

REX INTERNATIONAL HOLDING LIMITED

(the "Company")

(Company Number: 201301242M)

(Incorporated in the Republic of Singapore)

UPDATE ON THE USE OF PROCEEDS FROM THE 2013 AND 2014 PLACEMENTS

Rex International Holding Limited (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).

The Company had on 17 September 2014, completed a placement of 168 million new ordinary shares (the "**2014 Placement**"), raising net proceeds of S\$93.68 million (after deducting placement expenses of S\$2.08 million).

Following the disbursement of approximately US\$10 million (or about S\$14 million) upon commencement of drilling activity in Oman as announced on 17 March 2017, the Board of Directors of the Company ("**Board**") wishes to provide an update on the current status of the use of net proceeds from the 2013 and 2014 Placement:

Use of proceeds	Amount allocated	Amount redeployed	Amount utilised	Balance
	S\$'000	S\$'000	S\$'000	S\$'000
<u>2013 Placement</u>				
Exploration and drilling activities in new opportunities in the Asia-Pacific region	17,856	(15,960) ⁽¹⁾⁽²⁾	-	1,896
Exploration and drilling activities in new opportunities in geographical regions including the Middle East, Norway and Western Europe	16,787	(5,000) ⁽³⁾	(10,519)	1,268
Invest in and expand the business in the oil services sector using well stimulation technology	16,228	-	(16,128)	100
Share buyback mandate	-	5,960 ⁽²⁾	-	5,960
General working capital	-	10,000 ⁽¹⁾	(8,425) ⁽⁷⁾	1,575
Total	50,871	(5,000)	(35,072)	10,799

Use of proceeds	Amount allocated	Amount redeployed	Amount utilised	Balance
	S\$'000	S\$'000	S\$'000	S\$'000
2014 Placement				
20% of net proceeds to be used for:				
Settlement of liabilities of Rex Technology Management ("RTM") and injection of working capital into RTM to increase capabilities and activities	18,735	(3,496) ⁽⁴⁾	(15,239) ⁽⁵⁾	-
60% of net proceeds to be used for:				
- Further field development in Oman				
- Funding of the drilling of one well in Sharjah in the UAE				
- Further growth and development of the Group's existing sizeable licence portfolio in Norway	56,206	8,496 ⁽³⁾⁽⁴⁾	(64,643)	59
20% of net proceeds to be used for:				
Existing and potential new business opportunities	18,735	-	(16,775) ⁽⁶⁾	1,960
Total	93,676	5,000	(96,657)	2,019

Notes:

- (1) S\$10.00 million was redeployed to general working capital for the financial year ended 31 December 2016 and financial year ending 31 December 2017 due to fewer opportunities in the Asia Pacific region.
- (2) The provisional amount of S\$5.96 million which was redeployed was equivalent to 50% of the illustrated maximum amount of funds required for market purchases as disclosed in Section 2.9(c) of the circular to shareholders in relation to the proposed adoption of the share buyback mandate dated 1 October 2015.
- (3) S\$5.00 million was redeployed for the exploration and drilling activities in Oman as there was no new opportunities in geographical regions including the Middle East and Western Europe.
- (4) S\$3.50 million was redeployed for the exploration and drilling activities in Oman as all liabilities of RTM were fully settled, and RTM is currently able to generate cash flows to meet its working capital.
- (5) US\$8.50 million (equivalent to S\$11.23 million based on the exchange rate of US\$1: S\$1.3213) was used for the repayment of the loan in RTM as disclosed in the announcement dated 2 September 2014. The remaining S\$4.01 million was used for the settlement of other liabilities in RTM which included trade and other payables, which were assumed by the Group upon completion of the acquisition of RTM.
- (6) S\$14.38 million was used for capital injections in Caribbean Rex, and S\$2.39 million was used to subscribe to additional shares in FRAM.
- (7) S\$8.43 million was used for Singapore's office staff cost and operational expenses, consultancy and professional fees.

The Company will make further periodic announcements on the use of the balance of the net proceeds as and when the funds are materially disbursed, and will provide a status report on the use of the net proceeds in the Company's annual report and the interim and full-year financial statements.

BY ORDER OF THE BOARD OF

Rex International Holding Limited

Dan Broström

Executive Director and Chairman

Rex International Holding Limited

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Business Ref. No. 201301242M

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*This announcement has been prepared by the Company and its contents have been reviewed by the 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 Catalyst. The Sponsor has not verified the contents of this announcement.*

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Gillian Goh, Director, Head of Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.