DRILLING DOWN SPREADING OUT

ANNUAL REPORT 2023

REX INTERNATIONAL HOLDING LIMITED

REX
change the game

CONTENTS

CORPORATE PROFILE

A multinational oil exploration and production company listed on Singapore Exchange's Mainboard

Rex International Holding Limited ("**Rex International Holding**", "**Rex**" or the "**Company**", and together with its subsidiaries, the "**Group**") is a multinational oil exploration and production ("**E&P**") company listed on the Mainboard of the Singapore Exchange Securities Trading Limited.

The Group has interests in exploration and production licences in Oman, Norway and Benin, and holds operatorship for the assets in Oman and Benin. The Group de-risks its portfolio of exploration and development assets using its proprietary liquid hydrocarbon indicator Rex Virtual Drilling technology, which can identify liquids in the sub-surface using seismic data. Since the Company's listing in July 2013, the Group has achieved four offshore discoveries, one in Oman and three in Norway.

VISION

Rex International Holding's vision is to be a leading independent energy company with an international portfolio of concessions and energy-related businesses driven by technology and scientific innovation.

VALUES

INNOVATION

Game-changing, environmentally friendly technologies that will transform the energy industry.

INTEGRITY

Trustworthy in both words and actions, in all business dealings.

ENTREPRENEURSHIP

Our forward-looking, agile and entrepreneurial team aims to create long-term value for all stakeholders.

GROUP STRUCTURE

REX INTERNATIONAL HOLDING LIMITED

OIL & GAS EXPLORATON & PRODUCTION

LIME PETROLEUM AS
91.65%
15 offshore concessions
NORWAY

MASIRAH OIL LTD
91.81%
1 offshore concession
OMAN

AKRAKE PETROLEUM BENIN SA
70%
1 offshore concessions
BENIN

TECHNOLOGY SERVICES

REX TECHNOLOGY INVESTMENTS PTE. LTD.
100%

COMMERCIAL DRONES

XER TECHNOLOGIES PTE. LTD.
53.33%

MED-TECH/LIFE SCIENCE

MOROXITE T AB
70%

All percentages represent effective equity interest in significant and core entities held by the Group as at 20 March 2024.

FINANCIAL HIGHLIGHTS

GROUP

US$'000	FY2023	FY2022
Revenue from sale of crude oil and gas	207,015	170,259
Adjusted EBITDA#	93,817	61,654
(Loss)/profit for the year, net of tax	(69,362)	353
Total comprehensive loss for the year, net of tax	(71,847)	(4,704)
Loss per share (US cents)	(4.91)	(0.08)

US$'000	31 Dec 2023	31 Dec 2022
Non-current assets	403,500	427,964
Current assets	209,723	240,594
Total assets	**613,223**	**668,558**
Non-current liabilities	365,245	336,169
Current liabilities	133,211	143,906
Total liabilities	**498,456**	**480,075**
Net asset value ("NAV")*	**114,767**	**188,483**
Total equity	**114,767**	**188,483**
NAV per share (US cents)	**8.81**	**14.47**

#Adjusted EBITDA = Earnings – depletion of oil & gas properties – depreciation – amortisation of intangibles – taxes – interest expense and income – impairment loss on exploration & evaluation assets – impairment loss on oil & gas properties – impairment of goodwill

*Net asset value as disclosed above includes non-controlling interests

DRILLING DOWN, SPREADING OUT

DEAR SHAREHOLDERS,

IN 2024, REX IS DRILLING DOWN ON ITS CORE OIL & GAS BUSINESS STRATEGY AND GROWING PRODUCTION AND ITS ASSET PORTFOLIO IN EXISTING AND NEW GEOGRAPHIES

Oil price hovered around US$80[1] a barrel during the year 2023, a good level for Rex. Major events during the year that affected market sentiment and oil prices include, among other things, the continuation of the Russia-Ukraine conflict and the outbreak of war in Gaza which led to geopolitical tensions in the Middle East in early-2024[2].

In February 2024, Standard Chartered argued that oil fundamentals were in better shape than the market was giving it credit for, and the market was heavily discounting geopolitical risks. According to J.P. Morgan, the oil market outlook "continues to project a tightening market with prices rising from here by another $10 by May (2024)", assuming that OPEC+ leaders will unwind 400,000 barrels per day of cuts from April 2024 and has assigned no risk premium from the Middle East turmoil.[3] For 2024, the International Energy Agency (IEA) has revised up its oil demand growth forecast by 130,000 barrels per day (bpd) to 1.1 million bpd, mainly driven by an improved GDP outlook, while the Organization of the Petroleum Exporting Countries (OPEC) kept its projection unchanged at 2.3 million bpd.[4]

FY2023 Financial Results

For the year ended 31 December 2023 ("**FY2023**"), the Group recorded revenue of US$207.02 million, from the sale of crude oil from the Yumna Field (after the Oman government

[1] FactSet data
[2] Upstream - Oil price jitters on concerns over fresh US-UK airstrikes on Houthi rebels, 23 January 2024
[3] World Oil, Oil Markets Are Much Tighter Than Oil Prices Suggest, 11 Feb 2024
[4] Reuters, World oil demand next year to rise faster than expected, IEA says, 15 Dec 2023

bpd: barrels per day

take), and the Brage and Yme Fields. This was a 22 per cent increase from revenue of US$170.26 million in the year ended 31 December 2022 ("**FY2022**"). Adjusted EBITDA* for FY2023 was a positive US$93.82 million, as compared to an adjusted EBITDA of US$61.65 million in FY2022. The Group recorded loss after tax of US$69.36 million in FY2023, as compared to profit after tax of US$0.35 million in FY2022.

As at 31 December 2023, the Group's cash and cash equivalents and quoted investments totalled US$114.04 million (31 December 2022: US$138.80 million); with cash and cash equivalents at US$95.44 million (31 December 2022: US$115.76 million); and quoted investments at US$18.60 million (31 December 2022: US$23.04 million).

The Group's revenue in FY2023 was higher than that in FY2022 from the sale of crude oil from the Brage and Yme Fields in Norway and the Yumna Field in Oman, due mainly to an overall increase in production in Norway and the inclusion of oil liftings from the Yme Field in Norway from January 2023. The increase in revenue was partially offset by a decrease in the volume of oil lifted and sold from the Yumna Field in FY2023, due to production stoppages for planned maintenance of production facilities and unforeseen operational issues in Oman. These factors, including depletion from produced oil and gas, non-cash goodwill impairment for the Yme Field transaction, and impairment of oil & gas properties and exploration & evaluation assets, contributed to the Group's FY2023 loss after tax. Nonetheless, the Group posted a strong positive adjusted EBITDA, a healthy cash flow from operations and a good cash position for FY2023.

Norway: Achieving Operator Status and Production Milestone

Lime Petroleum AS ("**LPA**") had an eventful 2023, marked by its pre-qualification as an operator on the Norwegian Continental Shelf (NCS), a production milestone, a discovery in a producing asset and funds raised from two tap issues.

The pre-qualification as operator, after 10 years of pre-qualification as partner company on the NCS, is testament to LPA's success in building a competent organisation for all major functional areas, from a pure oil & gas exploration company to one with production assets.

In 2023, production from Norway, net to LPA, increased approximately 170 per cent year-on-year to a total of about 2.38 MMboe, following the addition of production from the Yme Field; compared to production of 0.88 MMboe[5] from only the Brage Field in 2022. Net production from the Brage and Yme Fields crossed the milestone of 10,000 boepd for the first time in November 2023 and continued into January in 2024.

LPA capped the year with its acquisition of a 17 per cent interest in the Brasse Field, at which commercial production is expected to start in 2027, at very favourable conditions.

2P reserves net to LPA for the Brage and Yme Fields were 9.12 MMboe as at 31 December 2022. LPA has produced 2.38 MMboe in the full year of 2023. Following the 2023 revisions, the 2P reserves net to LPA for the Brage and Yme Fields as at 31 December 2023 totalled 7.67 MMboe. 2C contingent resources net to LPA for the Brage and Yme Fields totalled 5.04 MMboe as at 31 December 2022. With the addition of the newly acquired Brasse Field and the applicable revisions and other changes in 2023, total 2C contingent resources net to LPA in these three fields has risen by approximately 89 per cent to 9.54 MMboe as at 31 December 2023.

In 2023, LPA carried out two tap issues and raised a total of NOK 300 million, bringing the total amount of its bond to NOK 1,250 million (approximately US$120.2 million). Amortisation started in July 2023, and as at end-2023, the outstanding amount was approximately US$101 million. Amortisation in 2024 will total about NOK 375 million (approximately US$36.1 million).

* Adjusted EBITDA = Earnings – depletion of oil & gas properties – depreciation – amortisation of intangibles – taxes – interest expense and income – impairment loss on exploration & evaluation assets – impairment loss on oil & gas properties – impairment of goodwill

[5] Source: Norwegian Offshore Directorate

MMboe: millions of barrels of oil equivalent
boepd: barrels of oil equivalent per day

Oman: Remedial Measures Taken to Address Operational Issues

In 2023, gross production in Oman totalled about 1.03 MMstb. Production volumes in 2023 were below expectations due to natural declines, and sporadic shutdowns due to unforeseen operational issues, for which appropriate measures had been taken to restart production as soon as was practicable. A drilling rig for a multi-well programme comprising the drilling of one in-field well and workover for two existing production wells, has been secured in the first quarter of 2024.

In early 2023, the completion of a drilling campaign which consisted of a workover Yumna-3 well to replace the electrical submersible pump and drilling of the Yumna-4 production well, was announced. A larger flowline was installed and maintenance works on the Mobile Offshore Production Unit (MOPU) were carried out in August 2023. In the third week of September 2023, gas lift was installed in Yumna-3 as a remedial measure for an unplanned electrical failure of the Electrical Submersible Pump (ESP) in end-June 2023, while the damaged flowline, discovered in late October 2023, was replaced and production restarted in December 2023.

Spreading Out to Different Geographies

The Rex Group has been on the lookout for new assets in different regions to mitigate geographical concentration risks, increase group production numbers and replenish reserves and resources in the Group's current producing assets.

In 2023, following the Group's relinquishment of the Rhu-Ara and the Diwangsa Clusters Production Sharing Contracts in Malaysia, Akrake Petroleum Benin SA ("**Akrake**"), an indirect wholly-owned subsidiary of Porto Novo Resources Ltd, Rex's 70 per cent-owned indirect subsidiary, signed a production sharing contract ("**PSC**") for operatorship and a 76 per cent* working interest in Block 1, Sèmè Field in Benin, West Africa. The Group intends to commission a reserves report and file a Field Development Plan in 2024 to restart production in the previously producing field as soon as possible. In January 2024, an exclusive corporate finance advisor has been appointed, to support in capital fundraising, as well as corporate and asset transaction efforts at the subsidiary level.

Business Diversification: No Change to the Company's Risk Profile

While the Company's strategic focus remains on its core business as an oil & gas exploration and production company, it also recognises the long-term trend away from fossil fuels. As a sustainable business diversification strategy, the Group seizes business opportunities to invest in projects that have business potential with limited risks, without any material change to the Company's business profile and risks.

As part of this strategy, pursuant to an addendum to the conditional share purchase agreement which was signed in end-December 2022, Moroxite T AB ("**Moroxite T**"), a medical technology/life science company, became a 70 per cent indirectly owned subsidiary of Rex in 2023.

Corporate Actions: Dividend, Capital Reduction, Continued Board Renewal

Dividend of 0.5 Singapore cents per ordinary share for the financial year ended 31 December 2022 was paid on 24 May 2023.

The Company's proposed capital reduction to cancel the share capital of the Company that had been lost or was unrepresented by available assets to the extent of US$168,096,000, was 99.99 per cent approved by shareholders at an Extraordinary General Meeting held on 20 January 2023.

The Company's board renewal process progressed into 2023. Following the appointment of three new directors in 2022, we welcomed Ms Beverley Smith and Mr Pong Chen Yih to the Rex Board as independent non-executive directors on 1 August 2023. Ms Smith's appointment is a positive addition to female representation on our Board.
We believe that our Board's bench strength will be bolstered by her technical expertise, extensive industry experience and network, and Mr Pong's counsel and perspectives on commercial dealings, business best practices and corporate governance. Mr John d'Abo was redesignated as Executive Vice Chairman from independent non-executive director.

MMstb: millions of stock tank barrels
* Subject to the Benin government's entitlements under the PSC.

The Rex Group has been on the lookout for new assets in different regions to mitigate geographical concentration risks, increase group production numbers and replenish reserves and resources in the Group's current producing assets.

Yumna Field, Oman

Four long-serving directors – Mr Dan Broström, Dr Karl Lidgren, Mr Sin Boon Ann and Dr Christopher Atkinson – have elected to retire from the Board with effect from 25 April 2024, to pass the baton of board leadership. My fellow directors and I are honoured to have served and helped shape the Company's vision, ethos and strategic direction over the years. On behalf of the Company, we would like to thank each of these directors for their commitment and counsel during this time.

Looking Ahead

For 2024, the focus will be on increasing production in Norway and Oman, and preparing a Field Development Plan to restart production in Benin. Efforts will be made to increase production and reserves in Oman and Norway.

2023's Climate Change Conference (COP28) in Dubai concluded with a historic agreement by 198 parties to deliver a new era of climate action, including an unprecedented reference to transitioning away from all fossil fuels to enable the world to reach net zero by 2050.[6] In these circumstances, Rex will adhere to strict environmental, social and governance (ESG) rules in the respective jurisdictions where it has oil & gas operations and will continue to explore carbon capture opportunities.

However, given Rex's limited resources, rather than competing with big energy firms on capital intensive renewables like solar, wind and nuclear, the Company will continue to be highly selective when investing in low-risk projects that have business potential that do not materially change the Company's business and risk profile.

Acknowledgements

We would like to thank our Board for their service, contribution and guidance, and our colleagues for their dedication and efforts during another challenging year. We would also like to express our appreciation to our shareholders for their support and patience.

Dan Broström
Executive Chairman

Måns Lidgren
Chief Executive Officer

20 March 2024

[6] COP28, COP28 delivers historic consensus in Dubai to accelerate climate action, 13 December 2023

CORPORATE DATA

DIRECTORS

Board Of Directors
Dan Broström, Executive Chairman
John d'Abo, Executive Vice Chairman
Dr Karl Lidgren, Executive Director
Sin Boon Ann, Lead Independent Director
Dr Christopher Atkinson, Independent Director
Mae Heng, Independent Director
Dr Mathias Lidgren, Non-Independent Non-Executive Director
Beverley Smith, Independent Director
Pong Chen Yih, Independent Director

BOARD COMMITTEES

Nominating Committee
Sin Boon Ann, Chairman
Dr Karl Lidgren
Dr Mathias Lidgren
Pong Chen Yih

Remuneration Committee
Sin Boon Ann, Chairman
Dan Broström
Mae Heng

Audit Committee
Mae Heng, Chairperson
Sin Boon Ann
Dan Broström

Company Secretaries
Kong Wei Fung
Cheok Hui Yee

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OUE Downtown 2 #33-00
Singapore 068809

Audit Partner: Yang Chi Chih
(Appointed in 2023)

Share Registrar
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(A division of Tricor Singapore Pte. Ltd.)
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Republic Plaza, Singapore 048619
Telephone: (65) 6236 3333

Principal Bankers
Barclays Bank PLC
National Bank of Oman
Skandinaviska Enskilda Banken AB
Union Bancaire Privée (Europe) S.A.
United Overseas Bank Limited

BOARD OF DIRECTORS

DAN BROSTRÖM
Chairman and Executive Director
Member, Remuneration and
Audit Committees

Mr Dan Broström, 80, has been with the Group since 2011. He was appointed as an Executive Director on 11 January 2013 and re-elected to the Board on 28 April 2023.

Prior to joining the Company, Mr Broström was a senior partner at MVI Holdings Ltd between 1993 and 2005, where as a consultant, he assisted Swedish companies in setting up businesses in Singapore through fund-raising activities and sourcing for suitable business partners. From 1990 to 1993, Mr Broström was the chief executive officer at Hufvudstaden UK Ltd, a real estate company. Before Hufvudstaden UK Ltd, Mr Broström worked in the shipping industry, where he was based in London and held the position of chief executive officer of Brostrom UK Ltd for the period from 1980 to 1987.

Mr Broström has a degree in Economics from Stanford University in the United States of America, and a Bachelor of Arts in Economics from Gothenburg University in Sweden.

Mr Broström will not be seeking re-election at the forthcoming annual general meeting ("**AGM**") of the Company, to be held on 25 April 2024, and will retire as Chairman & Executive Director of the Company after the conclusion of the AGM. Following the conclusion of the forthcoming AGM, Mr Broström will also cease to be a member of the Audit and Remuneration Committees.

JOHN D'ABO
Vice Chairman and Executive Director

John d'Abo, 55, was appointed as an Independent Non-Executive Director on 4 May 2022 and was re-elected to the Board on 28 April 2023. He was redesignated as Vice Chairman and Executive Director on 1 August 2023. He is also a board member of Moroxite Holding Pte. Ltd. and Xer Technologies Pte. Ltd., subsidiaries of the Group.

John d'Abo has over 30 years of executive experience in global investment banks and associated businesses mainly in Southeast Asia, advising listed companies on fund-raising in both equity and debt and corporate advisory, during which he established relationships with a wide array of companies and investors across multiple sectors.

His investment banking career of 23 years includes stints at Royal Bank of Canada Capital Markets (Hong Kong), Royal Bank of Scotland (Hong Kong), Credit Suisse (Hong Kong), CLSA Asia-Pacific Markets (Hong Kong and New York) and HSBC James Capel (London). He is the founder and current Director of Erland Advisors Ltd.

Mr d'Abo holds a Bachelor of Arts with joint honours in French and Spanish from the University of Bristol, United Kingdom.

DR KARL LIDGREN
Non-Independent Executive Director
Member, Nominating Committee

Dr Karl Lidgren, 76, was appointed as a Non-Independent Non-Executive Director on 1 May 2013 and was re-designated as a Non-Independent Executive Director on 15 January 2015. He was last re-elected to the Board on 29 April 2022.

Dr Lidgren and his brother, Mr Hans Lidgren, have since the 1980s, utilised satellite altimeter data in oil exploration activities which enabled major oil and gas findings. A founder of Rex International Holding, Dr Lidgren represents the interests of Limea Ltd on the Company's Board of Directors.

Dr Lidgren graduated from Lund University in Sweden in 1970 with a degree in Economics. Upon graduation, he taught in Lund University until 1972 before taking on the role of an investigator for the Swedish Government from 1972 to 1980. He concurrently obtained a Doctor of Philosophy in Economics from Lund University in 1976. Dr Lidgren taught in Lund University as a Professor from 1980 until his retirement in 2000.

Dr Lidgren will not be seeking re-election at the AGM of the Company, to be held on 25 April 2024, and will retire as Executive Director of the Company after the conclusion of the AGM. Following the conclusion of the forthcoming AGM, Dr Lidgren will also cease to be a member of the Nominating Committee.

SIN BOON ANN BBM, PBM
Lead Independent Non-Executive Director
Chairman, Nominating and Remuneration Committees
Member, Audit Committee

Mr Sin Boon Ann, 66, was appointed as an Independent Non-Executive Director on 26 June 2013 and was appointed as the Lead Independent Director on 24 February 2014. He was re-elected to the Board on 28 April 2023.

He received his Bachelor of Arts and Bachelor of Laws (Honours) from the National University of Singapore in 1982 and 1986 respectively, and a Master of Laws from the University of London in 1988. Mr Sin was admitted to the Singapore Bar in 1987 and was a member of the teaching staff of the law faculty, National University of Singapore from 1987 to 1992.

Mr Sin joined Drew & Napier LLC in 1992. He was the Deputy Managing Director of Drew & Napier's Corporate and Finance Department and the Co-head of the Capital Markets Practice before he retired to be a consultant with the firm in March 2018.

Mr Sin was a Member of Parliament for Tampines GRC from 1996 to 2011. In appreciation of his valuable public services rendered to the Ministry of Home Affairs, Mr Sin was conferred the Singapore National Day Award - "The Public Service Star (Bintang Bakti Masyarakat)" in 2018 and "The Public Service Medal (Pingat Bakti Masyarakat)" in 2013 by the President of Singapore. Additionally, in recognition of his constant support and contributions to the Labour Movement, Mr Sin received the NTUC May Day Award – "Distinguished Service Award" in 2018, "Meritorious Service Award" in 2013 and "Friends of Labour Award" in 2003.

Mr Sin has notified the Board that he wishes to step down from the Board following the conclusion of the forthcoming AGM, in support of the Board renewal process. Following the conclusion of the forthcoming AGM, Mr Sin will also cease to be Chairman of the Nominating and Remuneration Committees, and a member of the Audit Committee.

DR CHRISTOPHER ATKINSON
Independent Non-Executive Director

Dr Christopher Atkinson, 66, was appointed as an Independent Non-Executive Director on 6 January 2015 and was re-elected to the Board on 29 April 2022. He is also an independent Board member of Masirah Oil Ltd and of Lime Petroleum AS, subsidiaries of the Group.

Dr Atkinson is a professional geologist with over 35 years of experience in the upstream oil & gas sector. He is currently the founder and Chairman of Helios Aragon Pte Limited, and a director of Far East Gold Limited. Prior to this, Dr Atkinson was a founding investor in several exploration and production start-up ventures in Southeast Asia, the UK and Canada. He has also worked for Shell International Petroleum Company and was a 15-year career veteran with the Atlantic Richfield Company (ARCO), where his last held position was Vice President of Exploration, Europe/North Africa.

Dr Atkinson holds a Doctor of Philosophy in Geology and a Bachelor of Science (1st Class Honours) Geology from the University of Wales, Swansea. He has been a Fellow of the Geological Society of London since 1996 and is a Life Member of the Petroleum Exploration Society of Southeast Asia, where he served as President from 2002 to 2003.

Dr Atkinson will not be seeking re-election at the forthcoming AGM of the Company to be held on 25 April 2024, and will retire as Independent Non-Executive Director of the Company after the conclusion of the AGM.

MAE HENG
Independent Non-Executive Director
Chairperson, Audit Committee
Member, Remuneration Committee

Ms Mae Heng, 53, was appointed as an Independent Non-Executive Director on 4 May 2022 and was re-elected to the Board on 28 April 2023.

Ms Heng has over 16 years of experience working at Ernst & Young Singapore. She is an Independent Non-Executive Director of Grand Venture Technology Limited, Chuan Hup Holdings Limited, HRnetGroup Limited and Ossia International Limited, and is chairperson or a member of these companies' various board committees. Ms Heng also holds directorships in her family-owned investment holding companies. She was also the former Audit Committee Chairman of an SGX-listed acquisition company, a real estate developer, an online travel company, as well as a Bursa-listed pharmaceutical company.

Ms Heng holds a Bachelor of Accountancy from the Nanyang Technological University. She is a Fellow Chartered Accountant with the Institute of Singapore Chartered Accountants and an ASEAN Chartered Professional Accountant.

DR MATHIAS LIDGREN
Non-Independent Non-Executive Director
Member, Nominating Committee

Dr Mathias Lidgren, 42, was appointed as a Non-Independent Non-Executive Director on 4 May 2022 and was re-elected to the Board on 28 April 2023. He is also a board member of Moroxite Holding Pte. Ltd., and Moroxite T AB, both subsidiaries of the Group.

Dr Mathias Lidgren represents the interests of Limea Ltd., the controlling shareholder of the Company. He has been a practising medical doctor since 2013 and has worked for the National Health Service (NHS), United Kingdom, the Hôpitaux Universitaires de Genéve, Geneva, Switzerland, and the Sahlgrenska University Hospital, Gothenburg, Sweden. He is currently practising at Skane University Hospitals in Lund, Sweden, and is also a post-doctoral researcher in the Division of Molecular Medicine and Gene Therapy, Department of Laboratory Medicine in Lund University, Sweden. Dr Lidgren currently holds directorships in Propatria AB, Rotationsplast i Munka-Ljung by AB, Caithness Fastighets AB, Forvaltningsaktiebolaget Maple, Trolleholms Slott AB, Captiosus AB and Strominnate Therapeutics AB; companies in Sweden involved in a range of businesses including real estate, manufacturing and medicine. He is also Chief Medical Officer of Moroxite T AB.

Dr Lidgren holds a Doctor of Philosophy in Health Economics from the Karolinska Institutet, Sweden, a Master of Arts in Genetics, as well as a medical degree (MB BChir) from the University of Cambridge, United Kingdom and a Bachelor of Science in Business Administration (BSBA) from the International University of Monaco. His medical degree is recognised by the Commission des professions médicales, Switzerland and Socialstyrelsen, Sweden. He is licensed to practice medicine in the canton of Geneva, Switzerland and in Sweden. He is also a board-certified specialist in clinical genetics in Sweden.

BEVERLEY SMITH
Independent Non-Executive Director

Ms Beverley Smith, 58, was appointed as an Independent Non-Executive Director on 1 August 2023. She is a professional geologist with more than 30 years' experience in the oil & gas industry. She currently holds positions as a Non-Executive Director and chairperson of the HSSE (Health, Safety, Security & Environment) sub-committee and a member of the Reserves, Compensation and Governance sub-committees for the AIM-listed and TSX-listed Touchstone Exploration Inc. She is also an independent Board member of Lime Petroleum AS, a subsidiary of the Group.

Prior to these, Ms Smith was a Non-Executive Director of AIM-listed Hurricane Energy Plc and filled in as the interim Chief Executive Officer for three months. Ms Smith was also a 26-year career veteran with the BG Group Plc, where her last held position was Vice President of Exploration and Growth (Europe), after stints in BG Nigeria, BG Algeria and BG China.

Ms Smith holds a Master of Science in Petroleum Geology from the University of London, United Kingdom (UK) and a Bachelor of Science in Geology (Honours) from the University of Exeter, UK. She is a Fellow, Chartered Geologist of the Geological Society of London, and served as President of the Petroleum Exploration Society of Great Britain (PESGB) (now known as the Geoscience Energy Society of Great Britain (GESGB)) from 2019 to 2022. She had also voluntarily served as a Director of POWERful Women, a professional initiative that seeks to advance the leadership and development of senior women across the UK's energy sector, and as a Trustee of the Etches Collection, a unique and valuable collection of fossils from the Jurassic Sea. She was also Chair of the Board of Trustees of the non-government funded INPUT Diabetes Charity for five years.

PONG CHEN YIH
Independent Non-Executive Director
Member, Nominating Committee

Mr Pong, 48, was appointed as an Independent Non-Executive Director on 1 August 2023. Mr Pong has over 20 years of experience handling complex legal and financial advisory work in relation to domestic and international corporate finance and capital markets transactions. He is also an independent board member of Moroxite Holding Pte. Ltd., and Rex Technology Investments Pte. Ltd.; subsidiaries of the Group.

He has successfully listed over 45 companies on the Singapore Exchange. He is a Director and the Chief Operating Officer of Novus Corporate Finance Pte. Ltd., an accredited issue manager for the Singapore Exchange Mainboard listings and a Full Sponsor for Catalist. He is presently an independent director of HRnetGroup Limited, Figtree Holdings Limited and Grand Venture Technology Limited.

Mr Pong was previously the Head of the Singapore Domestic Capital Markets Group in Baker McKenzie and prior to that, a partner in the Equity Capital Markets Group in WongPartnership LLP. He regularly speaks at local and overseas conferences and seminars on topics such as capital raising and listing requirements.

Mr Pong holds a Bachelor of Laws (Honours) from the National University of Singapore.

SENIOR MANAGEMENT (CORPORATE)

MÅNS LIDGREN
Chief Executive Officer

Mr Måns Lidgren is the Chief Executive Officer and is responsible for overseeing the strategic positioning and business expansion of the Group, including making major business and finance decisions.

Prior to joining the Company in January 2013, Mr Lidgren was interim chief executive officer and director of Lime Petroleum Plc from August 2011 to December 2012 and chief financial officer of his family's business from August 2009 to August 2011. He has seven years of experience in financial structuring, mergers & acquisitions, investments and business development. From January 2008 to August 2009, Mr Lidgren was vice president of business development under the private banking division of Credit Suisse, where he managed his own client portfolio and acted as a broker for sourcing of new business and pre-screened business proposals. From 2002 to 2007, he joined his family business in private investments first as a business analyst in 2002, and subsequently a merger & acquisitions manager in 2003 and 2004. From 2005 to 2007, he assumed the position of senior investment manager in his family's business, and carried out portfolio management, liaison with partner banks and private equity transactions. Upon his graduation, Mr Lidgren also provided consultancy services to Global Responsibility, an organisation that seeks to promote responsible citizenship worldwide, where he helped companies communicate their efforts in environmental, health and safety issues.

Mr Lidgren holds a Bachelor of Science and a Master of Science, both in Business Administration and Economics, from Lund University, Sweden.

SVEIN KJELLESVIK
Chief Operating Officer

Mr Svein Kjellesvik is the Chief Operating Officer and Executive Chairman of the Group's subsidiary, Lime Petroleum AS. He is responsible for the Group's overall operations, including the integration of new business development plans into the Group's operations.

Prior to joining the Company, Mr Kjellesvik has been an independent entrepreneur and he has been involved in the start-up of Rex Middle East Ltd (formerly known as Rex Oil & Gas Ltd) and Lime Petroleum Plc. Before retiring from Schlumberger in 2002, Mr Kjellesvik has held leading positions in Schlumberger's seismic division and corporate headquarters. He has also been the President of their Global Marine Seismic Division. Mr Kjellesvik has played leading roles in key innovations in the seismic industry which includes multi-cable 3D seismic, 4 component seismic, and seismic 4D.

Mr Kjellesvik holds a Master degree in Applied Geophysics from the Norwegian Institute of Technology (NTH) in Trondheim and is a member of the Society of Exploration Geophysicists, the European Association of Petroleum Geoscientists and the American Association of Petroleum Geoscientists.

PER LIND
Chief Financial Officer

Mr Per Lind is the Chief Financial Officer overseeing the Group's finance, legal, administration and group structural matters. He also works with the CEO in business development. He has been a board member of Masirah Oil Ltd since 2015, Rex Technology Investments Pte Ltd since 2020, and Porto Novo Resources Ltd and Akrake Petroleum Holding Ltd since the companies' incorporation in 2023, all of which are subsidiaries of the Group. He is also a member of the Joint Management Committee of Block 50 Oman.

Prior to joining the Company, from 2009 to 2013, he was Vice President, Investments at Tangerine Time, a Singapore-based investment company investing in real estate and financial services in Singapore, India and the UK. Before being Senior Vice President of Finance in AEP Investment Management, a Singapore-based investment management company in 2008, Mr Lind spent five years as Director of Finance & Corporate Development with 1st Software Corporation Ltd, a software company listed on the mainboard of the Singapore Exchange from 2003 to 2008. He had also worked for six years in the London and Singapore offices of Merchant Venture Investments, an international federation of private equity investors.

Mr Lind graduated with a degree in business administration and economics in 1996 from the School of Business, Economics and Law at the Gothenburg University in Sweden.

LINA BERNTSEN
Chief Technology Officer

Mrs Lina Berntsen is the Chief Technology Officer and co-ordinates the use of Rex Technologies for the Group. She has also been a board member and employee of Equus Consulting AB, the Group's indirect subsidiary that provides advanced mathematical analysis, since 2013.

Mrs Berntsen re-joined the Group in 2012 as the Rex Virtual Drilling Specialist to Lime Petroleum Norway AS (now known as Lime Petroleum AS). Prior to this from 2011 to 2012, she provided consultancy services to the Group as a Technology Specialist at Equus Consulting AB. From 2010 to 2011, Mrs Berntsen was the Rex Virtual Drilling Specialist for Rex Oil & Gas Ltd. and oversaw the operations and coordinated analyses in relation to the use of Rex Virtual Drilling. Prior to this, Mrs Berntsen was Development Engineer in Gambro Lundia AB, a global medical technology company, where she was responsible for product development and design control relating to dialysis technology. She was previously the Marketing Coordinator in biotechnology company Chemel AB, where she also worked on product development.

Mrs Berntsen holds a Master of Science in Chemical Engineering from the University of Lund, Sweden.

MOK LAI SIONG
Chief Communications Officer

Ms Mok Lai Siong is the Chief Communications Officer and is responsible for the Group's strategic communications with shareholders, potential investors, analysts and the media, as well as for sustainability reporting, branding and marketing.

Ms Mok has over 28 years of experience in communications and investor relations in multinational listed firms. Prior to joining the Company, she was Group General Manager, Corporate Communications & Investor Relations for the then Singapore mainboard-listed conglomerate WBL Corporation from 2010 to 2013. From 2007 to 2010, Ms Mok worked in YTL Starhill REIT Management, the manager of Starhill Global REIT, where her last held position was Senior Vice President, Investor Relations & Corporate Communications. She has also held positions in CapitaLand, Oversea-Chinese Banking Corporation, Overseas Union Bank, Pidemco Land and the National University of Singapore.

Ms Mok holds a Master of Business (International Marketing) degree from the Curtin University of Technology, Australia, and a Bachelor of Arts degree in English and Philosophy from the National University of Singapore.

SENIOR MANAGEMENT (OPERATIONS)

SVEIN KJELLESVIK

Lime Petroleum AS
– Chairman

Mr Svein Kjellesvik was appointed Chairman of Lime Petroleum AS ("**LPA**") on 19 April 2016. He was appointed Executive Chairman of LPA on 1 June 2017.

Please refer to page 15 for more details.

LARS HÜBERT

Lime Petroleum AS
– Chief Executive Officer

Mr Hübert has some 25 years' extensive experience in the oil industry, with a focus on the Norwegian Continental Shelf, ranging from rank exploration to production and operations. He was appointed as Chief Executive Officer of Lime Petroleum AS (**LPA**") in 2019.

Prior to his appointment as Chief Executive Officer, Mr Hübert joined LPA in 2014 as Chief Geologist, and was appointed Exploration Manager in 2018. He was also an Exploration Manager for San Leon Energy in Warsaw, Poland before joining LPA. He started his career with Exxon in New Orleans, and was responsible for Exxon's first horizontal well in the Gulf of Mexico. Mr Hübert has also held various positions in Halliburton, Rock Solid Images and Legends Exploration.

Mr Hübert holds a Bachelor of Science (Geology) from the University of Oslo, Norway, a Master of Science (Geology) from the University of Wyoming, US, and a Master of Business Administration from Heriot-Watt University, UK.

HANS LIDGREN
Masirah Oil Ltd
– Chairman

Mr Hans Lidgren is one of the founders of the Rex Group. Limea Ltd, in which Mr Lidgren has a 50 per cent interest, is a majority shareholder of Rex International Holding Limited.

Mr Lidgren has extensive experience in the oil & gas industry. Since the early 1980s, Mr Lidgren has utilised satellite altimeter data in oil exploration activities which enabled major oil and gas findings. He made way for major findings such as the Haltenbanken area in Norway and the Bukha field in Oman. The Haltenbanken area was only discovered in the 1980s after Mr Lidgren's surveys showed positive satellite altimetry results as to the presence of oil and gas.

Mr Lidgren also developed the Rex Technologies, comprising Rex Gravity, Rex Seepage, Rex Gas Indicator and Rex Virtual Drilling, the Rex Group's proprietary liquid hydrocarbon indicator.

MIKE HOPKINSON
Masirah Oil Ltd
– General Manager

Mr Mike Hopkinson has more than 30 years of upstream experience in many different international locations. He is skilled at all engineering and operations aspects of the petroleum business, from exploration, through development and production. His experience includes onshore, offshore, both shallow and deep water, developments. Project locations include UK North Sea, Gulf of Mexico, Ghana, Equatorial Guinea, Ukraine, Georgia, Ecuador and Guatemala.

Prior to joining Masirah Oil Ltd, Mr Hopkinson was the Energy Transition Coordinator for Cox Oil in Dallas, Texas, USA. He started his career in 1985 as Operations Engineer with Marathon Oil Company in Aberdeen, Scotland. After transferring to the USA, Mr Hopkinson has also held various upstream oil & gas positions in Kosmos Energy Inc., Caelus Energy LLC, Energy Resource Technology (a Helix company) and Triton Energy Inc., all of which are based in Texas, USA, with international and domestic operations.

Mr Hopkinson holds a Master of Science in Petroleum Engineering from Imperial College, UK, and a Bachelor of Science (Honours) in Engineering with Business Studies from the University of Portsmouth, UK.

2023

9 January
Masirah Oil Ltd (“**MOL**”) announces the completion of the 4Q 2022 drilling campaign which consisted of a workover (replacement of the electrical submersible pump) of the Yumna-3 well and drilling of the Yumna-4 well.

11 January
Lime Petroleum AS (“**LPA**”) raises NOK 250 million (approximately US$25.3 million) by tapping on its existing Lime Petroleum AS FRN Senior Secured Bond Issue 2022/2025 with ISIN NO0012559246 (the “**Bond**”) in accordance with the loan agreement for the Bond (the “**Tap Issue**”). After the Tap Issue is carried out, the total outstanding amount pertaining to the refinancing of the previous senior secured bonds and for LPA's acquisition of a 10 per cent interest in the Yme Field, as well as general working capital purposes, is NOK 1,200 million (approximately US$121.4 million).

11 January
LPA participates in the drilling of an exploration well targeting the Gjegnalunden prospect in the North Sea licence PL867, in which it has a 20 per cent interest.

13 January
LPA is awarded offered participating interests in two new offshore licences, in the 2022 Awards in Predefined Areas (“**APA 2022**”) round in Norway: 50 per cent in PL1178 in the North Sea, and 30 percent in PL1190 in the Norwegian Sea.

10 February
A minor discovery is made in the PL867 Gjegnalunden well, in which LPA has a 20 per cent interest. LPA continues to work with the well results to identify further resources in PL867, and to also evaluate these results against the prospectivity in the neighbouring PL818 licence with the Orkja prospect, in which LPA has a 30 per cent share.*

2 March
A summary Qualified Person’s Report (QPR) for the Yumna Field in Block 50 Oman is issued.

7 March
Rex’s Proposed Capital Reduction becomes effective.

21 March
Summary Independent QPRs for the Yme and Brage Fields in Norway are issued.

28 March
LPA is pre-qualified as an operator on the Norwegian Continental Shelf (NCS) by the Norwegian Ministry of Petroleum and Energy.

* Please refer to page 30 for further updates on these licences.

Yumna Field, Oman

18 April
LPA raises NOK 50 million (approximately US$4.8 million) through the tap mechanism in its existing Senior Secured Bond with ISIN NO0012559246. After the tap issue is carried out, the total outstanding amount is NOK 1,250 million (approximately US$120.2 million).

21 April
For Rex's joint venture Crescent Marine Holding Ltd's ("**CMH**") proposed purchase of its second asset - a tanker including refurbishment and renovation costs, as well as other costs associated with the purchase of bunker fuel, etc - for up to US$22 million, Rex, as its investment, shall provide security to allow for debt financing from a third party (equivalent to up to US$17.6 million or 80 per cent of the Full Investment) to CMH.

24 May
A final dividend of 0.5 Singapore cents per ordinary share for the financial year ended 31 December 2022 is paid out.

28 July
Rex entered into an addendum to the conditional share purchase agreement (the "**Agreement**") with Moroxite AB ("**MA**") to purchase the shares of Moroxite T AB ("**Moroxite T**"). Following from this, the consideration to purchase 70 per cent of issued share capital of Moroxite T, comprising 700 shares, is at a nominal consideration of SEK 0.70 (approximately US$0.07), with a commitment to invest up to an additional SEK 43.2 million (approximately US$4.12 million), subject to the fulfilment of certain conditions.

1 August
Rex appoints two new directors to the Board as part of its Board renewal process. The new directors are Ms Beverley Smith, Independent Non-Executive Director, and Mr Pong Chen Yih, Independent Non-Executive Director and member of the Nominating Committee. Mr John d'Abo is redesignated from Independent Non-Executive Director to Executive Vice Chairman and ceases to be a member of the Nominating Committee and the Remuneration Committee. Ms Mae Heng is appointed as a member of the Remuneration Committee.

MILESTONES

31 August
Rex's wholly-owned subsidiary Pantai Rhu Energy Sdn. Bhd. relinquishes the Rhu-Ara and the Diwangsa Clusters Production Sharing Contracts ("**PSCs**") and ceases to be operator of the PSCs.

6 September
Moroxite T announces that during the first half of 2023, it has beefed up its management team, filed its 7th patent, completed scientific studies and has two more ongoing scientific studies.

27 October
A new discovery of between 0.2 and 0.5 million Sm^3 of recoverable oil (or 1.25 to 3.1 MMbbl of recoverable oil) was proven in the Brage Field, Norway, in which LPA holds a 33.8434 per cent interest. As such, the discovery will add 0.4 to 1 MMbbl of oil reserves in the Brage Field net to LPA.

7 November
LPA farms in to a total 17 per cent interest in PL740 Brasse Field in the Norwegian North Sea, resulting in some 4 MMboe of contingent resources net to LPA.

21 December
Rex International Holding Ltd (incorporated in the British Virgin Islands) ("**RIHBVI**") enters into a joint venture ("**Joint Venture**") agreement with Monarch Marine Holding Ltd ("**MMH**"), for carrying out the business of owning and operating offshore oil and gas assets in West Africa.
In connection with the Joint Venture, the Company received confirmation that Porto Novo Resources Ltd had been incorporated on 19 December 2023 in the British Virgin Islands. Porto Novo Resources Ltd is now an indirect subsidiary of the Company, 70 per cent held by RIHBVI and 30 per cent held by MMH.

MMbbl: millions of barrels
MMboe: millions of barrels of oil equivalent


Yumna Field, Oman

22 December
Rex announces that Akrake Petroleum Benin SA, an indirect wholly-owned subsidiary of Porto Novo Resources Ltd, Rex's 70 per cent-owned indirect subsidiary, is signing a Production Sharing Contract (PSC) for operatorship and a 76 per cent* working interest in Block 1, Sèmè Field in Benin, West Africa.

29 December
LPA's farm-in to a 17 per cent interest in PL740 Brasse Field in the Norwegian North Sea, is completed.

* Subject to the Benin government's entitlements under the PSC.

OPERATIONS REVIEW

In 2023, the Group announced the completion of the workover of a well and the drilling of a new producer well in Oman. In Norway, the Group's subsidiary was pre-qualified as an operator on the Norwegian Continental Shelf, carried out two tap issues of its bonds, added 0.4 to 1 MMbbl of net oil reserves through a new discovery in the Brage Field, and farmed into a 17 per cent interest in PL740 Brasse Field in the Norwegian North Sea. In Benin, West Africa, Rex's indirect subsidiary is awarded a Production Sharing Contract, including operatorship, of the discovered Sèmè Field in Block 1.

NORWAY

In 2023, subsidiary Lime Petroleum AS marked several milestones, including being pre-qualified as an operator on the Norwegian Continental Shelf, and having net production from the Brage and Yme Fields crossing 10,000 barrels of oil equivalent per day (boepd) for the first time in November. The company carried out two tap issues and raised a total of NOK 300 million, bringing the total amount of its bond to NOK 1,250 million (approximately US$120.2 million). Amortisation started in July 2023, and at the end of 2023, the outstanding amount was approximately US$101 million. The company also participated in drillings which resulted in a discovery in the Brage Field which will add 0.4 to 1 MMbbl of oil reserves net to Lime Petroleum AS, and a minor discovery in the Gjegnalunden exploration prospect in the North Sea licence PL867*. The company capped the year with its acquisition of a 17 per cent interest in the Brasse Field, at which commercial production is expected to start in 2027.

OVERVIEW

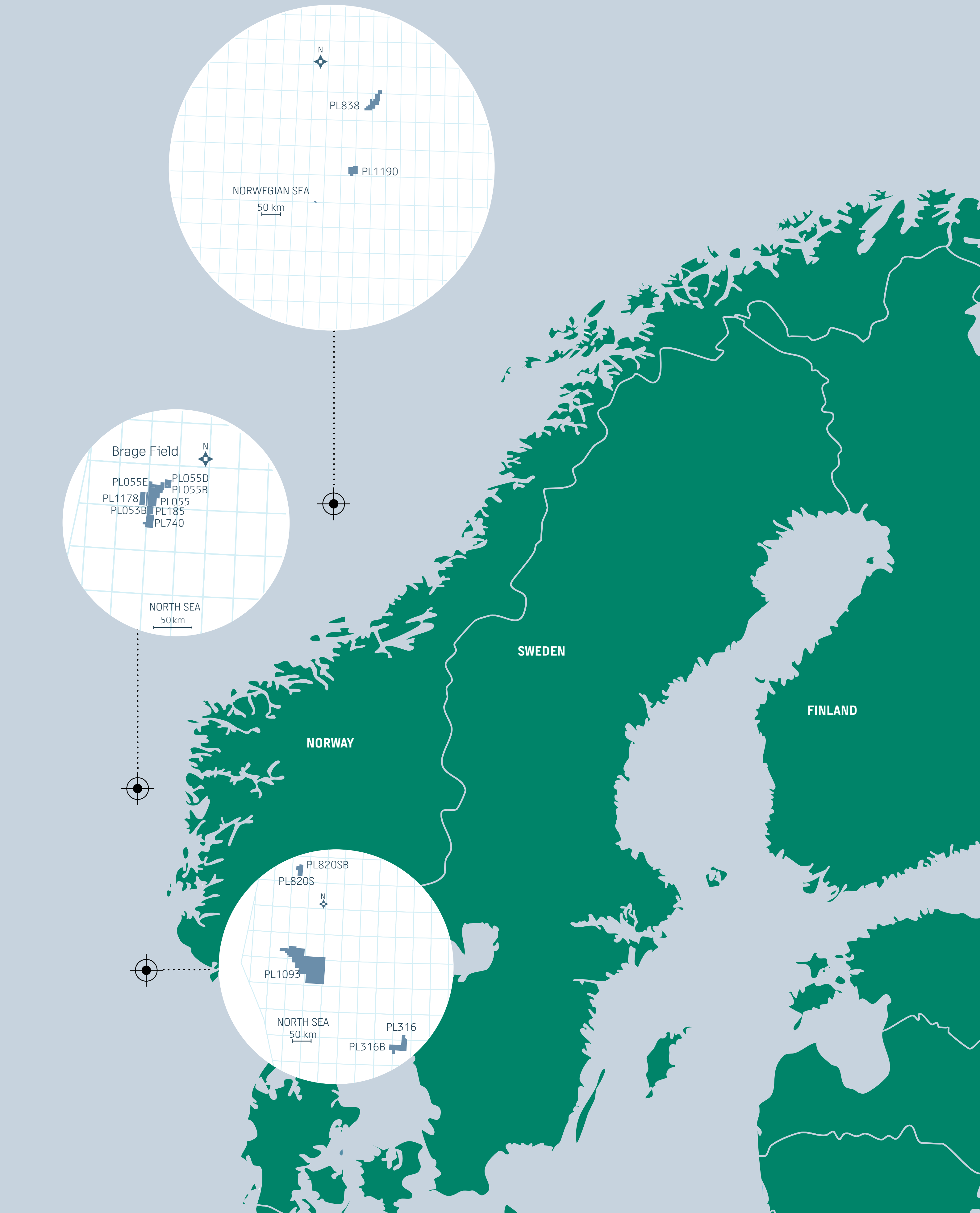
According to the Norwegian Offshore Directorate (NOD), a total of about 233 million Sm³ o.e. was produced – equivalent to about four million barrels o.e. per day in 2023, same as in 2022. At the end of 2023, 92 fields were in operation, 27 projects were under development and many leased wells were drilled in the Norwegian Continental Shelf.

Production is at a high level and will peak in 2025. Johan Castberg is expected to come on stream towards the end of 2024, which will provide significant production growth until 2025.

As a result of high development activity on the shelf, oil & gas production is expected to be stable over the next few years. Without new fields or major investments on existing fields, production from the Norwegian shelf will decline. The new fields that come on stream compensate in the short term for lower production from aging fields.

MMbbl : millions of barrels
Sm³ : standard cubic metres
o.e. : oil equivalent

Sources:
NOD website: http://www.sodir.no/
Norwegian Offshore Directorate, The shelf in 2023: High activity and major investments, 11 January 2024
Norwegian Offshore Directorate, Facts and figures, 15 January 2024
* Please refer to page 30 for further updates on this licence


N
PL838
PL1190
NORWEGIAN SEA
50 km
Brage Field
N
PL055E
PL055D
PL055B
PL1178
PL055
PL053B
PL185
PL740
NORTH SEA
50 km
SWEDEN
FINLAND
NORWAY
PL820SB
PL820S
N
PL1093
NORTH SEA
50 km
PL316
PL316B

Brage Field, Norway
Photo courtesy of Okea ASA

In 2023, 34 exploration wells were spudded, which is at the same level as in recent years. There were 14 discoveries: 11 in the North Sea, two in the Norwegian Sea and one in the Barents Sea. Resource growth from discoveries made in 2023 is approximately 50 million standard cubic metres of oil equivalents (Sm^3 o.e.).

In January 2023, 25 companies were offered interests in a total of 47 production licences in predefined areas (APA) 2022. When the application deadline for APA 2023 expired in August 2023, the authorities had received applications from 25 companies.

Norwegian petroleum activities are subject to a stringent framework for emissions to air and discharges to sea. New fields are either developed with an alternative power supply or tied back to existing infrastructure. The industry is also making good progress in energy efficiency measures to help reduce emissions even while production increases.

There is also growing interest in acreage for injection and storage of CO_2. In 2023, three licences were awarded pursuant to the Regulations relating to the utilisation of subsea reservoirs on the continental shelf for storage of CO_2 and about the transport of CO_2 on the continental shelf. A total of seven licences, one exploitation licence and six exploration licences have been awarded.

All of Norway's oil reserves are located offshore on the Norwegian Continental Shelf, which is divided into three sections: the North Sea, the Norwegian Sea, and the Barents Sea. The bulk of Norway's oil production occurs in the North Sea. New exploration and production activity is taking place further north in the Norwegian Sea and Barents Sea.

STRATEGY

Lime Petroleum AS ("**LPA**") was established in 2012 with offices at Skøyen in Oslo. The company was pre-qualified in February 2013 as a partner company and in March 2023 as an operator on the Norwegian Continental Shelf (NCS). LPA has since built a portfolio of assets focusing on mature areas. LPA's strategy for organic and inorganic growth includes participating in licensing rounds, exploration activities, and actively seeking acquisitions of producing fields and development projects. Exploration activities are focused on high-impact targets within mature areas of the NCS, while LPA's acquisition strategy is to select assets with cash flow and upside potential.

LPA uses high-quality seismic data and the Group's Rex Virtual Drilling ("**RVD**") technology together with conventional seismic attributes and analysis of the petroleum systems in its exploration efforts, and to select and build a portfolio of investments in the NCS. The licences are in oil-prolific areas that already have producing fields and pipeline infrastructure in place, allowing for a rapid path to potential commercialisation and return on investment when more oil discoveries are made in LPA's assets.

LPA is 91.65 per cent directly held by Rex's wholly-owned subsidiary Rex International Investments Pte Ltd.

LICENCES

LICENCE/ FIELD	LOCATION	LPA'S STAKE	REX'S EFFECTIVE STAKE IN LICENCE HOLDING ENTITY	OPERATOR	OTHER PARTNERS	EXPIRY DATE
PRODUCING ASSETS						
Brage Field PL053B PL055 PL055B PL055D PL055E PL185	North Sea	33.8434%	31.0%	OKEA ASA	DNO Norge AS Petrolia NOCO AS MVest Energy AS	06.04.2030 06.04.2030 06.04.2030 06.04.2030 06.04.2030 06.04.2030
Yme Field PL316 PL316B	North Sea	10.00%	9.17%	Repsol Norge AS	PGNiG Upstream Norway AS OKEA ASA	18.06.2030
DISCOVERY ASSETS						
PL740 Brasse	North Sea	17.00%	15.58%	OKEA ASA	DNO Norge AS M Vest Energy AS	07.02.2024 Extension pending
PL820S/PL820SB Iving/Evra	North Sea	30.00%	27.5%	Vår Energi ASA	AkerBP ASA, Pandion Energy AS Wintershall Dea Norge AS	05.02.2026
PL838 Shrek	Norwegian Sea	30.0%	27.5%	Aker BP ASA	PGNIG Upstream Norway AS	05.08.2023 Extension pending
EXPLORATION ASSETS						
PL1093 Orion / Timanfaya	North Sea	20.0%	18.3%	Harbour Energy Norge AS	Petoro AS	19.02.2028
PL1178 Palmehaven/ Sambandet	North Sea	50.00%	45.8%	OKEA ASA	--	17.02.2030
PL1190 Taco	Norwegian Sea	30.00%	27.5%	Harbour Energy Norge AS	PGNIG Upstream Norway AS	17.02.2030

2023 OPERATIONS UPDATE

- Raised NOK 250 million (approximately US$25.3 million) by tapping on existing Lime Petroleum AS FRN Senior Secured Bond Issue 2022/2025 with ISIN NO0012559246 (the "**Bond**") in accordance with the loan agreement for the Bond, bringing the total amount of the Bond to NOK 1,200 million (approximately US$121.4 million).

- Participated in the drilling of the Gjegnalunden exploration prospect in the North Sea licence PL867, which resulted in a minor discovery. Detailed analysis of the data from the well suggests limited further prospectivity in the licence, and the partnership has decided to relinquish PL867 and PL867B.

- Was awarded participating interests in two new offshore licences, in the 2022 Awards in Predefined Areas ("**APA 2022**") round in Norway: 50 per cent in PL1178 adjacent to the Brage Field in the North Sea, and 30 percent in PL1190 in the Norwegian Sea.

- Issued Summary Independent Qualified Person's Reports for the Yme and Brage Fields.

- Was pre-qualified as an operator on the Norwegian Continental Shelf (NCS) by the Norwegian Ministry of Petroleum and Energy.

- Raised NOK 50 million (approximately US$4.8 million) through the tap mechanism in its existing Senior Secured Bond with ISIN NO0012559246, bringing the total outstanding amount to NOK 1,250 million (approximately US$120.2 million).

- Relinquished 30 per cent interests in PL818 and PL818B.

- Poised to add 0.4 to 1 MMbbl of new oil reserves in the Brage Field net to LPA, after a new discovery of between 0.2 and 0.5 million Sm^3 of recoverable oil (or 1.25 to 3.1 MMbbl of recoverable oil) was proven in a heretofore undrilled section of the Brage Field.

- Farmed in to a 17 per cent interest in PL740 Brasse Field just south of the Brage Field in the Norwegian North Sea, resulting in some 4 MMboe of contingent resources net to LPA.

Brage Field (LPA's interest: 33.8434 per cent)

- The Operator drilled three successful wells in 2023 which gave a positive effect on production and cashflow during the second half of the year. The three wells currently account for almost 90 per cent of Brage Field's total production. One of the infill producers drilled also resulted in a successful pilot/exploration well in the Kim prospect, which proved commercial oil volumes and will likely be exploited with at least one oil producer in 2024.

- Production efficiency in 2023 was over 90 per cent. This illustrates that the old Brage facilities are operated and maintained with high quality. Gross production from the Brage Field in 2023 was 5.05 MMboe or 0.90 MMboe net to LPA. This translates to an average gross daily production of 13,830 boepd or 4,681 boepd net to LPA. This is 90 per cent higher than in 2022. Production expectations were exceeded, mainly due the abovementioned three new infill wells, combined with high uptime. One of these wells also came on stream earlier than expected. Also, 2023 did not have any planned revision stop (usually for one month), which was the case the year before.

- Throughout 2023, there were 31 active wells on the Brage Field, out of 40 well slots. These are 24 oil producers, two gas producers, four water injectors and one water producer from the shallower Utsira formation. The produced water is used for water injection, which is more beneficial for the reservoir than using sea water.

Brage Field, Norway
Photo courtesy of Okea ASA

- Another important project reached Decision Gate 2 (DG2) or Concept Selection stage in 2023; namely, the Brage Climate Response project. The plan is to reduce CO_2 emissions by installing an offshore wind turbine, which will reduce the need for gas turbines to power up the Brage facilities. This will also increase revenue from gas exports.

Yme Field (LPA's interest: 10 per cent)

- The drilling campaign with a JU-rig on the Beta structure was concluded in 2022. During 2023, drilling from the Mobile Offshore Drilling & Production Unit ("**MODPU**") took place, adding wells to production in the second half of 2023. Drilling will continue into 2024, as a result of delays in the drilling programme.

- There has been a consistent increase in production efficiency in the Yme Field in 2023. Production rates have sometimes exceeded 30,000 bopd. Production has been consistent at over 25,000 bopd.

- Actual total production in 2023 was below expectations at 6.7 mmbo gross (0.67 mmbo net to LPA), which is equivalent to 18,317 bopd (1,832 bopd net LPA), mainly due to delays in the drilling schedule and unscheduled shutdowns.

- With the current drilling campaign coming to a close in early 2024, LPA will work closely with the Yme Operator and partners to evaluate the field performance. This may lead to identification of additional drilling targets, cost reductions opportunities, and further production efficiency initiatives.

Brasse (LPA's interest: 17 per cent)

- LPA farmed in to the PL740 licence with the Brasse Field in December 2023. The field is just south of the Brage Field, and the intention is to develop the field as a satellite to Brage. Two to three production wells will be drilled, and tied back to the Brage Field through a subsea installation. An investment decision is expected in early 2024, and Brasse is expected to commence production in early 2027.

bopd: barrels of oil per day
mmbo: millions of barrels of oil

Falk/Linerle (LPA's interest: 50 per cent)

- The licence PL1125 (Falk/Linerle) will be relinquished and fully impaired in 2024, as the licence was not renewed, given that LPA was unable to find a partner operator for the licence.

Shrek (LPA's interest: 30 per cent)

- The Shrek licence partnership is evaluating alternative concepts for the development of the Shrek discovery. The operator, Aker BP ASA, has matured an alternative low cost development concept with a long reach well drilled from one of the existing subsea templates on Skarv. It is expected that a project feasibility milestone will be reached in the first quarter of 2024. Pending approval of this, Shrek will be further matured towards project sanction in late 2024 or early 2025. However, the development concept and timeline could be influenced by nearby exploration drilling activity.

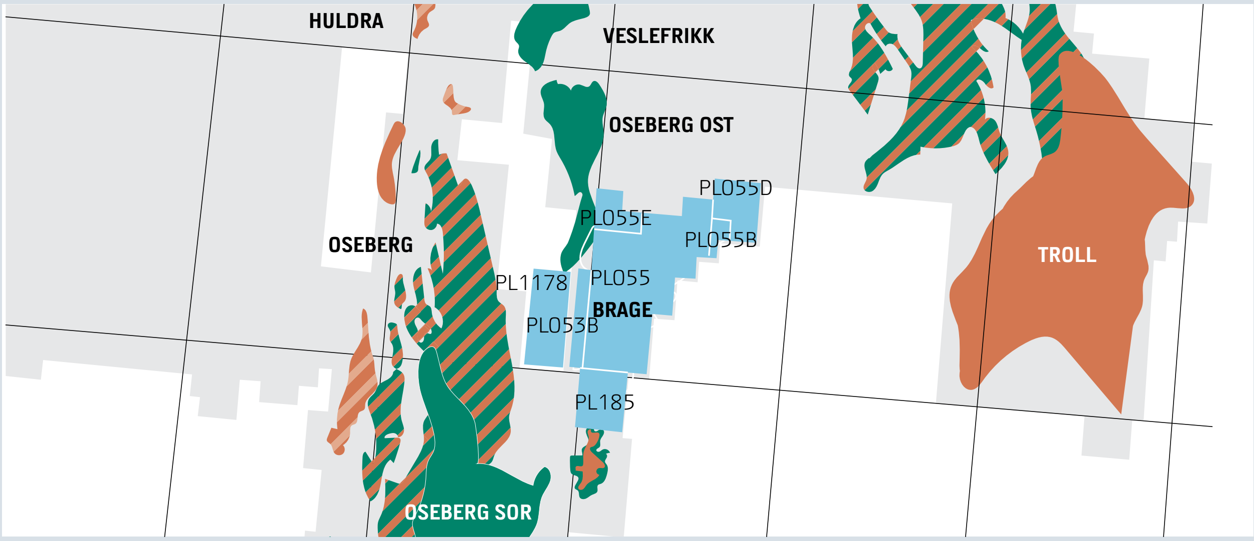
- A decision was made to relinquish the PL838B licence after studies showed a low chance of success and small recoverable resources for various prospects.

PL820 S Iving/Evra (LPA's interest: 30 per cent)

- LPA will work closely with the operator Vår Energi to further mature the Iving and Evra discoveries. A drilling decision on an appraisal well is expected in 2024, with drilling operations possible in 2025.

PL867/B Gjengalunden (LPA's interest: 20 per cent)
PL818/B Orkja (LPA's interest: 30 per cent)

- Drilling operations on the Gjegnalunden prospect, for which AkerBP is the Operator with 80 per cent, concluded in February 2023, with a minor discovery. Work in 2023 has concluded that there is limited further prospectivity in the licences, and the partnership has decided to relinquish the licences, along with the neighbouring PL818 and PL818B licences with the Orkja prospect.



Legend Licences in which LPA has stakes Oil producing fields with infrastructure in place

ABOUT THE BRAGE FIELD

According to the Norwegian Offshore Directorate, there are 2.18 million Sm^3 of oil equivalent or 13.7 MMboe of remaining volume in the Brage Field. Accordingly, this gives estimated remaining volumes to LPA at around 4.64 MMboe. Based on the gross production on Brage Field in 2023, production averaged around 4,680 boepd net to LPA.

Development

The Brage Field was discovered in 1980 in the northern part of the North Sea 10km east of the Oseberg field. Brage was put on production in 1993; 2023 thus marks the 30th anniversary for production on the Brage Field. The field is in 140 metres of water, and developed with a single platform on a steel jacket. The platform has 40 well slots, processing facilities, drilling rig and living quarters. Oil is transported to the Sture Terminal via the Oseberg Transport System (OTS), whereas raw gas is transported to Kårstø for further processing, through the Gassled pipeline system.

Reservoir

Brage produces from several reservoir horizons, mainly sandstones of Jurassic age. Reservoirs include the Lower Jurassic Statfjord Group, Middle Jurassic Brent Group and Fensfjord Formation, and Upper Jurassic Sognefjord Formation. The reservoirs lie at a depth of 2,000 – 2,300 metres. Reservoir quality ranges from poor to excellent. The drainage strategy is to utilise water injection for pressure support. Gas lift is utilised for artificial lift in most wells.

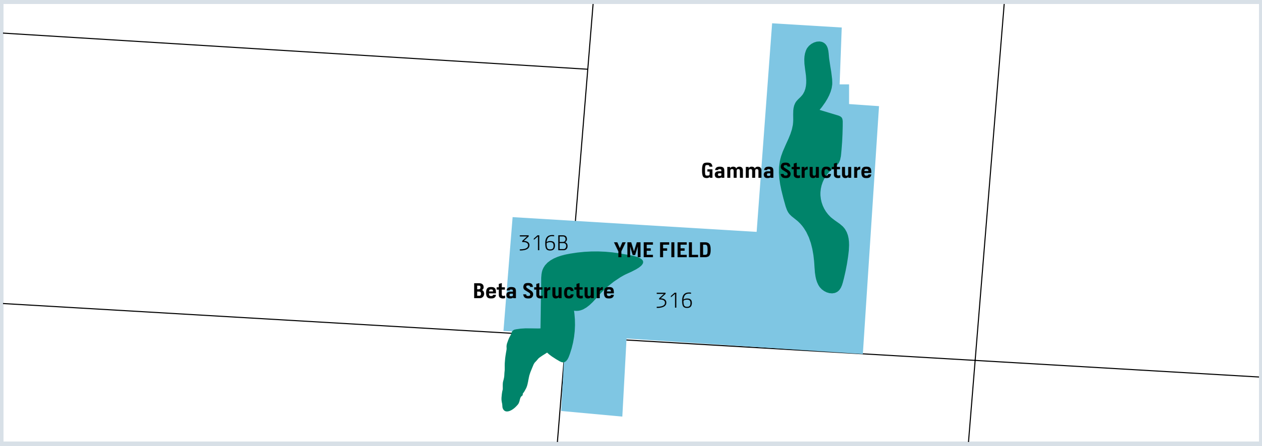
Status

The Brage Field has now produced for over 30 years, and has experienced several life-time extensions. In the past few years, successful infill drilling and near field exploration drilling has maintained and increased production levels and reserve-base. The drilling rig, which is integrated on the Brage platform, set new drilling records for the field in 2023, with wells drilling in excess of 9,000 metres. This has enabled reaching heretofore undrilled parts of the field. New drilling technology, combined with effective decision-making processes between the operator and partners, has enabled effective identification of additional resources within the field. Further drilling and production, optimisation is expected to take place in the years to come. The possible Brasse Field development, envisioned as a subsea tie-back to the Brage Field, will allow for further optimisation and lifetime extension beyond 2030.

Brage Climate Response Programme

The licence is considering options to bring down the field's carbon footprint, including electrification of the platform.

Source: Norwegian Offshore Directorate website, Field: BRAGE - Factpages - Norwegian Offshore Directorate (sodir.no)



Legend Yme licence area Current licence areas Existing oil/gas/condensate discoveries

ABOUT THE YME FIELD

The Yme Field was discovered in 1987 in the southeastern part of the North Sea. Water depth is around 100 metres. The field consists of two main structures, Gamma and Beta, which are 12 km apart. The Gamma part of the field was initially developed and put on production in 1996. Production was suspended in 2001 due to low oil prices and the field was subsequently decommissioned, despite recovery of only some 14 per cent of the in-place volumes. The field has gone through a complete redevelopment, with production restarting in October 2021.

According to the Norwegian Offshore Directorate, there are 6.28 million Sm^3 of oil equivalent or 39.49 MMboe of remaining volume in the Yme Field. Accordingly, this gives estimated remaining volumes to LPA at around 3.95 MMboe. With this reserve base, the field has gone through a complete redevelopment, and production started again in October 2021. Plateau production was initially expected to be reached in the fourth quarter of 2022. However, it is now expected in early 2024. Production has steadily improved through 2023 as production efficiency has increased and new wells have been drilled. At the end of 2023, production levels stood at around 23,200 boepd in total, giving LPA a net of 2,320 boepd.

Redevelopment

The redevelopment of the Yme Field involved installation of a Mobile Offshore Drilling and Production Unit (MODPU), the Yme Inspirer and a subsea oil storage tank. No pipeline facilities for gas are available for Yme. The MODPU has a total of nine well slots for wells in the Gamma structure. The Beta structure hosts two subsea well templates, each with four well slots, and is tied back to the Yme Inspirer. The Yme Inspirer (then Maersk Inspirer) underwent extensive modifications and upgrades before being deployed on the Yme Field. Production started from pre-drilled wells on the Gamma structure in October 2021. Additional wells were put on production from the Beta structure in 2022 and 2023. Drilling operations on the Gamma structure were significantly delayed, and will continue into 2024. Commissioning of the field was more difficult and time consuming than anticipated, causing significant delays. Plateau production was expected in late 2022; this is now expected in early 2024.

Reservoir

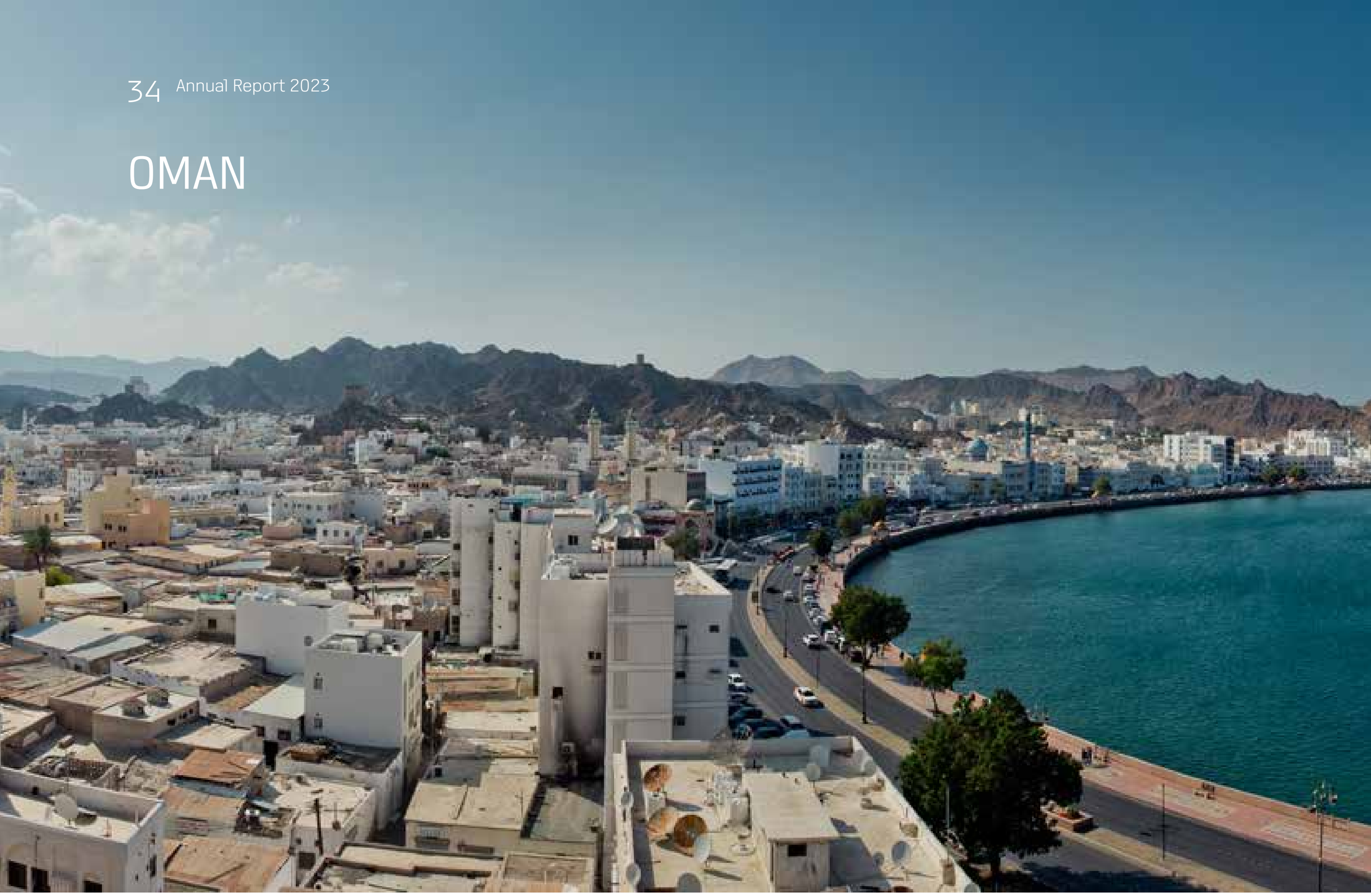
The reservoir consists of sandstones of the Middle Jurassic Sandnes Formation. Depth to the reservoir is around 3,150 metres. The reservoir sandstones have poor to excellent reservoir properties. Horizontal wells are utilised to maximise reservoir contact. The drainage/recovery strategy is to utilise water and gas injection to maintain pressure. Produced gas is re-injected into the reservoir, as there is no export pipeline for gas. For artificial lift, a combination of gas lift and electrical submersible pumps is used.

Status

The field has seen steady improvement in production efficiency, and with new wells added in 2023, production has steadily risen to upwards of 30,000 bopd in total (3,000 bopd net to LPA). Production drilling will conclude in early 2024. At that point, the licence partners will evaluate the reservoir performance. Further infill drilling may take place in 2025.

Source: Norwegian Offshore Directorate website, Field: YME - Factpages - Norwegian Offshore Directorate (sodir.no)

OMAN



In early 2023, Masirah Oil Ltd announced the completion of a workover of the Yumna-3 well which involved replacing the faulty electrical submersible pump and the drilling of the Yumna-4 well for production. Later in the year, the damaged flowline was replaced.

According to the US International Trade Administration, oil has been the driving force of the Omani economy since Oman began commercial production in 1967. The oil industry supports Oman's modern and expansive infrastructure, including electric utilities, roads, public education, and medical services.

Oman can produce upwards of one million barrels per day of crude oil and condensates, but honours OPEC+ quotas. Oman's oil reserves primarily consist of heavy crude, and China is the predominant export market. Oman's government derives roughly 70 per cent of its annual budget from oil & gas revenues through taxation and joint ownership of some of the most productive fields, and the industry accounts for 30 per cent of Oman's gross domestic product. In June 2022, the Ministry of Energy and Minerals (MEM) announced that Oman's crude oil reserves stood at 5.2 billion barrels, and gas reserves at around 24 trillion cubic feet. The MEM also announced that it had made new oil discoveries that would raise Oman's production by 50,000 to 100,000 barrels in the next two to three years.

The 2020 oil price crash hit the sector hard, but it has recovered with a rebound in oil prices to above pre-pandemic levels. Oman's 2022 government budget estimated revenues of $27.6 billion, based on average oil prices of $50 per barrel, with oil & gas accounting for 42 and 26 percent of total revenue, respectively.

The government reported revenues of $17.4 billion (and a $2 billion surplus) in the first half of 2022 based on an average oil price of $87 per barrel; and it is on track to record its first annual surplus in a decade.[1]

According to the MEM's 2022 Annual Report, oil production in the Sultanate of Oman rose in 2022, with a daily average of 1.064 million barrels per day, compared to 971,000 barrels in 2021, an increase of 9.6 per cent. Furthermore, the Sultanate has maintained the same level of oil production in line with the production reduction agreement concluded with member states of OPEC and other countries outside the organisation, which aim to achieve a balance between global supply and demand for oil.[2]

It was reported in September 2022 that Oman's Ras Markaz oil storage terminal was set to receive the first cargo for the 230,000 b/d Duqm refinery in November 2022, amid talks with customers to store their crude in the project located some 1,000 km outside the Strait of Hormuz. The Ras Markaz facility, located in the Special Economic Zone in Duqm, will have an initial capacity to store 5.2 million barrels of crude for the refinery. Oman, the biggest Middle East oil producer outside OPEC, is developing Duqm overlooking the Arabian Sea into a shipping and energy hub that can rival UAE's Fujairah, the world's third largest bunkering hub that is boosting its crude storage with current capacity mostly catering to oil products.[3]

BLOCK 50 OMAN

Block 50 is an offshore concession, approximately 17,000 sq km, located in Gulf of Masirah, east of Oman.

Masirah Oil Ltd ("**MOL**") holds 100 per cent of the Block 50 Oman concession. Rex International Holding holds an effective interest of 91.81 per cent in MOL through the indirect wholly-owned subsidiary Rex Oman Ltd.

[1] International Trade Administration (US), Oman – Country Commercial Guide (Oil & Gas), 14 September 2022
[2] Oman Ministry of Energy and Minerals, Annual Report 2022
[3] S&P Global Insights, Oman's Ras Markaz oil storage set to receive first cargo for Duqm refinery in Nov, 1 September 2022

Yumna Field, Oman

2023 OPERATIONS UPDATE

- Announced the completion of the 4Q 2022 drilling campaign which consisted of a workover of the Yumna-3 well to replace the electrical submersible pump and drilling of the Yumna-4 well, which was completed for production.
- Installed a larger flowline and resumed production on 3 September 2023, after production was halted from 9 August 2023.
- Carried out and completed maintenance works on the Mobile Offshore Production Unit (MOPU), originally scheduled to be undertaken in November 2023, at the same time as the installation of the flowline.
- Installed gas lift in Yumna-3 to rejuvenate production in the third week of September 2023, after the well was shut in end-June 2023 due to an unplanned electrical failure of the Electrical Submersible Pump (ESP).
- Replaced the damaged flowline and production restarted on 10 December 2023. Production had shut down from 25 October 2023, due to damage to the internal pressure containing liner of the newly installed larger flowline.

Going Forward

- During 2024, MOL will continue to optimise the production facilities and well operations.
- An additional new well will be drilled in the Yumna Field to capture attic oil and increase production. Also, ESPs in two of the wells will be replaced to optimise production rates.
- A more robust steel pipeline will be installed connecting the MOPU to the floating storage and offloading unit (FSO), increasing reliability of the production system.
- The MOL team will perform a block-wide review of exploration potential. Based on the results of the review, planning of the acquisition of additional targeted seismic or additional data collection will be implemented.

ABOUT THE YUMNA FIELD

Block 50 Oman is one of the first concessions secured by the founders of Rex International Holding before the Company's IPO. The Company's founders were involved in Lundin Petroleum's (then known as International Petroleum Corporation (IPC)) commercial oil discovery in the Bukha field, offshore Oman in 1986.

On 4 February 2014, an oil discovery was announced in Block 50 Oman. The second exploration well that was drilled in the concession had successfully reached the well target depth of more than 3,000 metres into the Cambrian formation. Hydrocarbons were discovered in several formations with good oil sample extracted.

The oil discovery is significant as it is the first offshore discovery east of Oman, after 30 years of exploration activity in the area and won the 'Offshore Discovery of the Year' award.

In 2017, the Karamah #1 well which was drilled, identified a 5-metre oil bearing interval on the wireline logs and found hydrocarbon shows in several stratigraphic zones, confirming the presence of a working petroleum system in the block.

In July 2020, the Ministry of Oil and Gas in Oman (now renamed Ministry of Energy and Minerals) approved the Field Development Plan for the Yumna Field and awarded Declaration of Commerciality. The Yumna-1 well had produced more than one million barrels of oil by then and the first three cargoes of Masirah crude were sold in April, May and June 2020, following successful completion of liftings from the first offshore ship-to-ship transfers in Oman.

In November 2020, MOL awarded a drilling rig contract to Shelf Drilling, to utilise the Tenacious jackup rig, to drill two development wells and one exploration well in Block 50 Oman, starting from December 2020. In December, a second development well in the Yumna Field was spudded.

Yumna-2 encountered 10 metres of Lower Aruma sandstone with a porosity of 21 per cent, proving that the good quality reservoir sand is extensive to the north of Yumna-1; the permeability is about 2,000 md. The reservoir pressure depletion over the first year of production is around 100 psi, confirming that excellent pressure support is provided by a strong aquifer. Production at Yumna-2 started on 23 January 2021.

Yumna-3, the third production well, targeting a crestal location in the field to the east and up-dip from the discovery well GAS-1, was drilled back-to-back from Yumna-2 in January 2021, even as the production facilities on the Yumna Mobile Offshore Production Unit (MOPU) were being upgraded to increase the liquid (i.e. oil and water) processing capacity to 30,000 bpd, to accommodate production from the three Yumna wells.

Following the successful drilling of the two development wells Yumna-2 and Yumna-3, three exploration wells were drilled near the Yumna Field as a five-well campaign with major cost savings. The results of the three exploration wells confirmed the extent of the good quality Lower Aruma sandstone and will help to refine the understanding of the trap mechanisms in the area.

In the fourth quarter of 2022, MOL commenced a drilling campaign which was completed in early 2023. The drilling campaign consisted of a workover of the Yumna-3 well to replace the electrical submersible pump and drilling of the Yumna-4 well, which was completed for production.

BENIN, WEST AFRICA

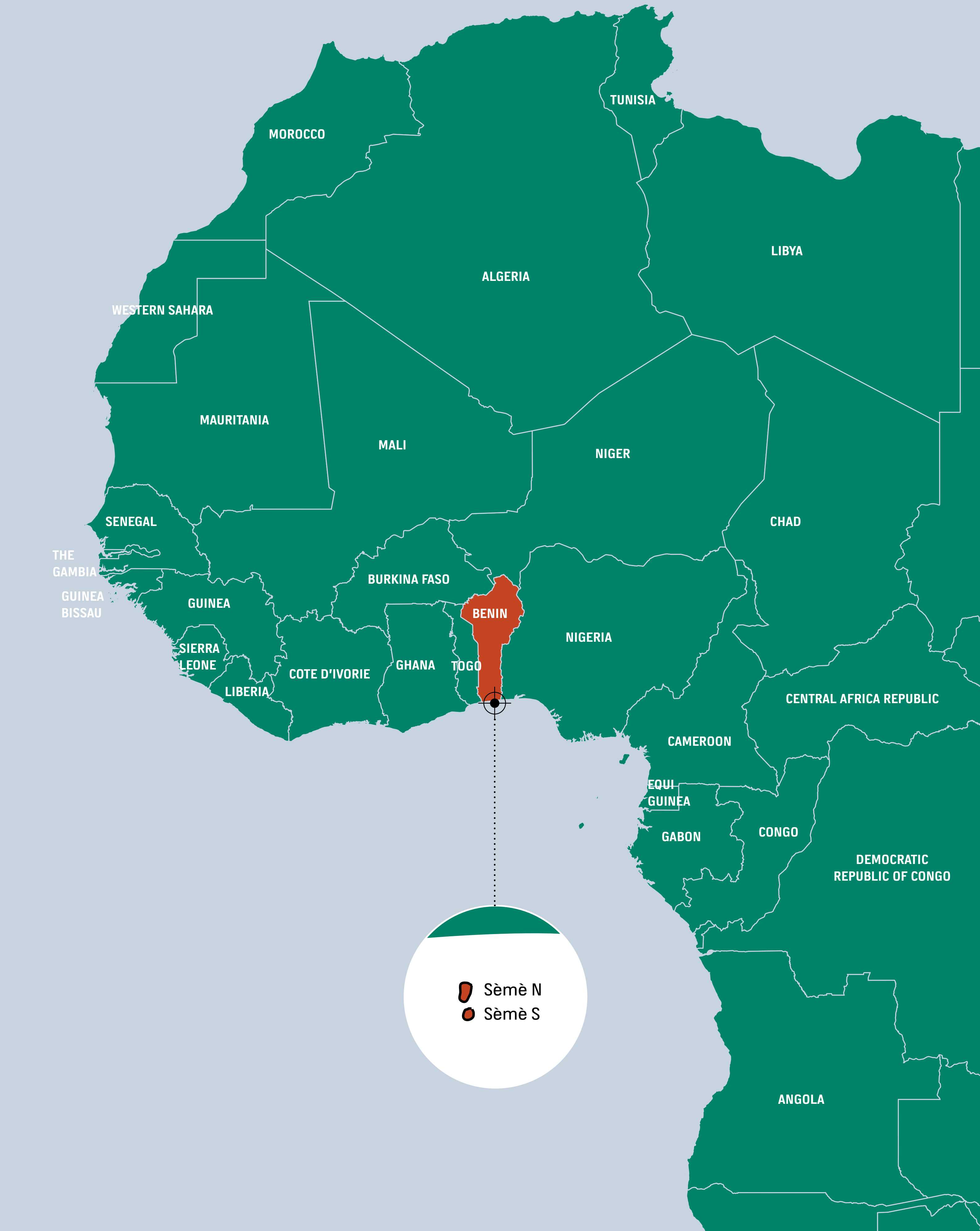
Akrake Petroleum Benin SA ("**Akrake**"), an indirect wholly-owned subsidiary of Porto Novo Resources Ltd, Rex's 70 per cent-owned indirect subsidiary, signed in December 2023, a production sharing contract ("**PSC**") for operatorship and a 76 per cent* working interest in Block 1, Sèmè Field in Benin, West Africa. The remainder of the working interest will be held by the government of Benin and Octogone Trading, an integrated energy and commodities company trading throughout West Africa.

OVERVIEW

Benin's geographical position at the juncture of two major regional corridors—the Abidjan-Lagos and Cotonou-Niamey corridors— makes this West African country an important commercial and tourism hub. Benin has a 121-kilometre-long coastline on the Gulf of Guinea and is bordered by Nigeria, Burkina Faso, Niger, and Togo. Benin is a politically stable country and has achieved successive democratic transitions.[1]

Offshore oil was discovered in 1968 in the Sèmè Field near Cotonou and has been exploited since 1982, but stopped in 1998.[2] The Niger-Benin oil pipeline stretches over 1,982 km, including 1,298 km in Niger and 684 km in Benin. The US$4.5 billion oil pipeline project connects the Agadem extraction site in Niger to the deep-water port of Sèmè-Kpodji in Benin. It will be able to deliver 4.5 metric tons/year of oil and could help Benin become a hub for crude oil export for West Africa.[3] It was reported that Niger was expected to export its first barrels of crude oil through this new pipeline in January 2024.[4]

* Subject to the Benin government's entitlements under the PSC
1 World Bank, Benin Overview, 29 September 2023
2 Britannica, Economy of Benin, 2023
3 Enerdata, Benin starts building its part of the West AfricaOil Pipeline to Niger, 11 August 2021
4 Reuters, Niger Set to Begin Oil Exports Through Benin Pipeline in January, 11 December 2023


TUNISIA
MOROCCO
LIBYA
ALGERIA
WESTERN SAHARA
MAURITANIA
MALI
NIGER
SENEGAL
CHAD
THE GAMBIA
BURKINA FASO
GUINEA BISSAU
GUINEA
BENIN
NIGERIA
SIERRA LEONE
GHANA
TOGO
COTE D'IVORIE
LIBERIA
CENTRAL AFRICA REPUBLIC
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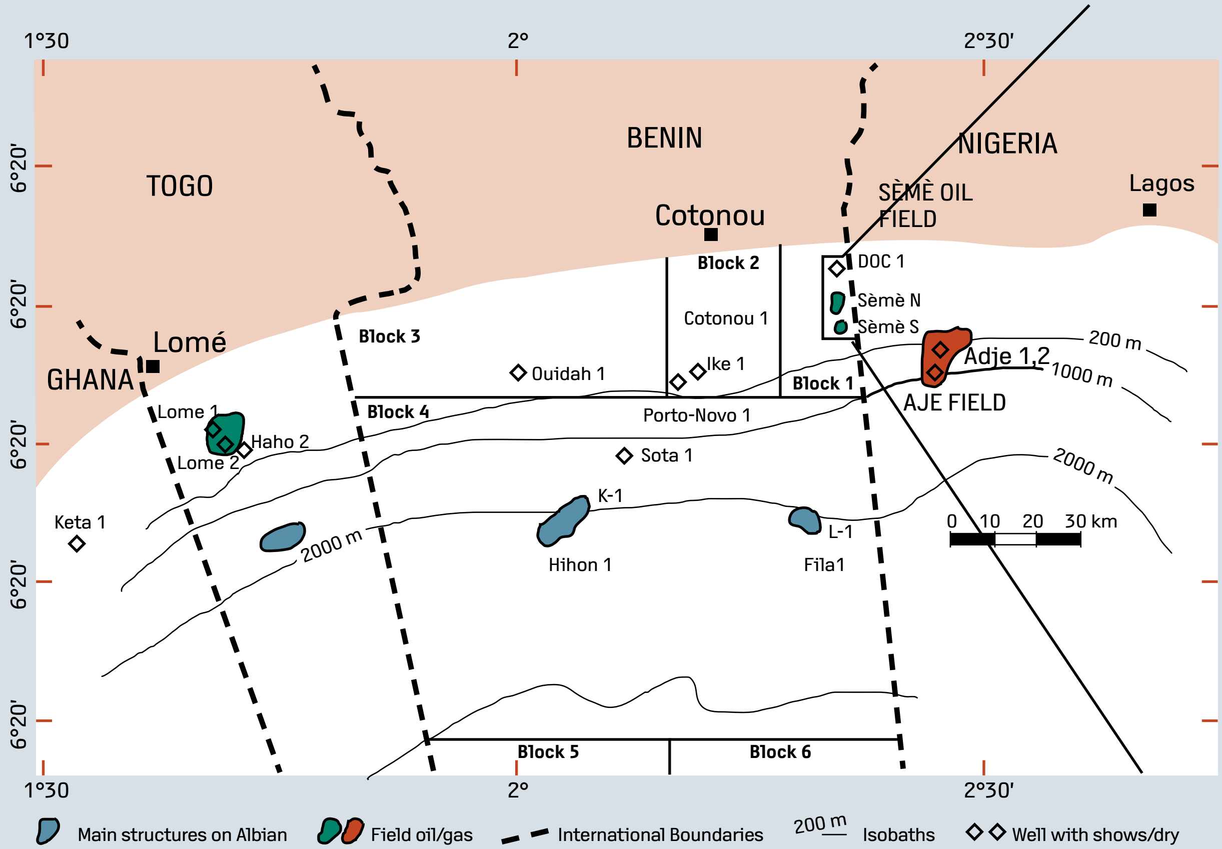


ABOUT THE SÈMÈ FIELD

The offshore Block 1 in Benin covers 551 sq km and is in shallow water depth of 20 to 30 metres. The block includes the Sèmè Field discovered by Union Oil in 1969. The Sèmè Field was first developed by Norwegian oil company, Saga Petroleum (Saga), and had produced approximately 22 MMbbl between 1982 and 1998, before production was stopped prematurely due to low oil prices of around US$14 per barrel in 1998.

Akrake will initially redevelop the Sèmè Field and apply the Group's tried and tested low-cost production system comprising a jack-up Mobile Offshore Production Unit (MOPU) and a Floating Storage and Offloading Unit (FSO), to restart production. Horizontal wells and modern completion technology for water control will be used to maximise total oil recovery.

Previous drillings in the Sèmè Field in 2014 to 2015 have proven additional deeper hydrocarbon accumulations of oil and gas. Further appraisal tests, including the appointment of a qualified person to independently assess the amount of reserves in the field, will be undertaken in conjunction with the early production drilling. Additional reserves and resources, if any, can be produced through the infrastructure to be installed in one of the reservoirs.

The Group will tap on the geological & geophysical expertise and the deep technical & operational know how of its teams in Norway and Oman, and establish a professional team locally, to work towards filing a Field Development Plan in 2024 to restart production. Exploration opportunities to unlock unexploited oil and especially gas potential in the field will also be evaluated.

In January 2024, an independent investment bank was engaged as exclusive corporate finance advisor with respect to Sèmè Field and to support the Group with strategic corporate finance advice in relation to capital fundraising, corporate and asset transactions for its recent PSC, and potentially in other strategic growth initiatives for Rex's oil & gas business.

MMbbl: millions of barrels

TECHNOLOGY-BASED SUBSIDIARIES

The Group's ethos has always been rooted in technology and scientific innovation.

When Rex was listed as a public company in 2013, its unique differentiating factor then was the Group's proprietary liquid hydrocarbon indicator - Rex Virtual Drilling ("**RVD**") - which the Group had been using as a de-risking tool for offshore oil exploration. The Group has since transformed from a pure oil exploration company to a full-fledged oil & gas exploration & production (E&P) company, and continues to leverage on RVD when evaluating new asset investment opportunities and making exploration drilling decisions.

In 2019, shareholders at the Company's Extraordinary General Meeting gave a resounding 99.79 per cent approval for the Group's proposed diversification of the Group's business into sustainable energy, sustainable solutions for materials and development, and ownership or acquisition of related technology. The proposed business diversification was made in recognition of the global trend in the energy market to move to clean and sustainable energy and the Group's affinity to new and game-changing technology.

In 2021, Rex invested in the heavy-duty commercial drone business of Xer Technologies Pte Ltd ("**Xer**"), which promotes sustainable practices for corporations and government institutions on a global scale by replacing larger and heavier modes of transport such as helicopters, trucks and sea vessels for a wide range of applications, minimising environmental impact and reducing CO_2 emissions, bringing the Group a step closer towards the abovementioned approved business diversification mandate.

In 2023, Rex acquired interests in medical-technology / life science company Moroxite T AB ("**Moroxite T**"). Like the Xer transaction, this investment was into a promising company in an up-and-coming industry that exhibits strong potential growth, at a relatively modest consideration, with limited risks, and without changing the risk profile of the Company.

Both Xer and Moroxite T have since become subsidiaries of the Group.

REX VIRTUAL DRILLING™

REX VIRTUAL DRILLING

Rex Virtual Drilling ("**RVD**"), the Group's proprietary liquid hydrocarbon indicator, is developed by Rex Technology Investments, an indirect wholly-owned subsidiary of the Group.

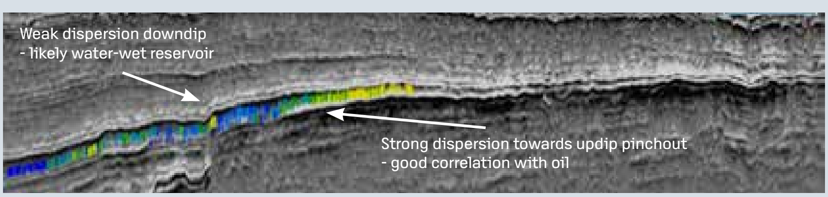
RVD uses conventional seismic data to extract information about the presence of reservoir rock and liquid hydrocarbons. Seismic data is the conventional technology used by the oil industry to image the subsurface and guide in the exploration and production decision-making process. Seismic data is collected by shooting acoustic energy – sound pulses – into the ground and listening to the responding acoustic signals as the sound pulses interact with liquid and rock layers. Although seismic data has been used by the exploration industry for almost a century, identifying reservoir rock and liquid types remains very difficult, which is why global average oil exploration success rate remains at only about 10 to 15 per cent.

With RVD, the exploration success rate can be increased. RVD processes and extracts information from seismic data using unique algorithms that create 3D maps that show correlation with the presence of oil in the ground. The data is then used together with conventional sub-surface analysis to assess how it fits in a geological setting, providing guidance for better decision-making.

The efficiency of RVD has been extensively tested in blind tests, live tests and actual drilling campaigns since 2009. Since its inception, the technology has undergone several revisions and improvements to refine its predictive capabilities. With the support of RVD, the Group has achieved four commercial oil discoveries in Oman and Norway over the years. The Group has been using the RVD technology extensively to de-risk farm-in opportunities and to select licences to apply for in Norway's Awards in Predefined Areas (APA) rounds. The technology has allowed the Group's exploration geoscientists to focus on licences with RVD support and discard areas without, building up a portfolio of both discoveries and high potential prospects.

The technology has also proven to be highly accurate in predicting dry wells. By incorporating RVD into existing de-risking processes, oil exploration companies can increase the chances of finding oil whilst saving millions of dollars in futile capital expenditure drilling dry wells.

The balanced integration of RVD with traditional geological models and geophysics attributes continues to be a core R&D effort for the Group's exploration and production teams.



DEGREE OF DISPERSION	RESERVOIR CONTENT
HIGH	OIL OR WATER-WET RESERVOIR
LOW	WATER-WET OR NO RESERVOIR

Image: RVD results demonstrating increased values of dispersion higher up in structure, towards pinch-out. High chance of oil at the structural high and water further downdip. Possible approximate oil-water contact identified.

XER TECHNOLOGIES PTE LTD

Xer Technologies Pte. Ltd. ("**Xer**") is a 53 per cent subsidiary of the Group. Xer's Swiss subsidiary and headquarters, Xer Technologies AG, develops its own durable, long-range multirotor drones that can fly for several hours with heavy payload. The drones have been designed and tested for tough weather conditions, making them suitable for operations globally. Typically, Xer's unmanned aerial system (UAS) is applied in areas such as infrastructure inspection (for example, power line inspection, offshore windmill inspection and gas emission inspection), as well as search and rescue operations and public safety applications.

The Xer X8 UAV (unmanned aerial vehicle) boasts swift deployment within two minutes, leveraging its distinctive hybrid-electric technologies to carry advanced payloads such as high-end optical cameras, LiDAR (Light Detection and Ranging), IR-, corona-, or multispectral cameras. The UAS can navigate adverse weather conditions and sustain flights for 2.5 hours with a 3 kg payload, or a total payload of up to 7 kg. The use of the X8 UAV can dramatically reduce energy use, costs, CO_2 emissions and risk to life, as compared to manned, heavier aircraft. These characteristics make the X8 UAS particularly suitable for beyond-visual-line-of-sight (BVLOS) operations such as infrastructure inspection, including power lines, offshore windfarms, oil and gas assets, railroad, and other remote industrial structures.

Xer has established close collaboration with a number of leading-edge technology companies, including the high-end sensor manufacturer Phase One, a global leader in high-end imaging technology; and Yellowscan, a global leader in LiDAR technology. Xer recently also announced its collaboration with LINIA, a Swiss industry innovator, to integrate LINIA's cutting-edge automated flight route software with the state-of-the-art X8 UAV platform. These partnerships mark a significant leap forward for Xer and its customers in the realm of automated drone inspections, especially for power line assessments.

Research suggest that the total global commercial drone market size is anticipated to reach US$501.4 billion by 2028, registering a Compound Annual Growth Rate (CAGR) of 57.5% from 2021 to 2028[1].

[1] Source: Grand View Research, "Commercial Drone Market Worth $501.4 billion by 2028: CAGR: 57.5%", April 2021.

MOROXITE T AB

Life science company Moroxite T AB ("**Moroxite T**") is a 70 per cent subsidiary of the Group. Moroxite T is developing a new and unique, IP protected, carrier platform for targeted delivery of cancer therapy. Moroxite T's first product will be doxorubicin (a cancer chemotherapeutic drug) bound to hydroxyapatite particles (naturally occurring bone mineral) that can then be delivered into osteosarcoma (bone cancer) tumours. This local delivery allows for increased concentration of doxorubicin in the tumor for improved tumor response, as well as less side effects, as compared to a similar dose of intravenously administered doxorubicin. The product thus has the potential to revolutionise the treatment of primary bone cancers and bone metastases (the spread of the cancer tumour to other parts of the body), by extending life expectancy and improving the quality of life of patients.

Moroxite T's product is based on a solid scientific foundation. Both doxorubicin and hydroxyapatite have been in clinical use for decades and been administered to millions of patients. Moroxite T's board and scientific team include professors, associate professors, multiple medical doctors, and multiple PhDs, with a combined 600+ scientific publications in peer-reviewed journals. Published in-vitro and in-vivo studies using early versions of Moroxite T's technology have shown favourable results.

Moroxite T had filed several patent applications and recently patents have been allowed in the European Union and Singapore. Further patents are expected to be granted as the prosecution of these patent applications proceeds*. To-date, Moroxite T has completed three scientific studies and for 2024, two more studies are planned. A development and research plan comprising further laboratory studies, pre-clinical studies and a biocompatibility study as part of the regulatory process, have been drawn up. Moroxite T's obtainment of patents and continued success in its scientific studies is envisaged to add value to its product and help its progress in attracting third-party investments and product commercialisation going forward.

According to a market research report, the global bone cancer treatment market was valued at US$1.2 billion in 2021, and is projected to reach US$1.8 billion by 2031, growing at a CAGR (compound annual growth rate) of 4.5 per cent from 2022 to 2031[1]. Another report states that the increasing adoption of inorganic growth strategies such as acquisitions in order to develop novel treatment methods for bone cancer is expected to drive the global bone cancer drugs market growth[2].

DASH the Product

Moroxite T's DASH is a chemotherapeutic drug delivery platform and procedure for treatment of bone cancer and metastasis, paired with a disposable medical procedure pack37 (EU/MDR) or convenience kit38 (US/FDA).

Moroxite T's pack/kit consists of the components listed below:

- Radiographic contrast media Iohexol
- Chemotherapeutic drug — Doxorubicin
- A drug delivery platform using a closed mixing system – The platform contains prefilled hydroxyapatite (HA) and calcium sulphate (CaS) in a syringe. The chemotherapeutic drug and contrast media are added in the procedure.
- Transfer device – Moroxite T's needle with inner sharp trocar inserted under radiographic guidance delivering the mixed components locally in the tumour site.
- Vacuum system creating under pressure using a two-needle technique for safe and effective distribution in a solid tumour.

[1] Allied Market Research, Bone Cancer Treatment Market Research, 2031, September 2022
[2] Coherent Market Insights, Bone Cancer Drugs Market Analysis, September 2023
* Patent process: When a patent application is first filed, the application will be prosecuted (to obtain patent protection on an idea/invention) in individual countries or regions, as with the EU. After this process, the patent may be allowed, and after formalities, the patent will be issued/granted

RESERVES & RESOURCES

YME, BRAGE AND BRASSE FIELDS, NORWAY

The following reserves and resources tables have been extracted from the independent summary Qualified Person's Report (QPR) dated 13 March 2024, prepared by AGR Energy Services AS.

With reference to the Company's announcement on 14 March 2024, extracts from the independent summary QPR of the reserves and contingent resources in the Yme, Brage and Brasse Fields in Norway, in which Rex's 91.65 per cent subsidiary LPA holds 10 per cent, 33.8434 per cent, and 17 per cent working interests respectively, are provided below:

Yme Field

Category	Gross Attributable to Licence (MMbbl / Bcf)	Net Attributable (10.00% LPA[1] share) (MMbbl / Bcf)	Net Attributable (91.652% Rex Int Share of LPA) (MMbbl / Bcf)	Change From Previous Update (%)	Risk Factors[2]	Remarks
RESERVES						
Oil Reserves						
1P	22.65	2.27	2.08	-12.2%	N.A.	-
2P	39.47	3.95	3.62	-27.8%	N.A.	-
3P	41.97	4.20	3.85	-27.7%	N.A.	-
Natural Gas Reserves						
1P	-	-	-	-	-	-
2P	-	-	-	-	-	-
3P	-	-	-	-	-	-
Natural Gas Liquids Reserves						
1P	-	-	-	-	-	-
2P	-	-	-	-	-	-
3P	-	-	-	-	-	-
CONTINGENT RESOURCES						
Oil						
1C	2.30	0.23	0.21	53.4%	0.60	Immature project
2C	8.20	0.82	0.75	173.2%	0.60	Immature project
3C	9.55	0.95	0.87	112.1%	0.60	Immature project
Natural Gas						
1C	-	-	-	-	-	-
2C	-	-	-	-	-	-
3C	-	-	-	-	-	-
Natural Gas Liquids						
1C	-	-	-	-	-	-
2C	-	-	-	-	-	-
3C	-	-	-	-	-	-

Notes:
1. Net Attributable means LPA's effective working interest share under the respective production licence. LPA is entitled to a full share of these volumes. LPA's shareholders are Rex International Investments Pte. Ltd. (at 91.652%), a wholly owned subsidiary of Rex International Holding Limited, and Schroder & Co Banque SA (at 8.348%).
2. Applicable to Resources. "Risk Factor" for Contingent Resources means the estimated chance, or probability, that the volumes will be commercially extracted.

Brage Field

Category	Gross Attributable to Licence (MMbbl/ Bcf)	Net Attributable (33.8434% LPA[1] share) (MMbbl / Bcf)	Net Attributable (91.652% Rex Int share of LPA) (MMbbl / Bcf)	Change from previous update (%)	Risk Factors[2]	Remarks
RESERVES						
Oil Reserves						
1P	6.03	2.04	1.87	2.6%	N.A.	-
2P	8.23	2.78	2.55	17.2%	N.A.	-
3P	11.28	3.82	3.50	5.2%	N.A.	-
Natural Gas Reserves						
1P	7.61	2.57	2.36	-24.0%	N.A.	-
2P	11.90	4.03	3.69	-19.9%	N.A.	-
3P	16.00	5.42	4.96	-24.4%	N.A.	-
Natural Gas Liquids Reserves						
1P	0.40	0.14	0.12	-47.7%	N.A.	-
2P	0.66	0.22	0.21	-41.7%	N.A.	-
3P	0.88	0.30	0.27	-45.8%	N.A.	-
CONTINGENT RESOURCES						
Oil						
1C	6.52	2.21	2.02	18.9%	0.43	Weighted average of 9 projects
2C	10.58	3.58	3.28	8.8%	0.43	
3C	15.91	5.38	4.93	14.0%	0.43	
Natural Gas						
1C	0.03	0.01	0.01	-99.8%	0.43	-
2C	10.52	3.56	3.26	-36.9%	0.43	-
3C	29.95	10.14	9.29	80.3%	0.43	-
Natural Gas Liquids						
1C	0.33	0.11	0.10	-125.9%	0.43	-
2C	0.18	0.06	0.06	-85.9%	0.43	-
3C	0.88	0.30	0.27	-32.5%	0.43	-

Notes:
1. Net Attributable means LPA's effective working interest share under the respective production licence. LPA is entitled to a full share of these volumes. LPA's shareholders are Rex International Investments Pte. Ltd. (at 91.652%), a wholly owned subsidiary of Rex International Holding Limited, and Schroder & Co Banque SA (at 8.348%).
2. Applicable to Resources. "Risk Factor" for Contingent Resources means the estimated chance, or probability, that the volumes will be commercially extracted.

Brasse Field

Category	Gross Attributable to Licence (MMbbl/ Bcf)	Net Attributable (17% LPA[1] share) (MMbbl / Bcf)	Net Attributable (91.652% Rex Int share of LPA) (MMbbl / Bcf)	Change from previous update (%)	Risk Factors[2]	Remarks
RESERVES						
Oil Reserves						
1P	-	-	-	-	-	-
2P	-	-	-	-	-	-
3P	-	-	-	-	-	-
Natural Gas Reserves						
1P	-	-	-	-	-	-
2P	-	-	-	-	-	-
3P	-	-	-	-	-	-
Natural Gas Liquids Reserves						
1P	-	-	-	-	-	-
2P	-	-	-	-	-	-
3P	-	-	-	-	-	-
CONTINGENT RESOURCES						
Oil						
1C	12.91	2.19	2.01	100%	0.85	
2C	16.49	2.80	2.57	100%	0.85	New acqusiition
3C	20.39	3.47	3.18	100%	0.85	
Natural Gas						
1C	29.42	5.00	4.58	100%	0.85	
2C	40.36	6.86	6.29	100%	0.85	New acqusiition
3C	42.01	7.14	6.54	100%	0.85	
Natural Gas Liquids						
1C	1.79	0.31	0.28	100%	0.85	
2C	2.46	0.42	0.38	100%	0.85	New acqusiition
3C	2.56	0.44	0.40	100%	0.85	

Notes:
1. Net Attributable means LPA's effective working interest share under the respective production licence. LPA is entitled to a full share of these volumes. LPA's shareholders are Rex International Investments Pte. Ltd. (at 91.652%), a wholly owned subsidiary of Rex International Holding Limited, and Schroder & Co Banque SA (at 8.348%).
2. Applicable to Resources. "Risk Factor" for Contingent Resources means the estimated chance, or probability, that the volumes will be commercially extracted.

1P: Proved
2P: Proved + Probable
3P: Proved + Probable + Possible
MMbbl: Millions of barrels
Bcf: Billions of cubic feet

Name of Qualified Person: Steinar S. Johansen
Date: 13 March 2024
Professional Society Affiliation/Membership: Society of Petroleum Engineers (SPE), European Association of Geoscientists and Engineers (EAGE), London Petrophysical Society (LPS), CFA Institute

SHREK DISCOVERY, NORWAY

The following resources table has been extracted from the independent summary QPR dated 20 March 2020, prepared by RPS Group Plc.

With reference to the Company's announcement on 23 March 2020, an extract from the independent summary QPR of the contingent resources in PL838 in Norway, where the Shrek discovery was made in 2019, is provided below.

LPA, the Company's 91.65 per cent subsidiary, holds a 30 per cent working interest in the asset.

There has been no material change since the Independent QPR.

	Gross Attributable to Licence		LPA's 30% Working Interest			Rex's 91.65% interest in LPA				
Category	Contingent Resources		Contingent Resources		% Change from Previous Update	Contingent Resources		% Change from Previous Update	Risk Factors[1]	Remarks
Contingent Resources – Oil[2]										
	MMcm	**MMstb**	**MMcm**	**MMstb**		**MMcm**	**MMstb**			
1C	1.65	10	0.50	3.1	N.A.	0.46	2.84	N.A.	N.A.	N.A.
2C	2.42	15	0.73	4.6	N.A.	0.67	4.22	N.A.	N.A.	N.A.
3C	3.55	22	1.07	6.7	N.A.	0.98	6.14	N.A.	N.A.	N.A.
Contingent Resources – Gas[2,3]										
	Bcm	**Bscf**	**Bcm**	**Bscf**		**Bcm**	**Bscf**			
1C	0.68	24	0.20	7.2	N.A.	0.18	6.60	N.A.	N.A.	N.A.
2C	0.97	34	0.29	10.0	N.A.	0.27	9.17	N.A.	N.A.	N.A.
3C	1.40	50	0.42	15.0	N.A.	0.38	13.75	N.A.	N.A.	N.A.

Notes:
1. Given the early stage of assessment of development options and the recent change of operator, RPS does not deem it appropriate to assign a change of development.
2. Total of individual reservoirs summed statistically. An arithmetic summation of individual 1C, 2C and 3C quantities will not produce a total 1C, 2C and 3C. Statistical aggregation takes into account all outcomes. The process of statistical addition will, as a result of the central limit theorem, produce a 1C that is greater than the arithmetic sum of all 1C quantities and a 3C that is less than the arithmetic sum of all 3C quantities and do not add arithmetically.
3. Volumes include free and associated gas.

MMcm: Millions cubic metres
MMstb: Million stock tank barrels (at 14.7 PSI and 60°F)
Bcm: Billion cubic metres
Bscf: Billions of standard cubic feet

Name of Qualified Person: Gordon Taylor
Date: 20 March 2020
Professional Society Affiliation / Membership: Geological Society, Institute of Materials, Minerals and Mining, AAPG Division of Professional Affairs and the Society of Petroleum Engineers

YUMNA FIELD, OMAN

The following reserves table has been extracted from the independent summary QPR dated 14 March 2024, prepared by Exceed Torridon Limited.

With reference to the Company's announcement on 14 March 2024, an extract from the independent summary QPR of the reserves of the Yumna Field which is attributable to MOL, a subsidiary in which the Company has an indirect 91.81 per cent interest, is provided below:

Category	Gross Attributable to Licence (MMstb) [1, 2]	MOL Net Entitlement Volume [2, 3]			Rex's 91.81% Net Entitlement Volume [2, 3]			Risk Factors[6]	Remarks
		Previous Report (MMstb)[4]	Current Report (MMstb)[5]	% Change from Previous Update	Previous Report (MMstb)[4]	Current Report (MMstb)[5]	% Changefrom Previous Update		
RESERVES									
Low 1P	1.5	3.6	1.0	-72.2%	3.3	0.9	-72.7%	NA	Change due to production[5], maturation of reserves and updated volumetrics
Base 2P	3.0	5.5	2.0	-63.6%	5.0	1.8	-64.0%	NA	Change due to production[5], maturation of reserves and updated volumetrics
High 3P	4.5	6.5	2.9	-55.4%	6.0	2.7	-55.0%	NA	Change due to production[5], maturation of reserves and updated volumetrics

Notes:
1. Gross field Reserves (100% basis) after economic limit test as of 31 December 2023
2. Economic cut off year for the 1P, 2P and 3P reserves are June 2025, April 2026 and December 2026, respectively.
3. Company net entitlement Reserves after economic limit test
4. Volume as of 31 December 2022
5. Volume after subtraction of net entitlement production plus revision and maturation of reserves
6. No risk is applied to Reserves.

NA Denotes not applicable

MMstb: Million stock tank barrels

1P The low estimate of Reserves (proved). There is estimated to be a 90% probability that the quantities remaining to be recovered will equal or exceed this estimate

2P The best estimate of Reserves (proved+probable). There is estimated to be a 50% probability that the quantities remaining to be recovered will equal or exceed this estimate

3P The high estimate of Reserves (proved+probable+possible). There is estimated to be a 10% probability that the quantities remaining to be recovered will equal or exceed this estimate

As of 31 December 2023, the Yumna Field had produced 8.2 MMstb. Based on the recoverable reserves estimate from the 2023 work, the remaining reserves are presented in the table above. The produced volumes have been subtracted from the updated remaining reserves volumes for each of the three cases (Low, Base, High) on a gross basis attributable to the licence, and on a net entitlement basis to MOL (as presented in the table above).

Name of Qualified Person: Stephen Hayhurst
Date: 14 March 2024
Professional Society Affiliation / Membership: Chartered Engineer (CEng), Fellow of the Energy Institute (FEI) , Society of Petroleum Engineers (SPE)

FINANCIAL REVIEW

LOSS FOR THE YEAR AND ADJUSTED EBITDA

The Group recorded a loss after tax of US$69.36 million in the financial year ended 31 December 2023 ("**FY2023**"), as compared to profit after tax of US$0.35 million in the corresponding financial year ended 31 December 2022 ("**FY2022**").

Adjusted EBITDA (earnings before interest, taxes, depreciation, amortisation, impairment of goodwill, impairment loss on oil & gas properties and impairment loss on exploration & evaluation assets) for FY2023 was a positive US$93.82 million as compared to a positive US$61.65 million for FY2022.

REVENUE AND COST OF SERVICES

Revenue from sale of crude oil and gas increased to US$207.02 million in FY2023, from US$170.26 million in FY2022, from the sale of crude oil from the Yumna Field (after the Oman government take), the Brage Field and Yme Field. The increase in revenue was due to an overall increase in production in Norway and inclusion of oil liftings from the Yme Field in Norway from January 2023 (the acquisition of which was completed on 31 December 2022). The increase in revenue was partially offset by a decrease in the volume of oil lifted and sold from the Yumna Field in FY2023, due to production stoppages for planned maintenance of production facilities and unforeseen operational issues in Oman. The average realised oil sale price in Oman decreased from US$88 per barrel in FY2022 to US$78 per barrel in FY2023.

Production and operating expenses increased in FY2023 from the inclusion of production and operating expenses incurred in relation to Yme Field. The increase was partially offset by positive crude oil inventory movement from the major lifting that took place in Norway near the year-end, and the crude oil was subsequently sold in January 2024. As a result, the production and operating expenses remain fairly consistent in both financial years, at US$73.05 million and US$73.96 million in FY2023 and FY2022 respectively.

Depletion of oil & gas properties increased to US$75.12 million in FY2023, from US$28.25 million in FY2022, due to the increase in volume of oil lifted and sold in Norway in FY2023 and a reduction in estimate of remaining reserves in the Yumna Field in Oman.

Exploration and evaluation expenditure increased to US$9.17 million in FY2023, from US$3.23 million in FY2022, mainly due to increased drilling activities in Norway.

ADMINISTRATIVE EXPENSES

Administrative expenses remained fairly consistent in both financial years, US$28.64 million and US$28.57 million in FY2023 and FY2022 respectively.

OTHER EXPENSES/OTHER INCOME

Other expenses increased to US$53.97 million in FY2023, from US$27.73 million in FY2022, mainly due to impairment of goodwill of US$21.86 million in relation to Yme Field acquisition in FY2022 and impairment loss of US$11.79 million recognised with respect to oil & gas properties in Oman, subsequent to the annual impairment assessment performed over the Group's oil & gas properties.

Other income of US$1.79 million recorded in FY2023 was mainly due to unrealised fair value gain of quoted investments as a result of better performance in the bond and equity markets in Europe in FY2023. Comparatively, US$0.62 million recorded in FY2022 was mainly due to realised gain from the disposal of quoted investments.

NET FINANCE COSTS

Finance income increased to US$3.04 million in FY2023, from US$0.74 million in FY2022, mainly due to 1) interest income earned from quoted investments as a result of better performance in the bond and equity markets in Europe in FY2023; and 2) interest compensation from the Norwegian authorities in relation to the tax refund in Norway.

Finance costs increased to US$23.21 million in FY2023, from US$14.77 million in FY2022, due to senior secured bonds issued by a subsidiary.

Net foreign exchange loss increased to US$4.22 million in FY2023, from US$1.45 million in FY2022, due to the weakening of the Norwegian Kroner and Euro against the United States dollar in FY2023. A portion of the quoted investments was denominated in Euro.

TAXATION

The Group recorded tax expense of US$12.67 million in FY2023, mainly from an increase in deferred tax liabilities arising from the increase in oil & gas properties, as well as exploration and evaluation assets in Norway, which was partially offset by recognition of refundable tax arising from exploration costs incurred in Norway. Comparatively, the Group recorded tax credits of US$6.96 million in FY2022 in relation to refundable tax arising from exploration costs incurred in Norway.

[#] Adjusted EBITDA = Earnings – depletion of oil & gas properties – depreciation – amortisation of intangibles – taxes – interest expense and income – impairment loss on exploration & evaluation assets – impairment loss on oil & gas properties – impairment of goodwill

NON-CURRENT ASSETS

Non-current assets of the Group decreased to US$403.50 million as at 31 December 2023, from US$427.96 million as at 31 December 2022. The decrease was mainly due to impairment losses on exploration and evaluation assets, oil & gas properties, and goodwill recognised in FY2023.

CURRENT ASSETS

Inventories increased to US$33.27 million as at 31 December 2023, from US$13.73 million as at 31 December 2022, largely attributable to a major lifting that took place in Norway near the year-end, and was subsequently sold in January 2024.

Current trade and other receivables of the Group decreased to US$62.41 million as at 31 December 2023, from US$88.06 million as at 31 December 2022, largely due to a decrease in income tax receivables from the Norway tax authorities. The decrease is partially offset by an increase in the trade receivables from Norway.

Quoted investments decreased to US$18.60 million as at 31 December 2023, from US$23.04 million as at 31 December 2022, mainly due to maturity of certain bonds, and the proceeds were used as general working capital instead of being reinvested into other quoted investments.

NON-CURRENT LIABILITIES

Total current and non-current loan and borrowings (including bank overdraft) increased to US$105.11 million as at 31 December 2023, from US$91.95 million as at 31 December 2022, due to funds raised through the tap mechanism of a subsidiary's existing senior secured bonds and drawdown of a short-term bank overdraft.

Decommissioning provisions increased to US$215.66 million as at 31 December 2023, from US$190.66 million as at 31 December 2022, mainly due recognition of additional decommissioning provisions in relation to the Yme Field.

Deferred tax liabilities increased to US$84.70 million as at 31 December 2023, from US$66.89 million as at 31 December 2022, due to an increase in oil & gas properties, as well as exploration and evaluation assets in Norway.

CURRENT LIABILITIES

Trade and other payables decreased to US$91.89 million as at 31 December 2023, from US$129.54 million as at 31 December 2022, largely due to settlement of deferred consideration payable of US$29.51 million from the acquisition of the Yme Field, the settlement of trade payables outstanding related to the drilling campaign in Oman at end of 2022 and the settlement of outstanding accrued production costs in relation to production activities in both Norway and Oman.

CASH FLOWS

As at 31 December 2023, the Group's cash and cash equivalents and quoted investments totalled US$114.04 million (31 December 2022: US$138.80 million); with cash and cash equivalents at US$95.44 million (31 December 2022: US$115.76 million); and quoted investments at US$18.60 million (31 December 2022: US$23.04 million).

The Group reported net cash generated from operating activities of US$52.01 million in FY2023, after accounting for movements in working capital. This was primarily due to sale of crude oil and tax receipts from the Norwegian authorities for exploration and evaluation activities in Norway. The net cash generated from operating activities was partially offset by production and operating expenses used in the production activities in Oman, as well as administrative and other operational expenses incurred in relation to the Group's business.

Net cash used in investing activities of US$63.04 million in FY2023 was mainly attributable to 1) acquisition of subsidiary and non-controlling interests of US$1.66 million and US$0.82 million respectively, 2) additions to oil & gas properties of US$53.15 million, 3) exploration and evaluation expenditure of US$14.27 million, 4) investment in an associate of US$1.00 million, and 5) purchase of quoted investments of US$18.08 million. The net cash used in investing activities was also partially offset by proceeds from the disposal of quoted investments of US$23.49 million and interest received of US$2.73 million.

Net cash used in financing activities of US$10.16 million in FY2023 was mainly due to 1) interest paid of US$20.24 million, in relation to secured bonds issued by a subsidiary, 2) dividends paid to the owners of the Company of US$4.84 million, and 3) partial repayment of secured bonds of US$17.43 million. The net cash used in financing activities was also partially offset by proceeds from the issuance of secured bonds by a subsidiary of US$30.05 million and drawdown of a bank overdraft of US$4.00 million.

As a result of the aforementioned, the Group recorded an overall net decrease in cash and cash equivalents of US$21.18 million in FY2023, as compared to overall increase of US$53.72 million in FY2022.

INVESTOR RELATIONS & COMMUNICATIONS

Rex International Holding aims to provide regular, succinct, transparent and timely information on the Group's strategy, business activities and financial performance, and to address concerns and strengthen relationships with its stakeholders. The Company employs various platforms, including announcements, press releases, investor presentations, meetings, briefings, conference calls, annual reports, the corporate website and social media, to communicate with its stakeholders comprising shareholders, investors, analysts, the media and the general public.

The Company announces the financial statements of the Company and the Group on a half-yearly basis. However, as a mineral, oil & gas company, the Company continues to provide quarterly updates on its use of funds as required under Rules 705(6) and 705(7) of the Listing Manual. All announcements, including the aforementioned, are released on SGXNet and are also available the Company's website, which is a primary source of information.

Investors can subscribe to email alerts on the Company's new announcements at: https://investor.rexih.com/email_alerts.html.

2023 INVESTOR RELATIONS ACTIVITIES

1Q 2023

- Extraordinary General Meeting
- Release of FY2022 financial results
- Summary Qualified Person's Report on Yumna Field, Oman
- Summary Independent Qualified Person's Report on Yme and Brage Fields, Norway

2Q 2023

- Announcement on Use of Funds/Cash by Mineral, Oil and Gas Companies
- Annual General Meeting
- Analyst Engagement Lunch

3Q 2023

- Release of 1H FY2023 financial results
- Extraordinary General Meeting

4Q 2023

- Announcement on Use of Funds/Cash by Mineral, Oil and Gas Companies

CONTACT US

If you have any enquiries or would like to find out more about Rex International Holding, please contact:

SHAREHOLDER ENQUIRIES

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SHARE REGISTRAR

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SHARE DEPOSITORY

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4 Shenton Way
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Email: cdp@sgx.com
Website: https://investors.sgx.com/dashboard

No. 1 Straits Times / Statista Singapore's Fastest Growing Companies 2024

Ranked No. 1 in the Straits Times / Statista Singapore's Fastest-growing Companies 2024 list, which includes 100 local businesses that achieved markedly high revenue growth between 2019 and 2022[1]

No. 32 Singapore Governance and Transparency Index (SGTI) 2023

Ranked No. 32 among 474 listed companies in the Singapore Governance and Transparency Index (SGTI) 2023 with a total score of 97[2], as compared to No. 55 with a total score of 88 in 2022. The mean overall score in 2023 was of 74.8[3] (2022: 70.6). The Company continued to be the highest ranked among Singapore-listed oil exploration & production companies for the eighth consecutive year.

>89

announcements and press releases were issued in 2023.

[1] The Straits Times, Leveraging technology and software propels firms to be the fastest-growing in Singapore, 24 January 2024
[2] Singapore Institute of Directors, Singapore Governance & Transparency (SGTI): General Category Ranking Results by Scores, 2 August 2023
[3] Singapore Institute of Directors, Findings of the SGTI 2023 – Presentation Deck, 2 August 2023

SUSTAINABILITY REPORT

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER / CHIEF SUSTAINABILITY OFFICER

We are pleased to present the eighth Sustainability Report (the "**SR**") of Rex International Holding ("**Rex**" or the "**Company**" and together with its subsidiaries, the "**Group**") for the financial year ended 31 December 2023 ("**FY2023**").

We believe the core tenet of Environmental, Social and Governance ("**ESG**") is to ensure that businesses are sufficiently prepared to adapt to changing stakeholder expectations and externalities related to sustainability. Through regular engagement with our stakeholders, the Group strives to comprehensively table and adequately monitor stakeholders' areas of concern and expectations with regard to sustainability reporting. To create long-term value for shareholders, the Group focuses our sustainability efforts on maintaining good corporate governance and protecting the health and safety of all workers throughout our operations. We also strive to protect our environment and empower the communities we operate in.

The Group recognises that climate change issues impact the oil & gas industry significantly. The 2023 COP28 meeting in Dubai on climate change resulted in a historic consensus by almost 200 countries to transition away from fossil fuels beginning this decade among other commitments.

It is expected that our revenue, operating costs, assets and supply chain will be impacted during the transition to a low-carbon economy. We have undertaken steps to bolster the Group's climate resilience and enhanced our climate reporting.

The Group shall continue to progressively expand the scope and detail of our sustainability reporting given that ESG issues will continue to feature prominently in the corporate agenda. We are building the organisational capacity to mitigate risks and capture opportunities that may arise from a global move towards sustainable energy.

Thank you for your interest in our sustainability journey and we welcome feedback from stakeholders on how the Company can improve on its sustainability performance.

Måns Lidgren
Chief Executive Officer and Chief Sustainability Officer

REPORTING PRACTICE

GRI 2-2, 2-3, 2-4, 2-5

This SR provides information about the Group's commitment, governance, policies, performance and targets in managing sustainability (ESG) factors, as well as the impact of climate change on our business. This SR supplements information on the Group's strategies and activities in relation to sustainability practices, which are covered in other parts of this Annual Report.

Reporting Principles & Statement of Use

This SR has been produced in accordance with the Global Reporting Initiative ("**GRI**") Standards 2021 and GRI 11: Oil and Gas Sector 2021 Standards, covering the financial period from 1 January 2023 to 31 December 2023. The GRI Standards are an internationally recognised and widely used sustainability framework selected for their extensive coverage of reporting topics relating to economic, environmental and social impacts.

The following GRI reporting principles were applied to guide the Group in ensuring the quality and proper presentation of the information in this SR: Accuracy, Balance, Clarity, Comparability, Completeness, Sustainability Context, Timeliness and Verifiability. For more information on GRI disclosures, please refer to the GRI Content Index.

To provide stakeholders with an adequate understanding of our climate-related risk and opportunities, this SR presents the Group's climate-related financial information, in line with the recommendations of the Taskforce for Climate-related Financial Disclosures ("**TCFD**") framework.

The United Nations Sustainable Development Goals ("**UN SDGs"**) have also been incorporated into the SR to highlight the Group's contributions to sustainable development. This SR is compliant with Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Rules 711A and 711B.

The Board of Directors has reviewed and approved the reported information, including the material topics.

Reporting Scope

This SR provides information on the Group, including its Singapore headquarters and its subsidiaries in Norway and Oman. It excludes ESG performance data for operations, joint ventures and partnerships where the Group does not have management and/or operational control, with the exception of greenhouse gas ("**GHG**") emissions data. We report our GHG emissions in accordance with the GHG Protocol and have disclosed our emissions data according to both an equity share and operational control approach separately. The Benin subsidiary is not included in the reporting scope as production has yet to commence in FY2023.

Restatements

Restatements have been made from previous reporting periods relating to number of recordable work-related injury and recordable work-related ill-health, respectively. Please refer to Focus 2: Prioritising Health and Safety for more details.

Assurance

The Group has established internal controls and verification mechanisms to ensure the accuracy and reliability of the narratives and data disclosed within this SR. We have

also considered the recommendations of an external ESG consultant for the selection of material topics as well as compliance with GRI Standards, SGX-ST Listing Rules and alignment to TCFD recommendations. Pursuant to Rule 711B(3) of the SGX Listing Rules, the Group has subjected its sustainability reporting processes to internal review.

No material issues were identified through this review. The Board of Directors has assessed that external assurance is not required for the SR at this juncture.

Availability & Feedback

This report is available online at SGXNet and www.rexih.com. Stakeholders may send their feedback on this SR to info@rexih.com.

ORGANISATIONAL PROFILE

GRI 2-1, 2-6

Rex International Holding Limited is a multinational oil exploration and production ("**E&P**") company listed on Singapore Exchange Securities Trading Limited's Mainboard. The Group has interests in exploration and production licences in Norway, Oman and Benin, and holds operatorship for the assets in Oman and Benin. The Group's subsidiaries under the exploration and production segment include Lime Petroleum AS ("**LPA**") in Norway, Masirah Oil Ltd ("**MOL**") in Oman and most recently in December 2023, Akrake Petroleum Benin SA in Benin. Rex Virtual Drilling ("**RVD**"), the Group's proprietary liquid hydrocarbon indicator, is developed by Rex Technology Investments, an indirect wholly-owned subsidiary of Rex International Holding.

MMstb: millions of stock tank barrels

The Group's main business activities comprise the sale of crude oil and co-operating with several partners in the exploration, development, production, management and operation of concessions and licences. Our experience and partnerships with established oil & gas players allow us to leverage on our international network to source for new oil & gas investment opportunities.

Oman

Block 50 Oman, in which the producing Yumna Field is located, is a key asset of the Group. Block 50 Oman, approximately 17,000 sq km, is the first offshore oil producing concession in the Gulf of Masirah, east of Oman.

On 9 January 2023, MOL announced the completion of its 4Q 2022 drilling campaign, which consisted of a workover (replacement of the electrical submersible pump) of the Yumna-3 well and drilling of the Yumna-4 well. A damaged flowline was replaced and production was restarted on 10 December 2023, after being shut in from 25 October 2023.

The Group achieved first oil in February 2020 and Declaration of Commerciality ("**DOC**") in July 2020. As of 31 December 2023, the Yumna Field had produced 8.2 MMstb of oil. Produced oil is sold to an off-taker which handles the ship-to-ship liftings of oil.

Norway

LPA has used the Group's RVD technology, amongst other technologies, to select and build a portfolio of investments in the Norwegian Continental Shelf. The licences are in

oil-prolific areas that already have producing fields and pipeline infrastructure in place, allowing for a fast-track path to potential commercialisation and return on investment when more oil discoveries are made in LPA's assets. LPA's assets include producing assets, development assets and exploration assets, which are operated through joint ventures with various operators and partners.

Established in 2012 in Oslo, LPA is a 91.65 per cent subsidiary of the Company. LPA has since built a portfolio of licences focusing on mature areas close to existing oil and gas infrastructure. LPA was pre-qualified in February 2013 as a partner company and in March 2023 as an operator on the Norwegian Continental Shelf. The organisation has vast expertise in oil & gas exploration and production, both from Norway and internationally. The company uses high quality seismic data and Rex Virtual Drilling technology together with conventional seismic attributes and analysis of the petroleum systems in its exploration efforts.

LPA raised approximately US$25.3 million in January 2023 and approximately US$4.8 million in April 2023 by tapping on its existing Lime Petroleum AS FRN Senior Secured Bond Issue 2022/2025 with ISIN NO0012559246 (the "**Bond**") in accordance with the loan agreement for the Bond.

LPA secured participating interests in two new offshore licences during Norway's APA 2022 round – acquiring 50 per cent in PL1178 in the North Sea and 30 per cent in PL1190 in the Norwegian Sea.

In October 2023, a new discovery ranging between 0.2 and 0.5 million Sm^3 of recoverable oil was confirmed in the Brage Field, Norway. LPA, with a 33.8434 per cent interest, anticipates the addition of 0.4 to 1 million barrels of oil reserves in the Brage Field. Subsequently, in November 2023, LPA successfully farmed into the PL740 Brasse Field in the Norwegian North Sea, securing a total 17 per cent interest and gaining around 4 million barrels of oil equivalent in contingent resources, net to LPA. The farm-in process was completed in December 2023.

OKEA is the operator on the Brage Field, and the operatorship was transferred from Wintershall Dea from 1 November 2022. LPA entered as partner on Brage in January 2022. For more details on LPA's assets, please refer to our Annual Report 2023.

Benin

The Group was awarded a 76 per cent* working interest and operatorship of a production sharing contract ("**PSC**") in Block 1, Sèmè Field in Benin, West Africa in December 2023. The offshore Block 1 in Benin covers 551 sq km and is in shallow water depth of 20 to 30 metres. The block includes the Sèmè Field discovered by Union Oil in 1969. The Sèmè Field was first developed by Norwegian oil company, Saga Petroleum (Saga), and had produced approximately 22 MMbbl between 1982 and 1998. The Group will work towards filing a Field Development Plan in 2024 to restart production and evaluate exploration opportunities to unlock unexploited oil and especially gas potential in the field.

* Subject to the Benin government's entitlements under the PSC

Rex Virtual Drilling

RVD is the Group's proprietary technology which uses conventional seismic data to extract information about the presence of reservoir rock and liquid hydrocarbons. With the support of RVD, the Group has achieved four commercial oil discoveries in Oman and Norway over the years. The Group has been using the RVD technology extensively to de-risk farm-in opportunities and to select licences to apply for in Norway's Awards in Predefined Areas rounds. RVD is used for de-risking in all steps of the exploration and production value chain, from exploration de-risking and appraisal planning, and all the way to reservoir control.

Singapore

The Group's corporate office is located in Singapore and supports the abovementioned business segments.

For more details on the Group's corporate structure and business activities, please refer to our Annual Report 2023.

SUSTAINABILITY STRATEGY OVERVIEW

Focus and Strategy

Since its listing on 31 July 2013, Rex International Holding has been aiming to foster long-term growth for shareholders. We seek to offer investors sound investment opportunities based on our game-changing technology, while upholding responsible business practices and high corporate governance standards. Our commitment extends beyond minimising adverse impact to the environment, and includes being an employer of choice and contributing to communities where we operate. In order to meet the increasingly stringent demands of our stakeholders, the Group has identified the following five focus areas to guide our sustainability strategy:

Focus 1: Upholding Governance and Ethics

With ever evolving laws and compliance requirements, the Group's corporate governance practices have enabled it to navigate complex regulations in countries it operates in. The Board of Directors oversees the Company's sustainability practices and guides the management team by setting a strong compliance culture and outlining key ESG issues in the industry.

Focus 2: Prioritising Health and Safety

The Group aims for zero high-consequence work-related injuries [1], and equally importantly, to investigate all reported incidents big and small, by inculcating robust workplace health and safety policies. The Group has been diligent in implementing processes and conducting regular inspections to minimise the occurrence of health and safety incidents.

Focus 3: Resilience for Climate Change

The Group's climate reporting has been enhanced by identifying climate-related risks and opportunities. The transition to a low-carbon economy poses a strategic challenge to the Group and steps have been taken to address such risks and capture opportunities during this transition.

Focus 4: Protecting our Environment

The Group undertakes precautions to limit negative impacts on local marine ecosystems (water and sediment) caused mainly by discharge of produced water, drill cutting, permitted effluents from the operations etc, by managing waste and effluents at its wells responsibly. The Group also aims to manage the carbon footprint of its operations by deploying energy efficiency strategies and technologies.

Focus 5: Creating Inclusive Communities

The Group strives to create positive impacts on the local community wherever it operates. We practice non-discriminatory hiring and remunerate our employees fairly. Extensive training and development programmes are provided for our employees. There is a conscious effort to hire locally and engage local suppliers where possible.

AWARDS AND ACCREDITATIONS

As a testament to its commitment to corporate governance and transparency, the Group has been awarded the following accolades:

- Ranked No. 1 in the Straits Times / Statista Singapore's Fastest Growing Companies 2023 list, which includes 100 local businesses that achieved markedly high revenue growth between 2018 and 2021.
- Ranked No. 1 in the Straits Times / Statista Singapore's Fastest Growing Companies 2024 list, which includes 100 local businesses that achieved a high percentage growth in revenues between 2019 and 2022.
- Ranked No. 32 in the Singapore Governance and Transparency Index (SGTI) in 2023 with a total score of 97.

The Group is also a proud member of the Singapore Business Federation.

[1] "High-consequence work-related injuries" has been defined as an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within six months.

Aligning our Strategic Focus to the United Nations Sustainable Development Goals

The Group contributes to the UN SDGs through its daily operations, strategy development and engagement with its stakeholders. The attainment of the UN SDGs is a continuing global effort and forms part of the Group's long-term focus on sustainability. The following table highlights the Group's contributions to the attainment of the relevant UN SDGs.

Focus Area	UN SDGs	The Group's Contribution
FOCUS 1: Upholding Governance and Ethics	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Comply fully with all socioeconomic and environmental laws and regulations and promote strong corporate governance practices.
FOCUS 2: Prioritising Health and Safety	8 DECENT WORK AND ECONOMIC GROWTH	Provide a safe working environment and productive employment and jobs with equal pay for equal work.
FOCUS 3: Resilience for Climate Change	7 AFFORDABLE AND CLEAN ENERGY	Contribute to the electrification and reduction of carbon footprint in the oil and gas supply chain. Explore options for renewable energy generation.
	13 CLIMATE ACTION	Improve climate-resilience and risk management by considering climate-related risks and opportunities guided by the TCFD recommendations.
FOCUS 4: Protecting our Environment	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Reduce waste generation through recycling and reusing of resources where possible.
FOCUS 5: Creating Inclusive Communities	1 NO POVERTY	For operations in developing countries, remunerations provided ensure basic necessities are met and adhere to local labour laws.
	5 GENDER EQUALITY	Ensure access to career advancement and fair remuneration regardless of gender.
	10 REDUCED INEQUALITIES	Promote social and economic inclusivity regardless of gender or age.

ESG Performance Highlights

Completed GHG Inventory

for all emissions produced in 2023, including Scope 3 emissions from our value chain

Zero non-compliance

with laws and regulations in the environmental, social or economic areas

STAKEHOLDER ENGAGEMENT

GRI 2-29

The Group understands that stakeholder engagement is key to sustainable growth. We believe that open and transparent communication with our stakeholders allows us to help stakeholders understand our business strategies and to respond quickly and effectively to their concerns. We define our stakeholders as groups that have a material impact on or are materially impacted by our operations. We maintain constant communication with our stakeholders and engage with them through various platforms and channels throughout the year. Apart from communicating important developments and updates about the Group, the perspectives and valuable feedback from our stakeholders are important in helping the Group to improve our services and ultimately advancing our sustainability goals.

The following table summarises our key stakeholders, modes of engagement, their key concerns and how the Group has responded to those concerns.

SOCIETY

KEY STAKEHOLDERS	MODE OF ENGAGEMENT	AREAS OF CONCERN	OUR RESPONSE	SECTION REFERENCE
Community	• Corporate social responsibility efforts	• Environment • Corporate philanthropy	• Contribute to the communities we operate in	Focus 5: Creating Inclusive Communities

PEOPLE

KEY STAKEHOLDERS	MODE OF ENGAGEMENT	AREAS OF CONCERN	OUR RESPONSE	SECTION REFERENCE
Employees	• Weekly internal meetings • Employment incentives • Training and development • Staff bonding activities	• Reward and recognition • Training and career development	• Provide fair employee remuneration and benefits • Provide training programmes catered to the experience and interest of employees	Focus 2: Prioritising Health and Safety Focus 5: Creating Inclusive Communities

MARKET PLACE AND CUSTOMERS

KEY STAKEHOLDERS	MODE OF ENGAGEMENT	AREAS OF CONCERN	OUR RESPONSE	SECTION REFERENCE
Investors & Analysts	• Dedicated Investor Relations section on the Company's website • SGXNet announcements • Annual / Extraordinary General Meetings • Half-yearly financial reports • Annual Reports / circulars • Meetings / calls with investors and analysts, roadshows and conferences • Corporate and marketing videos, factsheets • Communications via email and social media	• Business performance and strategy • Debt position • Sustainable delivery of returns • Industry conditions • Market presence • Sustainability performance	• Provide timely and accurate information to shareholders and the investing public	Focus 1: Upholding Governance and Ethics Focus 3: Resilience for Climate Change Focus 4: Protecting our Environment
Partners & Clients	• Meetings, feedback and correspondences • Electronic communications • Supplier assessment	• Timely financial contribution to exploration drillings, field development and oil production • Fast and accurate RVD analyses • Environmental, health & safety	• Engage and evaluate suppliers regularly and provide meaningful feedback • Collaborative efforts with partners to find oil in exploration drilling campaigns and in oil production • Provide timely and accurate Rex Virtual Drilling ("**RVD**") analyses to clients	Focus 1: Upholding Governance and Ethics Focus 4: Protecting our Environment
Government & Regulators	• Regular meetings, feedback and correspondences	• Compliance with government policies, rules and regulations • Fair and reasonable treatment • Regulatory and legal compliance • Government requirements and guidelines on COVID-19	• Ensure full compliance with all applicable local laws and regulations • Sharing of best practices	Focus1: Upholding Governance and Ethics

MATERIALITY ASSESSMENT

As part of our ongoing monitoring of ESG factors, we worked with an external consultant to conduct a materiality assessment workshop during FY2023. The purpose of the workshop was to identify new ESG factors that may have emerged as a result of recent global events, as well as to validate the relevance of existing material ESG factors. In line with the GRI 11 Oil and Gas Sector Standards, new material ESG topics disclosures have been included for FY2023 and are indicated below.

- GRI 205-2 Communication and training about anti-corruption policies and procedures
- GRI 302-2 Energy consumption outside of the organisation
- GRI 414-1 New suppliers that were screened using social criteria
- GRI 414-2 Negative social impacts in the supply chain and actions taken

We have removed two ESG Topic Disclosures in FY2023.

- GRI 408-1 Child Labour, as it is not applicable to our operations.

- GRI 404-3 Percentage of employees receiving regular performance and career development reviews, as the metric is under evaluation.

During the workshop, the senior management team determined material topics based on the significance of their impact in relation to the key concerns of our internal and external stakeholders. Our selected material topics take into consideration a survey of comparable peer companies, areas of concern in the oil & gas industry, and current sustainability themes.

The following steps were taken to present the relevant material topics in this Report:

1. Identification: Selection of potential material factors based on the risks and opportunities in the sector.

2. Prioritisation: Material factors are prioritised based on their alignment with the concerns of internal and external stakeholders, key organisational values, policies, operational management systems, goals and targets.

3. Review: Review the relevance of previously identified material factors.

4. Validation: Validate selected material factors in the Sustainability Report with the Board.

The following table lists the material topics and where the impacts occur for each material topic:

ADDRESSED IN THIS REPORT	REX'S ESG MATERIAL TOPICS
Focus 1: Governance and Ethics	• Anti-corruption • Anti-competitive behaviour • Tax • Forced or Compulsory Labour • Supplier Environmental and Social Assessment • Customer Privacy
Focus 2: Health and Safety	• Occupational Health and Safety
Focus 3: Resilience for Climate Change	• Economic Performance
Focus 4: Protecting our Environment	• Energy • Water and Effluents • Biodiversity • Emissions • Waste
Focus 5: Creating Inclusive Communities	• Market Presence • Indirect Economic Impacts • Procurement Practices • Employment • Labour/Management Relations • Training and Education • Diversity and Equal Opportunity • Non-discrimination • Local Communities

FOCUS 1: UPHOLDING GOVERNANCE AND ETHICS

The Group's commitment to good corporate governance practices has enabled us to navigate complex regulations in countries we operate in.

Board Statement

GRI 2-22

Rex International Holding aspires to create a sustainable business model by adopting best practices across environmental, social and governance aspects of its business. Our sustainability objectives are to create long-term value for shareholders, our marketplace and customers, the communities we operate in, our people and the environment.

When formulating the Group's strategy, the Board takes into account sustainability concerns, before approving and validating the material environmental, social and economic topics identified by the Management. The Board also ensures that the material factors identified are well managed and monitored. The Board of Directors has reviewed and approved the reported information in this SR, including the identified material topics. To assess our performance, the Group has established annual targets, as well as targets to be achieved in the short, medium and long term to manage their impacts on ESG factors material to its operations.

Sustainability Governance Structure & Statement of the Board

GRI 2-9, 2-12, 2-13, 2-14, 2-17

Reporting directly to the Board, the management team oversees, manages and monitors the Group's sustainability efforts and materiality topics. All Board directors, except for a newly appointed director, have attended sustainability training recognised by the SGX at the time of publication of this SR.

The Management, headed by the Chief Executive Officer, oversees the Group's sustainability matters. This sets the tone for the integration of aligning the Group's business and sustainability strategy from the top at the highest level. The Management also reviews the Group's sustainability strategy, approach and performance.

Board of Directors

Chief Executive Officer

Management

Chief Financial Officer
Chief Operating Officer
Chief Communications Officer

Risk Management

The Group implements a comprehensive risk management framework and takes a precautionary approach towards strategic decision making and our daily operations. The Group views Risk Management as a key governance factor. The Board, with the assistance from the Audit

Committee ("**AC**") and the Risk Management Committee ("**RMC**"), is responsible for risk governance and ensuring that Management maintains a sound system of risk management and internal controls to safeguard the shareholders' interests and the Company's assets. The Board appreciates that risk management is an on-going process in which Management continuously participates to evaluate, monitor and report to the Board and the AC on significant risks.

The RMC was formed in October 2013. From FY2013 to FY2018, the Company developed and established a Board Assurance Framework ("**BAF**"), with the assistance of an independent third party, KPMG Services Pte. Ltd. The BAF, which includes an enterprise risk management framework, was utilised by the Company to identify and manage the significant and material risks it faces, the potential impact and likelihood of those risks occurring, the control effectiveness and action plans being taken to mitigate those risks. Most material risks for the Company that are considered include strategic, financial, operational, compliance, fraud and corruption, litigation and cyber security risks. Risk controls, action plans and key risk indicators to mitigate these risks have been put in place.

In addressing these risks, regular discussions are held with our employees to focus on addressing any specific risks related to the Group's operations. The Group also carries out follow-up reviews to ensure the effective implementation of our risk management procedures. The Company aims to continue to mitigate risks effectively and to ensure that internal controls remain robust.

More details on the Company's enterprise risk management framework and internal controls can be found in the Corporate Governance section of our Annual Report 2023.

Corporate Compliance

GRI 2-27

The laws and regulations that are applicable to the Group include the Code of Corporate Governance 2018, regulations by the Monetary Authority of Singapore, Listing Rules of the SGX-ST, the Accounting and Corporate Regulatory Authority ("**ACRA**") and the Securities and Futures Act, amongst others.

Reviews of new regulations and updates to existing regulations are regularly conducted by our employees, our secretarial firm and our auditors. Updates are disseminated to relevant staff and processes are put in place to monitor the activities and associated performance on a regular basis.

Additionally, updates on relevant legal, accounting and regulatory developments are provided to Directors by email. The Company Secretary also circulates articles, reports and press releases issued by the SGX-ST and the ACRA which are relevant to the Directors.

There were no instances of non-compliance with laws and regulations in the environmental, social or economic areas in FY2023.

Anti-corruption

GRI 205-1, 205-2, 205-3, 11.20.5

The Group strongly believes that the success of the business is based on upholding business ethics and integrity. The Group has assessed all of our operations for risks related to corruption, covering money laundering and terrorism financing, theft and fraud. No significant risks have been identified through the risk assessment for anti-corruption. We have put in place and communicated the Group's policy covering human rights and our Code of Conduct that serve as a guide to proper business conduct for all employees. In Norway, LPA's *Lime Emergency Response Team*, comprising Management Team employees, have undergone training to effectively address and respond to eventual incidents of corruption. Policies on whistle blowing and conflict of interests are also in place. Across all regions, our leadership and all employees are expected to observe the highest standards of ethics and integrity in their conduct. Outside of the organisation, we have established strong business relations with our business partners based on integrity and a clear stance on anti-corruption. To this end, MOL's Code of Conduct has been provided to all employees and business partners. Additionally, LPA's supplier code of conduct and grievance mechanisms have been made publicly available on LPA's website. There were no reported incidents of corruption in FY2023.

Whistle Blowing Policy

GRI 2-16, 2-25, 2-26

The Group aims to operate our business in a transparent manner and is committed to providing a platform for employees and stakeholders to communicate their concerns. To this end, we have established a Whistle Blowing Policy by which staff may, in confidence, raise concerns about possible misconduct in matters of accounting, financial reporting, business conduct or any other matters. The Group will work with and/or refer matters to the Board's Audit Committee for appropriate action if the investigations are likely to have a material impact on the Group's operating results or financial position. Further details can be found in the Corporate Governance section of the Annual Report.

There were no incidences of whistle-blowing in FY2023.

Anti-Competitive Behaviour
GRI 206-1

The Group is dedicated to ethical, fair and vigorous competition as outlined in our Code of Conduct. The Group promotes its products and services based on their merit, superior quality, functionality and competitive pricing. The Group also strives to practise fair competition in all business transactions and disclose any information which is important to a business transaction, in a manner such that none of its competitors will have an unfair advantage over others. Confidentiality pertaining to pricing and proprietary information will also be maintained.

On 5 August 2022, Petroci Holding filed a claim against the Company's subsidiaries, Rex Oman Limited, MOL and certain past and present directors of MOL in the High Court, Commercial Division of the British Virgin Islands, in connection with the alleged conduct of MOL's affairs, which led to the dilution of Petroci's interest in MOL as a partner and minority shareholder. While the outcome of this legal case is pending court's hearing, the Group's management considers the above claims and allegations as frivolous, baseless and unmeritorious.

Privacy and Data Protection
GRI 418-1

We conduct our business in compliance with the Personal Data Protection Act in Singapore and the European Union General Data Protection Regulation. The Group is committed to respecting the privacy of our stakeholders. As part of this continuing commitment, our Privacy Statement on our corporate website outlines how we collect, process, disclose and store personal data.

Cyber security continues to be an area of risk to the industry and remains a priority. For the Group's operations in Norway, we have conducted trainings and emergency response exercises in the event of a cyber-attack. Additionally, relevant employees attend workshops and meetings with cyber security experts. For our operations in Oman, we have an external contractor to handle our systems security. In our Singapore operations, an email reminder and a training video on 'phishing' scams, have been sent to all employees to create awareness on potential cyber security threats. In addition to our outsourced Information Technology (IT) contractor, there is an internal staff member overseeing cyber security matters.

As with previous years, the Group has experienced some phishing campaigns, but none of these had a significant impact on our business in 2023. We will continue to focus on maintaining security across the organisation and encouraging vigilance amongst our employees through cyber security training and awareness campaigns. There were no reported data breaches in FY2023.

Sustainable Supply Chain Management
GRI 308-1, 308-2, 414-1, 414-2

The Group understands that sustainability extends beyond the Group and its operations. In promoting sustainability to our upstream business partners, we ensure that potential contractors and subcontractors are assessed for their sustainability performance prior to engaging them. For the Group's operations in Oman, 100 per cent of new suppliers are screened using a minimum set of health, safety and environment ("**HSE**") criteria. After the supplier is shortlisted, they will be invited to the Request for Quote tender which is subjected to a set of comprehensive HSE criteria. In line with MOL's HSE requirements, our supplier social assessment process evaluates the suppliers' commitments, risks, services history, quality, cost, delivery, and compliance.

In FY2023, there were no new suppliers for our operations in Oman. The Group has assessed that all of our suppliers in Oman are compliant with the relevant laws and regulations in being a supplier of choice. A total of 70 suppliers were assessed for environmental impacts and no suppliers were identified as having significant and potential negative environmental impacts. Although approximately 10 suppliers, which are major contractors, were assessed for having potential negative social impacts, none were identified for having any significant actual negative impacts.

In FY2023, LPA did not engage in oil field operations. LPA exercises its see-to-duty in all operations in which the company participates, including evaluation, assessment, and prevention of negative environmental impacts and human rights transgressions. LPA complies with the Norwegian Transparency Act, in force since 2023. LPA's Transparency Act Due Diligence report is published on LPA's webpage.

Forced Labour and Modern Slavery

GRI 409-1

The Group is committed to being compliant with employment laws in the jurisdictions in which we operate and upholding human rights of our work force. When considering new investments or when tendering for goods and services, we review any associated human rights issues and consider how we can ensure that our operations do not come into conflict with any of these fundamental human rights principles. There have been no reported incidents during the reporting period which pose a significant risk of human trafficking or forced labour.

Tax Compliance

GRI 207-1, 207-2, 207-3

The Group fully complies with relevant tax laws and regulations in all jurisdictions we operate in. This indirectly supports the local governments and authorities in their economic, environmental and social development objectives. The Group has zero tolerance for any intentional breach of tax laws and regulations.

Relevant staff attend tax-related trainings to stay abreast of key changes to tax laws. The Group also engages qualified professional tax advisors in all jurisdictions to ensure compliance at the transactional level, as well as to fulfil required tax filings. The Audit Committee may also engage the Group's internal auditor to monitor compliance with the tax governance and control framework from time to time. Any cases of non-compliance will be reported to the Audit Committee and resolved promptly.

Financial Assistance Received from the Government

GRI 201-4

With oil exploration being a capital-intensive industry, the Group looks to invest in assets in jurisdictions that offer attractive tax incentives. Incentives or financial assistance from the governments in these jurisdictions are a factor in the Group's investment decisions as these will have a bearing on the Group's return on investment in the long term.

For more information on the changes in tax assistance received from the government, please refer to our financial statements in our Annual Report.

	FY2022	FY2023
Tax Rebates from the Norwegian Government (US$ Million)	39.07	54.83

In 2022, the Norwegian tax system has been restructured to a cash-flow tax, among which is the removal of the specific tax incentive for exploration activities from 2022. LPA received tax receivables of US$54.83 million from the Norway tax authorities in relation to its activities in 2023.

In Oman, an audit of recoverable costs and proposed budgets are regularly presented to the Omani Ministry of Energy and Minerals for approval.

Governance and Ethics Targets

Targets for FY2023		Status	FY2023 Performance
Zero incidents of non-compliance with corporate laws and regulations		Met	No incidents of non-compliance with corporate laws and regulations.
Zero complaints concerning breaches of customer privacy and losses of customer data		Met	No complaints concerning breaches of customer privacy and losses of customer data.
Zero reported incidents of corruption		Met	No reported incidents of corruption.
Short-term	Assess new suppliers based on social and environmental considerations	NA	The Group's operations in Oman and Norway did not contract new suppliers in FY2023.
Long-term	Assess all existing and new suppliers on social and environmental considerations	Met	For the Group's operations in Oman, we continue to screen all suppliers using a minimum set of HSE criteria.

Perpetual Targets

- Zero incidents of non-compliance with applicable local and/or international corporate laws and regulations.
- Zero complaints concerning breaches of privacy and loss of data
- Zero reported incidents of corruption
- Investigate and report 100% of whistle-blowing reports
- Assess 100% of new suppliers in Oman for HSE criteria

Short-term (FY2024 - FY2026)	• Assess new suppliers based on social and environmental considerations
Long-term (From FY2030)	• Assess all existing and new suppliers on social and environmental considerations

FOCUS 2: PRIORITISING HEALTH AND SAFETY

The Group places utmost priority on safety and recognises the integral role it plays across our operations. We are committed to providing a safe and healthy workplace for all of our employees, contractors and stakeholders.
In alignment with our HSE Policy, we meticulously manage our activities to continuously reduce risk, deliver performance improvement and achieve our objectives of "no accidents, no harm to people and no damage to the environment". Processes have been implemented to identify, mitigate and report potential hazards to reduce the likelihood of workplace injuries and fatalities. We communicate closely with our contractors and subcontractors to ensure that they are kept well-informed of our workplace safety requirements and expectations.

Occupational Health and Safety

GRI 403-1, 403-2, 403-4, 403-7, 403-8

The oil & gas exploration and production sector is a capital and labour intensive sector. During exploration operations, the drilling of exploratory wells requires a technically specialised crew to be on-site for several weeks in a potentially combustible environment.
This carries significant risks to our employees and contractors who supports us on-site at various locations. Any on-site accidents may adversely impact our workforce, business operations and reputation. Therefore, Rex places utmost priority on the health and safety of our workers.

Where Rex International Holding or any of its subsidiaries is the operator, risks associated with operations are managed through the implementation of the Group's Operations Risk Management System ("**ORMS**") which covers all workers and contractors. The ORMS is adapted to the local rules and regulations in each jurisdiction where necessary. The ORMS is also subjected to annual internal review to improve its effectiveness.

To mitigate and prevent potential workplace safety hazards, the Group has established and implemented standardised procedures to identify, assess and mitigate health, safety, security and environmental hazards within our operations. Competent personnel are responsible for conducting risk assessments on levels of exposure to various health hazards and risks. The findings of these assessments are used to evaluate and continually improve the ORMS which is updated yearly.

The Group strives to continuously improve on its HSE policy and procedures. We actively seek inputs from our employees, contractors and the authorities to ensure that their feedback is included in our processes impacting workplace health and safety. In addition to reinforcing these standardised processes to our workers and contractors on-site, we also advocate for our employees and contractors to remain vigilant and that the safety of our people is everyone's responsibility. Operators managing drillings and operations involving the Group have to adhere to strict HSE regulations and are subject to prequalification and audit for every drilling undertaken in the respective jurisdictions.

Norway

LPA's company risk assessment and office inspections are performed on a regular basis and at least twice a year. In accordance to the Norwegian Working Environment Act, notification routines and regular meetings are established.

LPA has also established procedures, notifications and reporting system for internal incidents. In addition, LPA registers incidents occurring on non-operated activities as one element in LPA's "see-to-duty".

Oman

MOL has implemented its Occupational Health and Safety ("**OHS**") system in adherence to the International Safety Management (ISM) standards. This system aligns with the requirements imposed by the local jurisdictions where MOL operates, including OHS mandates pursuant to international laws and regulations. Implementation of the system has been based on internal risk management systems of both MOL and its contractors, addressing various stressors such as chemical, biological, ergonomic, physical, and psychosocial risks within and/or emanating from the workplace. All stressors are anticipated, recognised, evaluated, and controlled to eliminate or minimise the risk of occupational injury or illness to both employees and contractors. Moreover, MOL and its contractors ensure that workers and their safety & health representatives are consulted, informed and trained on all aspects of OHS, including emergency arrangements. MOL's workers are informed of relevant OHS information during offshore medical examination processes health and safety awareness trainings, emergency exercise and safety familiarisation drills conducted on-board on both the MOPU and FSO.

MOL's HSE and Human Resources ("**HR**") team is responsible for identifying and evaluating health risks to determine the necessary response measures. As low as reasonably practicable ("**ALARP**") safety meetings are carried out every month and reports are exchanged with the Management for further actions. In the event of any non-compliance, an emergency meeting will be called upon to address the issue. Furthermore, all occupational health and safety with a high probability of causing serious consequences due to work conditions or practices are reported to the concerned local authorities.

Routine reviews, inspections and audits of all operations and activities are conducted to identify and control work-related hazards and risks, as well as ensure continuous improvement of our OHS system. Workers are encouraged to report work-related hazards and hazardous situations through various channels, including a hazardous hunt, daily Toolbox Talks (TBT), stop-work authority programs, and weekly workplace inspections. The process allows for a comprehensive review and investigation of reported findings, leading to remedial and corrective actions. In addition, workers are empowered to report any unsafe acts and conditions at the workplace through our "Safety Observation and Intervention Programme" and "Stop Work Authority" programme.

All work-related incidents are investigated through our Incident Investigation procedures. This entails MOL and its contractors determining the sequence of events of the incident to gather all relevant information before the findings from the investigation report are reviewed. The results of the investigations are then communicated and circulated with the Management to discuss and make appropriate recommendation and corrective actions to prevent recurrence.

MOL reviews all management systems yearly. In FY2023, MOL completed the workover (replacement of the electrical submersible pump) of the Yumna-3 well and drilling of the Yumna-4 production well in the Yumna Field. A damaged flowline was also replaced during the year.

Health and Working Environment

GRI 403-3, 403-6

As a partner on the Brage Field operated by OKEA and the Yme Field operated by Repsol, LPA follows closely on the Operator's HSE programme, major accident workshops, occupational programme, incidents, investigation and follow-up plans. The Working Environment Act and HSE regulations for petroleum activity covers exposure that include chemicals, noise, vibration, ergonomics, physio-somatic impacts. The Operator has the legal responsibility and the partners, including LPA, have legally-binding "see-to-duty" requirements. In order to comply with the EU's General Data Protection Regulation (GDPR), the Operator shall not disclose personal information related to the health of the employees to third parties.

An annual programme of activities is carried out in order to safeguard health and comply with the regulations of the Working Environment Act. LPA's Working Environment Committee, together with the designated Safety Delegate, ensure that the plan is comprehensive to meet the regulations and general guidelines to improve the working environment.

Healthcare services are provided to applicable MOL workers and all medical records are deemed and kept private and confidential. Medical related information contained in health assessments are archived and stored for the entire duration of the individual's employment. MOL partners a trusted local healthcare clinic to cater to the medical needs of MOL employees and contractors, and have access to a wide range of healthcare services.

Healthcare insurance coverage is extended to all employees in our operations in Singapore, Norway and Oman. MOL is collaborating with the Omani Ministry of Health to organise voluntary healthcare services for its workforce. Additionally, LPA offers voluntary vaccination, including influenza jabs, to its employees.

Health and Safety Training

GRI 403-5

Norway

To ensure that all workers remain safe during the course of their employment, mandatory safety training is conducted for all employees and crew members across all locations.

For the Brage and Yme Fields, operators OKEA and Repsol respectively conduct offshore campaigns to improve knowledge and promote high level performance on safety and health issues.

Oman

A minimum of 10 to 20 hours of weekly training are concluded for workers. This included third party contractor training on electrical hazards, isolation and lockout/tagout ("**LOTO**") procedures to ensure that equipment is shut down, inoperable, and (where relevant) de-energised, as well as food safety awareness. Other training include personnel hygiene, cleaning, control of physical, chemical and biological hazards as well as ergonomic risk, in addition to the mandatory safety training which is required by The Standards of Training, Certification and Watchkeeping for Seafarers ("**STCW**") Convention.

Work-related Injuries and Ill-health

GRI 403-9, 403-10

The Group strives to prevent workplace safety hazards and accidents and we are committed to continuously improving our performance through monitoring and evaluating our progress on workplace safety hazard prevention.

The following table summarises the Group's workplace health and safety performance for operations in Oman for FY2023.

Health and Safety Metrics[2]

Health and Safety Metrics	Number	Rate
Fatalities as a result of work-related injury	0	Nil
High-consequence work-related injury (excluding fatalities)	0	Nil
Recordable work-related injury	2	1.20
Fatalities as a result of work-related ill health	0	Nil
Recordable work-related ill health	2	1.20
No. of man hours clocked	332,526	NA

Restatements:

(a) The number of recordable work-related injury of two cases was incorrectly stated as one case in FY2022, resulting in a rate of 0.93 instead of 0.23 as previously stated.

(b) The number of recordable work-related ill-health of one case was incorrectly stated as zero cases in FY2022, resulting in a rate of 0.47 instead of 0 as previously stated.

[2] Based on all employees and contractors for operated asset in Oman

Crisis and Emergency Preparedness

MOL started production operations in Oman in 2020. Since then, MOL has conducted several joint emergency drills with local authorities. The objective of the exercise was the protection of crew on board both the jack-up barge and vessel, as well as hostages in case of terrorism. Routine weekly and monthly emergency simulations are also conducted on the Mobile Offshore Production Unit ("**MOPU**") and the floating storage and offloading unit ("**FSO**").

In Norway, LPA is partner on the producing fields Brage operated by OKEA and on Yme operated by Repsol. During 2023, LPA was a partner in the exploration drilling operation of Gjegnalunden (PL 867) operated by AkerBP. LPA performs "see-to-duty" activities to ensure that operations are conducted in accordance to the legal framework in Norway. The operators have the overall legal responsibility for the Emergency Response Organisation (ERO) with 1st, 2nd and 3rd Line. In addition, LPA has established an Emergency Response Team (Lime ERT), emergency management plan and training programme as a non-operator. In case of major accident on the non-operated operations, the responsible operator will notify the Lime ERT.

All operators are members of the Norwegian Clean Seas Association for Operating Companies (NOFO). NOFO is a common and professional organisation with the purpose of supplying emergency response organisation (Incident Command System), vessels, lenses, monitoring systems and tools, in the event of acute oil spill (blowout). The operators have comprehensive emergency preparedness and response plans, and competent and well-trained organisations to handle any situation in the unlikely event of an emergency.

Health and Safety Targets

Targets for FY2023	Status	FY2023 Performance
To achieve zero workplace fatalities	Met	Zero fatality achieved for the Group's operations in both Norway and Oman
No downtime related to HSE issues	Met	No major HSE issues for the Group's operations in both Norway and Oman
Perpetual Targets		
No downtime related to HSE issues		
To conduct minimum 10 hours of OHS training in total for employees and contractors in Oman		

FOCUS 3: RESILIENCE FOR CLIMATE CHANGE

In recent years, the Group has witnessed the impact of climate change on our business and stakeholders. As such, we have started to incorporate climate change and sustainability factors in our business decisions. In order to provide greater accountability and transparency, we have enhanced our climate-related disclosures to highlight the Group's assessment of climate-related risks and opportunities, as well as our management of the potential impact of climate-related issues on our business strategy and financial planning.

Impact of Climate Change on Our Business

GRI 201-2

The energy sector and society at large face considerable challenges in the wake of climate change and the global energy transition. The Group continues to assess the associated risks and opportunities and strives to forge a resilient path for its business through the energy transition. This section has been structured in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures.

	TCFD Recommended Disclosures	FY2023 Status	Summary and Next Steps
Governance	Describe the board's oversight of climate-related risks and opportunities	Met	Climate risks and opportunities were discussed and identified by the senior management based on the TCFD framework. In addition to the identified risks and opportunities, the Management has articulated their risk mitigation plans and strategies, which were presented to the Board. The Board has collectively reviewed and approved the climate risks and opportunities identified by the Management. In mitigating the impact of climate change, the Board endeavours to implement and continuously fine tune its sustainability governance structure by engaging the assistance of our Management and operational leadership teams to oversee our climate mitigation strategies. The Board will be updated on the progress of the Group's mitigation and strategy against the identified climate risks and opportunities at least once a year or whenever necessary.
	Describe management's role in assessing and managing climate-related risks and opportunities	Met	The identification of climate related risks and opportunities was undertaken by the management team. The Management will be supporting the Board to implement the identified climate-related strategies, together with the support of the operational leadership teams across the oil exploration and production process. The operational leaders and the Group's Management will regularly review the progress and strategies within the operations to ensure that the strategies are implemented accordingly. For critical decisions pertaining to sustainability that might present risks or opportunities to the Group's operations, the Management and operational leaders will oversee the decision making.
Strategy	Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	Met	The Group has engaged an external ESG consultant to facilitate the discussion by senior management in identifying the climate-related risks and opportunities. Please refer to the Climate Risks and Opportunities section for more information.
	Describe the impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning	Met	
	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	In Progress	The Group has incorporated International Energy Agency ("**IEA**") scenarios into our evaluation of applicable climate-related risks. We have assessed our resilience against climate change and acknowledge that our mitigation responses against climate-related risks continue to be influenced by the following potential scenarios: IEA Stated Policies Scenario ("**STEPS**") and IEA Announced Pledges Scenario ("**APS**").

	TCFD Recommended Disclosures	FY2023 Status	Summary and Next Steps
Risk Management	Describe the organisation's processes for identifying and assessing climate-related risks	Met	Rex conducts annual discussions on climate change risks and opportunities involving senior management across business units. This is facilitated by an independent ESG consultant to determine the key sustainability issues that are crucial to our stakeholders. The Group has identified the relevant climate-related risks and opportunities as outlined in the Climate Risks and Opportunities section below. Each identified risk is assessed based on: 1) the likelihood of occurrence; and 2) the severity of potential impacts arising from the risk.
	Describe the organisation's processes for managing climate-related risks	Met	Climate-related risks may include impact on operations at asset level, performance at business level and development at regional level, arising from extreme weather conditions or global shift towards a lower carbon economy. The leadership at asset level will meet with the Group's Management regularly to highlight potential climate-related risks and undertake appropriate contingency planning and actions to mitigate these risks.
	Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	Not commenced	The Board and the Management will undertake a periodic review of the identified climate-related risks and the risk management approach.
Metrics and Targets	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Met	For information on our energy consumption and emissions performance, please refer to Energy and Carbon Management under Focus 4. The Group shall continue to measure its Scope 3 emissions and improve its supply chain emissions reporting over time.
	Disclose Scope 1, Scope 2, and if appropriate, Scope 3 GHG emissions, and the related risks	Met	Operational Control Scope 1: 22,240.1 tonnes CO_2e Scope 2: 31.7 tonnes CO_2e (location-based) 0.3 tonnes CO_2e (market-based) Scope 3: 894,004.5 tonnes CO_2e Equity Share Scope 1: 94,051.3 tonnes CO_2e Scope 2: 29.6 tonnes CO_2e (location-based) 0.2 tonnes CO_2e (market-based) Scope 3: 471,656 tonnes CO_2e
	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	In Progress	The Group is evaluating other metrics that may potentially warrant inclusion as targets to manage climate-related risks, and opportunities and performance against the targets set by the Company.

Climate-Related Risks and Opportunities

Risks

To present our climate-related financial disclosures consistent with the TCFD Recommendations, our identification and assessment of climate-related risks consider:

- **Transition risks:** include changes to policy and legal obligations, technological innovation, changing market demand for products, and changing stakeholder expectations.
- **Physical risks:** risks relating to the physical impacts of climate change (both acute and chronic). Acute physical risks refer to those that are event-driven, including increased severity of extreme weather events, such as cyclones, hurricanes, or floods, while chronic physical risks refer to longer-term shifts in climate patterns (for example, sustained higher temperatures) that may cause the sea level to rise or chronic heat waves.

The table below reflects our understanding of the most significant climate-related risks relevant to our business. The Group recognises and is aware that the list is not exhaustive, and we will continue to enhance our understanding and responses to these risks.

Transition Risks	Description	Risk Mitigation	Resilience
	Efforts by countries to achieve decarbonisation targets will lead to lower demand of fossil fuels • Renewable energy technologies are preferred by policy makers to achieve countries' decarbonisation targets • Green technology in machinery and equipment are preferred. Some examples would be electric vehicles, rechargeable generator sets. • With the global shift away from fossil fuels, the Group may experience lower demand for crude oil. **Time period[3]:** Short, Medium, Long **Likelihood[4]:** Certain **Financial impact:** Decrease in demand resulting in lower revenue **Impact area[5]:** Oil & gas segment	The Group is of the view that there will still be dependence on oil and gas (at least in the short-term) and will continue to evaluate and consider other forms of business diversification to reduce concentration risk in the oil & gas business. Rex shareholders approved the Group's business diversification mandate to diversify the Group's business to include sustainable solutions for energy production and materials used in various industries in 2019. The Company has since gone on to invest in the commercial drone company Xer Technologies Pte Ltd ("**Xer**") in an up-and-coming industry. Xer became a 53% subsidiary of the Group in FY2023. In FY2023, medical technology company Moroxite T AB, which is developing a new system for targeted delivery of anti-tumour drugs using bone minerals as a recruiting platform to treat osteosarcoma, a type of bone cancer, became a 70% subsidiary of the Group.	Under both the IEA STEPS and IEA APS, global demand for oil is projected to peak by 2030 before declining. Rex has bolstered its resilience towards this projected decline by putting in place contracts with off-takers to buy the oil produced in concessions operated by the Group.
Policy and Legal	**Increase in carbon tax will directly increase the cost of operating oil & gas production facilities** • The Norwegian government is considering an increase in carbon tax by 2030. • Meanwhile, carbon taxes have not been proposed by the Oman government. **Time period:** Long **Likelihood:** Certain **Financial impact:** Higher cost associated with energy usage **Impact area:** Oil & gas segment, Corporate segment	The Group's subsidiary LPA is in a project group that is exploring the use of storage sites in the Norwegian Continental Shelf to inject and store CO_2 permanently, which can be used to offset emissions and consequently, mitigate the Group's carbon tax exposure.	
	Potential exposure to risk of climate litigation as Rex continues to grow its oil & gas business. • The Group recognises that the oil & gas industry is a key target of climate litigation. • Litigations may be triggered by adverse operational impacts such as oil spills or health and safety accidents. **Time period:** Short, Medium, Long **Likelihood:** Possible **Financial impact:** Higher cost incurred to comply with operational safety requirement **Impact area:** Oil & gas segment, Non-oil & gas segment	The Group participates in projects where environmental damage is minimal and its operations are under stringent environmental regulations in the various jurisdictions. The Group's operating subsidiaries have in-house HSE managers to oversee the impacts of drilling and production activities. External consultancy firms are sometimes engaged to conduct Environmental Impact Assessments ("**EIA**").	

[3] Definitions of Time period used in this Report: Short: 1 – 3 years; Medium: 3 – 5 years; Long: More than 5 years
[4] Definitions of Likelihood used in this Report, in decreasing order of likelihood: Certain, Likely, Possible
[5] The Group has three reportable segments:
1. Oil & gas: Exploration and production of oil and gas, with concessions located in Oman and Norway and Benin.
2. Non-Oil & gas: Pertains to the technology segment. Rex Technology owns the Rex Virtual Drilling technology that can extract information on the presence of reservoir rock and liquid hydrocarbons using conventional seismic data.
3. Corporate: Pertains to corporate functions (Singapore).

Transition Risks	Description	Risk Mitigation	Resilience
Technology	**Technological advancements such as cheaper solar panels and improved batteries** • The Group recognises that the advancement in technology of solar panels and batteries reduces consumers reliance on traditional fossil fuels. **Time period:** Medium, Long **Likelihood:** Likely **Financial impact:** Reduced demand for oil leading to lower revenue **Impact area:** Oil & gas segment	In the short term, we will continue to monitor short term oil prices and may do hedging to reduce price volatility. For the longer term, the Group has obtained shareholder approval to diversify into sustainable solutions for energy production and materials used in various industries. As part of its business diversification strategy, the Group has invested in some businesses unrelated to oil & gas since 2021, that do not materially change the risk profile of the Group.	Under both IEA scenarios, the share of renewable energy, such as solar PV and wind, will increase, with APS seeing a greater increase. Rather than be a laggard investor in a capital intensive renewable energy market, the Group has made limited investments in other technology-based businesses that could provide future revenue streams outside of the oil & gas business.
Market	**Consumer preference for greener energy alternatives (e.g. transportation, appliances)** • Increasing customer awareness on green alternatives reduces their reliance on traditional fuels. • The availability of competitive technologies leads to lower demand and price of oil. • This may also impact the volatility of oil prices as climate change is factored into the perception of risk for oil. **Time period:** Short, Medium, Long **Likelihood:** Possible **Financial impact:** Higher cost of investment **Impact area:** Oil & gas segment	The Group will consider competitive technologies to integrate into its processes and continue to hedge short term oil prices to reduce price volatility.	Not applicable. As Rex has only incorporated the IEA STEPS and APS scenarios in FY2023, these risks have not been identified as a projected factor in the decline for demand of oil and gas.
	Increase in cost of capital for funding oil & gas exploration and production projects • Undersubscription of equity or debt issuances due to investor unwillingness to fund oil & gas exploration. • Investor capital in the energy sector is diverted to renewable energy research. **Time period:** Short, Medium, Long **Likelihood:** Likely **Financial impact:** Higher cost of capital **Impact area:** Oil & gas segment	The Group shall practise prudent cash management and maintain strong banking relationships. LPA, the Group's subsidiary in Norway, has in FY2023, carried out two tap issues of its bond, bringing the total outstanding amount of the bond to NOK 1,250 million (approximately US$120.2 million).	
Reputation	**Decline in reputation and brand** • There is increasing societal pressure on the oil & gas sector to minimise damage to the environment in the context of climate change and the energy transition. • This could negatively impact Rex's brand, reputation and licence to operate, which in turn may restrict access to capital markets or attract staff. **Time period:** Short, Medium, Long **Likelihood:** Possible **Financial impact:** Increase in operational cost as there could be an increase in turnover rate **Impact area:** Oil & gas segment, Non-oil & gas segment, Corporate segment	The Group's subsidiary LPA is looking to contribute towards global efforts in carbon capture and storage technologies by participating in a group project to explore the use of storage sites in the Norwegian Continental Shelf to inject and store CO_2 permanently.	

Physical Risks	Description	Risk Mitigation
Acute and Chronic	The Group is exposed to several types of physical climate risks, such as: • Sea storms may affect offshore oil & gas operations • Cyclones may affect some land based wells in Oman • Inland fresh water depletion may affect ability of production facilities to access water • Changes in seasons (e.g. Prolonged monsoon season) • Decrease in natural resources worldwide **Time period:** Short, Medium, Long **Likelihood:** Likely **Financial impact:** • Reduced revenue if operations were to be impacted • Increased operating costs and/or capital expenditure incurred to mitigate our infrastructure against the impacts of climate change • Higher insurance premiums **Impact area:** Oil & gas segment, Non-oil & gas segment	While physical risks have not been considered in both IEA scenarios, the Group shall continue to monitor developments in the market and assess the technology available to mitigate such risks.

Opportunities

While changes in the global economy and impacts of climate change pose certain risks to the Group, there are also opportunities that may arise. The Group is well positioned to capture such opportunities and create long-term value for our stakeholders.

Opportunities	Description	Management's Response
Resource Efficiency	Increase in energy efficiency and efficient water management in our production. • The Group can improve energy and water efficiency to better manage resource consumption. • Continuous monitoring, treatment, and separation of water, along with the assessment of its quality, are conducted by MOL before the discharge or reuse of seawater onboard. These actions are based on environmental conditions to ensure compliance with local and international regulatory requirements. • This can potentially reduce operating costs and increase our competitiveness. **Time period:** Medium, Long **Likelihood:** Likely **Financial impact:** Cost reduction on energy consumption **Impact area:** Oil & gas segment, Non-oil & gas segment, Corporate segment	The Group shall be judicious with its selection of projects. Drilling campaigns shall aim to select rigs with lower carbon emissions. The Group will continue to source for suppliers and equipment with lower carbon emissions.
Resilience	Leverage on the use of technology to develop Rex Virtual Drilling ("**RVD**") to reduce energy wastage. **Time period:** Short, Medium **Likelihood:** Likely **Financial impact:** Reduction in cost of oil exploration **Impact area:** Non-oil & gas segment	The Group shall continue our investment in Rex Virtual Drilling as it increases the success of finding oil. This reduces the incidence of drilling dry wells, and hence, the use of resources, during oil exploration.
Markets	Participate in carbon capture and storage solutions. **Time period:** Medium **Likelihood:** Possible **Financial impact:** Increase in an alternative source of revenue for third parties who wish to store carbon at Rex's Norwegian site **Impact area:** Non-oil & gas segment	The Group is exploring the use of storage sites in the Norwegian Continental Shelf to inject and store CO_2 permanently.

Carbon Footprint Reduction Targets

Targets for FY2023		Status	FY2023 Performance
Medium-term	• Explore the commercial feasibility of renewable energy projects	• In-progress	• A potential project had been considered but declined during FY2023.
Long-term	• Rex is actively looking into alternative sustainable solutions for energy production, rather than conventional renewal energy projects.	• In-progress	• As part of a consortium, LPA has concluded two years of studies on a suitable area in the Norwegian Continental Shelf ("**NCS**") and submitted a recommendation for an area for carbon storage in the NCS in September 2023. • We are currently awaiting a decision from the authorities to open the storage site area for competition. In the case of a positive outcome, LPA, together with the project partners, will apply for the licence to store CO_2 permanently in the proposed site.

Perpetual Targets	
Short-term (FY2024 - FY2026)	• Obtain licence for carbon capture and storage solutions project in Norway
Medium-term (FY2027 - FY2029)	• Explore the commercial feasibility of renewable energy projects
Long-term (From FY2030)	• Rex is actively looking into alternative sustainable solutions for energy production, rather than conventional renewal energy projects.

Economic Performance Targets

Targets for FY2023		FY2023 Performance
Short-term	• To unlock value by achieving more oil discoveries and building up on its contingent resources and reserves • To have commercial oil production as stable revenue stream	**Norway:** • Production from the Yme Field, net to LPA, was added from FY2023, on top of production in the Brage Field. • LPA is poised to add net 0.4 to 1 MMbbl of oil reserves in the Brage Field, after a new discovery was proven. • LPA farmed in to a total 17 per cent interest in PL740 Brasse Field in the Norwegian North Sea, resulting in some 4 MMboe of contingent resources net to LPA. **Oman:** • Oil production continued in FY2023.
Medium-term	• By unlocking value by selling oil-in-the-ground	
Long-term	• To sustain profitability	

Perpetual Targets	
Short-term (FY2024 - FY2026)	• To unlock value by achieving more oil discoveries and building up on its contingent resources and reserves • To have commercial oil production as stable revenue stream
Medium-term (FY2027 - FY2029)	• By unlocking value by starting oil production at newly acquired discovery assets
Long-term (From FY2030)	• To sustain profitability

FOCUS 4: PROTECTING OUR ENVIRONMENT

In line with our commitment to safeguard the natural environment, the Group continues to implement strategies aimed at reducing our ecological footprint and protecting biodiversity. The Group undertakes precautions to limit negative impacts on local marine biodiversity by managing waste and effluents at its wells responsibly. Additionally, the Group manages the carbon footprint of its operations by deploying energy efficiency strategies and technologies where possible.

The Group aims to maintain a strong environmental performance in the coming year and proactively manage environmental impacts and resource consumption.

Energy and Carbon Management in Our Operations

GRI 302-1, 302-2, 302-3, 305-1, 305-2, 305-3, 305-4, 305-7

MOL's fuel consumption primarily comes from diesel and is used to produce energy onsite for the MOPU and the FSO, as well as to operate vessels. MOL also utilises district heating for its heating and hot water needs. All other energy consumption within our corporate offices is derived from purchased electricity.

The Group is aware of the effects of Greenhouse Gas ("**GHG**") emissions on global warming and has begun to track its carbon footprint from FY2022 onwards. GHG emissions are accounted for according to the Greenhouse Gas Protocol established by the World Resources Institute and the World Business Council for Sustainable Development. Emissions data have been disclosed according to both an equity share and operational control approach separately.

The primary sources of Scope 1 emissions comprise emissions from gas flaring and energy production. Scope 2 emissions refer to indirect emissions that result from consumption of purchased electricity and heating. Scope 3 emissions include emissions from purchased goods and services as well as the Group's non-operated assets, the Brage and Yme Fields in Norway.

Emissions of NOx are mainly related to the combustion of hydrocarbon fuels for the generation of electric power needed at our platforms and drilling rigs. Reductions of NOx emissions can be achieved through energy optimisation measures. Emissions of SOx mainly arise from the use of diesel in the power turbines.

Energy Metrics (Energy consumption within Rex)[6]

	Group (Total)	
	FY2023	FY2022
Total fuel usage (non-renewable) (TJ)	183.2	176
Heating consumption (TJ)	0.1	0.1
Electricity consumption (TJ)	0.5	0.6
Total energy consumption (TJ)	183.8	176.7
Energy Intensity	-	25TJ/MMstb

	FY2023		
	Oman	Norway	Singapore
Total fuel (Diesel) usage (non-renewable) (TJ)	183.19	NA	NA
Heating consumption (TJ)	NA	0.13	NA
Electricity consumption (TJ)	0.18	0.30	0.05
Total energy consumption (TJ)	183.37	0.43	0.05
Energy Intensity	261.95 TJ/MMstb	0.00074 TJ/m^2	0.00025 TJ/m^2

Emissions Metrics (operational control)[7]

	Group (Total)	
	FY2023	FY2022
Total Scope 1 Emissions[8] (tonnes CO_2e)	22,240.1	27,567
Scope 1 - CO_2 (tonnes)	22,127.0	27,485
Scope 1 - CH_4 (tonnes CO_2e)	69.0	29
Scope 1 - N_2O (tonnes CO_2e)	44.1	53
Total Scope 2 Emissions[9] (tonnes CO_2e) (location-based)	31.7	6.5
Total Scope 2 Emissions[10] (tonnes CO_2e) (market-based)	0.3	0.3
Total Scope 3 Emissions (tonnes CO_2e)	894,004.5	63,395
Emissions Intensity (Scope 1 & 2) (tonnes CO2e/$mil US$ revenue)	108	162
Total GHG Emissions (Scope 1, 2 & 3) (tonnes CO_2e)	916,276.3	90,968
Total Emissions Intensity (Scope 1, 2 & 3) (tonnes CO_2e/$mil US$ revenue)	4,426	-
NOx (tonnes)	0.0	0.1
SOx (tonnes)	0.0	12.8

Emissions Metrics (equity share)[11]

	Group (Total)	
	FY2023	FY2022
Total Scope 1 Emissions (tonnes CO_2e)	94,051.3	25,309
Total Scope 2 Emissions (tonnes CO_2e) (location-based)	29.6	6.4
Total Scope 2 Emissions[10] (tonnes CO_2e) (market-based)	0.2	0.3
Total Scope 3 Emissions (tonnes CO_2e)	471,655.7	53,250
Total GHG Emissions (Scope 1, 2 & 3) (tonnes CO_2e)	565,736.6	78,565

Indirect Scope 3 GHG Emissions

	Group (Total) FY2023
Total Scope 3 Emissions (tonnes CO_2e)	894,004.5
Category 1 – Purchased Good & Services (tonnes CO_2e)	12,972.1
Category 3 – Fuel- and Energy-Related Activities (tonnes CO_2e)	2,997.3
Category 4 – Upstream Transportation & Distribution (tonnes CO_2e)	6,829.7
Category 5 – Waste Generated in Operations (tonnes CO_2e)	17.0
Category 6 – Business Travel (tonnes CO_2e)	56.1
Category 7 – Employee Commuting (tonnes CO_2e)	336.8
Category 10 – Processing of Sold Products (tonnes CO_2e)	10,839.2
Category 11 – Use of Sold Products (tonnes CO_2e)	372,794.5
Category 15 – Investments (tonnes CO_2e)[12]	487,161.8

The Group has undertaken efforts to improve the energy usage efficiency at the wells, which can lead to cost improvements at each well site. In Oman, water handling on the FSO increases significant requirements of pumping and other associated power usage. In 2022, the Group embarked on a feasibility study regarding the water management on the MOPU to minimise energy consumption on the FSO. The feasibility study is still ongoing and conclusive results are not available yet.

In both the Brage Field and Yme Field in Norway, routine modifications and optimisations of all systems and energy or fuel carriers are carried out. This includes turbines, equipment and flaring systems, among others. These practices align with the requirements of the ISO 5001 standards to improve energy management systems and consequently minimise emissions. The quantified reduction of energy consumption will be made available in our annual environment report to the Norwegian authorities in May 2024. A climate response project in Brage is studying the installation of a wind turbine to replace the use of gas turbines for energy.

6 Based on the operated asset in Oman and offices in Singapore and Norway.
7 Emissions data includes assets in which the Group has operational control. GHG emissions are derived in accordance with the GHG Protocol.
8 Scope 1 direct emissions are calculated using emission factors from IPCC Guidelines for National Greenhouse Gas Inventories, 2006 and global warming potentials from the IPCC 6th Assessment Report (AR6).
9 The equivalent CO_2 emissions for electricity and heating used are calculated based on the updated simple operating margin grid emission factor from the Energy Market Authority in Singapore for the relevant time period, a supplier emission factor for district heating and the Nordic mix for Norway.
10 Scope 2 Emissions (tonnes CO_2e) (market-based) are only applicable to Norway.
11 Emissions are reported according to the Group's share of equity in both operated and non-operated assets.
12 The reported emissions for the non-operated assets Brage Field, Yme Field and Gjegnalunden (PL867) are based on LPA's proportional share of equity in the asset and was pending verification from the Norwegian Environmental Agency at press time.

In the Singapore office, the total electricity consumption was 12,823 kWh while the total municipal water consumption was 8.3m^3 in FY2023. Despite its lean staff strength, we have made efforts to reduce energy consumption as well, such as:

- Monitor and publish water consumption results using digitalised platforms
- Install energy-efficient appliances and energy-saving fittings such as LED lights
- Allow staff to telecommute regularly
- Set up a recycling corner in the workplace
- Reduce usage of single-use items such as straws, plastic utensils and cups
- Reduce paper usage by printing on both sides and opting for soft copies
- Work with staff and stakeholders to encourage environmental sustainability

The Group's proprietary liquid hydrocarbon indicator, the RVD technology, empowers the Group to have a higher chance of success in finding oil, and in turn, minimises the use of resources and the adverse impact on the environment as fewer dry wells will be drilled.

Diversification into Sustainable Solutions and Carbon Sequestration

GRI 203-2

The Group acknowledges the global trend to transition from fossil fuels to clean and sustainable energy. Renewables represent the largest growth area in new energy supply. In 2019, the Group obtained shareholders' approval to diversify its business into sustainable solutions for energy production, materials used in various industries, and the ownership or acquisition of related technology.

The Company has since gone on to invest in the commercial drone company Xer in an up-and-coming industry. Xer became a 53 per cent subsidiary of the Group in FY2023.

In FY2023, medical technology company Moroxite T AB, which is developing a new system for targeted delivery of anti-tumour drugs using bone minerals as a recruiting platform to treat osteosarcoma, a type of bone cancer, became a 70 per cent subsidiary of the Group.

Marine Biodiversity

GRI 304-2

The Group values the interconnectedness of the marine ecosystem and is committed to preserving marine biodiversity. As some of our sites are situated in the open sea or are situated near the coast, we have taken precautions to reduce the potential of harmful discharge into the oceans. The Group ensures that prior to the exploration of a new site, an EIA is conducted to ensure that we minimise the environmental damage on the selected location. The Group also actively looks for sites that have low levels of biodiversity to ensure that our operations do not adversely impact the marine life at sea.

In Norway, offshore operations near vulnerable areas have stringent requirements and the operator has to demonstrate sufficient environmental risk management plans based on environmental survey, mitigation measures and a comprehensive EIA for the application process. LPA has licences and developments projects in areas with challenges related to cold water corals, but these are managed with detailed planning and communication with the relevant authorities.

The Brage Field is located in the northern part of the North Sea, and the production started in 1993. Vulnerable habitats or protected areas are not registered in near distance to the site.

The Yme Field is located in the southeastern part of the Norwegian sector of the North Sea. Production started in 1996 but ceased in 2001 because operation of the field was no longer regarded as profitable. Production started again in October 2021. Vulnerable habitats or protected areas are not registered in near distance to the site.

The Group has also actively deployed its in-house technology – Rex Virtual Drilling to de-risk exploration prospects before drilling. The technology has provided the Group with an additional tool to assess the presence of oil through the study of seismic data, and has aided the Group in achieving four discoveries over the years. This has saved the Group from participating in exploration drillings that eventually turned out dry, hence reducing the waste of resources.

While the Group operates in offshore areas where biodiversity is scarce, it will work towards ensuring that its operations do not affect any protected species on the conservation list and adhere to legal requirements to perform site specific EIAs where required, independent of the level of biodiversity.

Waste Management

GRI 306-1, 306-2, 306-3, 306-4, 306-5

In Norway, all waste management procedures are established and implemented in accordance to the regulations and permits.

Typical non-hazardous and hazardous wastes generated at the Group's offshore facilities include domestic waste and process related wastes comprising mainly drill cuttings, water-based mud and oil-based mud; as well as other wastes such as general and packaging wastes, food waste, waste oils, oil-contaminated rags, hydraulic fluids, used batteries, paint cans, waste chemicals and used chemical containers, used filters, scrap metals, and medical waste, among others. Effluents generated at offshore facilities are sewage, ballast water, deck drainage water and bilge water.

In Oman, MOL has implemented an operations-specific Waste Management Plan covering all wastes generated during operations. This has been developed in accordance with applicable international requirements and local environmental regulations. All wastes generated offshore are brought onshore and will be managed by the vessel contractors and the collection by a third-party at the Port of Duqm in compliance with local applicable Oman environmental regulations.

MOL also collects and monitors waste-related data through the consignment note and receipt for the delivery of all offshore waste disposed onshore by third party waste operators.

Waste Metrics[13]

	FY2023	FY2022
Total Waste Generated (tonnes)	33.4	72
Total Hazardous Waste (tonnes)	0.0	0.5
Total Non-hazardous Waste (tonnes)	33.4	68.2
Total Drilling Waste (tonnes)	0.0	3.3
Total waste diverted from disposal (tonnes)	0.0	0
Total waste directed to disposal (tonnes)	33.4	72

MOL is aware of the risk of oil spill occurrences offshore and an Oil Spill Contingency Plan has been put in place. In FY2023, while there were no significant spills events (>0.1m^3), there was a total of approximately 0.015m^3 of oil spills to sea recorded in the Yumna Field. MOL recognises the significant adverse impacts of oil spills on the ocean and marine biodiversity, and is committed to ensure that its operations are safeguarded by strong operational control onsite to prevent such incidents from occurring.

[13] Based on the operated asset in Oman

Water and Effluents Management

GRI 303-1, 303-2, 303-3, 303-4, 303-5

As a partner on the Brage Field operated by OKEA, and the Yme Field operated by Repsol, LPA exercises its "see-to-duty" to ensure that OKEA and Repsol adhere to all applicable NCS regulations pertaining to water and effluent management. Discharges of effluents (produced water, drain water, displaced water) and chemicals needed for safe and efficient production is managed according to Norwegian regulations. The discharge permit is regulated by the Norwegian authorities and states that effluent discharge should be below 30 mg oil/L per month (weighted average).

Effluents from produced water are discharged into marine ecosystems without impacting freshwater and drinking water resources. The release of all produced water is subject to regulation through permits and adherence to regulations on the NCS. Prior to discharge, all effluents undergo treatment to meet the necessary standards and criteria. Additionally, operational sites are mandated to implement monitoring systems and procedures. LPA will fulfil its "see-to duty" requirements by conducting follow-ups with operators.

In Oman, operations are not located in water-stressed environments and no freshwater is withdrawn for oil production. Water-related impacts are identified through third-party environmental audit for various performance parameters such as resource consumption and releases arising from the project operations in compliance with the environmental permit conditions as issued by the Environmental Authority ("**EA**"). The FSO is equipped with a Reverse Osmosis Plant which processes sea water for general use resulting in the reduction of consumption of potable water by the FSO. This effort is part of the Group's commitment to reduce water usage and increase water recycling. In line with the Group's Produced Water Management Plan, we ensure that produced water is being treated and disposed safely into the marine environment in accordance with MARPOL and local environmental authority requirements and standards.

In addition, seawater samples are regularly collected and analysed to verify that no oily content is discharged along with the produced waters. Once the liquids have entered the compartments, water and oil are allowed to settle before transferring the water to the slop tanks. The oily water interface is given a residence time to allow a separation between the two liquids. Measurements of oily water interface level are taken using Ullage Interface and Temperature (UTI) measuring tool from the vapor control valve/tank gauging station and the ODME system to ensure quality of oil discharge does not exceed permissible limit of 15ppm).

There were no exceedances of the regulatory discharge limits for produced water in 2023.

Water Metrics

	FY2023		
	Oman[14]	Singapore*	Norway*
Total Water Withdrawn (megalitres)			
Seawater	33.6	0.0	0.0
Municipal water	0.0	0.0	0.0
Total Water Discharged (megalitres)			
Seawater	28.0	0.0	0.0
Municipal Sewage	0.0	0.0	0.0
Concentration (mg/L) of hydrocarbons in the water discharged	<5	NA	NA
Total Water Consumption (megalitres)			
Seawater	5.6	0.0	0.0
Total Water Consumption Intensity	8.0 megalitres/ MMstb	NA	NA

	FY2022		
	Oman	Singapore	Norway
Total Water Withdrawn (megalitres)			
Seawater	636	0	0
Municipal water	0*	0*	0*
Total Water Discharged (megalitres)			
Seawater	634	0	0
Municipal Sewage	0*	0*	0*
Concentration (mg/L) of hydrocarbons in the water discharged	15	NA	NA
Total Water Consumption (megalitres)			
Seawater	2	0	0

The significant variance in water consumption in Oman is due to operational difference between FY2023 and FY2022. In FY2022, a drilling campaign was carried out, leading to a higher amount of water withdrawn and discharge. Conversely, in FY2023, no drilling operations were held, resulting in lower water usage.

Environmental Targets

Targets for FY2023		Status	FY2023 Performance
Short-term	Recycle and reuse waste materials	In-progress	Corporate office operations in Norway practise segregation of waste to be recycled and disposed.
	Monitor and reduce resource consumption whenever possible	In-progress	The Group has quantified its energy and water consumption in Oman, Norway and Singapore.
Long-term	Minimise environmental impact on marine biodiversity	In-progress	**Oman** MOL operates in the open sea or near the coast with low levels of marine biodiversity. **Norway** LPA adheres to stringent restrictions and regulations when operating in areas with high marine biodiversity.

Perpetual Targets	
Short-term (FY2024 - FY2026)	• Recycle and reuse waste materials • Monitor and reduce resource consumption whenever possible
Long-term (From FY2030)	Minimise environmental impact on marine biodiversity

[14] Based on the operated asset in Oman
* Less than 0.5

FOCUS 5: CREATING INCLUSIVE COMMUNITIES

Local Employment and Procurement

GRI 202-2, 204-1

The Group strives to engage local talent in countries of our operations and upholds a strong commitment to develop a workforce that reflects the diversity of the communities we serve. We ensure that our employment contracts are compliant with local laws and regulations. The Group also remunerates local employees according to the merit of the work conducted. All employees are remunerated based on merit as there is no legislation on minimum wage in the regions we operate in.

The Group believes that hiring locals can bring about intangible benefits to our business operations as we contribute economically to the respective jurisdictions. We actively seek to hire senior management locally for our significant locations of operation in Singapore, Norway and Oman. This includes individuals either born or who have the legal right to reside indefinitely (i.e. naturalised citizens or permanent visa holders) in the same geographic market as the operation. We define our "senior management" as all Key Management Personnel who are in the management team of the company. This typically includes the Group's C-suites and other roles such as the General Manager.

Proportion of Senior Management Hired from Local Community

Singapore	38%
Norway	100%
Oman	50%

In addition, the Group contributes to the local economy by procuring from local suppliers as much as possible. We have prioritised sourcing from local equipment suppliers, where applicable, and only engage overseas suppliers when there are no eligible local suppliers available. This increases the resiliency of our supply chain while ensuring that we are well-equipped at our operational sites. In Oman, we maintain a mix of both local and international suppliers due to the limited expertise from the pool of local suppliers for skills required in operations.

Proportion of Spending on Local Suppliers

Singapore Suppliers	57%
Norway Suppliers	100%
Oman Suppliers	60%

Workforce Profile and Diversity

GRI 2-7, 2-8, 401-1, 405-1

The Group recognises that its success depends on its employees and the contributions they make. We are an equal opportunity employer that is fully committed to creating and maintaining an organisation that embraces and celebrates diversity.

Employees are recruited based on merit, regardless of age, ethnicity, gender, religion, marital status and disability, and the Group treats each individual with equal respect. Diversity allows the Company access to a greater pool of talent and can help to drive better business performance over time.

The Group values having a diverse set of opinions at Board level. Rex has formed a group of knowledgeable and diverse Board members who guides the organisation towards greater growth.

Board age diversity	Number (#)	Percentage (%)
<30 years old	0	0
30-50 years old	2	22
51-70 years old	5	56
>70 years old	2	22
Board gender diversity	**Number (#)**	**Percentage (%)**
Male	7	78
Female	2	22
Board Independence	**Number (#)**	**Percentage (%)**
No. of Independent directors	5	56%

While the Group hires mostly permanent employees, there are workers who are employed by our suppliers who are assigned to sites under the Group's control. In FY2023, the Group had 62 workers who were not employees but were employed through contractors. These workers are primarily operators, cleaners, engineers and cooks.

The following table provides the breakdown of our employees by permanent, temporary, non-guaranteed hours, full-time and part-time employees. The number of employees reported are the numbers at the end of the reporting period.

	Norway	Singapore	Oman
Total employees (#)	23	21	23
Total employees by employment type (#)			
Full-time, Fixed Term	21	14	23
Part-time/Non-guaranteed hours	2	7	0
Total employees by gender (#)			
Female	8	10	5
Male	15	11	18
Employee age diversity (%)			
Key Management Personnel (<30 years old)	0	0	0
Key Management Personnel (30-50 years old)	20	50	80
Key Management Personnel (>50 years old)	80	50	20
Middle Management[15] (<30 years old)	0	0	0
Middle Management (30-50 years old)	0	80	75
Middle Management (>50 years old)	0	20	25
Other employees[16] (<30 years old)	0	0	21
Other employees (30-50 years old)	53	0	79
Other employees (>50 years old)	47	100	0
Employee gender diversity – females (%)			
Senior Management	40	38	0
Middle Management	0	80	25
Other employees	27	100	25

In FY2023, there were four departures and 10 new hires. As at 31 December 2023, the breakdown of our new employee hire and departures according to gender, age group and region are as follows.

	Norway	Singapore	Oman
Total new employee hire (#)	2	2	6
New employee hire by age group			
Below 30 years old (#)	0	0	1
Below 30 years old (%)	0	0	16.7
Between 30 and 50 years old (#)	1	2	3
Between 30 and 50 years old (%)	50	100.0	50.0
Above 50 years old (#)	1	0	2
Above 50 years old (%)	50	0	33.3
New employee hire by gender			
Male (#)	2	0	5
Male (%)	100	0	83.3
Female (#)	0	2	1
Female (%)	0	100.0	16.7
Total employee turnover (#)	0	0	4
Employee turnover by age group			
Below 30 years old (#)	0	0	0
Below 30 years old (%)	0	0	0
Between 30 and 50 years old (#)	0	0	1
Between 30 and 50 years (%)	0	0	25
Above 50 years old (#)	0	0	3
Above 50 years old (%)	0	0	75
Employee turnover by gender			
Male (#)	0	0	3
Male (%)	0	0	75
Female (#)	0	0	1
Female (%)	0	0	25

Staff Benefits

GRI 401-2, 401-3

The Group strives to provide competitive benefits to our employees to retain talent. We offer fair compensation packages, based on practices of pay-for-performance and promotion based on merit, to its employees. The Group provides various healthcare and insurance subsidies for full-time employees. This includes group personal accident insurance, life insurance, healthcare, disability and invalidity coverage, as well as dental coverage.

We believe in allowing our employees to spend time together with their family. Employees who are parents, are entitled to parental leave to spend time meaningfully with their children. The following are the statistics for our parental leave[17] entitlement.

[15] We define 'middle management' as employees reporting to key management personnel and/or have other employees reporting to them.
[16] We define 'other employees' as employees that are not in 'key management personnel' or 'middle management'.
[17] Parental leave refers to paternity or maternity leave.

	Norway	Singapore	Oman
Total number of employees that were entitled to parental leave			
Male	0	0	10
Female	0	0	6
Total number of employees that took parental leave			
Male	NA	NA	0
Female	NA	NA	2
Total number of employees that returned to work in the reporting period after parental leave ended			
Male	NA	NA	NA
Female	NA	NA	1
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work			
Male	NA	NA	NA
Female	NA	NA	0
Return to work rate			
Male	NA	NA	NA
Female	NA	NA	50%
Retention rate			
Male	NA	NA	NA
Female	NA	NA	0%

Training and Development

GRI 404-1, 404-2, 404-3

Providing appropriate staff development and training opportunities is one of the key internal performance targets monitored by the Group. These training programmes support not only employees in adapting to evolving industry trends but also contribute to the overall efficiency and competitiveness of the Group. In FY2023, our employees attended a total of 494.6 hours of training, resulting in an average of 7.4 hours of training per employee.

	Norway	Singapore	Oman
Total number of training hours conducted for all employees			
	246.5	56.1	192
Total number of training hours by gender			
Male	152.5	0	184
Female	94.0	56.1	8
Average hours of training by gender			
Male	10.2	0.0	10.2
Female	11.8	5.6	1.6
Total training hours by employee category			
Senior Management	60.0	6.0	0.0
Middle Management	NA	19.9	24.0
Other Employees	186.5	30.2	168.0
Average training hours by employee category			
Senior Management	12.0	0.8	0.0
Middle Management	NA	4.0	6.0
Other Employees	12.4	30.2	12.0

In 2023, employees in Singapore attended a variety of seminars and webinars:

Finance

- KPMG Budget 2023 Technical Seminar
- Singapore-Oman Business Webinar
- Understanding the OECD's July Outcome Statement and other BEPS 2.0 developments webcast Its Implications For your Business
- ISCA Ethics and Update of Financial Reporting Standards (FRSs) for Finance Professionals

Corporate Governance & Sustainability

- Climate Reporting – Directors, How Do You Respond?
- Unpack and Interpret Your 2023 CSA Results (Option 1)
- Applying the IFRS Sustainability Disclosure Standards
- Navigating to Net Zero in a Fast-Changing World
- New ISSB standards: turning compliance to competitive advantage
- IFAC Achieving Investor-Grade GHG Reporting: The role of Accounting and Finance Professionals
- IFRS Sustainability Disclosure Standards Training

Others

- Technical & On-Page SEO
- Occupational Employment Dataset (OED)

Non-Discrimination

GRI 406-1

The Group is committed to creating a work environment where all staff are treated with dignity and respect as outlined in our Code of Conduct. This entails providing fair welfare and compensation, workplace health and safety, and a workplace that is free of discrimination. As at 31 December 2023, there were no incidents of workplace discrimination occurring within our operations. The Group does not tolerate any cases of discrimination and any reported incidents will be investigated.

Labour and Management Relations

GRI 402-1

The Group understands that there could be changes at our operational sites which could result in changes in our employee's working hours and condition. Therefore, we have ensured that our employees are informed of the change at least two weeks prior to implementing the change. As MOL conducts its operations in line with the local Omani labour law, a one-month notice period is provided to workers, subject to the conditions as per the agreement signed by the staff and the Company. In Singapore, post-Covid, employees now practise a hybrid work arrangement incorporating telecommuting options.

Uplifting Local Communities

GRI 413-1

The Group aims to uplift the communities in locations we operate in. In 2023, all of our entities engaged in local community projects.

MOL distributed iPads to local schools, supporting the education of advantaged students. Similarly, LPA participates in initiatives to support the local communities. LPA sponsors road safety campaigns for a local kindergarten. Additionally, LPA sponsors an initiative that helps people who have been unemployed for a long time find their way back to employment by training them in bike repairs. In 2023, our Singapore office donated food hampers to the Boys' Brigade Share-A-Gift 2023 project, which impacted more than 45,000 beneficiaries.

Inclusive Communities Targets

Targets for FY2023		Status	FY2023 Performance
Short-term	• Provide performance reviews for 100% of employees	Partially Met	Performance reviews are conducted on an ad-hoc basis in the form of on-job feedback to applicable employees.
	• To procure all services from local suppliers where possible	Met	More than 50% of supplies procured from local suppliers.
	• Increase number of community engagements		
Long-Term	• To achieve at least 10 hours of training programs per employee	Partially Met	Employees have attended an average of 7.4 hours of training programmes.

Perpetual Targets

- To spend minimum 50% of procurement budget on local suppliers
- Increase number of community engagements
- To achieve average 10 hours of training programmes per employee

SGX-ST 6 Primary Components Index

S/N	Primary Component	Section Reference
1	Material Topics	• Materiality Assessment
2	Climate-related disclosures consistent with the TCFD recommendations	• Focus 3: Resilience for Climate Change
3	Policies, Practices and Performance	• Sustainability Strategy Overview • Focus 1 to 5
4	Board Statement	• Board Statement on Sustainability • Sustainability Governance Structure & Statement of the Board
5	Targets	• Focus 1 to 5
6	Framework	Reporting Practice

GRI Content Index

Statement of use	Rex International Holding has reported in accordance with the GRI Standards for the period 1 January 2023 to 31 December 2023.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	GRI 11: Oil and Gas Sector 2021

GRI Standard	Disclosure	Location	Omission		GRI Sector Standard Ref. No.
			Reason	Explanation	
GRI 2: General Disclosures 2021	2-1 Organisational details	Organisational Profile	No omissions is permitted for these disclosures		
	2-2 Entities included in the organisation's sustainability reporting	Reporting Practice			
	2-3 Reporting period, frequency and contact points	Reporting Practice			
	2-4 Restatements of information	Reporting Practice			
	2-5 External assurance	No external assurance was conducted on the sustainability reporting process of the Group for FY2023.			
	2-6 Activities, value chain and other business relationships	Organisational Profile, Annual Report 2023			
	2-7 Employees	Focus 5: Creating Inclusive Communities			
	2-8 Workers who are not employees	Focus 5: Creating Inclusive Communities			
	2-9 Governance structure and composition	Sustainability Governance Structure & Statement of the Board, Corporate Governance Report			
	2-10 Nomination and selection of the highest governance body	Corporate Governance Report			
	2-11 Chair of the highest governance body	Corporate Governance Report			
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability Governance Structure & Statement of the Board			
	2-13 Delegation of responsibility for managing impacts	Sustainability Governance Structure & Statement of the Board			
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Governance Structure & Statement of the Board			
	2-15 Conflicts of interest	Corporate Governance Report			
	2-16 Communication of critical concerns	Focus 1: Governance and Ethics			
	2-17 Collective knowledge of the highest governance body	Sustainability Governance Structure & Statement of the Board			
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance Report			
	2-19 Remuneration policies	Corporate Governance Report			
	2-20 Process to determine remuneration	Corporate Governance Report			
	2-21 Annual total compensation ratio	-	Confidentiality constraints		
	2-22 Statement on sustainable development strategy	Message from the Chief Executive Officer / Chief Sustainability Officer Focus 1: Upholding Governance and Ethics			
	2-23 Policy commitments	Focus 1 to 5			
	2-24 Embedding policy commitments	Focus 1 to 5			
	2-25 Processes to remediate negative impacts	Focus 1: Upholding Governance and Ethics			
	2-26 Mechanisms for seeking advice and raising concerns	Focus 1: Upholding Governance and Ethics			
	2-27 Compliance with laws and regulations	Focus 1: Upholding Governance and Ethics			
	2-28 Membership associations	Awards and Accreditations			
	2-29 Approach to stakeholder engagement	Stakeholder Engagement			
	2-30 Collective bargaining agreements	-	Not applicable	Not applicable to REX	
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Assessment			
	3-2 List of material topics	Materiality Assessment			

GRI Standard	Disclosure	Location	Omission		GRI Sector Standard Ref. No.
			Reason	Explanation	
Greenhouse Gas (GHG) Emissions					
GRI 3: Material Topics 2021	3-3 Management of material topic	Focus 4: Protecting our Environment			11.1.1
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Focus 4: Protecting our Environment			11.1.2
	302-2 Energy consumption outside of the organisation	Focus 4: Energy consumption outside the organisation has been converted to GHG emissions produced. Please refer to *Focus 4: Protecting our Environment - Energy and Carbon Management in our operations* for more information.			11.1.3
	302-3 Energy Intensity	Focus 4: Protecting our Environment			11.1.4
	302-4 Reduction of energy consumption	-	Not applicable	Metric under evaluation	
	302-5 Reductions in energy requirements of products and services	-	Not applicable	Not applicable to REX	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Focus 4: Protecting our Environment			11.1.5
	305-2 Energy indirect (Scope 2) GHG emissions	Focus 4: Protecting our Environment			11.1.6
	305-3 Other indirect (Scope 3) GHG emissions	Focus 4: Protecting our Environment			11.1.7
	305-4 GHG emissions intensity	Focus 4: Protecting our Environment			11.1.8
Climate adaptation, resilience, and transition					
GRI 3: Material Topics 2021	3-3 Management of material topic	Focus 3: Resilience for Climate Change			11.2.1
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	Focus 3: Resilience for Climate Change			11.2.2
GRI 305: Emissions 2016	305-5 Reduction of GHG emissions	Focus 4: Protecting our Environment	Not applicable	Metric under evaluation	11.2.3
Air Emissions					
GRI 3: Material Topics 2021	3-3 Management of material topic	Focus 4: Protecting our Environment			11.3.1
GRI 305: Emissions 2016	305-6 Emissions of ozone-depleting substances (ODS)	-	Not applicable	Not applicable to REX	
	305-7 Nitrogen oxides (NOx), sulfur oxides (Sox), and other significant air emissions	Focus 4: Protecting our Environment			11.3.2
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of products and service categories	-	Not applicable	Limited applicability to upstream operations	11.3.3
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	-	Not applicable	Limited applicability to upstream operations	
Biodiversity					
GRI 3: Material Topics 2021	3-3 Management of material topic	Focus 4: Protecting our Environment			11.4.1
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	-	Not applicable	Not applicable to REX	11.4.2
	304-2 Significant impacts of activities, products and services on biodiversity	Focus 4: Protecting our Environment			11.4.3
	304-3 Habitats protected or restored	-	Not applicable	Not applicable to REX	11.4.4
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	-	Not applicable	Not applicable to REX	11.4.5

GRI Standard	Disclosure	Location	Omission: Reason	Omission: Explanation	GRI Sector Standard Ref. No.
GRI 306: Effluents and Waste 2016	3-3 Management of material topic	Focus 4: Protecting our Environment			11.5.1
	306-1 Waste generation and significant waste-related impacts	Focus 4: Protecting our Environment			11.5.2
	306-2 Management of significant waste-related impacts	Focus 4: Protecting our Environment			11.5.3
	306-3 Waste generated	Focus 4: Protecting our Environment			11.5.4
	306-4 Waste diverted from disposal	Focus 4: Protecting our Environment			11.5.5
	306-5 Waste directed to disposal	Focus 4: Protecting our Environment			11.5.6
Water and Effluents					
GRI 3: Material Topics 2021	3-3 Management of material topic	Focus 4: Protecting our Environment			11.6.1
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Focus 4: Protecting our Environment			11.6.2
	303-2 Management of water discharge-related impacts	Focus 4: Protecting our Environment			11.6.3
	303-3 Water withdrawal	Focus 4: Protecting our Environment			11.6.4
	303-4 Water discharge	Focus 4: Protecting our Environment			11.6.5
	303-5 Water consumption	Focus 4: Protecting our Environment			11.6.6
Closure and Rehabilitation					
GRI 3: Material Topics 2021	3-3 Management of material topic	Focus 5: Creating Inclusive Communities			11.7.1
GRI 402: Labour/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Focus 5: Creating Inclusive Communities			11.7.2 11.10.5
GRI 404: Training and Education 2016	404-2 Programmes for upgrading employee skills and transition assistance programmes	404-2 (a) Focus 5: Creating Inclusive Communities	404-2 (b) Not applicable	REX does not provide transition assistance programmes to employees	11.7.3 11.10.7
List the operational sites that: - have closure and rehabilitation plans in place - have been closed - are in the process of being closed		-	Not applicable	Not applicable to REX	11.7.4
List the decommissioned structures left in place and describe the rationale for leaving them in place		-	Not applicable	Not applicable to REX	11.7.5
Report the total monetary value of financial provisions for closure and rehabilitation made by the organisation, including post-closure monitoring and aftercare for operational sites.		-	Not applicable	Not applicable to REX	11.7.6
Asset Integrity and Critical Incident Management					
GRI 3: Material Topics 2021	3-3 Management of material topic	Focus 2: Prioritising Health and Safety			11.8.1
GRI 306: Effluents and Waste 2016	306-3 Significant spills	Focus 4: Protecting our Environment			11.8.2
Report the total number of Tier 1 and Tier 2 process safety events, and a breakdown of this total by business activity (e.g., exploration, development, production, closure and rehabilitation, refining, processing, transportation, storage)		-	Not applicable	Not applicable to REX	11.8.3

GRI Standard	Disclosure	Location	Omission		GRI Sector Standard Ref. No.
			Reason	Explanation	
Occupational health and safety					
GRI 3: Material Topics 2021	3-3 Management of material topic	Focus 2: Prioritising Health and Safety			11.9.1
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Focus 2: Prioritising Health and Safety			11.9.2
	403-2 Hazard identification, risk assessment, and incident investigation	Focus 2: Prioritising Health and Safety			11.9.3
	403-3 Occupational health services	Focus 2: Prioritising Health and Safety			11.9.4
	403-4 Worker participation, consultation, and communication on occupational health and safety	Focus 2: Prioritising Health and Safety			11.9.5
	403-5 Worker training on occupational health and safety	Focus 2: Prioritising Health and Safety			11.9.6
	403-6 Promotion of worker health	Focus 2: Prioritising Health and Safety			11.9.7
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Focus 2: Prioritising Health and Safety			11.9.8
	403-8 Workers covered by an occupational health and safety management system	Focus 2: Prioritising Health and Safety			11.9.9
	403-9 Work-related injuries	Focus 2: Prioritising Health and Safety	Consolidated data presented for 403-9 (a) and (b)	REX prefers to present consolidated data for 403-9 (a) and (b).	11.9.10
	403-10 Work-related ill health	Focus 2: Prioritising Health and Safety	Consolidated data presented for 403-10 (a) and (b)	REX prefers to present consolidated data for 403-10 (a) and (b).	11.9.11
Employment Practices					
GRI 3: Material Topics 2021	3-3 Management of material topic	Focus 5: Creating Inclusive Communities			11.10.1
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Focus 5: Creating Inclusive Communities			11.10.2
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Focus 5: Creating Inclusive Communities			11.10.3
	401-3 Parental leave	Focus 5: Creating Inclusive Communities			11.10.4 11.11.3
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Focus 5: Creating Inclusive Communities			11.10.6 11.11.4
	404-3 Percentage of employees receiving regular performance and career development reviews	-	Information unavailable	Metrics under evaluation	
Supply Chain Management					
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Focus 1: Upholding Governance and Ethics			
	308-2 Negative environmental impacts in the supply chain and actions taken	Focus 1: Upholding Governance and Ethics			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers screened using social criteria	Focus 1: Upholding Governance and Ethics			11.10.8 11.12.3
	414-2 Negative social impacts in the supply chain and actions taken	Focus 1: Upholding Governance and Ethics			11.10.9

GRI Standard	Disclosure	Location	Omission: Reason	Omission: Explanation	GRI Sector Standard Ref. No.
Non-discrimination and equal opportunity					
GRI 3: Material Topics 2021	3-3 Management of material topic	Focus 5: Creating Inclusive Communities			11.11.1
GRI 202: Market Presence	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	-	Not applicable	No employees compensated based on entry level wage by gender / local minimum wage rules.	
	202-2 Proportion of senior management hired from the local community	Focus 5: Creating Inclusive Communities			11.11.2
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Focus 5: Creating Inclusive Communities			11.11.5
	405-2 Ratio of basic salary and remuneration	-	Not applicable	The Group has a flat employee structure.	11.11.6
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Focus 5: Creating Inclusive Communities			11.11.7
Forced labor and modern slavery					
GRI 3: Material Topics 2021	3-3 Management of material topic	Focus 1: Upholding Governance and Ethics			11.12.1
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor		Not applicable	REX does not operate in areas at significant risk for incidents of child labour.	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Focus 1: Upholding Governance and Ethics			11.12.2
Economic Impacts					
GRI 3: Material Topics 2021	3-3 Management of material topic	Focus 5: Creating Inclusive Communities			11.14.1
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Annual Report 2023			11.14.2 11.21.2
	201-3 Defined benefit plan obligations and other retirement plans	-	Not applicable	Not applicable for Singapore Companies	
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	-	Not applicable	Not applicable to REX	11.14.4
	203-2 Significant indirect economic impacts	Focus 4: Protecting our Environment			11.14.5
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Focus 5: Creating Inclusive Communities			11.14.6
Local communities					
GRI 3: Material Topics 2021	3-3 Management of material topic	Focus 5: Creating Inclusive Communities			11.15.1
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	Focus 5: Creating Inclusive Communities			11.15.2
	413-2 Operations with significant actual and potential negative impacts on local communities	-	Not applicable	Not applicable to REX	11.15.3
Report the number and type of grievances from local communities identified, including : - Percentage of the grievances that were addressed and resolved - Percentage of the grievances that were resolved through remediation		-	Not applicable	Not applicable to REX	11.15.4

GRI Standard	Disclosure	Location	Omission		GRI Sector Standard Ref. No.
			Reason	Explanation	
Anti-competitive behavior					
GRI 3: Material Topics 2021	3-3 Management of material topic	Focus 1: Upholding Governance and Ethics			11.19.1
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Focus 1: Upholding Governance and Ethics			11.19.2
Anti-corruption					
GRI 3: Material Topics 2021	3-3 Management of material topic	Focus 1: Upholding Governance and Ethics			11.20.1
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Focus 1: Upholding Governance and Ethics			11.20.2
	205-2 Communication and training about anti-corruption policies and procedures	Focus 1: Upholding Governance and Ethics			11.20.3
	205-3 Confirmed incidents of corruption and actions taken	Focus 1: Upholding Governance and Ethics			11.20.4
Describe the approach to contract transparency, including: - Whether contracts and licences are made publicly and, if so, where they are published - If contracts or licences are not publicly available, the reason for this and actions taken to make them public in the future		Focus 1: Upholding Governance and Ethics			11.20.5
List the organisation's beneficial owners and explain how the organisation identifies the beneficial owners of business partners, including joint ventures and suppliers		-	Not applicable	Not applicable to REX	11.20.6
Payments to government					
GRI 3: Material Topics 2021	3-3 Management of material topic	Focus 1: Upholding Governance and Ethics			11.21.1
GRI 201: Economic Performance 2016	201-4 Financial assistance received from government	Focus 1: Upholding Governance and Ethics			11.21.3
GRI 207: Tax 2019	207-1 Approach to tax	Focus 1: Upholding Governance and Ethics			11.21.4
	207-2 Tax governance, control, and risk management	Focus 1: Upholding Governance and Ethics			11.21.5
	207-3 Stakeholder engagement and management of concerns related to tax	Focus 1: Upholding Governance and Ethics			11.21.6
	207-4 Country-by-country reporting	-	Not applicable	Not applicable to REX	11.21.7
For oil and gas purchased from the state, or from third parties appointed by the state to sell on their behalf, report: - volumes and types of oil and gas purchased; - full names of the buying entity and the recipient of the payment; - payments made for the purchase		-	Not applicable	Not applicable to REX	11.21.8
Customer Privacy					
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Focus 1: Upholding Governance and Ethics			

Topics in the GRI 11: Oil & Gas Sector Standards determined as not material

Topic	Explanation
11.13 Freedom of association and collective bargaining	REX employees are not covered under collective bargaining agreements
11.16 Land and Resource Rights	REX operates offshore
11.17 Rights of Indigenous Peoples (GRI 411)	REX does not operate near indigenous communities
11.18 Conflict and Security (GRI 410)	REX does not operate within locations of conflict
11.22 Public Policy (GRI 415)	REX does not participate in political contributions

TCFD Index

TCFD Disclosure		Section reference
Governance		
a)	Board's oversight of climate related risks	Focus 3: Resilience for Climate Change
b)	Management's role in assessing and managing climate-related risks	
Strategy		
a)	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	Focus 3: Resilience for Climate Change
b)	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	
c)	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	
Risk Management		
a)	Describe the organisation's processes for identifying and assessing climate-related risks	Focus 3: Resilience for Climate Change
b)	Describe the organisation's processes for managing climate-related risks	
c)	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	
Metrics and Targets		
a)	Disclose the metrics sued by organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Focus 3: Resilience for Climate Change
b)	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	Focus 3: Resilience for Climate Change Focus 4: Protecting our Environment
c)	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Focus 4: Protecting our Environment

CORPORATE GOVERNANCE REPORT

The Board of Directors (the "**Board**" or the "**Directors**") of Rex International Holding Limited (the "**Company**" and together with its subsidiaries, the "**Group**") is committed to achieving and maintaining high standards of corporate governance principles and processes in managing its business and affairs to enhance long-term shareholder value and business performance, by embracing the tenets of good governance, including accountability, transparency and sustainability of the Group.

During the financial year under review, the Directors of the Company have reviewed its corporate governance practices and ensured that they are in compliance with the applicable provisions of the Code of Corporate Governance 2018 (the "**Code**") issued by the Monetary Authority of Singapore and the applicable listing rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") (the "**Listing Rules**"). Where applicable, deviations from the Code have been explained and how the Group's practices are consistent with the intent of the relevant principles.

This corporate governance report sets out how the Company has applied the principles of good corporate governance in a disclosure-based regime where the accountability of the Board to the Company's shareholders and the management of the Company (the "**Management**") to the Board provides a framework for achieving a mutually beneficial tripartite relationship aimed at creating, enhancing and growing sustainable shareholders' value.

GUIDELINE

General

Compliance to the Code

The Company has complied with the principles and provisions as set out in the Code and the disclosure guide developed by the SGX-ST in 2018 (the "**Guide**"), where applicable. Appropriate explanations have been provided in the relevant sections below where there are deviations from the Code.

BOARD MATTERS

The Board's Conduct of Affairs

Principle 1 ***The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.***

1.1

Role of the Board

Composition of the Board	
Name of Director	**Designation**
Dan Broström	Executive Chairman
John d'Abo	Executive Vice Chairman
Dr Karl Lidgren	Executive Director
Sin Boon Ann	Lead Independent Non-Executive Director
Dr Christopher Atkinson	Independent Non-Executive Director
Mae Heng	Independent Non-Executive Director
Beverley Smith	Independent Non-Executive Director
Pong Chen Yih	Independent Non-Executive Director
Dr Mathias Lidgren	Non-Independent Non-Executive Director

The Company's Board is committed to achieving and maintaining high standards of corporate governance principles and processes in managing its business and affairs to enhance long-term shareholder value and business performance, by embracing the tenets of good governance, including accountability, transparency and sustainability of the Group.

CORPORATE GOVERNANCE REPORT

The Board sees as its role to:

(a) Provide entrepreneurial leadership guidance, set corporate strategic objectives and directions for Management, which should include appropriate focus on value creation, innovation and sustainability;
(b) Set the appropriate tone-from-the-top and desired organisational culture, and to ensure proper accountability within the Company;
(c) Ensure that the necessary resources are in place for the Company to meet its strategic objectives;
(d) Establish and maintain a sound risk management framework to effectively monitor and manage risks, and to achieve an appropriate balance between risks and company performance;
(e) Constructively challenge Management and review its performance;
(f) Instil an ethical corporate culture and ensure that the Company's values, standards, policies and practices are consistent with the culture; and
(g) Oversee the overall corporate governance of the Group and ensure transparency and accountability to key stakeholder groups.

The Company's Board of Directors Policy sets out the principles and general guidelines for the Directors, who should abide by the policy and any applicable law, legislation, the Listing Rules or the Companies Act. The policy covers aspects including Board composition and balance, Board diversity, tenure and number of directorships, Board member selection and orientation, and code of conduct for the avoidance of conflicts of interest and dealing in the shares of the Company.

Conflicts of Interest

Specifically, Directors facing conflicts of interest are to recuse themselves from discussions and decisions involving the issues of conflict. The Company has in place a policy whereby Directors should refrain from having any conflicts of interests with the Company to ensure that their duty to act in the best interest of the Company is not jeopardised. Where the director faces a conflict of interest, he or she should disclose this and recuse himself or herself from discussion and decisions involving the issue. For instance, if the Chairman of the Board is a member of the Nominating Committee ("**NC**"), he or she may face a conflict of interest on discussions relating to the succession of the Chairman and should thus recuse himself or herself from such discussions after providing his or her input to the NC on other matters. This ensures that Directors continually meet the stringent requirements of independence under the Code.

1.2 *Director Competencies*

All Directors have a good understanding of the Company's business as well as their directorship duties (including their roles as executive, non-executive and independent directors). For future appointments, the Company will provide each newly appointed Director with a formal letter of appointment setting out the Director's role, duties, obligations and responsibilities, and the expectations of their contribution to the Company.

Directors are expected to develop their competencies to effectively discharge their duties and are provided with opportunities to develop and maintain their skills and knowledge at the Company's expense.

CORPORATE GOVERNANCE REPORT

All newly appointed Directors will undergo an orientation programme where the Director would be briefed on the Group's strategic direction, governance practices, business and organisation structure, and participate in an external course detailing the expected duties of a director of a listed company. To get a better understanding of the Group's business, the Directors will also be given the opportunity to visit the Group's operational facilities and meet with Management, whenever required. A new Director who has no prior experience as a director of an issuer listed on the SGX-ST must also undergo mandatory training in his roles and responsibilities as prescribed by the SGX-ST. All Directors are required to undergo a one-time training on sustainability.

All Directors, except for Ms Mae Heng, Mr John d'Abo, Dr Mathias Lidgren, Ms Beverley Smith and Mr Pong Chen Yih, have been on the Company's board for more than seven years. Except for Mr Sin Boon Ann, Ms Mae Heng and Mr Pong Chen Yih, the rest of the Directors of the Company did not have prior experience holding directorship(s) in public listed companies in Singapore. To prepare and familiarise herself with the roles and responsibilities of Directors of a public listed company, Ms Beverley Smith will participate in the Listed Company Director courses conducted by the Singapore Institute of Directors (the "**SID**") within a year from her appointment to the Board in August 2023.

Directors are also regularly updated with the latest professional developments in relation to the Listing Rules and other applicable regulatory updates or amendments to relevant laws, rules and regulations to ensure the compliance of the same by all Directors.

In 2023, the Directors attended the following:

John d'Abo	(1)	Singapore Institute of Directors - Subsidiary Board Directors Fundamentals
	(2)	Singapore Institute of Directors - ESG and Climate Governance: What Directors Need to Know
Mae Heng	(1)	Resolve IR Sdn Bhd – Anti-Corruption Refresher Training
	(2)	Securities Investors Association (Singapore) (SIAS) – Introduction to Special Purpose Acquisition Company (SPACs)
	(3)	Institute of Corporate Directors Malaysia – Sustainability Series: (Re)Building the Board for Innovation
	(4)	Netherlands Sewell & Associates – Oil & Gas Property Evaluation Seminar
	(5)	Star Media Group – Green Investment towards a Circular Economy Conference
	(6)	SGX RegCo – Climate Reporting Fundamentals
Sin Boon Ann	(1)	NUS EW Barker Centre for Law & Business – Mandatory Human Rights Due Diligence – legal developments and practical implications for Asia
	(2)	Maxwell Chambers – Maxwell Conversations: Party Representation and Equal Treatment
	(3)	MDD Forensic Accountants – Employee Fraud

CORPORATE GOVERNANCE REPORT

1.3 ***Material Transactions Requiring Board Approval***

Matters that require the Board's approval include, amongst others, the following:
- Overall Group business and budget strategy;
- Annual and half-yearly financial reports and announcements on quarterly use of funds/cash by mineral, oil and gas companies;
- Capital expenditures exceeding certain material limits;
- Investments or divestments;
- All capital-related matters including capital issuance;
- Significant policies governing the operations of the Company;
- Corporate strategic development and restructuring;
- Interested person transactions exceeding a S$100,000 threshold; and
- Risk management strategies.

1.4 ***Board Committees***

The Board has delegated certain responsibilities to the Audit Committee (the "**AC**"), the Remuneration Committee (the "**RC**") and the Nominating Committee (the "**NC**") (collectively, the "**Board Committees**"). The composition of the Board Committees as at the date of this annual report are as follows:

Board Committee Designation	AC	NC	RC
Chairperson Members	• Mae Heng • Dan Broström • Sin Boon Ann	• Sin Boon Ann • Dr Karl Lidgren • Pong Chen Yih • Dr Mathias Lidgren	• Sin Boon Ann • Dan Broström • Mae Heng

Each Board Committee has clear written terms of reference setting out their compositions, authorities and duties, including reporting back to the Board.

1.5 ***Board and Board Committee Meetings and Attendance***

The Board meets on a quarterly basis, and as and when circumstances require. In the financial year ended 31 December 2023 ("**FY2023**"), the number of Board and Board Committee meetings held and the attendance of each Board member at such meetings as well as at the Annual General Meeting ("**AGM**") held on 28 April 2023 and the Extraordinary General Meetings ("**EGM**") held on 20 January 2023 and 28 September 2023 are shown below:

Board, Board Committee and General Meetings FY2023						
	Board	**AC**	**NC**	**RC**	**AGM**	**EGM**
Number of Meetings Held	6	4	4	3	1	2
Name of Director	**Number of Meetings Attended**					
Dan Broström	5	4	–	3	1	2
John d'Abo(1)	6	2(5)	2	1	1	2
Dr Karl Lidgren	6	–	4	–	1	2
Sin Boon Ann	6	4	4	3	1	2
Dr Christopher Atkinson	6	–	–	–	1	2
Mae Heng(2)	6	4	2(5)	2	1	2
Dr Mathias Lidgren	6	–	4	–	1	2
Beverley Smith(3)	3	–	–	–	–	1
Pong Chen Yih(4)	4	–	2	1(5)	–	1

CORPORATE GOVERNANCE REPORT

Notes:

(1) Mr John d'Abo was redesignated from Independent Director to Executive Vice Chairman and stepped down as a member of the Nominating and Remuneration Committees on 1 August 2023.

(2) Ms Mae Heng was appointed as a member of the Remuneration Committee on 1 August 2023.

(3) Ms Beverley Smith was appointed as Independent Non-Executive Director of the Company on 1 August 2023.

(4) Mr Pong Chen Yih was appointed as Independent Non-Executive Director of the Company and a member of the Nominating Committee on 1 August 2023.

(5) By invitation

To ensure that meetings are held regularly with maximum Directors' participation, the Company's Constitution allows for meetings to be held through telephone and video conferencing software. The Company ensures that telephonic and screen sharing facilities are made available for directors to attend the board meetings.

Regular meetings are held by the Board to deliberate the strategic policies of the Company including significant acquisitions and disposals, review and approve annual budgets, review the performance of the business and approve the public release of periodic financial results. The Board will also convene additional meetings for particular matters as and when they are deemed necessary.

While the Board considers Directors' attendance at Board meetings to be important, it is not the only criterion which the Board uses to measure Directors' contributions. The Board also takes into account the contributions by Board members in other forms including periodical reviews, provision of guidance and advice on various matters relating to the Group.

The responsibility of day-to-day management, administration and operation of the Group are delegated to the Executive Chairman, the Executive Vice Chairman, the Executive Director and the Chief Executive Officer of the Group (the "**CEO**"). The CEO does not sit on the Board. The CEO has accumulated sufficient and valuable experience to hold his position in order to ensure that his fiduciary duties can be carried out in an effective and efficient manner.

1.6 ***Complete, Adequate and Timely Information***

Management ensures that all Directors are furnished on an on-going basis with relevant, complete, adequate and timely information concerning the Company, to enable them to make informed decisions and discharge their duties and responsibilities. Information provided to the Board include board papers, copies of disclosure documents, budgets, forecasts, business strategies, risk analyses and assessments, internal financial statements and reports from the internal and external auditors. Most of the information distributed on electronic devices to the Board are password protected for added cyber security. The Board has unrestricted access to the Company's records and information.

Management recognises the importance of circulating information on a timely basis to ensure that the Board has adequate time to review the materials to facilitate a constructive and effective discussion during the scheduled meetings. As such, Management endeavours to circulate information for the Board meetings at least one week prior to the meetings to allow sufficient time for the Directors' review.

1.7 Directors have separate and independent access to Management, the Company Secretary, and external advisers (where necessary) at the Company's expense. The appointment and removal of the Company Secretary is a decision of the Board as a whole.

CORPORATE GOVERNANCE REPORT

Board's Independent Access to Management

Management is available to provide explanatory information in the form of emails, telephone conferences or briefings to the Directors or formal presentations in attendance at Board meetings, or such information can also be provided by external consultants engaged on specific projects. Directors are also provided with the contact details of key management personnel to facilitate direct and independent access to Management.

Management will also provide any additional material or information that is requested by Directors or that is necessary to enable the Board to make a balanced and informed decision or assessment of the Group's performance, position and prospects.

Meetings with subsidiaries, partners and consultants through overseas trips are also arranged, whenever possible. The Executive Chairman also provides frequent information updates to other fellow Directors through emails, telephone conferences and informal meetings.

Furthermore, the Management keeps the Board apprised of regulatory updates and implications, as well as significant project updates.

Company Secretary

The role of the Company Secretary, the appointment and removal of whom is a matter for the Board as a whole, is as follows:

- Ensuring that Board procedures are observed and that the Company's Constitution, relevant rules and regulations, including requirements of the Securities and Futures Act 2001, the Companies Act 1967 and the Listing Rules, are complied with;
- Assisting the Executive Chairman and the Executive Vice Chairman to ensure good information flow within the Board and the Board Committees and Management;
- Attending and preparing minutes for Board meetings;
- Assisting to ensure coordination and liaison between the Board, the Board Committees and Management, in its capacity as secretary to all other Board Committees; and
- Assisting the Executive Chairman, the Executive Vice Chairman, the Chairperson of each Board Committee and Management in the development of the agenda for the various Board and Board Committee meetings.

The Directors have separate and independent access to the Company Secretary.

Independent Professional Advice

Each Director has the right to seek independent legal and other professional advice, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to fulfil their duties and responsibilities as Directors.

CORPORATE GOVERNANCE REPORT

Board Composition and Guidance

Principle 2 ***The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.***

2.1

Independent Directors

The Board takes into account the existence of relationships or circumstances, including those identified by the Code, that are relevant in its determination as to whether a Director is independent.

The NC has reviewed and confirmed the independence of the Independent Directors in accordance with the Code's definition of an "independent director", practice guidance as to the relationships, the existence of which would deem a Director not to be independent and under the applicable Listing Rules. The Independent Directors have also confirmed their independence in accordance with the Code and under the applicable Listing Rules.

There is no Director who is deemed independent by the Board, notwithstanding the existence of a relationship as stated in the practice guidance to the Code that would otherwise deem him/her not to be independent.

Duration of Independent Directors' Tenure

Pursuant to Listing Rule 210(5)(d)(iv), a Director will not be independent if he/she has been a director of the Company for an aggregate period of more than nine years (whether before or after listing). Such director may continue to be considered independent until the conclusion of the next annual general meeting of the Company.

Mr Sin Boon Ann and Dr Christopher Atkinson were appointed to the Board on 26 June 2013 and 6 January 2015 respectively. Both of them have served beyond nine (9) years since the date of their appointment and will remain as independent directors until the conclusion of the forthcoming annual general meeting of the Company pursuant to Transitional Practice Note 4 Transitional Arrangements regarding the Tenure Limit for Independent Directors.

As part of the Board renewal process and to comply with Rule 210(5)(d)(iv) of the Listing Manual of the SGX-ST, (i) Dr Christopher Atkinson has indicated to the Board that he will not be seeking for re-election at the forthcoming AGM and will accordingly retire as an independent director at the conclusion of the forthcoming AGM; and (ii) Mr Sin Boon Ann has tendered his resignation as Director of the Company and will be stepping down as Lead Independent Director of the Company with effect from 25 April 2024. Further details of their cessation are disclosed in the Company's SGXNet announcements made on 27 March 2024. The Board extends its appreciation to Dr Christopher Atkinson and Mr Sin Boon Ann for their invaluable contribution to the Board. The Board renewal has progressed as planned. New Independent Directors were appointed since 2022, Ms Mae Heng on 4 May 2022 and subsequently, Ms Beverley Smith and Mr Pong Chen Yih on 1 August 2023.

2.2 & 2.3

Proportion of Independent Non-Executive Directors

In view that the Executive Chairman and the Executive Vice Chairman are part of the management team and are not independent Directors, Provision 2.2 of the Code is met as the Independent Directors make up more than half of the Board since the Company's listing in July 2013.

A majority of five out of nine directors on the Board are Independent Non-Executive Directors.

CORPORATE GOVERNANCE REPORT

Lead Independent Director

The Company has a lead independent director who plays an additional facilitative role within the Board, and where necessary, may also facilitate communication between the Board and shareholders or other stakeholders of the Company. Please refer to Provision 3.3 of this report for more information.

2.4 ### *Board Diversity*

The Board comprises nine directors: One Executive Chairman, one Executive Vice Chairman, one Executive Director, one Non-Independent Non-executive Director and five Independent Non-Executive Directors, who have the appropriate mix of core competencies and diversity of experience, to direct and lead the Company. There is a good balance between the Executive and Non-Executive Directors, with a strong and independent element on the Board.

The composition of the Board will be reviewed on an annual basis by the NC to ensure that the Board has the appropriate mix of expertise and experience, and collectively possess the necessary core competencies for effective functioning and informed decision-making.

The Board's policy in identifying director nominees is primarily to have an appropriate mix of members with complementary skills, core competencies and experience for the Group, regardless of background, gender, age, ethnicity, diversity of experience or nationality. The current nine Board members are of three different nationalities and the ages of the Board range from 40 to 80 years.

The Board is of the view that the current board size is appropriate to effectively facilitate decision making in relation to the operations of the Group, taking into account the nature and scope of the Company's operations, while the Company is transitioning through a board renewal. The Board believes that the current Board members comprise persons whose diverse skills, knowledge, experience, gender, age and attributes provide for an appropriate balance for effective direction for the Group that would avoid groupthink and foster constructive debate. The NC is also of the view that the current Board members comprise persons with a broad range of expertise and experience in diverse areas including accounting, finance, legal, business and management, technology, oil and gas, strategic planning and regional business experience. Each Director provides a valuable network of industry contacts and brings in different perspectives and ideas at Board discussions.

In accordance to Rule 710A(1) of the SGX Listing Rules, the Company has in place a board diversity policy, which includes the Board's objectives to ensure that:

(a) female candidates are included for consideration by the NC whenever it seeks to identify a new director for appointment to the Board; and

(b) there is appropriate female representation on the Board at any one time from 2023.

The Board has taken the following steps to maintain or enhance its objective to have balance and diversity on the Board:

- Annual review by the NC and periodic engagement of external consultants to assess if the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and
- Annual evaluation by the Directors of the skill sets the other Directors possess, with a view to understand the range of expertise which is lacking by the Board.

CORPORATE GOVERNANCE REPORT

As part of its Board renewal process, the Company appointed two Independent Non-Executive Directors and re-designated an Independent Non-Executive Director as Executive Vice Chairman in 2023. The Company enhanced gender diversity on the Board with the appointment of its second female director to the Board in August 2023. The female representation on the Board is two as at the date of this Annual Report.

To meet the changing challenges in the industry and countries which the Group operates in, such reviews and evaluations, which includes considering factors such as the expertise, skills and perspectives which the Board needs against the existing competencies, would be done on an annual basis to ensure that the Board dynamics remain optimal.

The NC will also monitor the implementation of the board diversity policy and report annually on the Board's composition in terms of diversity, in the Company's Corporate Governance Report and will consider the results of these exercises in its recommendation for the appointment of new directors and/or the re- appointment of incumbent directors.

2.5 *Non-Executive Director Meetings in Absence of Management*

The Independent Non-Executive Directors constructively challenge and help develop proposals on strategies. From time to time, the Independent Non-Executive Directors, led by any Independent Director as appropriate, have met in the absence of Management in FY2023 to discuss concerns or matters such as overall Group business strategies and investments. The chairperson of such meetings provides feedback to the Board and/or the Executive Chairman as appropriate.

Chairman and Chief Executive Officer

Principle 3 ***There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.***

3.1 *Segregation of the Role of Chairman and the CEO*

The roles of the Executive Chairman and the CEO are separate to ensure a clear division of their responsibilities, increased accountability and greater capacity of the Board for independent decision making. The Executive Chairman is not related to the CEO and is not a substantial shareholder of the Company.

The Executive Chairman leads and ensures the effectiveness of the Board, and his roles include:

(a) Promoting a culture of openness and debate at the Board;
(b) Facilitating the effective contribution of all Directors; and
(c) Promoting high standards of corporate governance.

The Executive Chairman sets the Board's meeting agenda and ensures the quality, quantity and timeliness of the flow of information between the Board and Management to facilitate efficient decision-making. He chairs the Board meetings and encourages the Board members to present their views on topics under discussion at the meetings in a boardroom culture that promotes open interaction and contributions by all. He also assists in ensuring compliance with the Group's guidelines on corporate governance.

CORPORATE GOVERNANCE REPORT

Externally, the Executive Chairman is the face of the Board and ensures effective communication with shareholders and other stakeholders. Within the Company, the Executive Chairman ensures appropriate relations within the Board, and between the Board and Management, in particular, between the Board and the CEO.

The CEO is responsible for the business management and day-to-day operations of the Group. The CEO takes a leading role in developing and expanding the businesses of the Group, including making major business and finance decisions. The CEO also oversees the execution of the Group's business and corporate strategy as set out by the Board and ensures that the Directors are kept updated and informed of the Group's businesses.

3.2 The Board has established and set out in writing the division of responsibilities between the Executive Chairman and the CEO. The Executive Chairman's performance and appointment to the Board were reviewed by the NC. The Executive Chairman and CEO's remuneration packages were reviewed by the RC. As the roles of the Executive Chairman and the CEO are separate, and the AC and RC comprise a majority of Independent Directors of the Company, the Board believes that there are adequate safeguards in place to ensure a balance of power and authority, such that no one individual represents a considerable concentration of power.

3.3

Lead Independent Director

The Board has a Lead Independent Director, Mr Sin Boon Ann, to provide leadership in situations where the Executive Chairman is conflicted. The appointment of Mr Sin Boon Ann as the Lead Independent Director, where the Executive Chairman is part of the management team and is not an independent director, is in line with the recommendation under Provision 3.3 of the Code. The Lead Independent Director is a key member of the Board, representing the views of the Independent Directors and facilitating a two-way flow of information between shareholders, the Executive Chairman and the Board.

The Lead Independent Director's role may include chairing Board meetings in the absence of the Executive Chairman, working with the Executive Chairman in leading the Board, and providing a channel to Non-Executive Directors for confidential discussions on any concerns and to resolve conflicts of interest as and when necessary.

Mr Sin Boon Ann is also chairman of the NC and the RC. The NC is responsible for conducting annual performance evaluation and development succession plans for the Executive Chairman and CEO; while the RC is responsible for designing and assessing the Executive Chairman's and CEO's remuneration.

The Lead Independent Director also makes himself available at all times when shareholders have concerns and for which contact through the normal channels of communication with the Executive Chairman or Management have failed to resolve or are inappropriate. Submissions can be made to the Lead Independent Director at independent.director@rexih.com and will be treated with strictest confidentiality. The Lead Independent Director makes himself available to shareholders at the Company's general meetings.

Independent Director Meetings in Absence of Other Directors

To facilitate well-balanced viewpoints on the Board, the Lead Independent Director will, where necessary, chair meetings with the Independent Directors without the involvement of other Directors, and the Lead Independent Director will provide feedback to the Executive Chairman after such meetings.

CORPORATE GOVERNANCE REPORT

Board Membership

Principle 4 ***The Board has a formal and transparent process for the appointment and of re-appointment of Directors to the Board, taking into account the need for progressive renewal of the Board.***

4.1 ***Nominating Committee***

The NC is guided by key terms of reference as follows and makes recommendations to the Board on relevant matters relating to:

(a) The review of succession plans for the Company's Directors, in particular, the appointment and/or replacement of the Executive Chairman, the CEO and key management personnel;
(b) The process and criteria for evaluation of the performance of the Board, its Board Committees and Directors;
(c) The review of training and professional development programmes for the Board and its Directors;
(d) The appointment and re-appointment of Directors (including alternate Directors, if any), in accordance with the Constitution, having regard to the Director's contribution and performance (for example, attendance, preparedness, participation and candour) including, if applicable, as an Independent Non-Executive Director. All Directors shall be required to submit themselves for re-nomination and re-election at regular intervals and at least once every three years;
(e) Reviewing and approving any new employment of related persons and their proposed terms of employment;
(f) Determining annually, and as and when circumstances require, whether or not a Director is independent;
(g) Reviewing and deciding whether or not a Director who has multiple board representations on various companies is able to and has been adequately carrying out his/her duties as Director, having regard to the competing time commitments that are faced when serving on multiple boards and discharging his/her duties towards other principal commitments;
(h) Deciding whether or not a Director of the Company is able to and has been adequately carrying out his/her duties as a Director; and
(i) Developing a process for evaluation of the performance of the Board, the Board Committees and Directors and proposing objective performance criteria, as approved by the Board that allows comparison with its industry peers, and addresses how the Board has enhanced long-term shareholders' value.

4.2 The Board has established an NC which comprises four members, half of whom including the Chairman of the NC, are Independent Directors. As at the date of this Annual report, the members of the NC, with the Lead Independent Director as Chairman, are as follows:

Sin Boon Ann	Chairman	Lead Independent Non-Executive Director
Dr Karl Lidgren	Member	Executive Director
Pong Chen Yih	Member	Independent Non-Executive Director
Dr Mathias Lidgren	Member	Non-Independent Non-Executive Director

CORPORATE GOVERNANCE REPORT

As part of the Company's progressive renewal of the Board, Dr Mathias Lidgren was appointed to the Board and to the NC on 4 May 2022, with the intention to take over the representation of the interests of Limea Ltd., the controlling shareholder of the Company, from Dr Karl Lidgren over time. As such, the composition of the NC during this transition period deviates from Provision 4.2 of the Code, which, among others, requires the majority of the NC to be independent. Notwithstanding the foregoing, the Board is of the view that the Board has a formal and transparent process for the appointment and re-appointment of Directors to the Board, taking into account, among others, its key terms of reference, nomination process as disclosed herein. Further to the Board renewal to occur after the forthcoming AGM, the Company intends to comply with the requirements of Provision 4.2 of the Code going forward.

4.3 The Company's process for the selection, nomination, appointment and re-appointment of Directors to the Board, including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates are detailed below.

Board Nomination Process

The Board has adopted the following nomination process for the Company in the last financial year for selecting and appointing new directors and re-electing incumbent directors:

Process for the Selection and Appointment of New Directors:		
1.	Determination of selection criteria	• The NC, in consultation with the Board, would identify the current needs of the Board in terms of skills, experience, knowledge and gender to complement and strengthen the Board and increase its diversity.
2.	Search for suitable candidates	• The NC would consider candidates drawn from the contacts and networks of existing Directors and may approach relevant institutions such as the SID, professional organisations or business federations to source for a suitable candidate.
3.	Assessment of shortlisted candidates	• The NC would meet and interview the shortlisted candidates to assess their suitability.
4.	Appointment of Director	• The NC would recommend the selected candidate to the Board for consideration and approval. • The Company will provide each newly appointed Director with a formal letter of appointment setting out the Director's duties and obligations.

Process for the Re-election of Incumbent Directors:		
1.	Assessment of Director	• The NC would assess the performance of the Director in accordance with the performance criteria set by the Board. • The NC would also consider the current needs of the Board.
2.	Re-appointment of Director	• Subject to the NC's satisfactory assessment, the NC would recommend the proposed re-appointment of the Director to the Board for its consideration and approval.

The Constitution requires that all Directors to retire from office once every three years. At each AGM, one-third of the Board (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation. A retiring Director is eligible for re-election by the shareholders at the AGM.

CORPORATE GOVERNANCE REPORT

4.4 The NC has determined in 2023 that none of the Independent Directors has any relationships with the Company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence. Dr Christopher Atkinson is representing the Company as Independent Director in the Group's subsidiaries, Lime Petroleum AS and Masirah Oil Ltd.; and Ms Beverley Smith is representing the Company as Independent Director in the Group's subsidiary, Lime Petroleum AS. Mr Pong Chen Yih is representing the Company as Independent Director in the Group's subsidiaries, Moroxite Holding Pte. Ltd. and Rex Technology Investments Pte. Ltd.; and Ms Mae Heng is representing the Company as Independent Director in the Group's subsidiary, Rex International Investments Pte. Ltd.

4.5 The NC ensures that new Directors are aware of their duties and obligations. The NC also decides if a Director is able to and has been adequately carrying out his or her duties as a Director of the Company.

Directors' Key Information

Key information regarding the Directors, including their present and past three years' directorships in other listed companies and other principal commitments are set out below:

Name of Director	Position	Date of Initial Appointment	Date of Last Re-election / Re-appointment	Current Directorships in Other Listed Companies Current / Principal Commitments	Directorships in Other Listed Companies Over the Past Three Years
Dan Broström	Executive Chairman	11 January 2013	28 April 2023	Other Listed Companies: Nil Principal Commitment: - Cathay (Venture) Pte Ltd - Havalina Pte Ltd	NA
John d'Abo	Executive Vice Chairman	4 May 2022	28 April 2023	Other Listed Companies: Nil Principal Commitment: - Erland Advisors Ltd	NA
Dr Karl Lidgren	Executive Director	1 May 2013	29 April 2022	Other Listed Companies: Nil Principal Commitment: - Cresta Group Ltd - Limea Ltd - Monarch Marine Holding Ltd - Orango Oil Ltd	NA

CORPORATE GOVERNANCE REPORT

Name of Director	Position	Date of Initial Appointment	Date of Last Re-election / Re-appointment	Current Directorships in Other Listed Companies Current / Principal Commitments	Directorships in Other Listed Companies Over the Past Three Years
Sin Boon Ann	Lead Independent Non-Executive Director	26 June 2013	28 April 2023	Other Listed Companies: - OUE Limited - CSE Global Limited - TIH Limited - Sarine Technologies Ltd - The Trendlines Group Ltd Principal Commitment: - Drew & Napier LLC	- HRnet Group Limited - Healthway Medical Corporation Limited

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Name of Director	Position	Date of Initial Appointment	Date of Last Re-election / Re-appointment	Current Directorships in Other Listed Companies Current / Principal Commitments	Directorships in Other Listed Companies Over the Past Three Years
Dr Christopher Atkinson	Independent Non-Executive Director	6 January 2015	29 April 2022	Other Listed Companies: - Far East Gold Ltd [2] Principal Commitment: - Helios Aragon Pte Limited - Spice Islands Liquors Pte Limited	- Sonoro Energy Limited [1]
Mae Heng	Independent Non-Executive Director	4 May 2022	28 April 2023	Other Listed Companies: - HRnetGroup Limited - Chuan Hup Holdings Limited - Grand Venture Technology Limited - Ossia International Limited Principal Commitment: Nil	- Apex Healthcare Berhad [3] - Novo Tellus Alpha Acquisition

CORPORATE GOVERNANCE REPORT

Name of Director	Position	Date of Initial Appointment	Date of Last Re-election / Re-appointment	Current Directorships in Other Listed Companies Current / Principal Commitments	Directorships in Other Listed Companies Over the Past Three Years
Dr Mathias Lidgren	Non-Independent Non-Executive Director	4 May 2022	28 April 2023	Other Listed Companies: Nil Principal Commitment: - Propatria AB - Rotationsplast I Munka-Ljungby AB - Caithness Fastighets AB - Forvaltningsaktiebolaget Maple - Trolleholms Slott AB - Captiosus AB - Strominnate Therapeutics AB - Medical Doctor - Postdoctoral Researcher	NA
Beverley Smith	Independent Non-Executive Director	1 August 2023	NA	Other Listed Companies: - Touchstone Exploration Inc.[4] Principal Commitment: Nil	Hurricane Energy PLC[5]

CORPORATE GOVERNANCE REPORT

Name of Director	Position	Date of Initial Appointment	Date of Last Re-election / Re-appointment	Current Directorships in Other Listed Companies Current / Principal Commitments	Directorships in Other Listed Companies Over the Past Three Years
Pong Chen Yih	Independent Non-Executive Director	1 August 2023	NA	Other Listed Companies: - HRnetGroup Limited - Grand Venture Technology Limited - Figtree Holdings Limited Principal Commitment: - Novus Corporate Finance Pte Ltd - Novus Investment Holdings Pte. Ltd	NA

(1) Listed on TSX Venture Exchange
(2) Listed on Australian Stock Exchange
(3) Listed on Bursa Malaysia
(4) Listed on Toronto Stock Exchange
(5) Listed on London Stock Exchange

NA – Not Applicable

“Principal Commitments” as defined in the Code include all commitments which involve significant time commitment such as full time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments.

Further information on the Directors is set out on pages 10 to 14 of this Annual Report.

CORPORATE GOVERNANCE REPORT

Multiple Directorships

The Board had previously capped the maximum number of listed company board representations each Director may hold to seven, to ensure that the Directors have sufficient time and attention to adequately perform their role. During the Board Meeting held on 26 February 2021, the NC opined that the effectiveness of each Director was best evaluated and determined by assessing his/her contributions and ability to devote sufficient time and attention to the Company's affairs and his/her acts in the interests of the Company. The Board agreed that representation on the board of directors of several listed companies was no longer a matter of concern to the Board. Hence, there was no need to set a numerical limit to the number of board memberships in listed companies that each Director might hold during his or her term of office.

The NC does not wish to omit from consideration outstanding individuals who, despite the demands on their time, have the capacity to participate and contribute as members of the Board.

The considerations in assessing the capacity of Directors include the following:

- Expected and/or competing time commitments of Directors;
- Geographical location of Directors;
- Size and composition of the Board; and
- Nature and scope of the Group's operations and size.

The NC takes into consideration the following measures and evaluation tools in its assessment of competing time commitments of Directors:

- Declarations by individual Directors of their other listed company board directorships and principal commitments;
- Annual confirmations by each Director on his/her ability to devote sufficient time and attention to the Company's affairs, having regard to his/her other commitments; and
- Assessment of the individual Directors' performance based on the criteria set out in Principle 5 of this report.

The NC has reviewed the time spent and attention given by each of the Directors to the Company's affairs, taking into account the multiple directorships and other principal commitments of each of the Directors (if any), and is satisfied that all Directors have discharged their duties adequately in FY2023.

Alternate Directors

The Company does not have any alternate Directors on its Board currently. Alternate Directors may be appointed as and when the Board deems necessary. Circumstances which warrant such appointments may include health and age related concerns as well as Management succession plans.

CORPORATE GOVERNANCE REPORT

Re-election of Directors

Pursuant to the Company's Constitution, Mr Dan Broström, Dr Karl Lidgren and Dr Christopher Atkinson will retire by rotation as Directors of the Company at the forthcoming AGM. As part of the Board renewal process, Mr Dan Broström, Dr Karl Lidgren and Dr Christopher Atkinson have indicated that they will not be seeking re-election at the forthcoming AGM. Accordingy, they will retire upon conclusion of the forthcoming AGM.

The Constitution further provides that any Director appointed to fill a casual vacancy or as an additional Director shall hold office only until the next AGM of the Company and shall then be eligible for re-election, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

The NC has recommended to the Board that Ms Beverley Smith and Mr Pong Chen Yih, who are due to retire pursuant to the aforesaid provision, be re-elected at the forthcoming AGM.

Ms Beverley Smith will, upon re-election as a Director, remain as an Independent Non-Executive Director of the Company. Further information on Ms Beverley Smith can be found on page 13 of the Annual Report.

Mr Pong Chen Yih will, upon re-election as a Director, remain as an Independent Non-Executive Director of the Company and member of the NC. Further information on Mr Pong Chen Yih can be found on page 14 of the Annual Report.

Each member of the NC has abstained from voting on any resolutions and making recommendation and/or participating in respect of matters in which he/she has an interest.

Board Performance

Principle 5 ***The Board undertakes formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.***

5.1 *Performance Criteria*

The Board has established processes including taking into consideration the attendance record at the meetings of the Board and the Board Committees for monitoring and evaluating the performance of the Board as a whole and effectiveness and contribution of individual directors to the Board and Board Committees of which they are members. At the same time, the processes also identify weaker areas where improvements can be made. The Board and individual Directors can direct more effort in those areas for achieving better performance of the Board and better effectiveness of individual Directors.

The NC has been tasked to evaluate the Board's performance covering areas that include, *inter alia*, size and composition of the Board, Board's access to information, Board processes, strategic planning and accountability.

The NC shall also review the overall performance of the Board in terms of its role and responsibilities and the conduct of its affairs as a whole.

CORPORATE GOVERNANCE REPORT

The review of the performance of the Board is conducted by the NC annually. The review of the performance of each Director is also conducted at least annually and when the individual Director is due for re-election.

5.2 For FY2023, the review process was as follows:

1. All Directors individually completed a board evaluation questionnaire on the effectiveness of the Board and Board Committees based on criteria disclosed;
2. The Company Secretary collated and submitted the questionnaire results to the NC Chairman in the form of a report;
3. The NC discussed the report and concluded the performance results during the NC meeting; and
4. Each individual Director was also requested to send a duly completed confidential individual Director self-assessment checklist to the NC chairman for review.

All NC members have abstained from the voting or review process of any matters in connection with the assessment of their individual performance.

The assessment criteria include, *inter alia*, Director's attendance, commitment of time, candour, participation, knowledge and abilities, teamwork, and overall effectiveness.

The NC would review the aforementioned criteria on a periodic basis to ensure that the criteria is able to provide an accurate and effective performance assessment taking into consideration industry standards and the economic climate with the objective to enhance long term shareholders value, and thereafter propose amendments if any, to the Board for approval. There has been no change in assessment criteria for FY2023 as the assessment criteria for the financial year ended 31 December 2022 was considered adequate for the aforementioned assessment.

The NC, having reviewed the overall performance of the Board in terms of its role and responsibilities and the conduct of its affairs as a whole, is of the view that the performance of the Board has been satisfactory in FY2023 and that the Board has met its performance objectives in FY2023. The evaluation process of the overall performance of the Board was conducted without an external facilitator in FY2023.

CORPORATE GOVERNANCE REPORT

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6 ***The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.***

6.1 ***Remuneration Committee***

To effect the best corporate governance, the Company has established an RC. The RC recommends to the Board a framework of remuneration for the Directors and key management personnel, and determines specific remuneration packages for each Director, as well as for key management personnel. The recommendations will be submitted for endorsement by the Board.

All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses and benefits in kind, will be covered by the RC. The RC will also review annually the remuneration of employees who are immediate family members of a Director, CEO or substantial shareholder of the Company, to ensure that their remuneration packages are in line with staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. The RC will also review and recommend to the Board any bonuses, pay increases and/or promotions for employees who are immediate family members of a Director, CEO and substantial shareholder. Each RC member will abstain from participating in the deliberations of and voting on any resolution in respect of his/her remuneration package or that of employees related to him/her.

The RC is guided by key terms of reference as follows:

(a) Review and recommend to the Board a general framework of remuneration and specific remuneration packages for each Director and key management personnel;

(b) Review and recommend to the Board the service contracts of Executive Directors and key management personnel and ensure that such service contracts are fair and not excessively long or with onerous renewal/termination clauses; and

(c) In respect of long-term incentive schemes (if any) including share schemes as may be implemented, to consider whether Directors should be eligible for benefits under such long-term incentive schemes.

CORPORATE GOVERNANCE REPORT

6.2 The RC comprises three members, of which a majority, including the chairman of the RC, are independent:

Sin Boon Ann	Chairman	Lead Independent Non-Executive Director
Dan Broström	Member	Executive Chairman
Mae Heng	Member	Independent Non-Executive Director

The RC does not comprise solely of Non-Executive Directors following the appointment of Mr Dan Broström, the Executive Chairman, as a member of the RC. Taking into account that the Executive Chairman would be able to provide relevant input and guidance to the RC, given his familiarity with the Group's activities as well as industry and market practices (including remuneration packages which are in line with the current market standards and commensurate with the respective job scope and responsibilities of executives) in jurisdictions where the Group operates, the NC had recommended his appointment to the Board. The Board opined that as the RC continued to have majority representation of independent directors, the independent directors collectively, would have the decisive vote in relation to executive remuneration matters. Furthermore, retaining an RC member who is in an executive position will not lead to a conflict of interest or impede the independence of the RC as no Director or member of the RC is allowed to participate in the deliberation, and has to abstain from voting on any resolution, relating to his own remuneration or that of employees related to him. Based on the foregoing, the Board had approved Mr Dan Broström's appointment as a member of the RC.

6.3 The RC considers all aspects of remuneration, including Director's fees, salaries, allowances, bonuses, options, share-based incentives and awards, benefits in kind and termination terms, to ensure that they are fair and avoid rewarding poor performance. The RC also reviews the Company's obligations arising in the event of termination of the Executive Directors' and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

6.4 *Remuneration Consultant*

The RC may from time to time, where necessary or required, seek advice from external consultants in framing the remuneration policy and determining the level and mix of remuneration for Directors and Management, so that the Group remains competitive in this regard. An external remuneration consultant was engaged during FY2023. The remuneration consultant does not have any connection with the Group or any of its Directors or controlling shareholders which could affect their independence and objectivity.

Level and Mix of Remuneration

Principle 7 ***The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.***

7.1 *Remuneration Structure*

In setting remuneration packages, the RC will take into consideration the pay and employment conditions within the industry and in comparable companies. The RC also seeks to ensure that the structure of remuneration packages for the Executive Chairman, the Executive Vice Chairman, the Executive Director and key management personnel are appropriate in linking rewards with performance and are aligned with the interests of shareholders and promote the long-term success of the Group.

CORPORATE GOVERNANCE REPORT

7.2 The remuneration of the Independent Non-Executive Directors and the Non-Independent Non-Executive Director are also reviewed by the RC to ensure that the remuneration is commensurate with the contribution, taking into account factors such as effort, time spent and responsibilities of the respective Non-Executive Directors.

Performance Criteria for Remuneration

The remuneration received by the Executive Directors and key management personnel takes into consideration his or her individual performance and contribution towards the overall performance of the Group for FY2023. Their remuneration is made up of fixed and variable compensation. The fixed compensation consists of an annual base salary, fixed allowance and annual wage supplement. The variable compensation is determined based on the level of achievement of corporate performance objectives.

The Company's Executive Directors and key management personnel have been assessed against performance targets set based on the average of the Company's closing market prices of shares over a consecutive period of five market days in which transaction of the shares were to be recorded and achieved over a set time period.

The remuneration of the Executive Chairman includes a per hour rate with a cap and a variable performance related bonus, which is designed to align the interests of the Executive Chairman with those of shareholders.

The Independent and Non-Independent Non-Executive Directors receive Directors' fees based on their responsibilities, effort and time spent. The Directors' fees are recommended by the RC and endorsed by the Board for approval by the shareholders of the Company at the AGM.

Contractual Provisions

The present Service Agreements do not include contractual provisions to allow the Company to reclaim incentive components of remuneration from Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The Company will consider to include this provision for future new service agreements and renewal of service agreements, if appropriate. However, the Company has included in the terms of the Rex International Performance Share Plan, allowance for the Company to cancel the share awards before the date of the vesting of the awards, in the event of misconduct, at its discretion. The Company has also included in the terms of the Rex International Employee Share Option Scheme, to allow for the share option committee to cancel unexercised options in the event of misconduct, at its discretion.

7.3 The Company believes that the remuneration for its Directors is appropriate to attract, retain and motivate them to provide good stewardship of the Company and key management personnel to successfully manage the Company for the long term.

CORPORATE GOVERNANCE REPORT

Disclosure on Remuneration

Principle 8 ***The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.***

8.1 ***Directors' Remuneration***

8.1 (a) The Company's remuneration policy is one that seeks to attract, retain and motivate talent to achieve the Company's business vision and create sustainable value for its stakeholders. The policy articulates to staff the link that total compensation has to the achievement of organisational and individual performance objectives, and benchmarked against relevant and comparative compensation in the market.

The breakdown of directors' fees for FY2023 paid/ payable to the respective Non-Executive Directors is as follows:

Name of Non-Executive Director	Directors' Fees (FY2023) S$	Directors' Fees (FY2022)[1] S$	Others[2] S$	Total S$
Sin Boon Ann	154,787	22,584	–	177,371
Dr Christopher Atkinson	66,337	9,679	80,588	156,604
Dr Mathias Lidgren	77,393	7,487	–	84,880
Mae Heng	117,514	10,695	–	128,209
Beverley Smith[3]	27,807	–	–	27,807
Pong Chen Yih[3]	32,441	–	–	32,441

(1) Additional Directors' fees for financial year ended 31 December 2022 (FY2022) due to insufficient approved Directors' fees as a result of the enlarged board size.
(2) Others include fees paid/ payable for directorship in subsidiaries.
(3) Appointed on 1 August 2023

There were no termination, retirement or post-employment benefits granted to the Non-Executive Directors in FY2023.

Directors have remuneration packages consisting of basic retainer fees as directors and fees for directorship in subsidiaries, with additional fees for attendance and serving on Board Committees.

Remuneration to Executive Directors includes in part the aforementioned components of directorship, and in part compensation to reflect the additional responsibilities to execute strategic plans of the Group.

CORPORATE GOVERNANCE REPORT

The breakdown of directors' fees for FY2023 paid/ payable to the respective Directors of the Company is as follows:

Name of Director	Board Fee S$	AC S$	RC S$	NC S$	Others S$	Total S$
Dan Broström	132,674	22,112	16,584	–	–	171,370
Dr Karl Lidgren	66,337	–	–	11,056	–	77,393
Sin Boon Ann	66,337	22,112	33,170	22,112	11,056[1]	154,787
Dr Christopher Atkinson	66,337	–	–	–	–	66,337
Dr Mathias Lidgren	66,337	–	–	11,056	-	77,393
Mae Heng	66,337	44,225	6,952	–	–	117,514
John d'Abo[2]	66,337	–	9,632	6,422	–	82,391
Beverley Smith[3]	27,807	–	–	–	–	27,807
Pong Chen Yih[3]	27,807	–	–	4,634	–	32,441
	586,310	88,449	66,338	55,280	11,056	807,433

(1) Remuneration for Lead Independent Director

(2) Re-designated as Executive Vice Chairman on 1 August 2023

(3) Appointed on 1 August 2023

Executive Directors, CEO and Key Management Personnel's Remuneration

The Board is of the view that full disclosure of the exact details of the remuneration of each of the Executive Directors and CEO is not in the best interests of the Company or its shareholders. In arriving at its decision, the Board had taken into consideration, *inter alia*, the commercial sensitivity and confidential nature of remuneration matters, the relative size of the Group, the competitive business environment in which the Group operates, the importance of ensuring stability and continuity of business operations with a competent and experienced management team in place and the negative impact which such disclosure may have on the Group in attracting and retaining talent for the Company on a long-term basis.

Notwithstanding the non-disclosure of the exact remuneration of the Executive Directors and the CEO of the Company (which deviates from the Provision 8.1(a) of the Code), the Board is of the view that the intent of Principle 8 on transparency has been adhered to, given that a high level of transparency on remuneration matters including procedures for developing remuneration policies and level and mix of remuneration have been disclosed in this corporate governance report.

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8.1 (b) The breakdown for the remuneration of the Company's Executive Directors, the CEO and key management personnel for FY2023 is disclosed in bands of S$250,000 , and in respect of employees who are substantial shareholders, or immediate family members of a Director, the CEO or a substantial shareholder, in bands of S$100,000, as follows:

Name of Executive Director/ CEO/ Key Management Personnel	Salary %	Bonus %	Benefits %	Directors' Fees %	Others[4] %	Total %
S$2,400,001 to S$2,500,000						
Måns Lidgren[1]	67	23	10	–	–	100
S$1,750,001 to S$2,000,000						
Per Lind	42	14	39	–	5	100
S$750,001 to S$1,000,000						
Dan Broström[2]	52	16	4	23	5	100
S$800,001 to S$900,000						
Dr Karl Lidgren[2]	56	28	3	10	3	100
S$500,001 to S$600,000						
Svein Kjellesvik[3]	100	–	–	–	–	100
S$250,001 to S$500,000						
John d'Abo[2]	42	25	3	30	–	100
Mok Lai Siong	74	25	1	–	–	100
Below S$250,000						
Kristofer Skantze[3]	100	–	–	–	–	100

(1) Mr Måns Lidgren is the CEO of the Company and he does not sit on the board of Directors. His remuneration is paid indirectly from various Group companies.
(2) Dr Karl Lidgren, Mr John d'Abo and Mr Dan Broström are the Executive Directors of the Company.
(3) Remuneration is paid indirectly from various Group companies.
(4) Others include fees paid/payable for directorship in subsidiaries.

Mr John d'Abo was redesignated as Executive Vice Chairman with effect from 1 August 2023.

Mr Kristofer Skantze ceased as Chief Commercial Officer with effect from 1 August 2023.

For FY2023, there were four key management personnel in the Company, aside from the three Executive Directors and the CEO. The annual aggregate remuneration paid to the top four key management personnel of the Company for FY2023 was S$3,150,914.

There were no termination, retirement or post-employment benefits (excluding CPF) granted to the Executive Directors, the CEO and the top four key management personnel in FY2023.

8.2 ***Substantial Shareholder and Immediate Family Members of a Director or the CEO or Substantial Shareholder***

The details of the remuneration to Dr Karl Lidgren (Executive Director and a substantial shareholder of the Company), Mr Svein Kjellesvik (a key management personnel of the Group and a substantial shareholder of the Company), Mr Måns Lidgren (CEO and son of Dr Karl Lidgren) and Dr Mathias Lidgren (Non-Independent Non-Executive Director of the Company, son of Mr Hans Lidgren, a substantial shareholder of the Company) are disclosed in the tables under Provisions 8.1(a) and 8.1(b).

Mr Hans Lidgren, an executive of Rex Technology Investments Ltd, is a substantial shareholder of the Company, the brother of Executive Director, Dr Karl Lidgren, father of Dr Mathias Lidgren, Non-Independent Non-Executive Director, and uncle of Mr Måns Lidgren, the CEO. Mr Hans Lidgren's remuneration for FY2023 was in the band of S$300,001 to S$400,000.

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Mrs Lina Berntsen, Chief Technology Officer, is the daughter of substantial shareholder, Mr Hans Lidgren, sister of Non-Independent Non-Executive Director Dr Mathias Lidgren, niece of Executive Director, Dr Karl Lidgren and cousin of Mr Måns Lidgren, the CEO. Mrs Lina Berntsen's remuneration for FY2023 was in the band of S$100,001 to S$200,000.

Mr Martin Lidgren, Technology Specialist at Equus Consulting AB, a wholly-owned subsidiary of Rex Technology Management Ltd, is the son of Executive Director, Dr Karl Lidgren, brother of Mr Måns Lidgren, the CEO, nephew of substantial shareholder Mr Hans Lidgren and cousin of Non-Independent Non-Executive Director Dr Mathias Lidgren. Mr Martin Lidgren's remuneration for FY2023 was in the band of S$100,001 to S$200,000.

Mr Magnus Lidgren, Technology Specialist at Equus Consulting AB, a wholly-owned subsidiary of Rex Technology Management Ltd, is the brother of Executive Director, Dr Karl Lidgren and substantial shareholder Mr Hans Lidgren, and uncle of Dr Mathias Lidgren, Non-Independent Non-Executive Director, and Mr Måns Lidgren, the CEO. Mr Magnus Lidgren's remuneration for FY2023 was in the band of S$100,001 to S$200,000.

Mr Fredrik Broström, Business Development Manager, mainly overseeing Xer Group's sales activities in Asia, is the son of Executive Director, Mr Dan Broström. Mr Fredrik Broström's remuneration for FY2023 was in the band of S$200,001 to S$300,000.

Dr Lars Lidgren, Chairman of Moroxite T AB, is the brother of Executive Director, Dr Karl Lidgren, and substantial shareholder, Mr Hans Lidgren and the uncle of Mr Måns Lidgren, the CEO and Dr Mathias Lidgren, Non-Independent Non-Executive Director. Dr Lars Lidgren's remuneration for FY2023 was in the band of S$100,001 to S$200,000.

Dr Mathias Lidgren, Non-Independent Non-Executive Director, and also Chief Medical Officer of Moroxite T AB, is the son of substantial shareholder Mr Hans Lidgren, brother of Chief Technology Officer Mrs Lina Berntsen, nephew of Executive Director Dr Karl Lidgren and cousin of Mr Måns Lidgren, the CEO. Dr Mathias Lidgren's remuneration for FY2023 as Chief Medical Officer of Moroxite T AB was in the band of S$100,001 to S$200,000.

Save for the aforementioned, there is no other employee of the Company who is a substantial shareholder of the Company or an immediate family member of a Director, the CEO or a substantial shareholder of the Company, whose remuneration exceeded S$100,000 during FY2023.

8.3 *Employee Share Scheme*

Rex International Employee Share Option Scheme ("ESOS")

The Company has an ESOS which was approved and adopted by the members of the Company at an EGM on 24 June 2013, which lapsed in June 2023. A new ESOS was approved by shareholders at an EGM of the Company on 28 September 2023. The ESOS is designed to reward valuable and outstanding employees or Non-Executive Directors (excluding Independent Directors), and incentivise them to continue contributing to the long-term growth and success of the Group.

The ESOS allows for participation by employees or controlling shareholders and their associates of the Group who have attained the age of 21 years and above on or before the date of grant of the option, provided that none of them is an undischarged bankrupt and has entered into a composition with his/her creditor(s). Independent Directors are not eligible to participate in the ESOS.

The ESOS is administered by the RC in consultation with the CEO. Please refer to Provision 6.2 for the members of the RC. The total number of new shares over which options may be granted pursuant to the ESOS, when added to the number of shares issued and issuable in respect of all options granted under the ESOS and all awards granted under any other share option, share incentive, performance share or restricted share plan implemented by the Company and for the time being in force, shall not exceed 15 per cent of the number of all issued shares of the Company (excluding treasury shares), on the day preceding the date of the relevant grant.

CORPORATE GOVERNANCE REPORT

Other salient information regarding the ESOS is set out below:

Exercise of Options

The exercise price of options shall be determined at the discretion of the RC on the date which the options are granted and may be set at:

- A price equal to the average of the last dealt prices for the Company's shares on SGX-ST over the five consecutive trading days immediately preceding the date that option was granted, as determined by the RC by reference to the daily official list or any other publication published by the SGX-ST, rounded to the nearest whole cent in the event of fractional prices (the "**Market Price**"); or

- A discount to the Market Price not exceeding 20 per cent of the Market Price (or such other percentage or amount as may be determined by the RC) in respect of options granted at the time of grant, provided that shareholders in general meeting have authorised, in a separate resolution, the making of offers and grants of options under the ESOS at a discount not exceeding the maximum discount as aforesaid.

For the options granted with exercise price set at Market Price, they can be exercised one year from the date of the grant and will expire five years from the date of the grant.

For the options granted with exercise price set at a discount to Market Price, they can be exercised two years from the date of the grant and will expire five years from the date of the grant.

Duration of the ESOS

The ESOS shall be in force for a maximum of 10 years from the date on which the ESOS was adopted. Upon obtaining the approval of shareholders by ordinary resolution in general meeting and of any relevant authorities which may be required, the ESOS may continue beyond 10 years from the date it was adopted. The ESOS will be expiring on 28 September 2033. The RC will constantly evaluate and assess the adoption of any new share-based compensation scheme or long-term incentive plan, with the aim of enhancing the link between rewards and corporate and individual performance.

No options were granted by the Company during FY2023. As at 31 December 2023, there are no options outstanding as all options granted have expired. Further details on the ESOS were set out in the Company's circular to shareholders dated 6 September 2023.

Rex International Performance Share Plan ("Rex PSP")

The Rex PSP (the "**Plan**") was adopted by the Company on 24 June 2013 and lapsed on 24 June 2023. A new Plan was approved by shareholders at an EGM of the Company on 28 September 2023. The objective of the new Plan is to promote higher performance goals and recognise the achievements of employees ("**Participants**") by motivating and aligning their interests to the Group's pre-determined goals. The Plan is administered by the RC in consultation with the CEO. Please refer to Provision 6.2 for the members of RC. The Rex PSP will be expiring on 28 September 2033. The RC will constantly evaluate and assess the adoption of any new share- based compensation scheme or long-term incentive plan, with the aim of enhancing the link between rewards and corporate and individual performance.

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The Plan contemplates the award of such number of fully-paid shares granted under the Rex PSP ("**Awards**"), free of charge, to Participants after certain pre-determined benchmarks have been met. Awards granted under the Plan may be time-based or performance-related. Performance targets set are based on short to medium-term corporate objectives including market competitiveness, quality of returns, business growth and productivity growth. These performance targets may include targets set based on criteria such as shareholders' return, return on equity and earnings per share.

The length of the vesting period in respect of the Awards of such number of fully-paid ordinary shares granted under the Plan will be determined on a case-by-case basis by the RC.

Details of the outstanding Awards granted as at 31 December 2023 are as follows:

	Number of Awards					
Date of Grant of Awards	**At 1-Jan-23**	**Granted in FY2023**	**Lapsed/ Cancelled in FY2023**	**Vested in FY2023**	**At 31-Dec-23**	**Number of Holders**
8-Apr-22	10,524,100	–	(10,524,100) [1]	–	–	–
20-Oct-22	3,600,000	–	(3,600,000) [1]	–	–	–
	14,124,100	**–**	**(14,124,100)**	**–**	**–**	**–**

[1] On 13 March 2023, 10,524,100 and 3,600,000 Awards previously granted on 8 April 2022 and 20 October 2022 respectively had been cancelled (forthwith lapsed and to be of no value).

Details of the Awards granted to participants who are directors and controlling shareholders or associates of the controlling shareholders and participants who received 5% or more of the total grants since the commencement of Rex PSP are as follows:

Name of participant	**Awards granted in FY2023**	**Net aggregate Awards granted since commencement of Rex PSP to 31 Dec 2023** [i]	**Awards released in FY2023**	**Aggregate Awards released since commencement of Rex PSP to 31 Dec 2023** [ii]	**Aggregate Awards outstanding and which have not been released as at 31 Dec 2023**
Directors					
Dan Broström [1]	–	6,093,075	–	(6,093,075)	–
Sin Boon Ann [2]	–	900,000	–	(900,000)	–
Dr Christopher Atkinson [3]	–	420,000	–	(420,000)	–
Controlling shareholders or associates of the controlling shareholders					
Måns Lidgren [4]	–	14,241,464	–	(14,241,464)	–
Participants who received 5% or more of the total grants available					
Per Lind	–	11,017,691	–	(11,017,691)	–
Kristofer Skantze [5]	–	7,439,504	–	(7,439,504)	–
Mok Lai Siong	–	6,070,952	–	(6,070,952)	–

[i] Aggregate Awards granted less aggregate Awards granted that have since been lapsed/ cancelled

[ii] Including new shares issued and allotted, and existing shares purchased

CORPORATE GOVERNANCE REPORT

(1) Mr Dan Broström is the Chairman and Executive Director of the Company.
(2) Mr Sin Boon Ann is an Independent Non-Executive Director of the Company.
(3) Dr Christopher Atkinson is an Independent Non-Executive Director of the Company.
(4) Mr Måns Lidgren (the CEO of the Company) is an associate of Dr Karl Lidgren, Executive Director and a controlling shareholder of the Company.
(5) Mr Kristofer Skantze stepped down as Chief Commercial Officer on 1 August 2023.

Save as disclosed in the table above, no other director, controlling shareholder or associates of controlling shareholders received any shares under the Rex PSP since the commencement of the Rex PSP.

No Awards have been granted to any controlling shareholders or associates of the controlling shareholders or any directors and employees of the Company's parent company and its subsidiaries in FY2023.

The vesting and release of the Awards granted to eligible participants (including Mr Måns Lidgren) under the Rex PSP are based on pre-determined performance goals and conditional on the satisfactory completion of time-based service conditions.

Further details on the Rex PSP were set out in the Company's circular to shareholders dated 6 September 2023.

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9 ***The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.***

9.1 The Board, with the assistance from the AC and the Risk Management Committee ("**RMC**"), is responsible for risk governance and ensuring that Management maintains a sound system of risk management and internal controls to safeguard the shareholders' interests and the Company's assets. The Board appreciates that risk management is an on-going process in which Management continuously participates to evaluate, monitor and report to the Board and the AC on significant risks. The RMC was formed in October 2013. The current RMC consists of the following members: Ms Mae Heng (Independent Non-Executive Director and Chairman of the AC), Mr Per Lind (Chief Financial Officer ("**CFO**")), Mr Svein Kjellesvik (COO) and Ms Lixian Wu (Group Financial Controller).

From FY2013 to FY2018, the Company developed and established a Board Assurance Framework ("**BAF**"), with the assistance of an independent third party, KPMG Services Pte. Ltd. The BAF, which includes an enterprise risk management framework, was utilised by the Company to identify and manage the significant and material risks it faces, the potential impact and likelihood of those risks occurring, the control effectiveness and action plans being taken to mitigate those risks.

The risk review in FY2023 was done in-house. The RMC has considered in detail the most material risks for the Company which include strategic, financial, operational, compliance, fraud and corruption, litigation and cyber security risks; and has put in place risk controls, action plans and key risk indicators to mitigate these risks, the details of which contain market sensitive information and hence are kept confidential.

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The Company has established risk appetite statements with tolerance limits to monitor shifts in its significant risks and to proactively manage them within acceptable levels. These appetite statements have been reviewed and approved by the Board and are monitored on a yearly basis.

In FY2023, the Company appointed an independent third party, RSM SG Risk Advisory Pte. Ltd. ("**RSM**"), as the Internal Auditors ("**IA**") on a project basis, to perform internal audit reviews and highlight all significant matters to Management and the AC on an annual basis on various selected internal control areas.

9.2 ***Adequacy and Effectiveness of Internal Controls***

The Board is of the view that the Company's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective for FY2023.

The bases for the Board's view are as follows:

(a) Assurance has been received from the CEO and the CFO;
(b) An internal audit has been done by the IA and significant matters highlighted to the AC and Management were appropriately addressed;
(c) Management regularly evaluates, monitors and reports to the AC and the RMC on material risks;
(d) Discussions were held between the AC and auditors in the absence of Management to review and address any potential concerns;
(e) An enterprise risk management framework was in place to identify, manage and mitigate significant risks; and
(f) Risk appetite statements with tolerance limits have been approved by the Board to contain risks within acceptable levels and are monitored on a yearly basis.

The AC is responsible for making the necessary recommendations to the Board regarding the adequacy and effectiveness of the risk management and internal control systems of the Company. In this regard, the AC is assisted by the enterprise risk reports from the RMC.

For FY2023, the Board has obtained the following assurance:

(a) From the CEO and the CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and
(b) From the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the Company's risk management and internal control systems.

The Board has relied on the independent auditors' report as set out in this Annual Report as assurance that the consolidated financial statements give a true and fair view of the Group's financial position and performance.

In relation to sustainability, the Group, as a young company, aspires to do good in the communities it operates in, be it to have minimal impact on the environment in its operations, or in helping the underprivileged. Please refer to the Sustainability section on pages 54 to 95 of this Annual Report for more details.

CORPORATE GOVERNANCE REPORT

Audit Committee

Principle 10 ***The Board has an Audit Committee ("AC") which discharges its duties objectively.***

10.1 The AC is guided by the following key terms of reference:

(a) Reviewing the significant financial reporting issues and judgements, so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance. Where the external auditors ("**EA**"), in their review or audit of the Company's year-end financial statements, raise any significant issues (for example, significant adjustments) which have a material impact on the interim financial statements or financial updates previously announced by the Company, the AC is to bring this to the Board's attention immediately;

(b) Advise the Board if changes are needed to improve the quality of future interim financial statements or financial updates;

(c) Reviewing at least annually the adequacy and effectiveness of the Company's internal controls and risk management systems;

(d) Reviewing the assurance from the CEO and the CFO on the financial records and financial statements;

(e) Making recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of the EA; and (ii) the remuneration and terms of engagement of the EA;

(f) Reviewing the adequacy, effectiveness, independence, scope and results of the Company's IA and EA, the audit plans, scope of work, their evaluation of the system of internal accounting controls, their management letter and Management's response, and results of the audits compiled by the IA and EA;

(g) Reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The Company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns;

(h) Assisting the Board of Directors in the discharge of its responsibilities on financial reporting matters;

(i) Reviewing financial statements and results announcements before submission to the Board of Directors for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with financial reporting standards as well as compliance with the Listing Rules and any other statutory/regulatory requirements. Quarterly financial statements are prepared, but announcements are only made for half-year and annual results. Announcements on use of funds/ cash by mineral, oil and gas companies are made quarterly;

(j) Reviewing the effectiveness and adequacy of the Group's internal control and procedures, including accounting and financial controls and procedures and ensure co-ordination between the IA, the EA and Management, reviewing the assistance given by Management to the auditors, and discussing problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of Management where necessary);

CORPORATE GOVERNANCE REPORT

(k) Reviewing and discussing with the EA and the IA any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and Management's response;
(l) Making recommendations to the Board of Directors on the proposals to the shareholders on the appointment, re-appointment and removal of the EA, and approving the remuneration and terms of engagement of the EA;
(m) Assessing the quality of the work carried out by the EAs, and the basis of such assessment;
(n) Reviewing and reporting to the Board of Directors at least annually the adequacy and effectiveness of the Group's material internal controls including financial, operation, compliance and information technology controls via reviews carried out by the IA;
(o) Reviewing and approving transactions falling within the scope of Chapters 9 and 10 of the Listing Rules (if any);
(p) Reviewing any potential conflicts of interest;
(q) Reviewing and approving all hedging policies and instruments (if any) to be implemented by the Group;
(r) Undertaking such other reviews and projects as may be requested by the Board of Directors and reporting to the Board of Directors its findings from time to time on matters arising and requiring the attention of the AC;
(s) Reviewing and establishing procedures for receipt, retention and treatment of complaints received by the Group, *inter alia*, criminal offences involving the Group or its employees, questionable accounting, auditing, business, safety or other matters that impact negatively on the Group, including the oversight of whistleblowing; and
(t) Generally undertaking such other functions and duties as may be required by statute or the Listing Rules, and by such amendments made thereto from time to time.

Authority of the AC

Apart from the duties listed above, the AC shall commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on the Group's operating results and/or financial position. Each member of the AC will abstain from participating in the deliberations of and voting in respect of matters in which he is interested.

The AC has the power to conduct or authorise investigations into any matters within the AC's terms of reference. The AC has full access to and co-operation of the Management and has full discretion to invite any Director or executive officer to attend its meetings, and has been given reasonable resources to enable it to discharge its functions.

The AC is authorised to obtain independent professional advice as it deems necessary in the discharge of its responsibilities. Such expenses are to be borne by the Company.

10.2 The Company has established the AC comprising the following three members, the majority of whom, including the Chairperson of the AC, are independent:

Mae Heng	Chairperson	Independent Non-Executive Director
Dan Broström	Member	Executive Chairman
Sin Boon Ann	Member	Lead Independent Non-Executive Director

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However, not all of the members of the AC are Non-Executive Directors. Mr Dan Broström, the Executive Chairman, is a member of the AC. Taking into account that he would be able to provide relevant input and guidance to the AC, given his familiarity with the Group's activities as well as industry and market practices in jurisdictions where the Group operates, the NC had recommended his appointment to the Board. The Board had then approved his appointment as a member of the AC. Further, the Board is of the opinion that the AC continues to have majority representation of independent directors, and the independent directors collectively, would have the decisive vote in relation to proposals made by the Management. The AC (excluding Mr Dan Broström) meets with the external and internal auditors without the presence of Management at least once a year, to, *inter alia*, ascertain if there are any material weaknesses or control deficiency in the Group's financial reporting and operational systems. Mr Dan Broström, being an Executive Director, has been excluded from the aforesaid meetings to ensure that the AC remains a platform for external and internal auditors to provide their independent opinions without the influence of Management. This arrangement is essential to ensure that the presence of an Executive Director on the AC will not lead to any conflict of interest or impede the independence of the AC.

The remaining members of the AC are Independent Non-Executive Directors who do not have any management and business relationships with the Company or any substantial shareholder of the Company.

At least two members, including the AC Chairperson, have recent and relevant accounting or related financial management expertise or experience.

Ms Mae Heng, the Chairperson of the AC, has over 16 years of experience working at Ernst & Young Singapore. She is an Independent Non-Executive Director of Grand Venture Technology Limited, Chuan Hup Holdings Limited, HRnet Group Limited and Ossia International Limited, and is the chairperson or a member of these companies' various board committees. Ms Heng also holds directorships in her family-owned investment holding companies. She was also the former Audit Committee Chairperson of an SGX-listed real estate developer, as well as an online travel company. Mr Sin Boon Ann, a member of the AC, was with Drew & Napier LLC from 1992 to March 2018; his last appointment being Deputy Managing Director, Corporate and Finance Department and Co-head of the Capital Markets Practice, before his retirement. Mr Sin is currently a consultant at Drew & Napier LLC.

10.3 None of the AC members were previous partners or directors of the Company's existing external auditing firm within the previous 24 months and none of the AC members hold any financial interest in the external auditing firm or auditing corporation.

10.4 The primary reporting line of the internal audit function is to the AC, which also decides on the appointment, termination and remuneration of the head of the internal audit function. The internal audit function has unfettered access to all the Company's documents, records, properties and personnel, including the AC, and has appropriate standing within the Company.

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Qualifications of the AC

The Board is of the view that the AC chairman and members are appropriately qualified, with the necessary accounting, financial advisory, business management, corporate and finance, investment and corporate legal expertise and experience to discharge the AC's functions. The AC Chairperson, having years of experience in audit and business, and chairmanship or membership of various board committees of several other listed companies in Singapore, is well qualified to chair the AC.

10.5 ## *Meetings between the AC and Auditors*

The AC (excluding Executive Chairman Mr Dan Broström) meets with the external and internal auditors without the presence of Management at least once a year, to, *inter alia*, ascertain independently, if there are any material weaknesses or control deficiency in the Group's financial reporting and operational systems. The AC has separately met with the IA and the EA once in the absence of Management in relation to FY2023.

Independence of External Auditor

The AC has reviewed the non-audit services provided by the EA and is satisfied that the nature and extent of such services would not prejudice the independence of the EA.

Fees Paid / Payable to the EA for FY2023		
	S$	**% of total**
Audit fees	538,753	99.54
Non-audit fees		
– Agreed upon procedures	2,480	0.46
	541,233	**100**

Notwithstanding the non-audit services rendered to the Company, the AC has undertaken a review of all non-audit services and is satisfied that the EA remains independent after considering the following:

- That all relationships and/or arrangements between the audit firm and the Company that may reasonably be thought to affect the EA's objectivity and as disclosed by the audit engagement partner did not impair the independence and objectivity of the EA; and
- The audit engagement partner has confirmed that, in his professional judgment, the audit firm is independent.

The AC also periodically receives updates on changes in accounting standards provided by the EA and circulated to members of AC.

There is no disagreement between the Board and AC regarding the selection, appointment, resignation or dismissal of the EA. In appointing the EA, the AC evaluates the performance of the EA, taking into consideration the Audit Quality Indicators Disclosure Framework published by the Accounting and Corporate Regulatory Authority.

The AC had recommended, and the Board had approved the re-appointment of Deloitte & Touche LLP as the Company's external auditor for the financial year ending 31 December 2024, subject to the approval of shareholders at the forthcoming AGM.

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Whistle-blowing Policy

The Company has in place a whistle-blowing policy. The Company's staff and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters relating to the Company and its officers by submitting to the AC a whistle-blowing report to whistleblowing@rexih.com, as stated on the Company's webpage: https://investor.rexih.com/whistle_blowing_policy.html.

Information received will be treated with confidentiality and the identity of the whistle-blowers will be protected. Whistleblowing reports made in good faith will be handled and investigated by the AC Chairman, who is an independent director. The whistle-blowing policy sets out the Company's commitment to ensure the protection of the whistleblower's identity and against any detrimental or unfair treatment against the whistleblower. All confidential information will only be available to the independent directors of the AC.

The AC is responsible for oversight and monitoring of whistleblowing and has ensured that arrangements are in place for such concerns to be raised and independently investigated, and for appropriate follow-up action to be taken. The details of the policy have been disseminated and made available to all parties concerned in the Company's code of conduct. There have not been any whistle-blowing reports during FY2023.

Audit Committee Activities

During the year, the AC reviewed the financial statements of the Group before the announcement of the Group's half-year and full-year results. In the process, the AC reviewed the key areas of management's estimates and judgement applied for key financial matters including impairment testing, adequacy of provisioning and disclosure, the application of critical accounting policies and any other significant matters that might affect the integrity of the financial statements. The AC has considered the report from the EA, including their findings on the key areas of audit focus.

Significant matters that were discussed with Management and the EA have been included as key audit matters ("**KAMs**") in the audit report for the financial year ended 31 December 2023. Refer to pages 154 to 157 of this Annual Report.

In line with the terms of reference of the AC, the following activities were carried out by the AC during FY2023 in the discharge of its functions and duties including the deliberation and review of:

- The unaudited half-year and full year financial results of the Group and announcements prior to submission to the Board for approval and release on the SGXNet;
- The quarterly announcement on the use of funds / cash by mineral, oil and gas companies;
- The internal and external audit plans in terms of their scope of audit prior to their commencement of their annual audit;
- The EA's report in relation to audit and accounting issues arising from the audit;
- The IA's finding report including internal control processes and procedures;
- The adequacy and effectiveness of the Company's system of risk management and internal controls, including financial, operational, compliance and information technology controls and reporting the findings to the Board;
- The audited financial statements of the Group prior to submission to the Board of Directors for consideration and approval;
- The external audit and internal audit fees for FY2023 and recommendation to the Board for approval;

CORPORATE GOVERNANCE REPORT

- The audit fees paid/payable to the external auditors of the Group including non-audit fees and nature of non-audit services;
- Change of auditors from Messrs KPMG LLP to Messrs Deloitte & Touche LLP;
- The quality of the EA across a number of evaluation criteria, including measures of relevance and quality of its works as well as its independence and re-appointment of the EA and recommendation to the Board for approval; and
- Interested person transactions falling within scope of Chapters 9 and 10 of the Listing Rules and any potential conflicts of interests.

Internal Audit

The Company appointed RSM SG Risk Advisory Pte. Ltd. ("**RSM**") as an independent internal auditor in 2023, and RSM reported directly to the AC and administratively to the CEO. The AC is responsible for the hiring, removal, evaluation and compensation of the accounting or auditing firm or corporation which the internal audit function of the Company is outsourced to.

The AC reviews and approves the internal audit plan to ensure the adequacy of the scope of audit. The internal audit plan complements that of the EA and together forms a robust risk-based audit approach to facilitate the AC's review of the adequacy and effectiveness of the Group's risk management and internal control systems.

The AC is satisfied that RSM is able to discharge its duties effectively as it:

- is a professional advisory firm providing corporate governance, internal audit, enterprise risk assessment, technology as well as fraud risks and regulatory compliance services;
- is adequately qualified, given that the partner/head of the internal audit and staff assigned to the internal audit of the Company are members of the Institute of Internal Auditors and it adheres to standards set by internationally recognised professional bodies, including the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors;
- is adequately resourced to carry out the Company's internal audit, which is led by Mr Dennis Lee, who is a member of Chartered Accountants Singapore and Certified Practising Accountants Australia, with over 23 years of professional experience and has extensive knowledge in the related field; and
- has the appropriate standing in the Company, given, *inter alia*, its involvement in certain AC meetings and its unfettered access to all the Group's documents, records, properties and personnel, including direct access to the AC.

The primary functions of the IA are to:

(a) Assess if adequate systems of internal controls are in place to protect the funds and assets of the Group and to ensure control procedures are complied with;
(b) Conduct regular in-depth audits of high-risk areas; and
(c) Identify and recommend improvement to internal control procedures, where required.

The AC has reviewed the report submitted by RSM on internal procedures, the EA's report and the internal controls in place, and is satisfied that there are adequate internal controls in the Company.

The AC will review on an annual basis the adequacy and effectiveness of the internal audit function.

The AC had reviewed and is of the view that the internal audit function is independent, adequate and effective in FY2023.

CORPORATE GOVERNANCE REPORT

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11 ***The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.***

Shareholder Rights

The Company treats all shareholders fairly and equitably, and recognises, protects and facilitates the exercise of shareholders' rights and continually reviews and updates such governance arrangements.

The Company is committed to making timely, full and accurate disclosure to shareholders and the public. All information on the Company's new initiatives which would be likely to materially affect the price or value of the Company's shares will be promptly disseminated via SGXNet to ensure fair communication with shareholders.

The Company has endeavoured to provide a longer notice period of 28 days for its Annual General Meetings and Extraordinary General Meetings over the years.

11.1 The Company provides shareholders with the opportunity to participate effectively in and vote at general meetings of shareholders and informs them of the rules governing general meetings of shareholders.

Shareholders are encouraged to attend the AGM/EGM to ensure a high level of accountability and to stay apprised of the Group's strategy and goals. Shareholders are given the opportunity to raise questions and clarify any issues that they may have relating to the resolutions to be passed. Notice of the General Meetings will be announced on SGXNet and posted on the Company's website https://www.rexih.com.

An independent polling agent is appointed by the Company for general meetings. The polling rules, including the voting procedures that govern the general meeting of shareholders, will be explained during the general meetings. The Company ensures that shareholders are given the opportunity to participate effectively in and vote at general meetings.

11.2 The Company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are inter-dependent and linked, so as to form one significant proposal. If a scenario arises where the resolutions are inter-conditional, it is the Company's current intention to explain the reasons and material implications in the notice of meeting.

The Company typically ensures that there are separate resolutions at general meetings on each distinct issue.

CORPORATE GOVERNANCE REPORT

All resolutions are put to vote by poll, and their detailed results will be announced via SGXNet on the same day after the conclusion of the general meeting. Electronic poll voting has been adopted since 2017 so as to better reflect shareholders' interest and ensure greater transparency in the voting process. An independent scrutineer is also appointed for the electronic poll voting process. Votes cast for and against each resolution will be tallied and displayed live-on-screen to shareholders or their appointed proxies immediately after each poll had been conducted at the meeting.

11.3 The Company requires all Directors (including the respective chairpersons of the Board Committees) and senior management, to be present at all general meetings of shareholders, unless in cases of exigencies. Directors who are not able to participate the meeting physically, will be able to participate the general meetings using virtual meeting technology. The EA is also required to be present to address shareholders' queries about the conduct of audit and the preparation and content of the independent auditor's report. Directors' attendance at the general meetings held in the financial year ended 31 December 2023 is tabled on page 100 of this Annual Report. All Directors attended the general meetings held in 2023.

11.4 The Company's Constitution allows for abstentia voting (including but not limited to the voting by mail, electronic mail or facsimile). As the authentication of shareholder identity and other related security and integrity issues still remains a concern, the Company has decided for the time being, not to implement absentia voting methods such as voting via mail, electronic mail or facsimile. A shareholder is entitled to attend and vote or to appoint not more than two proxies who need not be a shareholder of the Company, to attend and vote at the meetings on his behalf.

The Company's Constitution allows (a) each shareholder who is not a relevant intermediary the right to appoint up to two proxies and (b) each shareholder who is a relevant intermediary to appoint more than two proxies to attend, speak and vote on their behalf in general meetings. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act.

The 2023 AGM and EGM held on 20 January 2023 were held electronically in accordance with the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. The EGM held on 28 September 2023 was convened and held by physical means. All Directors that were in appointment at that time attended the 2023 AGM and EGMs.

The forthcoming AGM to be held on 25 April 2024 will be convened and held in a wholly physical format. There is no option for shareholders to participate virtually. Shareholders are entitled to attend the AGM and are given the opportunity to participate effectively in and vote at the AGM. The Company will conduct voting by poll at the forthcoming AGM in the presence of independent scrutineer. An independent polling agent will be appointed by the Company who will explain the rules, including the electronic voting procedures, before the poll voting is conducted. All shareholders of the Company will receive the notice of the AGM and the notice will also be advertised in the newspaper. Shareholders will also be given the opportunity to submit written questions prior to the forthcoming AGM. The Board and Management will respond to all substantial and comments and queries relevant to the business to be transacted at the forthcoming AGM within a reasonable timeframe prior to the AGM, but no later than 48 hours before the closing of the date and time for the lodgement of proxy forms, through publication on SGXNet and the Company's corporate website.

CORPORATE GOVERNANCE REPORT

11.5 The Company publishes minutes of general meetings of shareholders on its corporate website https://www.rexih.com as soon as practicable. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management.

The Company had published the minutes of the annual general meeting held on 28 April 2023 and minutes of the extraordinary general meetings held on 20 January 2023 and 28 September 2023 within one month from the conclusion of the respective meetings.

11.6 ***Dividend Policy***

On 19 October 2021 and 28 February 2022, the Company announced that it has adopted a dividend policy, which allows for dividends to be paid-out subject to eligibility, for evaluation of the Company's financial year results for the relevant period/year. The declaration and payment of dividends, if any, shall be determined at the sole discretion of the Board. Any recommendation for dividends to be paid will be tabled for Shareholders' approval at the Company's annual general meetings, if required under applicable laws.

No dividend has been declared or recommended for FY2023 for the Company as the Group did not have any profits for FY2023.

Engagement with Shareholders

Principle 12 ***The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.***

12.1 ***Communication with Shareholders***

The Company solicits feedback from and addresses the concerns of shareholders via the following:

- One-on-one and group meetings;
- Investor/analyst briefings;
- Conferences and roadshows;
- Annual General Meetings and Extraordinary General Meetings; and
- Responses to email queries.

In 2023, the Company issued more than 89 announcements and press releases and conducted one-on-one and group meetings, as well as conference calls, with local and foreign investors or analysts, as well as with the media.

Apart from the SGXNet announcements and its Annual Report, the Company updates shareholders on its corporate developments through its corporate website at https://www.rexih.com and its investor relations webpage at https://investor.rexih.com/home.html.

CORPORATE GOVERNANCE REPORT

12.2 The Company has in place an Investor Relations policy which is executed by a dedicated investor relations team, which allows for an ongoing exchange of views, so as to actively engage and promote regular, effective and fair communication with shareholders.

12.3 The Company's Investor Relations policy sets out the mechanism through which shareholders may contact the Company with questions and through which the Company may respond to such questions. Contact details to the Company's investor relations team (ir@rexih.com) are available on the Company's corporate website https://www.rexih.com. Shareholders may contact the Lead Independent Director at independent.director@rexih.com.

The Company announces the unaudited condensed financial statements of the Company and the Group on a half yearly basis. As a mineral, oil and gas company, the Company will provide quarterly updates on its use of funds as required under Listing Rules 705(6) and 705(7). The Company also provides timely updates on its operations whenever there are material developments.

MANAGING STAKEHOLDER RELATIONSHIPS

Engagement with Stakeholders

Principle 13 ***The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.***

13.1 The Company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups. Further details can be found in the Sustainability Report section of this Annual Report.

13.2 The Company has disclosed in this Annual Report, its strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period. Further details can be found in the Sustainability Report section of this Annual Report.

13.3 The Company maintains a current corporate website, https://www.rexih.com, to communicate and engage with stakeholders. The Company's profile, latest news and announcements, share price information, publications such as annual reports, qualified person's reports, fact sheets and presentations can be accessed on the corporate website. Investors can also opt for email alerts on the Company's latest announcements.

COMPLIANCE WITH APPLICABLE LISTING RULES

Appointment of Auditors

1207(6)(c) The Company confirms its compliance to Listing Rules 712 and 715. Significant foreign subsidiaries are audited by Deloitte & Touche LLP, Singapore for consolidation purpose, and its overseas affiliates. Both Deloitte & Touche LLP and the audit partner-in-charge have the relevant experience in providing audit services to various clients in the oil and gas industry. Other foreign subsidiaries are registered BVI companies that have no operational activities in FY2023.

CORPORATE GOVERNANCE REPORT

713 Pursuant to the requirement in the Listing Manual, an audit partner must only be in charge of a maximum of five consecutive annual audits and may then return after two years. The current audit engagement partner from Deloitte & Touche LLP was appointed on 28 April 2023.

1207(8)

Material Contracts

Save as announced via SGXNet on 21 April 2023, 11 May 2023, 28 July 2023 and 21 December 2023, in respect of the various interested persons' transactions entered into between the Group and certain interested persons and save as disclosed in this Annual Report, there were no material contracts or loans entered into by or taken up by the Group involving the interest of the CEO, any Directors, or controlling shareholders which are either still subsisting at the end of FY2023 or if not then subsisting, entered into since the end of the previous financial year ended 31 December 2022.

1207(10)

Confirmation of Adequacy of Internal Controls

The Board and the AC are of the opinion that the internal controls are adequate and effective to address the financial, operational, compliance and information technology risks, and risk management systems which the Group considers relevant and material to its current business scope and environment based on the following:

- Assurance has been received from the CEO, the CFO and key management personnel that are responsible for the adequacy and effectiveness of the Group's risk management and internal control systems;
- An internal audit has been done by the IA and significant matters highlighted to the AC and Management were appropriately addressed;
- Management regularly evaluates, monitors and reports to the AC and the RMC on material risks;
- Discussions were held between the AC and auditors in the absence of the Management to review and address any potential concerns;
- An enterprise risk management framework is in place to identify, manage and mitigate significant risks; and
- Risk appetite statements with tolerance limits have been approved by the Board to contain risks within acceptable levels and are monitored on a quarterly basis.

The Board notes that the system of internal controls and risk management provides reasonable, but not absolute assurance that the Group will not be adversely affected by any event that could be reasonably foreseen as it works to achieve its business objectives. In this regard, the Board also notes that no system of internal controls and risk management can provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities.

1207(10A) There is no family relation between the Executive Chairman and the CEO of the Company.

1207(10C) The AC is of the view that the Company's internal audit function is independent, effective and adequately resourced.

CORPORATE GOVERNANCE REPORT

1207(17)

Interested Persons' Transactions ("IPT")

The Company does not have an IPT Mandate. The aggregate value of IPTs for FY2023 disclosed in accordance with Rule 907 of the Listing Rules was as follows:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
		US$'000	**US$'000**
Xer Technologies AG ("**Xer**")	Cresta Group Ltd ("**Cresta**") and Limea Ltd ("**Limea**") each own, indirectly, approximately 33% and 12% respectively of Xer. Cresta, is wholly-owned by Dr Karl Lidgren, Executive Director and Controlling Shareholder of the Company. Each of Cresta and Mr Hans Lidgren, Controlling Shareholder of the Company, have a 50% shareholding interest in Limea..	2,000[1]	-
Crescent Marine Holding Ltd ("**Crescent**")	Crescent is a joint venture company which is 80.1% owned by Monarch Marine Holding Ltd ("**MMH**"). MMH is 40% held by Cresta, which is wholly-owned by Dr Karl Lidgren, Executive Director and Controlling Shareholder of the Company, and 40% held by Riton Holding Ltd, which is wholly-owned by Mr Hans Lidgren, Controlling Shareholder of the Company.	17,600[2]	-
Porto Novo Resources Ltd ("**Porto Novo**")	Porto Novo is a joint venture company which is 30% owned by MMH. See above regarding MMH.	1,050[3]	-

[1] Amount of US$2.00 million owed to the Company by Xer was fully repaid as of 31 December 2023.

[2] As announced by the Company on 21 April 2023. The principal amount under the debt financing from a third party to Crescent, for which the Company provided security for, has been reduced from up to US$17.6 million to US$3.27 million as of 31 December 2023.

[3] As announced by the Company on 21 December 2023.

CORPORATE GOVERNANCE REPORT

Save as disclosed above, there were no other IPTs that were more than S$100,000 entered into by the Group in FY2023.

The Company has adopted an internal policy in respect of any transactions with an interested person (as defined in the Listing Rules) and has established procedures for the review and approval of all IPTs entered into by the Group. The AC reviews the rationale and terms of the Group's IPTs, with the view that the IPTs should be on normal commercial terms, at arm's length basis and are not prejudicial to the interests of its minority shareholders.

As part of the Company's policy, Directors are required to disclose to the Board all actual and potential conflicts of interest. A Director shall recuse himself or herself from discussions and abstain from voting on resolutions regarding any contract, arrangement or any other transaction in which he or she has any personal material interest, directly or indirectly.

1207(19)

Dealings in Securities

The Company and its subsidiaries have adopted an internal policy which prohibits the Directors and officers (including employees) from dealing in the securities of the Company while in possession of price-sensitive information.

The Company, its Directors and officers (including employees) of the Company and its subsidiaries are also discouraged from dealing in the Company's securities on short-term considerations and are prohibited from dealing in the Company's securities during the period beginning one month before the announcement of the Company's half-year and full-year financial statements, and ending on the date of the announcement of the relevant results.

1207(20)

Use of Proceeds Raised from Placement Exercise

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). As at the date of this report, the Company had utilised all the 2013 Placement proceeds except for the amount allocated to the share buyback mandate of S$5.96 million.

The Company had utilised S$0.99 million in relation to the share buyback exercise in the financial year ended 2019. No share buybacks were conducted in FY2020, FY2021, FY2022 and FY2023. The ending balance of the amount allocated to the share buyback mandate as at 31 December 2023 and the date of this report was S$4.97 million.

720(6)

Additional Information Information on Directors Seeking Re-election

Pursuant to Listing Rule 720(6), the additional information as set out in Appendix 7.4.1 of the Listing Rules relating to the retiring Directors who are submitting themselves for re-election, is disclosed below and to be read in conjunction with their respective biographies under the section entitled "Board of Directors" of this Annual Report:

CORPORATE GOVERNANCE REPORT

	Pong Chen Yih	**Beverley Ann Smith**
Date of Appointment	1 August 2023	1 August 2023
Date of last re-appointment (if applicable)	N/A	N/A
Age	48	58
Country of principal residence	Singapore	United Kingdom
The Board's comments on this re-appointment	The re-election of Pong Chen Yih was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration his independence, contributions and performance	The re-election of Beverley Ann Smith was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration her independence, contributions and performance
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	• Independent Non-Executive Director • Member of Nominating Committee	• Independent Non-Executive Director
Professional Qualifications	Refer to section on Board of Directors at pages 10 to 14 of this annual report for details.	
Working experience and occupation(s) during the past 10 years	Refer to section on Board of Directors at pages 10 to 14 of this annual report for details.	
Shareholding interest in the listed issuer and its subsidiaries	Direct and Deemed: Nil Subsidiaries of Rex International Holding Limited Nil	Direct and Deemed: Nil Subsidiaries of Rex International Holding Limited Nil

CORPORATE GOVERNANCE REPORT

	Pong Chen Yih	Beverley Ann Smith
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Mr Pong is a controlling shareholder and Director of Novus Corporate Finance Pte. Ltd. ("**Novus Corporate Finance**"). Novus Corporate Finance was appointed as continuing sponsor to Rex International Holding Limited (the "**Company**") in 2019, before the Company transferred from the Catalist Board of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") to the Mainboard of the SGX-ST on 8 March 2022. After transferring to Mainboard of the SGX-ST, Novus Corporate Finance provides advisory services to the Company, and the total amount of fees paid to Novus Corporate Finance in relation to the advisory services did not exceed S$100,000 over any financial year in the said period. The Directors and the NC of the Company, having considered that the amounts paid to Novus Corporate Finance are not significant, are of the view that the business dealings between Novus Corporate Finance is not of a material nature that would compromise Mr Pong's independence and determined that Mr Pong remains independent. In accordance with the Code of Corporate Governance 2018, the NC will, on an annual basis, determine the independence of Mr Pong.	No
Conflict of interests (including any competing business)	No	No
Undertaking has been submitted to the listed issuer in the form of Appendix 7.7 under Rule 720(1)	Yes	Yes

CORPORATE GOVERNANCE REPORT

	Pong Chen Yih	Beverley Ann Smith
Past (for the last 5 years)	Principal Commitments including Directorships • Umbrella Ventures Pte. Ltd. • Acumen Holdings Pte. Ltd.	Principal Commitments including Directorships • Hurricane Energy Plc • Hurricane Holdings Ltd • Hurricane Group Ltd • Hurricane Basement Ltd • Hurricane (Whirlwind) Ltd • Hurricane Strathmore Ltd • Hurricane Gwa Ltd • Hurricane Gla Ltd • Hurricane Petroleum Limited • Geoscience Energy Society of Great Britain • Petroleum Geology Conferences Limited • The Kimmeridge Trust - Fossil Museum • Cornerstone Resources Group Ltd • BAS Advisory Limited
Present	Principal Commitments including Directorships • Moroxite Holding Pte. Ltd. • Rex Technology Investments Pte. Ltd. • HRnetGroup Limited • Grand Venture Technology Limited • Figtree Holdings Limited • Novus Corporate Finance Pte Ltd • Novus Investment Holdings Pte. Ltd.	Principal Commitments including Directorships • Touchstone Exploration Inc. • Lime Petroleum AS
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he eased to be a partner?	No	No

CORPORATE GOVERNANCE REPORT

	Pong Chen Yih	**Beverley Ann Smith**
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	Yes Mr Pong was a Non-Executive Director of Umbrella Ventures Pte. Ltd. ("**Umbrella Ventures**") from August 2020 to June 2021. He was not involved in the day-to-day management of Umbrella Ventures during the period of his directorship. Following his stepping down as a director, he was informed that Umbrella Ventures was placed under creditors' voluntary liquidation on 21 September 2021 as it was unable to meet its debts as and when they fell due, due to the COVID-19 situation in Singapore which had a significant impact on its business operations in the food and beverage industry. As at the date of this Annual Report, Umbrella Ventures Pte. Ltd. is still under creditors' voluntary liquidation.	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No

CORPORATE GOVERNANCE REPORT

	Pong Chen Yih	Beverley Ann Smith
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No

CORPORATE GOVERNANCE REPORT

	Pong Chen Yih	Beverley Ann Smith
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of : (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?		

CORPORATE GOVERNANCE REPORT

	Pong Chen Yih	Beverley Ann Smith
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

DIRECTORS' STATEMENT

We are pleased to submit this annual report to the members of Rex International Holding Limited (the "**Company**") together with the audited consolidated financial statements for the financial year ended 31 December 2023.

In our opinion:

(a) the consolidated financial statements set out on pages 158 to 234 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and the financial performance, changes in equity and cash flows of the Group, and changes of equity of the Company for the financial year ended on that date in accordance with the provisions of the Companies Act 1967 (the "**Act**") and Singapore Financial Reporting Standards (International); and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

DIRECTORS

The directors in office at the date of this statement are:

Dan Broström (Executive Chairman)	
John d'Abo (Executive Vice-Chairman)	
Dr Christopher Atkinson	
Dr Karl Lidgren	
Sin Boon Ann	
Mae Heng	
Dr Mathias Lidgren	
Beverley Smith	(Appointed on 1 August 2023)
Pong Chen Yih	(Appointed on 1 August 2023)

DIRECTORS' INTERESTS

According to the register kept by the Company for the purposes of Section 164 of the Act, particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and children) in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

Name of director and corporation in which interests are held	Holdings at beginning of the year or date of appointment, if later	Holdings at end of the year
Rex International Holding Limited		
Dan Broström		
Ordinary shares		
– direct interest	11,306,075	11,306,075

DIRECTORS' STATEMENT

DIRECTORS' INTERESTS (CONTINUED)

Name of director and corporation in which interests are held	Holdings at beginning of the year or date of appointment, if later	Holdings at end of the year
Rex International Holding Limited (continued)		
Dr Christopher Atkinson		
Ordinary shares		
– direct interest	400,000	400,000
Dr Karl Lidgren		
Ordinary shares		
– deemed interest	452,020,422	466,261,886
Sin Boon Ann		
Ordinary shares		
– direct interest	900,000	900,000
John d'Abo		
Ordinary shares		
– direct interest	128,000	128,000
Dr Mathias Lidgren		
Ordinary shares		
– direct interest	7,000,000	7,000,000

By virtue of Section 7 of the Act, Dan Broström, Dr Christopher Atkinson, Dr Karl Lidgren, Sin Boon Ann, John d'Abo and Dr Mathias Lidgren are deemed to have interests in all the related corporations of the Company, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

There were no changes in any of the above mentioned interests in the Company between the end of the financial year and 21 January 2024.

Except as disclosed under the "Share options" and "Share awards" sections of this statement, neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' STATEMENT

SHARE OPTIONS

The Employee Share Option Scheme (the "**ESOS**") of the Company was approved and adopted by its members at an Extraordinary General Meeting ("**EGM**") held on 24 June 2013, which lapsed in June 2023. A new ESOS was approved by its members at an EGM of the Company on 28 September 2023.

The ESOS is administered by the Company's Remuneration Committee, comprising 3 directors, Sin Boon Ann, Dan Broström and Mae Heng. The new ESOS will be expiring on 28 September 2033.

Other information regarding the ESOS is set out below:

- The exercise price of the options can be set at a discount to the Market Price[1] not exceeding 20% of the Market Price at the date on which the options are granted.
- For the options granted with exercise price set at Market Price, they can be exercised 1 year from the date of the grant and will expire 5 years from the date on which the options are granted.
- For the options granted with exercise price set at a discount to the Market Price, they can be exercised 2 years from the date of the grant and will expire 5 years from the date on which the options are granted.
- The ESOS shall be in force for a maximum of 10 years from the date on which the ESOS was adopted. Upon obtaining the approval of shareholders by ordinary resolution in general meeting and of any relevant authorities which may be required, the ESOS may continue beyond 10 years from the date it was adopted.

(1) The Market Price is calculated based on the average of the last dealt prices for the Company's shares on the Mainboard of the SGX-ST over the 5 consecutive trading days immediately preceding the date on which the options are granted.

No options were granted by the Company during the financial year ended 31 December 2023 ("**FY2023**"). As at 31 December 2023, there are no options outstanding as all options granted have expired.

SHARE AWARDS

The Performance Share Plan (the "**PSP**") of the Company was approved and adopted by its members at an Extraordinary General Meeting ("**EGM**") held on 24 June 2013 and lapsed on 24 June 2023. A new PSP was approved by its members at an EGM of the Company on 28 September 2023.

The PSP is administered by the Company's Remuneration Committee, comprising 3 directors, Sin Boon Ann, Dan Broström and Mae Heng. The new PSP will be expiring on 28 September 2033.

The objective of the PSP of the Company is to promote higher performance goals and recognise the achievements of employees by motivating and aligning their interests to the Group's pre-determined goals. Performance targets set are based on short to medium-term corporate objectives including market competitiveness, quality of returns, business growth and productivity growth.

The award of ordinary shares granted under the PSP represent the right of an employee to receive fully paid shares, free of charge upon the achievement of pre-determined goals during the performance period, at the sole discretion of the Remuneration Committee.

The length of the vesting period in respect of the awards of such number of fully-paid ordinary shares granted under the PSP (the "**Awards**") will be determined on a case-by-case basis by the Remuneration Committee.

DIRECTORS' STATEMENT

SHARE AWARDS (CONTINUED)

Details of the movement of the Awards during the financial year were as follows:

	Number of Awards					
Date of grant of Awards	At 1 January 2023	Granted	Lapsed/ cancelled	Vested	At 31 December 2023	Number of holders at 31 December 2023
8 April 2022	10,524,100	–	(10,524,000)[1]	–	–	–
20 October 2022	3,600,000	–	(3,600,000)[1]	–	–	–
	14,124,100	–	(14,124,100)	–	–	–

(1) On 13 March 2023, 10,524,000 and 3,600,000 awards previously granted on 8 April 2022 and 20 October 2022 respectively had been cancelled (forthwith lapsed and to be of no value).

AUDIT COMMITTEE

The members of the Audit Committee during the financial year and at the date of this statement are:

- Mae Heng (Chairperson) — Independent Non-Executive Director
- Sin Boon Ann — Lead Independent Non-Executive Director
- Dan Broström — Executive Chairman

The Audit Committee performs the functions specified in Section 201B of the Act, the SGX-ST Listing Manual and the Code of Corporate Governance.

The Audit Committee has held four meetings since the last directors' statement. In performing its functions, the Audit Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

The Audit Committee also reviewed the following:

- assistance provided by the Company's officers to the internal and external auditors;
- quarterly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- interested person transactions (as defined in Chapter 9 of the SGX-ST Listing Manual).

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The Audit Committee is satisfied with the independence and objectivity of the external auditors.

The Audit Committee has recommended to the directors the nomination of Deloitte & Touche LLP for re-appointment as the external auditors of the Group at the forthcoming Annual General Meeting of the Company.

In appointing our auditors for the Company and subsidiaries, the Board of Directors has complied with Rules 712 and 715 of the SGX-ST Listing Manual.

DIRECTORS' STATEMENT

AUDITORS

Deloitte & Touche LLP has expressed its willingness to accept re-appointment as auditors.

On behalf of the Board of Directors

Dan Broström
Director

John d'Abo
Director

20 March 2024

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF REX INTERNATIONAL HOLDING LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Rex International Holding Limited (the "**Company**") and its subsidiaries (the "**Group**"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 158 to 234.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "**Act**") and Singapore Financial Reporting Standards (International) ("**SFRS(I)s**") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("**SSAs**"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("**ACRA Code**") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF REX INTERNATIONAL HOLDING LIMITED

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th>Key audit matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td>Impairment risk over oil & gas properties, including goodwill

As at 31 December 2023, the Group has oil & gas properties and goodwill (resultant from the acquisition of Yme field) amounting to US$208,800,000 and US$8,203,000 respectively, which in aggregate approximate 35% of the Group's total assets.

Management performed impairment assessment by assessing the recoverability of its oil & gas properties (and resultant goodwill) based on discounted future cash flows from the respective oil & gas properties as at 31 December 2023. They had also engaged independent qualified persons to estimate, where appropriate, the proved, probable and possible reserves for certain oil & gas properties, including the future net cash flows arising from such. The assessment requires the exercise of significant judgement about and assumptions on, amongst others, the discount rate, oil reserves, expected production volumes and future oil prices, taking into considerations external or internal factors that could indicate an impairment.

Based on management's assessment as at 31 December 2023, impairment charges of US$11,786,000 and US$21,856,000 was taken against the oil & gas properties and goodwill respectively. The Group has made disclosures on the above judgement and estimates in Note 1.4, and further disclosures in Notes 4 and 5 to the consolidated financial statements.</td><td>We have performed, amongst others, the following key audit procedures:

• Assessed the design and determined the implementation of management's relevant controls in respect to the accounting for oil & gas properties in line with SFRS(I);

• Reviewed the reserve reports prepared by independent qualified persons relating to the Group's estimated oil reserves, including involvement of our internal reserve specialists as part of our engagement team to discuss with management's experts and challenge, where appropriate, the key assumptions and methodology used by management's experts to estimate the reserves;

• Assessed the objectivity, competency and experience of the independent qualified persons who prepared the reserve reports;

• Checked management's budget and plan for the assets, including the funding options for future capital expenditures;

• Reviewed management's discounted cash flow calculations and assumptions used to assess the value-in-use of the respective oil & gas properties and goodwill, including reviewing the accuracy of the reserves data used by management in the respective cash flow models;

• Reviewed the appropriateness of the oil price assumptions used in the cash flow models against external data; and

• Involved our financial advisory specialists in challenging management's assumptions on key data used in their computation of the discount rate(s).

We have further assessed the adequacy of the Group's disclosures that have been set out in Notes 4 and 5 to the consolidated financial statements.</td></tr>
</table>

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF REX INTERNATIONAL HOLDING LIMITED

Other Matter

The financial statements of the Group and the Company for the year ended 31 December 2022 were audited by another auditor who expressed an unmodified opinion on those financial statements on 23 March 2023.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF REX INTERNATIONAL HOLDING LIMITED

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF REX INTERNATIONAL HOLDING LIMITED

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Yang Chi Chih.

Public Accountants and
Chartered Accountants
Singapore

20 March 2024

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2023

		Group		Company	
	Note	2023 US$'000	2022 US$'000	2023 US$'000	2022 US$'000
Assets					
Exploration and evaluation assets	3	25,783	36,856	–	–
Oil and gas properties	4	208,800	216,342	–	–
Goodwill and intangible assets	5	19,746	33,574	–	–
Property, plant and equipment	6	2,118	2,174	666	338
Subsidiaries	7	–	–	93,937	92,621
Associate	9	–	2,514	–	–
Jointly controlled entities	9	1,572	989	–	–
Other receivables	10	145,481	135,515	–	–
Non-current assets		403,500	427,964	94,603	92,959
Inventories	11	33,272	13,733	–	–
Trade and other receivables	10	62,412	88,062	10,903	5,226
Quoted investments	12	18,600	23,041	18,599	23,040
Cash and cash equivalents	13	95,439	115,758	15,547	25,923
Current assets		209,723	240,594	45,049	54,189
Total assets		613,223	668,558	139,652	147,148
Equity					
Share capital	14	89,581	257,677	89,581	257,677
Reserves	15	2,197	4,477	1,082	1,082
Retained earnings/(Accumulated losses)		13,733	(85,608)	171	(161,609)
Equity attributable to owners of the Company		105,511	176,546	90,834	97,150
Non-controlling interests	8	9,256	11,937	–	–
Total equity		114,767	188,483	90,834	97,150
Liabilities					
Loans and borrowings	17	64,263	77,987	–	–
Provisions	18	215,660	190,661	–	–
Lease liabilities	19	621	636	221	87
Deferred tax liabilities	20	84,701	66,885	–	–
Non-current liabilities		365,245	336,169	221	87
Loans and borrowings	17	36,846	13,961	–	–
Bank overdraft	17	4,000	–	4,000	–
Lease liabilities	19	477	409	282	207
Trade and other payables	21	91,888	129,536	44,315	49,704
Current liabilities		133,211	143,906	48,597	49,911
Total liabilities		498,456	480,075	48,818	49,998
Total equity and liabilities		613,223	668,558	139,652	147,148

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2023

	Note	Group 2023 US$'000	Group 2022 US$'000
Revenue:			
Sale of crude oil and gas	22	207,015	170,259
Cost of sales:			
Cost of services		(575)	(780)
Production and operating expenses		(73,051)	(73,961)
Depletion of oil and gas properties	4	(75,116)	(28,252)
Exploration and evaluation expenditure	3, 36	(9,169)	(3,225)
Gross profit		49,104	64,041
Administrative expenses		(28,641)	(28,567)
Other expenses	23, 36	(53,969)	(27,729)
Other income		1,785	617
Results from operating activities		(31,721)	8,362
Finance income	24	3,037	744
Finance expense	24	(23,212)	(14,766)
Foreign currency exchange loss		(4,222)	(1,451)
Net finance expense		(24,397)	(15,473)
Share of (loss)/profit of equity-accounted investees, net of tax	9	(577)	503
Loss before tax	25	(56,695)	(6,608)
Tax (expense)/credit	26	(12,667)	6,961
(Loss)/Profit for the year, net of tax		(69,362)	353
Other comprehensive loss			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences from foreign operations, representing total other comprehensive loss for the year, net of tax		(2,485)	(5,057)
Total comprehensive loss for the year, net of tax		(71,847)	(4,704)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2023

	Note	Group 2023 US$'000	Group 2022 US$'000
(Loss)/Profit attributable to:			
Owners of the Company		(63,911)	(1,000)
Non-controlling interests	8	(5,451)	1,353
(Loss)/Profit for the year, net of tax		(69,362)	353
Total comprehensive loss attributable to:			
Owners of the Company		(66,191)	(5,633)
Non-controlling interests	8	(5,656)	929
Total comprehensive loss for the year		(71,847)	(4,704)
Loss per share			
Basic loss per share (cents)	27	(4.91)	(0.08)
Diluted loss per share (cents)	27	(4.91)	(0.08)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Year ended 31 December 2023

		Attributable to owners of the Company									
Group	**Note**	**Share capital US$'000**	**Treasury shares US$'000**	**Merger reserve US$'000**	**Capital reserve US$'000**	**Share-based payment reserve US$'000**	**Translation reserve US$'000**	**Accumulated losses US$'000**	**Total US$'000**	**Non-controlling interests US$'000**	**Total equity US$'000**
At 1 January 2022		257,677	(716)	4,129	2,180	1,179	1,981	(80,067)	186,363	12,892	199,255
Total comprehensive loss for the year											
Profit for the year		–	–	–	–	–	–	(1,000)	(1,000)	1,353	353
Other comprehensive loss											
Foreign currency translation differences, representing total other comprehensive loss		–	–	–	–	–	(4,633)	–	(4,633)	(424)	(5,057)
Total comprehensive loss for the year		–	–	–	–	–	(4,633)	(1,000)	(5,633)	929	(4,704)
Transactions with owners, recognised directly in equity:											
Contributions by and distributions to owners											
Share-based payment transactions – performance share plan	16	–	–	–	–	357	–	–	357	–	357
Dividends paid	15	–	–	–	–	–	–	(4,541)	(4,541)	–	(4,541)
Dividends payable to non-controlling interests*	15	–	–	–	–	–	–	–	–	(1,884)	(1,884)
Total transactions with owners		–	–	–	–	357	–	(4,541)	(4,184)	(1,884)	(6,068)
At 31 December 2022		257,677	(716)	4,129	2,180	1,536	(2,652)	(85,608)	176,546	11,937	188,483

* In 2022, the Group's subsidiary in Oman declared dividend amounting to US$1.88 million to non-controlling interests.

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2023

Group	Note	Attributable to owners of the Company								Non-controlling interests	Total equity
		Share capital	Treasury shares	Merger reserve	Capital reserve	Share-based payment reserve	Translation reserve	Retained earnings/ (Accumulated losses)	Total		
		US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
At 1 January 2023		257,677	(716)	4,129	2,180	1,536	(2,652)	(85,608)	176,546	11,937	188,483
Total comprehensive loss for the year											
Loss for the year		–	–	–	–	–	–	(63,911)	(63,911)	(5,451)	(69,362)
Other comprehensive loss											
Foreign currency translation differences, representing total other comprehensive loss		–	–	–	–	–	(2,280)	–	(2,280)	(205)	(2,485)
Total comprehensive loss for the year		–	–	–	–	–	(2,280)	(63,911)	(66,191)	(5,656)	(71,847)
Transactions with owners, recognised directly in equity:											
Contributions by and distributions to owners											
Cancellation of share capital	14	(168,096)	–	–	–	–	–	168,096	–	–	–
Dividends paid	15	–	–	–	–	–	–	(4,844)	(4,844)	–	(4,844)
Total contributions by and distributions to owners		(168,096)	–	–	–	–	–	163,252	(4,844)	–	(4,844)
Changes in ownership interests in subsidiaries											
Acquisition of subsidiaries with non-controlling interests, representing total changes in ownership interests in subsidiaries		–	–	–	–	–	–	–	–	2,975	2,975
Total transactions with owners		(168,096)	–	–	–	–	–	163,252	(4,844)	2,975	(1,869)
At 31 December 2023		89,581	(716)	4,129	2,180	1,536	(4,932)	13,733	105,511	9,256	114,767

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Year ended 31 December 2023

Company	Note	Share capital US$'000	Treasury shares US$'000	Capital reserve US$'000	Share-based payment reserve US$'000	Retained earnings/ (Accumulated losses) US$'000	Total equity US$'000
At 1 January 2022		257,677	(716)	505	936	(168,096)	90,306
Profit for the year, representing total comprehensive income for the year		–	–	–	–	11,028	11,028
Transactions with owners, recognised directly in equity							
Share-based payment transactions – performance share plan	16	–	–	–	357	–	357
Dividends paid	15	–	–	–	–	(4,541)	(4,541)
Total transactions with shareholders		–	–	–	357	(4,541)	(4,184)
At 31 December 2022		257,677	(716)	505	1,293	(161,609)	97,150
At 1 January 2023		257,677	(716)	505	1,293	(161,609)	97,150
Loss for the year, representing total comprehensive income for the year		–	–	–	–	(1,472)	(1,472)
Transactions with owners, recognised directly in equity							
Cancellation of share capital	14	(168,096)	–	–	–	168,096	–
Dividends paid	15	–	–	–	–	(4,844)	(4,844)
Total transactions with shareholders		(168,096)	–	–	–	163,252	(4,844)
At 31 December 2023		89,581	(716)	505	1,293	171	90,834

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
Year ended 31 December 2023

	Note	Group 2023 US$'000	Group 2022 US$'000
Cash flows from operating activities			
Loss before tax		(56,695)	(6,608)
Adjustments for:			
Amortisation of intangible assets	5	865	850
Depreciation of property, plant and equipment	6	1,170	853
Depletion of oil and gas properties	4	75,116	28,252
Impairment of goodwill	5	21,856	–
Impairment loss on exploration and evaluation assets	3	19,544	24,285
Impairment loss on oil and gas properties	4	11,786	–
Write-off of oil and gas properties	4	1,423	–
Write-off of property, plant and equipment	25	8	–
Loss on disposal of property, plant and equipment	25	7	505
Net finance expense		20,175	14,022
Share of loss/(profit) of equity-accounted investees, net of tax	9	577	(503)
Change in fair value of quoted investments	25	(1,695)	2,786
Loss/(Gain) on disposal of quoted investments	25	766	(615)
Equity-settled share-based payment transactions	16	–	357
Operating cash flows before movements in working capital		94,903	64,184
Changes in:			
- Inventories		(19,207)	6,433
- Trade and other receivables		(25,598)	25,294
- Trade and other payables		(52,946)	34,385
- Restricted bank deposits		28	(305)
Cash (used in)/generated from operations		(2,820)	129,991
Tax refund in Norway		54,830	39,070
Net cash from operating activities		52,010	169,061
Cash flows from investing activities			
Interest received		2,732	744
Acquisition of a subsidiary, net of cash acquired	29	(1,660)	–
Acquisition of non-controlling interests in a subsidiary, net of cash acquired	29	(816)	–
Acquisition of oil and gas licences	4	–	(54,821)
Additions to oil and gas properties	4	(53,151)	(56,299)
Exploration and evaluation expenditure	3	(14,268)	(24,522)
Investment in an associate	9	(1,000)	(2,000)
Purchase of quoted investments		(18,080)	(11,065)
Proceeds from disposal of quoted investments		23,486	11,649
Purchase of patents	5	(38)	–
Proceeds from sale of property, plant and equipment		5	–
Purchase of property, plant and equipment	6	(247)	(951)
Net cash used in investing activities		(63,037)	(137,265)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
Year ended 31 December 2023

	Note	Group 2023 US$'000	Group 2022 US$'000
Cash flows from financing activities			
Interest paid		(20,236)	(8,125)
Dividends paid to owners of the Company	15	(4,844)	(4,541)
Payment for transaction costs related to loans and borrowings		(981)	(3,729)
Net proceeds from issuance of bonds by a subsidiary		30,047	89,358
Repayment of bonds		(17,431)	(50,598)
Proceeds from bank overdraft		4,000	–
Repayment of lease liabilities		(711)	(443)
Net cash (used in)/from financing activities		(10,156)	21,922
Net (decrease)/increase in cash and cash equivalents		(21,183)	53,718
Cash and cash equivalents at beginning of the year		106,377	50,538
Effect of exchange rate fluctuations on cash held		1,200	2,121
Cash and cash equivalents at end of the year	13	86,394	106,377

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Rex International Holding Limited (the "**Company**") is incorporated in the Republic of Singapore and has its registered office at 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619.

The principal activities of the Company are those relating to investment holding. The principal activities of its subsidiaries are set out in Note 7.

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the year ended 31 December 2023 were authorised for issue by the Board of Directors on 20 March 2024.

1.1 Basis of preparation

The financial statements have been prepared on the historical cost basis, except as disclosed in the material accounting policy information, and are drawn up in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International) ("**SFRS(I)**"). The financial statements are expressed in United States dollars ("**US$**"), which is the Company's functional currency.

1.2 Adoption of new and revised Standards

In the current year, the Group and the Company have applied all the new and revised SFRS(I) Accounting Standards that are mandatorily effective for an accounting period that begins on or after 1 January 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements except as below.

Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies*

The Group has adopted the amendments to SFRS(I) 1-1 for the first time in the current year. The amendments change the requirements in SFRS(I) 1-1 with regard to disclosure of accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in SFRS(I) 1-1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The Group has applied materiality guidance in SFRS(I) Practice Statement 2 in identifying its material accounting policies for disclosures in the related notes. The previous term 'significant accounting policies' used throughout the financial statements has been replaced with 'material accounting policy information'.

NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL INFORMATION (CONTINUED)

1.3 Standards issued but not yet effective

At the date of authorisation of these financial statements, a number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these financial statements.

Management anticipates that the adoption of the above SFRS(I)s, SFRS(I) INTs and amendments to SFRS(I) in future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption.

1.4 Critical accounting judgements and key sources of estimation uncertainty

(i) Critical judgements made in applying the Group's material accounting policies

Information about critical judgements in applying the Group's material accounting policies that have the most significant effect on the amounts recognised in the financial statements is discussed below.

Business combinations

Determining whether an acquisition meets the definition of a business combination requires judgement to be applied on a case-by-case basis. Acquisitions are assessed under the relevant SFRS(I) 3 criteria (whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce output) to establish whether the transaction represents a business combination or an asset acquisition. Depending on the specific facts, acquisitions of exploration and evaluation licences for which a development decision has not yet been made, have largely been concluded to represent asset acquisition.

Acquisition accounting is subject to substantive judgement by the management. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability. The fair value of oil fields in production and development phase is normally based on discounted cash flow models, where the determination of inputs to the model may require significant judgement. The fair value of the assets or liabilities acquired at the date of acquisition are disclosed in Note 4 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL INFORMATION (CONTINUED)

1.4 Critical accounting judgements and key sources of estimation uncertainty (continued)

(i) Critical judgements made in applying the Group's material accounting policies (continued)

Exploration and evaluation expenditures

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgement to determine whether it is likely that future economic benefits are likely from future exploitation or sale, or whether activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The determination of reserves and resources is itself an estimation process that requires varying degrees of uncertainty depending on how the resources are classified. These estimates directly impact the point of deferral of exploration and evaluation expenditure.

The Group's accounting policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular, whether an economically viable extraction operation can be established and executed successfully. Any such estimates and assumptions may change as new information becomes available. If, after expenditure is capitalised, information becomes available suggesting that the recovery of the expenditure is unlikely, the relevant capitalised amount is written off in profit or loss in the period when the new information becomes available.

Hydrocarbon reserves

Hydrocarbon reserves are estimates of the amount of oil that can be economically and legally extracted by the Group in approved fields. For the purpose of estimating reserves, several factors are considered, among others, such as geological, technical and economic, production techniques, recovery rates, production costs, transportation costs, demand and prices for commodities and exchange rates. Estimating the quantity and grade of reserves requires determining the size, shape and depth of the reservoirs or fields to be determined by analysing geological data and drilling samples. This process may require interpreting complex and making geological judgements. Because the economic assumptions change from period to period and the Group is still generating additional geological data during the course of operations, estimates of reserves may change from period to period. Changes in reported reserves may affect the recovery of the carrying amount of oil properties due to changes in estimated future cash flows and the cost of depreciation recorded in profit or loss as it based on the units of production relative to the total proven and probable reserves.

NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL INFORMATION (CONTINUED)

1.4 Critical accounting judgements and key sources of estimation uncertainty (continued)

(ii) Key sources of estimation uncertainty

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amount may not be recoverable.

When value-in-use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit ("**CGU**") and choose a suitable discount rate in order to calculate the present value of those cash flows. Judgement and estimates are required in the determination of appropriate inputs to derive at forecasted cash flows and the discount rate. The carrying amount of the Group's non-financial assets are disclosed in the following notes:

- Exploration and evaluation assets Note 3
- Oil and gas properties Note 4
- Goodwill Note 5
- Subsidiaries Note 7

Depletion of oil and gas properties

Oil and gas properties are mainly depleted on a unit of production basis at a rate calculated by reference to prove plus probable reserves and incorporating the estimated future cost of developing and extracting those reserves. Future development costs are estimated using assumptions as to the numbers of wells required to produce those reserves, the cost of the wells, future production facilities and operating costs; together with assumptions on oil and gas realisations based on the approved field development plans. The carrying amount of the Group's oil and gas properties at the reporting date are disclosed in Note 4 to the financial statements.

Provisions

Estimates of the Group's obligations arising from exploration drilling rehabilitation that exist as at the reporting date may be affected by future events which cannot be predicted with any certainty. The assumptions and best estimates in determining these provisions are made based on management's judgement and experience and therefore, future exploration drilling rehabilitation obligations and expenses could be revised. The carrying amount of the Group's provisions at the reporting date are disclosed in Note 18 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

2 MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of consolidation

(i) Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group (see Note 2.1(iii)). In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

Goodwill is measured as the excess of the sum of the consideration transferred and the amount of non-controlling interests in the acquiree measured at fair value, over the net acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. When the excess is negative, i.e. a gain on a bargain purchase, this is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. It is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity investments, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (ie. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit of loss, where such treatment would be appropriate if that interest were disposed of.

(ii) Accounting for transaction that is not a business combination

When a transaction or other event does not meet the definition of a business combination due to the asset or group of assets not meeting the definition of a business, it is termed an 'asset acquisition'. In such circumstances, the acquirer:

- identifies and recognises the individual identifiable assets acquired (including those assets that meet the definition of, and recognition criteria for, intangible assets in SFRS(I) 1-38) and liabilities assumed; and
- allocates the cost of acquiring the Group of assets and liabilities to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase.

Such a transaction or event does not give rise to goodwill or a gain on a bargain purchase. Transaction costs in an asset acquisition are generally capitalised as part of the cost of the assets acquired in accordance with applicable standards.

NOTES TO THE FINANCIAL STATEMENTS

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.1 Basis of consolidation (continued)

(iii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

NCI in subsidiaries are identified separately from the Group's equity and are initially measured at fair value or at the NCI's proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Subsequent to the acquisition date, the carrying amount of NCI are adjusted for the NCI's share of changes in equity. Losses are attributed to the NCI even if this results in the NCI having a deficit balance.

(iv) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(v) Investments in equity-accounted investees

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investments in associates and joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income ("**OCI**") of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its investment in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

(vi) Joint operations

A joint operation is an arrangement in which the Group has joint control whereby the Group has rights to the assets, and obligations for the liabilities, relating to an arrangement. The Group accounts for each of its assets, liabilities and transactions, including its share of those held or incurred jointly, in relation to the joint operation.

NOTES TO THE FINANCIAL STATEMENTS

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.1 Basis of consolidation (continued)

(vii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(viii) Subsidiaries, associates and joint ventures in the separate financial statements

Investments in subsidiaries, associates and joint ventures are stated in the Company's separate financial statements at cost less any impairment in net recoverable value that has been recognised in profit or loss.

2.2 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are generally recognised in profit or loss.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to USD at exchange rates at the reporting date. The income and expenses of foreign operations are translated to USD at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI, and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the NCI. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 Foreign currency (continued)

(ii) Foreign operations (continued)

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in OCI, and are presented in the translation reserve in equity.

2.3 Exploration and evaluation assets

Exploration and evaluation ("**E&E**") activity involves the search for oil and gas resources, the determination of technical feasibility and the assessment of the commercial viability of an identified resource. Costs incurred before the Group has obtained the legal rights to explore an area are recognised in profit or loss.

E&E costs are capitalised in respect of each area of interest for which the rights to explore are current and where:

- the E&E costs are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or
- E&E activities in the area of interest have not reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves; and active and significant operations in or in relation to the areas of interest are continuing.

E&E assets comprise, among others, costs that are directly attributable to researching and analysing existing exploration data, gathering exploration data through topographical, geochemical and geophysical studies, exploratory drilling, trenching and sampling, determining and examining the volume and grade of the resource, examining and testing extraction and treatment methods, surveying transportation and infrastructure requirements, compiling pre-feasibility and feasibility studies and/or gaining access to areas of interest including occupancy and relocation compensation and other directly attributable costs of exploration and appraisal including technical and administrative costs.

General and administrative costs are allocated to, and included in, the cost of E&E asset only to the extent that those costs can be related directly to operational activities in the area of interest to which the E&E asset relates. In all other cases, these costs are expensed as incurred.

E&E assets are transferred to development costs, a component of E&E assets, when the technical feasibility and commercial viability of extracting the resource are demonstrable and sanctioned by management.

E&E assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. Where a potential impairment is indicated, assessment is performed for each area of interest in conjunction with the Group of operating assets (representing a CGU) to which the E&E is attributable. To the extent that capitalised E&E is not expected to be recovered, it is charged to profit or loss. Partial or full reversals of impairments of such assets are recognised if there is an indication that a previously recognised impairment loss has reversed and the recoverable amount of the impaired asset has subsequently increased.

NOTES TO THE FINANCIAL STATEMENTS

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Exploration and evaluation assets (continued)

Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the year in which the decision to abandon the area is made. When production commences, the accumulated costs for the relevant area of interest are reclassified to 'oil and gas properties'.

A regular review is undertaken for each area of interest to determine the appropriateness of continuing to carry forward cost in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the cost of that stage. Site restoration costs include the dismantling and removal of drilling facilities, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the concession permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on a discounted basis. Any changes to the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the concession site.

2.4 Oil and gas properties

Oil and gas properties arise from the reclassification of E&E assets once commercial viability and technical feasibility are established and production commenced.

Oil and gas properties are measured at cost less accumulated depletion and accumulated impairment losses. The accumulated costs for the relevant area of interest are depreciated using a unit-of-production method over proved and probable reserves. The unit-of-production rate for the accumulated costs takes into account expenditures incurred to date, together with estimated future capital expenditure expected to be incurred relating to as yet undeveloped and probable reserves expected to be processed through these common facilities.

2.5 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

The gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.5 Property, plant and equipment (continued)

(ii) Depreciation

Depreciation is recognised as an expense in profit or loss using the straight-line method to allocate the cost over the estimated useful lives of the property, plant and equipment, as follows:

Office leases	3 years
Plant and machinery	5 years
Furniture and fittings	5 to 10 years
Office equipment	5 years
Office computers	3 years
Motor vehicle	5 years

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

Depreciation method and useful lives are reviewed at the end of each reporting period following the Group's consideration of the asset condition, wear-and-tear, and technology change. The effect of any changes in estimate is accounted for on a prospective basis.

(iii) Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.6 Intangible assets and goodwill

(i) Goodwill

Goodwill that arises upon the acquisition of a business is included in intangible assets. For the measurement of goodwill at initial recognition, see Note 2.1(i).

Goodwill is measured at cost less accumulated impairment losses.

The value-in-use of certain Group's licenses, are based on cash flows after tax. This is because these licenses are only sold in an after-tax market as stipulated in the Petroleum Taxation Act Section 10. The purchaser is therefore not entitled to a tax deduction for the consideration paid over and above the seller's tax values. In accordance with SFRS(I) 1-12 paragraphs 15 and 24, a provision is made for deferred tax corresponding to the difference between the acquisition cost and the transferred tax depreciation basis. The offsetting entry is goodwill. Hence, goodwill arises mainly as a technical effect of deferred tax.

(ii) Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment loss.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

NOTES TO THE FINANCIAL STATEMENTS

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.6 Intangible assets and goodwill (continued)

(ii) Other intangible assets (continued)

Amortisation is calculated based on the cost of the asset, less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The estimated useful lives for the current and comparative years are as follows:

Technology	10 years
Customer contracts	10 years
Patents	20 years
Development costs	5 years

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

2.7 Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(i) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis.

Financial assets are initially measured at fair value (except for trade receivables that do not have a significant financing component which are measured at transaction price), net of transaction costs that are directly attributable to the acquisition or issue of financial assets (other than those at fair value through profit or loss). Transaction costs directly attributable to the acquisition or issue of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

Classification of financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value through profit or loss ("**FVTPL**") based on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding ("**SPPI**").

NOTES TO THE FINANCIAL STATEMENTS

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.7 Financial instruments (continued)

(i) Financial assets (continued)

Classification of financial assets (continued)

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("**ECL**") on trade receivables and other receivables, contract assets and other debt instruments that are measured at amortised cost. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial asset. The ECL incorporates forward-looking information and is a probability-weighted estimate of the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

Details about the Group's credit risk management and impairment policies are disclosed in Note 35.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(ii) Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

NOTES TO THE FINANCIAL STATEMENTS

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.7 Financial instruments (continued)

(ii) Financial liabilities and equity (continued)

Financial liabilities at amortised cost

Financial liabilities at amortised cost include trade and other payables and borrowings. These are initially measured at fair value, net of transaction costs that are directly attributable to the acquisition or issue of the financial liabilities, and are subsequently measured at amortised cost using the effective interest method.

2.8 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, and are tested for impairment in accordance with the policy as stated in Note 2.10. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a extension or termination option or if there is a revised in-substance fixed lease payment.

NOTES TO THE FINANCIAL STATEMENTS

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.8 Leases (continued)

As a lessee (continued)

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets in 'property, plant and equipment' and lease liabilities in the statements of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.9 Inventories

Inventories of petroleum products and spare parts are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price, less the estimated selling expenses.

Cost of petroleum products is determined by the first-in first-out method and comprises direct purchase costs, cost of production, transportation and processing expenses.

Cost of spare parts is calculated based on weighted average purchase cost.

2.10 Impairment of non-financial assets

The carrying amount of the Group's non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related CGU exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value-in-use and its fair value less costs of disposal. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

NOTES TO THE FINANCIAL STATEMENTS

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.10 Impairment of non-financial assets (continued)

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amount of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

An impairment loss in respect of an associate or joint venture is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with the requirements for non-financial assets. An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount and only to the extent that the recoverable amount increases.

Goodwill that forms part of the carrying amount of an investment in an associate is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

2.11 Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

(ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(iii) Share-based payment transactions

The Group operates an equity-settled, shared-based compensation plan. The grant date fair value of equity-settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

NOTES TO THE FINANCIAL STATEMENTS

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.12 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance expense.

2.13 Revenue

Revenue from sale of crude oil and gas in the ordinary course of business is recognised when the Group satisfies a performance obligation ("**PO**") by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

Transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue relating to the sale of crude oil and gas is recognised at a point in time following the timing of satisfaction of the PO.

2.14 Finance income and finance expense

The Group's finance income and finance expense include:

- interest income;
- interest expense;
- the net gain or loss on financial assets at FVTPL;
- the bank charges, which are inclusive of cash management and processing fees;
- the unwinding of discount on decommissioning receivables and provision; and
- the foreign currency gain or loss on financial assets and financial liabilities.

Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.15 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax also includes any tax arising from dividends.

The Group is subjected to the Norwegian oil taxation regime. Companies subject to special tax may, without time limitations, carry forward corporate losses. Special petroleum tax losses are reimbursed by the state in the following year as part of the ordinary tax assessment. The tax position can be transferred on realisation of the company or merger. The calculated tax receivables are based on judgements and understanding by the Group regarding items allowable for tax deduction, and the view may differ from the Norwegian tax authorities' practice in the final tax settlement.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from (i) initial recognition of goodwill; or (ii) initial recognition of assets and liabilities in a transaction that is not a business combination, and at the time of the transaction affects neither accounting nor taxable profit, and does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognised for deductible temporary differences associated with such investments and interests only if it is probable that future taxable amounts will be available to utilise those temporary differences.

Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

NOTES TO THE FINANCIAL STATEMENTS

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.15 Tax (continued)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Offsetting

Current tax assets and liabilities are offset when there is a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and they relate to income taxes levied by the same taxation authority.

2.16 Earnings per share

The Group presents basic and diluted earnings per share ("**EPS**") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise share options and awards granted to employees.

2.17 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Executive Chairman, Executive Vice-Chairman, Chief Executive Officer ("**CEO**") and senior management to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

NOTES TO THE FINANCIAL STATEMENTS

3 EXPLORATION AND EVALUATION ASSETS

	Note	Group 2023 US$'000	Group 2022 US$'000
Cost			
At 1 January		88,336	75,035
Additions		14,268	24,522
Transferred to oil and gas properties	4	(4,624)	–
Translation differences		(2,612)	(11,221)
At 31 December		95,368	88,336
Accumulated impairment loss			
At 1 January		51,480	34,389
Impairment of capitalised exploration expenditure	23	19,544	24,285
Translation differences		(1,439)	(7,194)
At 31 December		69,585	51,480
Carrying amount		25,783	36,856

Exploration and evaluation costs incurred were in respect of exploration and evaluation of hydrocarbons in Norway and Oman.

Impairment assessment

In 2023, the Group recognised total impairment loss of US$19,544,000 with respect to exploration and evaluation assets, as a result of non-commercial exploration well in Oman, and relinquishment of certain licences in Norway and Malaysia.

In 2022, the Group recognised total impairment loss of US$24,285,000 with respect to exploration and evaluation assets in Norway, as a result of the relinquishment of licences.

Based on the approved budgets and plans for exploratory activities, no other impairment of exploration and evaluation assets was required as at reporting date.

NOTES TO THE FINANCIAL STATEMENTS

4 OIL AND GAS PROPERTIES

	Note	Group 2023 US$'000	Group 2022 US$'000
Cost			
At 1 January		303,838	196,675
Additions		53,151	56,299
Acquisition		–	55,008
Change in decommissioning provision	18	28,714	5,490
Transferred from exploration and evaluation assets	3	4,624	–
Write-off		(1,733)	–
Adjustments		(787)	(350)
Translation differences		(3,679)	(9,284)
At 31 December		384,128	303,838
Accumulated depletion and impairment loss			
At 1 January		87,496	59,653
Depletion		75,116	28,252
Impairment of oil and gas properties previously capitalised	23	11,786	–
Write-off		(310)	–
Translation differences		1,240	(409)
At 31 December		175,328	87,496
Carrying amount as at 31 December		208,800	216,342

Impairment assessment

An impairment assessment was performed over the Group's oil and gas properties. Based on the impairment assessment performed, impairment loss of US$11,786,000 was recognised in 2023 with respect to oil and gas properties in Oman. No impairment loss was recognised in 2022.

The recoverable amounts of oil and gas properties in Oman were determined based on value-in-use calculations and budgeted 3 years production period. The key assumptions used in the calculation includes pre-tax discount rate 12.35%, proved and probable reserves 2.0 million barrels of oil ("**MMbbls**") and oil price from US$79.30 to US$86.70 per barrel ("**bbl**").

The recoverable amounts of oil and gas properties (and resultant goodwill) in Norway were determined based on value-in-use calculations and budgeted 7 - 12 years production period. The key assumptions used in the calculation includes pre-tax discount rate 14%, proved and probable reserves 7.7 millions of barrels of oil equivalent ("**MMboe**") and oil price from US$79.00 to US$88.18 per bbl.

NOTES TO THE FINANCIAL STATEMENTS

4 OIL AND GAS PROPERTIES (CONTINUED)

Financial year ended 31 December 2022

Acquisition of Yme Field

On 31 December 2022, Lime Petroleum AS ("**LPA**"), a subsidiary of the Group, completed the acquisition of a 10% interest in Yme Field on the Norwegian North Sea from KUFPEC Norway AS ("**KUFPEC**") for a post-tax consideration of US$68.053 million (the "**Acquisition**"). The Yme Field is operated by Repsol Norge AS. The Acquisition further strengthens LPA's position as a full-fledged exploration and production player in the Norwegian Continental Shelf, following its acquisition of an 33.8434% interest in the producing Brage Field in 2021.

The Yme Field is located in PL 316 and PL 316B on the Norwegian Continental Shelf. According to the Norwegian Petroleum Directorate, Yme is a field in the south-eastern part of the Norwegian sector of the North Sea, 130 kilometres northeast of the Ula field.

The transaction has been determined to constitute a business combination and has been accounted for using the acquisition method of accounting as required by SFRS(I) 3 *Business Combinations*.

Details of the consideration paid, the assets acquired and liabilities assumed, and the effects on the cash flows of the Group, at the acquisition date, were as follows:

(a) Consideration transferred

The following table summarises the acquisition-date fair value of each major class of consideration transferred:

	US$'000
Cash	54,821
Deferred consideration*	29,512
Total consideration transferred	84,333

* The deferred consideration of US$29.51 million was settled on 3 February 2023.

(b) Acquisition-related costs

The Group incurred acquisition-related costs of US$219,000. These costs were included in 'administrative expenses' in the consolidated statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

4 OIL AND GAS PROPERTIES (CONTINUED)

Financial year ended 31 December 2022 (continued)

Acquisition of Yme Field (continued)

(c) Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of the acquisition.

	Note	US$'000
Oil and gas properties	4	55,008
Trade and other receivables		21,111
Inventories	11	8,888
Deferred tax assets	20	1,526
Provisions	18	(22,520)
Trade and other payables		(11,589)
Total net identifiable assets		52,424

(d) Measurement of fair values

Management primarily used a discounted cash flow model (net present value of expected future cash flows) to determine the fair value of the oil and gas properties. The model incorporated expected future cash flows based on estimates of projected revenues, production costs and capital expenditures as at the acquisition date. The cash flows were estimated using post-tax basis in accordance with the industry practice where the value of any acquisition of licences on the Norwegian Continental Shelf was not grossed up with a tax amortisation benefit.

The trade and other receivables comprised gross contractual amounts due of US$21,111,000, of which none were expected to be uncollectible at the date of the acquisition.

(e) Fair values measured on a provisional basis

A preliminary purchase price allocation ("**PPA**") was performed at 31 December 2022 and all identified assets and liabilities had been measured at their acquisition date fair values, in accordance with the requirements of SFRS(I) 3. In 2023, the PPA was finalised and did not result in any material adjustments to the provisional values.

NOTES TO THE FINANCIAL STATEMENTS

4 OIL AND GAS PROPERTIES (CONTINUED)

Financial year ended 31 December 2022 (continued)

Acquisition of Yme Field (continued)

(f) Goodwill

Goodwill arising from the acquisition was recognised as follows:

	US$'000
Cash consideration transferred	84,333
Fair value of identifiable net assets	(52,424)
Goodwill (Note 5)	31,909

(g) Revenue and profit contribution

Since the acquisition date was on the 31 December 2022, Yme Field did not contribute any revenue and profit to the Group's results in 2022. If the acquisition had occurred on 1 January 2022, management estimated that the Group's consolidated revenue would have increased by US$30,338,000, and consolidated profit for the year would have decreased by US$2,545,000. In determining these amounts, management assumed that the fair value adjustments, determined provisionally, that arose on the date of the acquisition would have been the same if the acquisition had occurred on 1 January 2022.

NOTES TO THE FINANCIAL STATEMENTS

5 GOODWILL AND INTANGIBLE ASSETS

Group	Goodwill US$'000	Technology US$'000	Customer contracts US$'000	Development costs US$'000	Patents US$'000	Total US$'000
Cost						
At 1 January 2022	–	4,700	3,800	–	–	8,500
Acquisitions – business combinations (Note 4)	31,909	–	–	–	–	31,909
At 31 December 2022	31,909	4,700	3,800	–	–	40,409
Acquisitions – Business combinations (Note 29)	3,215	–	–	–	–	3,215
Acquisitions (Note 29)	–	–	–	5,600	1,890	7,490
Additions	–	–	–	–	38	38
Adjustments	82	–	–	–	–	82
Translation differences	(1,107)	–	–	–	–	(1,107)
At 31 December 2023	34,099	4,700	3,800	5,600	1,928	50,127
Accumulated amortisation and impairment loss						
At 1 January 2022	–	3,309	2,676	–	–	5,985
Amortisation	–	470	380	–	–	850
At 31 December 2022	–	3,779	3,056			6,835
Amortisation	–	470	380	–	15	865
Impairment loss (Note 23)	21,856	–	–	–	–	21,856
Translation differences	825	–	–	–	–	825
At 31 December 2023	22,681	4,249	3,436	–	15	30,381
Carrying amount						
At 31 December 2022	31,909	921	744	–	–	33,574
At 31 December 2023	11,418	451	364	5,600	1,913	19,746

Amortisation

The amortisation of intangible assets is included in 'administrative expenses' in the consolidated statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

6 PROPERTY, PLANT AND EQUIPMENT

Group	Office leases (Note 19) US$'000	Plant and machinery US$'000	Motor vehicles US$'000	Furniture and fittings US$'000	Office equipment US$'000	Office computers US$'000	Total US$'000
Cost							
At 1 January 2022	1,724	1,079	–	202	443	505	3,953
Additions	1,155	815	–	66	36	34	2,106
Disposals	(637)	(973)	–	–	(3)	(1)	(1,614)
Translation differences	(75)	–	–	(11)	(44)	–	(130)
At 31 December 2022	2,167	921	–	257	432	538	4,315
Additions	1,244	2	–	138	41	66	1,491
Acquisitions – Business combinations (Note 29)	–	12	46	20	–	11	89
Write-offs	(655)	–	–	–	(4)	(5)	(664)
Disposals	–	–	–	–	–	(19)	(19)
Translation differences	(27)	–	–	(3)	(14)	(1)	(45)
At 31 December 2023	2,729	935	46	412	455	590	5,167
Accumulated depreciation							
At 1 January 2022	1,172	404	–	166	358	244	2,344
Depreciation	462	214	–	13	42	122	853
Disposals	(503)	(467)	–	(1)	(3)	(1)	(975)
Translation differences	(37)	–	–	(8)	(36)	–	(81)
At 31 December 2022	1,094	151	–	170	361	365	2,141
Depreciation	801	184	–	30	42	113	1,170
Acquisitions – Business combinations (Note 29)	–	2	9	2	3	–	16
Write-offs	(261)	–	–	–	–	(1)	(262)
Disposals	–	–	–	–	–	(7)	(7)
Translation differences	4	–	–	(2)	(11)	–	(9)
At 31 December 2023	1,638	337	9	200	395	470	3,049
Carrying amount							
At 31 December 2022	1,073	770	–	87	71	173	2,174
At 31 December 2023	1,091	598	37	212	60	120	2,118

NOTES TO THE FINANCIAL STATEMENTS

6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Office leases (Note 19) US$'000	Furniture and fittings US$'000	Office computers US$'000	Total US$'000
Cost				
At 1 January 2022	758	26	168	952
Additions	357	–	–	357
At 31 December 2022	1,115	26	168	1,309
Additions	589	120	24	733
At 31 December 2023	1,704	146	192	2,042
Accumulated depreciation and impairment loss				
At 1 January 2022	527	26	155	708
Depreciation	253	–	10	263
At 31 December 2022	780	26	165	971
Depreciation	395	2	8	405
At 31 December 2023	1,175	28	173	1,376
Carrying amount				
At 31 December 2022	335	–	3	338
At 31 December 2023	529	118	19	666

7 SUBSIDIARIES

	Company 2023 US$'000	Company 2022 US$'000
Equity investments, at cost	793	793
Loans to a subsidiary, at amortised cost	117,316	116,000
Less: Impairment losses	(24,172)	(24,172)
	93,937	92,621

The loans to a subsidiary are unsecured, interest-free and repayable on demand. The settlement of the loans was neither planned nor likely to occur in the foreseeable future and hence the loans were classified as non-current.

During 2023, the Company extended loans to a subsidiary of US$1,435,000 relating to acquisition of a subsidiary Moroxite T AB (Note 29). Loans to a subsidiary of US$119,000 was written off as amount is not recoverable.

NOTES TO THE FINANCIAL STATEMENTS

7 SUBSIDIARIES (CONTINUED)

The details of significant subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Principal activity	Effective equity interest held by the Group	
			2023 %	2022 %
Rex International Investments Pte Ltd ("**RII**") [a]	Singapore	Investment holding	100	100
Rex Technology Investments Pte Ltd ("**RTI**") [b]	Singapore	Oil exploration technology	100	100
Lime Petroleum AS ("**LPA**") [c]	Norway	Oil and gas exploration	91.65	91.65
Masirah Oil Ltd ("**MOL**") [d]	British Virgin Islands	Oil and gas exploration	91.81	91.81
Pantai Rhu Energy Sdn Bhd [e]	Malaysia	Oil and gas exploration	100	100
Xer Technologies Pte. Ltd. ("**Xer**") [f]	Singapore	Investment holding	53.33	–
Moroxite Holding Pte. Ltd. ("**Moroxite**") [g]	Singapore	Investment holding	100	100
Porto Novo Resources Ltd ("**PNR**") [h]	British Virgin Islands	Owner of offshore oil and gas assets in West Africa	70	–

[a] Incorporated on 13 March 2013. Audited by Deloitte & Touche LLP, Singapore.

[b] Incorporated on 6 July 2017. Audited by Deloitte & Touche LLP, Singapore.

[c] Acquired on 10 December 2015. Audited by overseas practices of Deloitte Touche Tohmatsu Limited.

[d] Acquired on 12 November 2015. Audited by overseas practices of Deloitte Touche Tohmatsu Limited.

[e] A voluntary winding up of the entity commenced in December 2023.

[f] The associate became a subsidiary in December 2023 (see Note 9). Audited by Deloitte & Touche LLP, Singapore.

[g] Incorporated on 29 December 2022. Audited by Deloitte & Touche LLP, Singapore.

[h] Newly incorporated on 19 December 2023. The Group holds 70% interest in PNR and remaining 30% is held by Monarch Marine Holding Ltd ("**MMH**") which certain controlling shareholders of the Company collectively have an effective majority stake in MMH. As at 31 December 2023, the Group's share of the capital commitments in PNR is US$1.05 million.

NOTES TO THE FINANCIAL STATEMENTS

8 NON-CONTROLLING INTERESTS

The following subsidiaries have non-controlling interests ("**NCI**") that are material to the Group:

Name of subsidiary	Country of incorporation	Operating segment	Ownership interest held by NCI 2023 %	Ownership interest held by NCI 2022 %
Lime Petroleum AS ("**LPA**")	Norway	Oil and Gas	8.35	8.35
Masirah Oil Ltd ("**MOL**")	British Virgin Islands	Oil and Gas	8.19	8.19

The following summarised financial information of the above subsidiaries are prepared in accordance with SFRS(I), modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

	LPA US$'000	MOL US$'000	Other individually immaterial subsidiaries US$'000	Total US$'000
2023				
Revenue	152,515	54,500	–	207,015
Loss for the year	(35,137)	(29,687)	(302)	(65,126)
Other comprehensive loss	(2,625)	–	44	(2,581)
Total comprehensive loss	(37,762)	(29,687)	(258)	(67,707)
Attributable to NCI:				
– Loss	(2,933)	(2,432)	(86)	(5,451)
– Other comprehensive (loss)/income	(219)	–	14	(205)
– **Total comprehensive loss**	(3,152)	(2,432)	(72)	(5,656)
Non-current assets	358,092	32,839	5,767	396,698
Current assets	132,472	58,728	1,504	192,704
Non-current liabilities	(370,776)	(10,890)	–	(381,666)
Current liabilities	(119,271)	(3,651)	(881)	(123,803)
Net equity	517	77,026	6,390	83,933
Net equity attributable to NCI	43	6,310	2,903	9,256
Cash flows from operating activities	79,622	4,257		
Cash flows (used in)/from investing activities	(97,734)	16,037		
Cash flows from/(used in) financing activities	10,859	(42,208)		
Net decrease in cash and cash equivalents	(7,253)	(21,914)		

NOTES TO THE FINANCIAL STATEMENTS

8 NON-CONTROLLING INTERESTS (CONTINUED)

	LPA US$'000	MOL US$'000	Other individually immaterial subsidiaries US$'000	Total US$'000
2022				
Revenue	98,616	71,643	–	170,259
(Loss)/Profit for the year	(8,988)	25,648	–	16,660
Other comprehensive loss	(5,059)	–	–	(5,059)
Total comprehensive (loss)/income	(14,047)	25,648	–	11,601
Attributable to NCI:				
– (Loss)/Profit	(750)	2,103	–	1,353
– Other comprehensive loss	(424)	–	–	(424)
– **Total comprehensive (loss)/income**	(1,174)	2,103	–	929
Non-current assets	347,243	75,094	–	422,337
Current assets	146,755	62,059	–	208,814
Non-current liabilities	(343,174)	(8,390)	–	(351,564)
Current liabilities	(112,544)	(22,050)	–	(134,594)
Net equity	38,280	106,713	–	144,993
Net equity attributable to NCI	3,195	8,742	–	11,937
Cash flows from operating activities	103,593	62,067		
Cash flows used in investing activities	(110,913)	(28,667)		
Cash flows from/(used in) financing activities (dividends to NCI: US$1,884,000)	33,748	(21,595)		
Net increase in cash and cash equivalents	26,428	11,805		

9 ASSOCIATE AND JOINTLY CONTROLLED ENTITIES

	Group 2023 US$'000	Group 2022 US$'000
Interests in an associate	–	2,514
Interests in jointly controlled entities	1,572	989
	1,572	3,503

NOTES TO THE FINANCIAL STATEMENTS

9 ASSOCIATE AND JOINTLY CONTROLLED ENTITIES (CONTINUED)

The details of the associate and jointly controlled entities are as follows:

Name of associate/jointly controlled entity	Country of incorporation	Principal activity	Effective equity interest held by the Group	
			2023	2022
			%	%
Associate				
Xer Technologies Pte Ltd ("**Xer**") (i)	Singapore	Manufacture and repair of industrial robots	–	40
Jointly controlled entity				
Crescent Marine Holding Ltd ("**CMH**") (ii)	British Virgin Islands	Owner of marine assets	19.9	19.9
Rexonic Holding AG ("**Rexonic**") (iii)	Switzerland	Oil exploration technology	50	50

(i) Incorporated on 8 June 2021.

In 2021, the Company's wholly-owned subsidiary Rex Technology Investments Pte Ltd ("**RTI**") entered into a conditional subscription agreement with Xer to subscribe for 33,333 shares in Xer, for a 40% shareholding interest at a consideration of up to US$4 million, upon satisfaction of specific milestones. Certain controlling shareholders of the Company collectively have an effective majority stake in Xer.

On 30 December 2022, RTI entered into a conditional subscription agreement with Xer to subscribe for additional 23,809 shares in Xer, for 13.33% shareholding interest at a consideration of up to US$4 million, upon satisfaction of specific milestones.

During 2023, the Company extended interest-free short-term unsecured loan of US$2 million to a wholly-owned subsidiary of Xer, which was fully repaid as at 31 December 2023.

On 28 December 2023, upon fulfilment of one of the specific milestones, the Group paid US$1 million for 23,809 shares in Xer. As a result, the Group has a controlling 53.33% shareholding interest in Xer (Note 7).

(ii) Incorporated on 10 November 2021. Although the Group holds 19.9% interest in CMH, decisions about relevant activities that significantly affect the returns that are generated require agreement of all parties to the arrangement. It is therefore determined that the Group participates in joint control. CMH is structured as a separate vehicle and the Group has a residual interest in its net assets. Accordingly, the Group classified its interest in CMH as a joint venture, which is equity-accounted. The remaining 80.1% is held by Monarch Marine Holding Ltd ("**MMH**") which certain controlling shareholders of the Company collectively have an effective majority stake in MMH.

During 2023, the Company provided security to allow CMH to secure debt financing from a third party financial institution in relation to CMH's purchase of its second marine asset. In respect of the security provided, CMH in turn pledged to the Company all its assets, being ranked after any security to third party lender. As at 31 December 2023, the security provided amounts to US$3.27 million.

(iii) In 2018, Rexonic filed for liquidation with the Court in Switzerland. The liquidation process is still ongoing as at 31 December 2023.

NOTES TO THE FINANCIAL STATEMENTS

9 ASSOCIATE AND JOINTLY CONTROLLED ENTITIES (CONTINUED)

Immaterial associate and jointly controlled entities

The Group has interests in an individually immaterial associate and jointly controlled entities. The following table summarises, in aggregate, the carrying amount and share of profit and other comprehensive income of the associate and jointly controlled entities that are accounted for using the equity.

	2023 US$'000	2022 US$'000
Group's interest in net assets of investee at beginning of the year	3,503	1,000
Additions	1,000	2,000
Derecognition from step acquisition (Note 29)	(2,354)	–
Group's share of (loss)/profit for the year	(577)	503
Carrying amount of interest in investee at end of the year	1,572	3,503

10 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023 US$'000	2022 US$'000	2023 US$'000	2022 US$'000
Trade receivables (third parties)	30,610	3,426	–	–
Amounts due from subsidiaries (non-trade)	–	–	10,136	4,795
Amounts due from a jointly controlled entity and an associate (non-trade)	18	97	181	87
Deposits	250	218	106	103
Other receivables	12,311	23,584	330	5
	43,189	27,325	10,753	4,990
Accrued revenue	10,264	1,456	–	–
Decommissioning receivables (i)	145,481	135,515	–	–
Prepayments	3,332	2,456	150	236
Income tax receivables (ii)	5,627	56,825	–	–
	207,893	223,577	10,903	5,226
Comprise of:				
- Non-current	145,481	135,515	–	–
- Current	62,412	88,062	10,903	5,226
	207,893	223,577	10,903	5,226

As at 1 January 2022, trade receivables from contracts with customers amounted to US$44,212,000.

NOTES TO THE FINANCIAL STATEMENTS

10 TRADE AND OTHER RECEIVABLES (CONTINUED)

The non-trade amounts due from subsidiaries and a jointly controlled entity are unsecured, interest-free, and are repayable on demand.

(i) The decommissioning receivables represent a Brage decommissioning carry limited to 95% of decommissioning costs for the current Brage Field infrastructure which is guaranteed by Repsol Exploración S.A., the parent company of Repsol Norge AS, with a guarantee granted in the Group's favour on completion of the acquisition. Most of the decommissioning is expected to occur after the expiration of the licences' validity. At the end of Brage Field's production life, the Group will pay an effective 1.69% of the total estimated decommissioning costs for the current Brage Field infrastructure, in respect of its 33.8434% interest in the Brage Field. For decommissioning provision, see Note 18.

(ii) Income tax receivables of US$5,627,000 (2022: US$56,825,000) relates to an amount receivable from the Norway tax authorities for offshore tax losses incurred during the respective financial year. The refund will be paid out in November the following year.

The Group's and the Company's exposure to credit and market risks for trade and other receivables is disclosed in Note 35 to the financial statements.

11 INVENTORIES

	Group	
	2023	2022
	US$'000	US$'000
Petroleum products	15,872	–
Spare parts	17,400	13,733
	33,272	13,733

Cost of petroleum products inventories movement recognised as expenses during the year amounted to US$17,865,000 (2022: US$1,951,000). This is included in production and operating expenses in the consolidated statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

12 QUOTED INVESTMENTS

	Group		Company	
	2023	2022	2023	2022
	US$'000	US$'000	US$'000	US$'000
Mandatorily at fair value through profit or loss				
Debt investments	18,599	12,166	18,599	12,166
Equity investments	1	10,875	–	10,874
	18,600	23,041	18,599	23,040

The debt and equity investments are all mandatorily measured at fair value through profit or loss and are held for trading. The average effective interest rate of the quoted debt investments is 4.11% (2022: 1.22%) per annum and mature in one to three years (2022: one to three years).

The Group's and the Company's exposure to credit and market risks, and fair value measurement for quoted investments is disclosed in Note 35 to the financial statements.

13 CASH AND CASH EQUIVALENTS

	Group		Company	
	2023	2022	2023	2022
	US$'000	US$'000	US$'000	US$'000
Cash at bank and on hand	95,439	115,758	15,547	25,923
Less: Restricted bank deposits	(9,045)	(9,381)	–	(475)
Cash and cash equivalents in the consolidated statement of cash flows	86,394	106,377	15,547	25,448

Restricted bank deposits consist of US$9,045,000 (NOK 92,053,000) (2022: US$8,906,000 (NOK 87,500,000)) placed as collateral for decommissioning obligation of a subsidiary and US$Nil (2022: US$475,000) pledged as securities for bank guarantee facilities granted to the Company. The average effective interest rate of bank deposits is 2.74% (2022: 0.76%) per annum.

Included in cash at bank and on hand is a short-term bank deposits of US$34,477,000 (2022: US$550,000) with tenures mostly within the range of 1 day to 3 months (2022: 1 day to 3 months). The average effective interest rate of bank deposits is 4.67% (2022: 1.08%) per annum.

The Group's and the Company's exposures to credit and market risks for cash and cash equivalents are disclosed in Note 35 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

14 SHARE CAPITAL

	Group and Company			
	2023	**2023**	**2022**	**2022**
	Number of shares ’000	**US$’000**	**Number of shares ’000**	**US$’000**
Issued and fully paid ordinary shares, with no par value				
At beginning of year	1,315,508	257,677	1,315,508	257,677
Cancellation of share capital [(i)]	–	(168,096)	–	–
At end of year	1,315,508	89,581	1,315,508	257,677

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All shares ranked equally with regard to the Company’s residual assets.

The Company’s issued and fully paid-up capital as at 31 December 2023 comprised 1,315,507,991 (31 December 2022: 1,315,507,991) ordinary shares. The number of issued shares, excluding treasury shares, was 1,302,320,991 (31 December 2022: 1,302,320,991).

[(i)] On 20 January 2023, the shareholders of the Company had approved the capital reduction exercise at an Extraordinary General Meeting, to reduce the share capital of the Company by cancelling the share capital of the Company that had been lost or was unrepresented by available assets to the extent of the amount of the accumulated losses of the Company as at 31 December 2021 of US$168,096,000. The proposed capital reduction exercise was completed on 7 March 2023.

Treasury shares

The treasury shares comprises the cost of the Company’s shares held by the Group. At 31 December 2023, the Group held 13,187,000 (2022: 13,187,000) of the Company’s shares.

15 RESERVES

Merger reserve

Merger reserve relates to reserve arising from certain acquisitions of businesses under common control accounted for under the merger accounting method.

Capital reserve

Capital reserve relates to capital contribution arising from loans forgiven by equity holders and differences between purchase consideration (of investments) and fair value of the shares issued.

Share-based payment reserve

Share-based payment reserve relates to the Employee Share Option Scheme and Performance Share Plan established by the Company to compensate its directors, key management personnel and employees.

NOTES TO THE FINANCIAL STATEMENTS

15 RESERVES (CONTINUED)

Translation reserve

Translation reserve relates to foreign currency differences arising from the translation of the financial statements of foreign operations.

Dividends

The following dividends were declared and paid by the Group and the Company:

For the financial year ended 31 December

	Group and Company	
	2023	**2022**
	US$'000	**US$'000**
Paid by the Company to owners of the Company		
US$0.0037 (2022: US$0.0035) per qualifying shares	4,844	4,541

	Group	
	2023	**2022**
	US$'000	**US$'000**
Payable by a subsidiary to NCI		
US$Nil (2022: US$113.86) per qualifying shares	–	1,884

16 SHARE-BASED PAYMENT ARRANGEMENTS

Description of the share-based payment arranges

(i) Employee Share Option Scheme ("**ESOS**") (equity-settled)

The ESOS of the Company was approved and adopted by its members at an Extraordinary General Meeting ("**EGM**") held on 24 June 2013, which lapsed in June 2023.

A new ESOS was approved by its members at an EGM of the Company on 28 September 2023. The new ESOS will be expiring on 28 September 2033.

Information regarding ESOS is as follows:

- The exercise price of the options can be set at a discount to the Market Price[1] not exceeding 20% of the Market Price at the date on which the options are granted.
- For the options granted with exercise price set at Market Price, they can be exercised 1 year from the date of the grant and will expire 5 years from the date on which the options are granted.
- For the options granted with exercise price set at a discount to the Market Price, they can be exercised 2 years from the date of the grant and will expire 5 years from the date on which the options are granted.
- The ESOS shall be in force for a maximum of 10 years from the date on which the ESOS was adopted. Upon obtaining the approval of shareholders by ordinary resolution in general meeting and of any relevant authorities which may be required, the ESOS may continue beyond 10 years from the date it was adopted.

NOTES TO THE FINANCIAL STATEMENTS

16 SHARE-BASED PAYMENT ARRANGEMENTS (CONTINUED)

Description of the share-based payment arrangements (continued)

(i) Employee Share Option Scheme ("**ESOS**") (equity-settled) (continued)

[1] The Market Price is calculated based on the average of the last dealt prices for the Company's shares on the Mainboard of the SGX-ST over the 5 consecutive trading days immediately preceding the date on which the options are granted.

No options were granted by the Company during the financial year ended 31 December 2023. There are no options outstanding as at 31 December 2023 and 31 December 2022, as all options granted have expired.

(ii) Performance Share Plan ("**PSP**") (equity-settled)

The PSP of the Company was approved and adopted by its members at an Extraordinary General Meeting ("**EGM**") held on 24 June 2013 and lapsed on 24 June 2023.

A new PSP of the Company was approved by its members at an EGM held on 28 September 2023. The new PSP will be expiring on 28 September 2033.

Movement of the awards of ordinary shares granted under the PSP (the "**Awards**"):

	Number of Awards					
Date of grant of Awards	**At 1 January**	**Granted**	**Lapsed/ cancelled**	**Vested**	**At 31 December**	**Number of holders at 31 December**
2023						
8 April 2022	10,524,100	–	(10,524,000)[5]	–	–	–
20 October 2022	3,600,000	–	(3,600,000)[5]	–	–	–
	14,124,100	–	(14,124,100)	–	–	–
2022						
9 March 2021	11,724,100[1]	–	(11,724,100)[2]	–	–	–
8 April 2022	–	11,724,100[3]	(1,200,000)[4]	–	10,524,100	3
20 October 2022	–	3,600,000[3]	–	–	3,600,000	3
	11,724,100	15,324,100	(12,924,100)	–	14,124,100	6

[1] On 9 March 2021, the Company granted 11,724,100 Awards to certain directors of the Company. The number of Awards to be vested will range from 0% to 100%, subject to fulfilment of certain predetermined performance benchmarks and the satisfactory completion of time-based service conditions.

If the Average Performance Market Price* is S$0.30 and above, 50% of the Awards shall be released after the vesting period. If the Average Performance Market Price is S$0.45 and above, an additional 50% of the Awards shall be released. If the Average Performance Market Price is less than S$0.30, none of the Awards shall be released unless otherwise determined by the committee administering the PSP.

NOTES TO THE FINANCIAL STATEMENTS

16 SHARE-BASED PAYMENT ARRANGEMENTS (CONTINUED)

Description of the share-based payment arrangements (continued)

(ii) Performance Share Plan ("**PSP**") (equity-settled) (continued)

(2) On 8 April 2022, 5,862,050 Awards previously granted had been cancelled (forthwith lapsed and to be of no value).

On 29 April 2022, 5,862,050 Awards previously granted had been cancelled (forthwith lapsed and to be of no value), subsequent to the approval of payment of additional remuneration to certain Directors at the conclusion of the Annual General Meeting held on 29 April 2022.

(3) On 8 April 2022 and 20 October 2022, the Company granted 11,724,100 and 3,600,000 Awards respectively to certain directors of the Company. The number of Awards to be vested will range from 0% to 100%, subject to fulfilment of certain predetermined performance benchmarks and the satisfactory completion of time-based service conditions.

If the Average Performance Market Price* is S$0.45 and above, 50% of the number of shares in the Awards shall be released. If the Average Performance Market Price is S$0.60 and above, an additional 50 per cent of the number of shares in the Awards shall be released. If the Average Performance Market Price is less than S$0.45 and S$0.60 in 2022 and 2023 respectively, a Key Performance Indicator-based incentive scheme ("**KPI-based Incentive Scheme**") shall apply and the number of shares to be released under the Awards will range from 0% to 100%, subject to the fulfilment of the predetermined performance targets in the KPI-based Incentive Scheme. The committee administering the PSP may also modify the release of the Awards in tranches at its own discretion, in accordance with the rules of the PSP.

(4) On 29 April 2022, 1,200,000 Awards previously granted to a director had been cancelled (forthwith lapsed and to be of no value), subsequent to his retirement as Independent Non-Executive Director.

(5) On 13 March 2023, all 14,124,100 outstanding Awards as at 31 December 2022 were cancelled (forthwith lapsed and to be of no value).

* ***Average Performance Market Price*** refers to the average of Company's closing market prices of Shares over a consecutive period of five (5) market days in which transactions in the Shares were recorded, at any time within a two-year period from the date of Awards.

** ***S$***: Singapore dollars.

Expenses recognised in profit or loss

	Group	
	2023	**2022**
	US$'000	**US$'000**
Equity-settled share-based payment transactions		
Total expense recognised for equity-settled share-based payment	–	357

NOTES TO THE FINANCIAL STATEMENTS

17 LOANS AND BORROWINGS

	Group		Company	
	2023	2022	2023	2022
	US$'000	US$'000	US$'000	US$'000
Secured bond issues	101,109	91,948	–	–
Bank overdraft	4,000	–	4,000	–
	105,109	91,948	4,000	–
Analysed as:				
- Non-current	64,263	77,987	–	–
- Current	40,846	13,961	4,000	–
Total	105,109	91,948	4,000	–

The Group's exposures to market and liquidity risks for loans and borrowings are disclosed in Note 35 to the financial statements.

Secured bond issues

On 5 July 2022, Lime Petroleum AS ("**LPA**"), a subsidiary of the Group, completed the issuance of a three-year senior secured bond issue of NOK 950 million (approximately US$96.70 million) (the "**Bond Issue**" or the "**Bonds**") (ISIN: NO0012559246), with maturity date on 7 July 2025. The coupon rate is 3 months Norwegian interbank offered rate ("**NIBOR**") plus 9.25%. The Bonds were issued at 97% of the nominal amount. The Bonds are listed on the Oslo Børs.

On 10 January 2023, LPA successfully raised additional NOK 250 million (approximately US$25.3 million) through the tap mechanism in its existing Bonds with the same maturity date on 7 July 2025. The settlement took place on 18 January 2023. The bonds were issued at 99.25% of the nominal amount.

On 17 April 2023, LPA successfully raised another NOK 50 million (approximately US$4.8 million) through the tap mechanism in its existing Bonds with the same maturity date on 7 July 2025. The settlement took place on 21 April 2023. The bonds were issued at 99.0% of the nominal amount. After the two tap issues were carried out, the total outstanding amount of Bonds amounted to NOK 1,250 million.

Assets pledged as security

The Bond Issue is secured with, 1) *inter alia*, a pledge over the Company's wholly owned subsidiary, Rex International Investments Pte. Ltd.'s shareholding interests in LPA, and 2) first priority assignment of mortgage over the interest in the hydrocarbon licenses in Norway, monetary claims under LPA's insurances, first priority charge over LPA's bank accounts including charged account and floating charges over LPA's trade receivables, operating assets and inventory.

Bank overdraft

The average effective interest rate on bank overdraft is approximately 5.88% per annum with maturity date on 14 February 2024. The bank overdraft was repaid on 14 February 2024.

NOTES TO THE FINANCIAL STATEMENTS

17 LOANS AND BORROWINGS (CONTINUED)

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Loans and borrowings* US$'000	Lease liabilities (Note 19) US$'000	Total US$'000
At 1 January 2023	94,926	1,045	95,971
Changes from financing cash flows			
Payment for transaction costs related to loans and borrowings	(981)	–	(981)
Proceeds from issuance of bonds	30,047	–	30,047
Proceeds from bank overdraft	4,000	–	4,000
Repayment of bonds	(17,431)	–	(17,431)
Repayment of lease liabilities	–	(711)	(711)
Interest paid	(20,148)	(88)	(20,236)
Total changes from financing cash flows	(4,513)	(799)	(5,312)
Other changes			
New leases	–	1,196	1,196
Derecognition of lease liability	–	(401)	(401)
Interest expense on lease liabilities	–	88	88
Interest expense on loans and borrowings	22,790	–	22,790
Effect of changes in foreign exchange rates	(4,564)	(31)	(4,595)
Total other changes	18,226	852	19,078
At 31 December 2023	108,639	1,098	109,737
At 1 January 2022	55,619	574	56,193
Changes from financing cash flows			
Payment for transaction costs related to loans and borrowings	(3,729)	–	(3,729)
Proceeds from issuance of bonds	89,358	–	89,358
Repayment of bonds	(50,598)	–	(50,598)
Repayment of lease liabilities	–	(443)	(443)
Interest paid	(8,079)	(46)	(8,125)
Total changes from financing cash flows	26,952	(489)	26,463
Other changes			
New leases	–	1,093	1,093
Derecognition of lease liability	–	(140)	(140)
Interest expense on lease liabilities	–	46	46
Interest expense on loans and borrowings	13,797	–	13,797
Effect of changes in foreign exchange rates	(1,442)	(39)	(1,481)
Total other changes	12,355	960	13,315
At 31 December 2022	94,926	1,045	95,971

* Includes accrued interest of US$3,530,000 as at 31 December 2023 (2022: US$2,978,000).

NOTES TO THE FINANCIAL STATEMENTS

18 PROVISIONS

	Group	
	2023	2022
	US$'000	US$'000
Decommissioning provision		
At 1 January	190,661	197,147
Acquisition through business combinations (Note 4)	–	22,520
Provisions/(reversal)	37,093	(13,189)
Unwind of discount	5,935	3,766
Utilisation of provision	(11,480)	–
Translation differences	(6,549)	(19,583)
At 31 December	215,660	190,661

The decommissioning provision represents the present value of the cost of rehabilitating and decommissioning oil field assets and infrastructure such as wells, pipelines and processing facilities in Oman and Norway, which are expected to be incurred when the operations are ceased. These provisions have been created based on the Group's internal estimates. Assumptions based on the current economic environment have been made, which management believes are a reasonable basis upon which to estimate the future liability. These estimates, including discount rates, are reviewed regularly to take into account any material changes to the assumptions. However, actual decommissioning costs will ultimately depend upon future market prices for the necessary decommissioning works required that will reflect market conditions at the relevant time. Furthermore, the timing of decommissioning is likely to depend on when the fields cease to produce at economically viable rates. This, in turn, will depend upon future oil and gas prices, which are inherently uncertain.

In 2023, as part of the Group's regular review, the provisions were revised following the establishment and commencement of the planned drilling programme in Oman and Norway. Accordingly, the provisions increased by US$37,093,000 (2022: decreased by US$13,189,000) with a corresponding increase in decommissioning receivables of US$8,379,000 (2022: decrease by US$18,679,000) and an increase in oil and gas properties of US$28,714,000 (2022: US$5,490,000) (Note 4).

19 LEASES

Leases as lessee

The Group leases office facilities. The leases typically run for a period of three years, with an option to renew the lease after that date. Lease payments are renegotiated every three years to reflect market rentals. Some leases provide for additional rent payments that are based on changes in local price indices. For certain leases, the Group is restricted from entering into any sub-lease arrangements.

The Group leases motor vehicles, tanker and equipment used in exploration activities with contract terms of less than one year. These leases are short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

Information about leases for which the Group is a lessee is presented below. The Group's exposure to liquidity risks for lease liabilities is disclosed in Note 35 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

19 LEASES (CONTINUED)

Leases as lessee (continued)

Right-of-use assets

	Group		Company	
	2023	**2022**	**2023**	**2022**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Office leases				
At 1 January	1,073	552	335	231
Additions	1,244	1,155	589	357
Depreciation	(801)	(462)	(395)	(253)
Derecognition	(394)	(134)	–	–
Translation differences	(31)	(38)	–	–
At 31 December	1,091	1,073	529	335

Lease liabilities

	Group		Company	
	2023	**2022**	**2023**	**2022**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Current	477	409	282	207
Non-current	621	636	221	87
Total	1,098	1,045	503	294

Amounts recognised in profit or loss

	Group	
	2023	**2022**
	US$'000	**US$'000**
Interest on lease liabilities (Note 17)	88	46
Expenses relating to short-term leases	25	27

Amounts recognised in consolidated statement of cash flows

	Group	
	2023	**2022**
	US$'000	**US$'000**
Total cash outflow for leases (Note 17)	799	489

NOTES TO THE FINANCIAL STATEMENTS

19 LEASES (CONTINUED)

Leases as lessee (continued)

Extension options

Some property, motor vehicles, tanker and equipment used in exploration activities leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

20 DEFERRED TAX LIABILITIES

Recognised deferred tax liabilities

Deferred tax liabilities and the movements in deferred tax balances are attributable to the following:

Group	At 1 January US$'000	Recognised in profit or loss (Note 26) US$'000	Acquisition through business combinations (Note 4) US$'000	Translation differences US$'000	At 31 December US$'000
2023					
Exploration and evaluation assets	16,522	(13,863)	–	(1,096)	1,563
Oil and gas properties	50,363	33,265	–	(490)	83,138
Total	66,885	19,402	–	(1,586)	84,701
2022					
Exploration and evaluation assets	22,349	(3,602)	–	(2,225)	16,522
Oil and gas properties	18,482	36,108	(1,526)	(2,701)	50,363
Total	40,831	32,506	(1,526)	(4,926)	66,885

NOTES TO THE FINANCIAL STATEMENTS

20 DEFERRED TAX LIABILITIES (CONTINUED)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Group and the Company can use the benefits therefrom.

	Group		Company	
	2023 US$'000	2022 US$'000	2023 US$'000	2022 US$'000
Tax losses	57,513	55,791	57,513	55,791

The use of the potential tax benefits is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the Group and the Company operates.

21 TRADE AND OTHER PAYABLES

	Group		Company	
	2023 US$'000	2022 US$'000	2023 US$'000	2022 US$'000
Trade payables (third parties)	3,505	26,576	–	–
Amounts due to subsidiaries (non-trade)	–	–	42,465	44,343
Accruals	48,550	41,355	1,850	5,361
Advances from customer	39,413	30,209	–	–
Deferred consideration (Note 4)	–	29,512	–	–
Dividends payable to non-controlling interests (Note 8)	420	1,884	–	–
	91,888	129,536	44,315	49,704

Trade payables are non-interest bearing and are generally settled on terms ranging from 2 to 4 weeks (2022: 2 to 4 weeks).

The non-trade amounts due to subsidiaries are unsecured, interest-free, and are repayable on demand.

Advances from customer of US$39,413,000 (2022: US$30,209,000) relates to a prepaid amount received from a customer in Norway in relation to the crude oil sales.

The Group's and the Company's exposure to market and liquidity risks for trade and other payables is disclosed in Note 35 to the financial statements.

22 REVENUE

	Group	
	2023 US$'000	2022 US$'000
Sale of crude oil	172,148	149,841
Sale of gas	34,867	20,418
	207,015	170,259

NOTES TO THE FINANCIAL STATEMENTS

22 REVENUE (CONTINUED)

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies:

Sale of crude oil and gas

Nature of goods or services	Crude oil and gas
When revenue is recognised	Revenue is recognised when goods are delivered to the customer and all criteria for acceptance have been satisfied.
Significant payment terms	Invoices are payable based on the agreed payment terms with the customers, at 5 to 30 days after the date of bill of lading.

The following table provides information about contract assets (termed 'accrued revenue' as disclosed in Note 10) and contract liabilities (termed 'advances from customer' as disclosed in Note 21) from contracts with customers.

	Group	
	2023	**2022**
	US$'000	**US$'000**
Contract assets	10,264	1,456
Contract liabilities	(39,413)	(30,209)

As at 1 January 2022, contract assets and contract liabilities amounted to US$Nil.

Contract assets

Contract assets relate to Group's rights to considerations from customers for delivered sale of gas but not billed as at balance sheet date. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer.

Significant changes in contract assets balances during the year are as follows:

	Group	
	2023	**2022**
	US$'000	**US$'000**
Transfer of contract assets recognised at the beginning of the year to trade receivables	(1,456)	–
Recognition of revenue, net of transfer to trade receivables during the year	10,264	1,456

Contract liabilities

Contract liabilities relate to prepaid amount received from a customer in relation to the crude oil sales. Contract liabilities are recognised as revenue when the Group fulfils its performance obligation under the contract with the customer.

NOTES TO THE FINANCIAL STATEMENTS

22 REVENUE (CONTINUED)

Contract liabilities (continued)

Significant changes in contract liabilities balances during the year are as follows:

	Group	
	2023 US$'000	2022 US$'000
Revenue recognised that was included in the contract liabilities at the beginning of the year	30,209	–
Increases due to cash received, excluding amount recognised as revenue during the year	(39,413)	(30,209)

23 OTHER EXPENSES

		Group	
	Note	2023 US$'000	2022 US$'000
Impairment loss on exploration and evaluation assets	3	19,544	24,285
Impairment loss on oil and gas properties	4	11,786	–
Impairment of goodwill	5	21,856	–
Other expenses		783	3,444
		53,969	27,729

24 FINANCE INCOME AND EXPENSE

	Group	
	2023 US$'000	2022 US$'000
Finance income on:		
– bank deposits	2,269	595
– debt investments	768	149
	3,037	744
Finance expense on:		
– borrowings and other financing arrangement	(22,790)	(15,197)
– lease liabilities	(88)	(46)
– unwinding of discount on decommissioning receivables and provision	(334)	477
	(23,212)	(14,766)

NOTES TO THE FINANCIAL STATEMENTS

25 LOSS BEFORE TAX

The following items have been included in arriving at loss before tax:

	Group 2023 US$'000	Group 2022 US$'000
Audit fees paid/payable to:		
– auditors of the Company and its network firms	(401)	(364)
Non-audit fees paid/payable to:		
– auditors of the Company and its network firms	(2)	(10)
– other auditors	(39)	(14)
Amortisation of intangible assets	(865)	(850)
Depreciation of property, plant and equipment	(1,170)	(853)
Depletion of oil and gas properties	(75,116)	(28,252)
Directors' fees	(1,039)	(1,160)
Employee benefits expense	(11,526)	(18,482)
Fair value gain/(loss) on quoted investments	1,695	(2,786)
(Loss)/Gain on disposal of quoted investments	(766)	615
Write-off of oil and gas properties	(1,423)	–
Write-off of property, plant and equipment	(8)	–
Loss on disposal of property, plant and equipment	(7)	(505)

	2023 US$'000	2022 US$'000
Employee benefits expense		
Salaries, bonuses and other costs	11,285	17,900
Contributions to defined contribution plans	241	225
Equity-settled share-based payment transactions	–	357
	11,526	18,482

NOTES TO THE FINANCIAL STATEMENTS

26 TAX EXPENSE/(CREDIT)

	Group	
	2023	2022
	US$'000	US$'000
Current tax		
Current year	(4,506)	(31,306)
Changes in estimates related to prior years [(i)]	(2,229)	(8,161)
	(6,735)	(39,467)
Deferred tax (Note 20)		
Origination and reversal of temporary differences	19,402	32,506
Tax expense/(credit)	12,667	(6,961)

	Group	
	2023	2022
	US$'000	US$'000
Reconciliation of effective tax rate		
Loss before tax	(56,695)	(6,608)
Tax benefit using the Singapore tax rate at 17%	(9,638)	(1,123)
Effect of tax rates in foreign jurisdictions	(5,112)	(2,104)
Effect of results of equity-accounted investees, net of tax	98	(85)
Non-deductible expenses	31,235	8,645
Non-taxable income	(1,980)	(6,408)
Current year losses for which no deferred tax asset was recognised	293	2,275
Changes in estimates related to prior years [(i)]	(2,229)	(8,161)
Tax expense/(credit)	12,667	(6,961)

[(i)] In 2022, the Norwegian tax system restructured to a cash flow tax, among which was the removal of the specific tax incentive for exploration activities. The change in the estimates is finalised in current year.

NOTES TO THE FINANCIAL STATEMENTS

27 LOSS PER SHARE

Basic and diluted loss per share

The calculation of basic and diluted loss per share has been based on the following loss attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

	Group	
	2023	**2022**
	US$'000	**US$'000**
Loss attributable to ordinary shareholders		
Loss for the year, attributable to the owners of the Company	(63,911)	(1,000)
Weighted-average number of ordinary shares		
Issued ordinary shares at 1 January	1,302,320,991	1,302,320,991
Weighted-average number of ordinary shares (basic)	1,302,320,991	1,302,320,991
Weighted-average number of ordinary shares (diluted)	1,302,320,991	1,302,320,991

There was no outstanding share award as at 31 December 2023.

At 31 December 2022, 14,124,100 shares awards were excluded from the diluted weighted number of ordinary shares calculation as they either had minimal impact or their effect would have been anti-dilutive. As such, the basic and fully diluted loss per share were the same for the financial year ended 31 December 2022.

28 OPERATING SEGMENTS

The Group's reportable segments as described below are the Group's strategic business units. The management has determined the reportable segments based on the reports reviewed by the Group's Executive Chairman and Chief Executive Officer ("**CEO**") that are used to make strategic decisions. Performance is measured based on segment results as included in the internal management reports that are reviewed by the Group's Executive Chairman and CEO.

The Group has 3 reportable segments: Oil and Gas; Non-Oil and Gas; and Corporate. The following summary describes the operations of each of the Group's reportable segments:

- Oil and Gas: involved in oil and gas exploration and production with concessions located in Oman and Norway.
- Non-Oil and Gas: pertains to the oil exploration technology, medical technology and industrial robots segments.
- Corporate: pertains to corporate functions.

Revenue relating to the provision of services in the Non-Oil and Gas segment relates to intercompany revenue which is recognised over time, based on the percentage of completion reflecting the progress towards complete satisfaction of that PO.

The accounting polices of the reportable segments are the same as those applied by the Group.

NOTES TO THE FINANCIAL STATEMENTS

28 OPERATING SEGMENTS (CONTINUED)

Information regarding the results of each reportable segment is as below:

Group	Oil and Gas US$'000	Non-Oil and Gas US$'000	Corporate US$'000	Total US$'000
2023				
Sale of crude oil and gas	207,015	–	–	207,015
Service revenue	–	1,243	–	1,243
Total revenue for reportable segments	207,015	1,243	–	208,258
Elimination of inter-segment revenue	–	(1,243)	–	(1,243)
Consolidated revenue	207,015	–	–	207,015
Other income	6	41	43	90
Segment expense	(101,627)	(1,221)	(6,570)	(109,418)
Amortisation of intangible assets	–	(865)	–	(865)
Depreciation of property, plant and equipment	(765)	–	(405)	(1,170)
Depletion of oil and gas properties	(75,116)	–	–	(75,116)
Finance income	1,870	17	1,150	3,037
Finance expense	(23,053)	(1)	(158)	(23,212)
Foreign exchange (loss)/gain	(4,851)	(3)	632	(4,222)
Share of loss of equity-accounted investees	–	(577)	–	(577)
Other material non-cash items:				
– Changes in fair values of quoted investments	–	–	1,695	1,695
– Gain from disposal of quoted investments	–	–	(766)	(766)
– Impairment of goodwill	(21,856)	–	–	(21,856)
– Impairment loss on exploration and evaluation assets	(19,544)	–	–	(19,544)
– Impairment loss on oil and gas properties	(11,786)	–	–	(11,786)
Reportable segment loss before tax	(49,707)	(2,609)	(4,379)	(56,695)
Reportable segment assets	541,158	15,004	57,061	613,223
Segment assets include:				
Additions to:				
– Property, plant and equipment*	103	–	144	247
– Patents	–	38	–	38
– Exploration and evaluation assets	14,268	–	–	14,268
– Oil and gas properties	53,151	–	–	53,151
Investment in an associate	–	1,000	–	1,000
Reportable segment liabilities	487,699	4,297	6,460	498,456

* Excludes right-of-use assets.

NOTES TO THE FINANCIAL STATEMENTS

28 OPERATING SEGMENTS (CONTINUED)

Group	Oil and Gas US$'000	Non-Oil and Gas US$'000	Corporate US$'000	Total US$'000
2022				
Sale of crude oil and gas	170,259	–	–	170,259
Service revenue	–	1,609	–	1,609
Total revenue for reportable segments	170,259	1,609	–	171,868
Elimination of inter-segment revenue	–	(1,609)	–	(1,609)
Consolidated revenue	170,259	–	–	170,259
Other income	–	1	1	2
Segment expense	(92,598)	(1,546)	(11,344)	(105,488)
Amortisation of intangible assets	–	(850)	–	(850)
Depreciation of property, plant and equipment	(590)	–	(263)	(853)
Depletion of oil and gas properties	(28,252)	–	–	(28,252)
Finance income	574	–	170	744
Finance expense	(14,687)	(2)	(77)	(14,766)
Foreign exchange gain/(loss)	611	24	(2,086)	(1,451)
Share of profit of equity-accounted investees	–	503	–	503
Other material non-cash items:				
– Changes in fair values of quoted investments	(7)	–	(2,779)	(2,786)
– Gain from disposal of quoted investments	–	–	615	615
– Impairment loss on exploration and evaluation assets	(24,285)	–	–	(24,285)
Reportable segment profit/(loss) before tax	11,025	(1,870)	(15,763)	(6,608)
Reportable segment assets	612,479	5,386	50,693	668,558
Segment assets include:				
Additions to:				
– Property, plant and equipment*	951	–	–	951
– Exploration and evaluation assets	24,522	–	–	24,552
– Oil and gas properties	56,299	–	–	56,299
Investment in an associate	–	2,000	–	2,000
Acquisition of oil and gas properties	55,008	–	–	55,008
Reportable segment liabilities	473,329	1,053	5,693	480,075

* Excludes right-of-use assets.

NOTES TO THE FINANCIAL STATEMENTS

28 OPERATING SEGMENTS (CONTINUED)

Geographical information

The Oil and Gas, Non-Oil and Gas and Corporate segments are managed on a worldwide basis, but operate primarily in Norway, Oman, Switzerland, Sweden, Singapore, and the British Virgin Islands.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of the assets.

	Group	
	2023	**2022**
	US$'000	**US$'000**
Revenue		
Singapore	54,500	71,643
Norway	152,515	98,616
	207,015	170,259
Non-current assets		
British Virgin Islands	1,572	2,654
Malaysia	–	1,769
Norway	212,611	211,727
Oman	31,553	73,447
Switzerland	8,889	–
Sweden	1,913	–
Singapore	1,481	2,852
	258,019	292,449

Major customer

Revenue from two (2022: three) external customers of the Group's Oil and Gas segment represents the Group's total revenue.

NOTES TO THE FINANCIAL STATEMENTS

29 ACQUISITION

(i) Acquisition of a subsidiary, Xer Technologies Pte Ltd ("Xer")

On 28 December 2023, the Group acquired an additional 13.33% of the shares and voting interests in Xer, resulting in the Group obtaining control. The principal activities of Xer is that of developing, manufacturing and marketing high performance drones, as well as drone software and services.

The Group had invested in Xer to diversify from its core business of oil exploration and production to an investment in a promising company in an up-and-coming industry that exhibits strong growth potential, at a relatively modest consideration, coupled with limited risks. From the date of acquisition, Xer is consolidated as a subsidiary in the Group's financial statements. The transaction has been determined to constitute a business combination and has been accounted for using the acquisition method of accounting as required by SFRS(I) 3 *Business Combinations*.

The accounting for the acquisition of Xer has been provisionally determined at 31 December 2023. At the date of finalisation of these consolidated financial statements, the necessary market valuations and other calculations as part of the purchase price allocation set out below are only provisionally determined based on the management's best estimate of the likely values. The purchase price allocation will be finalised during the financial year ending 31 December 2024.

a) Consideration transferred

	US$'000
Cash	1,000
Contingent consideration[(i)]	3,000
Total consideration	4,000

(i) The contingent consideration arrangement requires the Group to commit capital injection of up to US$3,000,000 if 3 technical and sales milestones are achieved by Xer. On 15 January 2024, one of the milestones was achieved, and US$1,000,000 was paid by the Group. Based on the past milestones achieved by Xer, the Management considers the payment of the contingent consideration to be probable, and US$3,000,000 represents the estimated fair value.

Effect of cash flows of the Group	**US$'000**
Cash consideration transferred	1,000
Less: cash and cash equivalents of subsidiary acquired	(184)
Total net identifiable assets	816

b) Acquisition-related costs

The Group did not incur any acquisition-related costs.

NOTES TO THE FINANCIAL STATEMENTS

29 ACQUISITION (CONTINUED)

(i) Acquisition of a subsidiary, Xer Technologies Pte Ltd ("Xer") (continued)

c) Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of the acquisition.

	US$'000
Property, plant and equipment (Note 6)	73
Intangible assets (Note 5)	5,600
Inventories	331
Trade and other receivables	410
Cash and cash equivalents	184
Trade and other payables	(714)
Net identifiable assets acquired	5,884

The fair value of the financial assets includes receivables acquired (which principally comprised of trade receivables) with a fair value and a gross contractual value of US$410,000. Management expects to collect the contractual cash flow in full.

d) Acquisition achieved in stages

There is no gain or loss recognised as a result of remeasuring to fair value the equity interest in Xer held by the Group before the business combination, as management determines the fair value to approximate the carrying value of Xer as an associate held by the Group prior to obtaining control.

e) Non-controlling interests

The non-controlling interest (46.67% ownership interest in Xer) recognised at the acquisition date was measured by reference to the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets.

f) Goodwill on step acquisition

Goodwill arising from the step acquisition has been recognised as follows:

	US$'000
Consideration transferred	4,000
NCI, based on their proportionate interest in the recognised amounts of the assets and liabilities of the acquiree	2,745
Fair value of previously held equity interest (Note 9)	2,354
Less: net identifiable assets acquired	(5,884)
Goodwill (Note 5)	3,215

Goodwill arose in the acquisition of Xer because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of technology innovation of Xer. None of the goodwill is expected to be deductible for tax purposes.

NOTES TO THE FINANCIAL STATEMENTS

29 ACQUISITION (CONTINUED)

(i) Acquisition of a subsidiary, Xer Technologies Pte Ltd ("Xer") (continued)

g) Revenue and profit contribution

Since the acquisition was completed on 28 December 2023, Xer did not contribute any revenue and profit to the Group's results for FY2023. If the acquisition had occurred on 1 January 2023, Management estimated that the Group's consolidated revenue would have increased by US$48,000, and consolidated loss for the year would have increased by US$2,901,000.

(ii) Acquisition of a subsidiary, Moroxite T AB ("Moroxite T")

On 31 July 2023, the Group acquired 70% of the shares and voting interests in Moroxite T, resulting in the Group obtaining management control. From the date of acquisition, Moroxite T is consolidated as a subsidiary in the Group's financial statements. The transaction has been accounted for as an asset acquisition.

a) Consideration transferred

The total cash consideration paid was US$2,354,000, included in cash flows from investing activities.

Effect of cash flows of the Group	**US$'000**
Cash consideration transferred [i]	2,354
Less: cash and cash equivalents of subsidiary acquired	(694)
Total net identifiable assets	1,660

[i] The Company's wholly-owned subsidiary Moroxite Holding Pte Ltd entered into a conditional share purchase agreement and subsequently an addendum to the agreement with Moroxite AB ("**MA**") in relation to the acquisition of Moroxite T. US$1,435,000 of the cash consideration transferred was paid to MA. A close family member of certain controlling shareholders of the Company collectively have a non-controlling stake in MA.

b) Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of the acquisition.

	US$'000
Intangible assets (Note 5)	1,890
Trade and other receivables	34
Cash and cash equivalents	694
Trade and other payables	(36)
Net identifiable assets acquired	2,582

NOTES TO THE FINANCIAL STATEMENTS

30 COMMITMENTS

Certain subsidiaries have firm capital commitments where the Group is required to participate in minimum exploration activities. The Group's total estimated minimum exploration commitment is approximately US$21,300,000 (2022: US$6,036,000). At the reporting date, the Group's outstanding minimum exploration commitments will fall due within one year.

The estimated minimum capital commitment for drilling campaigns in 2024 is approximately US$59,950,000.

31 CONTINGENCIES

Legal claims

On 5 August 2021, Petroci Holding ("**Petroci**") filed a claim against the Company's subsidiaries, Rex Oman Limited ("**Rex Oman**"), Masirah Oil Ltd ("**MOL**"), and certain past and present directors of MOL in the High Court, Commercial Division of the British Virgin Islands, in connection with the alleged conduct of MOL's affairs, which led to a dilution of Petroci's interest in MOL as a partner and minority shareholder.

Management has considered the above claims and allegations and are of the view that these claims and allegations against Rex Oman and MOL are frivolous, baseless and unmeritorious. Management does not expect any material financial impact from the claim.

32 GUARANTEE

KUFPEC Norway AS

The Company (hereinafter referred to as the "**Guarantor**", as a primary obligor and not merely as a surety) had provided a parent company guarantee to KUFPEC Norway AS ("**KUFPEC**") (hereinafter referred to as "**Seller**") as guarantee to the Seller that Lime Petroleum AS (hereinafter referred to as "**Buyer**") will perform the Guaranteed Obligations and shall comply with the terms and conditions of the Decommissioning Security Agreement ("**DSA**").

The Guarantor undertakes to pay to the Seller, within seven days upon written demand of the Seller stating that the Buyer has failed to pay any amount due and payable to the Seller under the DSA, such amount due and payable.

The Guarantor further undertakes to hold the Seller whole for any taxes that the Seller has to pay on any amount paid to the Seller under this Guarantee.

The Guarantor further undertakes, upon the request of the Seller, to immediately perform any Guaranteed Obligations not performed by the Buyer or procure that such Guaranteed Obligations are performed by a third party.

Jack-Up Barge Operations B.V.

On 6 March 2020, the Company had provided a parent guarantee to Jack-Up Barge Operations B.V. ("JUB") to guarantee the duties, undertakings and obligations or discharge any or all of its liabilities under or pursuant to a charter party dated 30 December 2019 entered into by MOL for the charter of self-elevating platform "JB114" with JUB. The parent guarantee to JUB had been released and discharged on 20 June 2022.

NOTES TO THE FINANCIAL STATEMENTS

32 GUARANTEE (CONTINUED)

Ministry of Petroleum and Energy

The Company had provided a parent company guarantee to the Ministry of Petroleum and Energy on basis of the Norwegian Petroleum Act. Under the Norwegian Petroleum Act, the Company undertakes financial liability as surety for obligations that may arise from exploration for and exploitation of subsea natural resources on the Norwegian Continental Shelf ("**NCS**") and any liability, including liability for any recovery claim, which may be imposed under Norwegian law for pollution damage and for personal injury.

Management believes that the Group and the operators of its licences in the NCS are in compliance with current applicable environmental laws and regulations and management believes that no claim will be made against the Company under the guarantee.

33 RELATED PARTIES

Transactions with key management personnel

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group. The directors and certain key executives of the management team are considered as key management of the Group.

Key management personnel compensation comprised:

	Group	
	2023	**2022**
	US$'000	**US$'000**
Short-term employment benefits		
- Directors	2,539	5,525
- Key executives	5,093	8,680
Post-employment benefits (including contributions to defined contribution plans)	51	16
Share-based payments	–	357
	7,683	14,578

Other related party transactions

In addition to the related party information disclosed elsewhere in the consolidated financial statements, the following significant transactions with related parties took place at terms agreed between the parties during the year:

	Group	
	2023	**2022**
	US$'000	**US$'000**
Consultancy fees paid to companies in which directors and/or their close family member have an interest	104	13

NOTES TO THE FINANCIAL STATEMENTS

34 FAIR VALUE OF ASSETS AND LIABILITIES

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a team that has overall responsibility for all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer.

The team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the team assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of SFRS(I), including the level in the fair value hierarchy in the valuations should be classified. Significant valuation issues are reported to the Group's Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

Measurement of fair values

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments of the Group and Company.

Debt and equity securities

The carrying amount of investments in debt and equity securities are approximate their fair value. Fair values are determined by reference to their quoted closing bid price in an active market at the measurement date, using the Level 1 valuation inputs.

Other financial assets and liabilities

The carrying amount of financial assets and liabilities with a maturity of less than one year are assumed to approximate their respective fair values due to the relative short-term maturity of these financial instruments.

The fair value of non-current other receivables was calculated using the discounted cash flow model based on the present value of expected cashflow at the risk-free rate plus estimated credit spread of counterparty at the reporting date. The carrying amount of non-current other receivables are assumed to approximate its fair value as the Group believes that the difference between the fair value and the carrying amount, if any, is negligible.

No disclosure of fair value is made for non-current loan to a subsidiary as it is not practicable to determine their fair values with sufficient reliability since the balances have no fixed terms of repayment. The Company does not anticipate that the carrying amount recorded at the reporting date would be significantly different from the values that would eventually be received.

NOTES TO THE FINANCIAL STATEMENTS

34 FAIR VALUE ASSETS AND LIABILITIES (CONTINUED)

Accounting classifications and fair values

The carrying amount and fair values of financial assets and financial liabilities are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value as the carrying amount is a reasonable approximation of fair value.

	Note	Group		Company	
		2023 US$'000	2022 US$'000	2023 US$'000	2022 US$'000
Financial assets measured at amortised cost					
Loans to a subsidiary	7	–	–	93,937	92,621
Trade and other receivables*	10	43,189	27,325	10,753	4,990
Cash and cash equivalents	13	95,439	115,758	15,547	25,923
		138,628	143,083	120,237	123,534
Financial assets measured at fair value					
Quoted investments	12	18,600	23,041	18,599	23,040
Financial liabilities measured at amortised cost					
Loans and borrowings	17	101,109	91,948	–	–
Bank overdraft	17	4,000	–	4,000	–
Trade and other payables#	21	52,475	99,327	44,315	49,704
		157,584	191,275	48,315	49,704
Other financial liabilities					
Lease liabilities	19	1,098	1,045	503	294

* Excludes accrued revenue, decommissioning receivables, prepayments and income tax receivables.

\# Excludes advances from customer.

NOTES TO THE FINANCIAL STATEMENTS

35 FINANCIAL INSTRUMENTS

Financial risk management

Overview

The Group has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Risk management framework

Risk management is integral to the whole business of the Group. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

The Enterprise Risk Management Framework provides the principal policy and guidance to the Group and its businesses on the risk management methodology and reporting of risks. It sets out a systematic and ongoing process for identifying, evaluating, controlling and reporting risks. These processes are put in place to manage and monitor the Group's risk management activities on a regular and timely basis. The Group's risk management efforts covers operational, financial and strategic areas.

Credit risk

Credit risk is the risk of financial loss to the Group or the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's and the Company's financial assets.

The carrying amount of financial assets represent the Group's and the Company's maximum exposures to credit risk, before taking into account any collateral held.

The Group recognises loss allowances for expected credit losses ("**ECLs**") on financial assets measured at amortised cost.

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract assets.

NOTES TO THE FINANCIAL STATEMENTS

35 FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk (continued)

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments except trade receivables. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improve such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates or credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

NOTES TO THE FINANCIAL STATEMENTS

35 FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk (continued)

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statements of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk. Details of concentration of revenue are included in Note 28 to the financial statements.

Concentrations of credit risk exist when economic or industry factors similarly affect a group of counterparties, and when the aggregate amount of this exposure is significant in relation to the Group's total credit exposure. The Group's most significant counter-parties are the Norwegian government which accounts for US$5,627,000 (2022: US$56,825,000) and Repsol in relation to the decommissioning receivables of US$145,481,000 (2022: US$135,515,000). At the reporting date, the Group had no other significant concentrations of credit risk for its financial assets.

The Group does not require collateral in respect of its trade and other receivables, except for a guarantee granted in LPA's favour for the decommissioning receivables (Note 10). The Group does not have trade receivables for which no loss allowance is recognised because of collateral.

NOTES TO THE FINANCIAL STATEMENTS

35 FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk (continued)

Trade receivables (continued)

Exposure to credit risk

The exposure to credit risk for trade receivables at the reporting date by geographic region was as follows:

	2023 US$'000	2022 US$'000
Norway	30,483	3,361
Singapore	–	65
Switzerland	127	–
	30,610	3,426

Expected credit loss assessment for customers

The Group applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs. The Group uses an allowance matrix to measure the ECLs of trade receivables from customers.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the following common credit risk characteristics – geographic region and age of customer relationship.

Loss rates are based on actual credit loss experience over the past five years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

The Group and the Company has assessed that the amount of the allowance on these balances is negligible. The Group and the Company did not have significant overdue or credit impaired trade receivables as at reporting date.

An analysis of the ageing of trade receivables that are not impaired is as follows:

	2023 US$'000	2022 US$'000
Current	30,610	3,426

NOTES TO THE FINANCIAL STATEMENTS

35 FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk (continued)

Intercompany receivables

The Group and the Company held intercompany receivables, which were lent to satisfy funding requirements of the intercompany. The Group uses an approach based on an assessment of qualitative and quantitative factors that are indicative of the risk of default (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections, and available press information, if available, and applying experienced credit judgement). There is no significant increase in credit risk for these exposures. Therefore, impairment on these balances has been measured on the 12-month ECL basis; and the amount of the allowance is negligible.

Other financial assets at amortised cost

For the purpose of impairment assessment, the other financial assets at amortised cost, such as deposits and other receivables, are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition.

In determining the ECL, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case. The amount of the allowance on other financial assets at amortised cost is negligible.

Cash and cash equivalents

Cash equivalents include short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather for investment or other purposes.

Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

NOTES TO THE FINANCIAL STATEMENTS

35 FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk (continued)

Exposure to liquidity risk

The following are the remaining contractual maturities of non-derivative financial liabilities. The amounts are gross and undiscounted, and include contractual interest payments:

	Carrying amount US$'000	Contractual cash flows US$'000	Within 1 year US$'000	More than 1 year US$'000
Group				
2023				
Loans and borrowings	101,109	115,244	41,997	73,247
Bank overdraft	4,000	4,000	4,000	–
Lease liabilities	1,098	1,175	510	665
Trade and other payables#	52,475	52,475	52,475	–
	158,682	172,894	98,982	73,912
2022				
Loans and borrowings	91,948	103,450	15,707	87,743
Lease liabilities	1,045	1,127	441	686
Trade and other payables#	99,327	99,327	99,327	–
	192,320	203,904	115,475	88,429
Company				
2023				
Lease liabilities	503	520	292	228
Trade and other payables	44,315	44,315	44,315	–
	44,818	44,835	44,607	228
2022				
Lease liabilities	294	302	214	88
Trade and other payables	49,704	49,704	49,704	–
	49,998	50,006	49,918	88

\# Excludes advances from customer.

The maturity analysis shows the contractual undiscounted cash flows of the Group's and the Company's financial liabilities on the basis of their earliest possible contractual maturity. It is not expected that the cash flows included in the maturity analysis above could occur significantly earlier, or at significantly different amounts.

NOTES TO THE FINANCIAL STATEMENTS

35 FINANCIAL INSTRUMENTS (CONTINUED)

Market risk

Market risk is the risk that changes in market prices, such as crude oil, foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Group operates internationally hence is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, financial assets and financial liabilities, including inter-company sales, purchases and inter-company balances, that are denominated in a currency other than the respective functional currencies of Group entities. The currencies in which these transactions primarily are denominated are the Euro ("**EUR**"), Swedish Kroner ("**SEK**"), Singapore dollar ("**SGD**") and Pounds Sterling ("**GBP**").

The Group does not have a formal hedging policy to govern this currency risk exposure as the Group monitors the exposure to currency risks on an ongoing basis and endeavours to keep the net exposures at an acceptable level.

Exposure to currency risk

The summary of quantitative data about the exposure to currency risk as reported to the management of the Group and the Company is as follows:

	2023				2022			
	EUR US$'000	**SEK US$'000**	**SGD US$'000**	**GBP US$'000**	**EUR US$'000**	**SEK US$'000**	**SGD US$'000**	**GBP US$'000**
Group								
Cash and cash equivalents	1,309	726	328	270	731	907	455	491
Quoted investments	–	–	–	1	2,283	609	869	1
Net exposure	1,309	726	328	271	3,014	1,516	1,324	492
Company								
Cash and cash equivalents	120	–	328	–	678	748	455	–
Quoted investments	–	–	–	–	2,283	609	869	–
Net exposure	120	–	328	–	2,961	1,357	1,324	–

NOTES TO THE FINANCIAL STATEMENTS

35 FINANCIAL INSTRUMENTS (CONTINUED)

Market risk (continued)

Currency risk (continued)

Sensitivity analysis

A 2% strengthening/(weakening) of the United States dollar against the following currencies at the reporting date would have changed profit or loss by the amounts shown below, respectively. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasted sales and purchases.

	Group		Company	
	2023	**2022**	**2023**	**2022**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Euro	26	60	2	59
Swedish Kroner	15	30	–	27
Singapore dollar	7	26	7	26
Pound Sterling	5	10	–	–

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Group's exposure to interest rate risk arises primarily from their short-term interest bearing deposits, and loans and borrowings.

As short-term bank deposits are placed in short-term money market with tenures mostly within the range of 1 day to 3 months, the Group's interest income is subject to fluctuation in interest rates. Interest rate risk is managed by the Group on an ongoing basis and placed on a short-term basis according to the Group's cash flow requirements with the primary objective of limiting the extent to which net interest expense could be affected by an adverse movement in interest rates.

Exposure to interest rate risk

At the reporting date, the interest rate profile of the interest-bearing financial instruments, as reported to the management, was as follows:

	Group	
	2023	**2022**
	US$'000	**US$'000**
Variable rate instruments		
Financial liabilities		
- Loans and borrowings	(101,109)	(91,948)

NOTES TO THE FINANCIAL STATEMENTS

35 FINANCIAL INSTRUMENTS (CONTINUED)

Market risk (continued)

Interest rate risk (continued)

Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have changed profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Group	
	2023 US$'000	2022 US$'000
Variable rate instruments, representing cash flow sensitivity	1,011	919

Equity price risk

Equity price risk arises from debt and equity investments measured at FVTPL. The primary goal of the Group's investment strategy is to maximise investment returns, in general. Management is assisted by external advisors in this regard. These are designated as at FVTPL because their performance is actively monitored and they are managed on a fair value basis.

Sensitivity analysis

A 10% change in the underlying prices of the investments at the reporting date would have changed profit or loss by the amounts shown below, respectively. This analysis assumes that all other variables remain constant.

	Group		Company	
	2023 US$'000	2022 US$'000	2023 US$'000	2022 US$'000
Debt and equity investments	1,860	2,304	1,860	2,304

NOTES TO THE FINANCIAL STATEMENTS

35 FINANCIAL INSTRUMENTS (CONTINUED)

Market risk (continued)

Oil and gas price risk

The Group is exposed to the risk of fluctuations in prevailing market commodity prices on the mix of oil and gas products it produces. The Group continuously evaluates and assesses opportunities for hedging as part of a prudent financial risk management process.

During 2023, the Group entered into put options contract to manage significant reductions in crude oil prices:

Quantity	Strike price	Effective	Expiration
40,000 bbl per month	US$35/bbl	February 2023	January 2024

Sensitivity analysis

A 10% change in the oil and gas prices at the reporting date would have changed profit or loss by the amounts shown below, respectively. This analysis assumes that all other variables remain constant.

	Group	
	2023	2022
	US$'000	US$'000
Sale of crude oil and gas	20,702	17,026

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of total equity attributable to owners of the Company. The Board of Directors monitors the return on capital, which the Group defines as total shareholders' equity excluding non-controlling interests, as well as the level of dividends to ordinary shareholders.

The Group monitors the capital position of the Group to ensure a sufficiently strong capital base so as to maintain investor, creditor and market confidence. This is also a platform to sustain the existing business and for future growth. There has been no change in the Group's approach to capital management during the year.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

36 RECLASSIFICATIONS AND COMPARATIVE FIGURES

Certain reclassifications have been made to the prior year's financial statements to enhance comparability with the current year's financial statements to more appropriately reflect the gross profit of the Group where (i) impairment loss on exploration and evaluation assets and (ii) impairment loss on oil and gas properties, consistent with impairment of goodwill, are now included after the gross profit line.

As a result, certain line items have been amended in the consolidated statement of profit or loss, other comprehensive income and the related notes to the financial statements. Comparative figures have been adjusted to conform to the current year's presentation.

NOTES TO THE FINANCIAL STATEMENTS

36 RECLASSIFICATIONS AND COMPARATIVE FIGURES (CONTINUED)

The items were reclassified as follows:

	Group	
	Previously reported 2023 US$'000	After reclassification 2022 US$'000
Consolidated statement of profit or loss and other comprehensive income		
Exploration and evaluation expenditure	(27,510)	(3,225)
Other expenses	(3,444)	(27,729)

37 SUBSEQUENT EVENT REVIEW

(i) On 29 February 2024, Masirah Oil Ltd signed a contract for the Energy Emerger jack-up drilling rig. The rig, operated by Northern Offshore Ltd, will perform a multi-well programme in the offshore Yumna Field in Block 50 Oman. The programme consists of the drilling and completion of a new in-field well and the work-over of two existing production wells. The programme is planned to commence in end-March 2024.

(ii) On 11 March 2024, Akrake Petroleum Benin SA, an indirect wholly-owned subsidiary of Porto Novo Resources Ltd, the Group's 70% owned indirect subsidiary which signed a production sharing contract ("**PSC**") for operatorship and a 76% working interest in Block 1, Sèmè Field in Benin, West Africa in December 2023, received confirmation from the government of Benin that the PSC for Block 1 was effective from 5 March 2024.

STATISTICS OF SHAREHOLDINGS

As at 11 March 2024

Issued and fully paid-up capital	:	S$108,029,954.98
Number of Issued and paid-up Shares	:	1,315,507,991
Class of Shares	:	Ordinary Shares of equal voting rights
Number of issued and paid-up shares excluding treasury shares and subsidiary holdings	:	1,302,320,991
Number and percentage of Treasury Shares	:	13,187,000 (1.013%)
Number and percentage of Subsidiary Holdings	:	Nil
Voting rights	:	One vote for each ordinary share

SHAREHOLDING HELD IN THE HANDS OF PUBLIC

Based on the information available to the Company as at 11 March 2024, approximately 56.13% of the issued ordinary shares of the Company were held by the public and therefore, Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited, is complied with.

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 11 MARCH 2024

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	8	0.17	292	0.00
100 - 1,000	431	9.45	384,201	0.03
1,001 - 10,000	1,097	24.04	8,222,799	0.63
10,001 - 1,000,000	2,958	64.83	282,363,212	21.68
1,000,001 and above	69	1.51	1,011,350,487	77.66
TOTAL	**4,563**	**100.00**	**1,302,320,991**	**100.00**

Note: The shareholding percentage is computed based on the number of issued and paid-up shares (excluding 13,187,000 treasury shares) of 1,302,320,991 shares as at 11 March 2024.

TWENTY LARGEST HOLDERS OF SHARES AS AT 11 MARCH 2024

No.	Name of Shareholder	No. of Shares	% of Issued Shares
1	UOB KAY HIAN PTE LTD	575,240,661	44.17
2	DBS NOMINEES PTE LTD	61,469,398	4.72
3	RAFFLES NOMINEES (PTE) LIMITED	44,171,312	3.39
4	CITIBANK NOMINEES SINGAPORE PTE LTD	38,643,318	2.97
5	OCBC SECURITIES PRIVATE LTD	36,720,400	2.82
6	PHILLIP SECURITIES PTE LTD	32,132,505	2.47
7	HO BENG SIANG	24,789,400	1.90
8	HSBC (SINGAPORE) NOMINEES PTE LTD	24,074,653	1.85
9	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	11,567,806	0.89
10	DAN BROSTROM	11,306,075	0.87
11	IFAST FINANCIAL PTE LTD	8,651,500	0.66
12	ER CHOON HUAT	8,200,000	0.63
13	CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD.	8,133,400	0.62
14	OCBC NOMINEES SINGAPORE PTE LTD	6,777,500	0.52
15	TIGER BROKERS (SINGAPORE) PTE. LTD.	5,516,000	0.42
16	UNITED OVERSEAS BANK NOMINEES PTE LTD	5,455,400	0.42
17	SEE LOP FU JAMES @ SHI LAP FU JAMES	5,350,000	0.41
18	ONG SU PIN	4,118,000	0.32
19	LIM POO KIN	4,025,000	0.31
20	MOK LAI SIONG	4,004,952	0.31
	TOTAL	**920,347,280**	**70.67**

Note: The shareholding percentage is computed based on the number of issued and paid-up shares (excluding 13,187,000 treasury shares) of 1,302,320,991 shares as at 11 March 2024.

STATISTICS OF SHAREHOLDINGS

As at 11 March 2024

SUBSTANTIAL SHAREHOLDERS AS AT 11 MARCH 2024

No.	Name	No. of shares in which substantial shareholders have direct interest	%	No. of shares in which substantial shareholders are deemed to have interest	%
1	Limea Ltd. [1]	452,020,422	34.71	–	–
2	Cresta Group Ltd. [2]	14,241,464	1.09	452,020,422	34.71
3	Dr Karl Lidgren [3]	–	–	466,261,886	35.80
4	Mr Hans Ove Leonard Lidgren [4]	–	–	452,020,422	34.71
5	Bevoy Investment Ltd [5]	73,095,538	5.61	–	–
6	Mr Svein Helge Kjellesvik [6]	–	–	73,095,538	5.61

Notes:

(1) The 452,020,422 shares are held through UOB Kay Hian Pte Ltd.

(2) Cresta Group Ltd. owns 50% of Limea Ltd. and is deemed interested in 452,020,422 shares held by Limea Ltd.

(3) Dr Karl Lidgren owns 100% of Cresta Group Ltd. and is deemed interested in 14,241,464 Shares held by Cresta Group Ltd. and 452,020,422 Shares held by Limea Ltd. (50% owned by Cresta Group Ltd.). The 466,261,886 Shares are held through UOB Kay Hian Pte. Ltd.

(4) Mr Hans Lidgren owns 50% of Limea Ltd. and is deemed interested in 452,020,422 shares held by Limea Ltd.

(5) The 73,095,538 shares are held through UOB Kay Hian Pte Ltd.

(6) Mr Svein Kjellesvik owns 100% of Bevoy Investment Ltd and is deemed interested in the 73,095,538 shares held by Bevoy Investment Ltd.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Rex International Holding Limited (the "**Company**") will be held at Cardinal Room, Level 3, Grand Copthorne Waterfront Hotel Singapore, 392 Havelock Rd, Singapore 169663 on Thursday, 25 April 2024 at 3.00 p.m. (Singapore time) (the "**AGM**"), for the following purposes:

Ordinary Business

1. To receive and adopt the Directors' Statement and Audited Financial Statements of the Company for the financial year ended 31 December 2023 together with the Auditors' Report thereon. **Resolution 1**

2. To approve the payment of Directors' fees of S$747,155/- for the financial year ending 31 December 2024 (FY2023: S$807,433/-), payable quarterly in arrears. **Resolution 2**

   (See Explanatory Note 1)

3. To approve the payment of additional Directors' fees of S$59,728/- for the financial year ended 31 December 2023. **Resolution 3**

   (See Explanatory Note 2)

4. To note the retirement of Mr Dan Broström who is retiring pursuant to Regulation 93 of the Company's Constitution and will not be seeking re-election as a Director of the Company.

   (See Explanatory Note 3)

5. To note the retirement of Dr Karl Lidgren who is retiring pursuant to Regulation 93 of the Company's Constitution and will not be seeking re-election as a Director of the Company.

   (See Explanatory Note 4)

6. To note the retirement of Dr Christopher Atkinson who is retiring pursuant to Regulation 93 of the Company's Constitution and will not be seeking re-election as a Director of the Company.

   (See Explanatory Note 5)

7. To re-elect Ms Beverley Ann Smith who is retiring pursuant to Regulation 99 of the Company's Constitution. **Resolution 4**

   (See Explanatory Note 6)

8. To re-elect Mr Pong Chen Yih who is retiring pursuant to Regulation 99 of the Company's Constitution. **Resolution 5**

   (See Explanatory Note 7)

9. To re-appoint Deloitte & Touche LLP as the Company's auditors for the financial year ending 31 December 2024 and to authorise the Directors to fix their remuneration. **Resolution 6**

NOTICE OF ANNUAL GENERAL MEETING

Special Business

To consider and, if thought fit, to pass the following as Ordinary Resolutions, with or without any modifications:

10. Authority to allot and issue shares **Resolution 7**

"THAT pursuant to Section 161 of the Companies Act 1967 (the "**Companies Act**") and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") (the "**Listing Manual**"), the Directors of the Company be authorised and empowered to:

I. (a) allot and issue shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

(b) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures, or other instruments convertible into Shares; and/or

(c) notwithstanding that such authority conferred by this Resolution may have ceased to be in force at the time the Instruments are to be issued, issue additional Instruments previously issued in the event of rights, bonus or other capitalisation issues, provided that the adjustments do not give the holder a benefit that a shareholder does not receive,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

II. (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

(a) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments, made or granted pursuant to this Resolution), shall not exceed 50% of the total number of issued Shares in the capital of the Company (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to the existing shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 20% of the total number of issued Shares in the capital of the Company (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (b) below);

NOTICE OF ANNUAL GENERAL MEETING

(b) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) that may be issued under sub-paragraph (a) above, the percentage of the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares in the capital of the Company (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:

(i) new Shares arising from the conversion or exercise of any convertible securities;

(ii) new Shares arising from exercising of share options or vesting of share awards, provided the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Listing Manual; and

(iii) any subsequent bonus issue, consolidation or subdivision of Shares;

adjustments in accordance with (b)(i) and (b)(ii) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time this Resolution is passed;

(c) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual for the time being in force (unless such compliance has been waived by the SGX-ST), and all applicable legal requirements under the Companies Act and the Constitution for the time being of the Company; and

(d) the authority conferred by this Resolution shall, unless revoked or varied by the Company in general meeting, continue to be in force until the conclusion of the Company's next annual general meeting or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier."

(See Explanatory Note 8)

11. Authority to allot and issue Shares under the Rex International Employee Share Option Scheme ("**Share Option Scheme**") **Resolution 8**

"THAT pursuant to Section 161 of the Companies Act, authority be and is hereby given to the Directors of the Company to allot and issue from time to time such number of Shares as may be required to be allotted and issued pursuant to the exercise of options, provided always that the aggregate number of Shares to be allotted and issued pursuant to the Share Option Scheme, and where applicable, the total number of existing Shares which may be purchased from the market for delivery pursuant to the awards granted under the Share Option Scheme, when added to the number of Shares issued and issuable in respect of all options granted under the Share Option Scheme, and including the Rex PSP (as defined herein), and any other share option schemes of the Company, shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) on the day preceding that date of the relevant grant of an option under the Share Option Scheme. Such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier."

(See Explanatory Note 9)

NOTICE OF ANNUAL GENERAL MEETING

12. Authority to allot and issue Shares under the Rex International Performance Share Plan ("**Rex PSP**") **Resolution 9**

"THAT pursuant to Section 161 of the Companies Act, authority be and is hereby given to the Directors of the Company to allot and issue from time to time such number of Shares as may be required to be allotted and issued pursuant to the awards granted under the Rex PSP, provided always that the aggregate number of Shares to be allotted and issued pursuant to the Rex PSP, and where applicable, the total number of existing Shares which may be purchased from the market for delivery pursuant to the awards granted under the Rex PSP, when added to the number of Shares issued and issuable in respect of all awards granted under the Rex PSP, and including the Share Option Scheme and any other share option schemes of the Company, shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) on the day preceding that date of grant of the relevant awards under the Rex PSP. Such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier."

(See Explanatory Note 10)

13. Proposed Renewal of the Share Buyback Mandate **Resolution 10**

"THAT,

(a) for the purposes of the Companies Act and the Listing Manual, the Directors of the Company be and are hereby authorised to exercise all the powers of the Company to purchase or otherwise acquire ordinary shares in the share capital of the Company ("**Shares**") not exceeding, in aggregate, the Maximum Limit (as defined herein), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as defined herein), whether by way of:

(i) on-market purchases ("**Market Purchases**"), transacted on the SGX-ST through the SGX-ST's trading system or, as the case may be, any other stock exchange on which the Shares may, for the time being, be listed and quoted through one (1) or more duly licensed dealers appointed by the Company for the purpose; and/or

(ii) off-market purchases ("**Off-Market Purchases**") in accordance with an equal access scheme(s), which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the Listing Manual,

and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Companies Act and the Listing Manual, as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buyback Mandate**");

(b) unless varied or revoked by the shareholders of the Company ("**Shareholders**") in a general meeting, the authority conferred on the Directors pursuant to the Share Buyback Mandate may be exercised by the Directors, at any time and from time to time, during the period commencing from the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next annual general meeting is held or is required by law to be held; or

NOTICE OF ANNUAL GENERAL MEETING

(ii) the date on which the purchases or acquisitions of Shares are carried out to the full extent of the Share Buyback Mandate; or

(iii) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied by the Shareholders in a general meeting,

(the "**Relevant Period**");

(c) in this Resolution:

"**Maximum Limit**" means the number of Shares representing not more than 10% of the issued ordinary shares of the Company (excluding treasury shares and subsidiary holdings) as at the date of this Resolution at which the Share Buyback Mandate is approved, unless the Company has, at any time during the Relevant Period, effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered (excluding treasury shares and subsidiary holdings that may be held by the Company from time to time);

"**Maximum Price**" to be paid for the Shares to be purchased or acquired by the Company must not exceed:

(i) in the case of a Market Purchase, 105% of the Average Closing Market Price; and

(ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Market Price

in either case, excluding related expenses of the purchase or the acquisition (including but not limited to brokerage, stamp duties, commission, applicable goods and services tax);

"**Average Closing Market Price**" means the average of the closing market prices of a Share over the last five (5) Market Days on which transactions in the Shares were recorded, before the day on which the purchase or acquisition of the Shares was made, or as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five (5) Market Days period and the day on which the purchases or acquisition are made;

"**day of the making of the offer**" means the day on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

"**Market Day**" means a day on which the SGX-ST is open for trading in securities.

(d) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including without limitation, executing such documents as may be required) as they may consider desirable, expedient or necessary or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.

(See Explanatory Note 11)

NOTICE OF ANNUAL GENERAL MEETING

14. To transact any other business as may properly be transacted at an annual general meeting of the Company.

By Order of the Board

Kong Wei Fung
Company Secretary

Singapore
27 March 2024

EXPLANATORY NOTES:

(1) Resolution 2, if passed, will facilitate the payment of Directors' fees of S$747,155/- for the financial year ending 31 December 2024 on a quarterly basis in arrears. The amount of Directors' fees is computed based on the anticipated number of Board and Board Committee meetings for the financial year ending 31 December 2024, including attendances and the positions held by the Non-Executive Directors in various board committees, and assuming that all Non-Executive Directors will hold office for the full financial year. In the event the amount of Directors' fees proposed is insufficient, for example, in the event of unscheduled Board meetings or enlarged board sizes, approval will be sought at next year's annual general meeting for additional fees before payments are made to Directors to meet the shortfall.

(2) The shareholders of the Company had approved the payment of Directors' fees of S$807,433/- for the financial year ended 31 December 2023 at the annual general meeting of the Company held on 28 April 2023. The additional Directors' fees of S$59,728/- are payable to all Directors due to insufficient approved Directors' fees as a result of the enlarged board size.

(3) Mr Dan Broström will retire as a Director of the Company at the conclusion of the AGM. Upon his retirement, he will cease as Chairman of the Board and a member of Audit and Remuneration Committees.

(4) Dr Karl Lidgren will retire as a Director of the Company at the conclusion of the AGM. Upon his retirement, his will cease as a member of Nominating Committee.

(5) Dr Christopher Atkinson will retire as a Director of the Company at the conclusion of the AGM.

(6) Ms Beverley Ann Smith will, upon re-election as a Director of the Company, remain as Independent Non-Executive Director of the Company.

(7) Mr Pong Chen Yih will, upon re-election as a Director of the Company, remain as Independent Non-Executive Director of the Company and a member of the Nominating Committee.

Further information of Ms Beverley Ann Smith and Mr Pong Chen Yih can be found under "Board of Directors" and "Corporate Governance Report" sections of the Company's Annual Report.

NOTICE OF ANNUAL GENERAL MEETING

(8) Resolution 7, if passed, will empower the Directors, from the date of the AGM until the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue Shares, make or grant Instruments convertible into shares and to issue Shares pursuant to such Instruments, without seeking any further approval from shareholders in general meeting but within the limitation imposed by this Resolution, for such purposes as the Directors of the Company may consider would be in the best interests of the Company. The aggregate number of Shares (including Shares to be made in pursuance of Instruments made or granted pursuant to this Resolution) to be allotted and issued would not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of passing of this Resolution. For issue of Shares (including Shares to be made in pursuance of instruments made or granted pursuant to this Resolution) other than on a pro-rata basis to all shareholders, the aggregate number of shares shall not exceed 20% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution.

(9) Resolution 8, if passed, will empower the Directors, from the date of the AGM until the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law to be held or such authority is varied and revoked by the Company in a general meeting, whichever is the earlier, to allot and issue Shares pursuant to the exercise of options granted or to be granted under the Share Option Scheme and such other share-based incentive scheme or share plan (including the total number of existing Shares which may be purchased from the market for delivery pursuant to the options granted) up to a number not exceeding, in total, 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) on the day preceding that date of the relevant grant.

(10) Resolution 9, if passed, will empower the Directors, from the date of the AGM until the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue Shares pursuant to the vesting of awards under the Rex PSP and such other share based incentive scheme or share plan (including the total number of existing Shares which may be purchased from the market for delivery pursuant to the awards granted) up to a number not exceeding, in total, 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) on the day preceding that date of the relevant grant.

(11) Resolution 10, if passed, will empower the Directors, from the date of the AGM up to the earliest of (a) the date on which the next annual general meeting of the Company is held or is required by law to be held; (b) the date on which the purchases or acquisitions of Shares are carried out to the full extent of the Share Buyback Mandate; or (c) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied by the Shareholders in a general meeting, to purchase or otherwise acquire Shares by way of Market Purchases or Off-Market Purchases not exceeding, in aggregate, the Maximum Limit and at such price(s) as may be determined by the Directors from time to time up to the Maximum Price. Information relating to Resolution 10 is set out in the appendix dated 27 March 2024 ("**Share Buyback Appendix**"). All capitalised terms used in Resolution 10 which are not defined therein shall have the same meanings ascribed to them in the Share Buyback Appendix, unless otherwise defined herein or where the context otherwise requires.

NOTICE OF ANNUAL GENERAL MEETING

Notes:

Appointment of Proxies

A Shareholder entitled to attend, speak and vote at the AGM, who is not a relevant intermediary (as defined in Section 181 of the Companies Act), is entitled to appoint one (1) or two (2) proxies to attend and vote in his/her/its stead. Where a Shareholder appoints more than one (1) proxy, the Shareholder must specify the proportion of shareholding (expressed as a percentage of the whole) to be represented by each proxy. If no proportion of shareholdings is specified, the proxy whose name appears first shall be deemed to carry one hundred per cent (100%) of the shareholdings of his/her/its appointor and the proxy whose name appears after shall be deemed to be appointed in the alternate.

A Shareholder who is a relevant intermediary entitled to attend, speak and vote at the AGM is entitled to appoint more than two (2) proxies to attend and vote instead of the Shareholder, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such Shareholder. Where such Shareholder appoints more than two (2) proxies, it should annex to the Proxy Form the list of proxies, setting out, in respect of each proxy, the name, address, NRIC/Passport Number and proportion of shareholdings (number of Shares and percentage) in relation to which each proxy has been appointed.

CPF and SRS investors:

(a) may attend, speak and vote at the AGM in person; or

(b) may appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on Tuesday, 16 April 2024, being seven (7) working days before the date of the AGM, in which case, the CPF and SRS investors shall be precluded from attending the AGM.

Investors holding shares through Relevant Intermediaries (other than CPF/SRS investors) who wish to attend, speak and vote at the AGM should approach their relevant intermediaries as soon as possible to specify their voting instructions or make necessary arrangement to be appointed as proxy.

Shareholders may also vote at the AGM by appointing the Chairman of the AGM as his/her/its proxy to vote on their behalf.

The duly executed proxy form must be submitted in the following manner:

(a) if submitted by post, via lodgement at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte Ltd) at 9 Raffles Place, #26-01 Tower 1 Republic Plaza, Singapore 048619; or

(b) if submitted electronically, via email to the Company's Share Registrar at sg.is.proxy@sg.tricorglobal.com,

in each case, no later than 23 April 2024, 3.00 p.m. being not less than 48 hours before the time fixed for holding the AGM and in default, the instrument of proxy shall not be treated as valid.

NOTICE OF ANNUAL GENERAL MEETING

Shareholders are strongly encouraged to submit completed proxy forms electronically via email.

In the case of Shareholders whose Shares are entered against their names in the Depository Register, the Company may reject any proxy form lodged if such Shareholders are not shown to have Shares entered against their names in the Depository Register as at 72 hours before the time fixed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Submission of questions in advance of, or live at, the AGM

Shareholders, Proxyholders, and CPF and SRS investors who wish to ask questions should do so in the following manner:

(a) attending the AGM in person; or

(b) by submitting to the Chairman of the AGM, in advance of the AGM, questions relating to the Ordinary Resolutions to be tabled for approval at the AGM.

Shareholders, Proxyholders, and CPF and SRS investors are encouraged to submit, in advance of the AGM, questions relating to the Ordinary Resolutions in the following manners to the Company only by 5.00 p.m. on Monday, 15 April 2024:

(a) via email at info@rexih.com; or

(b) by post to 1 George Street, #14-01, Singapore 049145, and attention to Rex AGM.

Shareholders, Proxyholders, and CPF and SRS investors who submit questions must provide the following information for authentication:

1. the Shareholder's full name;
2. the Shareholder's address;
3. the number of Shares held; and
4. the manner in which the Shareholder holds Shares in the Company (e.g., via CDP, CPF or SRS).

All substantive and relevant questions relating to the Ordinary Resolutions to be tabled for approval at the AGM received by the submission deadline, 15 April 2024, will be addressed and published by 18 April 2024 via SGXNet and at the Company's website at https://www.rexih.com. This is to allow Shareholders sufficient time and opportunity to consider the Company's responses before the deadline for the submission of proxy forms, which is 3.00 p.m. on 23 April 2024. Any subsequent clarification sought, or substantive and relevant questions which are submitted after 5.00 p.m. on 15 April 2024 will be consolidated and addressed at the AGM.

Voting

Shareholders can vote at the AGM themselves or through their duly appointed proxy(ies).

Upon their registration at the AGM venue, Shareholders, including CPF and SRS investors, and (where applicable) duly appointed proxy(ies), will be provided with a handheld device for electronic voting at the physical meeting.

NOTICE OF ANNUAL GENERAL MEETING

Further information

A proxy need not be a Shareholder. The Chairman of the AGM, as proxy, need not be a shareholder.

The Annual Report, this Notice of AGM, the proxy form and Share Buyback Appendix (collectively, the "**Documents**") will be sent to Shareholders by electronic means via publication on the Company's corporate website at https://investor.rexih.com and are also made available on SGXNet at https://www.sgx.com/securities/company-announcements. Printed copies of the Notice of AGM and the Proxy Form will be sent by post to Shareholders. Printed copies of the Annual Report and Share Buyback Appendix will only be sent upon request.

The Company reserves the right to take such precautionary measures as may be appropriate at the AGM, including any precautionary measures as may be required or recommended by government agencies or the Singapore Exchange Regulation from time to time, at short notice. Shareholders are advised to regularly check the Company's website at https://investor.rexih.com or announcements released on SGXNet for updates on the AGM.

PERSONAL DATA PRIVACY

By (a) submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof; or (b) submitting any question prior to the AGM, a Shareholder (i) agrees that he/she/it will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of his/her/its breach of warranty; and (ii) consents to the collection, use and disclosure of the Shareholder's and/or the proxy's/proxies' personal data by the Company (or its agents or service providers) for the purposes of:

i. processing and administering the proxy forms for the AGM (including any adjournment thereof);

ii. addressing selected substantive questions from Shareholders received before the AGM and if necessary, following up with the relevant Shareholders in relation to such questions;

iii. preparing and compiling the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof); and

iv. enabling the Company (or its agents or service providers) to comply with any applicable laws, listing, rules, regulations and/or guidelines.

REX INTERNATIONAL HOLDING LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No.: 201301242M)

ANNUAL GENERAL MEETING PROXY FORM

IMPORTANT:
1. The Annual General Meeting ("**AGM**") will be held in a wholly physical format at the venue, date and time stated below. There will be no option to participate virtually.
2. The notice of AGM ("**Notice**") and this form of proxy ("**Proxy Form**") have been made available on the Company's website at https://investor.rexih.com and on the SGX website at https://www.sgx.com/securities/company-announcements. Printed copies of the Notice and the Proxy Form will be sent by post to Shareholders. Printed copies of the Annual Report and Share Buyback Appendix will only be sent upon request.
3. This Proxy Form is not valid for use by investors who buy shares using CPF monies ("**CPF Investors**") and/or SRS monies ("**SRS investors**") (as may be applicable) and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We*, ______________________ (Name) ______________ (NRIC No./Passport No./ Company Registration No.) of ______________________
(Address) being a member/members* of REX INTERNATIONAL HOLDING LIMITED (the "**Company**"), hereby appoint

Name	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

and/or*

Name	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

or, failing whom, the Chairman of the AGM* as my/our* proxy/proxies to attend and to vote for or against, or to abstain from voting on the Ordinary Resolutions to be proposed at the AGM as indicated hereunder, for me/us* on my/our* behalf, at the AGM to be held at Cardinal Room, Level 3, Grand Copthorne Waterfront Hotel Singapore, 392 Havelock Road, Singapore 169663 on Thursday, 25 April 2024 at 3.00 p.m. (Singapore time) and at any adjournment thereof. If no specific directions as to voting are given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they may on any other matter arising at the AGM.

No.	**Resolutions**	**For#**	**Against#**	**Abstain#**
ORDINARY BUSINESS				
1.	To receive and adopt the Directors' Statement and Audited Financial Statements of the Company for the financial year ended 31 December 2023 together with the Auditors' Report thereon.			
2.	To approve the payment of Directors' fees of S$747,155/- for the financial year ending 31 December 2024 , payable quarterly in arrears.			
3.	To approve the payment of additional Directors' fees of S$59,728/- for the financial year ended 31 December 2023.			
4.	To re-elect Ms Beverley Ann Smith who is retiring pursuant to Regulation 99 of the Company's Constitution.			
5.	To re-elect Mr Pong Chen Yih who is retiring pursuant to Regulation 99 of the Company's Constitution.			
6.	To re-appoint Deloitte & Touche LLP as the Company's auditors for the financial year ending 31 December 2024 and to authorise the Directors to fix their remuneration.			
SPECIAL BUSINESS		**For#**	**Against#**	**Abstain#**
7.	To approve Authority to allot and issue shares			
8.	To approve Authority to allot and issue Shares under the Rex International Employee Share Option Scheme			
9.	To approve Authority to allot and issue Shares under the Rex International Performance Share Plan			
10.	To approve the Proposed Renewal of the Share Buyback Mandate			

Notes:
** Delete accordingly*
 # Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" the relevant resolution, please indicate with "X" within the relevant box provided. Alternatively, please indicate the number of votes "For" or "Against" in the "For" or "Against" box in respect of the resolution. If you wish the proxy to abstain from voting on the resolution, please indicate with "X" in the "Abstain" box for the resolution. Alternatively, please indicate the number of votes that your proxy is directed to abstain from voting in the "Abstain" box for the particular resolution.

Dated this ________ day of ______________________ 2024

Total No. of Shares in	**No. of Shares**
CDP Register	
Register of Members	

____
Signature of Member(s) or Common Seal

IMPORTANT: Please Read Notes for this Proxy Form.

NOTES:

1. A shareholder of the Company ("**Shareholder**") entitled to attend, speak and vote at the AGM, who is not a relevant intermediary (as defined in Section 181 of the Companies Act 1967), is entitled to appoint one (1) or two (2) proxies to attend and vote in his/her/its stead. Where a Shareholder appoints more than one (1) proxy, the Shareholder must specify the proportion of shareholding (expressed as a percentage of the whole) to be represented by each proxy. If no proportion of shareholdings is specified, the proxy whose name appears first shall be deemed to carry one hundred per cent (100%) of the shareholdings of his/her/its appointor and the proxy whose name appears after shall be deemed to be appointed in the alternate.
2. A Shareholder who is a relevant intermediary entitled to attend, speak and vote at the AGM is entitled to appoint more than two (2) proxies to attend and vote instead of the Shareholder, but each proxy must be appointed to exercise the rights attached to a different share in the Company ("**Share**") or Shares held by such Shareholder. Where such Shareholder appoints more than two (2) proxies, it should annex to the Proxy Form the list of proxies, setting out, in respect of each proxy, the name, address, NRIC/Passport Number and proportion of shareholdings (number of Shares and percentage) in relation to which each proxy has been appointed.
3. A proxy need not be a Shareholder. The Chairman of the AGM, as proxy, need not be a shareholder.
4. The duly executed Proxy Form must be submitted in the following manner:

   (a) if submitted by post, via lodgement at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte Ltd) at 9 Raffles Place, #26-01 Tower 1 Republic Plaza, Singapore 048619; or

   (b) if submitted electronically, via email to the Company's Share Registrar at sg.is.proxy@sg.tricorglobal.com,

   in each case, by 3.00 p.m. on 23 April 2024, being not less than 48 hours before the time appointed for holding the AGM and in default, the instrument of proxy shall not be treated as valid.

   Shareholders are strongly encouraged to submit completed proxy forms electronically via email.
5. The Proxy Form must be executed under the hand of the appointor or of his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of an attorney or a duly authorised officer or in such manner as appropriate under applicable laws, failing which the instrument may be treated as invalid.
6. Where the Proxy Form is signed or authorised on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the Proxy Form, failing which the instrument may be treated as invalid.
7. CPF Investors and/or SRS investors: (a) may attend, speak and vote at the AGM in person; or (b) may appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks and/or SRS Operators to submit their voting instructions by 5.00 p.m. on Tuesday, 16 April 2024, being seven (7) working days before the AGM, in which case, the CPF and SRS investors shall be precluded from attending the AGM.
8. Completion and return of the Proxy Form shall not preclude a Shareholder from attending, speaking and voting at the AGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a Shareholder attends the AGM, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the Proxy Form to the AGM.
9. A Shareholder should insert the total number of Shares held in the Proxy Form. If the Shareholder has Shares entered against his/her name in the Depository Register maintained by The Central Depository (Pte) Limited ("**CDP**"), he/she should insert that number of Shares. If the Shareholder has Shares registered in his/her name in the Register of Members of the Company, he/she should insert that number of Shares. If the Shareholder has Shares entered against his/her name in the Depository Register and registered in his/her name in the Register of Members, he/she should insert the aggregate number of Shares. If no number is inserted, the Proxy Form will be deemed to relate to all the Shares held by the Shareholder.
10. Any reference to a time of day is made by reference to Singapore time.

GENERAL:

The Company shall be entitled to reject the Proxy Form if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form (such as in the case where the appointor submits more than one (1) instrument of proxy). In addition, in the case of a member whose Shares are entered against his/her name in the Depository Register, the Company may reject any Proxy Form lodged if such members are not shown to have Shares as entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by CDP to the Company.

PERSONAL DATA PRIVACY:

By submitting the Proxy Form, the shareholder accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 27 March 2024.

DISCLAIMER

This Annual Report to Shareholders may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcome and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, availability of real estate properties, competition from other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. There is no assurance that Rex Virtual Drilling will consistently deliver accurate analyses and results, as it is dependent on many external factors such as data quality. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management of future events.

REX
change the game

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