

REX INTERNATIONAL HOLDING LIMITED

(Company Registration No.: 201301242M)

**Unaudited Financial Statement and Dividend Announcement
For the First Quarter Ended 31 March 2017**

Corporate Profile

Rex International Holding Limited (the “**Company**”) was listed on Singapore Exchange Securities Trading Limited’s Catalist Board on 31 July 2013.

Rex International Holding Limited is a new generation technology-driven oil company that owns a set of proprietary and innovative exploration technologies, Rex Technologies, developed by the Company’s Swedish founders. These include the liquid hydrocarbon indicator Rex Virtual Drilling technology, which can pinpoint the location of oil reservoirs in the sub-surface using seismic data. The Rex Technologies allow the Company to de-risk its geographically diversified portfolio of onshore and offshore exploration and development assets.

Wholly-owned subsidiary Rex Technology Management Ltd (“**RTM**”) provides Rex Virtual Drilling screening services to partners and clients, while Rex International Holding has been using the Rex Technologies to grow and de-risk its geographically diversified portfolio of onshore and offshore exploration and development assets. Its joint venture company Rexonic AG (“**Rexonic**”) offers the Swiss-developed Rexonics ultrasound technology that 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 also has, amongst others, two indirect subsidiaries, Lime Petroleum Norway AS (“**LPN**”) and Masirah Oil Ltd (“**MOL**”), which hold interests in assets in Norway and Oman respectively; and two available-for-sale investments, Steeldrum Oil Company Inc. (“**Steeldrum**”) and Fram Exploration ASA (“**FRAM**”) which hold interests in assets in Trinidad & Tobago and the United States of America respectively. These offshore and onshore assets cover an aggregate area of over 19,000 square kilometres in regions with previous oil and gas discoveries, as well as well-developed oil and gas infrastructures.

For the purpose of this announcement, the financial results of Rex International Holding Limited and its subsidiaries (the “**Group**”) comprise the consolidated unaudited accounts of the Group for the three-month period ended 31 March 2017 (“**1Q FY2017**”).

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		Change %
	31-Mar-17 US\$'000 Unaudited	31-Mar-16 US\$'000 Unaudited	
Revenue:			
- Service revenue	86	112	-23%
Cost of sales:			
- Cost of services	(80)	(107)	-25%
- Exploration and evaluation expenditure	(383)	(321)	19%
Gross loss	(377)	(316)	19%
Administration expenses	(2,695)	(4,036)	-33%
Other income	324	353	-8%
Results from operating activities	(2,748)	(3,999)	-31%
Finance income	225	317	-29%
Foreign exchange gain	156	890	-82%
Finance costs	(360)	(688)	-48%
Net finance income	21	519	-96%
Net change in fair value of an available-for-sale investment, net of tax (reclassified from equity on disposal)	1,016	-	NM
Share of equity-accounted losses of an associate and jointly controlled entities, net of tax	(242)	(733)	-67%
Loss before tax	(1,953)	(4,213)	-54%
Tax credit	1,202	1,240	-3%
Loss for the period, net of tax	(751)	(2,973)	-75%
Loss attributable to:			
Owners of the Company	(644)	(2,813)	-77%
Non-controlling interests	(107)	(160)	-33%
Loss for the period, net of tax	(751)	(2,973)	-75%
Other comprehensive income/(loss)			
- <i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Net change in fair value of an available-for-sale investment, net of tax	186	131	42%
Foreign currency translation differences from foreign operations	104	1,467	-93%

Net change in fair value of an available-for-sale investment, net of tax (reclassified to profit or loss on disposal)	(1,016)	-	NM
Other comprehensive (loss)/income for the period, net of tax	(726)	1,598	NM
Total comprehensive loss for the period, net of tax	(1,477)	(1,375)	7 %
Total comprehensive loss attributable to:			
Owners of the Company	(1,385)	(1,215)	14%
Non-controlling interests	(92)	(160)	-43%
Total comprehensive loss for the period, net of tax	(1,477)	(1,375)	7%

NM – Not Meaningful

1(a)(ii) Notes to Consolidated Statement of Comprehensive Income

Loss before taxation is stated after (charging)/ crediting the following:

	Group		Change %
	31-Mar-17 US\$'000 Unaudited	31-Mar-16 US\$'000 Unaudited	
Depreciation of plant and equipment	(41)	(47)	-13%
Amortisation of an intangible asset	(212)	(212)	-
Net change in fair value of an available-for-sale investment, net of tax (reclassified from equity on disposal)	1,016	-	NM
Impairment of exploration and evaluation assets	(268)	-	NM
Change in fair value of quoted investments	323	308	5%
Loss on disposal of quoted investments	-	(42)	NM

NM – Not Meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	31-Mar-17 US\$'000 Unaudited	31-Dec-16 US\$'000 Audited	31-Mar-17 US\$'000 Unaudited	31-Dec-16 US\$'000 Audited
Assets				
Exploration and evaluation assets	63,646	58,175	-	-
Plant and equipment	175	207	26	25
Intangible assets	6,552	6,765	-	-
Subsidiaries	-	-	90,861	90,636
Jointly controlled entities ⁽¹⁾	2,298	2,344	-	-
Available-for-sale investments ⁽²⁾	1,106	2,637	-	1,531
Other receivables	1,463	-	-	-
Non-current assets	75,240	70,128	90,887	92,192
Inventories	3,270	3,188	-	-
Trade and other receivables	23,248	22,609	2,089	2,276
Quoted investments	33,542	31,102	33,542	31,102
Cash and cash equivalents	29,209	33,240	17,037	18,108
Current assets	89,269	90,139	52,668	51,486
Total assets	164,509	160,267	143,555	143,678
Equity				
Share capital	255,537	254,873	255,537	254,873
Reserves	6,955	8,295	1,452	2,888
Accumulated losses	(140,536)	(139,892)	(125,272)	(125,890)
Total equity attributable to owners of the Company	121,956	123,276	131,717	131,871
Non-controlling interests	10,068	10,160	-	-
Total equity	132,024	133,436	131,717	131,871
Liabilities				
Deferred tax liabilities	954	581	-	-
Provisions	10,988	10,821	-	-
Non-current liabilities	11,942	11,402	-	-
Loan and borrowings	14,320	12,488	-	-
Trade and other payables	6,223	2,941	11,838	11,807
Current liabilities	20,543	15,429	11,838	11,807
Total liabilities	32,485	26,831	11,838	11,807
Total equity and liabilities	164,509	160,267	143,555	143,678

Footnotes:

(1) Jointly controlled entities comprised the Group's equity interest in:

Name of jointly controlled entities	Percentage of interest	
	31-Mar-17	31-Dec-16
Lime Petroleum Plc ("Lime")*	65.00%	65.00%
HiRex Petroleum Sdn Bhd ("HiRex")	41.00%	41.00%
Rexonic AG ("Rexonic")	50.00%	50.00%

* Lime is currently undergoing liquidation.

(2) Group

Comprises the Group's investments in Steeldrum as at 31 March 2017; and in North Energy ASA ("North Energy") and Steeldrum as at 31 December 2016. The Group had fully disposed of its shares in North Energy in 1Q FY2017.

Company

Comprises the Company's investment in North Energy as at 31 December 2016.

1(b)(ii) Aggregate amount of group's borrowings and debt securities.
Amount repayable in one year or less, or on demand

As at 31-Mar-17		As at 31-Dec-16	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
14,320	-	12,488	-

Amount repayable after one year

As at 31-Mar-17		As at 31-Dec-16	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
-	-	-	-

Details of any collateral

The credit facilities of the Group as at 31 March 2017 are secured by:

- First priority assignment of tax refunds in Norway;
- First priority charge over certain bank accounts in Norway;
- First priority pledge of certain subsidiary's participation interests in licences in Norway; and
- First priority assignment of certain insurance in Norway.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	Three Months Ended	
	31-Mar-17	31-Mar-16
	US\$'000	US\$'000
	Unaudited	Unaudited
Cash flows from operating activities		
Loss before tax for the period	(1,953)	(4,213)
Adjustments for:		
Depreciation of plant and equipment	41	47
Amortisation of intangible assets	212	212
Net finance costs	135	371
Net change in fair value of an available-for-sale investment, net of tax (reclassified from equity on disposal)	(1,016)	-
Impairment of exploration and evaluation assets	268	-
Share of equity-accounted losses of an associate and jointly controlled entities, net of tax	242	733
Change in fair value of quoted investments	(323)	(308)
Loss on disposal of quoted investments	-	42
Equity settled share-based payment transactions	65	49
	<u>(2,329)</u>	<u>(3,067)</u>
Changes in:		
Inventories	(82)	(494)
Trade and other receivables	(522)	(3,734)
Trade and other payables	3,252	1,548
Net cash from/ (used in) operating activities	<u>319</u>	<u>(5,747)</u>
Cash flows from investing activities		
Interest received	225	317
Investment in a jointly controlled entity	(225)	-
Purchase of quoted investments	(2,011)	-
Proceeds from disposal of available-for-sale/quoted investment	1,717	2,132
Exploration and evaluation expenditure	(5,591)	(35,250)
Purchase of plant and equipment	(7)	(35)
Net cash used in investing activities	<u>(5,892)</u>	<u>(32,836)</u>
Cash flows from financing activities		
Interest paid	(194)	(688)
Proceeds from borrowings	1,796	27,463
Net cash from financing activities	<u>1,602</u>	<u>26,775</u>
Net decrease in cash and cash equivalents	<u>(3,971)</u>	<u>(11,808)</u>
Cash and cash equivalents at beginning of the period	33,240	53,447
Effect of exchange rate changes on balances held in foreign currency	(60)	3,918
Cash and cash equivalents at end of the period	<u>29,209</u>	<u>45,557</u>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Attributable to owners of the Company							Non-controlling interests US\$'000	Total equity US\$'000	
	Share capital US\$'000	Merger reserve US\$'000	Capital reserve US\$'000	Fair value reserve US\$'000	Share-based payment reserve US\$'000	Translation reserve US\$'000	Accumulated losses US\$'000			Total US\$'000
Group (Unaudited)										
At 1 January 2017	254,873	4,129	1,080	830	1,605	651	(139,892)	123,276	10,160	133,436
Total comprehensive income for the period										
Loss for the period	-	-	-	-	-	-	(644)	(644)	107	(751)
Other comprehensive income										
Foreign currency translation differences	-	-	-	-	-	89	-	89	15	104
Net change in fair value of an available-for-sale investment, net of tax	-	-	-	186	-	-	-	186	-	186
Net change in fair value of an available-for-sale investment, net of tax (reclassified to profit or loss on disposal)	-	-	-	(1,016)	-	-	-	(1,016)	-	(1,016)
Total other comprehensive income	-	-	-	(830)	-	89	-	(741)	15	(726)
Total comprehensive (loss)/ income for the period	-	-	-	(830)	-	89	(644)	(1,385)	(92)	(1,477)
Transactions with owners, recognised directly in equity										
Contributions by and distributions to owners										
Issuance of shares	664	-	-	-	(664)	-	-	-	-	-
Share-based payment transactions – employee share option scheme and performance share plan	-	-	-	-	65	-	-	65	-	65
Total contributions by and distributions to owners	664	-	-	-	(599)	-	-	65	-	65
Total transactions with owners	664	-	-	-	(599)	-	-	65	-	65
At 31 March 2017	255,537	4,129	1,080	-	1,006	740	(140,536)	121,956	10,068	132,024

	Attributable to owners of the Company							Non-controlling interests US\$'000	Total equity US\$'000	
	Share capital US\$'000	Merger reserve US\$'000	Capital reserve US\$'000	Fair value reserve US\$'000	Share-based payment reserve US\$'000	Translation reserve US\$'000	Accumulated losses US\$'000			Total US\$'000
Group (Unaudited)										
At 1 January 2016	254,055	4,129	1,080	-	1,239	393	(127,220)	133,676	19,282	152,958
Total comprehensive loss for the period										
Loss for the period	-	-	-	-	-	-	(2,813)	(2,813)	(160)	(2,973)
Other comprehensive loss										
Foreign currency translation differences	-	-	-	-	-	1,467	-	1,467	-	1,467
Net change in fair value of available-for-sale investment, net of tax	-	-	-	131	-	-	-	131	-	131
Total other comprehensive loss	-	-	-	131	-	1,467	-	1,598	-	1,598
Total comprehensive loss for the period	-	-	-	131	-	1,467	(2,813)	(1,215)	(160)	(1,375)
Transactions with owners, recognised directly in equity										
Contributions by and distributions to owners										
Issuance of shares	545	-	-	-	(545)	-	-	-	-	-
Share-based payment transactions – employee share option scheme and performance share plan, representing total contributions by and distributions to owners	-	-	-	-	49	-	-	49	-	49
Total contributions by and distributions to owners	545	-	-	-	(496)	-	-	49	-	49
Changes in ownership interests in subsidiaries										
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	3,453	3,453	(3,453)	-
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	3,453	3,453	(3,453)	-
Total transactions with owners	545	-	-	-	(496)	-	3,453	3,502	(3,453)	49
At 31 March 2016	254,600	4,129	1,080	131	743	1,860	(126,580)	135,963	15,669	151,632

	Share capital US\$'000	Capital reserve US\$'000	Fair value reserve US\$'000	Share-based payment reserve US\$'000	Accumulated losses US\$'000	Total equity US\$'000
Company (Unaudited)						
At 1 January 2017	254,873	505	830	1,553	(125,890)	131,871
Total comprehensive income for the period						
Profit for the period	-	-	-	-	618	618
Other comprehensive loss						
Net change in fair value of an available-for-sale investment, net of tax	-	-	186	-	-	186
Net change in fair value of an available-for-sale investment, net of tax (reclassified to profit or loss on disposal)	-	-	(1,016)	-	-	(1,016)
Total other comprehensive loss for the period	-	-	(830)	-	-	(830)
Total comprehensive (loss)/ income for the period						
	-	-	(830)	-	618	(212)
Transactions with owners, recognised directly in equity						
Contributions by and distributions to owners						
Issuance of shares	664	-	-	(664)	-	-
Share-based payment transactions – employee share option scheme and performance share plan	-	-	-	58	-	58
Total transactions with shareholders	664	-	-	(606)	-	58
At 31 March 2017	255,537	505	-	97	(125,272)	131,717

	Share capital US\$'000	Capital reserve US\$'000	Fair value reserve US\$'000	Share-based payment reserve US\$'000	Accumulated losses US\$'000	Total equity US\$'000
Company (Unaudited)						
At 1 January 2016	254,055	505	-	1,239	(119,598)	136,201
Total comprehensive loss for the period						
Loss for the period	-	-	-	-	(1,051)	(1,051)
Other comprehensive income/ (loss)						
Net change in fair value of an available- for-sale investment, net of tax	-	-	131	-	-	131
Total other comprehensive income	-	-	131	-	-	131
Total comprehensive income/ (loss) for the period	-	-	131	-	(1,051)	920
Transactions with owners, recognised directly in equity						
Contributions by and distributions to owners						
Issuance of shares	545	-	-	(545)	-	-
Share-based payment transactions – employee share option scheme and performance share plan	-	-	-	40	-	40
Total transactions with shareholders	545	-	-	(505)	-	40
At 31 March 2016	254,600	505	131	734	(120,649)	135,321

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Share Capital

	Company	
	Number of shares	Share capital US\$'000
Issued and fully paid:		
At 1 January 2017	1,267,421,563	254,873
Issuance of shares in connection with the partial vesting of contingent share awards granted under the Rex International Performance Share Plan (the "PSP")	10,719,024	664
At 31 March 2017	<u>1,278,140,587</u>	<u>255,537</u>

On 31 January 2017, the Company issued and allotted 10,719,024 new ordinary shares in the Company, pursuant to the partial vesting of the contingent share awards granted on 3 March 2016 to eligible participants. Please refer to the Company's announcement dated 31 January 2017 for further details.

Employee Share Option Scheme (the “ESOS”)

On 29 November 2013, the Company granted an aggregate of 3,187,500 options pursuant to its ESOS to eligible participants (the “Options”), of which 150,000 Options were cancelled in 2014. Details of the options granted under the ESOS are as follows:

Date of grant of Options	Exercise price of Options	Number of Options outstanding at 1-Jan-17	Options granted in 1Q FY2017	Options exercised in 1Q FY2017	Options cancelled in 1Q FY2017	Number of Options outstanding at 31-Mar-17	Exercise period of Options
29.11.13	S\$0.65	2,025,000	-	-	-	2,025,000	29.11.14 to 28.11.18
29.11.13	S\$0.52	1,012,500	-	-	-	1,012,500	29.11.15 to 28.11.18
		<u>3,037,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,037,500</u>	

No new Options had been granted under the ESOS in 1Q FY2017. No Option was exercised in 1Q FY2017. The total number of Options outstanding as at 31 March 2017 was 3,037,500, which would be exercisable into 3,037,500 shares (31 March 2016: 3,037,500 Options exercisable into 3,037,500 shares).

Performance Shares Plan (the “PSP”)

Details of the awards of ordinary shares granted under the PSP (“Awards”) including those which were vested in 1Q FY2017 and those granted but not yet vested as at 31 March 2017 are as follows:

Date of grant of Award	Number of shares which are the subject of Awards granted as at 1-Jan-17	Number of shares which are the subject of Awards adjusted in 1Q FY2017	Number of shares which are the subject of Awards granted in 1Q FY2017	Number of shares which are the subject of Awards which had lapsed/ cancelled in 1Q FY2017	Number of shares which are the subject of Awards vested in 1Q FY2017	Number of shares which are the subject of Awards granted as at 31-Mar-17	Number of holders
03.03.16	10,719,024	-	-	-	(10,719,024) ⁽¹⁾	-	-
29.04.16	11,407,100 ⁽²⁾	-	-	-	-	11,407,100	4
	<u>22,126,124</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,719,024)</u>	<u>11,407,100</u>	

⁽¹⁾ On 31 January 2017, the Company issued and allotted 10,719,024 new ordinary shares in the Company, pursuant to the partial vesting of the Awards granted on 3 March 2016 to eligible participants. Please refer to the Company’s announcement dated 31 January 2017.

⁽²⁾ The actual number of Awards to be delivered will range from 0% to 100% and is contingent on the achievement of pre-determined benchmarks set over a two-year performance period.

The total number of shares which are the subject of Awards granted but not yet vested as at 31 March 2017 is 11,407,100 shares (31 March 2016: 30,941,100 shares).

Save for the aforementioned Options and Awards, the Company did not have any other outstanding convertibles as at 31 March 2017 and 31 March 2016. There are also no treasury shares or subsidiary holdings as at 31 March 2017 and 31 March 2016.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

Group		Company	
31-Mar-17	31-Dec-16	31-Mar-17	31-Dec-16

Total number of issued shares excluding treasury shares	1,278,140,587	1,267,421,563	1,278,140,587	1,267,421,563
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There are no treasury shares as at 31 March 2017 and 31 December 2016.

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. There are no treasury shares during and as at the end of the current financial period reported on.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. There are no subsidiary holdings during and as at the end of the current financial period reported on.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer’s most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation as those in the audited financial statements for the financial year ended 31 December 2016 except for the adoption of accounting standards and interpretations applicable for the financial period beginning 1 January 2017.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The adoption of the new/revised accounting standards and interpretations applicable for the financial period beginning 1 January 2017 did not result in a significant change to the Group's accounting policies and did not have a material impact on the Group’s results for the current financial period reported on.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

- (a) Based on the weighted average number of ordinary shares in issue; and
(b) On a fully diluted basis (detailing any adjustments made to the earnings).**

	Group	
	Three months ended	
Loss per ordinary share (“LPS”)	31-Mar-17	31-Mar-16
Net loss attributable to owners of the Company (US\$)	(644,000)	(2,813,000)
Weighted average number of ordinary shares	1,274,567,579	1,264,896,674
Basic and fully diluted LPS (US cents)	(0.05)	(0.22)

The basic and fully diluted LPS are the same as the effects of anti-dilutive potential ordinary shares are ignored during the respective financial periods.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**
- (a) **current financial period reported on; and**
- (b) **immediately preceding financial year.**

	Group		Company	
	31-Mar-17	31-Dec-16	31-Mar-17	31-Dec-16
Net asset value# (US\$)	121,956,000	123,276,000	131,717,000	131,871,000
Total number of issued shares excluding treasury shares	1,278,140,587	1,267,421,563	1,278,140,587	1,267,421,563
Net asset value per ordinary share based on number of shares in issue as at the end of the financial period/year (US cents)	9.54	9.73	10.31	10.40

Net asset value as disclosed above excludes non-controlling interests.

- 8 **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Consolidated Statement of Comprehensive Income

The Group recorded revenue of US\$0.09 million and US\$0.11 million in 1Q FY2017 and in the three-month period ended 31 March 2016 ("**1Q FY2016**"), respectively, from technical services rendered to clients by Rex Technology Management Ltd ("**RTM**").

The decrease in cost of services from US\$0.11 million in 1Q FY2016 to US\$0.08 million in 1Q FY2017 was due to lower sales of technical services to clients by RTM.

The Group recorded exploration and evaluation ("**E&E**") expenditure of US\$0.38 million in 1Q FY2017 as compared to US\$0.32 million in 1Q FY2016. The increase in E&E expenditure was mainly due to the increase in expenditure of E&E assets related to the relinquishment process of certain licences in Norway that was impaired in 4Q FY2016.

The Group recorded a gross loss of US\$0.38 million in 1Q FY2017, as compared to a gross loss of US\$0.32 million in 1Q FY2016 due to the increase of E&E expenditure in 1Q FY2017.

Administrative expenses decreased to US\$2.70 million in 1Q FY2017, from US\$4.04 million in 1Q FY2016. The decrease was mainly a result of a significant decrease in professional fees of US\$0.89 million mainly in relation to the legal proceedings and costs incurred in 1Q FY2016 and a decrease in staff costs in 1Q FY2017 due to the reduction of senior management of the Group and a

director of the board of the Company during FY2016 in an effort to reduce and right size operations and resources of the Group.

Finance income of US\$0.23 million and US\$0.32 million was recorded in 1QFY2017 and 1Q FY2016 respectively, which mainly arose from interest income on funds invested, including quoted debt securities. The decrease in finance income was mainly due to lower interest income from quoted investments in 1Q FY2017 compared to 1Q FY2016.

The Group recorded total net foreign exchange gain of US\$0.16 million in 1QFY2017, as compared to total net foreign exchange gain of US\$0.89 million in 1QFY2016. The decrease in net foreign exchange gain was due to 1) a smaller portion of the Group's cash and cash equivalents and quoted investments, which were held in SGD in 1Q FY2017 compared to 1Q FY2016, and 2) smaller strengthening of SGD against USD in 1Q FY2017 compared to 1Q FY2016.

Finance costs decreased to US\$0.36 million in 1Q FY2017, from US\$0.69 million in 1Q FY2016, mainly because short term loan and borrowings reduced to US\$14.32 million as at 31 March 2017, from US\$61.83 million as at 31 March 2016.

The Group recorded net change in fair value of an available-for-sale investment, net of tax (reclassified from equity on disposal) of US\$1.02 million in 1Q FY2017 which was due to disposal of the Group's shares in North Energy in 1Q FY2017.

The Group recorded its share of equity-accounted losses from a jointly controlled entity of US\$0.24 million in 1Q FY2017 as compared to US\$0.73 million in 1Q FY2016. The decrease was mainly due to 1) the absence of losses from HiRex in 1Q FY2017 as compared to US\$0.10 million in 1Q FY2016 following the full write-off of HiRex at the end of the financial year ended 31 December 2016 ("**FY2016**"); and 2) the absence of equity-accounted losses from Steeldrum in 1Q FY2017 as Steeldrum had been reclassified from an associate to an available-for-sale investment at the end of FY2016, following the Group's decision not to participate in Steeldrum's latest share issue. The Group's shareholding in Steeldrum was lowered from 36.86% to 25.72% as a result.

The Group recorded total tax credit of US\$1.20 million in 1Q FY2017 in relation to the tax refund from the Norwegian authorities in relation to exploration costs incurred in Norway.

Overall, the Group registered a lower total comprehensive loss of US\$1.48 million in 1Q FY2017 as compared to US\$1.38 million in 1Q FY2016.

Statement of Financial Position

Non-current assets of the Group increased to US\$75.24 million as at 31 March 2017, from US\$70.13 million as at 31 December 2016. The increase was mainly due to 1) increase in E&E assets by US\$5.47 million which was mainly a result of drilling activities in Oman, and 2) increase of other receivables related to income tax receivables from the Norwegian tax authorities of US\$1.46 million, offset by a decrease arising from disposal of shares in North Energy in 1Q FY2017 which was held as an available-for-sale investment of US\$1.53 million as at 31 December 2016.

Trade and other receivables of the Group increased to US\$23.25 million as at 31 March 2017, from US\$22.61 million as at 31 December 2016. Quoted investments increased to US\$33.54 million as at 31 March 2017, from US\$31.10 million as at 31 December 2016, mainly due to purchase of quoted investments of US\$2.01 million in 1Q FY2017.

Deferred tax liabilities increased to US\$0.95 million as at 31 March 2017, from US\$0.58 million as at 31 December 2016, due to an increase in capitalised exploration and evaluation costs in Norway.

The Group recorded long-term decommissioning provisions of US\$10.99 million and US\$10.82 million as at 31 March 2017 and 31 December 2016 respectively, in relation to exploration activities undertaken in Oman.

Short-term bank borrowings increased to US\$14.32 million as at 31 March 2017, from US\$12.49 million as at 31 December 2016, due to drawdown of credit facilities of US\$1.80 million to fund drilling activities in Norway in 1Q FY2017. LPN, a pre-qualified petroleum company in Norway, is eligible to receive a cash tax refund of 78% of exploration costs annually from the Norwegian tax authorities. The tax refund receivable was pledged as a security for the bank borrowings. The tax regime in Norway allows LPN to have an active drilling programme in several licences, despite being in a capital intensive industry.

Trade and other payables increased to US\$6.22 million as at 31 March 2017, from US\$2.94 million as at 31 December 2016, mainly due to payables arising from the drilling of an exploration well in Oman that started in 1Q FY2017.

Working capital decreased to US\$68.73 million as at 31 March 2017, from US\$74.71 million as at 31 December 2016. The decrease in working capital was due to reduction of current assets of US\$0.87 million, increase of short term borrowings in Norway of US\$1.83 million and increase of trade and other payables of US\$3.28 million largely in relation to the start of the drilling of an exploration well in Oman.

Statement of Cash Flows

The Group reported an inflow in net cash from operating activities of US\$0.32 million in 1Q FY2017, after accounting for movements in working capital. This was primarily due to positive changes in working capital of US\$2.65 million, offset by operating loss before tax of US\$1.95 million and adjustments for non-operating cash flow activities of US\$0.38 million.

Net cash used in investing activities of US\$5.89 million in 1Q FY2017 was largely attributable to 1) exploration and evaluation expenditure of US\$5.59 million, which was incurred for drilling activities and exploration undertaken in Oman and Norway, 2) investment in a jointly controlled entity, Rexonic, of US\$0.23 million, and 3) purchase of quoted investments of US\$2.01 million. The cash outflow from investing activities was partially offset by the cash inflows generated from the investing activities due to 1) interest received from funds placed in banks and quoted investments of US\$0.23 million, and 2) proceeds received from disposal of shares in an available-for-sale investment, North Energy, of US\$1.72 million.

Net cash used in financing activities of US\$1.60 million in Q1 FY2017 was attributable to the increase of short-term bank borrowings of US\$1.80 million to fund E&E activities in Norway, offset by payment of interest expense of US\$0.19 million in relation to the bank borrowings.

The Group recorded an overall net decrease in cash and cash equivalents of US\$3.97 million in 1Q FY2017. As at 31 March 2017, the Group's cash and cash equivalents stood at US\$29.21 million and quoted investments stood at US\$33.54 million, totalling US\$62.75 million, as compared to a total of US\$64.34 million as at 31 December 2016 (comprising cash and cash equivalents of US\$33.24 million and quoted investments of US\$31.10 million).

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Positive sentiments on oil prices extended into 2017 with Brent prices closing above US\$50 a barrel for the three months ended 31 March 2017¹, after the Organization of the Petroleum Exporting Countries (OPEC) inked an initial agreement on 30 November 2016 to cut production by almost 1.2 million barrels per day for six months from 1 January 2017. However, Reuters reported that Brent crude oil closed at its lowest level in the year on 2 May 2017², erasing the gains since OPEC started to cut production, after breaking through a key technical support level.

According to the US Energy Information Administration (EIA), oil discoveries declined to 2.4 billion barrels in 2016, compared with an average of 9 billion barrels per year over the past 15 years, while the number of conventional resources projects that received a final investment decision dropped to the lowest level since the 1940s.³ Expectations that OPEC will extend its agreement to cut oil production by an additional three to six months⁴ are supported by forecasts by EIA and analysts from Goldman Sachs and Citibank that Brent prices will average US\$54 a barrel, US\$50 a barrel and mid US\$60s a barrel respectively, in 2017.⁵

The Group remains cautiously optimistic that stable oil prices will prevail in the medium term and that oil prices will increase in the long term. The Group's plans to start test production from the Edvard Grieg South discovery in Norway in 2019 is one of various initiatives to ride on improvements in the oil markets to generate cash flow.

Focus will continue to be placed on the Group's key assets in Norway and Oman. In Norway, continued efforts will be made to build a portfolio of licences based on the Group's technology and infrastructure-led strategy that will allow a fast-track path to potential commercialisation. In Oman, drilling of the Karamah#1 well, de-risked using the new multi-attribute version of the Rex Virtual Drilling technology, is ongoing. The Group will update the market as and when there are material developments to its operational plan.

Footnotes:

¹Bloomberg data

²Reuters, Brent crude closes at 2017 low, erases gains since OPEC's cuts, 2 May 2017
<http://www.reuters.com/article/us-global-oil-idUSKBN17X0X1?il=0>

³World Oil, IEA: Global oil supply to lag demand after 2020 unless new investments approved soon, 27 April 2017
<http://www.worldoil.com/news/2017/4/27/iea-global-oil-supply-to-lag-demand-after-2020-unless-new-investments-approved-soon>

⁴CNN, OPEC rallying for support to extend oil output cuts, 13 April 2017
<http://money.cnn.com/2017/04/12/investing/opec-extend-cuts-support/>

⁵US Energy Information Administration (EIA), Short-term Energy Outlook, April 2017
https://www.eia.gov/forecasts/steo/report/global_oil.cfm

⁵CNBC, Oil tipped to soar by \$10 a barrel in 2017 amid a bumper year for commodities, say Citi analysts, 18 April 2017
<http://www.cnbc.com/2017/04/18/oil-prices-forecast-60-dollars-commodities-citi-analysts-crude-brent.html>

⁵Bloomberg, Goldman Says Ignore the Technical, Savor the Fundamental on Oil, 21 April 2017
<https://www.bloomberg.com/news/articles/2017-04-21/goldman-says-ignore-the-technical-savor-the-fundamental-on-oil>

11. Dividend

- a) Current financial period reported on**
No dividend has been declared or recommended for 1Q FY2017.
- b) Corresponding period to immediately preceding financial year**
No dividend has been declared or recommended for 1Q FY2016.
- c) Date payable**
Not applicable.
- d) Book closure date**
Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect.

No dividend has been declared or recommended for 1Q FY2017.

13. If the Group has obtained a general mandate from shareholders for Interested Person Transactions (“IPT”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate from shareholders for IPT. There were no IPT transactions of S\$100,000 and above during 1Q FY2017.

14. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company confirms that undertakings have been procured from the Board of Directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

15. Use of proceeds pursuant to Rule 704(30)

The utilisation of proceeds from the Company's various fund raising exercises as at the date of this announcement is as follows:

Use of proceeds	Amount allocated	Amount redeployed	Amount utilised	Balance
	S\$'000	S\$'000	S\$'000	S\$'000
Initial Public Offering				
Investment in new oil and gas opportunities	15,690	2,282 ⁽²⁾	(17,972)	-
Drilling in Middle East concessions	12,383	(3,598) ⁽¹⁾⁽²⁾	(8,581)	204
Drilling in Norwegian Licences	23,637	1,316 ⁽¹⁾	(24,953)	-
Repayment of loan to Rex Partners	2,354	-	(2,354)	-
General working capital	25,886	(1,704) ⁽³⁾	(24,182) ⁽⁴⁾	-
Listing expenses to be borne by the Company	5,300	1,704 ⁽³⁾	(7,004)	-
Total	85,250	-	(85,046)	204
2013 Placement⁽⁵⁾				
Exploration and drilling activities in new opportunities in the Asia-Pacific region	17,856	(15,960) ⁽⁹⁾⁽¹⁰⁾	-	1,896
Exploration and drilling activities in new opportunities in geographical regions including the Middle East, Norway and Western Europe	16,787	-	(10,519)	6,268
Invest in and expand the business in the oil services sector using well stimulation technology	16,228	-	(16,128)	100
Share buyback mandate	-	5,960 ⁽⁹⁾	-	5,960
General working capital	-	10,000 ⁽¹⁰⁾	(9,311) ⁽⁴⁾	689
Total	50,871	-	(35,958)	14,913
2014 Placement⁽⁶⁾				
20% of net proceeds to be used for:				
Settlement of liabilities of RTM and injection of working capital into RTM to increase capabilities and activities	18,735	-	(15,239) ⁽⁷⁾	3,496
60% of net proceeds to be used for:				
- Further field development in Oman				
- Funding of the drilling of one well in Sharjah in the UAE				
- Further growth and development of the Group's existing sizeable licence portfolio in Norway	56,206	-	(50,442)	5,764
20% of net proceeds to be used for:				
Existing and potential new business opportunities	18,735	-	(16,775) ⁽⁸⁾	1,960
Total	93,676	-	(82,456)	11,220

Footnotes:

- (1) S\$1.32 million was redeployed in the three-month period ended 31 March 2015 for drilling in Norwegian licences.
- (2) S\$2.28 million was redeployed in the three-month period ended 30 September 2014 to investment in new oil and gas opportunities for concessions in Trinidad & Tobago.
- (3) S\$1.70 million was redeployed to listing expenses to be borne by the Company.
- (4) S\$33.49 million was used for Singapore's office staff cost and operational expenses, consultancy and professional fees.
- (5) 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).
- (6) The Company had on 17 September 2014, completed a placement of 168 million new ordinary shares at an issue price of S\$0.57 per share (the "2014 Placement"), raising net proceeds of S\$93.68 million (after deducting placement expenses of S\$2.08 million).
- (7) US\$8.50 million (equivalent to S\$11.23 million based on the exchange rate of US\$1: S\$1.3213) was used for the repayment of the loan in RTM as disclosed in the announcement dated 2 September 2014. The remaining S\$4.01 million was used for the settlement of other liabilities in RTM which included trade and other payables, which were assumed by the Group upon completion of the acquisition of RTM.
- (8) S\$14.38 million was used for capital injections in Caribbean Rex, and S\$2.39 million was used to subscribe to additional shares in FRAM.
- (9) The provisional amount of S\$5.96 million which was redeployed was equivalent to 50% of the illustrated maximum amount of funds required for market purchases as disclosed in Section 2.9(c) of the circular to shareholders in relation to the proposed adoption of the share buyback mandate dated 1 October 2015.
- (10) S\$10.00 million was redeployed to general working capital for the financial years ended 31 December 2016 and ending 31 December 2017 due to fewer opportunities in the Asia Pacific region.

16. Use of funds/ cash by mineral, oil and gas companies pursuant to Rule 705(6)

Actual use of funds/ cash for 1Q FY2017

Purpose	Amount
	US\$'000
Exploration and drilling activities in Norway	884
Exploration and drilling activities in Oman	2,028
Investment in Rexonics	225
General working capital	1,417
Total	4,554

In 1Q FY2017, US\$2.91 million were used for drilling activities in both Norway and Oman. US\$1.42 million was used for the Singapore and RTM office's staff costs and operational expenses, consultancy and professional fees.

There was an increase of US\$0.14 million (or 19.5%) and a decrease of US\$0.27 million (or 11.8%) in the actual amount of funds used for drilling activities in Norway and Oman in 1Q FY2017, respectively, due to additional funds used for working capital in Norway and less funds used in the beginning of the drilling of an exploration well in Oman that started in 1Q FY2017. The Group did not project any funds to be used for Rexonics but had incurred an investment of US\$0.23 million in 1Q FY2017 for working capital purposes. There was also a decrease of US\$0.18 million (or 11.4%) in the actual use of funds for general working capital purposes, mainly due to lower Singapore office's staff costs, consultancy and professional fees.

The actual use of funds for 1Q FY2017 amounted to US\$4.55 million, which was US\$0.09 million lower than that projected in 4Q FY2016.

Projection on the use of funds/ cash in 2Q FY2017

Purpose	Amount US\$'000
Exploration and drilling activities in Oman	14,800
Exploration and drilling activities in Norway	885*
General working capital	1,600
Total	17,285

* Net of tax refund receivables from the Norwegian tax authorities in relation to the exploration costs incurred in Norway. LPN is a pre-qualified oil company in Norway which is eligible to receive a cash tax refund of 78% of exploration costs annually.

- 17. Pursuant to Rule 705(7)(a) - Details of exploration (including geophysical surveys), mining development and/or production activities undertaken by the issuer and a summary of the expenditure incurred on those activities, including explanations for any material variances with previous projections, for the period under review. If there has been no exploration, development and/or production activity respectively, that fact must be stated.**

In 1Q FY2017, the Group incurred US\$0.88 million and US\$2.03 million for drilling activities in both Norway and Oman respectively.

The Group's exploration work is an ongoing process. The exploration activities fulfilled in 1Q FY2017 included Rex Virtual Drilling and actual drillings and preparatory work in Oman and Norway.

- 18. Pursuant to Rule 705(7)(b) - An update on its reserves and resources, where applicable, in accordance with the requirements as set out in Practice Note 4C, including a summary of reserves and resources as set out in Appendix 7D.**

Norway

The Company has included in its annual report for FY2016, a qualified person's report dated 10 March 2017 ("QPR") and a summary of reserves and resources as set out in Appendix 7D of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist ("Catalist Rules") in respect of the Edvard Grieg South (also known as Rolvsnes) in accordance with the requirements of Rule 1204(23) of the Catalist Rules.

The following resources table has been extracted from the QPR, as prepared by the independent qualified person, Dr John Barker, from Gaffney, Cline & Associates. There are no material updates to the resources of Edvard Grieg South (also known as Rolvsnes) since 10 March 2017.

The asset is PL338C in Norway, where the Edvard Grieg South (Rolvnes) discovery was made in 2015. The operator Lundin Petroleum Norway AS is currently performing development feasibility studies for a sub-sea tie-back to their operated Edvard Grieg platform some 7km to the north. LPN holds a 30 per cent working interest in the asset. The Company has an indirect 87.84 per cent interest in LPN.

CATEGORY	GROSS ATTRIBUTABLE TO LICENCE (MMstb/Bscf)	NET ATTRIBUTABLE TO LPN		REMARKS
		(MMstb/Bscf)	CHANGE FROM PREVIOUS UPDATE (%)	
CONTINGENT RESOURCES OF OIL				
1C	10.3	3.1	NA	No previous update
2C	31.4	9.4	NA	No previous update
3C	77.9	23.4	NA	No previous update
CONTINGENT RESOURCES OF NATURAL GAS				
1C	10.4	3.1	NA	No previous update
2C	31.8	9.5	NA	No previous update
3C	78.7	23.6	NA	No previous update

There are no Reserves as the discovery is not producing yet.

MMstb: Millions of stock tank barrels

Bscf: Billions of standard cubic feet

N/A: Not applicable

19. Negative Confirmation by the Board pursuant to Rule 705(5) and Rule 705(6)(b) of Catalyst Listing Manual.

The Board confirms that to the best of their knowledge, nothing has come to their attention which may render the unaudited financial statements for 1Q FY2017 and the above information provided to be false or misleading in any material aspect.

BY ORDER OF THE BOARD OF
Rex International Holding Limited

Dan Broström
Executive Director and Chairman

12 May 2017

This announcement has been prepared by the Company and its contents have been reviewed by the Company's 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 announcement. The Sponsor has also not drawn on any specific technical expertise in its review 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) 62298088.