

PRESS RELEASE

**Rex International Holding in healthy cash position;
to focus on several initiatives to generate cash flow**

- *Rex remains in healthy cash position with no long-term loans and borrowings*
- *Focus on several initiatives to generate cash flow in 2017*
- *Block 50 Oman licence extended for three years; new exploration well to be drilled in early 2017 using new multi-attribute version of Rex Virtual Drilling (RVD)*

SINGAPORE, 5 September 2016 - Rex International Holding Limited ("**Rex International Holding**", "**Rex**" or the "**Company**", and together with its subsidiaries, the "**Group**"), is ramping up activities in Oman and will be focusing on several initiatives to generate cash flow in 2017.

Rex remains cash positive with no long-term loans and borrowings

Mr Dan Broström, Executive Chairman of Rex International Holding, said, "Rex's share price had been impacted by the plummet and volatility of oil prices and macro-economic headwinds since 2014 and most recently, news of Swiber Holdings Limited's bankruptcy and some of our peers' debt covenant woes."

"Rex remains financially sound as a going concern. As at 30 June 2016, the Group has US\$68.51 million in liquid assets comprising cash, cash equivalents and quoted investments, enabling Rex to continue operating until when we expect to be cash flow positive. The Group has no long-term loans and borrowings; its only short-term borrowings being a bridging credit facility in Norway, 100% backed by tax refund receivables from the Norwegian government for 78% of exploration costs which subsidiary Lime Petroleum Norway AS is eligible for as a pre-qualified petroleum company," he added.

“Rex shares appear to be grossly undervalued; given that the current market capitalisation of the Company is even less than the value of our liquid assets. The market has not priced in any value for our proprietary technologies and our interests in licences, which include a discovery in Oman and another in Norway, both of which have the potential to be monetised over the medium term,” Mr Broström continued.

Focus on several initiatives to generate cash flow

Rex’s business model had been to use Rex Virtual Drilling (RVD) to identify oil in the ground, validate the RVD results through oil discoveries and monetise by, amongst others, selling oil-in-the-ground. With the plummet and continued volatility of oil prices and the over-supply of oil in storage, there are very few buyers now for oil-in-the-ground. Rex will need to develop its discoveries into oil production in order to monetise its assets, at higher capital expenditure and longer lead time in this low oil price environment. The flip side of this is that Rex will get a much higher price for its developed discoveries than if it were to sell oil-in-the-ground.

Focus will be placed on developing existing entities in the Group to generate cash flow in 2017. The Group is also on the lookout for investment opportunities to diversify risks in oil exploration. More information will be shared in due course.

Future drilling programme

Mr Dan Broström, Executive Chairman of Rex International Holding, said, “Crude oil remains the only energy source used to manufacture fuel which is essential for powering transportation on land, sea and air over long distances, which is why world demand has been upheld even in these testing times for the industry. A Bloomberg report dated 30 August 2016 states that explorers in 2015 discovered only about a tenth as much oil as they have annually on average since 1960. We want to ensure that Rex will be in good stead to benefit when global oil supply and demand rebalance and oil prices go up again.”

“We have moderated our drilling plans over the past year and will continue to be very selective in undertaking new exploration drillings. We have on the cards to drill at the minimum one more

well in Oman and one well in Norway in the next 12 months. The well to be drilled in Norway will be located near our recent discovery in Edvard Grieg South (Rolvnes) in PL338C. Another successful discovery in the area will prove up a substantial reservoir in Norway for the Group, which could be monetised as soon as there is a rebound in oil prices,” Mr Broström added.

Block 50 Oman licence extended for three years; Preparations in progress for next exploration well and possible extended well testing with early production

The Omani Ministry of Oil & Gas (“**MOG**”) has extended the Exploration and Production Sharing Agreement (EPSA) for Block 50 Oman for another three years from the end of the current phase to March 2020. The Company is gratified by the MOG’s confidence in its subsidiary, Masirah Oil Limited.

Plans are now being finalised to drill another exploration well in Block 50 scheduled for early 2017. This will be the first well using the new multi-attribute version of RVD, which now enables the Company to be independent from traditional geological inputs on porosity and permeability. More information on the new multi-attribute version of RVD will be shared in due course.

The Manarah-1 well drilled in the first quarter of 2016 confirmed the presence of a source rock and a working petroleum system in the 17,000 sq km Block 50 concession. The well results were considered another milestone towards establishing value creation in the concession, following the Group’s oil discovery (a first in offshore Oman) in the GA South well in 2014.

The Company is actively pursuing a farm-out campaign with the aim to attract partners to the concession. The current direct interest held by the Group in Masirah Oil Limited of 76.95% is above the recommended level in its investment policy. The Company will update shareholders if and when there are any material developments on the aforementioned.

Investigations are also underway for a revised, lower service-cost extended well testing and early production system to be used in Block 50. The Group expects successful investments in Oman to generate positive cash flow even at prevailing oil prices of around US\$40.

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This press release 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. Shareholders and investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management of future events.

About Rex International Holding

Rex International Holding was listed on Singapore Exchange Securities Trading Limited's Catalist Board on 31 July 2013. The Company owns a key set of proprietary and innovative exploration technologies, Rex Technologies, originating from the Company's Swedish founders. These include the game-changing Rex Virtual Drilling technology, the world's first direct hydrocarbon detector using seismic data, which literally enables the Group to 'see oil in the ground' by pinpointing the location of oil reservoirs in the sub-surface. Through the exploration accuracy of Rex Technologies which are applicable to both onshore and offshore oil exploration, the oil discovery success rate is significantly increased. The Company also owns the unique Rexonic ultrasound technology which is used for well bore cleaning which allows for significantly increased oil production in wells that have issues with clogging and deposits.

Rex International Holding has stakes in exploration assets in the Middle East, Norway, the US and Trinidad & Tobago. These offshore and onshore concessions cover an aggregate area of over 26,000 square kilometres in regions known for previous oil and gas discoveries. Located in politically stable countries with well-developed oil and gas infrastructures, Rex International Holding has a portfolio of assets that is geographically diversified and consists of both onshore and offshore concessions.

Issued by Rex International Holding Limited

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This press release has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") for compliance with the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this press release. The Sponsor has also not drawn on any specific technical expertise in its review of this press release.

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