

PRESS RELEASE

Rex International Holding to focus on Oman and Norway as key assets and to announce new Chief Operating Officer

- *Rex's liquid assets stood at US\$96.0 million as at 30 June 2015; drilling programme for 2015 and preliminary drilling plans for 2016 are fully funded*
- *Further technical development of Rex Virtual Drilling with aim of identifying porosity and permeability values independently of traditional geology and geophysical (G&G) process*
- *Appointment of industry veteran as Chief Operating Officer being finalised*
- *Reducing capital investments and concentrating investments on assets in Oman and Norway*

SINGAPORE, 19 August 2015 - Rex International Holding Limited ("**Rex International Holding**", "**Rex**" or the "**Company**", and together with its subsidiaries, the "**Group**"), are reducing capital investments and focusing on key discovery assets in Oman and Norway to preserve cash due to the downturn in oil prices. The Company is making organisational changes to boost the Company's management bench strength, especially in the area of geology and geophysics, as well as to reduce operating costs.

Inherent value in Rex despite oil price headwinds

Mr Måns Lidgren, Chief Executive Officer of Rex International Holding, said, "Even though our oil production operations are very small, Rex's share price has been impacted by the volatility of oil prices, the potential supply of Iranian crude to the market, the Greek debt crisis, the meltdown of the China stock market and most recently, the effects of China's devaluation of the yuan on Asian bourses. Rex International Holding remains in a good financial position as at the end of the first half of 2015, despite these macro-economic headwinds."

He added, “First, the Company has zero debt, giving us flexibility should we at a later date choose to tap into debt funding to fund potential development of discoveries. Second, as at 30 June 2015, our liquid assets comprising cash and cash equivalents and quoted investments were US\$96.0 million. We have ample funds to see us through our preliminary drilling plans at least up till 2017 and do not see any need to raise funds in the short term, especially in the current environment where access to capital raising has been greatly reduced for exploration and production companies.”

“Third, our portfolio of some 20 assets include yet-to-be-tapped discoveries, namely, in Block 50, Oman, in the Rolvsnes prospect in PL338C, Norway and in the northern part of PL616, Norway. Block 50 Oman has estimated unrisks prospective resources of 4,743 mmboe (Source: Hibiscus Petroleum Bhd; Aker Geo and Pareto Asia, 28 Feb 2012). Rex is expected to have an eventual stake of approximately 30 per cent in the concession (after declaration of commerciality). At current oil price of about US\$50 per barrel, the concession remains a viable asset. Needless to say, Rex also believes that with the use of Rex Virtual Drilling (“**RVD**”), it will be possible to achieve a much higher chance of success.”

“However, at today’s market value of the Company of about US\$109 million and with US\$96 million in liquid assets comprising cash and cash equivalents and quoted investments, the remaining Group’s assets are only valued by the market at US\$13 million. There are of course several risks involved in oil exploration but based on an asset potential alone, we believe that we have been undervalued by the market. And that is not taking into consideration our proprietary technology RVD, which may not have been ascribed much or any value by the market,” he continued.

In order to adapt to the downturn in oil prices, the volatile market outlook and smaller market capitalisation, Rex has done an in-depth cost review of its contracts with external service providers and suppliers, as well as internal operating costs to reduce costs, the effects of which would likely be seen from 2016. Further, the Company has moderated its drilling plans and operations budget to concentrate on assets in Oman, where Rex is confident of the

concession's potential, and in Norway, where the intention is to stay the course with the drilling plan, given Lime Petroleum Norway's healthy acreage position.

Technical development in Rex Virtual Drilling; New Technical Review Group formed

The drilling results of the Zumba prospect in PL591 and the Haribo prospect in PL616 in Norway, though disappointing from a commercial aspect, proved that RVD indications of liquid hydrocarbons in the two prospects were right, except that in both unsuccessful wells, porosity and permeability estimates in the geological models were inaccurate. As previously stated, the use of RVD is exposed to erroneous or corrupted primary data.

Mr Dan Broström, Executive Chairman of Rex International Holding, said, "Rex has always used RVD not as a standalone tool, but as a complementary tool that relies on porosity and permeability predictions by conventional geology and geophysical (G&G) studies to de-risk exploration prospects. Our confidence in RVD remains strong, but we intend to be more self-reliant on the G&G aspect to ensure that every dollar we invest in our exploration activities is well spent."

To this end, RVD will undergo further technical development with the aim that the most probable porosity and permeability estimates can be predicted. A technical review group has also been formed to scrutinise all G&G information shared by third parties, to increase our focus on improving porosity and permeability predictions. The technical review group comprises Rex Technology Management founder Mr Hans Lidgren and G&G veterans Mr Svein Kjellesvik, Dr Christopher Atkinson and Dr Rabi Bastia. The three G&G veterans have between them more than 100 years of experience with major oil companies, including Schlumberger, Shell and Reliance.

- Mr Svein Kjellesvik, Master degree in Applied Geophysics from the Norwegian Institute of Technology (NTH) in Trondheim; Years of experience: 40
- Dr Christopher Atkinson, PhD in Geology and a BSc (Hons) Geology (1st Class) from the University of Wales, Swansea; Years of experience: more than 30

- Dr Rabi Bastia, PhD in Petroleum/Structural Geology from the Indian Institute of Technology, Kharagpur, India and a Doctor of Science degree in Petroleum Geology from the Indian School of Mines, Dhanbad; Years of experience: more than 30

Other Organisational Changes

Rex is in the process of finalising the appointment of an industry veteran as Chief Operating Officer (“**COO**”). The COO-designate is a geophysicist with four decades of experience in the oil industry and has held leading positions in Schlumberger's seismic division and corporate headquarters since the 1970s to 2002. He has also played leading roles in key innovations in the seismic industry which includes multi-cable 3D seismic, 4 component seismic, and seismic 4D. Further details will be provided in due course.

Mr Kristofer Skantze will be re-designated as Business Development Manager to grow the clientele for Rex Technology Management and Rexonic AG. Henceforth, both Mr Kristofer Skantze and Chief Executive Officer Mr Måns Lidgren will be based in Europe to be closer to and have more direct oversight of business operations in Norway and Oman, where Rex will focus its activities in the next year.

Further organisational changes will be made and announced when appropriate.

Asset Review

Rex has done a review of its asset portfolio with the objective to sustain these assets at the oil price of US\$50 per barrel.

Norway

Norway remains a key area of focus for Rex, given that the oil-prolific Norwegian Continental Shelf is a matured market with reputed operators and that Lime Petroleum Norway AS (“**Lime Norway**”), as a Pre-qualified Petroleum Company, is eligible to receive a cash tax refund of 78 per cent of exploration costs annually, regardless of whether there is a discovery. This, in essence, means that for every four wells drilled in Norway, the Norwegian government pays for three and the exploration company pays for one.

As a result, Rex's estimated post-tax cost for the three wells drilled in Norway in 2015 thus far was about US\$4.4 million. Taking advantage of this low cost of participation, Lime Norway is on track to drill three more wells in Norway, of which one is an appraisal well in the Rolvsnes prospect in PL338C planned in October 2015. The gross mean unrisked prospective resources in Rolvsnes is estimated at 118 mmboe (Source: Lundin Norway AS, 17 Nov 2014), of which Rex's effective participation is 19.5 per cent.

Lime Norway will draw on the valuable lessons learnt in the last two drillings and will focus on resolving the porosity and permeability issues in the G&G work, with the help of the newly created technical review team. In the event of a discovery, Lime Norway intends to divest its stake or barter for a stake in a production licence.

Licence	Prospect	Lime Norway's participating interest	Rex's effective interest	Rig	Estimated Spud Date	Operator
PL338C	Rolvsnes	30%	19.5%	Bredford Dolphin	Oct 2015	Lundin Norway AS
PL708	Ørnen	10%	6.5%	Transocean Arctic	Nov 2015	Lundin Norway AS
PL544	Fosen	30%	19.5%	(to be determined)	Dec 2015	Lundin Norway AS

Oman

During the last year, Rex International Holding has spent considerable time and effort in further developing and understanding Block 50 in Oman. This has included newly acquired 3D seismic as well as geological studies of the formations that flow from our earlier experience in the discovery well GA South. The final 3D seismic cube has been received in August 2015 and initial evaluations with RVD have been positive and very encouraging. Rex is anticipating an intensive drilling campaign in the coming months on the back of this positive information. The production sharing agreement with the Omani government gives the Omani government 70 to 80 per cent of the net production (being the market price less costs of production).

Block 50 in Oman is estimated to have gross mean unrisked prospective resources of 4,743 mmboe (Source: Hibiscus Petroleum Bhd; Aker Geo and Pareto Asia, 28 Feb 2012). The Company's opinion, based on our latest studies, is that we have no reason to dispute this figure.

Rex has undertaken detailed analysis in Oman to make sure that further development of this asset can give a valuable and profitable contribution to the Company. This analysis includes the costs for production Rex would have to incur in our Oman assets today.

However Practice Note 4C, Paragraph 2.1(a) of the Catalist Listing Rules of the SGX-ST prohibits companies like Rex from attaching any economic value to prospective resources. We have been advised by the SGX-ST that any disclosure of estimated costs as calculated by Rex would infer disclosure of a profit forecast, which should be supported with sufficient basis/assumptions after due and careful enquiry by the Company's Directors. Since the current analysis of cost for production could vary from today's rates, considering that actual drilling is scheduled to be later this year or early next year, it will be difficult for the Directors to give sufficient basis and assumptions for the disclosure to satisfy this rule.

As a relatively small player in oil exploration, Rex has done well by achieving one discovery in Oman in the short span of two years from its listing, compared to the normal span of five to seven years to achieve the same in more matured jurisdictions. Rex also feels comfortable with the traditional G&G efforts for Block 50 Oman, as it was the first to acquire the concession. The operator, Masirah Oil Ltd, is a direct subsidiary of Lime Petroleum Plc.

Masirah Oil Ltd is working closely with the Omani Ministry of Oil & Gas to agree on the most cost efficient method to further exploration and extended well testing activities in the concession. More announcements will be made when there are material developments.

Trinidad

As a prudent measure, Rex is conducting a strategic review of its operations in Trinidad & Tobago, including divestment or through merger and acquisition, in light of the challenging oil price environment.

In the meantime, Rex's 98.55 per cent-owned licence-holding company Caribbean Rex Limited ("**Caribbean Rex**"), has started tests in a well in the Cory Moruga Block in Trinidad and is in preparation for submission to the authorities for a declaration of commerciality. The accumulated production of the Caribbean Rex wells at the end of 2015 is estimated at 250 bopd.

Rexonic AG

Rexonic AG has been working with a potential joint venture partner, on a new project in the United States, with encouraging results. More details will be announced when there are material developments.

Fram Exploration ASA

In a press release dated 30 June 2015, it was shared that Fram Exploration ASA ("**FRAM**"), in which Rex has a 30.29 per cent interest, has entered into an agreement to terminate its existing five-year lease for two rigs with Loyz Energy Limited ("**Investor**"), for a termination fee of US\$13.8 million to be paid to FRAM. The consideration was to be satisfied by a US\$2.5 million payment in cash and US\$11.3 million in 136.5 million new shares in the Investor, with a commitment to a nine-month lock-up period for these new shares.

Rex notes that FRAM has to-date only received US\$0.5 million out of the US\$2.5 million cash consideration. This delay has affected FRAM's ability to progress on its work plan and carry out its on-going obligations. Rex will continue to monitor the situation closely and update the market periodically.

WA-488-P in Australia

Following its assets review exercise, Rex has decided not to exercise its option for a further 20 per cent stake in WA-488-P in Western Australia pursuant to a farm-in agreement signed in May 2015, to concentrate its cash and human resources in Norway and Oman.

--- END ---

Disclaimer

This press release 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. Further, the Company's business is exposed to exploration, development and production risks inherent in the oil and gas industry. The results of exploration, development and production are uncertain. Shareholders and investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management of future events.

About Rex International Holding

Rex International Holding was listed on Singapore Exchange Securities Trading Limited's Catalist Board on 31 July 2013. The Company owns a key set of proprietary and innovative exploration technologies, Rex Technologies, originating from the Company's Swedish founders. These include the game-changing Rex Virtual Drilling technology, the world's first liquid hydrocarbon detector using seismic data, which enables the Group to 'see oil in the ground' by pinpointing the location of oil reservoirs in the sub-surface. Through the exploration accuracy of Rex Technologies which are applicable to both onshore and offshore oil exploration, the oil discovery success rate is significantly increased. The Company also owns the unique Rexonic ultrasound technology which is used for well bore cleaning which allows for significantly increased oil production in wells that have issues with clogging and deposits.

Rex International Holding has stakes in exploration assets in the Middle East, Norway, the US, Trinidad & Tobago and Australia. These offshore and onshore concessions cover an aggregate area of over 26,000 square kilometres in regions known for previous oil and gas discoveries. Located in politically

stable countries with well-developed oil and gas infrastructures, Rex International Holding has a portfolio of assets that is geographically diversified and consists of both onshore and offshore concessions.

Issued by Rex International Holding Limited

Tel: +65 6908 4858 / +65 8518 8945

Mok Lai Siong, laisiong.mok@rexih.com

*This press release has been prepared by the Company and its contents have been reviewed by the sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “**Sponsor**”) for compliance with the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this press release. The Sponsor has also not drawn on any specific technical expertise in its review of this press release.*

This press release has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this press release, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this press release.

The contact person for the Sponsor is Ms Gillian Goh, Director, Head of Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone +65 6229 8088.