REX INTERNATIONAL HOLDING LIMITED

(Company Registration Number: 201301242M)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED

30 JUNE 2024

CONTENTS

A. Condensed interim consolidated statement of profit or loss and other comprehensive income

	Note	Group Six Months Ended 30-Jun-24 US$'000	30-Jun-23 US$'000	Change %
Revenue				
Sale of crude oil and gas	4.2	158,181	106,916	48
Sale of goods and services	4.2	488	–	NM
Cost of sales				
Cost of goods sold		(316)	–	NM
Cost of services		(263)	(314)	(16)
Production and operating expenses		(51,822)	(43,555)	19
Depletion of oil and gas properties	10	(41,877)	(22,399)	87
Exploration and evaluation expenditure		(1,683)	(1,658)	2
Gross profit		62,708	38,990	61
Administration expenses		(17,596)	(13,722)	28
Other expenses		(373)	(5,690)	(93)
Other income		224	300	(25)
Results from operating activities		44,963	19,878	126
Finance income		2,295	1,026	NM
Finance expense		(8,749)	(11,285)	(22)
Foreign currency exchange loss		(507)	(1,308)	(61)
Net finance expense		(6,961)	(11,567)	(40)
Share of profit/ (loss) of equity-accounted investees, net of tax		682	(175)	NM
Profit before tax	6	38,684	8,136	NM
Tax expense	7	(49,136)	(4,446)	NM
(Loss)/ Profit for the period, net of tax		(10,452)	3,690	NM
Other comprehensive (loss)/ income				
– Items that are or may be reclassified subsequently to profit or loss:				
Foreign currency translation differences from foreign operations, representing total other comprehensive income/ (loss) for the period, net of tax		243	(1,457)	NM
Total comprehensive (loss)/ income for the period, net of tax		(10,209)	2,233	NM

NM: Not meaningful

A. Condensed interim consolidated statement of profit or loss and other comprehensive income (continued)

	Note	Group Six Months Ended 30-Jun-24 US$'000	30-Jun-23 US$'000	Change %
(Loss)/ Profit attributable to:				
Owners of the Company		(8,637)	3,056	NM
Non-controlling interests		(1,815)	634	NM
(Loss)/ Profit for the period, net of tax		(10,452)	3,690	NM
Total comprehensive (loss)/ income attributable to:				
Owners of the Company		(8,393)	1,858	NM
Non-controlling interests		(1,816)	375	NM
Total comprehensive (loss)/ income for the period, net of tax		(10,209)	2,233	NM
(Loss)/ Earnings per share				
Basic (loss)/ earnings per share (cents)	6.1	(0.66)	0.23	NM
Diluted (loss)/ earnings per share (cents)	6.1	(0.66)	0.23	NM

NM: Not meaningful

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B. Condensed interim statements of financial position

		Group		Company	
		30-Jun-24	31-Dec-23	30-Jun-24	31-Dec-23
	Note	US$'000	US$'000	US$'000	US$'000
Assets					
Exploration and evaluation assets	9	26,405	25,783	–	–
Oil and gas properties	10	220,130	208,800	–	–
Goodwill and intangible assets	11	18,738	19,746	–	–
Property, plant and equipment	12	1,680	2,118	466	666
Subsidiaries		–	–	95,916	93,937
Jointly controlled entities		2,254	1,572	–	–
Other receivables	13	141,177	145,481	–	–
Non-current assets		410,384	403,500	96,382	94,603
Inventories	14	37,181	33,272	–	–
Trade and other receivables	13	54,165	62,412	14,790	10,903
Quoted investments		17,936	18,600	17,934	18,599
Cash and cash equivalents		88,324	95,439	2,344	15,547
Current assets		197,606	209,723	35,068	45,049
Total assets		607,990	613,223	131,450	139,652
Equity					
Share capital	15	89,581	89,581	89,581	89,581
Reserves		2,441	2,197	1,082	1,082
Retained earnings		5,096	13,733	3,925	171
Equity attributable to owners of the Company		97,118	105,511	94,588	90,834
Non-controlling interests		8,056	9,256	–	–
Total equity		105,174	114,767	94,588	90,834
Liabilities					
Loans and borrowings	16	44,720	64,263	–	–
Provisions	17	205,741	215,660	–	–
Lease liabilities		435	621	120	221
Deferred tax liabilities		94,511	84,701	–	–
Non-current liabilities		345,407	365,245	120	221
Loans and borrowings	16	35,106	36,846	–	–
Bank overdraft	16	–	4,000	–	4,000
Lease liabilities		385	477	199	282
Trade and other payables	18	87,083	91,888	36,543	44,315
Income tax payable		34,835	–	–	–
Current liabilities		157,409	133,211	36,742	48,597
Total liabilities		502,816	498,456	36,862	48,818
Total equity and liabilities		607,990	613,223	131,450	139,652

C. Condensed interim statements of changes in equity

	Attributable to owners of the Company									
	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	Retained earnings US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
Group										
At 1 January 2024	89,581	(716)	4,129	2,180	1,536	(4,932)	13,733	105,511	9,256	114,767
Total comprehensive loss for the period										
Loss for the period	–	–	–	–	–	–	(8,637)	(8,637)	(1,815)	(10,452)
Other comprehensive income										
Foreign currency translation differences, representing total other comprehensive income	–	–	–	–	–	244	–	244	(1)	243
Total comprehensive loss for the period	–	–	–	–	–	244	(8,637)	(8,393)	(1,816)	(10,209)
Contributions from non-controlling interests	–	–	–	–	–	–	–	–	616	616
At 30 June 2024	89,581	(716)	4,129	2,180	1,536	(4,688)	5,096	97,118	8,056	105,174

C. Condensed interim statements of changes in equity (continued)

	Attributable to owners of the Company									
	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	Retained earnings/ (Accumulated losses) US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
Group										
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 income for the period										
Profit for the period	–	–	–	–	–	–	3,056	3,056	634	3,690
Other comprehensive loss										
Foreign currency translation differences, representing total other comprehensive loss	–	–	–	–	–	(1,198)	–	(1,198)	(259)	(1,457)
Total comprehensive income for the period	–	–	–	–	–	(1,198)	3,056	1,858	375	2,233
Transactions with owners, recognised directly in equity										
Contributions by and distributions to owners										
Dividends paid	–	–	–	–	–	–	(4,844)	(4,844)	–	(4,844)
Cancellation of share capital (Note 15)	(168,096)	–	–	–	–	–	168,096	–	–	–
Total transactions with owners	(168,096)	–	–	–	–	–	163,252	(4,844)	–	(4,844)
At 30 June 2023	89,581	(716)	4,129	2,180	1,536	(3,850)	80,700	173,560	12,312	185,872

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C. Condensed interim statements of changes in equity (continued)

	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
Company						
At 1 January 2024	89,581	(716)	505	1,293	171	90,834
Total comprehensive profit for the period						
Profit for the period, representing total comprehensive profit for the period	–	–	–	–	3,754	3,754
At 30 June 2024	89,581	(716)	505	1,293	3,925	94,588
At 1 January 2023	257,677	(716)	505	1,293	(161,609)	97,150
Total comprehensive loss for the period						
Loss for the period, representing total comprehensive loss for the period	–	–	–	–	(2,205)	(2,205)
Transactions with owners, recognised directly in equity						
Contributions by and distributions to owners						
Dividends paid	–	–	–	–	(4,844)	(4,844)
Cancellation of share capital (Note 15)	(168,096)	–	–	–	168,096	–
Total transactions with shareholders	(168,096)	–	–	–	163,252	(4,844)
At 30 June 2023	89,581	(716)	505	1,293	(562)	90,101

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D. Condensed interim consolidated statement of cash flows

	Note	Group Six Months Ended 30-Jun-24 US$'000	30-Jun-23 US$'000
Cash flows from operating activities			
Profit before tax for the period		38,684	8,136
Adjustments for:			
Amortisation of intangible assets	6, 11	632	425
Depreciation of property, plant and equipment	6	452	659
Depletion of oil and gas properties	6, 10	41,877	22,399
Impairment loss on exploration and evaluation assets	6, 9	146	5,250
Net finance expense		6,454	10,259
Share of (profit)/ loss of equity-accounted investees, net of tax		(682)	175
Change in fair value of quoted investments	6	163	438
Gain on disposal of quoted investments		–	(300)
Operating cash flows before movements in working capital		87,726	47,441
Changes in:			
– Inventories		(3,910)	651
– Trade and other receivables		7,691	(38,083)
– Trade and other payables		(6,989)	(52,744)
– Restricted bank deposits		(109)	475
Net cash from/ (used in) operating activities		84,409	(42,260)
Cash flows from investing activities			
Interest received		2,295	1,026
Purchase of quoted investments		–	(18,080)
Additions to oil and gas properties	10	(61,166)	(29,322)
Exploration and evaluation expenditure	9	(1,988)	(8,217)
Proceeds from disposal of quoted investments		500	19,008
Purchase of property, plant and equipment	12	(44)	(76)
Purchase of patents	11	(15)	–
Net cash used in investing activities		(60,418)	(35,661)
Cash flows from financing activities			
Interest paid		(7,031)	(9,957)
Dividends paid to owners of the Company		–	(4,844)
Payment for transaction costs related to loans and borrowings		–	(990)
Net proceeds from issuance of bonds by a subsidiary		–	30,047
Repayment of bonds		(17,752)	–
Repayment of bank overdraft		(4,000)	–
Repayment of lease liabilities		(250)	(399)
Contributions from non-controlling interests in a subsidiary		616	–
Net cash (used in)/ from financing activities		(28,417)	13,857

D. Condensed interim consolidated statement of cash flows (continued)

	Note	Group Six Months Ended 30-Jun-24 US$'000	30-Jun-23 US$'000
Net decrease in cash and cash equivalents		(4,426)	(64,064)
Cash and cash equivalents at beginning of the period		86,394	106,377
Effect of exchange rate fluctuations on cash held		(2,371)	2,910
Cash and cash equivalents at end of the period		79,597	45,223
Cash and cash equivalents in the statement of financial position		88,324	53,360
Less: Restricted bank deposits		(8,727)	(8,137)
Cash and cash equivalents in the consolidated statement of cash flows		79,597	45,223

E. Selected notes to the condensed interim consolidated financial statements

1. Corporate information

Rex International Holding Limited (the "**Company**") is a company incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange Securities Trading Limited. These condensed interim consolidated financial statements as at and for the six months ended 30 June 2024 ("**1H FY2024**") comprise the Company and its subsidiaries (collectively, the "**Group**").

The principal activities of the Company are those relating to investment holding.

The principal activities of the Group are relating to oil and gas exploration and production, oil exploration technology, medical technology and industrial robots.

2. Basis of preparation

The condensed interim consolidated financial statements for the six months ended 30 June 2024 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim consolidated financial statements are presented in United States ("**US**") dollar which is the Company's functional currency. All financial information presented in US dollars have been rounded to the nearest thousand, unless otherwise stated.

2.1. New standards and interpretations not adopted

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2024, and earlier application is permitted; however, the Group has not early-adopted the new or amended standards in preparing these condensed interim consolidated financial statements.

2.2. Use of judgements and estimates

In preparing the condensed interim consolidated financial statements, Management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

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 amounts 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 amounts 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.

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.

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.

2.2. Use of judgements and estimates (continued)

Critical judgements made in applying material accounting policies

Information about critical judgements in applying material accounting policies that have the most significant effect on the amounts recognised in the financial statements is discussed below.

Business combination

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 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.

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.

2.2. Use of judgements and estimates (continued)

Critical judgements made in applying material accounting policies (continued)

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 difficult 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 is given in terms of units of production based on total proven and probable reserves.

3. Seasonal operations

The Group's businesses were not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

The Group has three 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 robot segments.
* Corporate: Pertains to corporate functions.

These operating segments are reported in a manner consistent with internal reporting provided to the Group's Executive Chairman, Chief Executive Officer and senior management who are responsible for allocating resources and assessing performance of the operating segments.

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4.1. Reportable segment

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
1 January 2024 to 30 June 2024				
Sale of crude oil and gas	158,181	–	–	158,181
Sale of goods and services	–	984	–	984
Total revenue for reportable segments	158,181	984	–	159,165
Elimination of inter-segment revenue	–	(496)	–	(496)
Consolidated revenue	158,181	488	–	158,669
Other income	224	–	–	224
Segment expense	(64,552)	(2,313)	(3,795)	(70,660)
Finance income	1,113	14	1,168	2,295
Finance expense	(8,669)	–	(80)	(8,749)
Foreign exchange gain/ (loss)	289	(254)	(542)	(507)
Depreciation of property, plant and equipment	(239)	(8)	(205)	(452)
Depletion of oil and gas properties	(41,877)	–	–	(41,877)
Amortisation of intangible assets	–	(632)	–	(632)
Share of profit of equity-accounted investees	–	682	–	682
Other material non-cash items:				
– Changes in fair values of quoted investments	–	–	(163)	(163)
– Impairment loss on exploration and evaluation assets	(146)	–	–	(146)
Reportable segment profit/ (loss) before tax	44,324	(2,023)	(3,617)	38,684
Reportable segment assets	565,551	16,393	26,046	607,990
Segment assets include:				
Additions to:				
– Property, plant and equipment*	21	19	4	44
– Patents	–	15	–	15
– Exploration and evaluation assets	1,988	–	–	1,988
– Oil and gas properties	61,166	–	–	61,166
Reportable segment liabilities	500,885	780	1,151	502,816

* Excludes right-of-use assets

4.1. Reportable segment (continued)

Group	Oil and Gas US$'000	Non-Oil and Gas US$'000	Corporate US$'000	Total US$'000
1 January 2023 to 30 June 2023				
Sale of crude oil and gas	106,916	–	–	106,916
Service revenue	–	496	–	496
Total revenue for reportable segments	106,916	496	–	107,412
Elimination of inter-segment revenue	–	(496)	–	(496)
Consolidated revenue	106,916	–	–	106,916
Segment expense	(54,799)	(511)	(2,857)	(58,167)
Finance income	225	–	801	1,026
Foreign exchange (loss)/ gain	(613)	4	(699)	(1,308)
Finance costs	(11,232)	(1)	(52)	(11,285)
Depreciation of property, plant and equipment	(458)	–	(201)	(659)
Depletion of oil and gas properties	(22,399)	–	–	(22,399)
Amortisation of intangible assets	–	(425)	–	(425)
Share of loss of equity-accounted investees	–	(175)	–	(175)
Other material non-cash items:				
– Changes in fair values of quoted investments	–	–	(438)	(438)
– Gain from disposal of quoted investments	–	–	300	300
– Impairment loss on exploration and evaluation assets	(5,250)	–	–	(5,250)
Reportable segment profit/ (loss) before tax	12,390	(1,108)	(3,146)	8,136
Reportable segment assets	584,204	5,750	40,568	630,522
Segment assets include:				
Additions to:				
– Property, plant and equipment*	62	–	14	76
– Exploration and evaluation assets	8,217	–	–	8,217
– Oil and gas properties	29,322	–	–	29,322
Reportable segment liabilities	440,698	534	3,418	444,650

* Excludes right-of-use assets

4.2. Disaggregation of revenue

	Group Six Months Ended 30-Jun-24 US$'000	30-Jun23 US$'000
Sale of crude oil	135,448	101,467
Sale of gas	22,733	5,449
Sale of crude oil and gas	158,181	106,916
Sale of goods (revenue transferred at a point in time)	340	–
Service revenue (revenue transferred over time)	148	–
Sale of goods and services	488	–
Total revenue	158,669	106,916

Sale of crude oil and gas

Nature of goods or services	Crude oil and gas
When revenue is recognised	Revenue is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied
Significant payment terms	Invoices are payables based on the agreed payment terms with the customers, at 5 to 30 days after the date of bill of lading

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers.

	Group Six Months Ended 30-Jun-24 US$'000	30-Jun-23 US$'000
Geographical information		
Revenue		
Singapore	88	43,229
Norway	158,181	63,687
Sweden	60	–
Hungary	340	–
Total revenue	158,669	106,916

4.2. Disaggregation of revenue (continued)

	Group	
	30-Jun-24	31-Dec-23
	US$'000	US$'000
Geographical information		
Non-current assets		
Benin	1,400	–
British Virgin Islands	2,644	1,572
Norway	204,725	212,611
Oman	49,355	31,553
Switzerland	8,823	8,889
Sweden	1,794	1,913
Singapore	466	1,481
Total non-current assets	269,207	258,019

5. Financial assets and financial liabilities

Accounting classifications and fair values

The carrying amounts 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.

	Group		Company	
	30-Jun-24	31-Dec-23	30-Jun-24	31-Dec-23
	US$'000	US$'000	US$'000	US$'000
Financial assets measured at amortised cost				
Loan to a subsidiary	–	–	95,916	93,937
Trade and other receivables (Note 13)*	38,739	43,189	14,604	10,753
Cash and cash equivalents	88,324	95,439	2,344	15,547
	127,063	138,628	112,864	120,237
Financial assets measured at fair value				
Quoted investments	17,936	18,600	17,934	18,599

* Excludes accrued revenue, decommissioning receivables, prepayments and income tax receivables.

5. **Financial assets and financial liabilities (continued)**

	Group		Company	
	30-Jun-24 US$'000	31-Dec-23 US$'000	30-Jun-24 US$'000	31-Dec-23 US$'000
Financial liabilities measured at amortised cost				
Loans and borrowings (Note 16)	79,826	101,109	–	–
Bank overdraft (Note 16)	–	4,000	–	4,000
Trade and other payables (Note 18)#	63,770	52,475	36,543	44,315
	143,596	157,584	36,543	48,315
Other financial liabilities				
Lease liabilities	820	1,098	319	503

Excludes advances from customer.

5.1. **Financial assets and financial liabilities – Fair value measurement**

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 which such 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).

5.1. Financial assets and financial liabilities – Fair value measurement (continued)

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 the Company.

Debt and equity securities

The carrying amounts 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 amounts 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 amounts 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 amounts recorded at the reporting date would be significantly different from the values that would eventually be received.

6. Profit before tax

Profit before tax is stated after (charging)/ crediting the following:

	Group Six Months Ended 30-Jun-24 US$'000	 30-Jun-23 US$'000
Depreciation of property, plant and equipment	(452)	(659)
Depletion of oil and gas properties	(41,877)	(22,399)
Amortisation of other intangible assets	(632)	(425)
Impairment loss on exploration and evaluation assets	(146)	(5,250)
Fair value loss on quoted investments	(163)	(438)
Gain on disposal of quoted investments	–	300

6.1. (Loss)/ Earnings per share

	Group Six Months Ended	
	30-Jun-24	**30-Jun-23**
Calculation of basic and diluted (loss)/ earnings per share ("**LPS**" or "**EPS**") is based on:		
(Loss)/ Profit attributable to ordinary shareholders (US$)	(8,637,000)	3,056,000
Weighted average number of ordinary shares	1,302,320,991	1,302,320,991
Basic and fully diluted (LPS)/ EPS (US cents)	(0.66)	0.23

There was no outstanding share award as at 30 June 2024 and 30 June 2023.

6.2. Related party transactions

Transactions with directors and other 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 Six Months Ended	
	30-Jun-24	**30-Jun-23**
	US$'000	**US$'000**
Short-term employment benefits		
– Directors	1,460	951
– Key executives	2,051	1,895
Post-employment benefits (including CPF)	5	6
	3,516	2,852

6.2. Related party transactions (continued)

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 period:

	Group Six Months Ended	
	30-Jun-24 US$'000	30-Jun-23 US$'000
Consultancy fees paid/ payable to companies in which directors and other key management personnel and/ or their close family members have an interest	113	75
Capital contributions from a related party, representing contributions from non-controlling interests in a subsidiary	616	–

7. Tax expense

	Group Six Months Ended	
	30-Jun-24 US$'000	30-Jun-23 US$'000
Current tax expense/ (credit)		
Current period	34,982	(10,348)
Changes in estimates related to prior years	286	(1,673)
	35,268	(12,021)
Deferred tax expense		
Origination and reversal of temporary differences	13,868	16,467
Total tax expense	49,136	4,446

8. Net asset value

	Group		Company	
	30-Jun-24	31-Dec-23	30-Jun-24	31-Dec-23
Net asset value# (US$)	105,174,000	114,767,000	94,588,000	90,834,000
Total number of issued shares excluding treasury shares	1,302,320,991	1,302,320,991	1,302,320,991	1,302,320,991
Net asset value per ordinary share based on number of shares in issue as at the end of the financial period/ year (US cents)	8.08	8.81	7.26	6.97

Net asset value includes non-controlling interests.

9. Exploration and evaluation assets

	Group	
	30-Jun-24 US$'000	31-Dec-23 US$'000
Cost		
At beginning of period/ year	95,368	88,336
Additions	1,988	14,268
Transferred to oil and gas properties (Note 10)	–	(4,624)
Translation differences	(5,603)	(2,612)
At end of period/ year	91,753	95,368
Accumulated impairment loss		
At beginning of period/ year	69,585	51,480
Impairment of capitalised exploration expenditure	146	19,544
Translation differences	(4,383)	(1,439)
At end of period/ year	65,348	69,585
Carrying amount at end of period/ year	26,405	25,783

Exploration and evaluation costs incurred were in respect of exploration and evaluation of hydrocarbons in Norway, Oman and Benin.

9. Exploration and evaluation assets (continued)

Impairment assessment

In 1H FY2024, the Group recognised impairment loss of US$146,000 with respect to relinquishment of certain licences in Norway due to limited further prospectivity in these licences.

In 2023, the Group recognised total impairment loss of US$19,544,000 (1H FY2023: US$5,250,000) with respect to exploration and evaluation assets, as a result of a non-commercial exploration well in Oman, and relinquishment of certain licences in Norway and Malaysia.

The impairment of exploration and evaluation assets is included in 'other expenses'.

10. Oil and gas properties

	Group	
	30-Jun-24 US$'000	**31-Dec-23 US$'000**
Cost		
At beginning of period/ year	384,128	303,838
Additions	61,166	53,151
Change in decommissioning provision (Note 17)	–	28,714
Transferred from exploration and evaluation assets (Note 9)	–	4,624
Write-off	–	(1,733)
Adjustments	474	(787)
Translation differences	(11,859)	(3,679)
At end of period/ year	433,909	384,128
Accumulated depletion and impairment loss		
At beginning of period/ year	175,328	87,496
Depletion	41,877	75,116
Impairment of oil and gas properties previously capitalised	–	11,786
Write-off	–	(310)
Translation differences	(3,426)	1,240
At end of period/ year	213,779	175,328
Carrying amount at end of period/ year	220,130	208,800

Impairment assessment

In 2023, an impairment assessment was performed over the Group's oil and gas properties. Based on the impairment assessment performed, total impairment loss of US$11,786,000 was recognised in 2023 (1H FY2023: US$Nil) with respect to oil and gas properties in Oman. The impairment of oil and gas properties was included in 'other expenses'.

No impairment loss was recognised in 1H FY2024.

11. Goodwill and intangible assets

	Goodwill US$'000	Technology US$'000	Customer contracts US$'000	Development costs US$'000	Patents US$'000	Total US$'000
Group						
Cost						
At 1 January 2023	31,909	4,700	3,800	–	–	40,409
Acquisitions – Business combinations (Note 19)	3,215	–	–	–	–	3,215
Acquisitions (Note 19)	–	–	–	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
Additions	–	–	–	–	15	15
Translation differences	(1,458)	–	–	–	(5)	(1,463)
At 30 June 2024	32,641	4,700	3,800	5,600	1,938	48,679
Accumulated amortisation and impairment loss						
At 1 January 2023	–	3,779	3,056	–	–	6,835
Amortisation	–	470	380	–	15	865
Impairment loss	21,856	–	–	–	–	21,856
Translation differences	825	–	–	–	–	825
At 31 December 2023	22,681	4,249	3,436	–	15	30,381
Amortisation	–	235	190	77	130	632
Translation differences	(1,071)	–	–	–	(1)	(1,072)
At 30 June 2024	21,610	4,484	3,626	77	144	29,941
Carrying amounts						
At 1 January 2023	31,909	921	744	–	–	33,574
At 31 December 2023	11,418	451	364	5,600	1,913	19,746
At 30 June 2024	11,031	216	174	5,523	1,794	18,738

Amortisation

The amortisation of intangible assets is included in 'administrative expenses', and the impairment loss on goodwill is included in 'other expenses'.

12. Property, plant and equipment

The Group acquired property, plant and equipment (excluding right-of-use assets) of US$44,000 in 1H FY2024 (six months ended 30 June 2023: US$76,000).

No assets were disposed of in both financial periods.

13. Trade and other receivables

	Group		Company	
	30-Jun-24 US$'000	31-Dec-23 US$'000	30-Jun-24 US$'000	31-Dec-23 US$'000
Trade receivables (third parties)	22,666	30,610	–	–
Amounts due from subsidiaries (non-trade)	–	–	14,428	10,136
Amounts due from a jointly controlled entity (non-trade)	35	18	17	181
Amounts due from a related party (non-trade)	90	–	27	–
Deposits	996	250	103	106
Other receivables [3]	14,952	12,311	29	330
	38,739	43,189	14,604	10,753
Accrued revenue	7,387	10,264	–	–
Decommissioning receivables [1]	141,177	145,481	–	–
Prepayments	3,443	3,332	186	150
Income tax receivables [2]	4,596	5,627	–	–
Trade and other receivables	195,342	207,893	14,790	10,903
Comprise of:				
– Non-current	141,177	145,481	–	–
– Current	54,165	62,412	14,790	10,903
	195,342	207,893	14,790	10,903

The non-trade amounts due from subsidiaries and a jointly controlled entity are unsecured, interest-free, and are repayable on demand.

[1] 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 Norge AS's parent company Repsol Exploración S.A. 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 the 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 17.

[2] Income tax receivables of US$4,596,000 (31 December 2023: US$5,627,000) relate to an amount receivable from the Norway tax authorities for exploration costs incurred during the respective financial period/year. The refund will be paid out in November 2024.

[3] Other receivables mainly relate to under-lift of petroleum products, working capital and overcall for joint operations/licences for exploration and production activities in Norway.

14. Inventories

	Group	
	30-Jun-24 US$'000	31-Dec-23 US$'000
Petroleum products	18,484	15,872
Spare parts	18,697	17,400
	37,181	33,272

15. Share capital

	Group and Company			
	30-Jun-24 Number of shares '000	30-Jun-24 US$'000	31-Dec-23 Number of shares '000	31-Dec-23 US$'000
Issued and fully paid ordinary shares, with no par value:				
At beginning of period/ year	1,315,508	89,581	1,315,508	257,677
Cancellation of share capital (1)	–	–	–	(168,096)
At end of period/ year	1,315,508	89,581	1,315,508	89,581

There was no change in the Company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on.

The Company's issued and fully paid-up capital as at 30 June 2024 comprised 1,315,507,991 (31 December 2023: 1,315,507,991) ordinary shares, of which 13,187,000 (31 December 2023: 13,187,000) were held by the Company as treasury shares.

The number of issued shares, excluding treasury shares, was 1,302,320,991 (31 December 2023: 1,302,320,991).

The treasury shares held represent 1.01% of the total number of issued shares (excluding treasury shares) as at 30 June 2024 (30 June 2023: 1.01%). There were no sales, transfers, cancellation and/or use of treasury shares in 1H FY2024.

There were no outstanding convertibles and/or subsidiary holdings as at 30 June 2024 and 30 June 2023, and no sales, transfers, cancellation and/or use of subsidiary holdings in 1H FY2024.

(1) On 20 January 2023, the shareholders of the Company 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.

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16. Loans and borrowings

	Group		Company	
	30-Jun-24 US$'000	31-Dec-23 US$'000	30-Jun-24 US$'000	31-Dec-23 US$'000
Secured bond issues	79,826	101,109	–	–
Bank overdraft	–	4,000	–	4,000
	79,826	105,109	–	4,000
Analysed as:				
– Non-current	44,720	64,263	–	–
– Current	35,106	40,846	–	4,000
	79,826	105,109	–	4,000

There were no unsecured loans or borrowings for the financial period ended 30 June 2024 and financial year ended 31 December 2023.

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.

Subsequent to the financial period ended 30 June 2024

On 11 July 2024, LPA issued a conditional call notice to redeem the outstanding bonds under its existing Bond Issue. The existing Bond Issue was redeemed at price equal to 103.08303 per cent of par value, plus accrued interest on the redeemed amount, with settlement date on 25 July 2024.

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 licences 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 bank overdraft was drawn down against a short-term bank deposit which repaid on 14 February 2024.

17. Provisions

	Decommissioning provisions	
	30-Jun-24	31-Dec-23
	US$'000	US$'000
Group		
At beginning of period/ year	215,660	190,661
Provisions	–	37,093
Unwinding of discount	3,699	5,935
Utilisation of provision	(3,950)	(11,480)
Translation differences	(9,668)	(6,549)
At end of period/ year	205,741	215,660

Decommissioning provisions

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 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 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 on 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 on future oil and gas prices, which are inherently uncertain.

In 2023, as part of the Group's regular review, provisions were revised, following the establishment and commencement of the planned drilling programmes in Oman and Norway. Accordingly, the provisions increased by US$37,093,000, with a corresponding increase in decommissioning receivables of US$8,379,000 and an increase in oil and gas properties of US$28,714,000 (Note 10).

18. Trade and other payables

	Group		Company	
	30-Jun-24 US$'000	31-Dec-23 US$'000	30-Jun-24 US$'000	31-Dec-23 US$'000
Trade payables (third parties)	18,144	3,505	–	–
Amounts due to subsidiaries (non-trade)	–	–	35,750	42,465
Accruals	45,206	48,550	793	1,850
Advances from customer	23,313	39,413	–	–
Dividends payable to non-controlling interest	420	420	–	–
	87,083	91,888	36,543	44,315

Trade payables are non-interest bearing and are generally settled on terms ranging from 2 to 4 weeks (31 December 2023: 2 to 4 weeks).

The non-trade amounts due to subsidiaries are unsecured, interest-free, and are repayable on demand.

Accruals mainly relate to accrued production costs.

Advances from customer of US$23,313,000 (31 December 2023: US$39,413,000) relate to a prepaid amount received from a customer in Norway in relation to crude oil sales.

19. Acquisitions

(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 had been provisionally determined as at 31 December 2023. The necessary market valuations and other calculations as part of the purchase price allocation set out below were only provisionally determined based on the Management's best estimate of the likely values as of 31 December 2023. The purchase price allocation will be finalised during the financial year ending 31 December 2024.

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19. Acquisitions (continued)

(i) Acquisition of a subsidiary, Xer Technologies Pte Ltd ("Xer") (continued)

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. 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 of this obligation.

On 15 January 2024, one of the milestones was achieved, and US$1,000,000 was paid as capital contribution to Xer. On 17 April 2024, another milestone was achieved, and a further US$1,000,000 was paid as capital contribution to Xer.

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.

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	73
Intangible assets (Note 11)	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 comprise 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.

19. Acquisitions (continued)

(i) Acquisition of a subsidiary, Xer Technologies Pte Ltd ("Xer") (continued)

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	2,354
Less: net identifiable net assets acquired	(5,884)
Goodwill (Note 11)	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.

g) Revenue and profit contribution

Since the acquisition was completed on 28 December 2023, Xer did not contribute any revenue 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 ended 31 December 2023 would have increased by US$2,901,000.

19. Acquisitions (continued)

(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 had 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 has a non-controlling stake in MA. On 15 January 2024, a further US$913,590 was paid as capital contribution to Moroxite T.

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 11)	1,890
Trade and other receivables	34
Cash and cash equivalents	694
Trade and other payables	(36)
Net identifiable assets acquired	2,582

20. Contingent liability

Legal claims

On 5 August 2021, Petroci Holding ("**Petroci**") filed a claim against the Company's subsidiaries, Rex Oman Limited ("**Rex Oman**"), Masirah Oil 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 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.

21. 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**") to 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.

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.

22. Subsequent events

Acquisition of subsidiary - Lime Petroleum Holding AS ("LPH")

On 18 June 2024, Rex International Investments Pte. Ltd. ("**RII**") entered into a joint venture ("**Joint Venture**") agreement (the "**JVA**") with Monarch Marine Holding Ltd ("**MMH**") and Peter M. Steimler ("**PS**"), to hold Lime Petroleum AS ("**LPA**") and Porto Novo Resources Ltd ("**PNR**") under a new joint venture company, Lime Petroleum Holding AS ("**LPH**"), incorporated under the laws of Norway (the "**JVCo**").

Subsequent to the financial period end, RII acquired 25,122 shares in LPH from a shelf company provider and LPH has become an 83.74% indirect subsidiary held through RII.

Secured bond issues

On 4 July 2024, LPH successfully raised NOK1,200 million senior secured bonds with a three-year tenor. Use of proceeds will be to refinance LPA's existing bond, as well as for LPH's exploration, development and production activities and general working capital in Norway and Africa.

The settlement took place on 17 July 2024. The bonds were issued at 100 per cent of the nominal amount and carried a coupon of 925 bps plus three-month Norwegian Interbank Offered Rate (NIBOR).

On 16 July 2024, RII, together with PS and MMH, provided a temporary guarantee (in proportion to their respective shareholdings in LPH) of not more than NOK2,100 million (approximately US$196.60 million) plus interest thereon, and fees, costs, expenses and indemnities, for LPH's bond financing (the "**Temporary Guarantee"**), in connection with LPH's Floating Rate Note (FRN) senior secured NOK1,750 million bond issue 2024/2027 with ISIN NO0013276410. LPH is 83.74% held by RII, 14.74% held by MMH and 1.52% held by PS.

The Temporary Guarantee will be released by the bond trustee when the Group contributes all of its shares in LPA to LPH. Pursuant to the terms of the Joint Venture, such transfer of shares in LPA to LPH by the Group will take place at the same time as the contribution by MMH and PS of all their shares in PNR to LPH and the Group's contribution of all of its shares in PNR to LPH.

On 23 July 2024, RII, MMH and PS entered into a share pledge agreement, and subordination and security over existing shareholders loans granted by RII to LPA as transaction security for the Bond issued by LPH (the "**Security Documents**").

The maximum aggregate liability of RII under each of the Security Documents entered by RII shall never exceed NOK2,100 million (approximately US$196.60 million) plus interest thereon, and fees, costs, expenses and indemnities as set out in the finance documents for the Bond.

F. Other information required by Listing Rule Appendix 7.2

1. Audit or review

The condensed interim consolidated statement of financial position of Rex International Holding Limited and its subsidiaries as at 30 June 2024 and the related condensed interim consolidated profit or loss and other comprehensive income, condensed interim statements of changes in equity and condensed interim consolidated statement of cash flows for the six-month period then ended and selected explanatory notes have not been audited or reviewed by the Company's auditors.

2. Review of performance of the Group

<u>Consolidated Statement of Comprehensive Income</u>

Revenue from sale of crude oil and gas increased to US$158.18 million in 1H FY2024, from US$106.92 million for the six-month period ended 30 June 2023 ("**1H FY2023**"). The increase in revenue was due to an increase in the volume of oil lifted and sold from the Brage Field and the Yme Field in Norway. No revenue was recorded from the Yumna Field in Oman in 1H FY2024, due to a delay in lifting of produced oil, following the multi-well drilling campaign in 1H FY2024.

Production and operating expenses increased to US$51.82 million in 1H FY2024, from US$43.56 million in 1H FY2023, mainly due to increased production activities in Norway.

Depletion of oil and gas properties increased to US$41.88 million in 1H FY2024, from US$22.40 million in 1H FY2023, as a result of an increase in volume of oil lifted and sold in Norway.

Exploration and evaluation ("**E&E**") expenditure remained fairly consistent at US$1.68 million and US$1.66 million in 1H FY2024 and 1H FY2023 respectively.

Administrative expenses increased to US$17.60 million in 1H FY2024, from US$13.72 million in 1H FY2023, mainly due to an increase in payroll-related expenses, as a result of an increase in headcount in Norway and Singapore, and inclusion of expenses from two newly acquired subsidiaries from the non-oil and gas segment, Xer Technologies Pte Ltd and Moroxite T AB (both acquisitions were completed in the second half of FY2023).

Other expenses decreased to US$0.37 million in 1H FY2024, from US$5.69 million in 1H FY2023, mainly due to a decrease in impairment loss on E&E assets. The Group recognised impairment loss of US$0.15 million in 1H FY2024, as a result of relinquishment of certain licences in Norway deemed to have limited further prospectivity. Comparatively, the Group recognised impairment loss of US$5.25 million in 1H FY2023, as one of the exploration wells in Oman was deemed non-commercial.

Finance income increased to US$2.30 million in 1H FY2024 from US$1.03 million in 1H FY2023, mainly due to interest income earned from quoted investments, as a result of better performance in the bond and equity markets, and fixed deposit interest income.

Finance expenses decreased to US$8.75 million in 1H FY2024, from US$11.29 million in 1H FY2023, due to repayments of senior secured bonds during 1H FY2024.

Net foreign currency exchange loss decreased to US$0.51 million in 1H FY2024, from US$1.31 million in 1H FY2023, due to receipt of outstanding receivables denominated in Norwegian Kroner and Euros in second half of FY2023 resulting in the reduction of the Group's foreign currency exposure in 1H FY2024, and favourable NOK currency movements.

Net tax expense increased to US$49.14 million in 1H FY2024 from US$4.45 million in 1H FY2023, mainly from an increase in taxable income in Norway.

As a result of the aforementioned, the Group recorded net loss after tax of US$10.45 million in 1H FY2024, as compared to profit after tax of US$3.69 million in 1H FY2023.

Statement of Financial Position

Non-current assets of the Group increased to US$410.38 million as at 30 June 2024, from US$403.50 million as at 31 December 2023. The increase was mainly due to an increase in oil and gas properties of US$11.33 million arising from drilling activities in Norway and Oman, an increase in E&E assets of US$0.62 million in Norway and an increase in share of results from a jointly controlled entity of US$0.68 million, net against a decrease in non-current abandonment receivables of US$4.30 million, arising from foreign currency translation loss on consolidation, as a result of the weakening of the Norwegian Kroner against the United States dollar.

Inventories increased to US$37.18 million as at 30 June 2024 from US$33.27 million as at 31 December 2023. The increase in crude oil inventory was mainly due to the lifting of produced oil in Oman in 1H FY2024, which was unsold as at 30 June 2024. The increase was partially offset by decrease in crude oil inventory in Norway as the crude oil was subsequently sold in 1H FY2024.

Current trade and other receivables of the Group decreased to US$54.17 million as at 30 June 2024, from US$62.41 million as at 31 December 2023, largely due to receipt of outstanding trade receivables from crude oil sales in Norway.

Quoted investments decreased to US$17.94 million as at 30 June 2024, from US$18.60 million as at 31 December 2023, mainly due to the maturity of certain bonds in 1H FY2024.

Total current and non-current loan and borrowings decreased to US$79.83 million as at 30 June 2024, from US$101.11 million as at 31 December 2023, due to repayment of senior secured bonds in 1H FY2024.

Decommissioning provisions decreased to US$205.74 million as at 30 June 2024 from US$215.66 million as at 31 December 2023, due to foreign currency translation loss on consolidation, as a result of the weakening of the Norwegian Kroner against the United States dollar.

Deferred tax liabilities increased to US$94.51 million as at 30 June 2024 from US$84.70 million as at 31 December 2023, due to additions to oil and gas properties and E&E assets in Norway.

Trade and other payables decreased to US$87.08 million as at 30 June 2024 from US$91.89 million as at 31 December 2023, due to decrease in advances from customer. The decrease was partially offset by an increase in trade payables arising from the drilling activities in Oman.

Income tax payable of US$34.84 million as at 30 June 2024 relates to taxable income in Norway. No income tax payable was recognised as at 31 December 2023.

Working capital decreased to US$40.20 million as at 30 June 2024 from US$76.51 million as at 31 December 2023, mainly due to an increase in trade payables arising from drilling costs incurred in Oman and income tax payable in Norway.

As at 30 June 2024, the Group's cash and cash equivalents and quoted investments totalled US$106.26 million (31 December 2023: US$114.04 million); with cash and cash equivalents at

US$88.32 million (31 December 2023: US$95.44 million); and quoted investments at US$17.94 million (31 December 2023: US$18.60 million).

Statement of Cash Flows

The Group reported net cash generated from operating activities of US$84.41 million in 1H FY2024, after accounting for movements in working capital. This was primarily due to the sale of crude oil and gas in Norway. The net cash generated from operating activities was partially offset by production and operating expenses used in 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$60.42 million in 1H FY2024 was mainly attributable to 1) additions to oil and gas properties of US$61.17 million; and 2) E&E expenditure of US$1.99 million. The net cash used in investing activities was also partially offset by proceeds from the disposal of quoted investments of US$0.50 million and interest received of US$2.30 million.

Net cash used in financing activities of US$28.42 million in 1H FY2024 was mainly attributable to 1) partial repayment of secured bonds of US$17.75 million; 2) interest payment of US$7.03 million, in relation to secured bonds issued by a subsidiary; and 3) repayment of bank overdraft of US$4.00 million; which was partially offset by capital contributions from non-controlling interests in a subsidiary of US$0.62 million.

As a result of the aforementioned, the Group recorded an overall net decrease in cash and cash equivalents of US$4.43 million in 1H FY2024.

3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable.

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months

Brent crude oil was at US$75.96[1] a barrel on the first trading day of 2024 and fluctuated to its highest in the first half of the year at US$91.05 a barrel on 4 April 2024. The Brent benchmark rose above US$89 a barrel for the first time since October 2023, as geopolitical tensions in Eastern Europe and the Middle East escalated[2]. As at 30 July 2024, Brent crude oil was at US$77.79.

OPEC+ announced that output cuts will be gradually phased out over the course of a year from October 2024. The US Energy Information Administration (EIA) raised its world oil demand forecast to 1.10 million bpd from a previous estimate for a rise of 900,000 bpd, while OPEC, citing expectations for travel and tourism in the second half, maintained its 2024 global oil demand forecast[3] at 2.25 million bpd[4]. The International Energy Agency (IEA) however, trimmed its 2024 forecast to 1.10 million bpd, down 140,000 from the previous forecast, due to weak demand in developed Organization for Economic Co-operation and Development (OECD) nations[4].

In Norway, a Plan for Development and Operation (PDO) was submitted on 30 April 2024 for the Bestla (previously known as Brasse) Field, in which the Group's subsidiary Lime Petroleum AS ("**LPA**") has a 17% interest. The field will be developed as a tie-back to the Brage Field, in which LPA has a

34.8434% interest. The Bestla Field is expected to begin production during the first half of 2027 until 2031, with potential for extension.

In June 2024, LPA and its partners were awarded a CO_2 storage licence in the North Sea. The CO_2 storage licence, in which LPA has a 30% interest, has a capacity to store up to 7.5 million tonnes of CO_2 annually for at least 30 years, bringing the Group a step closer to its vision of a net zero future with an abundance of energy.

In July 2024, Rex subsidiary Lime Petroleum Holding ("**LPH**") successfully raised approximately US$112.3 million in a Nordic bond issue with a three-year tenor. The proceeds will be used to refinance LPA's existing bond, and for LPH's exploration, development and production activities, as well as general working capital in Norway and Africa.

In Oman, the multi-well programme in the offshore Yumna Field in Block 50 was completed on 8 June 2024. Yumna-5 well, which was spudded on 28 March 2024, started production on 26 April 2024. The multi-well programme also included work-over of Yumna-4, Yumna-3 and Yumna-2. Production from the Yumna Field is being optimised, with plans in place to increase the flowline's capacity for fluid production after the monsoon season in September 2024.

Work is continuing to prepare a Field Development Plan for the Sèmè Field in Benin, for submission in 2024.

The Group will update shareholders whenever there are material developments to its operational plan.

bpd: barrels per day

Footnotes:
1 FactSet data
2 Business Times, Oil settles up on supply threats, hits 2024 highs during session, 3 April 2024
3 Business Times, Oil settle slightly up on forecasts for strong global demand, 12 June 2024
4 Business Times, IEA trims 2024 oil demand growth forecast, widening gap with Opec view, 15 May 2024

5. Dividend information

5a. Current financial period reported on

Any dividends recommended for the current financial period reported on? No.

5b. Corresponding period of the immediate preceding financial year

Any dividends declared for the corresponding period of the immediate preceding financial year? No.

5c. Date payable

Not applicable.

5d. Books closure date

Not applicable.

5e. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

No interim dividend has been recommended for 1H FY2024 as the Group did not generate net profits.

6. Interested person transactions ("IPT")

The Group has not obtained a general mandate from shareholders for IPTs.

7. Confirmation that the issuer has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company confirms that undertakings have been procured from the Board of Directors and Executive Officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

8. Use of proceeds pursuant to Rule 704(30)

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 announcement, the Company had utilised all the 2013 Placement proceeds except for a part of 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 as at the date of this announcement, and the ending balance of the amount allocated to the share buyback mandate as at 30 June 2024 and the date of this announcement, was S$4.97 million.

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9. Use of funds/ cash by mineral, oil and gas companies pursuant to Rule 705(6)

Actual use of funds/ cash

	Three Months Ended 30-Jun-24 US$'000
Exploration and production activities in Oman	30,216
Exploration and production activities in Norway	41,781
Exploration activities in Benin	493
General working capital	2,294
Total	**74,784**

In the three-month period ended 30 June 2024 ("**2Q FY2024**"), US$30.22 million and US$41.78 million were used for production and exploration related activities in Oman and Norway respectively. US$0.49 million was used for exploration activities in Benin. US$2.29 million was used for the Singapore and Rex Technology offices' staff costs, operational expenses, as well as consultancy and professional fees.

The actual amount of funds used for production and exploration related activities in Oman in 2Q FY2024 remains fairly consistent with the projected amount in the previous quarter ended 31 March 2024 ("**1Q FY2024**").

The actual amount of funds used for production and exploration activities in Norway in 2Q FY2024 was US$9.32 million higher than the projected amount in 1Q FY2024, arising from higher drilling costs from the Yme Field as the drilling campaign was prolonged due to the weather conditions and operational difficulties encountered during the drilling campaign.

The actual amount of funds used for exploration in Benin in 2Q FY2024 was US$0.08 million lower than the projected amount in 1Q FY2024, due to slight delay in the work programme.

The actual amount of funds used for general working capital remains fairly consistent with the projected amount in 1Q FY2024.

The total actual use of funds for 2Q FY2024 amounted to US$74.78 million, which was US$9.15 million higher than the projected amount in 1Q FY2024.

Projection on the use of funds/ cash

	Three Months Ending 30-Sep-24 US$'000
Production and exploration activities in Oman (1)	9,416
Production and exploration activities in Norway (2)	35,840
Exploration activities in Benin (3)	677
General working capital (4)	2,174
Total	**48,107**

Footnotes:

(1) For capital expenditure in relation to development process and facilities and production costs in relation to the production activities in Oman

(2) For production activities and continuous drilling in Brage and Yme fields in Norway

(3) For exploration activities in Benin

(4) For operational expenses in Singapore and Rex Technology offices

10. Pursuant to Rule 705(7) - Details of exploration (including geophysical surveys), development and/or production activities undertaken by the issuer and a summary of the expenditure incurred on those activities, including explanations for any material variances with previous projections, for the period under review. If there has been no exploration, development and/or production activity respectively, that fact must be stated

In 2Q FY2024, the Group incurred US$30.22 million and US$41.78 million for production and exploration related activities in Oman and Norway respectively. US$0.49 million was used for exploration activities in Benin.

Production from the Yumna Field in Oman, and the Brage Field and the Yme Field in Norway, are ongoing.

Details of variances from previous projections are set out in paragraph 9 above.

11. Negative Confirmation by the Board pursuant to Rule 705(5) and Rule 705(6) of the Listing Manual.

On behalf of the board of directors (the "**Board**") of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board which may render the condensed interim consolidated financial statements for 1H FY2024 and the above information provided to be false or misleading in any material aspect.

BY ORDER OF THE BOARD OF

Rex International Holding Limited

John d'Abo
Executive Director and Chairman

Heng Su-Ling Mae
Independent Director

7 August 2024