

**REX INTERNATIONAL HOLDING LIMITED**

(Company Registration No.: 201301242M)

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**Unaudited Financial Statement and Dividend Announcement  
For the Third Quarter Ended 30 September 2016**

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**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 the Middle East respectively; an associate, Steeldrum Oil Company Inc. (“**Steeldrum**”) which holds interests in assets in Trinidad & Tobago; and an available-for-sale investment, Fram Exploration ASA (“**FRAM**”) which holds interests in assets in the United States of America. These offshore and onshore assets cover an aggregate area of over 28,000 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 30 September 2016 (“**3Q FY2016**”), and the nine-month period ended 30 September 2016 (“**9M FY2016**”).

**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			Group		
	Three Months Ended			Nine Months Ended		
	30-Sep-16	30-Sep-15	Change	30-Sep-16	30-Sep-15	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
	Unaudited	Unaudited		Unaudited	Unaudited	
<b>Revenue:</b>						
Service revenue	66	691	(90)	246	3,680	(93)
Oil and gas revenue	-	279	NM	-	1,493	NM
<b>Cost of sales:</b>						
Cost of services	(251)	(601)	(58)	(474)	(1,762)	(73)
Exploration and evaluation expenditure	(181)	(141)	28	(751)	(1,011)	(26)
<b>Gross (loss)/profit</b>	<b>(366)</b>	<b>228</b>	<b>(261)</b>	<b>(979)</b>	<b>2,400</b>	<b>(141)</b>
Administration expenses	(4,105)	(3,247)	26	(12,361)	(9,737)	27
Other income	240	136	77	1,137	757	50
<b>Results from operating activities</b>	<b>(4,231)</b>	<b>(2,883)</b>	<b>47</b>	<b>(12,203)</b>	<b>(6,580)</b>	<b>86</b>
Finance income	305	399	(24)	902	1,234	(27)
Foreign exchange (loss)/gain	(321)	(2,361)	(86)	399	(5,725)	NM
Finance costs	(950)	(47)	1921	(2,398)	(154)	1457
<b>Net finance costs</b>	<b>(966)</b>	<b>(2,009)</b>	<b>(52)</b>	<b>(1,097)</b>	<b>(4,645)</b>	<b>(76)</b>
Impairment of an available-for-sale investment	-	-	NA	-	(1,385)	NM
Impairment of a jointly controlled entity	-	(9,745)	NM	(1,246)	(9,745)	(87)
Impairment of exploration and evaluation assets	(26,687)	(11,329)	136	(26,687)	(11,329)	136
Share of equity-accounted losses of jointly controlled entities and an associate, net of tax	(416)	(2,416)	(83)	(1,720)	(6,794)	(75)
<b>Loss before tax</b>	<b>(32,300)</b>	<b>(28,382)</b>	<b>14</b>	<b>(42,953)</b>	<b>(40,478)</b>	<b>6</b>
Tax credit	19,576	-	NM	22,116	-	NM
<b>Loss for the period, net of tax</b>	<b>(12,724)</b>	<b>(28,382)</b>	<b>(55)</b>	<b>(20,837)</b>	<b>(40,478)</b>	<b>(49)</b>
<b>Loss attributable to:</b>						
Owners of the Company	(11,742)	(28,380)	(59)	(19,196)	(40,452)	(53)
Non-controlling interests	(982)	(2)	NM	(1,641)	(26)	NM
<b>Loss for the period, net of tax</b>	<b>(12,724)</b>	<b>(28,382)</b>	<b>(55)</b>	<b>(20,837)</b>	<b>(40,478)</b>	<b>(49)</b>

NM – Not Meaningful  
NA – Not Applicable

# Other comprehensive (loss)/ income

- Items that are or may be reclassified subsequently to profit or loss:

Net change in fair value of an available-for-sale investment, net of tax	641	(115)	NM	998	(1,500)	NM
Impairment loss on an available-for-sale investment reclassified to profit or loss, net of tax	-	-	NA	-	1,385	NM
Foreign currency translation differences from foreign operations	1,237	628	97	2,314	418	454
<b>Other comprehensive income for the period, net of tax</b>	<b>1,878</b>	<b>513</b>	<b>266</b>	<b>3,312</b>	<b>303</b>	<b>993</b>
<b>Total comprehensive loss for the period, net of tax</b>	<b>(10,846)</b>	<b>(27,869)</b>	<b>(61)</b>	<b>(17,525)</b>	<b>(40,175)</b>	<b>(56)</b>
<b>Total comprehensive loss attributable to:</b>						
Owners of the Company	(10,015)	(27,866)	(64)	(16,311)	(40,151)	(59)
Non-controlling interests	(831)	(3)	NM	(1,214)	(24)	NM
<b>Total comprehensive loss for the period</b>	<b>(10,846)</b>	<b>(27,869)</b>	<b>(61)</b>	<b>(17,525)</b>	<b>(40,175)</b>	<b>(56)</b>

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

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

	Group Three Months Ended			Group Nine Months Ended		
	30-Sep-16	30-Sep-15	Change	30-Sep-16	30-Sep-15	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
	Unaudited	Unaudited		Unaudited	Unaudited	
Depreciation of plant and equipment	(48)	(22)	118	(139)	(66)	111
Amortisation of exploration and evaluation assets	-	(202)	NM	-	(1,366)	NM
Amortisation of intangible assets	(212)	(212)	-	(637)	(637)	-
Write-off of doubtful receivables	(1,250)	-	NM	(1,250)	-	NM
Impairment of an available-for-sale investment	-	-	NA	-	(1,385)	NM
Impairment of a jointly controlled entity	-	(9,745)	NM	(1,246)	(9,745)	(87)
Impairment of exploration and evaluation assets	(26,687)	(11,329)	136	(26,687)	(11,329)	136
Change in fair value of quoted investments	204	(542)	NM	1,019	(597)	NM
Gain/ (loss) on disposal of quoted investments	26	(146)	NM	(81)	(94)	(14)

NM – Not Meaningful

NA – Not Applicable

**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	
	30-Sep-16	31-Dec-15	30-Sep-16	31-Dec-15
	US\$'000	US\$'000	US\$'000	US\$'000
	Unaudited	Audited	Unaudited	Audited
<b>Assets</b>				
Exploration and evaluation assets	77,318	59,472	-	-
Plant and equipment	258	337	32	59
Intangible assets	6,977	7,615	-	-
Subsidiaries	-	-	82,636	67,931
Jointly controlled entities <sup>(1)</sup>	2,798	5,444	-	-
Associate <sup>(2)</sup>	3,551	3,592	-	-
Available-for-sale investments <sup>(3)</sup>	1,699	701	1,699	701
Other receivables	21,773	-	-	-
<b>Non-current assets</b>	<b>114,374</b>	<b>77,161</b>	<b>84,367</b>	<b>68,691</b>
Inventories	3,188	2,717	-	-
Trade and other receivables	62,475	72,067	2,315 <sup>(4)</sup>	1,953 <sup>(4)</sup>
Quoted investments	37,704	31,630	37,704	31,495
Cash and cash equivalents	28,830	53,447	21,341	35,754
<b>Current assets</b>	<b>132,197</b>	<b>159,861</b>	<b>61,360</b>	<b>69,202</b>
<b>Total assets</b>	<b>246,571</b>	<b>237,022</b>	<b>145,727</b>	<b>137,893</b>
<b>Equity</b>				
Share capital	254,873	254,055	254,873	254,055
Reserves	9,431	6,841	2,418	1,744
Accumulated losses	(132,593)	(127,220)	(123,663)	(119,598)
<b>Total equity attributable to owners of the Company</b>	<b>131,711</b>	<b>133,676</b>	<b>133,628</b>	<b>136,201</b>
<b>Non-controlling interests</b>	<b>13,995</b>	<b>19,282</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>145,706</b>	<b>152,958</b>	<b>133,628</b>	<b>136,201</b>
<b>Liabilities</b>				
Deferred tax liabilities	15,469	13,862	-	-
Provisions	10,572	9,838	-	-
<b>Non-current liabilities</b>	<b>26,041</b>	<b>23,700</b>	<b>-</b>	<b>-</b>
Loan and borrowings	66,843	33,720	-	-
Trade and other payables	7,981	26,644	12,099 <sup>(4)</sup>	1,692 <sup>(4)</sup>
<b>Current liabilities</b>	<b>74,824</b>	<b>60,364</b>	<b>12,099</b>	<b>1,692</b>
<b>Total liabilities</b>	<b>100,865</b>	<b>84,064</b>	<b>12,099</b>	<b>1,692</b>
<b>Total equity and liabilities</b>	<b>246,571</b>	<b>237,022</b>	<b>145,727</b>	<b>137,893</b>

**Footnotes:**

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

Name of jointly controlled entities	Percentage of interest	
	30-Sep-16	31-Dec-15
Lime Petroleum Plc (" <b>Lime</b> ")	65.00%	65.00%
HiRex Petroleum Sdn Bhd (" <b>HiRex</b> ")	41.00%	41.00%
Rexonic AG (" <b>Rexonic</b> ")	50.00%	50.00%

- (2) Comprised the Company's effective equity interest of 36.86% in Steeldrum as at 30 September 2016 (31 December 2015: 36.86%).

- (3) Comprised the Group's investments in North Energy ASA ("**North Energy**") and FRAM.

- (4) Breakdown of receivables and payables:

	Company	
	30-Sep-16 US\$'000	31-Dec-15 US\$'000
Trade and other receivables	472	307
Amount due from subsidiaries	1,843	1,646
	<u>2,315</u>	<u>1,953</u>
Trade and other payables	1,017	352
Amount due to subsidiaries	11,082	1,340
	<u>12,099</u>	<u>1,692</u>

**1(b)(ii) Aggregate amount of group's borrowings and debt securities.**

**Amount repayable in one year or less, or on demand**

As at 30-Sep-16		As at 31-Dec-15	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
66,843	-	33,720	-

**Amount repayable after one year**

As at 30-Sep-16		As at 31-Dec-15	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
-	-	-	-

**Details of any collateral**

The credit facilities of the Group as at 30 September 2016 are secured by:

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

**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		Group	
	Three Months Ended		Nine Months Ended	
	30-Sep-16	30-Sep-15	30-Sep-16	30-Sep-15
	US\$'000	US\$'000	US\$'000	US\$'000
	Unaudited	Unaudited	Unaudited	Unaudited
<b>Cash flows from operating activities</b>				
Loss for the period before tax	(32,300)	(28,382)	(42,953)	(40,478)
Adjustments for:				
Depreciation	48	22	139	66
Amortisation of exploration and evaluation assets	-	202	-	1,366
Amortisation of intangible assets	212	212	637	637
Net finance costs/ (income)	645	(352)	1,496	(1,080)
Impairment of a jointly controlled entity	-	9,745	1,246	9,745
Impairment loss on an available-for-sale investment	-	-	-	1,385
Impairment of exploration and evaluation assets	26,687	11,329	26,687	11,329
Share of equity-accounted losses of jointly controlled entities and an associate, net of tax	416	2,416	1,720	6,794
Equity settled share-based payment transactions	220	329	524	842
Change in fair value of quoted investments	(204)	542	(1,019)	597
(Gain)/ loss on disposal of quoted investments	(26)	146	81	94
	(4,302)	(3,791)	(11,442)	(8,703)
Changes in working capital:				
- Inventories	13	(122)	(471)	(169)
- Trade and other receivables	324	99	9,591	1,059
- Trade and other payables	1,493	(287)	(18,664)	(1,833)
- Provisions	248	-	734	-
<b>Net cash used in operating activities</b>	<b>(2,224)</b>	<b>(4,101)</b>	<b>(20,252)</b>	<b>(9,646)</b>

**Cash flows from investing activities**

Interest received	305	399	902	1,234
Proceeds from partial disposal of subsidiaries	-	-	9,750	-
Investments in jointly controlled entities	(500)	-	(500)	(12,172)
Investment in an associate	(332)	(11,720)	(332)	(11,720)
Purchase of an available-for-sale investment	-	-	-	(1,789)
Purchase of quoted investments	(5,233)	(1,378)	(7,268)	(6,000)
Proceeds from disposal of quoted investments	-	-	2,133	-
Exploration and evaluation expenditure	(6,474)	(2,388)	(44,533)	(5,168)
Purchase of plant and equipment	(8)	(13)	(60)	(89)
<b>Net cash used in investing activities</b>	<b>(12,242)</b>	<b>(15,100)</b>	<b>(39,908)</b>	<b>(35,704)</b>

**Cash flows from financing activities**

Interest paid	(950)	(47)	(2,398)	(154)
Proceeds from borrowings	6,306	-	33,769	-
<b>Net cash from/ (used in) financing activities</b>	<b>5,356</b>	<b>(47)</b>	<b>31,371</b>	<b>(154)</b>

**Net decrease in cash and cash equivalents**

	(9,110)	(19,248)	(28,789)	(45,504)
Cash and cash equivalents at beginning of the period	36,266	60,686	53,447	87,131
Effect of exchange rate changes on balances held in foreign currency	1,674	450	4,172	261
Cash and cash equivalents at end of the period	<b>28,830</b>	<b>41,888</b>	<b>28,830</b>	<b>41,888</b>

**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	
<b>Group (Unaudited)</b>									
At 1 January 2016	254,055	4,129	1,080	-	1,239	393	(127,220)	133,676	152,958
<b>Total comprehensive loss for the period</b>									
Loss for the period	-	-	-	-	-	-	(7,454)	(7,454)	(8,113)
<b>Other comprehensive income</b>									
Foreign currency translation differences	-	-	-	-	-	801	-	801	1,077
Net change in fair value of available-for-sale investment, net of tax	-	-	-	357	-	-	-	357	357
<b>Total other comprehensive loss</b>	-	-	-	357	-	801	-	1,158	1,434
<b>Total comprehensive loss for the period</b>	-	-	-	357	-	801	(7,454)	(6,296)	(6,679)
<b>Transactions with owners, recognised directly in equity</b>									
<b>Contributions by and distributions to owners</b>									
Issuance of shares	818	-	-	-	(759)	-	-	59	59
Share-based payment transactions – employee share option scheme and performance share plan	-	-	-	-	245	-	-	245	245
<b>Total contributions by and distributions to owners</b>	818	-	-	-	(514)	-	-	304	304
<b>Changes in ownership interests in subsidiaries</b>									
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	3,749	3,749	(3,749)
Partial disposal of subsidiaries without a change in control	-	-	-	-	-	-	4,652	4,652	5,098
<b>Total changes in ownership interests in subsidiaries</b>	-	-	-	-	-	-	8,401	8,401	1,349
<b>Total transactions with owners</b>	818	-	-	-	(514)	-	8,401	8,705	10,054
At 30 June 2016	254,873	4,129	1,080	357	725	1,194	(126,273)	136,085	156,333



	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	
<b>Group (Unaudited)</b>									
At 1 July 2016	254,873	4,129	1,080	357	725	1,194	(126,273)	136,085	20,248 156,333
<b>Total comprehensive loss for the period</b>									
Loss for the period	-	-	-	-	-	-	(11,742)	(11,742)	(982) (12,724)
<b>Other comprehensive income</b>									
Foreign currency translation differences	-	-	-	-	-	1,086	-	1,086	151 1,237
Net change in fair value of available-for-sale investment, net of tax	-	-	-	641	-	-	-	641	- 641
<b>Total other comprehensive loss</b>	-	-	-	641	-	1,086	-	1,727	151 1,878
<b>Total comprehensive loss for the period</b>	-	-	-	641	-	1,086	(11,742)	(10,015)	(831) (10,846)
<b>Transactions with owners, recognised directly in equity</b>									
<b>Contributions by and distributions to owners</b>									
Share-based payment transactions – employee share option scheme and performance share plan, representing total contributions by and distributions to owners	-	-	-	-	219	-	-	219	- 219
<b>Changes in ownership interests in subsidiaries</b>									
Acquisition of non-controlling interests without a change in control, representing total changes in ownership interests in subsidiaries	-	-	-	-	-	-	5,422	5,422	(5,422) -
<b>Total transactions with owners</b>	-	-	-	-	219	-	5,422	5,641	(5,422) 219
<b>At 30 September 2016</b>	<b>254,873</b>	<b>4,129</b>	<b>1,080</b>	<b>998</b>	<b>944</b>	<b>2,280</b>	<b>(132,593)</b>	<b>131,711</b>	<b>13,995 145,706</b>

	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	
<b>Group (Unaudited)</b>									
At 1 January 2015	253,713	4,129	1,080	-	405	314	(70,590)	189,051	426 189,477
<b>Total comprehensive loss for the period</b>									
Loss for the period	-	-	-	-	-	-	(12,072)	(12,072)	(24) (12,096)
<b>Other comprehensive income</b>									
Foreign currency translation differences	-	-	-	-	-	(213)	-	(213)	3 (210)
Net change in fair value of available-for-sale investment, net of tax	-	-	-	(1,385)	-	-	-	(1,385)	- (1,385)
Impairment loss of an available-for-sale investment	-	-	-	1,385	-	-	-	1,385	- 1,385
<b>Total other comprehensive loss</b>	-	-	-	-	-	(213)	-	(213)	3 (210)
<b>Total comprehensive loss for the period</b>	-	-	-	-	-	(213)	(12,072)	(12,285)	(21) (12,306)
<b>Transactions with owners, recognised directly in equity</b>									
<b>Contributions by and distributions to owners</b>									
Issuance of shares	342	-	-	-	-	-	-	342	- 342
Share-based payment transactions – employee share option scheme and performance share plan	-	-	-	-	343	-	-	343	- 343
<b>Total transactions with owners</b>	342	-	-	-	343	-	-	685	- 685
At 30 June 2015	254,055	4,129	1,080	-	748	101	(82,662)	177,451	405 176,856

	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		
At 1 July 2015	254,055	4,129	1,080	-	748	101	(82,662)	177,451	405	177,856
<b>Total comprehensive loss for the period</b>										
Loss for the period	-	-	-	-	-	-	(28,380)	(28,380)	(2)	(28,382)
<b>Other comprehensive income</b>										
Foreign currency translation differences	-	-	-	-	-	629	-	629	(1)	628
Net change in fair value of available-for-sale investment	-	-	-	(115)	-	-	-	(115)	-	(115)
<b>Total comprehensive loss for the period</b>	-	-	-	(115)	-	629	(28,380)	(27,866)	(3)	(27,869)
<b>Transactions with owners, recognised directly in equity</b>										
Share-based payment transactions, representing total transactions with owners	-	-	-	-	248	-	-	248	-	248
<b>At 30 September 2015</b>	254,055	4,129	1,080	(115)	996	730	(111,042)	149,833	402	150,235

	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
<b><u>Company (Unaudited)</u></b>						
At 1 January 2016	254,055	505	-	1,239	(119,598)	136,201
<b>Total comprehensive loss for the period</b>						
Loss for the period	-	-	-	-	(2,758)	(2,758)
<b>Other comprehensive income</b>						
Net change in fair value of an available- for-sale investment, net of tax	-	-	357	-	-	357
<b>Total other comprehensive loss</b>	-	-	357	-	-	357
<b>Total comprehensive loss for the period</b>	-	-	357	-	(2,758)	(2,401)
<b>Transactions with owners, recognised directly in equity</b>						
<b>Contributions by and distributions to owners</b>						
Issuance of shares	818	-	-	(759)	-	59
Share-based payment transactions – employee share option scheme and performance share plan	-	-	-	226	-	226
<b>Total transactions with shareholders</b>	818	-	-	(533)	-	285
<b>At 30 June 2016</b>	254,873	505	357	706	(122,356)	134,085

	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
<b><u>Company (Unaudited)</u></b>						
At 1 July 2016	254,873	505	357	706	(122,356)	134,085
<b>Total comprehensive loss for the period</b>						
Loss for the period	-	-	-	-	(1,307)	(1,307)
<b>Other comprehensive income</b>						
Net change in fair value of an available- for-sale investment, net of tax	-	-	641	-	-	641
<b>Total other comprehensive loss</b>	-	-	641	-	-	641
<b>Total comprehensive loss for the period</b>	-	-	641	-	(1,307)	(666)
<b>Transactions with owners, recognised directly in equity</b>						
<b>Contributions by and distributions to owners</b>						
Share-based payment transactions – performance share plan, representing total transactions with shareholders	-	-	-	209	-	209
<b>At 30 September 2016</b>	254,873	505	998	915	(123,663)	133,628

	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
<b><u>Company (Unaudited)</u></b>						
At 1 January 2015	253,713	505	-	405	(61,723)	192,900
<b>Total comprehensive loss for the period</b>						
Loss for the period	-	-	-	-	(7,725)	(7,725)
<b>Other comprehensive income</b>						
Net change in fair value of an available- for-sale investment, net of tax	-	-	(1,385)	-	-	(1,385)
	-	-	1,385	-	-	1,385
<b>Total other comprehensive loss</b>	-	-	-	-	-	-
<b>Total comprehensive loss for the period</b>	-	-	-	-	(7,725)	(7,725)
<b>Transactions with owners, recognised directly in equity</b>						
<b>Contributions by and distributions to owners</b>						
Issuance of shares	342	-	-	-	-	342
Share-based payment transactions – employee share option scheme and performance share plan	-	-	-	343	-	343
<b>Total transactions with shareholders</b>	342	-	-	343	-	685
<b>At 30 June 2015</b>	<b>254,055</b>	<b>505</b>	<b>-</b>	<b>748</b>	<b>(69,448)</b>	<b>185,860</b>

	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
At 1 July 2015	254,055	505	-	748	(69,448)	185,860
<b>Total comprehensive loss for the period</b>						
Loss for the period	-	-	-	-	(4,321)	(4,321)
<b>Other comprehensive income</b>						
Net change in fair value of an available-for-sale investment	-	-	(115)	-	-	(115)
<b>Total comprehensive loss for the period</b>	-	-	(115)	-	(4,321)	(4,436)
<b>Transactions with owners, recognised directly in equity</b>						
<b>Contributions by and distributions to owners</b>						
Share-based payment transactions, representing total transactions with owners	-	-	-	248	-	248
<b>At 30 September 2015</b>	<b>254,055</b>	<b>505</b>	<b>(115)</b>	<b>996</b>	<b>(73,769)</b>	<b>181,672</b>

- 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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.**

#### Share Capital

The Company's issued and fully paid-up capital as at 30 September 2016 comprised 1,267,421,563 (30 June 2016: 1,267,421,563) ordinary shares. The Company did not issue any new shares during 3Q FY2016.

#### 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-Jul-16	Options granted in 3Q FY2016	Options exercised in 3Q FY2016	Options cancelled in 3Q FY2016	Number of Options outstanding at 30-Sep-16	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
		3,037,500	-	-	-	3,037,500	

No new Option had been granted under the ESOS in 3Q FY2016. No Option was exercised or cancelled in 3Q FY2016. The total number of Options outstanding as at 30 September 2016 was 3,037,500 which would be exercisable into 3,037,500 shares (30 September 2015: 3,037,500 Options exercisable into 3,037,500 shares).

#### Performance Shares Plan (the "PSP")

##### ***Grant of Awards***

- On 29 April 2016, the Company granted awards of ordinary shares ("**Awards**") of up to 11,407,100 shares in the capital of the Company pursuant to its PSP to associates of a controlling shareholder of the Company, which was approved by the shareholders at the Company's Annual General Meeting held on 29 April 2016. The closing market price of the Company's shares on 29 April 2016 was S\$0.096 per share.

Please refer to the Company's announcement dated 29 April 2016 for further details.



- On 3 March 2016, the Company granted Awards of up to 29,779,500 shares in the capital of the Company pursuant to its PSP to eligible participants. Depending on the achievement of pre-determined targets over a two-year performance period, the actual number of shares to be delivered pursuant to the Awards granted could range from 0% to 100% of the number of shares which are the subject of the Awards granted.

None of the 29,779,500 shares which are the subject of the Awards granted on 3 March 2016 were granted to directors and controlling shareholders or their associates. The closing market price of the Company's shares on 3 March 2016 was S\$0.088 per share.

Please refer to the Company's announcement dated 3 March 2016 for further details.

In 2Q FY2016, 2,920,900 Awards were cancelled due to the cessation of employment of an eligible employee.

- On 23 February 2015, the Company granted Awards of up to an aggregate of 2,102,700 shares pursuant to its PSP to eligible participants. None of the 2,102,700 shares which are the subject of the Awards granted on 23 February 2015 were granted to directors and controlling shareholders or their associates.

The Company also granted Awards of 1,161,600 shares to Mr Måns Lidgren, an associate of a controlling shareholder of the Company, under the PSP which was approved by shareholders at the Company's Annual General Meeting held on 30 April 2015.

The closing market prices of the Company's shares on 23 February 2015 and 30 April 2015 were S\$0.365 and S\$0.315 per share respectively.

#### ***Vesting of Awards Granted***

No Awards granted had vested in 3Q FY2016.

On 29 February 2016 and 3 May 2016, the Company issued and allotted 2,102,700 and 1,161,600 new ordinary shares in the Company pursuant to the vesting of the Awards granted to eligible participants and to Mr Måns Lidgren, an associate of a controlling shareholder of the Company, respectively, based on the achievement of pre-determined performance goals set for the financial year ended 31 December 2014 and the satisfactory completion of time-based service conditions under the PSP.

Please refer to the Company's announcements dated 29 February 2016 and 3 May 2016 for further details.

Details of the Awards granted but not yet vested as at 1 July 2016 are as follows:

Date of grant of Award	Number of shares which are the subject of Awards granted as at 1-Jul-16	Number of shares which are the subject of Awards granted in 3Q FY2016	Number of shares which are the subject of Awards which had lapsed/ cancelled in 3Q FY2016	Number of shares which are the subject of Awards vested in 3Q FY2016	Number of shares which are the subject of Awards granted as at 30-Sep-16	Number of holders
03.03.16	26,858,600 <sup>(1)</sup>	-	-	-	26,858,600	15
29.04.16	11,407,100 <sup>(1)</sup>	-	-	-	11,407,100	4
	<u>38,265,700</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,265,700</u>	

<sup>(1)</sup> 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 30 September 2016 is 38,265,700 shares (30 September 2015: 3,264,300 shares).

Save for the aforementioned Options and Awards, the Company did not have any other outstanding convertibles or treasury shares as at 30 September 2016 and 30 September 2015.

**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	
30-Sep-16	31-Dec-15	30-Sep-16	31-Dec-15

Total number of  
issued shares  
excluding treasury  
shares

1,267,421,563    1,264,157,263    1,267,421,563    1,264,157,263

The Company did not have any treasury shares as at 30 September 2016 and 31 December 2015.

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

Not applicable.

**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 2015 except for the adoption of accounting standards and interpretations applicable for the financial period beginning 1 January 2016.

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 2016 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).**

Loss per ordinary share ("LPS")	Group		Group	
	Three months ended		Nine months ended	
	30-Sep-16	30-Sep-15	30-Sep-16	30-Sep-15
Net loss attributable to shareholders of the Company (US\$)	(11,742,000)	(28,380,000)	(19,196,000)	(40,452,000)
Weighted average number of ordinary shares	1,267,421,563	1,264,157,263	1,266,447,344	1,264,104,516
Basic and fully diluted LPS (US cents)	(0.93)	(2.24)	(1.52)	(3.20)

The basic and fully diluted LPS are the same as the effects of anti-dilutive potential ordinary shares and 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	
	30-Sep-16	31-Dec-15	30-Sep-16	31-Dec-15
Net asset value <sup>#</sup> (US\$)	131,711,000	133,676,000	133,628,000	136,201,000
Total number of issued shares excluding treasury shares	1,267,421,563	1,264,157,263	1,267,421,563	1,264,157,263
Net asset value per ordinary share based on number of shares in issue as at the end of the financial period/ year (US cents)	10.39	10.57	10.54	10.77

<sup>#</sup> 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 service revenue of US\$0.07 million and US\$0.69 million in 3Q FY2016 and in the three-month period ended 30 September 2015 ("**3Q FY2015**"), respectively, from technical services rendered to clients by RTM. The decrease in service revenue was mainly due to a significant portion of technical services in 3Q FY2016 being rendered to the Company's subsidiaries, LPN and MOL, which hold key discovery assets in Norway and Oman. Service revenue earned from these subsidiaries was eliminated in the Group's consolidated results following the restructuring exercise in the three-month period ended 31 December 2015 ("**4Q FY2015**"), pursuant to which LPN and MOL became subsidiaries of the Group.

Oil and gas revenue of US\$0.28 million recorded in 3Q FY2015 arose from the sale of oil and gas by Caribbean Rex Limited ("**Caribbean Rex**"). Subsequent to the merger of Caribbean Rex's assets into Steeldrum in 4Q FY2015, Caribbean Rex ceased to be a subsidiary of the Company as the Company's effective equity interest in Caribbean Rex had been reduced to 36.86%. Accordingly, the results of Caribbean Rex were equity accounted for under the associate, Steeldrum. As such, no oil and gas revenue was recorded in 3Q FY2016.

The decrease in cost of service from US\$0.60 million in 3Q FY2015 to US\$0.25 million in 3Q FY2016 was in line with the decrease in service revenue as explained above.

The Group recorded a gross loss of US\$0.37 million in 3Q FY2016, as opposed to a gross profit of US\$0.23 million in 3Q FY2015, mainly due to the decrease in service revenue recorded by RTM and the absence of oil and gas revenue in 3Q FY2016, subsequent to the merger of Caribbean Rex's assets into Steeldrum as explained above.

Administrative expenses increased to US\$4.11 million in 3Q FY2016, from US\$3.25 million in 3Q FY2015, mainly due to the write-off of US\$1.25 million in doubtful receivables in 3Q FY2016, which was deemed unrecoverable.

No amortisation expense was recorded in 3Q FY2016 in relation to the exploration and evaluation assets ("**E&E assets**"), as LPN and MOL were involved in exploration and evaluation activities. US\$0.20 million of amortisation expense was recorded in 3Q FY2015 in relation to the E&E assets in Caribbean Rex which were in the development stage.

Finance income of US\$0.31 million and US\$0.40 million were recorded in 3Q FY2016 and 3Q FY2015 respectively, which arose from interest income on funds invested, including quoted debt securities.

Finance costs increased to US\$0.95 million in 3Q FY2016, from US\$0.05 million in 3Q FY2015. There was no bank borrowing in 3Q FY2015, and the finance costs in 3Q FY2016 were mainly related to bank borrowings incurred by LPN for the drilling activities in Norway, subsequent to the consolidation of the results of LPN which became the subsidiary of the Group in 4Q FY2015.

The Group recorded a net foreign exchange loss of US\$0.32 million in 3Q FY2016 as a result of the weakening of the Singapore dollar ("**SGD**") against the United States dollar ("**USD**"). A portion of the Group's cash and cash equivalents was denominated in SGD as at 30 September 2016, and the Group's presentation currency was in USD.

Comparatively in 3Q FY2015, the Group recorded a net foreign exchange loss of US\$2.36 million. The decrease in net foreign exchange loss by 86% in 3Q FY2016 was due to 1) smaller portion of the Group's cash and cash equivalents held in SGD in 3Q FY2016, and 2) smaller depreciation of SGD against USD of approximately 1.23% in 3Q FY2016 as compared to depreciation of SGD against USD of approximately 5.78% in 3Q FY2015.

The Group recorded its share of equity-accounted losses from an associate and jointly controlled entities of US\$0.42 million in 3Q FY2016, as compared to US\$2.42 million in 3Q FY2015. The decrease was primarily due to the consolidation of the results of LPN and MOL, which became subsidiaries of the Group in 4Q FY2015. Comparatively in 3Q FY2015, the results of LPN and MOL were equity-accounted for under a jointly controlled entity, Lime.

The share of equity-accounted losses from jointly controlled entities of US\$0.34 million in 3Q FY2016 was primarily due to losses from Rexonic as a result of expenses incurred in relation to its operating activities and the development of the well stimulation business. Investment in HiRex had been fully written-off as at 30 June 2016 and there was no carrying value in the investment in Lime as at 31 December 2015, following a restructuring exercise in 4Q FY2015. As such, no further share of results from these two jointly controlled entities was recognised in 3Q FY2016.

The share of equity-accounted losses from an associate, Steeldrum, of US\$0.08 million in 3Q FY2016 was due to expenses incurred in relation to its operating activities. The Group did not have any associate in 3Q FY2015.

In 3Q FY2015, the Group recognised an impairment loss of US\$9.75 million in relation to its investment in Rexonic, subsequent to the Group's assessment of the potential fair value of the investment.

The Group had in 3Q FY2016 relinquished two of the Group's licences in Norway, PL544 and PL616, as a result of a dry well in PL544 and no possibility of commercialisation for PL616. Following such relinquishment, the Group recognised total impairment loss of US\$26.69 million on its E&E assets. After taking in the effect of the corresponding write-down of the related deferred tax liability of US\$17.94 million, the net impact of the relinquishment of the two licences in Norway was a loss of US\$8.75 million.

In 3Q FY2015, the Group assessed the potential recoverable value of its E&E assets in Caribbean Rex, and had written-off US\$11.33 million of its carrying value to the profit or loss, after taking into consideration the then continual depressed oil prices and the challenging economic environment.

The Group recorded a tax credit of US\$19.58 million in 3Q FY2016 in relation to the tax refund from the Norwegian authorities in relation to exploration costs incurred in Norway (net of write-down of deferred tax of US\$17.94 million from relinquishment of two of the Group's licences in Norway).

Overall, the Group registered a lower total comprehensive loss of US\$10.85 million in 3Q FY2016 as compared to US\$27.87 million in 3Q FY2015.

#### Statement of Financial Position

Non-current assets of the Group increased to US\$114.37 million as at 30 September 2016, from US\$77.16 million as at 31 December 2015. The increase was mainly due to E&E expenditure in LPN and MOL of US\$17.84 million (net of impairment loss of US\$26.69 million) pursuant to the drilling activities in Norway and Oman, and the recognition of long-term income tax receivables from the Norwegian authorities amounting to US\$21.77 million for exploration costs incurred in 9M FY2016. The increase was partially offset by a US\$1.25 million write-off of a jointly controlled entity, Hirex in 9M FY2016.

Jointly controlled entities decreased to US\$2.80 million as at 30 September 2016, from US\$5.44 million as at 31 December 2015, mainly due to recognition of the Group's share of losses of US\$1.35 million in Rexonic and HiRex, and a write-off of US\$1.25 million in relation to its investment in HiRex in 9M FY2016.

Inventories increased to US\$3.19 million as at 30 September 2016, from US\$2.72 million as at 31 December 2015, due to the drilling activities in Oman in 9M FY2016.

Trade and other receivables of the Group decreased to US\$62.48 million as at 30 September 2016, from US\$72.07 million as at 31 December 2015. The decrease was largely due to the receipt of outstanding receivables and amortisation of prepaid expenses to operators in relation to drilling activities in Norway.

Quoted investments increased to US\$37.70 million as at 30 September 2016, from US\$31.63 million as at 31 December 2015, due to the purchase of debt securities in 9M FY2016.

The Group recorded long-term decommissioning provisions of US\$10.57 million and US\$9.84 million as at 30 September 2016 and 31 December 2015 respectively, in relation to exploration activities undertaken by MOL.

Deferred tax liabilities increased to US\$15.47 million as at 30 September 2016, from US\$13.86 million as at 31 December 2015 (net of write-down of deferred tax liability of US\$17.94 million from relinquishment of two of the Group's licences in Norway) due to an increase in capitalised exploration and evaluation costs in LPN, as a result of increased drilling activities in Norway in 9M FY2016.

Short-term bank borrowings increased to US\$66.84 million as at 30 September 2016, from US\$33.72 million as at 31 December 2015, due to further drawdown of credit facilities to fund drilling activities in Norway. 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 decreased to US\$7.98 million as at 30 September 2016, from US\$26.64 million as at 31 December 2015, mainly due to payment of office related accrued expenses and exploration costs in relation to certain licences in LPN in 9M FY2016.

Working capital decreased to US\$57.37 million as at 30 September 2016, from US\$99.50 million as at 31 December 2015. The decrease in working capital was largely due to an increase in bank borrowings, an increase in decommissioning provisions and a decrease in cash and cash equivalents as a result of exploration and evaluation expenditures and operational expenses incurred in 9M FY2016 as explained above.

#### Statement of Cash Flows

The Group reported an outflow in net cash used in operating activities of US\$2.22 million in 3Q FY2016, after accounting for movements in working capital. This was primarily due to changes in working capital, administrative and operational expenses, as well as consultancy and professional fees incurred in relation to the Group's business.

Net cash used in investing activities of US\$12.24 million in 3Q FY2016 was largely attributable to the purchase of quoted investments of US\$5.23 million, investment in a jointly controlled entity, Rexonic, of US\$0.50 million, investment in an associate, Steeldrum, of US\$0.33 million, and exploration and evaluation expenditure of US\$6.47 million, which was incurred for drilling activities undertaken by LPN and MOL.

Net cash from financing activities of US\$5.36 million in 3Q FY2016 was attributable to proceeds from borrowings of US\$6.31 million for drilling activities in Norway, and was partially offset of payment of interest expense of US\$0.95 million, which arose from bank borrowings.

The Group recorded an overall net decrease in cash and cash equivalents of US\$9.11 million in 3Q FY2016. As at 30 September 2016, the Group's cash and cash equivalents stood at US\$28.83 million and quoted investments stood at US\$37.70 million. The Group's total cash and cash equivalents and quoted investments amounted to US\$66.53 million as at 30 September 2016, as compared to US\$85.08 million as at 31 December 2015, which comprised cash and cash equivalents of US\$53.45 million and quoted investments of US\$31.63 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.**

Oil prices remained range-bound at around US\$40 to around US\$50 a barrel for 3Q FY2016.<sup>1</sup> During this period, mixed news on global oil output led to Brent hitting a low of US\$42 a barrel and a high of US\$51 a barrel.<sup>1</sup> Despite continued increases in global oil inventories and US oil rig counts, 3Q FY2016 ended on a bullish note, as markets were buoyed by OPEC's decision in end September 2016 to cut oil production to between 32.5 to 33 million barrels a day.<sup>2</sup> However, a Reuters poll in early October 2016 showed that analysts were unconvinced that oil prices would go much higher, even if OPEC producers were to reach an agreement on targets for each country at the next meeting in end November 2016.<sup>3</sup>

The US Energy Information Administration (EIA) forecasts Brent prices to average US\$45 a barrel during the fourth quarter of 2016 and US\$52 a barrel in 2017.<sup>4</sup> This is in line with the Group's expectations that oil prices will remain range-bound for the rest of 2016. The Group will remain highly selective with new exploration drillings in its focus areas of Oman and Norway even though it is in a healthy cash position. The Group will continue to develop its existing entities to generate cash flow in 2017, including pursuing a farm-out campaign in Oman and further developing the new multi-attribute version of Rex Virtual Drilling for greater chance of commercial oil discoveries.

The Group will update the market as and when there are material developments to its operational plan.

<sup>1</sup> Bloomberg data

<sup>2</sup> Bloomberg, OPEC agrees to first oil output cut in eight years, 29 September 2016

<http://www.bloomberg.com/news/articles/2016-09-28/opec-said-to-agree-on-first-oil-output-cut-in-eight-years>

<sup>3</sup> CNBC: Oil prices fall over doubts that non-OPEC producers will cut output, 10 October 2016

<http://www.cnbc.com/2016/10/09/oil-prices-fall-over-doubts-that-non-opec-producers-will-cut-output.html>

<sup>4</sup> US Energy Information Administration (EIA), Short-term Energy Outlook, 7 September 2016

[https://www.eia.gov/forecasts/steo/report/global\\_oil.cfm](https://www.eia.gov/forecasts/steo/report/global_oil.cfm)

**11. Dividend**

**a) Current financial period reported on**

No dividend has been declared or recommended for 3Q FY2016.

**b) Corresponding period to immediately preceding financial year**

No dividend has been declared or recommended for 3Q FY2015.

**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 3Q FY2016.



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 3Q FY2016.

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 S\$'000	Amount redeployed S\$'000	Amount utilised S\$'000	Balance S\$'000
<b>Initial Public Offering</b>				
Investment in new oil and gas opportunities	15,690	2,282 <sup>(2)</sup>	(17,972)	-
Drilling in Middle East concessions	12,383	(3,598) <sup>(1)(2)</sup>	(8,581)	204
Drilling in Norwegian Licences	23,637	1,316 <sup>(1)</sup>	(24,953)	-
Repayment of loan to Rex Partners	2,354	-	(2,354)	-
General working capital	25,886	(1,704) <sup>(3)</sup>	(24,182) <sup>(4)</sup>	-
Listing expenses to be borne by the Company	5,300	1,704 <sup>(3)</sup>	(7,004)	-
<b>Total</b>	<b>85,250</b>	<b>-</b>	<b>(85,046)</b>	<b>204</b>
<b>2013 Placement<sup>(5)</sup></b>				
Exploration and drilling activities in new opportunities in the Asia-Pacific region	17,856	(15,960) <sup>(9)(10)</sup>	-	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	-	(15,807)	421
Share buyback mandate	-	5,960 <sup>(9)</sup>	-	5,960
General working capital	-	10,000 <sup>(10)</sup>	(5,584) <sup>(4)</sup>	4,416
<b>Total</b>	<b>50,871</b>	<b>-</b>	<b>(31,910)</b>	<b>18,961</b>

## **2014 Placement** <sup>(6)</sup>

### **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)<sup>(7)</sup> 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 - (49,557) 6,649

### **20% of net proceeds to be used for:**

Existing and potential new business opportunities

18,735 - (16,775)<sup>(8)</sup> 1,960

### **Total**

**93,676 - (81,571) 12,105**

## **Footnotes:**

- <sup>(1)</sup> S\$1.32 million was redeployed in the three-month period ended 31 March 2015 for drilling in Norwegian licences.
- <sup>(2)</sup> 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.
- <sup>(3)</sup> S\$1.70 million was redeployed to listing expenses to be borne by the Company.
- <sup>(4)</sup> S\$29.77 million was used for Singapore's office staff cost and operational expenses, consultancy and professional fees.
- <sup>(5)</sup> 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).
- <sup>(6)</sup> 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).
- <sup>(7)</sup> 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.
- <sup>(8)</sup> 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.
- <sup>(9)</sup> 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.
- <sup>(10)</sup> S\$10.00 million was redeployed to general working capital for the financial years ending 31 December 2016 and 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 3Q FY2016

Purpose	Amount
	US\$'000
Exploration and drilling activities in Norway	1,229
Exploration and drilling activities in Oman	1,439
Exploration and drilling activities in Trinidad & Tobago	330
Investment in oil and gas opportunities in Switzerland	500
General working capital	1,402
<b>Total</b>	<b>4,900</b>

In 3Q FY2016, US\$1.23 million, US\$1.44 million and US\$0.33 million were used for drilling activities in Norway, Oman and Trinidad & Tobago respectively. US\$0.50 million was used as capital injection in Rexonic for its well stimulation activities, and to supplement its working capital. US\$1.40 million was used for the Singapore office's staff costs and operational expenses, consultancy and professional fees.

The actual use of funds for 3Q FY2016 amounted to US\$4.90 million, which was US\$2.55 million lower than that projected in 2Q FY2016. Less funds were used for drilling activities in Oman mainly due to slowdown of drilling activities in Oman following the Manarah-1 well drilling in April 2016 requiring further post well studies to be made before proceeding with the drilling program in Block 50. Also, less funds were used in Norway due to less drilling activities during the quarter.

Projection on the use of funds/ cash in 4Q FY2016

Purpose	Amount
	US\$'000
Exploration and drilling activities in Oman	1,900
Exploration and drilling activities in Norway	778*
General working capital	1,420
<b>Total</b>	<b>4,098</b>

- \* 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 3Q FY2016, the Group incurred US\$3.03 million and US\$5.92 million for drilling activities in Oman and Norway respectively.

The Group's exploration work is an ongoing process. The exploration activities fulfilled in 3Q FY2016 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.

#### Trinidad & Tobago

The Singapore Exchange Securities Trading Limited (the "SGX-ST") had on 29 March 2016 granted the Company a one-off exemption from compliance with the requirement under Rules 1204(23)(a) and 1204(23)(c) of the SGX-ST Listing Manual Section B: Rules of Catalist ("Catalist Rules") to include a qualified person's report ("QPR") and a summary of reserves and resources as set out in Appendix 7D of the Catalist Rules supported by a QPR in the Company's annual report for the financial year ended 31 December 2015 in respect of the Company's South Erin Block production assets in Trinidad & Tobago. Please refer to the Company's announcement dated 29 March 2016 for further details.

The Company had obtained a letter from Steeldrum confirming that there are no significant changes to the South Erin Block assets, given that there have been no new discoveries in the past year (FY2015). Accordingly, shareholders should refer to the QPR dated 31 December 2014 which was prepared and issued by RPS Energy Consultants Limited in respect of the South Erin Block assets ("2014 QPR"). The 2014 QPR, which was included in the Company's annual report for the financial year ended 31 December 2014, is available on SGXNET and the Company's website [www.rexih.com](http://www.rexih.com)

**19. Negative Confirmation by the Board pursuant to Rule 705(5) and Rule 705(6)(b) of Catalist 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 3Q FY2016 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

10 November 2016

*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.*