

**PRESS RELEASE**

**Rex update: Major milestone achieved in Oman and well in Norway to be drilled in late August 2020**

- *The Ministry of Oil and Gas in Oman has approved the Field Development Plan for the Yumna Field and awarded Declaration of Commerciality. Production from the field is ongoing*
- *The Group will participate in a well to be drilled in Norway in late August 2020 in the Appolonia prospect in licence PL263 D/E*
- *War chest comprising cash, cash equivalents and quoted investments totaled US\$61.93 million as at 31 December 2019; Company remains long-term debt-free*

**SINGAPORE, 17 July 2020** – Rex International Holding Limited (“Rex International Holding”, “Rex” or the “Company”, and together with its subsidiaries, the “Group”), a technology-driven oil company, would like to give an update on its strategy and operations.

**OMAN**

The Ministry of Oil and Gas in Oman has on 12 July 2020 approved the Field Development Plan for the Yumna Field and awarded Declaration of Commerciality (“DOC”)\*. The DOC will enable Rex’s subsidiary Masirah Oil Ltd (“Masirah Oil”) to fully develop the Yumna Field while continuing to explore the rest of Block 50 Oman. Masirah Oil is grateful for the strong support provided by the Ministry of Oil and Gas in achieving this significant milestone.

The Yumna 1 well has so far produced more than one million barrels of oil and is currently producing over 8,000 barrels of oil per day through a 1 inch choke with 440 psig flowing tubing-head pressure. The first three cargoes of Masirah crude were lifted and sold in April, May and June 2020. Liftings were successfully completed from the first offshore ship-to-ship transfers in Oman.

*\*Confirmation was received by Rex on 15 July 2020.*

The Foresight Driller IX drilling rig was released from the Yumna Field at the end of April 2020 as planned, following two months of early production testing. In early May 2020, production was resumed from a Mobile Offshore Production Unit (MOPU), which was installed in the Yumna Field during a planned three-week shut-down. The MOPU, together with an Aframax storage tanker, now constitute the permanent offshore production facilities.

Masirah Oil holds 100 per cent of the Block 50 Oman concession. Rex International Holding Limited holds an effective interest of 86.37 per cent in Masirah Oil.

## **NORWAY**

Rex's 90 per cent subsidiary, Lime Petroleum AS ("**Lime**"), now holds interests in 10 licences. Lime's strategy is to participate in licences in core areas close to infrastructure for expedient commercialisation.

### Upcoming activities

Licence PL838, containing the 2019 Shrek discovery, has gained significance due to the improvement of the Norwegian oil taxation incentives on capex and depreciation implemented after the outbreak of the Covid-19 pandemic. The Shrek discovery is a prime candidate for such tax benefits with possible production start up by end of 2024. The 2019 Shrek discovery derisked additional and significant hydrocarbon prospects which can be drilled over the next three years. Lime, which has a 30 per cent interest in the licence, is working with the licence partners to mature these prospects and will run its proprietary Rex Virtual Drilling analysis that was used with success in the 2019 Shrek well.

In late August 2020, Lime will participate (with 20 per cent interest) in the drilling of the Appolonia prospect in the PL263 D/E licence, pending governmental approval. The licence is located in the prolific Halten Terrace area, near existing infrastructure. Operated by Equinor, the well targets conventional Jurassic sand prospects. A successful well will pave the way for an expedient field development.

During the summer of 2021, Lime will participate (with 15 per cent interest) in the high impact Fat Canyon well in PL937. Operated by INEOS, the well will target a significant high-volume stratigraphic prospect with predicted Jurassic and Cretaceous reservoirs.

Lime is doing active exploration work in the other licences in which Lime has interests. For the AkerBP operated licence PL818B, in which Lime has a 30 per cent interest, the drill-or-drop deadline for the Orkja prospect is February 2021. A drill decision at that date will allow a well to be drilled by early 2022.

Lime is joining strong application groups for the bid submission for the 2020 Awards in Pre-defined Areas (APA) round. Lime has indentified strong prospects within its core areas near infrastructure, and intends to submit several licence applications. Concurrently, Lime is actively looking for opportunities to farm into wells scheduled for near-term drilling.

## **FINANCIAL POSITION AND OUTLOOK**

As at 31 December 2019, the Company's remains long-term debt-free and its war chest comprising cash, cash equivalents and quoted investments totaled US\$61.93 million.

"We are very pleased with the progress in Oman. This is a major milestone achieved. I commend the local team for the great execution. Progressing to production will fundamentally change our corporate profile. In Norway, we will see action in our existing portfolio in late August 2020 with our Group's participation in the drilling of the Appolonia well. We expect to maintain our high pace of exploration activities in 2021", said Mr Dan Broström, Executive Chairman of Rex.

The Group will update investors as and when there are material developments to its operational plans.

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**Disclaimer**

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**About Rex International Holding**

*Rex International Holding was listed on Singapore Exchange Securities Trading Limited's Catalist Board on 31 July 2013. The Company de-risks its portfolio of exploration and development assets using its proprietary liquid hydrocarbon indicator Rex Virtual Drilling technology to identify the location of oil reservoirs in the sub-surface through analysis of seismic data. Since the Company's listing, the Group has achieved three offshore discoveries, one in Oman and two in Norway. The Group also offers Rex Virtual Drilling screening services to other oil exploration companies as an additional tool to increase the success rate of finding oil.*

**Issued by Rex International Holding Limited**

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*This press release has been prepared by the Company and reviewed by the sponsor, Novus Corporate Finance Pte. Ltd. (the "Sponsor"), in compliance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist.*

*This press release has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this press release.*

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