholders. Within the Company, the Executive Chairman ensures appropriate relations within the Board, and between the Board and Management, in particular, between the Board and the CEO.

The CEO is responsible for the business management and day-to-day operations of the Group. The CEO takes a leading role in developing and expanding the businesses of the Group, including making major business and finance decisions. The CEO also oversees the execution of the Group's business and corporate strategy as set out by the Board and ensures that the Directors are kept updated and informed of the Group's businesses.

CORPORATE GOVERNANCE REPORT

3.2 The Board has established and set out in writing the division of responsibilities between the Executive Chairman and the CEO. The Executive Chairman's performance and appointment to the Board were reviewed by the NC. The Executive Chairman and CEO's remuneration packages were reviewed by the RC. As the roles of the Executive Chairman and the CEO are separate, and the AC and RC comprise a majority of Independent Directors of the Company, the Board believes that there are adequate safeguards in place to ensure a balance of power and authority, such that no one individual represents a considerable concentration of power.

3.3 ***Lead Independent Director***

The Board has a Lead Independent Director, Mr Sin Boon Ann, to provide leadership in situations where the Executive Chairman is conflicted. The appointment of Mr Sin Boon Ann as the Lead Independent Director, where the Executive Chairman is part of the management team and is not an independent director, is in line with the recommendation under Provision 3.3 of the Code. The Lead Independent Director is a key member of the Board, representing the views of the Independent Directors and facilitating a two-way flow of information between shareholders, the Chairman and the Board.

The Lead Independent Director's role may include chairing Board meetings in the absence of the Chairman, working with the Chairman in leading the Board, and providing a channel to non-executive directors for confidential discussions on any concerns and to resolve conflicts of interest as and when necessary.

Mr Sin Boon Ann is also chairman of the NC and the RC. The NC is responsible for conducting annual performance evaluation and development succession plans for the Chairman and CEO; while the RC is responsible for designing and assessing the Chairman's and CEO's remuneration.

The Lead Independent Director also makes himself available at all times when shareholders have concerns and for which contact through the normal channels of communication with the Executive Chairman or Management have failed to resolve or are inappropriate. Submissions can be made to the Lead Independent Director at independent.director@rexih.com and will be treated with strictest confidentiality. The Lead Independent Director makes himself available to shareholders at the Company's general meetings.

Independent Director Meetings in Absence of Other Directors

To facilitate well-balanced viewpoints on the Board, the Lead Independent Director will, where necessary, chair meetings with the Independent Directors without the involvement of other Directors, and the Lead Independent Director will provide feedback to the Executive Chairman after such meetings.

CORPORATE GOVERNANCE REPORT

Board Membership

Principle 4 ***The Board has a formal and transparent process for the appointment and re-appointment of Directors to the Board, taking into account the need for progressive renewal of the Board.***

4.1 ### *Nominating Committee*

The NC is guided by key terms of reference as follows and makes recommendations to the Board on relevant matters relating to:

(a) The review of succession plans for the Company's Directors, in particular, the appointment and/or replacement of the Executive Chairman, the CEO and key management personnel;
(b) The process and criteria for evaluation of the performance of the Board, its board committees and directors;
(c) The review of training and professional development programmes for the Board and its directors;
(d) The appointment and re-appointment of directors (including alternate directors, if any), in accordance with the Constitution, having regard to the Director's contribution and performance (for example, attendance, preparedness, participation and candour) including, if applicable, as an Independent Non-Executive Director. All Directors shall be required to submit themselves for re-nomination and re-election at regular intervals and at least once every three years;
(e) Reviewing and approving any new employment of related persons and their proposed terms of employment;
(f) Determining annually, and as and when circumstances require, whether or not a Director is independent;
(g) Reviewing and deciding whether or not a Director who has multiple board representations on various companies is able to and has been adequately carrying out his/her duties as Director, having regard to the competing time commitments that are faced when serving on multiple boards and discharging his/her duties towards other principal commitments;
(h) Deciding whether or not a Director of the Company is able to and has been adequately carrying out his/her duties as a Director; and
(i) Developing a process for evaluation of the performance of the Board, the Board Committees and Directors and proposing objective performance criteria, as approved by the Board that allows comparison with its industry peers, and addresses how the Board has enhanced long-term shareholders' value.

4.2 The Board has established an NC which comprises four members, half of whom including the Chairman of the NC, are Independent Directors. The members of the NC, with the Lead Independent Director as Chairman, are as follows:

Sin Boon Ann	Chairman	Lead Independent Non-Executive Director
Dr Karl Lidgren	Member	Executive Director
John d'Abo	Member	Independent Non-Executive Director
Dr Mathias Lidgren	Member	Non-Independent Non-Executive Director

CORPORATE GOVERNANCE REPORT

As part of the Company's progressive renewal of the Board, Dr Mathias Lidgren was appointed to the Board and to the NC on 4 May 2022, with the intention to take over the representation of the interests of Limea Ltd., the controlling shareholder of the Company, from Dr Karl Lidgren over time. As such, the composition of the NC during this transition period deviates from Provision 4.1 of the Code, which requires the majority of the NC members to be independent. Notwithstanding the foregoing, the Board is of the view that the Board has a formal and transparent process for the appointment and re-appointment of Directors to the Board, taking into account, among others, its key terms of reference, nomination process as disclosed herein.

4.3 The Company's process for the selection, nomination, appointment and re-appointment of directors to the Board, including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates are detailed below.

Board Nomination Process

The Board has adopted the following nomination process for the Company in the last financial year for selecting and appointing new directors and re-electing incumbent directors:

Process for the Selection and Appointment of New Directors:		
1.	Determination of selection criteria	• The NC, in consultation with the Board, would identify the current needs of the Board in terms of skills, experience, knowledge and gender to complement and strengthen the Board and increase its diversity.
2.	Search for suitable candidates	• The NC would consider candidates drawn from the contacts and networks of existing Directors and may approach relevant institutions such as the SID, professional organisations or business federations to source for a suitable candidate.
3.	Assessment of shortlisted candidates	• The NC would meet and interview the shortlisted candidates to assess their suitability.
4.	Appointment of Director	• The NC would recommend the selected candidate to the Board for consideration and approval. • The Company will provide each newly appointed Director with a formal letter of appointment setting out the Director's duties and obligations.

Process for the Re-election of Incumbent Directors:		
1.	Assessment of Director	• The NC would assess the performance of the Director in accordance with the performance criteria set by the Board. • The NC would also consider the current needs of the Board.
2.	Re-appointment of Director	• Subject to the NC's satisfactory assessment, the NC would recommend the proposed re-appointment of the Director to the Board for its consideration and approval.

The Constitution requires that all Directors to retire from office once every three years. At each AGM, one-third of the Board (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation. A retiring Director is eligible for re-election by the shareholders at the AGM.

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4.4 The NC has determined in 2022 that none of the Independent Directors has any relationships with the Company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence. Dr Christopher Atkinson is representing the Company as an Independent Director in the Group's subsidiaries, Lime Petroleum AS and Masirah Oil Ltd.

4.5 The NC ensures that new Directors are aware of their duties and obligations. The NC also decides if a Director is able to and has been adequately carrying out his or her duties as a Director of the Company.

Directors' Key Information

Key information regarding the Directors, including their present and past three years' directorships in other listed companies and other principal commitments are set out below:

Name of Director	Position	Date of Initial Appointment	Date of Last Re-election / Re-appointment	Current Directorships in Other Listed Companies / Principal Current / Principal Commitments	Directorships in Other Listed Companies Over the Past Three Years
Dan Broström	Executive Chairman	11 January 2013	23 April 2021	Other Listed Companies: Nil Principal Commitment: - Cathay (Venture) Pte Ltd - Havalina Pte Ltd - Xer Technologies Pte. Ltd.	NA
Dr Karl Lidgren	Executive Director	1 May 2013	29 April 2022	Other Listed Companies: Nil Principal Commitment: - Cresta Group Ltd - Trace Atlantic Oil Ltd - Limea Ltd - Monarch Marine Holding Ltd - Orango Oil Ltd.	NA

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Name of Director	Position	Date of Initial Appointment	Date of Last Re-election / Re-appointment	Current Directorships in Other Listed Companies Current / Principal Commitments	Directorships in Other Listed Companies Over the Past Three Years
Sin Boon Ann	Lead Independent Non-Executive Director	26 June 2013	23 April 2021	Other Listed Companies: - Healthway Medical Corporation Limited - OUE Limited - CSE Global Limited - TIH Limited - Sarine Technologies Ltd - The Trendlines Group Ltd Principal Commitment: - Drew & Napier LLC	- HRnet Group Limited
Dr Christopher Atkinson	Independent Non-Executive Director	6 January 2015	29 April 2022	Other Listed Companies: - Far East Gold Ltd (2) Principal Commitment: - Worldwide Petroleum Services Pte Ltd - Helios Aragon Pte Limited - Spice Islands Liquors Pte Limited	- Sonoro Energy Limited (1)

CORPORATE GOVERNANCE REPORT

Name of Director	Position	Date of Initial Appointment	Date of Last Re-election / Re-appointment	Current Directorships in Other Listed Companies Current / Principal Commitments	Directorships in Other Listed Companies Over the Past Three Years
Mae Heng	Independent Non-Executive Director	4 May 2022	NA	Other Listed Companies: - HRnetGroup Limited - Chuan Hup Holdings Limited - Grand Venture Technology Limited - Ossia International Limited - Novo Tellus Alpha Acquisition - Apex Healthcare Berhad [3] Principal Commitment: - Drew & Lee Investment (Private) Limited - Drew & Lee Holdings (Private) Limited - Drew & Lee Land Pte. Ltd.	NA

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Name of Director	Position	Date of Initial Appointment	Date of Last Re-election / Re-appointment	Current Directorships in Other Listed Companies Current / Principal Commitments	Directorships in Other Listed Companies Over the Past Three Years
John d'Abo	Independent Non-Executive Director	4 May 2022	NA	Other Listed Companies: Nil Principal Commitment: - Erland Advisors Ltd	NA
Dr Mathias Lidgren	Non-Independent Non-Executive Director	4 May 2022	NA	Other Listed Companies: Nil Principal Commitment: - Moroxite Holding Pte. Ltd. - Propatria AB - Rotationsplast I Munka-Ljungby AB - Caithness Fastighets AB - Forvaltningsak-tiebolaget Maple - Trolleholms Slott AB - Captiosus AB - Strominnate Therapeutics AB - Moroxite T - Medical Doctor - Postdoctoral Researcher - Moroxite T AB	NA

(1) Listed on TSX Venture Exchange (2) Listed on Australian Stock Exchange (3) Listed on Bursa Malaysia
NA – Not Applicable
"Principal Commitments" as defined in the Code include all commitments which involve significant time commitment such as full time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments.

Further information on the Directors is set out on pages 10 to 13 of this Annual Report.

CORPORATE GOVERNANCE REPORT

Multiple Directorships

The Board had previously capped the maximum number of listed company board representations each Director may hold to seven, to ensure that the Directors have sufficient time and attention to adequately perform their role. During the Board Meeting held on 26 February 2021, the NC opined that the effectiveness of each Director was best evaluated and determined by assessing his/her contributions and ability to devote sufficient time and attention to the Company's affairs and his/her acts in the interests of the Company. The Board agreed that representation on the board of directors of several listed companies was no longer a matter of concern to the Board. Hence, there was no need to set a numerical limit to the number of board memberships in listed companies that each Director might hold during his or her term of office.

The NC does not wish to omit from consideration outstanding individuals who, despite the demands on their time, have the capacity to participate and contribute as members of the Board.

The considerations in assessing the capacity of Directors include the following:

- Expected and/or competing time commitments of Directors;
- Geographical location of Directors;
- Size and composition of the Board; and
- Nature and scope of the Group's operations and size.

The NC takes into consideration the following measures and evaluation tools in its assessment of competing time commitments of Directors:

- Declarations by individual Directors of their other listed company board directorships and principal commitments;
- Annual confirmations by each Director on his/her ability to devote sufficient time and attention to the Company's affairs, having regard to his/her other commitments; and
- Assessment of the individual Directors' performance based on the criteria set out in Principle 5 of this report.

The NC has reviewed the time spent and attention given by each of the Directors to the Company's affairs, taking into account the multiple directorships and other principal commitments of each of the Directors (if any), and is satisfied that all Directors have discharged their duties adequately in FY2022.

Alternate Directors

The Company does not have any alternate directors on its Board currently. Alternate directors may be appointed as and when the Board deems necessary. Circumstances which warrant such appointments may include health and age related concerns as well as Management succession plans.

CORPORATE GOVERNANCE REPORT

Re-election of Directors

Pursuant to the Company's Constitution, Mr Dan Broström and Mr Sin Boon Ann will retire by rotation as Director of the Company at the forthcoming AGM.

The NC has recommended to the Board that Mr Dan Broström and Mr Sin Boon Ann be re-elected at the forthcoming AGM.

Mr Dan Broström will, upon re-election as a Director, remain as Executive Chairman of the Company. Further information on Mr Dan Broström can be found on page 10 of the Annual Report.

Sin Boon Ann will, upon re-election as a Director, remain as the Lead Independent Non-Executive Director of the Company, the Chairman of the NC and the RC respectively, and a member of the AC. Further information on Sin Boon Ann can be found on page 11 of the Annual Report.

The Constitution further provides that any Director appointed to fill a casual vacancy or as an additional Director shall hold office only until the next AGM of the Company and shall then be eligible for re-election, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

The NC has recommended to the Board that Ms Mae Heng, Mr John d'Abo and Dr Mathias Lidgren, who are due to retire pursuant to the aforesaid provision, be re-elected at the forthcoming AGM.

Ms Mae Heng will, upon re-election as a Director, remain as an Independent Non-Executive Director of the Company and chairperson of the AC. Further information on Ms Mae Heng can be found on page 12 of the Annual Report.

Mr John d'Abo will, upon re-election as a Director, remain as an Independent Non-Executive Director of the Company and member of the AC and the NC. Further information on Mr John d'Abo can be found on page 12 of the Annual Report.

Dr Mathias Lidgren will, upon re-election as a Director, remain as a Non-Independent Non-Executive Director of the Company and member of the NC. Further information on Dr Mathias Lidgren can be found on page 13 of the Annual Report.

Each member of the NC has abstained from voting on any resolutions and making recommendation and/ or participating in respect of matters in which he has an interest.

Board Performance

Principle 5 ***The Board undertakes formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.***

5.1 *Performance Criteria*

The Board has established processes including taking into consideration the attendance record at the meetings of the Board and the Board Committees for monitoring and evaluating the performance of the Board as a whole and effectiveness and contribution of individual directors. At the same time, the processes also identify weaker areas where improvements can be made. The Board and individual directors can direct more effort in those areas for achieving better performance of the Board and better effectiveness of individual directors.

CORPORATE GOVERNANCE REPORT

The NC has been tasked to evaluate the Board's performance covering areas that include, *inter alia*, size and composition of the Board, Board's access to information, Board processes, strategic planning and accountability.

The NC shall also review the overall performance of the Board in terms of its role and responsibilities and the conduct of its affairs as a whole.

The review of the performance of the Board is conducted by the NC annually. The review of the performance of each Director is also conducted at least annually and when the individual Director is due for re-election.

5.2 For FY2022, the review process was as follows:

1. All Directors individually completed a board evaluation questionnaire on the effectiveness of the Board based on criteria disclosed;
2. The Company Secretary collated and submitted the questionnaire results to the NC Chairman in the form of a report;
3. The NC discussed the report and concluded the performance results during the NC meeting; and
4. Each individual Director was also requested to send a duly completed confidential individual director self-assessment checklist to the NC chairman for review.

All NC members have abstained from the voting or review process of any matters in connection with the assessment of their individual performance.

The assessment criteria include, *inter alia*, Director's attendance, commitment of time, candour, participation, knowledge and abilities, teamwork, and overall effectiveness.

The NC would review the aforementioned criteria on a periodic basis to ensure that the criteria is able to provide an accurate and effective performance assessment taking into consideration industry standards and the economic climate with the objective to enhance long term shareholders value, and thereafter propose amendments if any, to the Board for approval. There has been no change in assessment criteria for FY2022 as the assessment criteria for the financial year ended 31 December 2021 was considered adequate for the aforementioned assessment.

The NC, having reviewed the overall performance of the Board in terms of its role and responsibilities and the conduct of its affairs as a whole, is of the view that the performance of the Board has been satisfactory in FY2022 and that the Board has met its performance objectives in FY2022. The evaluation process of the overall performance of the Board was conducted without an external facilitator in FY2022.

CORPORATE GOVERNANCE REPORT

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6 ***The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.***

6.1 ***Remuneration Committee***

To effect the best corporate governance, the Company has established an RC. The RC recommends to the Board a framework of remuneration for the Directors and key management personnel, and determines specific remuneration packages for each Director, as well as for key management personnel. The recommendations will be submitted for endorsement by the Board.

All aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses and benefits in kind, will be covered by the RC. The RC will also review annually the remuneration of employees who are immediate family members of a Director, CEO or substantial shareholder of the Company, to ensure that their remuneration packages are in line with staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. The RC will also review and recommend to the Board any bonuses, pay increases and/or promotions for employees who are immediate family members of a Director, CEO and substantial shareholder. Each RC member will abstain from participating in the deliberations of and voting on any resolution in respect of his/her remuneration package or that of employees related to him/her.

The RC is guided by key terms of reference as follows:

(a) Review and recommend to the Board a general framework of remuneration and specific remuneration packages for each Director and key management personnel;
(b) Review and recommend to the Board the service contracts of Executive Directors and key management personnel and ensure that such service contracts are fair and not excessively long or with onerous renewal/termination clauses; and
(c) In respect of long-term incentive schemes (if any) including share schemes as may be implemented, to consider whether Directors should be eligible for benefits under such long-term incentive schemes.

CORPORATE GOVERNANCE REPORT

6.2 The RC comprises three members, of which a majority, including the chairman of the RC, are independent:

Sin Boon Ann	Chairman	Lead Independent Non-Executive Director
Dan Broström	Member	Executive Chairman
John d'Abo	Member	Independent Non-Executive Director

The RC does not comprise solely of Non-Executive Directors following the appointment of Mr Dan Broström, the Executive Chairman, as a member of the RC. Taking into account that the Executive Chairman would be able to provide relevant input and guidance to the RC, given his familiarity with the Group's activities as well as industry and market practices (including remuneration packages which are in line with the current market standards and commensurate with the respective job scope and responsibilities of executives) in jurisdictions where the Group operates, the NC had recommended his appointment to the Board. The Board opined that as the RC continued to have majority representation of independent directors, the independent directors collectively, would have the decisive vote in relation to executive remuneration matters. Furthermore, retaining an RC member who is in an executive position will not lead to a conflict of interest or impede the independence of the RC as no Director or member of the RC is allowed to participate in the deliberation, and has to abstain from voting on any resolution, relating to his own remuneration or that of employees related to him. Based on the foregoing, the Board had approved Mr Dan Broström's appointment as a member of the RC.

6.3 The RC considers all aspects of remuneration, including director's fees, salaries, allowances, bonuses, options, share-based incentives and awards, benefits in kind and termination terms, to ensure that they are fair and avoid rewarding poor performance. The RC also reviews the Company's obligations arising in the event of termination of the Executive Directors' and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

6.4 *Remuneration Consultant*

The RC may from time to time, where necessary or required, seek advice from external consultants in framing the remuneration policy and determining the level and mix of remuneration for Directors and Management, so that the Group remains competitive in this regard. No external remuneration consultant was engaged for FY2022.

Level and Mix of Remuneration

Principle 7 ***The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.***

7.1 *Remuneration Structure*

In setting remuneration packages, the RC will take into consideration the pay and employment conditions within the industry and in comparable companies. The RC also seeks to ensure that the structure of remuneration packages for the Executive Chairman, the Executive Director and key management personnel are appropriate in linking rewards with performance and are aligned with the interests of shareholders and promote the long-term success of the Group.

CORPORATE GOVERNANCE REPORT

7.2 The remuneration of the Independent Non-Executive Directors and the Non-Independent Non-Executive Director are also reviewed by the RC to ensure that the remuneration is commensurate with the contribution, taking into account factors such as effort, time spent and responsibilities of the respective Non-Executive Directors.

Performance Criteria for Remuneration

The remuneration received by the Executive Directors and key management personnel takes into consideration his or her individual performance and contribution towards the overall performance of the Group for FY2022. Their remuneration is made up of fixed and variable compensation. The fixed compensation consists of an annual base salary, fixed allowance and annual wage supplement. The variable compensation is determined based on the level of achievement of corporate performance objectives.

The Company's Executive Directors and key management personnel have been assessed against performance targets set based on the average of the Company's closing market prices of shares over a consecutive period of five market days in which transaction of the shares were to be recorded and achieved over a set time period.

The remuneration of the Executive Chairman includes a per hour rate with a cap and a variable performance related bonus, which is designed to align the interests of the Executive Chairman with those of shareholders.

The Independent and Non-Independent Non-Executive Directors receive Directors' fees based on their responsibilities, effort and time spent. The Directors' fees are recommended by the RC and endorsed by the Board for approval by the shareholders of the Company at the AGM.

Contractual Provisions

The present Service Agreements do not include contractual provisions to allow the Company to reclaim incentive components of remuneration from Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The Company will consider to include this provision for future new service agreements and renewal of service agreements, if appropriate. However, the Company has included in the terms of the Rex International Performance Share Plan, allowance for the Company to cancel the share awards before the date of the vesting of the awards, in the event of misconduct, at its discretion. The Company has also included in the terms of the Rex International Employee Share Option Scheme, to allow for the share option committee to cancel unexercised options in the event of misconduct, at its discretion.

7.3 The Company believes that the remuneration for its Directors is appropriate to attract, retain and motivate them to provide good stewardship of the Company and key management personnel to successfully manage the Company for the long term.

CORPORATE GOVERNANCE REPORT

Disclosure on Remuneration

Principle 8 ***The company is transparent on its remuneration polices, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.***

8.1 ***Directors' Remuneration***

8.1 (a) The Company's remuneration policy is one that seeks to attract, retain and motivate talent to achieve the Company's business vision and create sustainable value for its stakeholders. The policy articulates to staff the link that total compensation has to the achievement of organisational and individual performance objectives, and benchmarked against relevant and comparative compensation in the market.

The breakdown for the remuneration of the Non-Executive Directors for FY2022 is as follows:

Name of Non-Executive Director	Directors' Fees S$	Bonus S$	Others [(1)] S$	Total S$
Muhammad Sameer Yousuf Khan [(4)]	46,041	180,000	8,989	235,030
Sin Boon Ann	135,588	315,000 [(2)]	–	450,588
Dr Christopher Atkinson	58,108	315,000 [(2)]	82,736	455,844
Dr Mathias Lidgren [(5)]	44,948	135,000 [(3)]	–	179,948
Mae Heng [(5)]	64,211	135,000 [(3)]	–	199,211
John d'Abo [(5)]	54,580	135,000 [(3)]	–	189,580

(1) Others include fees paid/ payable for directorship in subsidiaries.

(2) Out of S$315,000 of performance bonus paid/ payable to each of Mr Sin Boon Ann and Dr Christopher Atkinson, S$135,000 is subject to shareholders' approval at the upcoming annual general meeting.

(3) S$135,000 of performance bonus payable to each of Dr Mathias Lidgren, Ms Mae Heng and Mr John d'Abo, is subject to shareholders' approval at the upcoming annual general meeting.

(4) Retired on 29 April 2022.

(5) Appointed on 4 May 2022.

There were no termination, retirement or post-employment benefits (excluding CPF) granted to the Non-Executive Directors in FY2022.

Directors have remuneration packages consisting of basic retainer fees as directors and fees for directorship in subsidiaries, with additional fees for attendance and serving on Board Committees.

Remuneration to Executive Directors includes in part the aforementioned components of directorship, and in part compensation to reflect the additional responsibilities to execute strategic plans of the Group.

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The breakdown of directors' fees for FY2022 paid/ payable to the respective Directors of the Company is as follows:

Name of Director	Board Fee S$	AC S$	RC S$	NC S$	Others S$	Total S$
Dan Broström	116,217	19,370	14,527	–	–	150,114
Dr Karl Lidgren	58,108	–	–	9,685	–	67,793
Muhammad Sameer [(2)] Yousuf Khan	22,100	14,733	5,525	3,683	–	46,041
Sin Boon Ann	58,108	19,370	29,055	19,370	9,685 [(1)]	135,588
Dr Christopher Atkinson	58,108	–	–	–	–	58,108
Dr Mathias Lidgren [(3)]	38,527	–	–	6,421	–	44,948
Mae Heng [(3)]	38,527	25,684	–	–	–	64,211
John d'Abo [(3)]	38,527	–	9,632	6,421	–	54,580
	428,222	79,157	58,739	45,580	9,685	621,383

(1) Remuneration for Lead Independent Director.

(2) Retired on 29 April 2022.

(3) Appointed on 4 May 2022.

Executive Directors, CEO and Key Management Personnel's Remuneration

The Board is of the view that full disclosure of the exact details of the remuneration of each of the Executive Directors and CEO is not in the best interests of the Company or its shareholders. In arriving at its decision, the Board had taken into consideration, *inter alia*, the commercial sensitivity and confidential nature of remuneration matters, the relative size of the Group, the competitive business environment in which the Group operates, the importance of ensuring stability and continuity of business operations with a competent and experienced management team in place and the negative impact which such disclosure may have on the Group in attracting and retaining talent for the Company on a long-term basis.

Notwithstanding the non-disclosure of the exact remuneration of the Executive Directors and the CEO of the Company (which deviates from the Provision 8.1(a) of the Code), the Board is of the view that the intent of Principle 8 on transparency has been adhered to, given that a high level of transparency on remuneration matters including procedures for developing remuneration policies and level and mix of remuneration have been disclosed in this corporate governance report.

CORPORATE GOVERNANCE REPORT

8.1 (b) The breakdown for the remuneration of the Company's Executive Directors, the CEO and key management personnel for FY2022 is disclosed in bands of S$250,000 as follows:

Name of Executive Director/ CEO/ Key Management Personnel	Salary %	Bonus %	Benefits %	Directors' Fees %	Others [4] %	Total %
S$4,000,001 to S$4,250,000						
Måns Lidgren [1]	31	45	24	–	–	100
S$3,500,001 to S$3,750,000						
Per Lind	21	74	2	–	3	100
S$2,750,001 to S$3,000,000						
Dan Broström [2]	18	75	1	5	1	100
S$1,500,001 to S$1,750,000						
Dr Karl Lidgren [2]	29	64	1	4	2	100
S$500,001 to S$750,000						
Svein Kjellesvik [3]	100	–	–	–	–	100
Kristofer Skantze [3]	57	43	–	–	–	100
S$250,001 to S$500,000						
Mok Lai Siong	83	16	1	–	–	100

(1) Mr Måns Lidgren is the CEO of the Company and he does not sit on the board of Directors. His remuneration is paid indirectly from various Group companies.

(2) Dr Karl Lidgren and Dan Broström are the Executive Directors of the Company.

(3) Remuneration is paid indirectly from various Group companies.

(4) Others include fees paid/payable for directorship in subsidiaries.

For FY2022, there were four key management personnel in the Company, aside from the two Executive Directors and the CEO. The annual aggregate remuneration paid to the top four key management personnel of the Company for FY2022 was S$5,229,264.

There were no termination, retirement or post-employment benefits (excluding CPF) granted to the Executive Directors, the CEO and the top four key management personnel in FY2022.

8.2

Substantial Shareholder and Immediate Family Members of a Director or the CEO or Substantial Shareholder

The details of the remuneration to Dr Karl Lidgren (Executive Director and a substantial shareholder of the Company), Mr Svein Kjellesvik (a key management personnel of the Group and a substantial shareholder of the Company), Mr Måns Lidgren (CEO and son of Dr Karl Lidgren) and Dr Mathias Lidgren (son of Mr Hans Lidgren, a substantial shareholder of the Company) are disclosed in the table under Provision 8.1(a) and 8.1(b).

Mr Hans Lidgren, an executive of Rex Technology Investments Ltd, is a substantial shareholder of the Company, the brother of Executive Director, Dr Karl Lidgren, father of Dr Mathias Lidgren and uncle of Mr Måns Lidgren, the CEO. Mr Hans Lidgren's remuneration for FY2022 was in the band of S$900,001 to S$1,000,000.

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Mrs Lina Berntsen, Chief Technology Officer, is the daughter of Mr Hans Lidgren, sister of Dr Mathias Lidgren, niece of Executive Director, Dr Karl Lidgren and cousin of Mr Måns Lidgren, the CEO. Mrs Lina Berntsen's remuneration for FY2022 was in the band of S$200,001 to S$300,000.

Mr Martin Lidgren, Technology Specialist at Equus Consulting AB, a wholly-owned subsidiary of Rex Technology Management Ltd, is the son of Executive Director, Dr Karl Lidgren, brother of Mr Måns Lidgren, the CEO, nephew of Hans Lidgren and cousin of Dr Mathias Lidgren. Mr Martin Lidgren's remuneration for FY2022 was in the band of S$200,001 to S$300,000.

Mr Magnus Lidgren, Technology Specialist at Equus Consulting AB, a wholly-owned subsidiary of Rex Technology Management Ltd, is the brother of Executive Director, Dr Karl Lidgren and Mr Hans Lidgren, and uncle of Dr Mathias Lidgren and Mr Måns Lidgren, the CEO. Mr Magnus Lidgren's remuneration for FY2022 was in the band of S$200,001 to S$300,000.

Mr Fredrik Broström, Business Development Manager, is the son of Executive Director, Mr Dan Broström. Mr Fredrik Broström's remuneration for FY2022 was in the band of S$200,001 to S$300,000.

Save for the aforementioned, there is no other employee of the Company who is a substantial shareholder of the Company or an immediate family member of a Director, the CEO or a substantial shareholder of the Company, whose remuneration exceeded S$100,000 during FY2022.

8.3 *Employee Share Scheme*

Rex International Employee Share Option Scheme ("ESOS")

The Company has an ESOS which was approved and adopted by the members of the Company at an EGM on 24 June 2013, and amended with shareholders' approval at an EGM of the Company on 3 March 2022. The ESOS is designed to reward valuable and outstanding employees or Non-Executive Directors (including Independent Directors), and incentivise them to continue contributing to the long-term growth and success of the Group.

The ESOS allows for participation by employees or Non-Executive Directors (including Independent Directors) of the Group who have attained the age of 21 years and above on or before the date of grant of the option, provided that none of them is a discharged bankrupt. Controlling shareholders and their associates are not eligible to participate in the ESOS.

The ESOS is administered by the RC in consultation with the CEO. Please refer to Provision 6.2 for the members of the RC. The total number of new shares over which options may be granted pursuant to the ESOS, when added to the number of shares issued and issuable in respect of all options granted under the ESOS and all awards granted under any other share option, share incentive, performance share or restricted share plan implemented by the Company and for the time being in force, shall not exceed 15 per cent of the number of all issued shares of the Company (excluding treasury shares), on the day preceding the date of the relevant grant.

CORPORATE GOVERNANCE REPORT

Other salient information regarding the ESOS is set out below:

Exercise Price of Options

The exercise price of options shall be determined at the discretion of the RC on the date which the options are granted and may be set at:

- A price equal to the average of the last dealt prices for the Company's shares on SGX-ST over the five consecutive trading days immediately preceding the date that option was granted, as determined by the RC by reference to the daily official list or any other publication published by the SGX-ST, rounded to the nearest whole cent in the event of fractional prices (the "**Market Price**"); or

- A discount to the Market Price not exceeding 20 per cent of the Market Price (or such other percentage or amount as may be determined by the RC) in respect of options granted at the time of grant, provided that shareholders in general meeting have authorised, in a separate resolution, the making of offers and grants of options under the ESOS at a discount not exceeding the maximum discount as aforesaid.

For the options granted with exercise price set at Market Price, they can be exercised one year from the date of the grant and will expire five years from the date of the grant.

For the options granted with exercise price set at a discount to Market Price, they can be exercised two years from the date of the grant and will expire five years from the date of the grant.

Duration of the ESOS

The ESOS shall be in force for a maximum of 10 years from the date on which the ESOS was adopted. Upon obtaining the approval of shareholders by ordinary resolution in general meeting and of any relevant authorities which may be required, the ESOS may continue beyond 10 years from the date it was adopted. The ESOS will be expiring on 24 June 2023. The RC will constantly evaluate and assess the adoption of any new share-based compensation scheme or long-term incentive plan, with the aim of enhancing the link between rewards and corporate and individual performance.

No options were granted by the Company during FY2022. As at 31 December 2022, there are no options outstanding as all options granted have expired. Further details on the ESOS were set out in the Company's circular to shareholders dated 9 February 2022.

Rex International Performance Share Plan ("Rex PSP")

The Rex PSP (the "**Plan**") was adopted by the Company on 24 June 2013 and amended with shareholders' approval at EGMs of the Company on 30 April 2014, 28 April 2017 and 3 March 2022. The objective of the Plan is to promote higher performance goals and recognise the achievements of employees or Non-Executive Directors (including Independent Directors) ("**Participants**") by motivating and aligning their interests to the Group's pre-determined goals. The Plan is administered by the RC in consultation with the CEO. Please refer to Provision 6.2 for the members of RC. The Rex PSP will be expiring on 24 June 2023. The RC will constantly evaluate and assess the adoption of any new share-based compensation scheme or long-term incentive plan, with the aim of enhancing the link between rewards and corporate and individual performance.

CORPORATE GOVERNANCE REPORT

The Plan contemplates the award of such number of fully-paid shares granted under the Rex PSP ("**Awards**"), free of charge, to Participants after certain pre-determined benchmarks have been met. Awards granted under the Plan may be time-based or performance-related. Performance targets set are based on short to medium-terms corporate objectives including market competitiveness, quality of returns, business growth and productivity growth. These performance targets may include targets set based on criteria such as shareholders' return, return on equity and earnings per share.

The length of the vesting period in respect of the Awards of such number of fully-paid ordinary shares granted under the Plan will be determined on a case-by-case basis by the RC.

Details of the outstanding Awards granted as at 31 December 2022 are as follows:

	Number of Awards					
Date of Grant of Awards	At 1-Jan-22	Granted in FY2022	Lapsed/ Cancelled in FY2022	Vested in FY2022	At 31-Dec-22	Number of Holders
9-Mar-21	11,724,100[(1)]	–	(11,724,100) [(2)]	–	–	–
8-Apr-22	–	11,724,100[(3)]	(1,200,000) [(4)]	–	10,524,100	3
20-Oct-22	–	3,600,000[(3)]	–	–	3,600,000	3
	11,724,100	**15,324,100**	**(12,924,100)**	**–**	**14,124,100**	**6**

(1) On 9 March 2021, the Company granted 11,724,100 Awards to certain directors of the Company. The number of Awards to be vested will range from 0% to 100%, subject to fulfilment of certain predetermined performance benchmarks and the satisfactory completion of time-based service condition.

If the Average Performance Market Price* is S$0.30 and above, 50% of the Awards shall be released after the vesting period. If the Average Performance Market Price is S$0.45 and above, an additional 50% of the Awards shall be released. If the Average Performance Market Price is less than S$0.30, none of the Awards shall be released unless otherwise determined by the committee administering the PSP.

(2) On 8 April 2022, 5,862,050 Awards previously granted had been cancelled (forthwith lapsed and to be of no value).

On 29 April 2022, 5,862,050 Awards previously granted had been cancelled (forthwith lapsed and to be of no value), subsequent to the approval of payment of additional remuneration to certain Directors at the conclusion of the annual general meeting held on 29 April 2022.

(3) On 8 April 2022 and 20 October 2022, the Company granted 11,724,100 and 3,600,000 Awards respectively to certain directors of the Company. The number of Awards to be vested will range from 0% to 100%, subject to fulfilment of certain predetermined performance benchmarks and the satisfactory completion of time-based service condition.

If the Average Performance Market Price* is S$0.45 and above, 50% of the number of shares in the Awards shall be released. If the Average Performance Market Price is S$0.60 and above, an additional 50 per cent of the number of shares in the Awards shall be released. If the Average Performance Market Price is less than S$0.45 and S$0.60 in 2022 and 2023 respectively, a Key Performance Indicator-based incentive scheme ("**KPI-based Incentive Scheme**") shall apply and the number of shares to be released under the Awards will range from 0% to 100%, subject to the fulfilment of the predetermined performance targets in the KPI-based Incentive Scheme. The committee administering the Rex PSP may also modify the release of the Awards in tranches at its own discretion, in accordance with the rules of the Rex PSP.

(4) On 29 April 2022, 1,200,000 Awards previously granted to a director had been cancelled (forthwith lapsed and to be of no value), subsequent to his retirement as Independent Non-Executive Director.

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On 13 March 2023, all 14,124,100 outstanding Awards as at 31 December 2022 were cancelled (forthwith lapsed and to be of no value).

* **Average Performance Market Price** refers to the average of Company's closing market prices of Shares over a consecutive period of five (5) market days in which transactions in the Shares were recorded, at any time within a two-year period from the date of Awards.

Details of the Awards granted to participants who are directors and controlling shareholders or associates of the controlling shareholders and participants who received more than 5% of the total grants since the commencement of Rex PSP are as follows:

Name of participant	Awards granted in FY2022	Net aggregate Awards granted since commencement of Rex PSP to 31 Dec 2022 (i)	Awards released in FY2022	Aggregate Awards released since commencement of Rex PSP to 31 Dec 2022 (ii)	Aggregate Awards outstanding and which have not been released as at 31 Dec 2022
Directors					
Dan Broström (1)	8,124,100	14,217,175	–	(6,093,075)	8,124,100
Sin Boon Ann (2)	1,200,000	2,100,000	–	(900,000)	1,200,000
Dr Christopher Atkinson (3)	1,200,000	1,620,000	–	(420,000)	1,200,000
Dr Mathias Lidgren (4)	1,200,000	1,200,000	–	–	1,200,000
Mae Heng (5)	1,200,000	1,200,000	–	–	1,200,000
John d'Abo (6)	1,200,000	1,200,000	–	–	1,200,000
Controlling shareholders or associates of the controlling shareholders					
Måns Lidgren (7)	–	14,241,464	–	(14,241,464)	–
Participants who received 5% or more of the total grants available					
Per Lind	–	11,017,691	–	(11,017,691)	–
Kristofer Skantze	–	7,439,504	–	(7,439,504)	–
Mok Lai Siong	–	6,070,952	–	(6,070,952)	–

(i) Aggregate Awards granted less aggregate Awards granted that have since been lapsed/ cancelled

(ii) Including new shares issued and allotted, and existing shares purchased

(1) Mr Dan Broström is the Chairman and Executive Director of the Company.

(2) Mr Sin Boon Ann is an Independent Non-Executive Director of the Company.

(3) Dr Christopher Atkinson is an Independent Non-Executive Director of the Company.

(4) Dr Mathias Lidgren is a Non-Independent Non-Executive Director of the Company.

(5) Ms Mae Heng is an Independent Non-Executive Director of the Company.

(6) Mr John d'Abo is an Independent Non-Executive Director of the Company.

(7) Mr Måns Lidgren (the CEO of the Company) is an associate of Dr Karl Lidgren, Executive Director and a controlling shareholder of the Company.

Save as disclosed in the table above, no other director, controlling shareholder or associates of controlling shareholders received any shares under the Rex PSP since the commencement of the Rex PSP.

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No Awards have been granted to any controlling shareholders or associates of the controlling shareholders or any directors and employees of the Company's parent company and its subsidiaries in FY2022.

The vesting and release of the Awards granted to eligible participants (including Mr Måns Lidgren) under the Rex PSP are based on pre-determined performance goals and conditional on the satisfactory completion of time-based service conditions.

Further details on the Rex PSP were set out in the Company's circular to shareholders dated 9 February 2022.

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9 ***The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.***

9.1 The Board, with the assistance from the AC and the Risk Management Committee ("**RMC**"), is responsible for risk governance and ensuring that Management maintains a sound system of risk management and internal controls to safeguard the shareholders' interests and the Company's assets. The Board appreciates that risk management is an on-going process in which Management continuously participates to evaluate, monitor and report to the Board and the AC on significant risks. The RMC was formed in October 2013. The current RMC consists of the following members: Ms Mae Heng (Independent Non-Executive Director and Chairman of the AC), Mr Per Lind (Chief Financial Officer ("**CFO**")), Mr Svein Kjellesvik (COO) and Ms Lixian Wu (Financial Controller).

From FY2013 to FY2018, the Company developed and established a Board Assurance Framework ("**BAF**"), with the assistance of an independent third party, KPMG Services Pte. Ltd. The BAF, which includes an enterprise risk management framework, was utilised by the Company to identify and manage the significant and material risks it faces, the potential impact and likelihood of those risks occurring, the control effectiveness and action plans being taken to mitigate those risks.

The risk review in FY2022 was done in-house. The RMC has considered in detail the most material risks for the Company which include strategic, financial, operational, compliance, fraud and corruption, litigation and cyber security risks; and has put in place risk controls, action plans and key risk indicators to mitigate these risks, the details of which contain market sensitive information and hence are kept confidential.

The Company has established risk appetite statements with tolerance limits to monitor shifts in its significant risks and to proactively manage them within acceptable levels. These appetite statements have been reviewed and approved by the Board and are monitored on a yearly basis.

In FY2022, the Company appointed an independent third party, RSM Risk Advisory Pte Ltd ("**RSM**"), as the Internal Auditors ("**IA**") on a project basis, to perform internal audit reviews and highlight all significant matters to Management and the AC on an annual basis on various selected internal control areas.

CORPORATE GOVERNANCE REPORT

9.2 ***Adequacy and Effectiveness of Internal Controls***

The Board is of the view that the Company's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective for FY2022.

The bases for the Board's view are as follows:
(a) Assurance has been received from the CEO and the CFO;
(b) An internal audit has been done by the IA and significant matters highlighted to the AC and Management were appropriately addressed;
(c) Management regularly evaluates, monitors and reports to the AC and the RMC on material risks;
(d) Discussions were held between the AC and auditors in the absence of Management to review and address any potential concerns;
(e) An enterprise risk management framework was in place to identify, manage and mitigate significant risks; and
(f) Risk appetite statements with tolerance limits have been approved by the Board to contain risks within acceptable levels and are monitored on a yearly basis.

The AC is responsible for making the necessary recommendations to the Board regarding the adequacy and effectiveness of the risk management and internal control systems of the Company. In this regard, the AC is assisted by the enterprise risk reports from the RMC.

For FY2022, the Board has obtained the following assurance:
(a) From the CEO and the CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and
(b) From the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the Company's risk management and internal control systems.

The Board has relied on the independent auditors' report as set out in this Annual Report as assurance that the consolidated financial statements give a true and fair view of the Group's financial position and performance.

In relation to sustainability, the Group, as a young company, aspires to do good in the communities it operates in, be it to have minimal impact on the environment in its operations, or in helping the underprivileged. Please refer to the Sustainability section on pages 52 to 89 of this Annual Report for more details.

CORPORATE GOVERNANCE REPORT

Audit Committee

Principle 10 ***The Board has an Audit Committee ("AC") which discharges its duties objectively.***

10.1 The AC is guided by the following key terms of reference:

(a) Reviewing the significant financial reporting issues and judgements, so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance. Where the external auditors ("**EA**"), in their review or audit of the Company's year-end financial statements, raise any significant issues (for example, significant adjustments) which have a material impact on the interim financial statements or financial updates previously announced by the Company, the AC is to bring this to the Board's attention immediately;

(b) Advise the Board if changes are needed to improve the quality of future interim financial statements or financial updates;

(c) Reviewing at least annually the adequacy and effectiveness of the Company's internal controls and risk management systems;

(d) Reviewing the assurance from the CEO and the CFO on the financial records and financial statements;

(e) Making recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of the EA; and (ii) the remuneration and terms of engagement of the EA;

(f) Reviewing the adequacy, effectiveness, independence, scope and results of the Company's IA and EA, the audit plans, scope of work, their evaluation of the system of internal accounting controls, their management letter and Management's response, and results of the audits compiled by the IA and EA;

(g) Reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The Company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns;

(h) Assisting the Board of Directors in the discharge of its responsibilities on financial reporting matters;

(i) Reviewing financial statements and results announcements before submission to the Board of Directors for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with financial reporting standards as well as compliance with the Listing Rules and any other statutory/regulatory requirements. Quarterly financial statements are made, but announcements are only made for half-year and annual results. Announcements on use of funds/ cash by mineral, oil and gas companies are made quarterly;

(j) Reviewing the effectiveness and adequacy of the Group's internal control and procedures, including accounting and financial controls and procedures and ensure co-ordination between the IA, the EA and Management, reviewing the assistance given by Management to the auditors, and discussing problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of Management where necessary);

CORPORATE GOVERNANCE REPORT

(k) Reviewing and discussing with the EA and the IA any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and Management's response;

(l) Making recommendations to the Board of Directors on the proposals to the shareholders on the appointment, re-appointment and removal of the EA, and approving the remuneration and terms of engagement of the EA;

(m) Assessing the quality of the work carried out by the EAs, and the basis of such assessment;

(n) Reviewing and reporting to the Board of Directors at least annually the adequacy and effectiveness of the Group's material internal controls including financial, operation, compliance and information technology controls via reviews carried out by the IA;

(o) Reviewing and approving transactions falling within the scope of Chapters 9 and 10 of the Listing Rules (if any);

(p) Reviewing any potential conflicts of interest;

(q) Reviewing and approving all hedging policies and instruments (if any) to be implemented by the Group;

(r) Undertaking such other reviews and projects as may be requested by the Board of Directors and reporting to the Board of Directors its findings from time to time on matters arising and requiring the attention of the AC;

(s) Reviewing and establishing procedures for receipt, retention and treatment of complaints received by the Group, *inter alia*, criminal offences involving the Group or its employees, questionable accounting, auditing, business, safety or other matters that impact negatively on the Group, including the oversight of whistleblowing; and

(t) Generally undertaking such other functions and duties as may be required by statute or the Listing Rules, and by such amendments made thereto from time to time.

Authority of the AC

Apart from the duties listed above, the AC shall commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on the Group's operating results and/or financial position. Each member of the AC will abstain from participating in the deliberations of and voting in respect of matters in which he is interested.

The AC has the power to conduct or authorise investigations into any matters within the AC's terms of reference. The AC has full access to and co-operation of the Management and has full discretion to invite any Director or executive officer to attend its meetings, and has been given reasonable resources to enable it to discharge its functions.

The AC is authorised to obtain independent professional advice as it deems necessary in the discharge of its responsibilities. Such expenses are to be borne by the Company.

10.2 The Company has established the AC comprising the following three members, the majority of whom, including the Chairman of the AC, are independent:

Mae Heng	Chairman	Independent Non-Executive Director
Dan Broström	Member	Executive Chairman
Sin Boon Ann	Member	Lead Independent Non-Executive Director

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However, not all of the members of the AC are Non-Executive Directors. Mr Dan Broström, the Executive Chairman, is a member of the AC. Taking into account that he would be able to provide relevant input and guidance to the AC, given his familiarity with the Group's activities as well as industry and market practices in jurisdictions where the Group operates, the NC had recommended his appointment to the Board. The Board had then approved his appointment as a member of the AC. Further, the Board is of the opinion that the AC continues to have majority representation of independent directors, and the independent directors collectively, would have the decisive vote in relation to proposals made by the Management. The AC (excluding Mr Dan Broström) meets with the external and internal auditors without the presence of Management at least once a year, to, *inter alia*, ascertain if there are any material weaknesses or control deficiency in the Group's financial reporting and operational systems. Mr Dan Broström, being an Executive Director, has been excluded from the aforesaid meetings to ensure that the AC remains a platform for external and internal auditors to provide their independent opinions without the influence of Management. This arrangement is essential to ensure that the presence of an Executive Director on the AC will not lead to any conflict of interest or impede the independence of the AC.

The remaining members of the AC are Independent Non-Executive Directors who do not have any management and business relationships with the Company or any substantial shareholder of the Company.

At least two members, including the AC Chairman, have recent and relevant accounting or related financial management expertise or experience.

Ms Mae Heng, the Chairperson of the AC, has over 16 years of experience working at Ernst & Young Singapore. She is an Independent Non-Executive Director of Novo Tellus Alpha Acquisition, Grand Venture Technology Limited, Chuan Hup Holdings Limited, HRnetGroup Limited, Ossia International Limited and Apex Healthcare Berhad, and is the chairperson or a member of these companies' various board committees. Ms Heng also holds directorships in her family-owned investment holding companies. She was also the former Audit Committee Chairperson of an SGX-listed real estate developer, as well as an online travel company. Mr Sin Boon Ann, a member of the AC, was with Drew & Napier LLC from 1992 to March 2018; his last appointment being Deputy Managing Director, Corporate and Finance Department and Co-head of the Capital Markets Practice, before his retirement. Mr Sin is currently a consultant at Drew & Napier LLC.

10.3 None of the AC members were previous partners or directors of the Company's existing external auditing firm within the previous 24 months and none of the AC members hold any financial interest in the external auditing firm or auditing corporation.

10.4 The primary reporting line of the internal audit function is to the AC, which also decides on the appointment, termination and remuneration of the head of the internal audit function. The internal audit function has unfettered access to all the Company's documents, records, properties and personnel, including the AC, and has appropriate standing within the Company.

CORPORATE GOVERNANCE REPORT

Qualifications of the AC

The Board is of the view that the AC chairman and members are appropriately qualified, with the necessary accounting, financial advisory, business management, corporate and finance, investment and corporate legal expertise and experience to discharge the AC's functions. The AC chairperson, having more than 16 years of experience in the fields of audit, accounting, business and financial advisory, and chairmanship or membership of various board committees of several other listed companies in Singapore, is well qualified to chair the AC.

10.5 *Meeting between the AC and Auditors*

The AC (excluding Executive Chairman Mr Dan Broström) meets with the external and internal auditors without the presence of Management at least once a year, to, *inter alia*, ascertain independently, if there are any material weaknesses or control deficiency in the Group's financial reporting and operational systems. The AC has separately met with the IA and the EA once in the absence of Management in relation to FY2022.

Independence of External Auditor

The AC has reviewed the non-audit services provided by the EA and is satisfied that the nature and extent of such services would not prejudice the independence of the EA.

Fees Paid / Payable to the EA for FY2022		
	S$	**% of total**
Audit fees	525,132	97.57
Non-audit fees		
– Tax advice advisory	13,100	2.43
	538,232	**100**

Notwithstanding the volume of non-audit services rendered to the Company, the AC is satisfied that the EA remains independent after considering the following:

- That all relationships and/or arrangements between the audit firm and the Company that may reasonably be thought to affect the EA's objectivity and as disclosed by the audit engagement partner did not impair the independence and objectivity of the EA; and

- The audit engagement partner has confirmed that, in his professional judgment, the audit firm is independent.

The AC also periodically receives updates on changes in accounting standards provided by the EA and circulated to members of AC.

There is no disagreement between the Board and AC regarding the selection, appointment, resignation or dismissal of the EA. In appointing the EA, the AC evaluates the performance of the EA, taking into consideration the Audit Quality Indicators Disclosure Framework published by the Accounting and Corporate Regulatory Authority.

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As part of the Group's initiatives in ongoing good corporate governance, the Company is of the view that it would be appropriate and timely to effect a change of Auditors of the Company. The Directors are of the view that it would be in the best interests of the Company to consider a rotation to the present auditors of the Company. The AC had recommended, and the Board had approved the nomination of Deloitte & Touche LLP as the Company's external auditor for the financial year ending 31 December 2023, subject to the approval of shareholders. Please refer to the Change of Auditors Appendix to this annual report for further details.

Whistle-blowing Policy

The Company has in place a whistle-blowing policy. The Company's staff and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters relating to the Company and its officers by submitting to the AC a whistle-blowing report to whistleblowing@rexih.com, as stated on the Company's webpage https://investor.rexih.com/whistle_blowing_policy.html. Information received will be treated with confidentiality and the identity of the whistle-blowers will be protected. Whistleblowing reports made in good faith will be handled and investigated by the AC Chairman, who is an independent director. The whistle-blowing policy sets out the Company's commitment to ensure the protection of the whistleblower's identity and against any detrimental or unfair treatment against the whistleblower. All confidential information will only be available to the independent directors of the AC.

The AC is responsible for oversight and monitoring of whistleblowing and has ensured that arrangements are in place for such concerns to be raised and independently investigated, and for appropriate follow-up action to be taken. The details of the policy have been disseminated and made available to all parties concerned in the Company's code of conduct. There have not been any whistle-blowing reports during FY2022.

Audit Committee Activities

During the year, the AC reviewed the financial statements of the Group before the announcement of the Group's half-year and full-year results. In the process, the AC reviewed the key areas of management's estimates and judgement applied for key financial matters including impairment testing, adequacy of provisioning and disclosure, the application of critical accounting policies and any other significant matters that might affect the integrity of the financial statements. The AC has considered the report from the EA, including their findings on the key areas of audit focus.

Significant matters that were discussed with Management and the EA have been included as key audit matters ("**KAMs**") in the audit report for the financial year ended 31 December 2022. Refer to pages 155 to 157 of this Annual Report.

In line with the terms of reference of the AC, the following activities were carried out by the AC during FY2022 in the discharge of its functions and duties including the deliberation and review of:

- The unaudited half-year and full year financial results of the Group and announcements prior to submission to the Board for approval and release on the SGXNet;
- The quarterly announcement on the use of funds / cash by mineral, oil and gas companies;
- The internal and external audit plans in terms of their scope of audit prior to their commencement of their annual audit;
- The EA's report in relation to audit and accounting issues arising from the audit;
- The IA's finding report including internal control processes and procedures;

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- The adequacy and effectiveness of the Company's system of risk management and internal controls, including financial, operational, compliance and information technology controls and reporting the findings to the Board;
- The audited financial statements of the Group prior to submission to the Board of Directors for consideration and approval;
- The declaration of final dividend for FY2022 and recommendation to the Board for approval;
- The external audit and internal audit fees for FY2022 and recommendation to the Board for approval;
- The audit fees paid/payable to the external auditors of the Group including non-audit fees and nature of non-audit services;
- The quality of the EA across a number of evaluation criteria, including measures of relevance and quality of its works as well as its independence and re-appointment of the EA and recommendation to the Board for approval; and
- Interested person transactions falling within scope of Chapters 9 and 10 of the Listing Rules and any potential conflicts of interests.

Internal Audit

The Company's internal audit function was outsourced to RSM Risk Advisory Pte Ltd ("**RSM**") on a project basis in 2022, and RSM reported directly to the AC and administratively to the CEO. The AC is responsible for the hiring, removal, evaluation and compensation of the accounting or auditing firm or corporation which the internal audit function of the Company is outsourced to.

The AC reviews and approves the internal audit plan to ensure the adequacy of the scope of audit. The internal audit plan complements that of the EA and together forms a robust risk-based audit approach to facilitate the AC's review of the adequacy and effectiveness of the Group's risk management and internal control systems.

The AC is satisfied that RSM is able to discharge its duties effectively as it:

- is adequately qualified, given that the partner/head of the internal audit and staff assigned to the internal audit of the Company are members of the Institute of Internal Auditors and it adheres to standards set by internationally recognised professional bodies, including the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors;

- is adequately resourced to carry out the Company's internal audit, which is led by Mr Dennis Lee, who has over 20 years of professional experience, and has extensive experience providing advisory solutions for numerous listed companies in the area of sustainability reporting and consultancy on climate change impact measures; and

- has the appropriate standing in the Company, given, *inter alia*, its involvement in certain AC meetings and its unfettered access to all the Group's documents, records, properties and personnel, including direct access to the AC.

The primary functions of the IA are to:

(a) Assess if adequate systems of internal controls are in place to protect the funds and assets of the Group and to ensure control procedures are complied with;

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(b) Conduct regular in-depth audits of high-risk areas; and

(c) Identify and recommend improvement to internal control procedures, where required.

The AC has reviewed the report submitted by RSM on internal procedures, the EA's report and the internal controls in place, and is satisfied that there are adequate internal controls in the Company.

The AC will review on an annual basis the adequacy and effectiveness of the internal audit function.

The AC had reviewed and is of the view that the internal audit function is adequate and effective in FY2022.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11 ***The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.***

Shareholder Rights

The Company treats all shareholders fairly and equitably, and recognises, protects and facilitates the exercise of shareholders' rights and continually reviews and updates such governance arrangements.

The Company is committed to making timely, full and accurate disclosure to shareholders and the public. All information on the Company's new initiatives which would be likely to materially affect the price or value of the Company's shares will be promptly disseminated via SGXNet to ensure fair communication with shareholders.

The Company has endeavoured to provide a longer notice period of 28 days for its Annual General Meetings and Extraordinary General Meetings over the years.

11.1 The Company provides shareholders with the opportunity to participate effectively in and vote at general meetings of shareholders and informs them of the rules governing general meetings of shareholders.

Shareholders are encouraged to attend the AGM/EGM to ensure a high level of accountability and to stay apprised of the Group's strategy and goals. Shareholders are given the opportunity to raise questions and clarify any issues that they may have relating to the resolutions to be passed. Notice of the General Meetings will be announced on SGXNet and posted on the Company's website https://www.rexih.com.

An independent polling agent is appointed by the Company for general meetings. The polling rules, including the voting procedures that govern the general meeting of shareholders, will be explained during the general meetings. The Company ensures that shareholders are given the opportunity to participate effectively in and vote at general meetings.

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11.2 The Company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are inter-dependent and linked, so as to form one significant proposal. If a scenario arises where the resolutions are inter-conditional, it is the Company's current intention to explain the reasons and material implications in the notice of meeting.

The Company typically ensures that there are separate resolutions at general meetings on each distinct issue.

All resolutions are put to vote by poll, and their detailed results will be announced via SGXNet on the same day after the conclusion of the general meeting. Electronic poll voting has been adopted since 2017 so as to better reflect shareholders' interest and ensure greater transparency in the voting process. An independent scrutineer is also appointed for the electronic poll voting process. Votes cast for and against each resolution will be tallied and displayed live-on-screen to shareholders or their appointed proxies immediately after each poll had been conducted at the meeting.

11.3 The Company requires all Directors (including the respective chairpersons of the Board Committees) and senior management, to be present at all general meetings of shareholders, unless in cases of exigencies. The EA is also required to be present to address shareholders' queries about the conduct of audit and the preparation and content of the independent auditor's report. Directors' attendance at the general meetings held in the financial year ended 31 December 2022 is tabled on page 95 of this Annual Report. All Directors attended the general meetings held in 2022.

11.4 The Company's Constitution allows for abstentia voting (including but not limited to the voting by mail, electronic mail or facsimile). As the authentication of shareholder identity and other related security and integrity issues still remains a concern, the Company has decided for the time being, not to implement absentia voting methods such as voting via mail, electronic mail or facsimile. A shareholder is entitled to attend and vote or to appoint not more than two proxies who need not be a shareholder of the Company, to attend and vote at the meetings on his behalf.

The Company's Constitution allows (a) each shareholder who is not a relevant intermediary the right to appoint up to two proxies and (b) each shareholder who is a relevant intermediary to appoint more than two proxies to attend, speak and vote on their behalf in general meetings. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act.

The forthcoming AGM to be held on 28 April 2023 will be convened and held by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio- visual webcast or live audio-only stream), submission of questions in advance of the AGM, addressing of substantial and relevant questions prior to the deadline submission of the AGM proxy forms, appointing proxies to attend and vote in shareholders' stead at the AGM, live voting and live question-and-answer sessions will be put in place for the AGM. The appendices, notice and proxy form of the AGM, and FY2022 Annual Report have been distributed electronically via SGXNet and the corporate website.

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11.5 The Company publishes minutes of general meetings of shareholders on its corporate website https://www.rexih.com as soon as practicable. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management.

The Company had published the minutes of the annual general meeting and extraordinary general meeting held on 29 April 2022 and minutes of the extraordinary general meeting held on 3 March 2022 within one month from the conclusion of the respective meetings.

11.6 *Dividend Policy*

On 19 October 2021 and 28 February 2022, the Company announced that it has adopted a dividend policy, which allows for dividends to be paid-out subject to eligibility, for evaluation of the Company's financial year results for the relevant period/year. The declaration and payment of dividends, if any, shall be determined at the sole discretion of the Board. Any recommendation for dividends to be paid will be tabled for Shareholders' approval at the Company's annual general meetings, if required under applicable laws.

The Board has recommended a final dividend of S$0.005 per ordinary share for FY2022 which is subject to shareholders' approval at the forthcoming AGM.

Engagement with Shareholders

Principle 12 ***The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.***

12.1 *Communication with Shareholders*

The Company solicits feedback from and addresses the concerns of shareholders via the following:

- One-on-one and group meetings;
- Investor/analyst briefings;
- Conferences and roadshows;
- Annual General Meetings and Extraordinary General Meetings; and
- Responses to email queries.

In 2022, the Company issued more than 88 announcements and press releases and conducted one-on-one and group meetings, as well as conference calls, with local and foreign investors or analysts, as well as with the media.

Apart from the SGXNet announcements and its Annual Report, the Company updates shareholders on its corporate developments through its corporate website at https://www.rexih.com and its investor relations webpage at https://investor.rexih.com/home.html.

12.2 The Company has in place an Investor Relations policy which is executed by a dedicated investor relations team, which allows for an ongoing exchange of views, so as to actively engage and promote regular, effective and fair communication with shareholders.

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12.3 The Company's Investor Relations policy sets out the mechanism through which shareholders may contact the Company with questions and through which the Company may respond to such questions. Contact details to the Company's investor relations team (ir@rexih.com) are available on the Company's corporate website https://www.rexih.com. Shareholders may contact the Lead Independent Director at independent.director@rexih.com.

The Company announces the unaudited condensed financial statements of the Company and the Group on a half yearly basis. As a mineral, oil and gas company, the Company will provide quarterly updates on its use of funds as required under Listing Rules 705(6) and 705(7). The Company also provides timely updates on its operations whenever there are material developments.

MANAGING STAKEHOLDER RELATIONSHIPS

Engagement with Stakeholders

Principle 13 ***The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.***

13.1 The Company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups. Further details can be found in the Sustainability Report section of this Annual Report.

13.2 The Company has disclosed in this Annual Report, its strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period. Further details can be found in the Sustainability Report section of this Annual Report.

13.3 The Company maintains a current corporate website, https://www.rexih.com, to communicate and engage with stakeholders. The Company's profile, latest news and announcements, share price information, publications such as annual reports, qualified person's reports, fact sheets and presentations can be accessed on the corporate website. Investors can also opt for email alerts on the Company's latest announcements.

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COMPLIANCE WITH APPLICABLE LISTING RULES

Appointment of Auditors

1207(6)(c) The Company confirms its compliance to Listing Rules 712 and 715. Significant foreign subsidiaries are audited by KPMG LLP, Singapore for consolidation purpose, and other member firms of KPMG International. Both KPMG LLP and the audit partner-in-charge have the relevant experience in providing audit services to various clients in the oil and gas industry. Other foreign subsidiaries are registered BVI companies that have no operational activities in FY2022.

1207(8) *Material Contracts*

Save as announced via SGXNet on 30 December 2022, in respect of the various interested persons' transactions entered into between the Group and certain interested persons, there were no material contracts or loans entered into by or taken up by the Group involving the interest of the CEO, any Directors, or controlling shareholders which are either still subsisting at the end of FY2022 or if not then subsisting, entered into since the end of the previous financial year ended 31 December 2021.

1207(10) *Confirmation of Adequacy of Internal Controls*

The Board and the AC are of the opinion that the internal controls are adequate and effective to address the financial, operational, compliance and information technology risks, and risk management systems which the Group considers relevant and material to its current business scope and environment based on the following:

- Assurance has been received from the CEO, the CFO and key management personnel that are responsible for the adequacy and effectiveness of the Group's risk management and internal control systems;
- An internal audit has been done by the IA and significant matters highlighted to the AC and Management were appropriately addressed;
- Management regularly evaluates, monitors and reports to the AC and the RMC on material risks;
- Discussions were held between the AC and auditors in the absence of the Management to review and address any potential concerns;
- An enterprise risk management framework is in place to identify, manage and mitigate significant risks; and
- Risk appetite statements with tolerance limits have been approved by the Board to contain risks within acceptable levels and are monitored on a quarterly basis.

The Board notes that the system of internal controls and risk management provides reasonable, but not absolute assurance that the Group will not be adversely affected by any event that could be reasonably foreseen as it works to achieve its business objectives. In this regard, the Board also notes that no system of internal controls and risk management can provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities.

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1207(10A) There is no family relation between the Executive Chairman and the CEO of the Company.

1207(10C) The AC is of the view that the Company's internal audit function is independent, effective and adequately resourced.

1207(17)

Interested Persons' Transactions ("IPT")

The Company does not have an IPT Mandate. The aggregate value of IPTs for FY2022 disclosed in accordance with Rule 907 of the Listing Rules was as follows:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
		US$'000	**US$'000**
Xer Technologies Pte. Ltd. ("**Xer**")	Xer is held by Cresta and Limea at 42% and 15% respectively	4,000*	–
Moroxite AB ("**Moroxite**")	Moroxite is 39.6% held by a company owned by Dr Lars Lidgren, brother to Dr Karl Lidgren and Mr Hans Lidgren	4,120	–

Notes:
Dr Karl Lidgren and Mr Hans Lidgren are controlling shareholders of the Company with a 34.71% deemed interest in the Company held through Limea Ltd. ("**Limea**"), in which each of Mr Hans Lidgren and Cresta Group Ltd ("**Cresta**") have a 50% shareholding interest respectively. Cresta is in turn wholly-owned by Dr Karl Lidgren.

* Subject to the achievement of certain technical and sales milestones by Xer.

Completion of the IPT entered into with Moroxite is subject to conditions, including receipt of shareholders' approval.

Save as disclosed above, there were no other IPTs that were more than S$100,000 entered into by the Group in FY2022.

The Company has adopted an internal policy in respect of any transactions with an interested person (as defined in the Listing Rules) and has established procedures for the review and approval of all IPTs entered into by the Group. The AC reviews the rationale and terms of the Group's IPTs, with the view that the IPTs should be on normal commercial terms, at arm's length basis and are not prejudicial to the interests of its minority shareholders.

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As part of the Company's policy, Directors are required to disclose to the Board all actual and potential conflicts of interest. A Director shall recuse himself or herself from discussions and abstain from voting on resolutions regarding any contract, arrangement or any other transaction in which he or she has any personal material interest, directly or indirectly.

1207(19)

Dealing in Securities

The Company and its subsidiaries have adopted an internal policy which prohibits the Directors and officers (including employees) from dealing in the securities of the Company while in possession of price-sensitive information.

The Company, its Directors and officers (including employees) of the Company and its subsidiaries are also discouraged from dealing in the Company's securities on short-term considerations and are prohibited from dealing in the Company's securities during the period beginning one month before the announcement of the Company's half-year and full-year financial statements, and ending on the date of the announcement of the relevant results.

1207(20)

Use of Proceeds Raised from Placement Exercise

The Company had on 6 November 2013, completed a placement of 70 million new ordinary shares at an issue price of S$0.755 per share (the "**2013 Placement**"), raising net proceeds of S$50.87 million (after deducting placement expenses of S$1.98 million). As at the date of this report, the Company had utilised all the 2013 Placement proceeds except for the amount allocated to the share buyback mandate of S$5.96 million.

The Company had utilised S$0.99 million in relation to the share buyback exercise in the financial year ended 2019. No share buybacks were conducted in FY2020, FY2021 and FY2022. The ending balance of the amount allocated to the share buyback mandate as at 31 December 2022 and the date of this report was S$4.97 million.

720(6)

Additional Information on Directors Seeking Re-election

Pursuant to Listing Rule 720(6), the additional information as set out in Appendix 7.4.1 of the Listing Rules relating to the retiring Directors who are submitting themselves for re-election, is disclosed below and to be read in conjunction with their respective biographies under the section entitled "Board of Directors" of this Annual Report:

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	Dan Broström	**Sin Boon Ann**	**Heng Su-Ling Mae**	**John d'Abo**	**Dr Mathias Lidgren**
Date of Appointment	11 January 2013	26 June 2013	4 May 2022	4 May 2022	4 May 2022
Date of last re-appointment (if applicable)	23 April 2021	23 April 2021	Not Applicable	Not Applicable	Not Applicable
Age	79	65	52	54	41
Country of principal residence	Singapore	Singapore	Singapore	United Kingdom	Sweden
The Board's comments on this re-appointment	The re-election of Dan Broström was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration his contributions and performance.	The re-election of Sin Boon Ann was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration his independence, contributions and performance.	The re-election of Mae Heng was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration her independence, contributions and performance.	The re-election of John d'Abo was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration his independence, contributions and performance.	The re-election of Dr Mathias Lidgren was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration his contributions and performance.
Whether appointment is executive, and if so, the area of responsibility	Executive. He leads the Board and assumes the roles and responsibilities as chairman of the Company	Non-Executive.	Non-Executive.	Non-Executive.	Non-Executive.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	• Executive Chairman • Member of Audit Committee • Member of Remuneration Committee	• Lead Independent Non-Executive Director • Chairman of Nominating and Remuneration Committees • Member of Audit Committee	• Independent Non-Executive Director • Chairperson of Audit Committee	• Independent Non-Executive Director • Member of Nominating and Remuneration Committees	• Non-Independent Non-Executive Director • Member of Nominating Committee
Professional Qualifications	Refer to section on Board of Directors at pages 10 to 13 of this annual report for details.				
Working experience and occupation(s) during the past 10 years	Refer to section on Board of Directors at pages 10 to 13 of this annual report for details.				

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	Dan Broström	Sin Boon Ann	Heng Su-Ling Mae	John d'Abo	Dr Mathias Lidgren
Shareholding interest in the listed issuer and its subsidiaries	Direct: 11,306,075 ordinary shares (representing 0.87% shareholding interest) in Rex International Holding Limited Subsidiaries of Rex International Holding Limited: Nil	Direct: 900,000 ordinary shares (representing 0.07% shareholding interest) in Rex International Holding Limited Subsidiaries of Rex International Holding Limited: Nil	Direct and Deemed: Nil Subsidiaries of Rex International Holding Limited: Nil	Direct: 128,000 ordinary shares (representing 0.01% shareholding interest) in Rex International Holding Limited Subsidiaries of Rex International Holding Limited: Nil	Direct interest: 7,000,000 ordinary shares held through Citibank N.A. Singapore (representing 0.54% shareholding interest) in Rex International Holding Limited Subsidiaries of Rex International Holding Limited: Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/ or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No	No	No	Yes. Dr Mathias Lidgren is the son of Mr Hans Lidgren (controlling shareholder), nephew of Dr Karl Lidgren (Executive Director and controlling shareholder), and first cousin of Mr Mans Lidgren (Chief Executive Officer) and brother of Ms Lina Berntsen (Chief Technology Officer). Mr Hans Lidgren and Dr Karl Lidgren are deemed interested in 34.71% of the Company's shares held by Limea Ltd., in which each of Mr Hans Lidgren and Cresta Group Ltd ("**Cresta**") has a 50% shareholding interest in respectively. Cresta is in turn wholly-owned by Dr Karl Lidgren.

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	Dan Broström	Sin Boon Ann	Heng Su-Ling Mae	John d'Abo	Dr Mathias Lidgren
Conflict of interests (including any competing business)	No	No	No	No	No
Undertaking has been submitted to the listed issuer in the form of Appendix 7.7 under Rule 720(1)	Yes	Yes	Yes	Yes	Yes
Past (for the last 5 years)	Principal Commitments including Directorships • Rex South East Asia Ltd. • Rex Technology Management Ltd. • Rex US Ltd. • Cathay Ltd	Principal Commitments including Directorships • HRnet Group Limited • SE Hub Ltd. • Datapulse Technology Limited • At-Sunrice GlobalChef Academy Pte. Ltd. • DrewCorp Services Pte Ltd • Drew & Napier LLC	Other Principal Commitments Including Directorships • Pacific Star Development Limited	Principal Commitments including Directorships • Avicrisali Srl • Piscicola Salcioara Srl • Agropig Srl • Caviar Biotec Ltd	Principal Commitments including Directorships • Medical Doctor, Sahlgrenska University Hospital, Gothenburg, Sweden
Present	Principal Commitments including Directorships • Rex International Investments Pte. Ltd. • Rex Technology Investments Pte. Ltd. • Rex International Holding Ltd. (BVI) • Cathay (Venture) Pte Ltd	Principal Commitments including Directorships • Sarine Technologies Ltd • The Trendlines Group Ltd • Balkan Holdings Pte. Ltd • Healthway Medical Corporation Limited • The Farrer Park Company Pte. Ltd.	Principal Commitments including Directorships • Novo Tellus Alpha Acquisition • Grand Venture Technology Limited • Chuan Hup Holdings Limited • HRnet Group Limited • Ossia International Limited	Principal Commitments including Directorships • Erland Advisors Ltd • Moroxite Holding Pte. Ltd.	Principal Commitments including Directorships • Propatria AB • Rotationsplast i Munka-Ljungby AB • Caithness Fastighets AB • Forvaltningsa-ktiebolaget Maple • Trolleholms Slott AB • Captiosus AB • Strominnate Therapeutics AB

CORPORATE GOVERNANCE REPORT

	Dan Broström	Sin Boon Ann	Heng Su-Ling Mae	John d'Abo	Dr Mathias Lidgren
	• Havalina Pte Ltd • Moroxite Holding Pte. Ltd. • Xer Technologies Pte. Ltd.	• W Capital Markets Pte. Ltd. • TIH Limited • At-Sunrice (Holdings) Pte. Ltd. • Esseplore Pte. Ltd. • Singapore Centre for Social Enterprise Ltd. • OUE Limited • CSE Global Limited • Tampines Central Community Foundation Limited • Drew & Napier LLC	• Apex Healthcare Berhad • Drew & Lee Investment (Private) Limited • Drew & Lee Holding (Private) Limited • Drew & Lee Land Pte. Ltd.		• Moroxite Holding Pte. Ltd. • Moroxite T AB • Medical Doctor, Skane University Hospitals, Lund, Sweden • Postdoctoral Researcher, Division of Molecular Medicine and Gene Therapy, Department of Laboratory Medicine, Lund University, Lund, Sweden
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he eased to be a partner?	No	No	No	No	No

CORPORATE GOVERNANCE REPORT

	Dan Broström	Sin Boon Ann	Heng Su-Ling Mae	John d'Abo	Dr Mathias Lidgren
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No	No	No

CORPORATE GOVERNANCE REPORT

	Dan Broström	Sin Boon Ann	Heng Su-Ling Mae	John d'Abo	Dr Mathias Lidgren
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No	No	No

CORPORATE GOVERNANCE REPORT

	Dan Broström	Sin Boon Ann	Heng Su-Ling Mae	John d'Abo	Dr Mathias Lidgren
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No	No	No

CORPORATE GOVERNANCE REPORT

	Dan Broström	Sin Boon Ann	Heng Su-Ling Mae	John d'Abo	Dr Mathias Lidgren
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of : (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	Yes. Mr Sin Boon Ann has been the Independent Chairman of Healthway Medical Corporation ("**HMC**") since 26 April 2019. HMC had received enquiries and communicated with the Singapore Exchange Regulation Pte. Ltd. in relation to its obligations under Catalist Listing Rule 703(4)(a) read with paragraph 27(a) of the Corporate Disclosure Policy.	No	No	No

CORPORATE GOVERNANCE REPORT

	Dan Broström	Sin Boon Ann	Heng Su-Ling Mae	John d'Abo	Dr Mathias Lidgren
		This arose from certain inaccurate disclosures in HMC's annual report for the financial year ended 31 December 2019 ("**AR 2019**") pertaining to the re-election of Mr Sin and the appointment of Ms Poh Mui Hoon, which were corrected in HMC's subsequent corrigendum after the inadvertent errors first discovered. The AR 2019 had been announced by HMC on SGXNET on 15 April 2020 and the aforesaid disclosures were subsequently revised and corrected by way of a corrigendum to the AR 2019 announced by HMC on SGXNET on 22 June 2020.			
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No	No	No

CORPORATE GOVERNANCE REPORT

	Dan Broström	Sin Boon Ann	Heng Su-Ling Mae	John d'Abo	Dr Mathias Lidgren
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No	No	No	No	No
with any matter occurring or arising during that period when he was so concerned with the entity or business trust?					

CORPORATE GOVERNANCE REPORT

	Dan Broström	Sin Boon Ann	Heng Su-Ling Mae	John d'Abo	Dr Mathias Lidgren
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No	No	No

DIRECTORS' STATEMENT

We are pleased to submit this annual report to the members of Rex International Holding Limited ("**the Company**") together with the audited financial statements for the financial year ended 31 December 2022.

In our opinion:

(a) the financial statements set out on pages 160 to 239 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and the financial performance, changes in equity and cash flows of the Group, and changes of equity of the Company for the financial year ended on that date in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International); and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

DIRECTORS

The directors in office at the date of this statement are as follows:

Dan Broström (Executive Chairman)	
Dr Christopher Atkinson	
Dr Karl Lidgren	
Sin Boon Ann	
Mae Heng	(Appointed on 4 May 2022)
John d'Abo	(Appointed on 4 May 2022)
Dr Mathias Lidgren	(Appointed on 4 May 2022)

DIRECTORS' INTERESTS

According to the register kept by the Company for the purposes of Section 164 of the Companies Act 1967 ("**the Act**"), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and children) in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

Name of director and corporation in which interests are held	**Holdings at beginning of the year/date of appointment**	**Holdings at end of the year**
Rex International Holding Limited		
Dan Broström		
Ordinary shares		
- direct interest	11,306,075	11,306,075

DIRECTORS' STATEMENT

DIRECTORS' INTERESTS (CONTINUED)

Name of director and corporation in which interests are held	Holdings at beginning of the year/date of appointment	Holdings at end of the year
Rex International Holding Limited (continued)		
Dr Christopher Atkinson		
Ordinary shares		
– direct interest	200,000	400,000
Dr Karl Lidgren		
Ordinary shares		
– deemed interest	452,020,422	452,020,422
Sin Boon Ann		
Ordinary shares		
– direct interest	900,000	900,000
John d'Abo		
Ordinary shares		
– direct interest	–	128,000
Dr Mathias Lidgren		
Ordinary shares		
– direct interest	7,000,000	7,000,000

By virtue of Section 7 of the Act, Dan Broström, Dr Christopher Atkinson, Dr Karl Lidgren, Sin Boon Ann, John d'Abo and Dr Mathias Lidgren are deemed to have interests in all the related corporations of the Company, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

There were no changes in any of the above mentioned interests in the Company between the end of the financial year and 21 January 2023.

Except as disclosed under the "Share options" and "Share awards" sections of this statement, neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' STATEMENT

SHARE OPTIONS

The Employee Share Option Scheme (the "**ESOS**") of the Company was approved and adopted by its members at an Extraordinary General Meeting held on 24 June 2013 and amended with shareholders' approval at an Extraordinary General Meeting of the Company on 3 March 2022. The ESOS is administered by the Company's Remuneration Committee, comprising 3 directors, Sin Boon Ann, Dan Broström and John d'Abo.

Other information regarding the ESOS is set out below:

- The exercise price of the options can be set at a discount to the Market Price[(1)] not exceeding 20% of the Market Price at the date on which the options are granted.
- For the options granted with exercise price set at Market Price, they can be exercised 1 year from the date of the grant and will expire 5 years from the date on which the options are granted.
- For the options granted with exercise price set at a discount to the Market Price, they can be exercised 2 years from the date of the grant and will expire 5 years from the date on which the options are granted.
- The ESOS shall be in force for a maximum of 10 years from the date on which the ESOS was adopted. Upon obtaining the approval of shareholders by ordinary resolution in general meeting and of any relevant authorities which may be required, the ESOS may continue beyond 10 years from the date it was adopted.

(1) The Market Price is calculated based on the average of the last dealt prices for the Company's shares on the Mainboard of the SGX-ST over the 5 consecutive trading days immediately preceding the date on which the options are granted.

No options were granted by the Company during the financial year ended 31 December 2022 ("**FY2022**"). As at 31 December 2022, there are no options outstanding as all options granted had expired.

SHARE AWARDS

The Performance Share Plan (the "**PSP**") of the Company was approved and adopted by its members at an Extraordinary General Meeting held on 24 June 2013 and amended with shareholders' approval at an Extraordinary General Meeting of the Company on 30 April 2014, 28 April 2017 and 3 March 2022. The PSP is administered by the Company's Remuneration Committee, comprising 3 directors, Sin Boon Ann, Dan Broström and John d'Abo.

The objective of the PSP of the Company is to promote higher performance goals and recognise the achievements of employees by motivating and aligning their interests to the Group's pre-determined goals. Performance targets set are based on short to medium-term corporate objectives including market competitiveness, quality of returns, business growth and productivity growth.

The award of ordinary shares granted under the PSP represent the right of an employee to receive fully paid shares, free of charge upon the achievement of pre-determined goals during the performance period, at the sole discretion of the Remuneration Committee.

The length of the vesting period in respect of the awards of such number of fully-paid ordinary shares granted under the PSP (the "**Awards**") will be determined on a case-by-case basis by the Remuneration Committee.

DIRECTORS' STATEMENT

SHARE AWARDS (CONTINUED)

Details of the movement of the Awards during the financial year were as follows:

	Number of Awards					
Date of grant of Awards	**At 1 January 2022**	**Granted**	**Lapsed/ cancelled**	**Vested**	**At 31 December 2022**	**Number of holders at 31 December 2022**
9 March 2021	11,724,100[1]	–	(11,724,100)[2]	–	–	–
8 April 2022	–	11,724,100[3]	(1,200,000)[4]	–	10,524,100	3
20 October 2022	–	3,600,000[3]	–	–	3,600,000	3
	11,724,100	15,324,100	(12,924,100)	–	14,124,100	6

(1) On 9 March 2021, the Company granted 11,724,100 Awards to certain directors of the Company. The number of Awards to be vested will range from 0% to 100%, subject to fulfilment of certain predetermined performance benchmarks and the satisfactory completion of time-based service conditions.

If the Average Performance Market Price* is S$0.30 and above, 50% of the Awards shall be released after the vesting period. If the Average Performance Market Price is S$0.45 and above, an additional 50% of the Awards shall be released. If the Average Performance Market Price is less than S$0.30, none of the Awards shall be released unless otherwise determined by the committee administering the PSP.

(2) On 8 April 2022, 5,862,050 Awards previously granted had been cancelled (forthwith lapsed and to be of no value).

On 29 April 2022, 5,862,050 Awards previously granted had been cancelled (forthwith lapsed and to be of no value), subsequent to the approval of payment of additional remuneration to certain Directors at the conclusion of the Annual General Meeting held on 29 April 2022.

(3) On 8 April 2022 and 20 October 2022, the Company granted 11,724,100 and 3,600,000 Awards respectively, to certain directors of the Company. The number of Awards to be vested will range from 0% to 100%, subject to fulfilment of certain predetermined performance benchmarks and the satisfactory completion of time-based service conditions.

If the Average Performance Market Price* is S$0.45 and above, 50% of the number of shares in the Awards shall be released. If the Average Performance Market Price is S$0.60 and above, an additional 50 per cent of the number of shares in the Awards shall be released. If the Average Performance Market Price is less than S$0.45 and S$0.60 in 2022 and 2023 respectively, a Key Performance Indicator-based incentive scheme ("**KPI-based Incentive Scheme**") shall apply and the number of shares to be released under the Awards will range from 0% to 100%, subject to the fulfilment of the predetermined performance targets in the KPI-based Incentive Scheme. The committee administering the PSP may also modify the release of the Awards in tranches at its own discretion, in accordance with the rules of the PSP.

(4) On 29 April 2022, 1,200,000 Awards previously granted to a director had been cancelled (forthwith lapsed and to be of no value), subsequent to his retirement as Independent Non-Executive Director.

* ***Average Performance Market Price*** refers to the average of Company's closing market prices of Shares over a consecutive period of five (5) market days in which transactions in the Shares were recorded, at any time within a two-year period from the date of Awards.

** ***S$***: Singapore dollars.

DIRECTORS' STATEMENT

SHARE AWARDS (CONTINUED)

On 13 March 2023, all 14,124,100 outstanding Awards as at 31 December 2022 were cancelled (forthwith lapsed and to be of no value).

Details of the Awards granted under the PSP to participants who are (a) directors, (b) controlling shareholders or associates of the controlling shareholders, and (c) participants who received five percent or more of the total grants available under the PSP since the commencement of the PSP are as follows:

Name of participant	Awards granted in FY2022	Net aggregate Awards granted since commencement of PSP to 31 December 2022[(1)]	Awards released in FY2022	Aggregate Awards released since commencement of PSP to 31 December 2022[(2)]	Aggregate Awards outstanding and which have not been released as at 31 December 2022
Directors					
Dan Broström	8,124,100	14,217,175	–	(6,093,075)	8,124,100
Dr Christopher Atkinson	1,200,000	2,100,000	–	(900,000)	1,200,000
Sin Boon Ann	1,200,000	1,620,000	–	(420,000)	1,200,000
Mae Heng	1,200,000	1,200,000	–	–	1,200,000
John d'Abo	1,200,000	1,200,000	–	–	1,200,000
Dr Mathias Lidgren	1,200,000	1,200,000	–	–	1,200,000
Controlling shareholders or associates of the controlling shareholders					
Måns Lidgren	–	14,241,464	–	(14,241,464)	–
Participants who received 5% or more of the total grants available					
Per Lind	–	11,017,691	–	(11,017,691)	–
Kristofer Skantze	–	7,439,504	–	(7,439,504)	–
Mok Lai Siong	–	6,070,952	–	(6,070,952)	–

(1) Aggregate Awards granted less aggregate Awards granted that have since lapsed or been cancelled.

(2) Including new shares issued and allotted, and existing shares purchased.

Save as disclosed in the table above, no other director, controlling shareholder or associates of the controlling shareholder received any shares under the PSP since the commencement of the PSP.

The aggregate Awards granted since commencement of the PSP to 31 December 2022 is 365,496,644 of which 300,021,816 Awards have since been cancelled or have lapsed.

The vesting and release of the Awards granted to eligible participants (including the Directors and Chief Executive Officer) under the PSP are based on pre-determined performance goals and conditional on the satisfactory completion of time-based service conditions.

DIRECTORS' STATEMENT

AUDIT COMMITTEE

The members of the Audit Committee during the financial year and at the date of this statement are:

• Mae Heng (Chairman)	Independent Non-Executive Director
• Sin Boon Ann	Lead Independent Non-Executive Director
• Dan Broström	Executive Chairman

The Audit Committee performs the functions specified in Section 201B of the Act, the SGX-ST Listing Manual and the Code of Corporate Governance.

The Audit Committee has held four meetings since the last directors' statement. In performing its functions, the Audit Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

The Audit Committee also reviewed the following:

- assistance provided by the Company's officers to the internal and external auditors;
- quarterly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- interested person transactions (as defined in Chapter 9 of the SGX-ST Listing Manual).

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The Audit Committee is satisfied with the independence and objectivity of the external auditors.

The Audit Committee nominates Deloitte & Touche LLP for appointment as the external auditors of the Company in place of the retiring auditors, KPMG LLP, at the forthcoming Annual General Meeting of the Company.

In appointing our auditors for the Company and subsidiaries, the Board of Directors have complied with Rules 712 and 715 of the SGX-ST Listing Manual.

DIRECTORS' STATEMENT

AUDITORS

The retiring auditors, KPMG LLP, will not be seeking re-appointment at the forth coming Annual General Meeting. Deloitte & Touche LLP has expressed its willingness to accept appointment as auditors.

On behalf of the Board of Directors

Dan Broström
Director

Mae Heng
Director

23 March 2023

INDEPENDENT AUDITORS' REPORT

Members of the Company
Rex International Holding Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Rex International Holding Limited ("**the Company**") and its subsidiaries ("**the Group**"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2022, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 160 to 239.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 ("**the Act**") and Singapore Financial Reporting Standards (International) ("**SFRS(I)s**") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the financial year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("**SSAs**"). Our responsibilities under those standards are further described in the *'Auditors' responsibilities for the audit of the financial statements'* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("**ACRA Code**") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITORS' REPORT

Members of the Company
Rex International Holding Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Business Combinations

Refer to Note 3.1(i) – Accounting policy: Business Combinations and Note 5 to the financial statements

The key audit matter	*How the matter was addressed in our audit*
During the year, the Group acquired a 10% interest in the Yme Field on the Norwegian North Sea. Such transactions can be complex and judgement is involved in determining whether the transaction is an acquisition of an asset or business, with different accounting treatment applicable. In accounting for a business combination, judgements are applied and there exist inherent uncertainties in estimating the fair value of the identified assets and liabilities that make up the acquisition; and allocating the overall purchase price to those identified assets and liabilities, with any excess or shortfall being recognised as goodwill on the statement of financial position or a bargain purchase in the statement of comprehensive income (the "**Purchase Price Allocation**"). In relation to the acquisitions, an independent professional firm was engaged to assist the Group in arriving at its purchase price allocation assessment.	We have assessed the accounting of the acquisitions by examining legal and contractual documents to determine whether these acquisitions are business combinations or the acquisition of assets. We read the purchase price allocation reports and assessed the allocation of the purchase price to significant identified assets and liabilities acquired. We compared the methodologies and key assumptions used in deriving the significant allocated values to generally accepted market practices and market data, where applicable. We found management's purchase price allocation assessment to be balanced.

INDEPENDENT AUDITORS' REPORT

Members of the Company
Rex International Holding Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Impairment risk over Exploration and Evaluation ("E&E") assets
Refer to Note 3.3 – Accounting policy: E&E assets, Note 4 to the financial statements

The key audit matter	*How the matter was addressed in our audit*
As at 31 December 2022, the E&E assets are carried at US$36.8 million which represents 5.5% of total assets. There is a risk of impairment on the Group's significant E&E assets due to the continued volatility of oil prices and the risk associated with finding sufficient oil reserves for commercial production within the licence period. In addition to significance of the amount, management's assessment process involves significant judgement regarding the technical feasibility and commercial viability of continuing E&E activities for each licence.	We reviewed if impairment indicators exist for each concession that forms a cash generating unit under SFRS(I) 6 *Exploration for and Evaluation of Mineral Resources.* We discussed with the Group's management and read supporting documents to understand the current status and future plans for the E&E assets. Taking into consideration the Group's future plans, intentions for these E&E assets, market data and the status of each of the licences, we found the Group's assessment of no indicators of impairment of the E&E assets as at 31 December 2022 to be balanced.

Impairment risk over Oil and Gas ("O&G") properties
Refer to Note 3.4 – Accounting policy: O&G properties and Note 5 to the financial statements

The key audit matter	*How the matter was addressed in our audit*
As at 31 December 2022, the O&G assets are carried at US$216.3 million which represents 32.4% of total assets. The carrying amounts of the Group's O&G properties are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. This process involves reviewing management's forecast and performing sensitivity analysis. Management's forecast includes estimates of reserve, expectation of future oil prices, production levels, operating costs, and economic assumptions.	We discussed with the Group's management and read supporting documents to understand the current status and future plans for the O&G properties. We have reviewed management's forecast and performed sensitivity analysis in the context of assessing of impairment indicators. Taking into consideration the Group's future plans for these O&G properties, market data and other supporting evidence, we found the management's assessment to be balanced.

INDEPENDENT AUDITORS' REPORT

Members of the Company
Rex International Holding Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Contingent liability – litigation claims from Petroci Holding ("Petroci") *Refer to Note 3.12 – Accounting policy: Provisions and Note 30(a) to the financial statements*	
The key audit matter	*How the matter was addressed in our audit*
In 2021, Petroci made claims against the Company's subsidiaries, Rex Oman Limited ("**Rex Oman**"), Masirah Oil Limited ("**MOL**"), and certain past and present directors of MOL in the High Court, Commercial Division of the British Virgin Islands, in connection with the alleged conduct of MOL's affairs, which led to a dilution of Petroci's interest in MOL as a partner and minority shareholder. Significant judgement is involved in determining whether any provision should be set aside for the claims and whether adequate disclosure of the claims are made in the financial statements.	We obtained an update from the Group's external legal counsel on the status of the litigation and the likely outcome of these claims. We also reviewed legal documents and discussed with the Group relating to the claims. We further reviewed and assessed the sufficiency of the related disclosures made in the financial statements. We found the Group's assessment that the claims meet the criteria of a contingent liability, including the disclosure of the matters, to be balanced.

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

INDEPENDENT AUDITORS' REPORT

Members of the Company
Rex International Holding Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

INDEPENDENT AUDITORS' REPORT

Members of the Company
Rex International Holding Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Ronald Tay Ser Teck.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
23 March 2023

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2022

	Note	Group 2022 US$'000	Group 2021 US$'000	Company 2022 US$'000	Company 2021 US$'000
Assets					
Exploration and evaluation assets	4	36,856	40,646	–	–
Oil and gas properties	5	216,342	137,022	–	–
Goodwill and intangible assets	6	33,574	2,515	–	–
Property, plant and equipment	7	2,174	1,609	338	244
Subsidiaries	8	–	–	92,621	92,621
Associate	10	2,514	1,000	–	–
Jointly controlled entities	10	989	–	–	–
Other receivables	11	135,515	167,193	–	–
Non-current assets		427,964	349,985	92,959	92,865
Inventories	12	13,733	11,278	–	–
Trade and other receivables	11	88,062	94,988	5,226	1,130
Quoted investments	13	23,041	26,306	23,040	26,298
Cash and cash equivalents	14	115,758	60,603	25,923	6,489
Current assets		240,594	193,175	54,189	33,917
Total assets		668,558	543,160	147,148	126,782
Equity					
Share capital	15	257,677	257,677	257,677	257,677
Reserves	16	4,477	8,753	1,082	725
Accumulated losses		(85,608)	(80,067)	(161,609)	(168,096)
Equity attributable to owners of the Company		176,546	186,363	97,150	90,306
Non-controlling interests	9	11,937	12,892	–	–
Total equity		188,483	199,255	97,150	90,306
Liabilities					
Loans and borrowings	18	77,987	47,107	–	–
Provisions	19	190,661	197,147	–	–
Lease liabilities	20	636	149	87	39
Deferred tax liabilities	21	66,885	40,831	–	–
Non-current liabilities		336,169	285,234	87	39
Loans and borrowings	18	13,961	8,512	–	–
Lease liabilities	20	409	425	207	197
Trade and other payables	22	129,536	49,734	49,704	36,240
Current liabilities		143,906	58,671	49,911	36,437
Total liabilities		480,075	343,905	49,998	36,476
Total equity and liabilities		668,558	543,160	147,148	126,782

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2022

	Note	Group 2022 US$'000	Group 2021 US$'000
Revenue:			
Sale of crude oil	23	170,259	158,444
Service revenue	23	–	30
		170,259	158,474
Cost of sales:			
Cost of services		(780)	(742)
Production and operating expenses		(73,961)	(25,552)
Depletion of oil and gas properties	5	(28,252)	(36,238)
Exploration and evaluation expenditure	4	(27,510)	(14,613)
Gross profit		39,756	81,329
Administrative expenses		(28,567)	(29,114)
Other expenses		(3,444)	(1)
Other income		617	20,830
Results from operating activities		8,362	73,044
Finance income	24	744	728
Finance expense	24	(14,766)	(3,643)
Foreign currency exchange loss		(1,451)	(707)
Net finance expense		(15,473)	(3,622)
Share of profit of equity-accounted investees, net of tax	10	503	–
(Loss)/Profit before tax	25	(6,608)	69,422
Tax credit	26	6,961	9,517
Profit for the year, net of tax		353	78,939
Other comprehensive (loss)/income			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences from foreign operations, representing total other comprehensive (loss)/income for the year, net of tax		(5,057)	1,033
Total comprehensive (loss)/income for the year, net of tax		(4,704)	79,972

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2022

	Note	Group 2022 US$'000	Group 2021 US$'000
Profit attributable to:			
Owners of the Company		(1,000)	67,157
Non-controlling interests	9	1,353	11,782
Profit for the year, net of tax		353	78,939
Total comprehensive (loss)/income attributable to:			
Owners of the Company		(5,633)	68,225
Non-controlling interests	9	929	11,747
Total comprehensive (loss)/income for the year		(4,704)	79,972
(Loss)/Earnings per share			
Basic (loss)/earnings per share (cents)	27	(0.08)	5.16
Diluted (loss)/earnings per share (cents)	27	(0.08)	5.16

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2022

Group	Note	Attributable to owners of the Company								Non-controlling interests	Total equity
		Share capital	Treasury shares	Merger reserve	Capital reserve	Share-based payment reserve	Translation reserve	Accumulated losses	Total		
		US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
At 1 January 2021		257,677	(716)	4,129	1,630	967	913	(137,092)	127,508	12,718	140,226
Total comprehensive income for the year											
Profit for the year		–	–	–	–	–	–	67,157	67,157	11,782	78,939
Other comprehensive income											
Foreign currency translation differences, representing total other comprehensive income		–	–	–	–	–	1,068	–	1,068	(35)	1,033
Total comprehensive income for the year		–	–	–	–	–	1,068	67,157	68,225	11,747	79,972
Transactions with owners, recognised directly in equity:											
Contributions by and distributions to owners											
Share-based payment transactions – employee share option scheme and performance share plan	17	–	–	–	–	212	–	–	212	7	219
Proceeds from issuance of option agreements	27	–	–	–	550	–	–	–	550	–	550
Dividends paid to non-controlling interests*	16	–	–	–	–	–	–	–	–	(19,002)	(19,002)
Total contributions by and distributions to owners		–	–	–	550	212	–	–	762	(18,995)	(18,233)
Changes in ownership interests in subsidiaries											
Acquisition of non-controlling interests without a change in control, representing total changes in ownership interests in subsidiaries	8	–	–	–	–	–	–	(10,132)	(10,132)	7,422	(2,710)
Total transactions with owners		–	–	–	550	212	–	(10,132)	(9,370)	(11,573)	(20,943)
At 31 December 2021		257,677	(716)	4,129	2,180	1,179	1,981	(80,067)	186,363	12,892	199,255

* In 2021, the Group's subsidiary in Oman declared and paid dividend amounting to US$19.002 million to non-controlling interests.

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2022

Group	Note	Attributable to owners of the Company									
		Share capital	**Treasury shares**	**Merger reserve**	**Capital reserve**	**Share-based payment reserve**	**Translation reserve**	**Accumulated losses**	**Total**	**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**
At 1 January 2022		257,677	(716)	4,129	2,180	1,179	1,981	(80,067)	186,363	12,892	199,255
Total comprehensive loss for the year											
Profit for the year		–	–	–	–	–	–	(1,000)	(1,000)	1,353	353
Other comprehensive loss											
Foreign currency translation differences, representing total other comprehensive loss		–	–	–	–	–	(4,633)	–	(4,633)	(424)	(5,057)
Total comprehensive loss for the year		–	–	–	–	–	(4,633)	(1,000)	(5,633)	929	(4,704)
Transactions with owners, recognised directly in equity:											
Contributions by and distributions to owners											
Share-based payment transactions – performance share plan	17	–	–	–	–	357	–	–	357	–	357
Dividends paid	16	–	–	–	–	–	–	(4,541)	(4,541)	–	(4,541)
Dividends payable to non-controlling interests*	16	–	–	–	–	–	–	–	–	(1,884)	(1,884)
Total transactions with owners		–	–	–	–	357	–	(4,541)	(4,184)	(1,884)	(6,068)
At 31 December 2022		257,677	(716)	4,129	2,180	1,536	(2,652)	(85,608)	176,546	11,937	188,483

* In 2022, the Group's subsidiary in Oman declared dividend amounting to US$1.88 million to non-controlling interests.

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2022

Company	Note	Share capital US$'000	Treasury shares US$'000	Capital reserve US$'000	Share-based payment reserve US$'000	Accumulated losses US$'000	Total equity US$'000
At 1 January 2021		257,677	(716)	505	793	(154,759)	103,500
Loss for the year, representing total comprehensive loss for the year		–	–	–	–	(13,337)	(13,337)
Transactions with owners, recognised directly in equity							
Share-based payment transactions – performance share plan, representing total transactions with shareholders	17	–	–	–	143	–	143
At 31 December 2021		257,677	(716)	505	936	(168,096)	90,306
At 1 January 2022		257,677	(716)	505	936	(168,096)	90,306
Profit for the year, representing total comprehensive income for the year		–	–	–	–	11,028	11,028
Transactions with owners, recognised directly in equity							
Share-based payment transactions – performance share plan	17	–	–	–	357	–	357
Dividends paid	16	–	–	–	–	(4,541)	(4,541)
Total transactions with shareholders		–	–	–	357	(4,541)	(4,184)
At 31 December 2022		257,677	(716)	505	1,293	(161,609)	97,150

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2022

	Note	Group 2022 US$'000	Group 2021 US$'000
Cash flows from operating activities			
(Loss)/Profit before tax		(6,608)	69,422
Adjustments for:			
Bargain purchase from acquisition of oil and gas properties	5, 25	–	(18,236)
Amortisation of intangible assets	6	850	850
Depreciation of property, plant and equipment	7	853	752
Depletion of oil and gas properties	5	28,252	36,238
Expensed exploration and evaluation costs	4	–	9,733
Impairment loss on exploration and evaluation assets	4	24,285	1,018
Impairment loss on oil and gas properties	5	–	1,681
Loss on disposal of property, plant and equipment	25	505	–
Net finance expense		14,022	2,915
Share of profit of equity-accounted investees, net of tax		(503)	–
Change in fair value of quoted investments	25	2,786	(603)
Gain on disposal of quoted investments	25	(615)	(122)
Equity-settled share-based payment transactions	17	357	219
		64,184	103,867
Changes in:			
- Inventories		6,433	(106)
- Trade and other receivables		25,294	(40,000)
- Trade and other payables		34,385	16,998
- Restricted bank deposits		(305)	(10,065)
Cash generated from operations		129,991	70,694
Tax receipts from exploration and evaluation activities in Norway		39,070	18,709
Net cash generated from operating activities		169,061	89,403
Cash flows from investing activities			
Interest received		744	728
Acquisition of oil and gas licences	5	(54,821)	(40,961)
Additions to oil and gas properties	5	(56,299)	(10,539)
Exploration and evaluation expenditure	4	(24,522)	(22,204)
Investment in an associate	10	(2,000)	(1,000)
Purchase of quoted investments		(11,065)	(12,974)
Proceeds from disposal of quoted investments		11,649	13,165
Purchase of property, plant and equipment	7	(951)	(211)
Net cash used in investing activities		(137,265)	(73,996)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
Year ended 31 December 2022

	Note	Group 2022 US$'000	Group 2021 US$'000
Cash flows from financing activities			
Interest paid		(8,125)	(3,024)
Dividends paid to owners of the Company	16	(4,541)	–
Dividends paid to non-controlling interests	16	–	(19,002)
Acquisition of non-controlling interests in a subsidiary		–	(2,710)
Payment for transaction costs related to loans and borrowings		(3,729)	(1,516)
Proceeds from issuance of option agreements	31	–	550
Net proceeds from issuance of bonds by a subsidiary		89,358	57,069
Repayment of bonds		(50,598)	–
Proceeds from bank loans		–	2,914
Repayment of bank loans		–	(20,730)
Repayment of lease liabilities		(443)	(412)
Net cash generated from financing activities		21,922	13,139
Net increase in cash and cash equivalents		53,718	28,546
Cash and cash equivalents at beginning of the year		50,538	20,375
Effect of exchange rate fluctuations on cash held		2,121	1,617
Cash and cash equivalents at end of the year	14	106,377	50,538

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 23 March 2023.

1 DOMICILE AND ACTIVITIES

Rex International Holding Limited ("**the Company**") is incorporated in the Republic of Singapore and has its registered office at 80 Robinson Road, #02-00, Singapore 068898.

The financial statements of the Group as at and for the financial year ended 31 December 2022 comprise the Company and its subsidiaries (together referred to as "**the Group**" and individually as "**Group entities**") and the Group's interest in equity-accounted investees.

The principal activities of the Company are those relating to investment holding. The principal activities of its subsidiaries are set out in Note 8 to the financial statements.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("**SFRS(I)**"). The changes to significant accounting policies are described in Note 2.5 to the financial statements.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise disclosed in the notes below.

2.3 Functional and presentation currency

These financial statements are presented in United States dollars ("**USD**"), which is the Company's functional currency. All financial information presented in USD has been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with SFRS(I)s requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

NOTES TO THE FINANCIAL STATEMENTS

2 BASIS OF PREPARATION (CONTINUED)

2.4 Use of estimates and judgements (continued)

(i) Critical judgements made in applying accounting policies

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is discussed below.

Business combinations

An acquisition of a business, which is determined as an integrated set of activities and assets that are capable of being conducted and managed for the purpose of providing a return directly to investors, is a business combination.

Determining whether an acquisition meets the definition of a business combination requires judgement to be applied on a case-by-case basis. Acquisitions are assessed under the relevant SFRS(I) criteria to establish whether the transaction represents a business combination or an asset purchase. Depending on the specific facts, acquisitions of exploration and evaluation licences for which a development decision has not yet been made, have largely been concluded to represent asset purchases.

Acquisition accounting is subject to substantive judgement by the management. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability. The fair value of oil fields in production and development phase is normally based on discounted cash flow models, where the determination of inputs to the model may require significant judgement. The fair value of the assets or liabilities acquired at the date of acquisition are disclosed in Note 5 to the financial statements.

Exploration and evaluation expenditures

The application of the Group’s accounting policy for exploration and evaluation expenditure requires judgement to determine whether it is likely that future economic benefits are likely from 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 itself an estimation process that requires varying degrees of uncertainty depending on how the resources are classified. These estimates directly impact the point of deferral of exploration and evaluation expenditure.

The Group’s accounting policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular, whether an economically viable extraction operation can be established and executed successfully. 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.

NOTES TO THE FINANCIAL STATEMENTS

2 BASIS OF PREPARATION (CONTINUED)

2.4 Use of estimates and judgements (continued)

(i) Critical judgements made in applying accounting policies (continued)

Hydrocarbon reserves

Hydrocarbon reserves are estimates of the amount of oil that can be economically and legally extracted by the Group in approved fields. For the purpose of estimating reserves, several factors are considered, among others, such as geological, technical and economic, production techniques, recovery rates, production costs, transportation costs, demand and prices for commodities and exchange rates. Estimating the quantity and grade of reserves requires determining the size, shape and depth of the reservoirs or fields to be determined by analysing geological data and drilling samples. This process may require interpreting complex and making geological judgements. Because the economic assumptions change from period to period and the Group is still generating additional geological data during the course of operations, estimates of reserves may change from period to period. Changes in reported reserves may affect the recovery of the carrying amount of oil properties due to changes in estimated future cash flows and the cost of depreciation recorded in profit or loss as it based on the units of production relative to the total proven and probable reserves.

(ii) Key sources of estimation uncertainty

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit ("**CGU**") and choose a suitable discount rate in order to calculate the present value of those cash flows. Judgement and estimates are required in the determination of appropriate inputs to derive at forecasted cash flows and the discount rate. The carrying amounts of the Group's non-financial assets are disclosed in the following notes:

- Oil and gas properties Note 5
- Subsidiaries Note 8

Depletion of oil and gas properties

Oil and gas properties are mainly depleted on a unit of production basis at a rate calculated by reference to prove plus probable reserves and incorporating the estimated future cost of developing and extracting those reserves. Future development costs are estimated using assumptions as to the numbers of wells required to produce those reserves, the cost of the wells, future production facilities and operating costs; together with assumptions on oil and gas realisations based on the approved field development plans. The carrying amounts of the Group's oil and gas properties at the reporting date are disclosed in Note 5 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

2 BASIS OF PREPARATION (CONTINUED)

2.4 Use of estimates and judgements (continued)

(ii) Key sources of estimation uncertainty (continued)

Amortisation of technology assets

Technology assets are amortised on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these assets to be within 10 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, and therefore future amortisation expenses could be revised. The carrying amounts of these assets are disclosed in Note 6 to the financial statements.

Provisions

Estimates of the Group's obligations arising from exploration drilling rehabilitation that exist as at the reporting date may be affected by future events which cannot be predicted with any certainty. The assumptions and best estimates in determining these provisions are made based on management's judgement and experience and therefore, future exploration drilling rehabilitation obligations and expenses could be revised. The carrying amounts of the Group's provisions at the reporting date are disclosed in Note 19 to the financial statements.

2.5 Changes in accounting policies

New standards and amendments

The Group has applied the following SFRS(I)s, amendments to and interpretations of SFRS(I) for the first time for the annual period beginning on 1 January 2022:

- Amendment to SFRS(I) 3: *Reference to the Conceptual Framework*
- Amendment to SFRS(I) 16: *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendment to SFRS(I) 1-37: *Onerous Contracts – Cost of Fulfilling a Contract*
- Annual Improvements to SFRS(I)s 2018 - 2020

The application of these SFRS(I)s, amendments to standards and interpretations does not have a material effect on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities, except as explained in Note 2.5, which addresses changes in accounting policies.

3.1 Basis of consolidation

(i) Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group (see Note (ii)). In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The Group measures goodwill at the date of acquisition as:

- the consideration transferred (generally measured at fair value); plus
- the recognised amount of any non-controlling interests ("**NCI**") in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess in negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

NCI that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required by SFRS(I)s.

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (continued)

(i) Business combinations (continued)

Costs related to the acquisition, other than those associated with the issue of debt or equity investments, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the NCI in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

(iii) Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative year presented or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity and any gain or loss arising is recognised directly in equity.

(iv) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(v) Investments in equity-accounted investees

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (continued)

(v) Investments in equity-accounted investees (continued)

Investments in associates and joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income ("**OCI**") of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its investment in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

(vi) Joint operations

A joint operation is an arrangement in which the Group has joint control whereby the Group has rights to the assets, and obligations for the liabilities, relating to an arrangement. The Group accounts for each of its assets, liabilities and transactions, including its share of those held or incurred jointly, in relation to the joint operation.

(vii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(viii) Subsidiaries, associates and joint ventures in the separate financial statements

Investments in subsidiaries, associates and joint ventures are stated in the Company's statement of financial position at cost less accumulated impairment losses.

3.2 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are generally recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Foreign currency (continued)

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to USD at exchange rates at the reporting date. The income and expenses of foreign operations are translated to USD at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI, and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the NCI. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in OCI, and are presented in the translation reserve in equity.

3.3 Exploration and evaluation assets

Exploration and evaluation ("**E&E**") activity involves the search for oil and gas resources, the determination of technical feasibility and the assessment of the commercial viability of an identified resource. Costs incurred before the Group has obtained the legal rights to explore an area are recognised in profit or loss.

E&E costs are capitalised in respect of each area of interest for which the rights to explore are current and where:

- the E&E costs are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or
- E&E activities in the area of interest have not reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves; and active and significant operations in or in relation to the areas of interest are continuing.

E&E assets comprise, among others, costs that are directly attributable to researching and analysing existing exploration data, gathering exploration data through topographical, geochemical and geophysical studies, exploratory drilling, trenching and sampling, determining and examining the volume and grade of the resource, examining and testing extraction and treatment methods, surveying transportation and infrastructure requirements, compiling pre-feasibility and feasibility studies and/or gaining access to areas of interest including occupancy and relocation compensation and other directly attributable costs of exploration and appraisal including technical and administrative costs.

General and administrative costs are allocated to, and included in, the cost of E&E asset only to the extent that those costs can be related directly to operational activities in the area of interest to which the E&E asset relates. In all other cases, these costs are expensed as incurred.

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Exploration and evaluation assets (continued)

E&E assets are transferred to development costs, a component of E&E assets, when the technical feasibility and commercial viability of extracting the resource are demonstrable and sanctioned by management.

E&E assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. Where a potential impairment is indicated, assessment is performed for each area of interest in conjunction with the group of operating assets (representing a CGU) to which the E&E is attributable. To the extent that capitalised E&E is not expected to be recovered, it is charged to profit or loss. Partial or full reversals of impairments of such assets are recognised if there is an indication that a previously recognised impairment loss has reversed and the recoverable amount of the impaired asset has subsequently increased.

Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the year in which the decision to abandon the area is made. When production commences, the accumulated costs for the relevant area of interest are reclassified to ‘oil and gas properties’.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward cost in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the cost of that stage. Site restoration costs include the dismantling and removal of drilling facilities, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the concession permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on a discounted basis. Any changes to the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the concession site.

3.4 Oil and gas properties

Oil and gas properties arise from the reclassification of E&E assets once commercial viability and technical feasibility are established and production commenced.

Oil and gas properties are measured at cost less accumulated depletion and accumulated impairment losses. The accumulated costs for the relevant area of interest are depreciated using a unit-of-production method over proved and probable reserves. The unit-of-production rate for the accumulated costs takes into account expenditures incurred to date, together with estimated future capital expenditure expected to be incurred relating to as yet undeveloped and probable reserves expected to be processed through these common facilities.

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current and comparative years are as follows:

Office lease	3 years
Plant and machinery	5 years
Furniture and fittings	5 to 10 years
Office equipment	5 years
Office computers	3 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Intangible assets and goodwill

(i) Goodwill

Goodwill that arises upon the acquisition of a business is included in intangible assets. For the measurement of goodwill at initial recognition, see Note 3.1(i).

Goodwill is measured at cost less accumulated impairment losses.

(ii) Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment loss.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Amortisation is calculated based on the cost of the asset, less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The estimated useful lives for the current and comparative years are as follows:

Technology	10 years
Customer contracts	10 years

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.7 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("**FVTPL**"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Financial instruments (continued)

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("**FVOCI**") – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity investments at FVOCI

On initial recognition of an equity investment that is not held-for-trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held-for-trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest (continued)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Financial instruments (continued)

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
  - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
  - the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Transferred assets are not derecognised when the Group enters into transactions whereby it transfers assets recognised in its statements of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term fixed deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

(vi) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with SFRS(1) 1-12.

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Financial instruments (continued)

(vi) Share capital (continued)

Repurchase, disposal and reissue of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the reserve for own share account. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in non-distributable capital reserve.

(vii) Intra-group financial guarantees in the separate financial statements

Intra-group financial guarantees are accounted for in the Company's financial statements as insurance contracts. A provision is recognised based on the Company's estimate of the ultimate cost of settling all claims incurred but unpaid at the reporting date. The provision is assessed by reviewing individual claims and tested for adequacy by comparing the amount recognised and the amount that would be required to settle the guarantee contract.

3.8 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 Leases (continued)

As a lessee (continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets in 'property, plant and equipment' and lease liabilities in the statements of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.9 Inventories

Inventories of spare parts are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price, less the estimated selling expenses.

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.10 Impairment

(i) Non-derivative financial assets

The Group recognises loss allowances for expected credit losses ("**ECLs**") on financial assets measured at amortised cost.

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract assets.

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improve such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.10 Impairment (continued)

(i) Non-derivative financial assets (continued)

Measurement of ECLs

ECLs are probability-weighted estimates or credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statements of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related CGU exceeds its estimated recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.10 Impairment (continued)

(ii) Non-financial assets (continued)

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

An impairment loss in respect of an associate or joint venture is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with the requirements for non-financial assets. An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount and only to the extent that the recoverable amount increases.

Goodwill that forms part of the carrying amount of an investment in an associate is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.11 Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

(ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(iii) Share-based payment transactions

The Group operates an equity-settled, shared-based compensation plan. The grant date fair value of equity-settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

3.12 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance expense.

3.13 Revenue

Revenue from sale of crude oil and services in the ordinary course of business is recognised when the Group satisfies a performance obligation ("**PO**") by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised goods or services. The individual standalone selling price of a good or service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to goods and/or services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates specifically to those POs.

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.13 Revenue (continued)

Transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that PO.

3.14 Finance income and finance expense

The Group's finance income and finance expense include:

- interest income;
- interest expense;
- the net gain or loss on financial assets at FVTPL;
- the bank charges, which are inclusive of cash management and processing fees;
- the unwinding of discount on decommissioning receivables and provision; and
- the foreign currency gain or loss on financial assets and financial liabilities.

Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.15 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets.*

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Temporary differences in relation to a right-of-use asset and a lease liability for a specific lease are regarded as a net package (the lease) for the purpose of recognising deferred tax.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.15 Tax (continued)

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

The Group is subjected to the Norwegian oil taxation regime. Oil production and exploration companies operating on the Norwegian Continental Shelf could claim deduction on investments in offshore exploration and productions assets immediately when the costs are incurred under special petroleum tax at the tax rate of 71.8%. For the tax losses calculated under special petroleum tax, it will be paid out as part of the ordinary yearly tax settlement in December the following year. The calculated tax receivables are based on judgments and understanding by the Group regarding items allowable for tax deduction, and the view may differ from the Norwegian tax authorities' practice in the final tax settlement.

3.16 Earnings per share

The Group presents basic and diluted earnings per share ("**EPS**") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise share options and awards granted to employees.

3.17 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Executive Chairman and Chief Executive Officer ("**CEO**") to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

3.18 New standards and interpretations not adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 January 2022 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following new SFRS(I)s, amendments to and interpretations of SFRS(I)s are not expected to have a significant impact on the Group's consolidated financial statements and the Company's statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.18 New standards and interpretations not adopted (continued)

Applicable to 2023 financial statements

- SFRS(I) 17 *Insurance Contracts* and amendments to SFRS(I) 17 *Insurance Contracts*
- Amendments to SFRS(I) 1-1 *Classification of Liabilities as Current or Non-current*
- Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2 *Disclosure of Accounting Policies*
- Amendments to SFRS(I) 1-8 *Definition of Accounting Estimates*
- Amendments to SFRS(I) 1-12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

Mandatory effective date deferred

- Amendments to SFRS(I) 10 and SFRS(I) 1-28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

4 EXPLORATION AND EVALUATION ASSETS

	Group	
	2022	**2021**
	US$'000	**US$'000**
Cost		
At 1 January	75,035	65,751
Additions	24,522	22,204
Expensed to profit or loss	–	(9,733)
Translation differences	(11,221)	(3,187)
At 31 December	88,336	75,035
Accumulated amortisation and impairment loss		
At 1 January	34,389	35,375
Impairment of capitalised exploration expenditure	24,285	1,018
Translation differences	(7,194)	(2,004)
At 31 December	51,480	34,389
Carrying amounts	36,856	40,646

Exploration and evaluation costs incurred were in respect of exploration and evaluation of hydrocarbons in Norway and Oman and Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

4 EXPLORATION AND EVALUATION ASSETS (CONTINUED)

The table below shows the exploration and evaluation expenditure included in the consolidated statement of comprehensive income:

	Note	Group 2022 US$'000	Group 2021 US$'000
Exploration and evaluation expenditure includes:			
Expensed to profit or loss for capitalised exploration expenditure	25	–	9,733
Impairment of exploration expenditure previously capitalised	25	24,285	1,018
Impairment of oil and gas properties previously capitalised	5, 25	–	1,681
Other exploration costs		3,225	2,181
		27,510	14,613

Impairment assessment

In 2022, the Group recognised total impairment loss of US$24,285,000 (2021: US$1,018,000) with respect to exploration and evaluation assets in Norway as a result of the relinquishment of licences. Based on the approved budgets and plans for exploratory activities, no other impairment of exploration and evaluation assets was required as at reporting date.

5 OIL AND GAS PROPERTIES

	Group 2022 US$'000	Group 2021 US$'000
Cost		
At 1 January	196,675	98,000
Additions	56,299	10,539
Acquisition	55,008	82,584
Change in decommissioning provision	5,490	5,728
Adjustments	(350)	(176)
Translation differences	(9,284)	–
At 31 December	303,838	196,675
Accumulated depletion and impairment loss		
At 1 January	59,653	21,734
Depletion	28,252	36,238
Impairment of oil and gas properties previously capitalised	–	1,681
Translation differences	(409)	–
At 31 December	87,496	59,653
Carrying amounts as at 31 December	216,342	137,022

NOTES TO THE FINANCIAL STATEMENTS

5 OIL AND GAS PROPERTIES (CONTINUED)

Impairment assessment

For the financial year ended 31 December 2022, the management had performed impairment assessment over the Group's oil and gas properties and concluded that there is no indicator of impairment.

In 2021, the Group recognised total impairment loss of US$1,681,000 with respect to oil and gas properties in Oman as these assets are no longer in use.

Financial year ended 31 December 2022

Acquisition of Yme Field

On 10 August 2022, Lime Petroleum AS ("**LPA**"), a subsidiary of the Group, entered into a conditional sale and purchase agreement with KUFPEC Norway AS ("**KUFPEC**"), to acquire KUFPEC's 10% interest in the Yme Field on the Norwegian North Sea, for a post-tax consideration of US$68.053 million (the "**Acquisition**"). The Yme Field is operated by Repsol Norge AS. The Acquisition further strengthens LPA's position as a full-fledged exploration and production player in the Norwegian Continental Shelf, following its acquisition of an 33.8434% interest in the producing Brage Field in 2021.

The Yme Field is located in PL 316 and PL 316B on the Norwegian Continental Shelf. According to the Norwegian Petroleum Directorate, Yme is a field in the south-eastern part of the Norwegian sector of the North Sea, 130 kilometres northeast of the Ula field.

The acquisition date of the Yme Field was 31 December 2022. The transaction has been determined to constitute a business combination and has been accounted for using the acquisition method of accounting as required by SFRS(I) 3 *Business Combinations*.

Details of the consideration paid, the assets acquired and liabilities assumed, and the effects on the cash flows of the Group, at the acquisition date, were as follows:

(a) Consideration transferred

The following table summarises the acquisition-date fair value of each major class of consideration transferred:

	US$'000
Cash	54,821
Deferred consideration*	29,512
Total consideration transferred	84,333

* The deferred consideration of US$29.51 million was subsequently settled on 3 February 2023.

(b) Acquisition-related costs

The Group incurred acquisition-related costs of US$219,000. These costs have been included in 'Administrative expenses'.

NOTES TO THE FINANCIAL STATEMENTS

5 OIL AND GAS PROPERTIES (CONTINUED)

Financial year ended 31 December 2022 (continued)

Acquisition of Yme Field (continued)

(c) Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of the acquisition.

	Note	US$'000
Oil and gas properties	5	55,008
Trade and other receivables		21,111
Inventories	12	8,888
Deferred tax assets	21	1,526
Provisions	19	(22,520)
Trade and other payables		(11,589)
Total net identifiable assets		52,424

(d) Measurement of fair values

Management primarily used a discounted cash flow model (net present value of expected future cash flows) to determine the fair value of the oil and gas properties. The model incorporated expected future cash flows based on estimates of projected revenues, production costs and capital expenditures as at the acquisition date. The cash flows were estimated using post-tax basis in accordance with the industry practice where acquisition of licences on Norwegian continental shelf without grossing up the value with a tax amortisation benefit.

The trade and other receivables comprise gross contractual amounts due of US$21,111,000, of which none are expected to be uncollectible at the date of the acquisition.

(e) Fair values measured on a provisional basis

A preliminary purchase price allocation ("**PPA**") has been performed and all identified assets and liabilities have been measured at their acquisition date fair values in accordance with the requirements of SFRS(I) 3.

The final PPA will be completed within 12 months from the acquisition date. If new information obtained within one year from the date of acquisition about fact and circumstances that existed at the date of acquisition identified adjustments to the above amounts, or any additional provisions that existed at the date of acquisition, then the accounting for the acquisition will be revised.

NOTES TO THE FINANCIAL STATEMENTS

5 OIL AND GAS PROPERTIES (CONTINUED)

Financial year ended 31 December 2022 (continued)

Acquisition of Yme Field (continued)

(f) Goodwill

Goodwill arising from the acquisition has been recognised as follows:

	US$'000
Cash consideration transferred	84,333
Provisional fair value of identifiable net assets	(52,424)
Goodwill (Note 6)	31,909

(g) Revenue and profit contribution

Since the acquisition date was on the 31 December 2022, Yme Field did not contribute any revenue to the Group's results during the year. If the acquisition had occurred on 1 January 2022, management estimated that the Group's consolidated revenue would have increased by US$30,338,000, and consolidated profit for the year would have decreased by US$2,545,000. In determining these amounts, management assumed that the fair value adjustments, determined provisionally, that arose on the date of the acquisition would have been the same if the acquisition had occurred on 1 January 2022.

Financial year ended 31 December 2021

Acquisition of Brage Field

On 15 June 2021, Lime Petroleum AS ("**LPA**"), a subsidiary, entered into a sale and purchase agreement with Repsol Norge AS ("**Repsol**"), to acquire Repsol's 33.8434% interests in the oil, gas and natural gas liquids ("**NGL**") producing Brage Field (as defined herein) and five licences on the Norwegian Continental Shelf over which the Brage Field straddles (the "**Target Assets**"), for a post-tax consideration of US$40.96 million. The acquisition fulfils LPA's ambition to pivot from solely oil exploration, to exploration and production in the Norwegian Continental Shelf in the near term, and to establish recurring cash flow, as well as develop and drive further value in LPA's portfolio of several discovery licences.

The Target Assets are Repsol's 33.8434% interests in a joint venture for oil, gas and NGL production and operation of the Brage Field in blocks 31/4, 31/7 and 30/6 (the "**Brage Field**") and the five licences (PL 053B, PL 055, PL 055B, PL 055D and PL 185) over which the Brage Field straddles.

Separately, Repsol had agreed to pay to (or on behalf of) LPA, a Brage decommissioning carry limited to 95% of decommissioning costs for the current Brage Field infrastructure (the "**Brage Decommissioning Carry**"). The Brage Decommissioning Carry is guaranteed by Repsol Exploración S.A., the parent company of Repsol, with a guarantee granted in LPA's favour on completion of the acquisition. Most of the decommissioning is expected to occur after the expiration of the licences' validity. At the end of Brage Field's production life, LPA will pay an effective 1.69% of the total estimated decommissioning costs for the current Brage Field infrastructure, in respect of its 33.8434% interest in the Brage Field.

NOTES TO THE FINANCIAL STATEMENTS

5 OIL AND GAS PROPERTIES (CONTINUED)

Financial year ended 31 December 2021 (continued)

Acquisition of Brage Field (continued)

The acquisition of the Brage Field was completed on 31 December 2021. The transaction was determined to constitute a business combination and was accounted for using the acquisition method of accounting as required by SFRS(I) 3 *Business Combinations.*

Details of the consideration paid, the assets acquired and liabilities assumed, and the effects on the cash flows of the Group, at the acquisition date, were as follows:

(a) Consideration transferred

The total cash consideration paid was US$40.96 million, included in cash flows from investing activities.

(b) Acquisition-related costs

The Group incurred acquisition-related costs of US$300,000. These costs were included in 'Administrative expenses'.

(c) Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

	Note	**US$'000**
Oil and gas properties	5	82,584
Other receivables – non-current		167,193
Trade and other receivables – current		17,486
Inventories	12	11,173
Deferred tax liabilities	21	(18,482)
Provisions	19	(190,077)
Trade and other payables – current		(10,680)
Total net identifiable assets		59,197

(d) Measurement of fair values

Management primarily used a discounted cash flow model (net present value of expected future cash flows) to determine the fair value of the oil and gas properties. The model incorporated expected future cash flows based on estimates of projected revenues, production costs and capital expenditures as at the acquisition date. The cash flows were estimated using post-tax basis in accordance with the industry practice where acquisition of licences on Norwegian continental shelf without grossing up the value with a tax amortisation benefit.

The trade and other receivables (both current and non-current) comprise gross contractual amounts due of US$195,902,000, of which none were expected to be uncollectible at the date of acquisition.

NOTES TO THE FINANCIAL STATEMENTS

5 OIL AND GAS PROPERTIES (CONTINUED)

Financial year ended 31 December 2021 (continued)

Acquisition of Brage Field (continued)

(e) Fair values measured on a provisional basis

A preliminary purchase price allocation ("**PPA**") was performed and all identified assets and liabilities had been measured at their acquisition date fair values in accordance with the requirements of SFRS(I) 3.

If new information obtained within one year from the date of acquisition about fact and circumstances that existed at the date of acquisition identified adjustments to the above amounts, or any additional provisions that existed at the date of acquisition, then the accounting for the acquisition will be revised.

In 2022, the PPA was finalised and did not result in any material adjustments to the provisional values.

(f) Gain from bargain purchase

Gain from bargain purchase arising from the acquisition was recognised as follows:

	US$'000
Total consideration transferred	40,961
Provisional fair value of identifiable net assets	(59,197)
Provisional gain from bargain purchase	(18,236)

A gain from bargain purchase from the acquisition of Brage field was recorded in 'other income' (Note 25). The gain arose from a favourable movement in the oil market as compared to the market outlook at the date that the sales and purchase agreement was entered into.

(g) Revenue and profit contribution

Since the acquisition date was on the 31 December 2021, Brage Field did not contribute any revenue to the Group's results during the year. If the acquisition had occurred on 1 January 2021, management estimated that the Group's consolidated revenue would have increased by US$76,544,000, and consolidated profit for the year would have increased by US$32,652,000. In determining these amounts, management assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2021.

NOTES TO THE FINANCIAL STATEMENTS

6 GOODWILL AND INTANGIBLE ASSETS

Group	Goodwill US$'000	Technology US$'000	Customer Contracts US$'000	Total US$'000
Cost				
At 1 January 2021 and 31 December 2021	–	4,700	3,800	8,500
Acquisitions – business combinations (Note 5)	31,909	–	–	31,909
At 31 December 2022	31,909	4,700	3,800	40,409
Accumulated amortisation				
At 1 January 2021	–	2,839	2,296	5,135
Amortisation	–	470	380	850
At 31 December 2021	–	3,309	2,676	5,985
Amortisation	–	470	380	850
At 31 December 2022	–	3,779	3,056	6,835
Carrying amounts				
At 1 January 2021	–	1,861	1,504	3,365
At 31 December 2021	–	1,391	1,124	2,515
At 31 December 2022	31,909	921	744	33,574

Amortisation

The amortisation of technology and customer contracts is included in 'Administrative expenses'.

NOTES TO THE FINANCIAL STATEMENTS

7 PROPERTY, PLANT AND EQUIPMENT

Group	Office leases US$'000	Plant and machinery US$'000	Furniture and fittings US$'000	Office equipment US$'000	Office computers US$'000	Total US$'000
Cost						
At 1 January 2021	1,792	1,079	240	352	325	3,788
Additions	–	–	–	8	203	211
Reclassifications	(46)	–	(34)	92	(23)	(11)
Translation differences	(22)	–	(4)	(9)	–	(35)
At 31 December 2021	1,724	1,079	202	443	505	3,953
Additions	1,155	815	66	36	34	2,106
Disposals	(637)	(973)	–	(3)	(1)	(1,614)
Translation differences	(75)	–	(11)	(44)	–	(130)
At 31 December 2022	2,167	921	257	432	538	4,315
Accumulated depreciation						
At 1 January 2021	819	188	192	248	181	1,628
Depreciation	412	216	9	42	73	752
Reclassifications	(46)	–	(31)	76	(10)	(11)
Translation differences	(13)	–	(4)	(8)	–	(25)
At 31 December 2021	1,172	404	166	358	244	2,344
Depreciation	462	214	13	42	122	853
Disposals	(503)	(467)	(1)	(3)	(1)	(975)
Translation differences	(37)	–	(8)	(36)	–	(81)
At 31 December 2022	1,094	151	170	361	365	2,141
Carrying amounts						
At 1 January 2021	973	891	48	104	144	2,160
At 31 December 2021	552	675	36	85	261	1,609
At 31 December 2022	1,073	770	87	71	173	2,174

NOTES TO THE FINANCIAL STATEMENTS

7 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Office leases US$'000	Furniture and fittings US$'000	Office computers US$'000	Total US$'000
Cost				
At 1 January 2021	758	26	164	948
Additions	–	–	4	4
At 31 December 2021	758	26	168	952
Additions	357	–	–	357
At 31 December 2022	1,115	26	168	1,309
Accumulated depreciation and impairment loss				
At 1 January 2021	333	26	145	504
Depreciation	194	–	10	204
At 31 December 2021	527	26	155	708
Depreciation	253	–	10	263
At 31 December 2022	780	26	165	971
Carrying amounts				
At 1 January 2021	425	–	19	444
At 31 December 2021	231	–	13	244
At 31 December 2022	335	–	3	338

8 SUBSIDIARIES

	Company 2022 US$'000	Company 2021 US$'000
Equity investments, at cost	793	793
Loans to a subsidiary, at amortised cost	116,000	116,000
Less: Impairment losses	(24,172)	(24,172)
	92,621	92,621

The loans to a subsidiary are unsecured, interest-free and have no fixed terms of repayment. The settlement of the loans is neither planned nor likely to occur in the foreseeable future and hence the loans are classified as non-current.

NOTES TO THE FINANCIAL STATEMENTS

8 SUBSIDIARIES (CONTINUED)

The details of significant subsidiaries are as follows:

Name of subsidiary	**Country of incorporation**	**Principal activity**	**Effective equity interest held by the Group**	
			2022	**2021**
			%	**%**
Rex International Investments Pte Ltd ("**RII**") [a]	Singapore	Investment holding	100	100
Rex Technology Investments Pte Ltd ("**RTI**") [b]	Singapore	Oil exploration technology	100	100
Lime Petroleum AS ("**LPA**") [c]	Norway	Oil and gas exploration	91.65	91.65
Masirah Oil Ltd ("**MOL**") [d]	British Virgin Islands	Oil and gas exploration	91.81	91.81
Pantai Rhu Energy Sdn Bhd [e]	Malaysia	Oil and gas exploration	100	100

(a) Incorporated on 13 March 2013. Audited by KPMG LLP, Singapore.

(b) Incorporated on 6 July 2017. Audited by KPMG LLP, Singapore.

(c) Acquired on 10 December 2015. Audited by other member firms of KPMG International. In 2021, the Group subscribed to an additional 1.65% interest in LPA, increasing its ownership from 90.00% to 91.65% (Note 9).

(d) Acquired on 12 November 2015. Audited by other member firms of KPMG International. In 2021, the Group acquired an additional 5.43% interest in MOL, increasing its ownership interest from 86.37% to 91.81% (Note 9).

(e) Incorporated on 27 August 2021. Audited by other member firms of KPMG International.

KPMG LLP is the auditor of all significant Singapore-incorporated subsidiaries. Other member firms of KPMG International are auditors of significant foreign-incorporated subsidiaries. For this purpose, a subsidiary is considered significant as defined under the Singapore Exchange Limited Listing Manual if its net tangible assets represent 20% or more of the Group's consolidated net tangible assets, or if its pre-tax profits account for 20% or more of the Group's consolidated pre-tax profits.

NOTES TO THE FINANCIAL STATEMENTS

9 NON-CONTROLLING INTERESTS

The following subsidiaries have non-controlling interests ("**NCI**") that are material to the Group:

Name of subsidiary	Country of incorporation	Operating segment	Ownership interest held by NCI	
			2022	**2021**
			%	**%**
Lime Petroleum AS ("**LPA**")	Norway	Oil and Gas	8.35	8.35
Masirah Oil Ltd ("**MOL**")	British Virgin Islands	Oil and Gas	8.19	8.19

In 2021, the Group subscribed to an additional 1.65% interest in LPA, increasing its ownership from 90.00% to 91.65%. The Group also acquired an additional 5.43% interest in MOL, increasing its ownership interest from 86.37% to 91.81%. Included in the 5.43% interest acquired is 1.79%, which was previously held by certain controlling shareholders of the Company.

The Group considers these capital injections to be in the interest of and beneficial to the Group as it will allow the Group to have greater control over the day-to-day operations of LPA and MOL and pursue their exploration and production activities.

As a result, the Group recognised an increase in NCI of US$7,422,000 and a decrease in retained earnings of US$10,132,000, and consequently a decrease of US$10,132,000 in the equity attributable to owners of the Group in 2021.

The following summarised financial information of the above subsidiaries are prepared in accordance with SFRS(I), modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

NOTES TO THE FINANCIAL STATEMENTS

9 NON-CONTROLLING INTERESTS (CONTINUED)

	LPA US$'000	MOL US$'000	Total US$'000
2022			
Revenue	98,616	71,643	170,259
Profit/(Loss) for the year	(8,988)	25,648	16,660
Other comprehensive income	(5,059)	–	(5,059)
Total comprehensive income	(14,047)	25,648	11,601
Attributable to NCI:			
– Profit/(Loss)	(750)	2,103	1,353
– Other comprehensive income	(424)	–	(424)
– **Total comprehensive income**	(1,174)	2,103	929
Non-current assets	347,243	75,094	
Current assets	146,755	62,059	
Non-current liabilities	(343,174)	(8,390)	
Current liabilities	(112,544)	(22,050)	
Net assets	38,280	106,713	
Net assets attributable to NCI	3,195	8,742	11,937
Cash flows generated from operating activities	103,593	62,067	
Cash flows used in investing activities	(110,913)	(28,667)	
Cash flows generated from/(used in) financing activities (dividends to NCI: US$1,884,000)	33,748	(21,595)	
Net increase in cash and cash equivalents	26,428	11,805	

NOTES TO THE FINANCIAL STATEMENTS

9 NON-CONTROLLING INTERESTS (CONTINUED)

	LPA US$'000	MOL US$'000	Total US$'000
2021			
Revenue	–	158,444	158,444
Profit for the year	13,463	76,563	90,026
Other comprehensive income	(350)	–	(350)
Total comprehensive income	13,113	76,563	89,676
Attributable to NCI:			
– Profit	1,346	10,436	11,782
– Other comprehensive income	(35)	–	(35)
– **Total comprehensive income**	1,311	10,436	11,747
Non-current assets	290,398	57,463	
Current assets	84,257	70,511	
Non-current liabilities	(288,727)	(7,069)	
Current liabilities	(33,601)	(16,841)	
Net assets	52,327	104,064	
Net assets attributable to NCI	4,369	8,523	12,892
Cash flows generated from operating activities	57,351	102,139	
Cash flows used in investing activities	(99,822)	(24,623)	
Cash flows generated from/(used in) financing activities (dividends to NCI: US$19,002,000)	66,693	(67,097)	
Net increase in cash and cash equivalents	24,222	10,419	

10 ASSOCIATE AND JOINTLY CONTROLLED ENTITIES

	Group	
	2022 US$'000	**2021 US$'000**
Interests in an associate	2,514	1,000
Interests in jointly controlled entities	989	–
	3,503	1,000

NOTES TO THE FINANCIAL STATEMENTS

10 ASSOCIATE AND JOINTLY CONTROLLED ENTITIES (CONTINUED)

The details of the associate and jointly controlled entities are as follows:

Name of associate/jointly controlled entity	Country of incorporation	Principal activity	Effective equity interest held by the Group	
			2022	**2021**
			%	**%**
Associate				
Xer Technologies Pte Ltd ("**Xer**") (i)	Singapore	Manufacture and repair of industrial robots	40	40
Jointly controlled entity				
Crescent Marine Holding Ltd ("**CMH**") (ii)	British Virgin Islands	Owner of marine assets	19.9	19.9
Lime Petroleum Plc ("**Lime Plc**") (iii)	Isle of Man	Oil and gas exploration	–	65
Rexonic Holding AG ("**Rexonic**") (iv)	Switzerland	Oil exploration technology	50	50

(i) Incorporated on 8 June 2021. On 5 July 2021, the Company's wholly-owned subsidiary Rex Technology Investments Pte Ltd entered into a conditional subscription agreement with Xer to subscribe for 33,333 shares in Xer, for a 40% shareholding interest at a consideration of up to US$4 million, upon satisfaction of specific milestones. Certain controlling shareholders of the Company collectively have an effective majority stake in Xer.

(ii) Incorporated on 10 November 2021. Although the Group holds 19.9% interest in CMH, decisions about relevant activities that significantly affect the returns that are generated require agreement of all parties to the arrangement. It is therefore determined that the Group participates in joint control. CMH is structured as a separate vehicle and the Group has a residual interest in its net assets. Accordingly, the Group classified its interest in CMH as a joint venture, which is equity-accounted. The remaining 80.1% is held by Monarch Marine Holding Ltd ("**MMH**") which certain controlling shareholders of the Company collectively have an effective majority stake in MMH. As at 31 December 2022, the Group's share of the capital commitments of the joint venture was US$Nil.

(iii) In 2016, the High Court of Isle of Man ordered the winding up of Lime Plc. As at 31 December 2022 and 2021, the Group did not expect the completion of the winding up of Lime Plc to generate any surplus cash for distribution to shareholders. The carrying amount of Lime Plc was US$Nil as at 31 December 2022 and 31 December 2021. The Group did not equity account further share of losses incurred in 2022 and 2021 as the Group had no obligation in respect of these losses. The liquidation process was completed on 15 March 2022.

(iv) In 2018, Rexonic filed for liquidation with the Court in Switzerland. The liquidation process is still ongoing as at 31 December 2022.

NOTES TO THE FINANCIAL STATEMENTS

10 ASSOCIATE AND JOINTLY CONTROLLED ENTITIES (CONTINUED)

Immaterial associate and jointly controlled entities

The Group has interests in an individually immaterial associate and jointly controlled entities. The following table summarises, in aggregate, the carrying amount and share of profit and other comprehensive income of the associate and jointly controlled entities that are accounted for using the equity.

	2022 US$'000	2021 US$'000
Group's interest in net assets of investee at beginning of the year	1,000	–
Additions	2,000	1,000
Group's share of profit for the year	503	–
Carrying amount of interest in investee at end of the year	3,503	1,000

11 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2022 US$'000	2021 US$'000	2022 US$'000	2021 US$'000
Trade receivables (third parties)	3,426	44,212	–	–
Amounts due from subsidiaries (non-trade)	–	–	4,795	871
Amounts due from a jointly controlled entity and an associate (non-trade)	97	2,647	87	–
Deposits	218	213	103	106
Decommissioning receivables	135,515	167,193	–	–
Other receivables	25,040	4,858	5	23
	164,296	219,123	4,990	1,000
Prepayments	2,456	2,497	236	130
Income tax receivables	56,825	40,561	–	–
	223,577	262,181	5,226	1,130
Comprise of:				
- Non-current	135,515	167,193	–	–
- Current	88,062	94,988	5,226	1,130
	223,577	262,181	5,226	1,130

The non-trade amounts due from subsidiaries, a jointly controlled entity and an associate are unsecured, interest-free, and are repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

11 TRADE AND OTHER RECEIVABLES (CONTINUED)

The decommissioning receivables represents a Brage decommissioning carry limited to 95% of decommissioning costs for the current Brage Field infrastructure which is guaranteed by Repsol Exploración S.A., the parent company of Repsol Norge AS, with a guarantee granted in the Group's favour on completion of the acquisition. Most of the decommissioning is expected to occur after the expiration of the licences' validity. At the end of Brage Field's production life, the Group will pay an effective 1.69% of the total estimated decommissioning costs for the current Brage Field infrastructure, in respect of its 33.8434% interest in the Brage Field. For decommissioning provision, see Note 19.

Income tax receivables of US$56,825,000 (2021: US$40,561,000) relates to an amount receivable from Norway tax authorities for exploration costs incurred in 2022 (2021: 2021).

The Group's and the Company's exposure to credit and market risks for trade and other receivables is disclosed in Note 33 to the financial statements.

12 INVENTORIES

	Group	
	2022 US$'000	2021 US$'000
Spare parts	13,733	11,278

These inventories were acquired as part of the Yme Field and Brage Field acquisitions (Note 5) in 2022 and 2021.

13 QUOTED INVESTMENTS

	Group		Company	
	2022 US$'000	2021 US$'000	2022 US$'000	2021 US$'000
Mandatorily at fair value through profit or loss				
Debt investments	23,040	26,298	23,040	26,298
Equity investments	1	8	–	–
	23,041	26,306	23,040	26,298

The debt investments are all mandatorily measured at fair value through profit or loss and are held for trading. The average effective interest rate of the quoted debt investments is 0.59% (2021: 2.85%) per annum and mature in one to three years (2021: one to three years).

The Group's and the Company's exposure to credit and market risks, and fair value measurement for quoted investments is disclosed in Note 33 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

14 CASH AND CASH EQUIVALENTS

	Group		Company	
	2022 US$'000	2021 US$'000	2022 US$'000	2021 US$'000
Cash at bank and on hand	115,758	60,603	25,923	6,489
Less: Restricted bank deposits	(9,381)	(10,065)	(475)	(475)
Cash and cash equivalents in the consolidated statement of cash flows	106,377	50,538	25,448	6,014

Restricted bank deposits consist of US$8,906,000 (NOK 87,500,000) (2021: US$9,590,000 (NOK 84,500,000)) placed as collateral for decommissioning obligation of a subsidiary and US$475,000 (2021: US$475,000) pledged as securities for bank guarantee facilities granted to the Company.

The Group's and the Company's exposures to credit and market risks for cash and cash equivalents are disclosed in Note 33 to the financial statements.

15 SHARE CAPITAL

	Group and Company	
	2022 US$'000	2021 US$'000
Issued and fully paid ordinary shares, with no par value		
1,315,507,991 ordinary shares at beginning and end of the year	257,677	257,677

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All shares ranked equally with regard to the Company's residual assets.

Treasury shares

The treasury shares comprises the cost of the Company's shares held by the Group. At 31 December 2022, the Group held 13,187,000 (2021: 13,187,000) of the Company's shares.

16 RESERVES

Merger reserve

Merger reserve relates to reserve arising from certain acquisitions of businesses under common control accounted for under the merger accounting method.

Capital reserve

Capital reserve relates to capital contribution arising from loans forgiven by equity holders and differences between purchase consideration (of investments) and fair value of the shares issued.

NOTES TO THE FINANCIAL STATEMENTS

16 RESERVES (CONTINUED)

Share-based payment reserve

Share-based payment reserve relates to the Employee Share Option Scheme and Performance Share Plan established by the Company to compensate its key management personnel and employees.

Translation reserve

Translation reserve relates to foreign currency differences arising from the translation of the financial statements of foreign operations.

Dividends

The following dividends were declared and paid by the Group and the Company:

For the financial year ended 31 December

	Group and Company	
	2022	**2021**
	US$'000	**US$'000**
Paid by the Company to owners of the Company		
US$0.0035 (2021: Nil) per qualifying shares	4,541	–

	Group	
	2022	**2021**
	US$'000	**US$'000**
Payable by a subsidiary to NCI		
US$113.86 (2021: US$1,194.25) per qualifying shares	1,884	19,002

17 SHARE-BASED PAYMENT ARRANGEMENTS

Description of the share-based payment arrangements

(i) Employee Share Option Scheme ("**ESOS**") (equity-settled)

The ESOS of the Company was approved and adopted by its members at an Extraordinary General Meeting held on 24 June 2013, and amended with shareholders' approval at an Extraordinary General Meeting of the Company on 3 March 2022.

Information regarding ESOS is as follows:

- The exercise price of the options can be set at a discount to the Market Price[1] not exceeding 20% of the Market Price at the date on which the options are granted.
- For the options granted with exercise price set at Market Price, they can be exercised 1 year from the date of the grant and will expire 5 years from the date on which the options are granted.
- For the options granted with exercise price set at a discount to the Market Price, they can be exercised 2 years from the date of the grant and will expire 5 years from the date on which the options are granted.

NOTES TO THE FINANCIAL STATEMENTS

17 SHARE-BASED PAYMENT ARRANGEMENTS (CONTINUED)

Description of the share-based payment arrangements (continued)

(i) Employee Share Option Scheme ("**ESOS**") (equity-settled) (continued)

(1) The Market Price is calculated based on the average of the last dealt prices for the Company's shares on the Mainboard of the SGX-ST over the 5 consecutive trading days immediately preceding the date on which the options are granted.

There are no options outstanding as at 31 December 2022 and 31 December 2021, as all options granted have expired.

(ii) Performance Share Plan ("**PSP**") (equity-settled)

The PSP of the Company was approved and adopted by its members at an Extraordinary General Meeting held on 24 June 2013 and amended with shareholders' approval at an Extraordinary General Meeting of the Company on 30 April 2014, 28 April 2017 and 3 March 2022.

Movement of the awards of ordinary shares granted under the PSP (the "**Awards**"):

	Number of Awards					
Date of grant of Awards	**At 1 January**	**Granted**	**Lapsed/ Cancelled**	**Vested**	**At 31 December**	**Number of holders at 31 December**
2022						
9 March 2021	11,724,100[3]	–	(11,724,100)[4]	–	–	–
8 April 2022	–	11,724,100[5]	(1,200,000)[6]	–	10,524,100	3
20 October 2022	–	3,600,000[5]	–	–	3,600,000	3
	11,724,100	15,324,100	(12,924,100)	–	14,124,100	6
2021						
29 April 2019	53,172,700	–	(53,172,700)	–	–	–
22 May 2020	5,082,400	–	(5,082,400)	–	–	–
09 March 2021	–	11,724,100[3]	–	–	11,724,100	4
	58,255,100[1]	11,724,100	(58,255,100)[2]	–	11,724,100	4

(1) If the Average Performance Market Price* is S$0.30 and above, up to 100% of the 58,255,100 Awards shall be released. If the Average Performance Market Price is less than S$0.30, none of the shares in the Award shall be released unless otherwise determined by the committee administering the PSP.

(2) On 9 March 2021, all 58,255,100 Awards previously granted had been cancelled (forthwith lapsed and to be of no value).

NOTES TO THE FINANCIAL STATEMENTS

17 SHARE-BASED PAYMENT ARRANGEMENTS (CONTINUED)

Description of the share-based payment arrangements (continued)

(ii) Performance Share Plan (“**PSP**”) (equity-settled) (continued)

(3) On 9 March 2021, the Company granted 11,724,100 Awards to certain directors of the Company. The number of Awards to be vested will range from 0% to 100%, subject to fulfilment of certain predetermined performance benchmarks and the satisfactory completion of time-based service conditions.

If the Average Performance Market Price* is S$0.30 and above, 50% of the Awards shall be released after the vesting period. If the Average Performance Market Price is S$0.45 and above, an additional 50% of the Awards shall be released. If the Average Performance Market Price is less than S$0.30, none of the Awards shall be released unless otherwise determined by the committee administering the PSP.

(4) On 8 April 2022, 5,862,050 Awards previously granted had been cancelled (forthwith lapsed and to be of no value).

On 29 April 2022, 5,862,050 Awards previously granted had been cancelled (forthwith lapsed and to be of no value), subsequent to the approval of payment of additional remuneration to certain Directors at the conclusion of the Annual General Meeting held on 29 April 2022.

(5) On 8 April 2022 and 20 October 2022, the Company granted 11,724,100 and 3,600,000 Awards respectively to certain directors of the Company. The number of Awards to be vested will range from 0% to 100%, subject to fulfilment of certain predetermined performance benchmarks and the satisfactory completion of time-based service conditions.

If the Average Performance Market Price* is S$0.45 and above, 50% of the number of shares in the Awards shall be released. If the Average Performance Market Price is S$0.60 and above, an additional 50 per cent of the number of shares in the Awards shall be released. If the Average Performance Market Price is less than S$0.45 and S$0.60 in 2022 and 2023 respectively, a Key Performance Indicator-based incentive scheme (“**KPI-based Incentive Scheme**”) shall apply and the number of shares to be released under the Awards will range from 0% to 100%, subject to the fulfilment of the predetermined performance targets in the KPI-based Incentive Scheme. The committee administering the PSP may also modify the release of the Awards in tranches at its own discretion, in accordance with the rules of the PSP.

(6) On 29 April 2022, 1,200,000 Awards previously granted to a director had been cancelled (forthwith lapsed and to be of no value), subsequent to his retirement as Independent Non-Executive Director.

* ***Average Performance Market Price*** refers to the average of Company's closing market prices of Shares over a consecutive period of five (5) market days in which transactions in the Shares were recorded, at any time within a two-year period from the date of Awards.

** ***S$***: Singapore dollars.

NOTES TO THE FINANCIAL STATEMENTS

17 SHARE-BASED PAYMENT ARRANGEMENTS (CONTINUED)

Description of the share-based payment arrangements (continued)

(ii) Performance Share Plan ("**PSP**") (equity-settled) (continued)

Expenses recognised in profit or loss

	Group	
	2022	**2021**
	US$'000	**US$'000**
Equity-settled share-based payment transactions		
Total expense recognised for equity-settled share-based payment	357	219

18 LOANS AND BORROWINGS

	Group	
	2022	**2021**
	US$'000	**US$'000**
Secured bond issues	91,948	55,619
Comprise of:		
- Non-current	77,987	47,107
- Current	13,961	8,512
Total	91,948	55,619

The Group's exposures to market and liquidity risks for loans and borrowings are disclosed in Note 33 to the financial statements.

Secured bond issues

On 5 July 2022, Lime Petroleum AS ("**LPA**"), a subsidiary of the Group, completed the issuance of a three-year senior secured bond issue of NOK 950 million (approximately US$96.70 million) (the "**Bond Issue**" or the "**Bonds**") (ISIN: NO0012559246), with maturity date on 7 July 2025. The coupon rate will be 3 months Norwegian interbank offered rate ("**NIBOR**") plus 9.25%. The Bonds were issued at 97% of the nominal amount. The Bonds are listed on the Oslo Børs.

The purpose of the new Bond Issue is to refinance the Group's NOK 500 million (approximately US$50.89 million) senior secured bonds with maturity in January 2024 (ISIN NO0011037343) and for LPA's acquisition purposes on the Norwegian Continental Shelf ("**NCS**"), as well as general working capital purposes.

In 2021, LPA completed the issuance of NOK 500 million (approximately US$50.89 million) (ISIN: NO0011037343) worth of 2.5-year senior secured bonds with maturity in January 2024. The bonds bore an interest rate of 3 months NIBOR plus margin of 8.25% per annum. Interests and redemption of bonds was repayable in semi-annual instalments, with first repayment in July 2022. The NOK 500 million senior secured bonds with maturity in January 2024 had been refinanced with the current new Bond Issue.

NOTES TO THE FINANCIAL STATEMENTS

18 LOANS AND BORROWINGS (CONTINUED)

Assets pledged as security

The new Bond Issue is secured with, 1) *inter alia*, a pledge over the Company's wholly owned subsidiary, Rex International Investments Pte. Ltd.'s shareholding interests in LPA, and 2) security with first priority charge over the interest in the hydrocarbon production licenses in Norway, monetary claims under LPA's insurances, tax refunds, and certain bank accounts, and floating charges over LPA's trade receivables, operating assets and inventory, and the debt service reserve account.

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Loans and borrowings* US$'000	Lease liabilities (Note 20) US$'000	Total US$'000
At 1 January 2021	18,010	995	19,005
Changes from financing cash flows			
Payment for transaction costs related to loans and borrowings	(1,516)	–	(1,516)
Proceeds from issuance of bonds	57,069	–	57,069
Proceeds from bank loans	2,914	–	2,914
Repayment of bank loans	(20,730)	–	(20,730)
Repayment of lease liabilities	–	(412)	(412)
Interest paid	(3,000)	(24)	(3,024)
Total changes from financing cash flows	34,737	(436)	34,301
Other changes			
Interest expense on loans and borrowings	3,488	–	3,488
Interest expense on lease liabilities	–	24	24
Effect of changes in foreign exchange rates	(616)	(9)	(625)
Total other changes	2,872	15	2,887
At 31 December 2021	55,619	574	56,193

NOTES TO THE FINANCIAL STATEMENTS

18 LOANS AND BORROWINGS (CONTINUED)

Reconciliation of movements of liabilities to cash flows arising from financing activities (continued)

	Loans and borrowings* US$'000	Lease liabilities (Note 20) US$'000	Total US$'000
At 1 January 2022	55,619	574	56,193
Changes from financing cash flows			
Payment for transaction costs related to loans and borrowings	(3,729)	–	(3,729)
Proceeds from issuance of bonds	89,358	–	89,358
Repayment of bonds	(50,598)	–	(50,598)
Repayment of lease liabilities	–	(443)	(443)
Interest paid	(6,672))	(46)	(6,718)
Total changes from financing cash flows	28,359	(489)	27,870
Other changes			
New leases	–	1,093	1,093
Derecognition of lease liability	–	(140)	(140)
Interest expense on lease liabilities	–	46	46
Interest expense on loans and borrowings	13,797	–	13,797
Effect of changes in foreign exchange rates	(2,849)	(39)	(2,888)
Total other changes	10,948	960	11,908
At 31 December 2022	94,926	1,045	95,971

* Includes accrued interest of US$2,978,000 as at 31 December 2022 (2021: Nil)

19 PROVISIONS

	Group	
	2022 US$'000	**2021 US$'000**
Decommissioning provision		
At 1 January	197,147	1,210
Acquisition through business combinations (Note 5)	22,520	190,077
Provisions made during the year	–	5,728
Provisions reversed during the year	(13,189)	–
Unwind of discount	3,766	132
Translation differences	(19,583)	–
At 31 December	190,661	197,147

NOTES TO THE FINANCIAL STATEMENTS

19 PROVISIONS (CONTINUED)

The decommissioning provision represents the present value of the cost of rehabilitating and decommissioning oil field assets and infrastructure such as wells, pipelines and processing facilities in Oman and Norway, which are expected to be incurred when the operations are ceased. These provisions have been created based on the Group's internal estimates. Assumptions based on the current economic environment have been made, which management believes are a reasonable basis upon which to estimate the future liability. These estimates, including discount rates, are reviewed regularly to take into account any material changes to the assumptions. However, actual decommissioning costs will ultimately depend upon future market prices for the necessary decommissioning works required that will reflect market conditions at the relevant time. Furthermore, the timing of decommissioning is likely to depend on when the fields cease to produce at economically viable rates. This, in turn, will depend upon future oil and gas prices, which are inherently uncertain.

In 2022, as part of the Group's regular review, the provisions were revised following the establishment and commencement of the planned drilling programme in Oman and Norway. Accordingly, the provisions decreased by US$13,189,000 (2021: increased by US$5,728,000) with a corresponding decrease in decommissioning receivables of US$18,679,000 (2021: Nil) and increase in oil and gas properties of US$5,490,000 (2021: US$5,728,000) (Note 5).

20 LEASES

Leases as lessee

The Group leases office facilities. The leases typically run for a period of three years, with an option to renew the lease after that date. Lease payments are renegotiated every three years to reflect market rentals. Some leases provide for additional rent payments that are based on changes in local price indices. For certain leases, the Group is restricted from entering into any sub-lease arrangements.

The Group leases motor vehicles, tanker and equipment used in exploration activities with contract terms of less than one year. These leases are short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

Information about leases for which the Group is a lessee is presented below. The Group's exposure to liquidity risks for lease liabilities is disclosed in Note 33 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

20 LEASES (CONTINUED)

Leases as lessee (continued)

Right-of-use assets

	Group		Company	
	2022	2021	2022	2021
	US$'000	US$'000	US$'000	US$'000
Office leases				
At 1 January	552	973	231	425
Additions	1,155	–	357	–
Depreciation	(462)	(412)	(253)	(194)
Derecognition	(134)	–	–	–
Translation differences	(38)	(9)	–	–
At 31 December	1,073	552	335	231

Lease liabilities

	Group		Company	
	2022	2021	2022	2021
	US$'000	US$'000	US$'000	US$'000
Current	409	425	207	197
Non-current	636	149	87	39
Total	1,045	574	294	236

Amounts recognised in profit or loss

	Group	
	2022	2021
	US$'000	US$'000
Interest on lease liabilities	46	24
Expenses relating to short-term leases	27	27

Amounts recognised in consolidated statement of cash flows

	Group	
	2022	2021
	US$'000	US$'000
Total cash outflow for leases	489	436

NOTES TO THE FINANCIAL STATEMENTS

20 LEASES (CONTINUED)

Leases as lessee (continued)

Extension options

Some property, motor vehicles, tanker and equipment used in exploration activities leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

21 DEFERRED TAX LIABILITIES

Recognised deferred tax liabilities

Deferred tax liabilities and the movements in deferred tax balances are attributable to the following:

Group	At 1 January US$'000	Recognised in profit or loss (Note 26) US$'000	Acquisition through business combinations (Note 5) US$'000	Translation differences US$'000	At 31 December US$'000
2022					
Exploration and evaluation assets	22,349	(3,602)	–	(2,225)	16,522
Oil and gas properties	18,482	36,108	(1,526)	(2,701)	50,363
Total	40,831	32,506	(1,526)	(4,926)	66,885
2021					
Exploration and evaluation assets	13,173	9,817	–	(641)	22,349
Oil and gas properties	–	–	18,482	–	18,482
Total	13,173	9,817	18,482	(641)	40,831

NOTES TO THE FINANCIAL STATEMENTS

21 DEFERRED TAX LIABILITIES (CONTINUED)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Group and Company can use the benefits therefrom.

	Group		Company	
	2022	**2021**	**2022**	**2021**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Tax losses	55,791	42,408	55,791	42,408

The use of the potential tax benefits is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the Group and the Company operates.

22 TRADE AND OTHER PAYABLES

	Group		Company	
	2022	**2021**	**2022**	**2021**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Trade payables (third parties)	26,576	16,909	–	–
Amounts due to subsidiaries (non-trade)	–	–	44,343	32,473
Accruals	41,355	32,825	5,361	3,767
Advance from customers	30,209	–	–	–
Deferred consideration (Note 5)	29,512	–	–	–
Dividends payable to non-controlling interests (Note 16)	1,884	–	–	–
	129,536	49,734	49,704	36,240

The non-trade amounts due to subsidiaries are unsecured, interest-free, and are repayable on demand.

Advance from customers of US$30,209,000 (2021: Nil) relates to a prepaid amount received from a customer in Norway in relation to the crude oil sales in 2023.

The Group's and the Company's exposure to market and liquidity risks for trade and other payables is disclosed in Note 33 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

23 REVENUE

	Group	
	2022	2021
	US$'000	US$'000
Sale of crude oil	170,259	158,444
Rendering of services	–	30
	170,259	158,474

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies:

Sale of crude oil

Nature of goods or services	Crude oil
When revenue is recognised	Revenue is recognised when goods are delivered to the customer and all criteria for acceptance have been satisfied.
Significant payment terms	Invoices are payable based on the agreed payment terms with the customers, at 5 to 30 days after the date of bill of lading.

24 FINANCE INCOME AND EXPENSE

	Group	
	2022	2021
	US$'000	US$'000
Finance income on:		
- bank deposits	595	–
- debt investments	149	728
	744	728
Finance expense on:		
- borrowings and other financing arrangement	(15,197)	(3,488)
- lease liabilities	(46)	(24)
- unwinding of discount on decommissioning receivables and provision	477	(131)
	(14,766)	(3,643)

NOTES TO THE FINANCIAL STATEMENTS

25 (LOSS)/PROFIT BEFORE TAX

The following items have been included in arriving at (loss)/profit before tax:

	Group	
	2022 US$'000	2021 US$'000
Audit fees paid/payable to:		
- auditors of the Company	(178)	(179)
- other auditors	(186)	(147)
Non-audit fees paid/payable to:		
- auditors of the Company	(10)	(20)
- other auditors	(14)	(64)
Amortisation of intangible assets	(850)	(850)
Bargain purchase from acquisition of oil and gas properties(i)	–	18,236
Depreciation of property, plant and equipment	(853)	(752)
Depletion of oil and gas properties	(28,252)	(36,238)
Directors' fees	(1,160)	(2,336)
Employee benefits expense	(18,482)	(20,967)
Expensed exploration and evaluation costs	–	(9,733)
Fair value (loss)/gain on quoted investments(i)	(2,786)	603
Gain on disposal of quoted investments(i)	615	122
Impairment loss on exploration and evaluation assets	(24,285)	(1,018)
Impairment loss on oil and gas properties	–	(1,681)
Loss on disposal of property, plant and equipment	(505)	–
Recovery of bad debts previously written-off(i)	–	1,720
Employee benefits expense		
Salaries, bonuses and other costs	17,900	20,648
Contributions to defined contribution plans	225	100
Equity-settled share-based payment transactions	357	219
	18,482	20,967

(i) Included in 'other expenses' or 'other income'.

NOTES TO THE FINANCIAL STATEMENTS

26 TAX CREDIT

	Group	
	2022	2021
	US$'000	US$'000
Current tax credit		
Current year	(31,306)	(19,332)
Changes in estimates related to prior years	(8,161)	(2)
	(39,467)	(19,334)
Deferred tax expense (Note 21)		
Origination and reversal of temporary differences	32,506	9,817
Tax credit	(6,961)	(9,517)

	Group	
	2022	2021
	US$'000	US$'000
Reconciliation of effective tax rate		
(Loss)/Profit before tax	(6,608)	69,422
Tax using the Singapore tax rate at 17%	(1,123)	11,802
Effect of tax rates in foreign jurisdictions	(2,104)	(9,429)
Effect of results of equity-accounted investees, net of tax	(85)	–
Non-deductible expenses	8,645	1,383
Non-taxable income	(6,408)	(14,709)
Current year losses for which no deferred tax asset was recognised	2,275	1,438
Changes in estimates related to prior years	(8,161)	(2)
Tax credit	(6,961)	(9,517)

NOTES TO THE FINANCIAL STATEMENTS

27 (LOSS)/EARNINGS PER SHARE

Basic and diluted (loss)/earnings per share

The calculation of basic and diluted (loss)/earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

	Group	
	2022	2021
	US$'000	US$'000
(Loss)/Profit attributable to ordinary shareholders		
(Loss)/Profit for the year, attributable to the owners of the Company	(1,000)	67,157
Weighted-average number of ordinary shares		
Issued ordinary shares at 1 January	1,302,320,991	1,302,320,991
Weighted-average number of ordinary shares (basic)	1,302,320,991	1,302,320,991
Weighted-average number of ordinary shares (diluted)	1,302,320,991	1,302,320,991

At 31 December 2022, 14,124,100 (2021: 11,724,100) shares awards were excluded from the diluted weighted number of ordinary shares calculation as they either had minimal impact or their effect would have been anti-dilutive. As such, the basic and fully diluted (loss)/earnings per share were the same for the respective financial periods.

28 OPERATING SEGMENTS

The Group's reportable segments as described below are the Group's strategic business units. The management has determined the reportable segments based on the reports reviewed by the Group's Executive Chairman and Chief Executive Officer ("**CEO**") that are used to make strategic decisions. Performance is measured based on segment results as included in the internal management reports that are reviewed by the Group's Executive Chairman and CEO.

The Group has 3 reportable segments: Oil and Gas (exploration and production); Non-Oil and Gas (oil exploration technology); and Corporate. The following summary describes the operations of each of the Group's reportable segments:

- Oil and Gas: involved in oil and gas exploration and production with concessions located in Oman and Norway.
- Non-Oil and Gas: pertains to technology segment. RTI owns the Rex Virtual Drilling ("**RVD**") technology that can extract information about the presence of reservoir rock and liquid hydrocarbons using conventional seismic data.
- Corporate: pertains to corporate functions.

NOTES TO THE FINANCIAL STATEMENTS

28 OPERATING SEGMENTS (CONTINUED)

Information regarding the results of each reportable segment is as below:

Group	Oil and Gas US$'000	Non-Oil and Gas US$'000	Corporate US$'000	Total US$'000
2022				
Sale of crude oil	170,259	–	–	170,259
Service revenue	–	1,609	–	1,609
Total revenue for reportable segments	170,259	1,609	–	171,868
Elimination of inter-segment revenue	–	(1,609)	–	(1,609)
Consolidated revenue	170,259	–	–	170,259
Other income	–	1	1	2
Segment expense	(92,598)	(1,546)	(11,344)	(105,488)
Amortisation of intangible assets	–	(850)	–	(850)
Depreciation of property, plant and equipment	(590)	–	(263)	(853)
Depletion of oil and gas properties	(28,252)	–	–	(28,252)
Finance income	574	–	170	744
Finance expense	(14,687)	(2)	(77)	(14,766)
Foreign exchange gain/(loss)	611	24	(2,086)	(1,451)
Share of profit of equity-accounted investees	–	503	–	503
Other material non-cash items:				
- Changes in fair values of quoted investments	(7)	–	(2,779)	(2,786)
- Gain from disposal of quoted investments	–	–	615	615
- Impairment losses on exploration and evaluation assets	(24,285)	–	–	(24,285)
Reportable segment profit/(loss) before tax	11,025	(1,870)	(15,763)	(6,608)
Reportable segment assets	612,479	5,386	50,693	668,558
Segment assets include:				
Additions to:				
- Property, plant and equipment*	951	–	–	951
- Exploration and evaluation assets	24,522	–	–	24,552
- Oil and gas properties	56,299	–	–	56,299
Investment in an associate	–	2,000	–	2,000
Acquisition of oil and gas properties	55,008	–	–	55,008
Reportable segment liabilities	473,329	1,053	5,693	480,075

* Excludes right-of-use assets.

NOTES TO THE FINANCIAL STATEMENTS

28 OPERATING SEGMENTS (CONTINUED)

Group	Oil and Gas US$'000	Non-Oil and Gas US$'000	Corporate US$'000	Total US$'000
2021				
Sale of crude oil	158,444	–	–	158,444
Service revenue	–	1,813	–	1,813
Total revenue for reportable segments	158,444	1,813	–	160,257
Elimination of inter-segment revenue	–	(1,783)	–	(1,783)
Consolidated revenue	158,444	30	–	158,474
Other income	131	1,724	14	1,869
Segment expense	(39,518)	(3,014)	(13,456)	(55,988)
Amortisation of intangible assets	–	(850)	–	(850)
Depreciation of property, plant and equipment	(548)	–	(204)	(752)
Depletion of oil and gas properties	(36,238)	–	–	(36,238)
Finance income	–	–	728	728
Finance expense	(3,564)	(1)	(78)	(3,643)
Foreign exchange (loss)/gain	(35)	6	(678)	(707)
Other material non-cash items:				
- Bargain purchase from acquisition of oil and gas properties	18,236	–	–	18,236
- Changes in fair values of quoted investments	(293)	–	896	603
- Gain from disposal of quoted investments	–	–	122	122
- Expensed exploration and evaluation costs	(9,733)	–	–	(9,733)
- Impairment losses on exploration and evaluation assets	(1,018)	–	–	(1,018)
- Impairment losses on oil and gas properties	(1,681)	–	–	(1,681)
Reportable segment profit/(loss) before tax	84,183	(2,105)	(12,656)	69,422
Reportable segment assets	502,293	4,246	36,621	543,160
Segment assets include:				
Additions to:				
- Property, plant and equipment*	207	–	4	211
- Exploration and evaluation assets	22,204	–	–	22,204
- Oil and gas properties	10,539	–	–	10,539
Investment in an associate	–	1,000	–	1,000
Acquisition of oil and gas properties	82,584	–	–	82,584
Reportable segment liabilities	338,933	963	4,009	343,905

* Excludes right-of-use assets.

NOTES TO THE FINANCIAL STATEMENTS

28 OPERATING SEGMENTS (CONTINUED)

Geographical information

The Oil and Gas, Non-Oil and Gas and Corporate segments are managed on a worldwide basis, but operate primarily in Norway, Oman, Singapore, Malaysia and the British Virgin Islands.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of the assets.

	Group	
	2022	**2021**
	US$'000	**US$'000**
Revenue		
China	–	13,337
Singapore	71,643	145,107
Norway	98,616	30
	170,259	158,474
Non-current assets		
British Virgin Islands	2,654	2,515
Malaysia	1,769	359
Norway	347,242	290,397
Oman	73,447	55,470
Singapore	2,852	1,244
	427,964	349,985

Major customer

Revenue from three (2021: two) external customers of the Group's Oil and Gas segment and nil (2021: one) external customer from the Group's Non-Oil and Gas segment represents the Group's total revenue.

29 COMMITMENTS

Certain subsidiaries have firm capital commitments where the Group is required to participate in minimum exploration activities. The Group's total estimated minimum exploration commitment is approximately US$6,036,000 (2021: US$20,224,000). At the reporting date, the Group's outstanding minimum exploration commitments will fall due within one year.

NOTES TO THE FINANCIAL STATEMENTS

30 CONTINGENCIES

(a) Legal claims

Global Settlement Agreement

On 31 August 2020, the Group and associates related to the legal cases with Gulf Hibiscus Limited signed a global settlement agreement ("**Settlement Agreement**") with Hibiscus Petroleum Berhad ("**Hibiscus**"), its subsidiary and other parties related to the legal cases for purposes of resolving and settling those legal cases and other related claims. The Settlement Agreement does not involve any payment by the Group to Hibiscus group (including Gulf Hibiscus Limited). The terms of the Settlement Agreement are confidential, and implementation of the same is subject to a long stop date of 31 December 2020, which was further extended to 30 June 2021.

On 25 June 2021, the parties entered into a second supplemental agreement to extend the long stop date for implementation of the settlement from 30 June 2021 to 31 December 2021.

On 18 October 2021, the settlement arrangement between the relevant parties in relation to the subject court proceedings and other related claims between the parties were duly completed and/or effected pursuant to the terms of the Settlement Agreement.

Masirah Oil Ltd

On 5 August 2021, Petroci Holding ("**Petroci**") filed a claim against the Company's subsidiaries, Rex Oman Limited ("**Rex Oman**"), Masirah Oil Limited ("**MOL**"), and certain past and present directors of MOL in the High Court, Commercial Division of the British Virgin Islands, in connection with the alleged conduct of MOL's affairs, which led to a dilution of Petroci's interest in MOL as a partner and minority shareholder.

Management has considered the above claims and allegations and are of the view that these claims and allegations against Rex Oman and MOL are frivolous, baseless and unmeritorious. Management does not expect any material financial impact from the claim.

(b) Guarantee

KUFPEC Norway AS

The Company (hereinafter referred to as the "**Guarantor**", as a primary obligor and not merely as a surety) had provided a parent company guarantee to KUFPEC Norway AS ("**KUFPEC**") (hereinafter referred to as "**Seller**") to guarantee to the Seller that Lime Petroleum AS (hereinafter referred to as "**Buyer**") will perform the Guaranteed Obligations and shall comply with the terms and conditions of the Decommissioning Security Agreement ("**DSA**").

The Guarantor undertakes to pay to the Seller, within seven days upon written demand of the Seller stating that the Buyer has failed to pay any amount due and payable to the Seller under the DSA, such amount due and payable.

The Guarantor further undertakes to hold the Seller whole for any taxes that the Seller has to pay on any amount paid to the Seller under this Guarantee.

The Guarantor further undertakes, upon the request of the Seller, to immediately perform any Guaranteed Obligations not performed by the Buyer or procure that such Guaranteed Obligations are performed by a third party.

NOTES TO THE FINANCIAL STATEMENTS

30 CONTINGENCIES (CONTINUED)

(b) Guarantee (continued)

Jack-Up Barge Operations B.V.

On 6 March 2020, the Company had provided a parent guarantee to Jack-Up Barge Operations B.V. ("**JUB**") to guarantee the duties, undertakings and obligations or discharge any or all of its liabilities under or pursuant to a charter party dated 30 December 2019 entered into by MOL for the charter of self-elevating platform "JB114" with JUB. The parent guarantee to JUB had been released and discharged on 20 June 2022.

Ministry of Petroleum and Energy

The Company had provided a parent company guarantee to the Ministry of Petroleum and Energy on basis of the Norwegian Petroleum Act. Under the Norwegian Petroleum Act, the Company undertakes financial liability as surety for obligations that may arise from exploration for and exploitation of subsea natural resources on the Norwegian Continental Shelf ("**NCS**") and any liability, including liability for any recovery claim, which may be imposed under Norwegian law for pollution damage and for personal injury.

Management believes that the Group and the operators of its licences in NCS are in compliance with current applicable environmental laws and regulations and hence does not consider it probable that a claim will be made against the Company under the guarantee.

31 RELATED PARTIES

Transactions with key management personnel

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group. The directors and certain key executives of the management team are considered as key management of the Group.

Key management personnel compensation comprised:

	Group	
	2022	**2021**
	US$'000	**US$'000**
Short-term employment benefits		
- Directors	5,525	5,827
- Key executives	8,680	9,620
Post-employment benefits (including contributions to defined contribution plans)	16	17
Share-based payments	357	143
	14,578	15,607

NOTES TO THE FINANCIAL STATEMENTS

31 RELATED PARTIES (CONTINUED)

Other related party transactions

In addition to the related party information disclosed elsewhere in the consolidated financial statements, the following significant transactions with related parties took place at terms agreed between the parties during the year:

	Group	
	2022	**2021**
	US$'000	**US$'000**
Issuance of option agreements to a company controlled by a director	–	550
Consultancy fees paid to a company controlled by a director	13	9

On 8 September 2020, the Group entered into options agreements, with Trace Atlantic Oil Ltd ("**Trace**"), a company controlled by a director, for Trace to have options to receive shares of proceeds of potential dividends from LPA due to RII if drilling activities of the Apollonia prospect in licences PL236D/E and the Fat Canyon prospect in licences PL937/B are successful respectively. Any dividends to be paid to Trace are at the discretion of the Group and the Group has a right, but not the obligation, to buy back the options. Accordingly, the proceeds from the options agreements are classified under capital reserves. These options agreements have since been lapsed without value in 2022.

32 FAIR VALUE OF ASSETS AND LIABILITIES

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a team that has overall responsibility for all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer.

The team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the team assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of SFRS(I), including the level in the fair value hierarchy in the valuations should be classified. Significant valuation issues are reported to the Group's Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

NOTES TO THE FINANCIAL STATEMENTS

32 FAIR VALUE ASSETS AND LIABILITIES (CONTINUED)

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

Measurement of fair values

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments of the Group and Company.

Debt and equity securities

The carrying amounts of investments in debt and equity securities are approximate their fair value. Fair values are determined by reference to their quoted closing bid price in an active market at the measurement date, using the Level 1 valuation inputs.

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year are assumed to approximate their respective fair values due to the relative short-term maturity of these financial instruments.

The fair value of non-current other receivables was calculated using the discounted cash flow model based on the present value of expected cashflow at the risk-free rate plus estimated credit spread of counterparty at the reporting date. The carrying amounts of non-current other receivables are assumed to approximate its fair value as the Group believes that the difference between the fair value and the carrying amount, if any, is negligible.

No disclosure of fair value is made for non-current loan to a subsidiary as it is not practicable to determine their fair values with sufficient reliability since the balances have no fixed terms of repayment. The Company do not anticipate that the carrying amounts recorded at the reporting date would be significantly different from the values that would eventually be received.

Accounting classifications and fair values

The carrying amounts and fair values of financial assets and financial liabilities are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value as the carrying amount is a reasonable approximation of fair value.

NOTES TO THE FINANCIAL STATEMENTS

32 FAIR VALUE ASSETS AND LIABILITIES (CONTINUED)

Accounting classifications and fair values (continued)

	Note	Group		Company	
		2022 US$'000	2021 US$'000	2022 US$'000	2021 US$'000
Financial assets measured at amortised cost					
Loan to a subsidiary	8	–	–	92,621	92,621
Trade and other receivables*	11	164,296	219,123	4,990	1,000
Cash and cash equivalents	14	115,758	60,603	25,923	6,489
		280,054	279,726	123,534	100,110
Financial assets measured at fair value					
Quoted investments	13	23,041	26,306	23,040	26,298
Financial liabilities measured at amortised cost					
Loans and borrowings	18	91,948	55,619	–	–
Trade and other payables#	22	99,327	49,734	49,704	36,240
		191,275	105,353	49,704	36,240

* Excludes prepayments and income tax receivables.

\# Excludes advance from customers.

33 FINANCIAL INSTRUMENTS

Financial risk management

Overview

The Group has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

NOTES TO THE FINANCIAL STATEMENTS

33 FINANCIAL INSTRUMENTS (CONTINUED)

Risk management framework

Risk management is integral to the whole business of the Group. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

The Enterprise Risk Management Framework provides the principal policy and guidance to the Group and its businesses on the risk management methodology and reporting of risks. It sets out a systematic and ongoing process for identifying, evaluating, controlling and reporting risks. These processes are put in place to manage and monitor the Group's risk management activities on a regular and timely basis. The Group's risk management efforts covers operational, financial and strategic areas.

Credit risk

Credit risk is the risk of financial loss to the Group or the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's and the Company's financial assets.

The carrying amounts of financial assets represent the Group's and the Company's maximum exposures to credit risk, before taking into account any collateral held.

Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk. Details of concentration of revenue are included in Note 23 to the financial statements.

Concentrations of credit risk exist when economic or industry factors similarly affect a group of counterparties, and when the aggregate amount of this exposure is significant in relation to the Group's total credit exposure. The Group's most significant counter-parties are the Norwegian government which accounts for US$56,825,000 (2021: US$40,561,000) and Repsol in relation to the decommissioning receivables of US$135,515,000 (2021: US$167,193,000). At the reporting date, the Group had no other significant concentrations of credit risk for its financial assets.

The Group does not require collateral in respect of its trade and other receivables, except for a guarantee granted in LPA's favour for the decommissioning receivables (Note 5). The Group does not have trade receivables for which no loss allowance is recognised because of collateral.

NOTES TO THE FINANCIAL STATEMENTS

33 FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk (continued)

Trade receivables (continued)

Exposure to credit risk

The exposure to credit risk for trade receivables at the reporting date by geographic region was as follows:

	2022 US$'000	2021 US$'000
Norway	3,361	21
Singapore	65	44,191
	3,426	44,212

Expected credit loss assessment for customers

The Group uses an allowance matrix to measure the ECLs of trade receivables from customers.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the following common credit risk characteristics – geographic region and age of customer relationship.

Loss rates are based on actual credit loss experience over the past five years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

The Group and Company has assessed that the amount of the allowance on these balances is negligible. The Group and Company did not have significant overdue or credit impaired trade receivables as at reporting date.

An analysis of the ageing of trade receivables that are not impaired is as follows:

	2022 US$'000	2021 US$'000
Current	3,426	44,212

Intercompany receivables

The Group and the Company held intercompany receivables, which were lent to satisfy funding requirements of the intercompany. The Group uses an approach based on an assessment of qualitative and quantitative factors that are indicative of the risk of default (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections, and available press information, if available, and applying experienced credit judgement). There is no significant increase in credit risk for these exposures. Therefore, impairment on these balances has been measured on the 12-month ECL basis; and the amount of the allowance is negligible.

NOTES TO THE FINANCIAL STATEMENTS

33 FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk (continued)

Quoted investments

Quoted debt securities are entered into with financial institutions with a reputable credit rating agency. Management actively monitors credit ratings and given that the Group only has invested in securities with high credit ratings, management does not expect any counterparty to fail to meet its obligation.

Other financial assets at amortised cost

For the purpose of impairment assessment, the other financial assets at amortised cost, such as deposits and other receivables, are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition.

In determining the ECL, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case. The amount of the allowance on other financial assets at amortised cost is negligible.

Cash and cash equivalents

The cash and cash equivalents are held with bank and financial institution counterparties which are reputable and regulated. These surplus funds are placed on short-term deposits (usually within the range of one day to three months) according to the Group's cash flow requirements. The Group does not hedge against long-term fluctuations in interest rates.

Impairment on cash and cash equivalents has been measured on the 12-month ECL basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents is negligible.

Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

NOTES TO THE FINANCIAL STATEMENTS

33 FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk (continued)

Exposure to liquidity risk

The following are the remaining contractual maturities of non-derivative financial liabilities. The amounts are gross and undiscounted, and include contractual interest payments:

	Carrying amount US$'000	Contractual cash flows US$'000	Within 1 year US$'000	More than 1 year US$'000
Group				
2022				
Loans and borrowings	91,948	103,450	15,707	87,743
Lease liabilities	1,045	1,127	441	686
Trade and other payables#	99,327	99,327	99,327	–
	192,320	203,904	115,475	88,429
2021				
Loans and borrowings	55,619	60,736	9,295	51,441
Lease liabilities	574	591	438	153
Trade and other payables	49,734	49,734	49,734	–
	105,927	111,061	59,467	51,594
Company				
2022				
Lease liabilities	294	302	214	88
Trade and other payables	49,704	49,704	49,704	–
	49,998	50,006	49,918	88
2021				
Lease liabilities	236	242	202	40
Trade and other payables	36,240	36,240	36,240	–
	36,476	36,482	36,442	40

Excludes advance from customers.

The maturity analysis shows the contractual undiscounted cash flows of the Group's and the Company's financial liabilities on the basis of their earliest possible contractual maturity. It is not expected that the cash flows included in the maturity analysis above could occur significantly earlier, or at significantly different amounts.

NOTES TO THE FINANCIAL STATEMENTS

33 FINANCIAL INSTRUMENTS (CONTINUED)

Market risk

Market risk is the risk that changes in market prices, such as crude oil, foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Group operates internationally hence is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, financial assets and financial liabilities, including inter-company sales, purchases and inter-company balances, that are denominated in a currency other than the respective functional currencies of Group entities. The currencies in which these transactions primarily are denominated are the Euro ("**EUR**"), Swedish Kroner ("**SEK**"), Singapore dollar ("**SGD**") and Pounds Sterling ("**GBP**").

The Group does not have a formal hedging policy to govern this currency risk exposure as the Group monitors the exposure to currency risks on an ongoing basis and endeavours to keep the net exposures at an acceptable level.

Exposure to currency risk

The summary of quantitative data about the exposure to currency risk as reported to the management of the Group and the Company is as follows:

	2022				2021			
	EUR US$'000	**SEK US$'000**	**SGD US$'000**	**GBP US$'000**	**EUR US$'000**	**SEK US$'000**	**SGD US$'000**	**GBP US$'000**
Group								
Cash and cash equivalents	731	907	455	491	513	496	106	–
Quoted investments	2,283	609	869	1	5,383	1,440	1,005	8
Net exposure	3,014	1,516	1,324	492	5,896	1,936	1,111	8
Company								
Cash and cash equivalents	678	748	455	–	513	321	106	–
Quoted investments	2,283	609	869	–	5,383	1,440	1,005	–
Net exposure	2,961	1,357	1,324	–	5,896	1,761	1,111	–

NOTES TO THE FINANCIAL STATEMENTS

33 FINANCIAL INSTRUMENTS (CONTINUED)

Market risk (continued)

Currency risk (continued)

Sensitivity analysis

A 2% strengthening/(weakening) of the United States dollar against the following currencies at the reporting date would have changed profit or loss by the amounts shown below, respectively. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasted sales and purchases.

	Group		Company	
	2022	**2021**	**2022**	**2021**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Euro	60	118	59	118
Swedish Kroner	30	39	27	35
Singapore dollar	26	22	26	22
Pound Sterling	10	*	–	–

* *Less than US$1,000*

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Group's exposure to interest rate risk arises primarily from their short-term interest bearing deposits, and loans and borrowings.

As short-term bank deposits are placed in short-term money market with tenures mostly within the range of 1 day to 3 months, the Group's interest income is subject to fluctuation in interest rates. Interest rate risk is managed by the Group on an ongoing basis and placed on a short-term basis according to the Group's cash flow requirements with the primary objective of limiting the extent to which net interest expense could be affected by an adverse movement in interest rates.

Exposure to interest rate risk

At the reporting date, the interest rate profile of the interest-bearing financial instruments, as reported to the management, was as follows:

	Group	
	2022	**2021**
	US$'000	**US$'000**
Variable rate instruments		
Financial liabilities		
- Loans and borrowings	(91,948)	(55,619)

NOTES TO THE FINANCIAL STATEMENTS

33 FINANCIAL INSTRUMENTS (CONTINUED)

Market risk (continued)

Interest rate risk (continued)

Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have changed profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Group	
	2022	**2021**
	US$'000	**US$'000**
Variable rate instruments, representing cash flow sensitivity	919	556

Equity price risk

Equity price risk arises from debt and equity investments measured at FVTPL. The primary goal of the Group's investment strategy is to maximise investment returns, in general. Management is assisted by external advisors in this regard. These are designated as at FVTPL because their performance is actively monitored and they are managed on a fair value basis.

Sensitivity analysis

A 10% change in the underlying prices of the investments at the reporting date would have changed profit or loss by the amounts shown below, respectively. This analysis assumes that all other variables remain constant.

	Group		Company	
	2022	**2021**	**2022**	**2021**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Debt and equity investments	2,304	2,631	2,304	2,630

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of total equity attributable to owners of the Company. The Board of Directors monitors the return on capital, which the Group defines as total shareholders' equity excluding non-controlling interests, as well as the level of dividends to ordinary shareholders.

The Group monitors the capital position of the Group to ensure a sufficiently strong capital base so as to maintain investor, creditor and market confidence. This is also a platform to sustain the existing business and for future growth. There has been no change in the Group's approach to capital management during the year.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS

34 SUBSEQUENT EVENTS

(i) On 20 January 2023, the Company obtained shareholders' approval via an extraordinary general meeting, to reduce the share capital of the Company by the cancellation of the share capital of the Company that has been lost or is unrepresented by available assets to the extent of the amount of the accumulated losses of the Company up to 31 December 2021 of US$168,096,000.

The Company had lodged the documents required by the Companies Act with the Accounting and Corporate Regulatory Authority of Singapore on 7 March 2023. The Proposed Capital Reduction was therefore effective as of 7 March 2023.

(ii) Subsequent to the year ended 31 December 2022, one of the Group's subsidiaries, Lime Petroleum AS ("**LPA**"), had successfully raised NOK 250 million (approximately US$25.3 million) by tapping on its existing Bond (ISIN NO0012559246) (Note 18) in accordance with the loan agreement for the Bond (the "**Tap Issue**"). After the Tap Issue was carried out, the total outstanding amount pertaining to the refinancing of the previous senior secured bonds and for the acquisition of Yme Field, as well as general working capital purposes is NOK 1,200 million (approximately US$122 million). The settlement took place on 18 January 2023. The Bonds were issued at 99.25% of the nominal amount.

(iii) In January 2023, LPA was awarded stakes in two offshore licences, a 50% interest in PL1178 in the North Sea and a 30% interest in PL1190 in Norwegian Sea.

(iv) The Company has proposed a final dividend of S$0.005 per ordinary share in respect of the financial year ended 31 December 2022, subject to the approval by the shareholders at the next annual general meeting to be convened on or before 30 April 2023.

STATISTICS OF SHAREHOLDINGS

As at 13 March 2023

Issued and fully paid-up capital	:	S$108,029,954.98
Number of Issued and paid-up Shares	:	1,315,507,991
Class of Shares	:	Ordinary Shares of equal voting rights
Number of issued and paid-up shares excluding treasury shares and subsidiary holdings	:	1,302,320,991
Number and percentage of Treasury Shares	:	13,187,000 (1.013%)
Number and percentage of Subsidiary Holdings	:	Nil
Voting rights	:	One vote for each ordinary share

SHAREHOLDING HELD IN THE HANDS OF PUBLIC

Based on the information available to the Company as at 13 March 2023, approximately 55.87% of the issued ordinary shares of the Company were held by the public and therefore, Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited, is complied with.

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 13 MARCH 2023

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	5	0.11	216	0.00
100 - 1,000	440	9.27	395,401	0.03
1,001 - 10,000	1,217	25.65	9,220,649	0.71
10,001 - 1,000,000	3,016	63.58	270,551,143	20.77
1,000,001 and above	66	1.39	1,022,153,582	78.49
TOTAL	**4,744**	**100.00**	**1,302,320,991**	**100.00**

Note: The shareholding percentage is computed based on the number of issued and paid-up shares (excluding 13,187,000 treasury shares) of 1,302,320,991 shares as at 13 March 2023.

TWENTY LARGEST HOLDERS OF SHARES AS AT 13 MARCH 2023

No.	Name of Shareholder	No. of Shares	% of Issued Shares
1	UOB KAY HIAN PTE LTD	566,551,097	43.50
2	DBS NOMINEES PTE LTD	103,790,007	7.97
3	CITIBANK NOMINEES SINGAPORE PTE LTD	53,807,542	4.13
4	HSBC (SINGAPORE) NOMINEES PTE LTD	38,186,231	2.93
5	OCBC SECURITIES PRIVATE LTD	35,014,600	2.69
6	PHILLIP SECURITIES PTE LTD	21,332,296	1.64
7	IFAST FINANCIAL PTE LTD	15,393,700	1.18
8	MAANS NICKLAS LIDGREN	14,241,464	1.09
9	RAFFLES NOMINEES (PTE) LIMITED	13,917,340	1.07
10	DAN BROSTROM	11,306,075	0.87
11	ER CHOON HUAT	9,900,000	0.76
12	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	8,326,640	0.64
13	OCBC NOMINEES SINGAPORE PTE LTD	5,829,400	0.45
14	BPSS NOMINEES SINGAPORE (PTE.) LTD.	5,796,300	0.45
15	SEE LOP FU JAMES @ SHI LAP FU JAMES	5,350,000	0.41
16	TIGER BROKERS (SINGAPORE) PTE. LTD.	5,335,500	0.41
17	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	4,659,000	0.36
18	UNITED OVERSEAS BANK NOMINEES PTE LTD	4,260,200	0.33
19	LIM POO KIN	4,175,000	0.32
20	EST OF LIM CHEE NEO LUCY @CAROL LIM, DECEASED	4,118,000	0.32
	TOTAL	**931,290,392**	**71.52**

Note: The shareholding percentage is computed based on the number of issued and paid-up shares (excluding 13,187,000 treasury shares) of 1,302,320,991 shares as at 13 March 2023.

STATISTICS OF SHAREHOLDINGS

As at 13 March 2023

SUBSTANTIAL SHAREHOLDERS AS AT 13 MARCH 2023

No.	Name	No. of shares in which substantial shareholders have direct interest	%	No. of shares in which substantial shareholders are deemed to have interest	%
1	Limea Ltd. (1)	452,020,422	34.71	–	–
2	Cresta Group Ltd. (2)	–	–	452,020,422	34.71
3	Dr Karl Lidgren (3)	–	–	452,020,422	34.71
4	Mr Hans Ove Leonard Lidgren (4)	–	–	452,020,422	34.71
5	Bevoy Investment Ltd (5)	78,095,538	6.00	–	–
6	Mr Svein Helge Kjellesvik (6)	–	–	78,095,538	6.00

Notes:

(1) The 452,020,422 shares are held through UOB Kay Hian Pte Ltd.

(2) Cresta Group Ltd owns 50% of Limea Ltd. and is deemed interested in 452,020,422 shares held by Limea Ltd.

(3) Dr Karl Lidgren, through Cresta Group Ltd, owns 50% of Limea Ltd. and is deemed interested in 452,020,422 shares held by Limea Ltd.

(4) Mr Hans Lidgren owns 50% of Limea Ltd. and is deemed interested in 452,020,422 shares held by Limea Ltd.

(5) The 78,095,538 shares are held through UOB Kay Hian Pte Ltd.

(6) Mr Svein Kjellesvik owns 100% of Bevoy Investment Ltd and is deemed interested in the 78,095,538 shares held by Bevoy Investment Ltd.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Rex International Holding Limited (the "**Company**") will be held by way of electronic means on Friday, 28 April 2023 at 3.00 p.m. (Singapore time) (the "**AGM**"), for the following purposes:

Ordinary Business

1. To receive and adopt the Directors' Statement and Audited Financial Statements of the Company for the financial year ended 31 December 2022 together with the Auditors' Report thereon. **Resolution 1**

2. To declare a tax exempt (one-tier) final dividend of 0.5 Singapore cents per ordinary share for the financial year ended 31 December 2022. **Resolution 2**

3. To approve the payment of Directors' fees of S$807,433/- for the financial year ending 31 December 2023 (FY2022: S$621,383/-), payable quarterly in arrears. **Resolution 3**
   (See Explanatory Note 1)

4. To approve the payment of additional Directors' fees of S$95,830/- for the financial year ended 31 December 2022. **Resolution 4**
   (See Explanatory Note 2)

5. To approve the payment of additional remuneration of S$675,000/- to non-executive directors for the financial year ended 31 December 2022. **Resolution 5**
   (See Explanatory Note 3)

6. To re-elect Mr Dan Broström who is retiring by rotation pursuant to Regulation 93 of the Company's Constitution. **Resolution 6**
   (See Explanatory Note 4)

7. To re-elect Mr Sin Boon Ann who is retiring by rotation pursuant to Regulation 93 of the Company's Constitution. **Resolution 7**
   (See Explanatory Note 5)

8. To re-elect Ms Heng Su-Ling Mae who is retiring pursuant to Regulation 99 of the Company's Constitution. **Resolution 8**
   (See Explanatory Note 6)

9. To re-elect Mr John Gerard Nicholas d'Abo who is retiring pursuant to Regulation 99 of the Company's Constitution. **Resolution 9**
   (See Explanatory Note 7)

10. To re-elect Dr Mathias Lars Ove Lidgren who is retiring pursuant to Regulation 99 of the Company's Constitution. **Resolution 10**
    (See Explanatory Note 8)

11. To appoint Deloitte & Touche LLP as auditors of the Company to hold office until the conclusion of the next annual general meeting of the Company and to authorise the Directors of the Company to fix their remuneration. **Resolution 11**
    (See Explanatory Note 9)

NOTICE OF ANNUAL GENERAL MEETING

Special Business

To consider and, if thought fit, to pass the following as Ordinary Resolutions, with or without any modifications:

12. Authority to allot and issue shares **Resolution 12**

"THAT pursuant to Section 161 of the Companies Act 1967 (the "**Companies Act**") and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") (the "**Listing Manual**"), the Directors of the Company be authorised and empowered to:

I. (a) allot and issue shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

(b) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued including but not limited, to the creation and issue of (as well as adjustments to) options, warrants, debentures, or other instruments convertible into Shares; and/or

(c) notwithstanding that such authority conferred by this Resolution may have ceased to be in force at the time the Instruments are to be issued, issue additional Instruments previously issued in the event of rights, bonus or other capitalisation issues, provided that the adjustments do not give the holder a benefit that a shareholder does not receive,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

II. (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

(a) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments, made or granted pursuant to this Resolution), shall not exceed 50% of the total number of issued Shares in the capital of the Company (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to the existing shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 20% of the total number of issued Shares in the capital of the Company (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (b) below);

NOTICE OF ANNUAL GENERAL MEETING

(b) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) that may be issued under sub-paragraph (a) above, the percentage of the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares in the capital of the Company (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:

(i) new Shares arising from the conversion or exercise of any convertible securities;

(ii) new Shares arising from exercising of share options or vesting of share awards, provided the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Listing Manual; and

(iii) any subsequent bonus issue, consolidation or subdivision of Shares;

adjustments in accordance with (b)(i) and (b)(ii) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time this Resolution is passed;

(c) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual for the time being in force (unless such compliance has been waived by the SGX-ST), and all applicable legal requirements under the Companies Act and the Constitution for the time being of the Company; and

(d) the authority conferred by this Resolution shall, unless revoked or varied by the Company in general meeting, continue to be in force until the conclusion of the Company's next annual general meeting or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier."

(See Explanatory Note 10)

NOTICE OF ANNUAL GENERAL MEETING

13. Authority to allot and issue Shares under the Rex International Employee Share Option Scheme ("**Share Option Scheme**") **Resolution 13**

"THAT pursuant to Section 161 of the Companies Act, authority be and is hereby given to the Directors of the Company to allot and issue from time to time such number of Shares as may be required to be allotted and issued pursuant to the exercise of options, provided always that the aggregate number of Shares to be allotted and issued pursuant to the Share Option Scheme, and where applicable, the total number of existing Shares which may be purchased from the market for delivery pursuant to the awards granted under the Share Option Scheme, when added to the number of Shares issued and issuable in respect of all options granted under the Share Option Scheme, and including the Rex PSP (as defined herein), and any other share option schemes of the Company, shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) on the day preceding that date of the relevant grant of an option under the Share Option Scheme. Such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier."

(See Explanatory Note 11)

14. Authority to allot and issue Shares under the Rex International Performance Share Plan ("**Rex PSP**") **Resolution 14**

"THAT pursuant to Section 161 of the Companies Act, authority be and is hereby given to the Directors of the Company to allot and issue from time to time such number of Shares as may be required to be allotted and issued pursuant to the awards granted under the Rex PSP, provided always that the aggregate number of Shares to be allotted and issued pursuant to the Rex PSP, and where applicable, the total number of existing Shares which may be purchased from the market for delivery pursuant to the awards granted under the Rex PSP, when added to the number of Shares issued and issuable in respect of all awards granted under the Rex PSP, and including the Share Option Scheme and any other share option schemes of the Company, shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) on the day preceding that date of grant of the relevant awards under the Rex PSP. Such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier."

(See Explanatory Note 12)

NOTICE OF ANNUAL GENERAL MEETING

15. Proposed Renewal of the Share Buyback Mandate **Resolution 15**

"THAT,

(a) for the purposes of the Companies Act and the Listing Manual, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire ordinary shares in the share capital of the Company ("**Shares**") not exceeding, in aggregate, the Maximum Limit (as defined herein), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as defined herein), whether by way of:

(i) on-market purchases ("**Market Purchases**"), transacted on the SGX-ST through the SGX-ST's trading system or, as the case may be, any other stock exchange on which the Shares may, for the time being, be listed and quoted through one or more duly licensed dealers appointed by the Company for the purpose; and/or

(ii) off-market purchases ("**Off-Market Purchases**") in accordance with an equal access scheme(s), which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the Listing Manual,

and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Companies Act and the Listing Manual, as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buyback Mandate**");

(b) unless varied or revoked by the shareholders of the Company ("**Shareholders**") in a general meeting, the authority conferred on the Directors pursuant to the Share Buyback Mandate may be exercised by the Directors, at any time and from time to time, during the period commencing from the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next annual general meeting is held or is required by law to be held; or

(ii) the date on which the purchases or acquisitions of Shares are carried out to the full extent of the Share Buyback Mandate; or

(iii) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied by the Shareholders in a general meeting,

(the "**Relevant Period**");

NOTICE OF ANNUAL GENERAL MEETING

(c) in this Resolution:

"**Maximum Limit**" means the number of Shares representing not more than 10% of the issued ordinary shares of the Company (excluding treasury shares and subsidiary holdings) as at the date of this Resolution at which the Share Buyback Mandate is approved, unless the Company has, at any time during the Relevant Period, effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered (excluding treasury shares and subsidiary holdings that may be held by the Company from time to time);

"**Maximum Price**" to be paid for the Shares to be purchased or acquired by the Company must not exceed:

(i) in the case of a Market Purchase, 105% of the Average Closing Market Price; and

(ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Market Price,

in either case, excluding related expenses of the purchase or the acquisition (such as brokerage, stamp duties, commission, applicable goods and services tax);

"**Average Closing Market Price**" means the average of the closing market prices of a Share over the last five (5) Market Days on which transactions in the Shares were recorded, before the day on which the purchase or acquisition of the Shares was made, or as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five-day period and the day on which the purchases or acquisition are made;

"**day of the making of the offer**" means the day on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

"**Market Day**" means a day on which the SGX-ST is open for trading in securities.

(d) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including without limitation, executing such documents as may be required) as they may consider desirable, expedient or necessary to give effect to this Resolution.

(See Explanatory Note 13)

16. To transact any other business as may properly be transacted at an annual general meeting of the Company.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE OF RECORD AND PAYMENT DATES FOR THE FINAL DIVIDEND

NOTICE IS ALSO HEREBY GIVEN THAT, subject to the shareholders' approval for the proposed tax exempt (one-tier) final dividend of 0.5 Singapore cents per ordinary share for the financial year ended 31 December 2022 ("**Final Dividend**") at this AGM, the Share Transfer Books and the Register of Members of the Company will be closed on 9 May 2023 at 5.00 p.m., for the purposes of determining shareholders' entitlements to the Final Dividend. Duly completed transfers of shares received by the Company's Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) of 80 Robinson Road, #11-02, Singapore 068898, up to 5.00 p.m. on 9 May 2023 will be registered to determine shareholders' entitlement to the Final Dividend. Shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with shares as at 5.00 p.m. on 9 May 2023 will be entitled to the Final Dividend. The Final Dividend, if approved at this AGM will be paid on 24 May 2023.

By Order of the Board

Kong Wei Fung
Company Secretary

Singapore
30 March 2023

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES:

(1) Resolution 3, if passed, will facilitate the payment of Directors' fees of S$807,433/- for the financial year ending 31 December 2023 on a quarterly basis in arrears. The amount of Directors' fees is computed based on the anticipated number of Board and Board Committee meetings for the financial year ending 31 December 2023, including attendances and the positions held by the Non-Executive Directors in various board committees, and assuming that all Non-Executive Directors will hold office for the full financial year. In the event the amount of Directors' fees proposed is insufficient, for example, in the event of unscheduled Board meetings or enlarged board sizes, approval will be sought at next year's annual general meeting for additional fees before payments are made to Directors to meet the shortfall.

(2) The shareholders of the Company had approved the payment of Directors' fees of S$621,383/- for the financial year ended 31 December 2022 at the annual general meeting of the Company held on 29 April 2022. The additional Directors' fees of S$95,830/- are payable to all Directors due to insufficient approved Directors' fees as a result of the enlarged board size.

(3) The additional remuneration of S$675,000/- is a performance bonus for the financial year ended 31 December 2022 and is made pursuant to the achievement of the performance targets, set and approved by the Remuneration Committee and the Board. Resolution 5 if passed, each Non-Executive Director, Mr Sin Boon Ann, Dr Christopher Atkinson, Ms Mae Heng, Mr John d'Abo and Dr Mathias Lidgren, will be paid an equal amount of S$135,000 in 2023.

(4) Mr Dan Broström will, upon re-election as a Director of the Company, remain as Executive Chairman of the Company, and member of the Audit and Remuneration Committees. The Board of Directors considers him to be non-independent for the purpose of Rule 704(8) of the Listing Manual.

(5) Mr Sin Boon Ann will, upon re-election as a Director of the Company, remain as Lead Independent Non-Executive Director of the Company, Chairman of the Nominating and Remuneration Committees and member of Audit Committee. The Board of Directors considers him to be independent for the purpose of Rule 704(8) of the Listing Manual.

(6) Ms Mae Heng will, upon re-election as a Director of the Company, remain as Independent Non-Executive Director of the Company and Chairperson of the Audit Committee. The Board of Directors considers her to be independent for the purpose of Rule 704(8) of the Listing Manual.

(7) Mr John d'Abo will, upon re-election as a Director of the Company, remain as Independent Non-Executive Director of the Company, and member of the Remuneration and Nominating Committees.

(8) Dr Mathias Lidgren will, upon re-election as a Director of the Company, remain as Non-Independent Non-Executive Director of the Company and member of the Nominating Committee.

Further information of the retiring directors can be found under "Board of Directors" and "Corporate Governance Report" sections of the Company's Annual Report.

(9) Resolution 11 is to approve the appointment of Deloitte & Touche LLP ("**Deloitte**") as the external auditor of the Company for the financial year ending 31 December 2023 in place of KPMG LLP ("**KPMG**") (the "**Proposed Change of Auditors**") and to authorise the Directors to fix their remuneration. Please refer to the appendix to this Notice of AGM dated 30 March 2023 which sets out, among others, information on and the specific reasons for the Proposed Change of Auditors (the "**Change of Auditors Appendix**").

NOTICE OF ANNUAL GENERAL MEETING

In accordance with the requirements of 1203(5) of the Listing Manual:

(a) the outgoing Auditors, KPMG, has confirmed in its professional clearance letter that they are not aware of any professional reasons why Deloitte should not accept appointment as auditors;

(b) the Company confirms that there were no disagreements with the outgoing auditors, KPMG, on accounting treatments within the last twelve (12) months;

(c) the Company confirms that it is not aware of any circumstances connected with the Proposed Change of Auditors that should be brought to the attention of Shareholders;

(d) the specific reasons for the Proposed Change of Auditors are as set out in paragraph 2.1 of the Change of Auditors Appendix; and

(e) the Company confirms that it is in compliance with Rules 712 and 715 of the Listing Manual in connection with the appointment of Deloitte as incoming auditors.

(10) Resolution 12, if passed, will empower the Directors, from the date of the AGM until the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue Shares, make or grant Instruments convertible into shares and to issue Shares pursuant to such Instruments, without seeking any further approval from shareholders in general meeting but within the limitation imposed by this Resolution, for such purposes as the Directors of the Company may consider would be in the best interests of the Company. The aggregate number of Shares (including Shares to be made in pursuance of Instruments made or granted pursuant to this Resolution) to be allotted and issued would not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of passing of this Resolution. For issue of Shares (including Shares to be made in pursuance of instruments made or granted pursuant to this Resolution) other than on a pro-rata basis to all shareholders, the aggregate number of shares shall not exceed 20% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution.

(11) Resolution 13, if passed, will empower the Directors, from the date of the AGM until the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law to be held or such authority is varied and revoked by the Company in a general meeting, whichever is the earlier, to allot and issue Shares pursuant to the exercise of Options granted and such other share-based incentive scheme or share plan (including the total number of existing Shares which may be purchased from the market for delivery pursuant to the options granted) up to a number not exceeding, in total, 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) on the day preceding that date of the relevant grant.

(12) Resolution 14, if passed, will empower the Directors, from the date of the AGM until the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue Shares pursuant to the vesting of awards under the Rex PSP and such other share-based incentive scheme or share plan (including the total number of existing Shares which may be purchased from the market for delivery pursuant to the awards granted) up to a number not exceeding, in total, 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) on the day preceding that date of the relevant grant.

NOTICE OF ANNUAL GENERAL MEETING

(13) Resolution 15, if passed, will empower the Directors, from the date of the AGM up to the earliest of (a) the date on which the next annual general meeting of the Company is held or is required by law to be held; (b) the date on which the purchases or acquisitions of Shares are carried out to the full extent of the Share Buyback Mandate; or (c) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied by the Shareholders in a general meeting, to purchase or otherwise acquire Shares by way of Market Purchase or Off-Market Purchase not exceeding, in aggregate, the Maximum Limit and at such price(s) as may be determined by the Directors from time to time up to the Maximum Price. Information relating to Resolution 15 is set out in the appendix dated 30 March 2023 ("**Share Buyback Appendix**"). All capitalised terms used in Resolution 15 which are not defined therein shall have the same meanings ascribed to them in the Share Buyback Appendix, unless otherwise defined herein or where the context otherwise requires.

Notes:

The AGM is being convened, and will be held, by way of electronic means pursuant to COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 of the COVID-19 (Temporary Measures) Act 2020 and the Joint Statement by the Accounting and Corporate Regulatory Authority, the Monetary Authority of Singapore and the Singapore Exchange Regulation issued on 13 April 2020 (as updated from time to time) which included a checklist to guide listed and non-listed entities on the conduct of general meetings (the "**Regulations**"). Shareholders will not be allowed to attend the AGM in person and no Shareholder or their corporate representative(s) will be admitted to the AGM.

Appointment of Proxies

A Shareholder entitled to attend and vote at the AGM, who is not a relevant intermediary as defined in Section 181 of the Companies Act 1967, is entitled to appoint one or two proxies to attend and vote in his/her/its stead. Where a Shareholder appoints more than one proxy, the Shareholder must specify the proportion of shareholding (expressed as a percentage of the whole) to be represented by each proxy. If no proportion of shareholdings is specified, the proxy whose name appears first shall be deemed to carry one hundred per cent (100%) of the shareholdings of his/her/its appointor and the proxy whose name appears after shall be deemed to be appointed in the alternate.

A Shareholder who is a relevant intermediary entitled to attend and vote at the AGM is entitled to appoint more than two proxies to attend and vote instead of the Shareholder, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such Shareholder. Where such Shareholder appoints more than two proxies, it should annex to the Proxy Form the list of proxies, setting out, in respect of each proxy, the name, address, email address, NRIC/Passport Number and proportion of shareholdings (number of shares and percentage) in relation to which each proxy has been appointed. For the avoidance of doubt, a CPF Agent Bank/SRS Operator who intends to appoint CPF/SRS investors as its proxies shall comply with this paragraph. The appointments shall be invalid unless the Shareholder specifies the number of Shares in relation to which each proxy has been appointed in the Proxy Form.

Shareholders may also vote at the AGM by appointing the Chairman of the AGM as his/her/its proxy to vote on their behalf.

The proxy form must be submitted in the following manner:

(a) if submitted by post, via lodgement at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte Ltd) at 80 Robinson Road, #11-02, Singapore 068898; or

(b) if submitted electronically, via email to the Company's Share Registrar at sg.is.proxy@sg.tricorglobal.com; or

(c) through the registration website accessible via https://www.rexih.com in electronic form,

in each case, no later than 3.00 p.m. on Wednesday, 26 April 2023, being not less than 48 hours before the time fixed for holding the AGM and in default, the instrument of proxy shall not be treated as valid.

NOTICE OF ANNUAL GENERAL MEETING

A Shareholder who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it in any manner provided above. The proxy form can be downloaded from SGXNet or the Company's website at https://www.rexih.com. **Shareholders are strongly encouraged to submit completed proxy forms electronically via email or through the registration website accessible via https://www.rexih.com.**

In the case of Shareholders whose Shares are entered against their names in the Depository Register, the Company may reject any proxy form lodged if such Shareholders are not shown to have Shares entered against their names in the Depository Register, as at 72 hours before the time fixed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Registration for the AGM

Shareholders, Proxyholders and CPF and SRS investors attending the electronic AGM by way of Live Webcast or audio-only feed via telephone will be able to observe and/or listen to the AGM proceedings via their mobile phones, tablets or computers.

All Shareholders and CPF and SRS investors who wish to attend the live AGM are required to register via the registration website accessible via https://www.rexih.com for verification purposes by 3.00 p.m. on Tuesday, 25 April 2023.

Shareholders who are appointing Proxyholder(s) to attend the live AGM should register his/her/its Proxyholder(s) via the registration website accessible via https://www.rexih.com by 3.00 p.m. on Tuesday, 25 April 2023, being 72 hours before the time fixed for the AGM, failing which the appointment shall be invalid.

Following verification by the Company, authenticated Shareholders, Proxyholders and CPF and SRS investors will be provided with the Confirmation Email for the AGM via their respective e-mail addresses provided during registration or as indicated in their respective Proxy Forms to attend the AGM.

Shareholders, Proxyholders and CPF and SRS investors who have registered by the deadline of 3.00 p.m. on Tuesday, 25 April 2023 but have not received the Confirmation Email by 3.00 p.m. on Thursday, 27 April 2023 should immediately contact the Company at rex-agm@ryt-poll.com / info@rexih.com or at +65 6329 2745 (during office hours, and in any event, no later than 2.00 p.m. on Friday, 28 April 2023), for assistance.

Submission of questions in advance of, or live at the AGM

Shareholders, Proxyholders and CPF and SRS investors who wish to ask questions should do so in the following manner:

(a) if attending the Live Webcast (and not the audio-only feed via telephone), Shareholders, Proxyholders and CPF and SRS investors will be able to ask questions at the AGM by submitting text-based questions via the Live Webcast by clicking on the "Ask Question" feature, followed by "Type Your Question" and thereafter, selecting a resolution to enter the text-based question; or

(b) by submitting questions to the Chairman of the AGM related to the resolution(s) to be tabled for approval at the AGM, in advance of the AGM.

Shareholders, Proxyholders and CPF and SRS investors are encouraged to submit questions related to the resolution(s) in advance of the AGM, in the following manner only by 5.00 p.m. on Tuesday, 18 April 2023:

(i) via the registration form accessible via https://www.rexih.com; or

(ii) via email to the Company at info@rexih.com; or

(iii) by post to 1 George Street, #14-01, Singapore 049145, attention to Rex AGM.

NOTICE OF ANNUAL GENERAL MEETING

Shareholders, Proxyholders and CPF and SRS investors who submit questions via email must provide the following information for authentication:

1. the Shareholder's full name;

2. the Shareholder's address; and

3. the manner in which the Shareholder holds Shares in the Company (e.g., via CDP, CPF or SRS).

All substantive and relevant questions related to the resolutions to be tabled for approval at the AGM received by the submission deadline, 18 April 2023, will be addressed and published by 21 April 2023 via SGXNet and at the Company's website at https://www.rexih.com. This is to allow Shareholders sufficient time and opportunity to consider the Company's responses before the deadline for the submission of proxy forms, which is 3.00 p.m. on 26 April 2023. Any subsequent clarification sought, or substantive and relevant questions which are submitted after 5.00 p.m. on 18 April 2023 will be consolidated and addressed at the AGM.

Voting

Live voting will be conducted during the AGM for Shareholders and Proxyholders attending the Live Webcast (and not the audio-only feed via telephone). It is important for Shareholders and Proxyholders to have their web-browser enabled devices ready for voting during the Live Webcast.

Shareholders and Proxyholders will be required to log-in via their respective email addresses provided during registration or as indicated in their respective Proxy Forms.

(a) Live voting: Shareholders and Proxyholders attending the Live Webcast (and not the audio-only feed via telephone) may cast their votes in real time via the live voting feature in the Live Webcast for each resolution to be tabled through the login credentials provided in their respective Confirmation Emails. Shareholders and Proxyholders must have a web-browser enabled device in order to cast their votes.

(b) Pre-casting of votes: Shareholders and Proxyholders may log into the URL provided in their respective Confirmation Emails and pre-cast their votes in advance of the meeting.

(c) Voting via appointing the Chairman of the AGM as Proxy: As an alternative to the above, Shareholders may also vote at the AGM by appointing the Chairman of the AGM as his/her/its proxy to vote on their behalf. Please refer to "Appointment of Proxies" above for the manner of submission.

Relevant intermediaries

Persons who hold Shares through relevant intermediaries, and who wish to participate in the AGM by (a) observing and/or listening to the AGM proceedings through the Live Webcast and/or audio-only feed via telephone; (b) submitting questions in advance of the AGM; (c) submitting questions during the AGM; and/or (d) voting at the AGM, should contact the relevant intermediary through which they hold such Shares as soon as possible in order to make the necessary arrangements for them to participate in the AGM.

In addition, CPF and SRS investors:

(a) may vote live via electronic means at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or

(b) may appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on Wednesday, 19 April 2023, being seven working days before the date of the AGM.

NOTICE OF ANNUAL GENERAL MEETING

Further information

A proxy need not be a Shareholder. The Chairman of the AGM, as proxy, need not be a Shareholder.

Printed copies of the appendices, this Notice of AGM and the proxy form (collectively, the "**Documents**") will not be sent to Shareholders. Instead, the Documents will be published electronically on the Company's website at the URL https://investor.rexih.com and on the SGX website at the URL https://www.sgx.com/securities/company-announcements.

The Company reserves the right to take such precautionary measures as may be appropriate at the AGM, including any precautionary measures as may be required or recommended by government agencies or the Singapore Exchange Regulation from time to time, at short notice. Shareholders are advised to regularly check the Company's website at https://investor.rexih.com or announcements released on SGXNet for updates on the AGM.

PERSONAL DATA PRIVACY

By (a) submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof; or (b) submitting any question prior to the AGM; or (c) submitting the registration form in accordance with this Notice, a Shareholder (i) agrees that he/she/it will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of his/her/its breach of warranty; and (ii) consents to the collection, use and disclosure of the Shareholder's and/or the proxy's/proxies' personal data by the Company (or its agents or service providers) for the purposes of:

I. processing and administering the proxy forms for the AGM (including any adjournment thereof);

II. processing the registration forms for the purposes of granting access to Shareholders for the Live Webcast or live audio-only feed via telephone, and providing viewers with any technical assistance, where necessary;

III. addressing selected substantive questions from Shareholders received before the AGM and if necessary, following up with the relevant Shareholders in relation to such questions;

IV. preparing and compiling the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof); and

V. enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

REX INTERNATIONAL HOLDING LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No.: 201301242M)

ANNUAL GENERAL MEETING
PROXY FORM

IMPORTANT:
1. The Annual General Meeting ("**AGM**") is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
2. Alternative arrangements relating to, among others, attendance at the AGM, submission of questions in advance of, or live at the AGM, and/or voting at the AGM are set out in the Notice of AGM dated 30 March 2023.
3. The Notice of AGM and this form of proxy ("**Proxy Form**") have been made available on the Company's website at https://investor.rexih.com and on the SGX website at https://www.sgx.com/securities/company-announcements. Printed copies of the appendices, Notice of AGM and this Proxy Form will not be sent to members.
4. **As the AGM is held by way of electronic means, a member will NOT be able to attend the AGM in person.**
5. This Proxy Form is not valid for use by investors who buy shares using CPF monies ("**CPF Investors**") and/or SRS monies ("**SRS investors**") (as may be applicable) and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF Investors and/or SRS investors: (a) may vote live via electronic means at the AGM if they are appointed as proxies by their respective CPF Agent Banks and/or SRS Operators, and should contact their respective CPF Agent Banks and/or SRS Operators if they have any queries regarding their appointment as proxies, or (b) may appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks and/or SRS Operators to submit their votes at least seven (7) working days before the AGM.

I/We*, ______________________________ (Name) ____________________ (NRIC No./Passport No./ Company Registration No.) of ______________________________

(Address) being a member/members* of REX INTERNATIONAL HOLDING LIMITED (the "**Company**"), hereby appoint

Name	NRIC/Passport Number	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address**			

and/or*

Name	NRIC/Passport Number	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address**			

or, failing whom the Chairman of the AGM* as my/our* proxy/proxies* to attend and to vote for or against, or to abstain from voting on the Ordinary Resolutions to be proposed at the AGM as indicated hereunder, for me/us* on my/our* behalf, at the AGM to be held by way of electronic means on Friday, 28 April 2023 at 3.00 p.m. (Singapore time) and at any adjournment thereof. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they may on any other matter arising at the AGM.

No.	Resolutions	For#	Against#	Abstain#
ORDINARY BUSINESS				
1.	To receive and adopt the Directors' Statement and Audited Financial Statements of the Company for the financial year ended 31 December 2022 together with the Auditors' Report thereon			
2.	To declare a tax exempt (one-tier) final dividend of 0.5 Singapore cents per ordinary share for the financial year ended 31 December 2022			
3.	To approve the payment of Directors' fees of S$807,433/- for the financial year ending 31 December 2023, payable quarterly in arrears			
4.	To approve the payment of additional Directors' fees of S$95,830/- for the financial year ended 31 December 2022			
5.	To approve the payment of additional remuneration of S$675,000/- to non-executive directors for the financial year ended 31 December 2022			
6.	To re-appoint Dan Broström who is retiring by rotation pursuant to Regulation 93 of the Company's Constitution			
7.	To re-elect Sin Boon Ann who is retiring by rotation pursuant to Regulation 93 of the Company's Constitution			
8.	To re-elect Heng Su-Ling Mae who is retiring pursuant to Regulation 99 of the Company's Constitution			
9.	To re-elect John Gerard Nicholas d'Abo who is retiring pursuant to Regulation 99 of the Company's Constitution			
10.	To re-elect Mathias Lars Ove Lidgren who is retiring pursuant to Regulation 99 of the Company's Constitution			
11.	To appoint Deloitte & Touche LLP as auditors of the Company to hold office until the conclusion of the next annual general meeting of the Company and to authorise the Directors of the Company to fix their remuneration			
SPECIAL BUSINESS				
12.	To approve the authority to allot and issue shares			
13.	To approve the authority to allot and issue shares under the Rex International Employee Share Option Scheme			
14.	To approve the authority to allot and issue shares under the Rex International Performance Share Plan			
15.	To approve Proposed Renewal of the Share Buyback Mandate			

Notes:
* Delete accordingly
** Required for registration purposes. The Confirmation Email will be sent to the email address(es) disclosed herein.
# Voting will be conducted by poll.
If you wish to exercise all your votes "For" or "Against" the relevant resolution, please indicate with "X" within the relevant box provided. Alternatively, please indicate the number of votes "For" or "Against" in the "For" or "Against" box in respect of that resolution. If you wish the proxy to abstain from voting on a resolution, please indicate with "X" in the "Abstain" box for a particular resolution. Alternatively, please indicate the number of votes that your proxy is directed to abstain from voting in the "Abstain" box for a particular resolution. **Where the Chairman of the AGM is appointed as proxy and in the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as your proxy for that resolution will be treated as invalid.**

Dated this __________ day of ____________________ 2023

Total No. of Shares in	No. of Shares
CDP Register	
Register of Members	

____
Signature of Member(s) or Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM.

NOTES:

1. A shareholder of the Company ("**Shareholder**") entitled to attend and vote at the AGM, who is not a relevant intermediary (as defined in Section 181 of the Companies Act 1967), is entitled to appoint one or two proxies to attend and vote in his/her/its stead. Where a Shareholder appoints more than one proxy, the Shareholder must specify the proportion of shareholding (expressed as a percentage of the whole) to be represented by each proxy. If no proportion of shareholdings is specified, the proxy whose name appears first shall be deemed to carry one hundred per cent (100%) of the shareholdings of his/her/its appointor and the proxy whose name appears after shall be deemed to be appointed in the alternate.

2. A Shareholder who is a relevant intermediary entitled to attend and vote at the AGM is entitled to appoint more than two proxies to attend and vote instead of the Shareholder, but each proxy must be appointed to exercise the rights attached to a different share in the Company ("**Share**") or Shares held by such Shareholder. Where such Shareholder appoints more than two proxies, it should annex to the Proxy Form the list of proxies, setting out, in respect of each proxy, the name, address, email address, NRIC/Passport Number and proportion of shareholdings (number of Shares and percentage) in relation to which each proxy has been appointed. For the avoidance of doubt, a CPF Agent Bank/SRS Operator who intends to appoint CPF/SRS investors as its proxies shall comply with this Note. The appointments shall be invalid unless the Shareholder specifies the number of Shares in relation to which each proxy has been appointed in the Proxy Form.

3. A proxy need not be a Shareholder. The Chairman of the AGM, as proxy, need not be a Shareholder.

4. The Proxy Form must be submitted in the following manner:

   (a) if submitted by post, via lodgement at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte Ltd) at 80 Robinson Road, #11-02, Singapore 068898; or

   (b) if submitted electronically, via email to the Company's Share Registrar at sg.is.proxy@sg.tricorglobal.com; or

   (c) through the registration website accessible via https://www.rexih.com in electronic form,

   in each case, by 3.00 p.m. on 26 April 2023, being not less than 48 hours before the time fixed for holding the AGM and in default, the instrument of proxy shall not be treated as valid.

   A Shareholder who wishes to submit an instrument of proxy must first download, complete and sign the Proxy Form, before submitting it in any manner provided above. The Proxy Form can be downloaded from SGXNet or the Company's website at https://www.rexih.com.

   Shareholders are strongly encouraged to submit completed proxy forms electronically via email or through the registration website accessible via https://www.rexih.com.

5. The Proxy Form must be executed under the hand of the appointor or of his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of an attorney or a duly authorised officer or in such manner as appropriate under applicable laws, failing which the instrument may be treated as invalid.

6. Where the Proxy Form is signed or authorised on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the Proxy Form, failing which the instrument may be treated as invalid.

7. CPF Investors and/or SRS investors: (a) may vote live via electronic means at the AGM, or pre-cast their votes via the URL provided in their respective Confirmation Emails in advance of the meeting, if they are appointed as proxies by their respective CPF Agent Banks and/or SRS Operators, and should contact their respective CPF Agent Banks and/or SRS Operators if they have any queries regarding their appointment as proxies; or (b) may appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks and/or SRS Operators to submit their voting instructions by 5.00 p.m. on 19 April 2023, being seven working days before the AGM.

8. Completion and return of the Proxy Form shall not preclude a Shareholder from attending, speaking and voting at the AGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a Shareholder attends the live AGM, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the Proxy Form, to the live AGM.

9. A Shareholder should insert the total number of Shares held in the Proxy Form. If the Shareholder has Shares entered against his/her name in the Depository Register maintained by The Central Depository (Pte) Limited ("**CDP**"), he/she should insert that number of Shares. If the Shareholder has Shares registered in his/her name in the Register of Members of the Company, he/she should insert that number of Shares. If the Shareholder has Shares entered against his/her name in the Depository Register and registered in his/her name in the Register of Members, he/she should insert the aggregate number of Shares. If no number is inserted, the Proxy Form will be deemed to relate to all the Shares held by the Shareholder.

10. Any reference to a time of day is made by reference to Singapore time.

GENERAL:

The Company shall be entitled to reject the Proxy Form if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form (such as in the case where the appointor submits more than one instrument of proxy). In addition, in the case of a member whose Shares are entered against his/her name in the Depository Register, the Company may reject any Proxy Form lodged if such members are not shown to have Shares as entered against his/her name in the Depository Register at 72 hours before the time fixed for holding the AGM as certified by CDP to the Company.

PERSONAL DATA PRIVACY:

By submitting the Proxy Form, the Shareholder accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 30 March 2023.

DISCLAIMER

This Annual Report to Shareholders may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcome and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, availability of real estate properties, competition from other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. There is no assurance that Rex Virtual Drilling will consistently deliver accurate analyses and results, as it is dependent on many external factors such as data quality. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management of future events.

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