

**REX INTERNATIONAL HOLDING LIMITED**

(the "Company")

(Company Number: 201301242M)

(Incorporated in the Republic of Singapore)

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**LIME PETROLEUM PLC - UPDATE**

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*Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meaning ascribed to them in the Company's announcements dated 31 December 2015, 25 January 2016, 6 February 2016, 16 February 2016 and 3 March 2016, in relation to Gulf Hibiscus Limited's ("GHL") filing of an application in the Isle of Man Court for leave to bring a derivative action on behalf of Lime Petroleum Plc ("Lime"), being the Company and GHL's jointly-controlled entity, against three (3) directors of Lime, namely Mr Karl Helge Tore Lidgren, Mr Simon Comina and Mr Laurence Keenan (the "Lime Directors") ("Announcements").*

The Board of Directors (the "**Board**") of Rex wishes to provide the following updates on Lime:

1 Winding up of Lime

The legal advisors of Lime have filed an application to the High Court of Justice of the Isle of Man on 5 March 2016 for Lime to be wound up (the "**Application**"). The Application was made in accordance to a resolution passed at a meeting of the board of directors of Lime held on 8 March 2016, by a majority vote of 3:1, as stated in a letter to Lime's shareholders dated 11 March 2016 from LK (Fiduciaries) Limited, the Registered Agent of Lime. It is to be noted that the Lime Shareholders' Agreement expressly provides for a board decision to be taken with simple majority in a situation of financial distress and that the decision on whether Lime would be wound up would rest with the High Court of Justice of the Isle of Man.

The reason for the winding up of Lime is that Lime is in financial distress, as a result of the following:

- i) Lime is insolvent and unable to pay its debts;
- ii) There is a deadlock in the management of Lime at both shareholder and director levels. GHL rejected Rex's offer to try to resolve Lime's insolvency issues by refusing to contribute its share of proposed level of funds to Lime to enable Lime to pay its operating expenses for the next six months and to pay outstanding invoices. It is to be noted that GHL's "previously expressed commitment to fund its 35% share of all proper and reasonably incurred necessary expenses", as stated in Hibiscus Petroleum Berhad's ("**Hibiscus**") 14 April 2016 announcement, constitutes the commitment to only pay the expenses due to a limited number of creditors; and
- iii) Lime also faces contingent debts from a potential claim from Masirah Oil Ltd ("**MOL**"), related to services provided by Hibiscus Oilfield Services Limited ("**HOSL**") under the Project Management & Technical Services Agreement between Lime and HOSL and the Operating Service Agreement between Lime and MOL, for the first well drilled in Block 50 Oman. This well was according to the regulator, not drilled and managed by HOSL in a

manner adhering to “good oil field standard”. MOL is claiming compensation for violation of “good oil field standard” for costs associated with the well – totalling approximately USD 11.4 million.

The liquidation of Lime will not have any material impact on the Group for FY2016.

## 2 Winding up of Dahan and Baqal

Separately, Dahan Petroleum Limited (“**Dahan**”) and Baqal Petroleum Ltd (“**Baqal**”), indirect subsidiaries of Lime, have submitted liquidation proposals to their respective shareholders, to limit their respective liabilities. It is to be noted that exploration licences in Dahan and Baqal have expired, hence nullifying the reason for their continued existence and their value to Lime.

The liquidation of Dahan and Baqal will not have any material impact on the Group for FY2016.

## 3 Lime Petroleum Norway AS

The Board of Rex refers to Hibiscus’ announcement dated 4 April 2016 posted on Bursa Malaysia and clarifies the following:

Due to the capital needs of Lime Petroleum Norway AS (“**LPN**”), invitations to participate in the financing effort were extended to, among others, GHL. GHL declined to participate in the restructuring exercise of LPN. GHL has filed a baseless and without merit complaint against two LPN directors and its general manager at the Oslo Conciliation Board, a municipal mediation body for civil disputes.

Rex had in several of its announcements stated that Lime presently holds 3.51% in LPN, which GHL has finally admitted through its lawyers in its filing made on 1 April 2016 for compensation for the dilution of its interest in LPN with the Oslo Conciliation Board, after weeks of asserting that Hibiscus’ effective interest in LPN was “to be confirmed” and its decreased interest in LPN “purported”.

As at the date of this announcement, Rex has a 65% indirect interest in Lime and an effective interest of 98.77% in LPN.

GHL has only made an application for leave to bring a derivative action on behalf of Lime against the Lime Directors. Shareholders should be aware that no claim has been commenced against the Lime Directors and that the aforesaid application is being resisted by the Lime Directors, who have acted in the best interests of Lime, and are not “driven by improper and self-serving motivations” as falsely alleged by Hibiscus.

Rex reiterates that to its knowledge, all corporate actions undertaken by Lime, Dahan, Baqal and LPN have been executed by appointed legal and accounting professionals, in accordance with the Articles of Association, laws in the companies’ countries of incorporation and the respective companies’ shareholders’ agreements, and are registered with the appropriate authorities.

The implications for the Company and its reputation arising from the defamatory allegations made by the Board of Hibiscus remain under consideration by the Company and the director nominated to the board of directors of Lime by Rex Middle East Ltd.

**BY ORDER OF THE BOARD OF**  
Rex International Holding Limited

Dan Broström  
Executive Director and Chairman

15 April 2016

*This announcement 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 Catalyst. The Sponsor has not verified the contents of this announcement.*

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

*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.*