

REX INTERNATIONAL HOLDING LIMITED
(Company Number: 201301242M)
(Incorporated in the Republic of Singapore)

**RESPONSES TO QUERIES FROM SHAREHOLDERS
IN RESPECT OF THE COMPANY'S CIRCULAR DATED 9 FEBRUARY 2022**

Unless otherwise defined, all terms and references used herein shall bear the same meanings ascribed to them in the Circular issued to shareholders on 9 February 2022 (the “Circular”) in relation to, inter alia, the Company's intention to transfer its listing from the Catalist Board to the Mainboard of the Singapore Exchange Securities Trading Limited.

Rex International Holding Limited (the “Company” and together with its subsidiaries, the “Group”) refers to the Circular and the invitation to shareholders to submit questions in advance of the EGM. The Company would like to provide the following information in response to queries from shareholders.

1. Is there any dividend policy going forward?

COMPANY RESPONSE

As stated in the Company's announcement dated 19 October 2021, the Board 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. 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.

In proposing any dividend pay-out, the Board shall take into account, *inter alia*: (a) the level of the Group's cash and retained earnings; (b) the Group's actual and projected financial performance; (c) the Group's projected levels of capital expenditure and other investment plans, including strategic and opportunistic investments; (d) the Group's working capital requirements and general business and financing conditions; (e) restrictions on payment of dividends imposed on the Group by the Group's financing arrangements (if any); and (f) any other factors the Board may deem relevant. The Board endeavours to maintain a balance between meeting shareholders' expectations and prudent capital management with a sustainable dividend policy.

The Board will continually review the dividend policy and reserves the right in its sole and absolute discretion to update, amend, modify and/or cancel the dividend policy at any time.

Shareholders and investors of the Company should note that the dividend policy is not indicative in any way of, and should not be construed in any manner as a forecast statement or projection made by the Company or the Board, on the future financial results and performance of the Company. In particular, no inference should or can be made from any of the foregoing statements as to the actual future profitability of the Company or the ability of the Company to pay dividends, and the dividend policy shall in no way constitute a legally binding commitment by the Company in respect of its future dividends.

2. **With the current push for green technology in the world, what is the Company's perspective on oil exploration and production? How does the company cope with these challenges?**
3. **By going into a new sector such as commercial drone business, how does it complement the current business?**

COMPANY RESPONSE

About 80 per cent of global primary energy comes from fossil fuels* i.e. coal, oil and gas, to power modes of transport including trains, ships and planes. With the easing of travel restrictions implemented to impede the spread of Covid-19, and underinvestment in fossil fuel production in recent years in light of the global push toward clean energy, global demand for oil has outpaced supply in recent months.

As a socially responsible oil exploration & production (E&P) player, the Group is committed to participating in oil exploration and production projects that minimise the impact of its activities on the surrounding natural environment, which in 2021, included the following:

- The Borgland Dolphin drilling rig was selected and used for the drilling of the Fat Canyon prospect in the Norwegian Sea licences PL937/B, in which Lime Petroleum AS ("**LPA**") has a 15 per cent interest, as the Borgland Dolphin had one of the lowest CO₂ emissions for drilling rigs operating in Norwegian waters.
- Subsidiary LPA entered into an agreement with Nautilus Carbon Services AS to participate in the first phase of a larger project involving several other joint-industry project partners, which aims to secure a storage site in the Norwegian Continental Shelf where CO₂ can be injected and safely stored permanently.
- LPA's acquisition of a 33.8434 per cent interest in the producing Brage Field in the Norwegian North Sea was completed on 31 December 2021. LPA is working closely with the operator and the Brage unit on plans to electrify the platform and this could happen as early as 2024.

In 2019, shareholders at an Extraordinary General Meeting gave a resounding 99.79 per cent approval for the Group's proposed diversification into sustainable energy, sustainable solutions for materials and development, and ownership or acquisition of related technology. The proposed 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, through a wholly-owned subsidiary, committed to invest up to US\$4 million into commercial drone company Xer Technologies Pte. Ltd. ("**Xer**"). Xer's unique heavy-duty drones will promote 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 CO₂ emissions. As such, the acquisition brings the Group a step closer towards its business diversification mandate.

*Our World in Data, More than 80% of our energy still comes from fossil fuels

4. **After going on the Mainboard, is there any planned timeline in future fund raising and corporate actions?**

COMPANY RESPONSE

The Company is continually evaluating business opportunities and its cash requirements and will make the necessary announcements when there are material developments.

5. **What is the advantage that Rex International has over other bigger and traditional players in the oil exploration industry and how can the company compete and lead in this section?**

COMPANY RESPONSE

The Group is privileged that its Norwegian subsidiary, as a pre-qualified licence holder, is partners with world-class E&P players on the matured and sophisticated Norwegian Continental Shelf; and that its Omani subsidiary is the discoverer and operator of the first offshore oil producing field east of Oman.

The Group also has at its disposal, its proprietary Rex Virtual Drilling technology, a strong de-risking tool that differentiates the Company from other E&P companies.

The Group has weathered various challenges over the years, including the 2014 oil price collapse and the 2020 Covid-19 pandemic and its ramifications on the global economy, through prudent and disciplined cash management, nimble seizing of business opportunities, and leveraging on technology.

To this end, the Group's subsidiary LPA acquired a 33.8434 per cent interest in the producing Brage Field in Norway and successfully raised NOK 500 million (approximately US\$60 million) of 2.5-year senior secured bonds in relation to the transaction.

6. **Kindly give an update and the financial and reputational impact on the lawsuit Rex International is facing with Petroci Holding.**

COMPANY RESPONSE

As stated in the Company's announcement dated 11 August 2021, the Company is of the view that the claims and allegations against Rex Oman Limited ("**Rex Oman**") and Masirah Oil Limited ("**MOL**") are frivolous, baseless and unmeritorious. Rex Oman and MOL will respond strongly and take all measures necessary to resist and refute these frivolous, baseless and unmeritorious claims and allegations. The Company assesses that there will be no material financial impact from the claim.

As the matter is before the court, the Company will make the necessary announcements when there are material developments in connection with the foregoing matter.

BY ORDER OF THE BOARD OF
Rex International Holding Limited

Dan Broström
Executive Director and Chairman

25 February 2022

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

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement. The Sponsor has also not drawn on any specific technical expertise in its review of this announcement.

The contact person for the Sponsor is Mr Pong Chen Yih, Chief Operating Officer, 7 Temasek Boulevard, #18-03B Suntec Tower 1, Singapore 038987, telephone (65) 6950 2188.