

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

**PROPOSED PRIVATE PLACEMENT OF UP TO 168,000,000 NEW ORDINARY SHARES
IN THE CAPITAL OF REX INTERNATIONAL HOLDING LIMITED (THE "COMPANY")
AT A PLACEMENT PRICE OF S\$0.57 PER PLACEMENT SHARE**

1. INTRODUCTION

The board of directors (the "**Board**") of the Company (together with its subsidiaries, the "**Group**") wishes to announce that the Company has entered into a placement agreement with PrimePartners Corporate Finance Pte. Ltd. and UOB Kay Hian Private Limited (the "**Co-Placement Agents**") on 3 September 2014 (the "**Placement Agreement**") to undertake a placement (the "**Placement**") of up to 168,000,000 new ordinary shares in the capital of the Company (the "**Placement Shares**") to institutional and accredited investors pursuant to Sections 274 and/or 275 of the Securities and Futures Act (Chapter 289) of Singapore (the "**SFA**"). Pursuant to the Placement Agreement, the Co-Placement Agents have agreed to, on a best endeavours basis, procure subscribers for the Placement Shares at the placement price of S\$0.57 (the "**Placement Price**") for each Placement Share, amounting to an aggregate of S\$95.76 million, on the terms and subject to the conditions of the Placement Agreement.

2. DETAILS OF THE PLACEMENT

The Placement Shares shall be issued free from all claims, pledges, mortgages, charges, liens and encumbrances and shall rank in all respects *pari passu* with the then existing issued ordinary shares in the capital of the Company ("**Shares**") at the time of the issue except that the Placement Shares will not rank for any dividends, rights, allotments or other distributions the record date for which falls on or before the date of the issue of the Placement Shares.

The Placement Shares will be issued pursuant to the authority granted by shareholders of the Company by way of an ordinary resolution at an annual general meeting of the Company held on 30 April 2014 ("**2014 AGM**") for the issue of Shares not exceeding 100.0% of the total number of issued Shares (excluding treasury shares) as at the date of the 2014 AGM, of which the aggregate number of shares to be issued other than on a pro-rata basis to the existing shareholders of the Company shall not exceed 50.0% of the total number of issued Shares (excluding treasury shares) (the "**Share Issue Mandate**").

The number of issued Shares as at the 2014 AGM was 1,094,957,263 Shares. No Shares were previously issued under the Share Issue Mandate prior to the Placement and as such, the total number of Shares that may be issued pursuant to the Share Issue Mandate is 1,094,957,263 Shares, of which the maximum number of Shares to be issued other than on a pro-rata basis is

547,478,631 Shares. The proposed allotment and issuance of up to 168,000,000 Placement Shares will fall within the limits of the Share Issue Mandate.

Assuming the successful allotment and issue of all the 168,000,000 Placement Shares, the Company's issued and paid-up share capital will increase from 1,094,957,263 Shares to 1,262,957,263 Shares. The aggregate Placement Shares represents 15.3% of the existing issued and paid-up share capital of the Company as at the date of this announcement and approximately 13.3% of the enlarged issued and paid-up share capital of the Company following the allotment and issuance of the Placement Shares.

The Placement Price of S\$0.57 per Placement Share represents a 7.7% discount to the volume weighted average price of S\$0.6176 for each Share, based on trades done on the Shares on the Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 1 September 2014 (being the last full market day prior to the signing of the Placement Agreement on 3 September 2014) and was arrived at following arm's length negotiations between the Company and the Co-Placement Agents. The discount of 7.7% is within the 10% discount limit as stated in Rule 811(1) of the Listing Manual Section B: Rules of Catalist of the SGX-ST (the "**Catalist Rules**").

The Placement Shares will not be placed out to any person who is a director or a substantial shareholder of the Company, or any other person falling within the categories set out in Rule 812(1) of the Catalist Rules, save for exceptions under Rule 812(3) of the Catalist Rules. In addition, the Co-Placement Agents have confirmed that the issuance of the Placement Shares will not be made without the prior approval of the Company's shareholders in a general meeting if such issuance would bring about a transfer of controlling interest.

3. **CONDITIONS OF THE PLACEMENT**

The Placement is conditional upon, *inter alia*, the following:

- (a) the listing and quotation notice for the Placement Shares being obtained from the SGX-ST and not having been revoked or amended and, where such approval is subject to conditions, to the extent that any conditions for the listing and quotation of the Placement Shares on the SGX-ST are required to be fulfilled on or before the date of completion of the Placement, they are so fulfilled; and
- (b) there not having occurred, in the opinion of the Co-Placement Agents, any material adverse change, or any development reasonably likely to involve a prospective material adverse change, whether or not arising from transactions in the ordinary course of business, subsequent to the date of the Placement Agreement which, in the opinion of the Co-Placement Agents, is or is reasonably likely to be materially adverse in the context of the Placement or is reasonably likely to prejudice materially the success of the Placement or dealings in the Placement Shares in the secondary market.

4. PURPOSE AND USE OF PROCEEDS

Assuming that all of the Placement Shares are successfully issued and allotted, the estimated net proceeds from the Placement (the "**Net Proceeds**") will be approximately S\$93.49 million (after deducting the estimated fees and expenses (including placement fees and professional fees⁽¹⁾) incurred in connection with the Placement.

The Company intends to use the Net Proceeds in the following manner:

- (a) approximately 20% of the Net Proceeds will be used to settle the liabilities of and to inject working capital into Rex Technology Management Ltd ("**RTM**") to increase capabilities and activities, following the acquisition of RTM (the "**RTM Acquisition**") (details of which are contained in a separate announcement made by the Company on 2 September 2014);
- (b) approximately 60% of the Net Proceeds will be used for:
- further field development in Oman, including the drilling of more wells within 2015, given that Block 50 Oman, where an oil discovery was made in early 2014, is one of the Company's key assets. Although the Company has received several unsolicited interests in the concession, it does not intend to reduce its stake in the short-term, given the positive valuation outlook. The Group is on track with its plans for extended well testing and early production, which are already funded, to prove up more value in the concession;
 - funding of the drilling of one well in Sharjah in the UAE, assuming partial farm-out. The Company has a 65% effective interest in the concession. In line with its investment policy, the Company had previously decided to reduce its stake. However, given the high perceived potential of the block, the Company has decided to try to retain a larger stake, estimated to be between 20% and 30%. Hence, the Company needs to be in a position to fund its share of the exploration and drilling activities in the concession where a well is planned to be drilled in the third quarter of 2015; and
 - further growth and development of the Group's existing sizeable licence portfolio in Norway, today comprising equity stakes in 13 licences, through an increased participation in the number of drilled wells in 2015, through opportunities acquired on the back of the Rex Virtual Drilling. The Company already has equity in three firm wells and is looking to increase the number substantially in 2015.
- (c) approximately 20% of the Net Proceeds will be used for existing and potential new business opportunities. Such opportunities could include the acquisition of assets or stakes in concessions and to undertake exploration and/or production activities. The focus remains on opportunities in geographies where the Group already has a presence. As previously disclosed, the Company is in discussions with several established oil companies and will take advantage of this deal flow to generate participation in exploration wells.

¹ Placement fees of approximately S\$2.07 million will be payable to the Co-Placement Agents and legal fees of approximately S\$0.20 million will be payable to the legal advisors upon completion of the Placement

As at the date of this announcement, the Company has utilised approximately S\$45.50 million of the net proceeds of approximately S\$78.25 million from the initial public offering (“**IPO**”), in accordance with the use of proceeds described in the offer document dated 22 July 2013 (the “**Offer Document**”). A detailed breakdown of the usage of the net proceeds of the IPO will be provided in the next quarterly financial results announcement.

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 “**Second Placement**”), raising gross proceeds of S\$52.85 million. As at the date of this announcement, the Company has utilised approximately S\$22.92 million of the net proceeds from the Second Placement, in accordance with the use of proceeds described in the Company’s announcement dated 28 October 2013.

Pending the deployment of the Net Proceeds for the purposes mentioned above, the Net Proceeds may, subject to relevant laws and regulations, be deposited with banks and/or financial institutions or for any other purpose on a short-term basis as the directors may in their absolute discretion deem appropriate in the interests of the Group.

The Company will make periodic announcements on the utilisation of the Net Proceeds as and when they are materially disbursed and provide a status report on the use of the Net Proceeds in the Company’s quarterly and full-year financial statements issued under Rule 705 of the Catalist Rules and the Company’s annual report and whether such a use is in accordance with the stated use and in accordance with the stated percentage allocated.

5. **FINANCIAL EFFECTS**

Based on the unaudited financial statements for the three-month period ended 30 June 2014 (“**Q2 2014**”) as announced by the Company on 5 August 2014 and the issued and paid-up share capital (excluding treasury shares) as at 30 June 2014, the Placement will (i) decrease the Group’s loss per Share from US 0.33 cents to US 0.29 cents (assuming that the Placement had been completed at the beginning of Q2 2014); and (ii) increase the Group’s net tangible asset per Share from US 15.65 cents to US 19.48 cents (assuming that the Placement had been completed at the end of Q2 2014).

6. **NO PROSPECTUS OR OFFER INFORMATION STATEMENT**

The Placement will be undertaken pursuant to Sections 274 and/or 275 of the SFA. As such, no prospectus or offer information statement will be issued by the Company in connection therewith.

7. **ADDITIONAL LISTING APPLICATION**

The sponsor of the Company, PrimePartners Corporate Finance Pte. Ltd., will be making an application on behalf of the Company to the SGX-ST for the dealing in, listing of and quotation for the Placement Shares on Catalist of the SGX-ST.

The Company will make the necessary announcement upon receipt of the listing and quotation notice from the SGX-ST for the listing and quotation for the Placement Shares on Catalist of the SGX-ST.

8. CONFIRMATION BY THE DIRECTORS

The directors are of the opinion that after taking into consideration the Group's present bank facilities, the working capital available to the Group is sufficient to meet its present requirements. Notwithstanding the above, the purpose of the Placement is to raise funds for the Group's drilling and exploration activities in the Middle East and Norway, expansion of the Group and to settle the liabilities and fund the working capital of RTM as described in paragraph 4 of this announcement.

9. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the directors or substantial shareholders of the Company has any interest, direct or indirect, in the Placement (other than through their shareholdings in the Company).

10. CAUTIONARY STATEMENT

Shareholders of the Company ("**Shareholders**") and potential investors should exercise caution when trading in the shares of the Company in relation to this announcement as there is no certainty that the Placement will be completed as it is subject to the fulfillment of terms and conditions as set out in the Placement Agreement. When in doubt as to the action they should take, Shareholders and potential investors should consult their financial, tax or other advisors.

BY ORDER OF THE BOARD OF
Rex International Holding Limited

Dan Broström
Executive Director and Chairman

3 September 2014

Rex International Holding Limited (the "Company") was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 31 July 2013. The initial public offering of the Company (the "IPO") was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor").

This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this announcement.

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 contact person for the Sponsor is Mr Mark Liew, Managing Director, Corporate Finance, at 20 Cecil Street, #21-02 Equity Plaza, Singapore 049705, telephone (65) 62298088.