

**REX INTERNATIONAL HOLDING LIMITED**

(Company Registration No.: 201301242M)

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**Unaudited Financial Statement and Dividend Announcement  
For the Fourth Quarter and Financial Year Ended 31 December 2016**

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**Corporate Profile**

Rex International Holding Limited (the “**Company**”) was listed on Singapore Exchange Securities Trading Limited’s Catalist Board on 31 July 2013.

Rex International Holding Limited is a new generation technology-driven oil company that owns a set of proprietary and innovative exploration technologies, Rex Technologies, developed by the Company’s Swedish founders. These include the liquid hydrocarbon indicator Rex Virtual Drilling technology, which can pinpoint the location of oil reservoirs in the sub-surface using seismic data. The Rex Technologies allow the Company to de-risk its geographically diversified portfolio of onshore and offshore exploration and development assets.

Wholly-owned subsidiary Rex Technology Management Ltd (“**RTM**”) provides Rex Virtual Drilling screening services to partners and clients, while Rex International Holding has been using the Rex Technologies to grow and de-risk its geographically diversified portfolio of onshore and offshore exploration and development assets. Its joint venture company Rexonic AG (“**Rexonic**”) offers the Swiss-developed Rexonics ultrasound technology that is used for well-bore cleaning which allows for significantly increased oil production in wells that have issues with clogging and deposits.

Rex International Holding also has, amongst others, two indirect subsidiaries, Lime Petroleum Norway AS (“**LPN**”) and Masirah Oil Ltd (“**MOL**”), which hold interests in assets in Norway and the Middle East respectively; and two available-for-sale investments, Steeldrum Oil Company Inc. (“**Steeldrum**”) and Fram Exploration ASA (“**FRAM**”) which holds interests in assets in Trinidad & Tobago and the United States of America respectively. These offshore and onshore assets cover an aggregate area of over 19,000 square kilometres in regions with previous oil and gas discoveries, as well as well-developed oil and gas infrastructures.

For the purpose of this announcement, the financial results of Rex International Holding Limited and its subsidiaries (the “**Group**”) comprise the consolidated unaudited accounts of the Group for the three-month period ended 31 December 2016 (“**4Q FY2016**”), and the financial year ended 31 December 2016 (“**FY2016**”).

**1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Group			Group		
	Three Months Ended			Twelve Months Ended		
	31-Dec-16	31-Dec-15	Change	31-Dec-16	31-Dec-15	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
	Unaudited	Unaudited		Unaudited	Audited	
<b>Revenue:</b>						
Service revenue	104	972	(89)	350	4,652	(92)
<b>Cost of sales:</b>						
Cost of services	(249)	(393)	(37)	(723)	(2,156)	(66)
Exploration and evaluation expenditure	(16,760)	(18,670)	(10)	(44,198)	(18,670)	137
<b>Gross loss</b>	(16,905)	(18,091)	(7)	(44,571)	(16,174)	176
Administration expenses	(4,120)	(1,836)	124	(16,159)	(8,939)	81
Other income	36	60	(40)	851	567	50
<b>Results from operating activities</b>	(20,989)	(19,867)	6	(59,879)	(24,546)	144
Finance income	640	501	28	1,542	1,735	(11)
Foreign exchange (loss)/ gain	(692)	191	NM	(293)	(5,542)	(95)
Finance costs	(770)	(246)	213	(3,168)	(379)	736
<b>Net finance (costs)/ income</b>	(822)	446	NM	(1,919)	(4,186)	(54)
Impairment of available-for-sale investments	-	(2,112)	NM	-	(3,497)	NM
Impairment of a jointly controlled entity	-	(1,062)	NM	(1,246)	(10,807)	(88)
Loss on dilution of investment in an associate	(2,090)	-	NM	(2,090)	-	NM
Share of equity-accounted losses of jointly controlled entities and an associate, net of tax	(873)	(334)	161	(2,593)	(7,128)	(64)
<b>Loss before tax</b>	(24,774)	(22,929)	8	(67,727)	(50,164)	35
Tax credit	13,872	14,257	(3)	35,988	14,257	152
<b>Loss for the period/ year from continuing operations, net of tax</b>	(10,902)	(8,672)	26	(31,739)	(35,907)	(12)
<b>Discontinued operation</b>						
Loss from discontinued operation, net of tax	-	(7,747)	NM	-	(20,990)	NM
<b>Loss for the period/ year, net of tax</b>	(10,902)	(16,419)	(34)	(31,739)	(56,897)	(44)

NM – Not Meaningful

**Loss attributable to:**

Owners of the Company	(10,302)	(16,178)	(36)	(29,498)	(56,630)	(48)
Non-controlling interests	(600)	(241)	149	(2,241)	(267)	739
<b>Loss for the period/ year, net of tax</b>	<b>(10,902)</b>	<b>(16,419)</b>	<b>(34)</b>	<b>(31,739)</b>	<b>(56,897)</b>	<b>(44)</b>

**Other comprehensive (loss)/ income**

*- Items that are or may be reclassified subsequently to profit or loss:*

Net change in fair value of an available-for-sale investment, net of tax	(168)	(208)	(19)	830	(1,709)	NM
Impairment loss on an available-for-sale investment reclassified to profit or loss, net of tax	-	323	NM	-	1,709	NM
Foreign currency translation differences	(1,863)	37	NM	451	455	(1)
Foreign currency translation differences arising from disposal of subsidiary reclassified to profit or loss	-	(374)	NM	-	(374)	NM
<b>Other comprehensive (loss)/ income for the period/ year, net of tax</b>	<b>(2,031)</b>	<b>(222)</b>	<b>815</b>	<b>1,281</b>	<b>81</b>	<b>1481</b>

**Total comprehensive loss for the period/ year, net of tax**

<b>(12,933)</b>	<b>(16,641)</b>	<b>(22)</b>	<b>(30,458)</b>	<b>(56,816)</b>	<b>(46)</b>
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**Total comprehensive loss attributable to:**

Owners of the Company	(12,099)	(16,400)	(26)	(28,410)	(56,551)	(50)
Non-controlling interests	(834)	(241)	246	(2,048)	(265)	673
<b>Total comprehensive loss for the period/ year</b>	<b>(12,933)</b>	<b>(16,641)</b>	<b>(22)</b>	<b>(30,458)</b>	<b>(56,816)</b>	<b>(46)</b>

NM — Not Meaningful

# 1(a)(ii) Notes to Consolidated Statement of Comprehensive Income

Loss before taxation is stated after (charging)/ crediting the following:

	Group			Group		
	Three Months Ended			Twelve Months Ended		
	31-Dec-16	31-Dec-15	Change	31-Dec-16	31-Dec-15	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
	Unaudited	Unaudited		Unaudited	Audited	
Depreciation of plant and equipment	(42)	(58)	(28)	(181)	(123)	47
Amortisation of exploration and evaluation assets	-	-	NA	-	(1,366)	NM
Amortisation of intangible assets	(213)	(213)	-	(850)	(850)	-
Write-off of doubtful receivables	-	-	NA	(1,250)	-	NM
Impairment of available-for-sale investments	-	(2,112)	NM	-	(3,497)	NM
Impairment of a jointly controlled entity	-	(1,062)	NM	(1,246)	(10,807)	(88)
Loss on dilution of investment in an associate	(2,090)	-	NM	(2,090)	-	NM
Impairment of exploration and evaluation assets	(16,544)	(17,873)	(7)	(43,231)	(29,202)	48
Change in fair value of quoted investments	(322)	97	NM	697	(500)	NM
Loss on disposal of quoted investments	(8)	(43)	(81)	(89)	(137)	(35)

NA – Not Applicable  
 NM – Not Meaningful

**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

	Group		Company	
	31-Dec-16	31-Dec-15	31-Dec-16	31-Dec-15
	US\$'000	US\$'000	US\$'000	US\$'000
	Unaudited	Audited	Unaudited	Audited
<b>Assets</b>				
Exploration and evaluation assets	58,175	59,472	-	-
Plant and equipment	207	337	25	59
Intangible assets	6,765	7,615	-	-
Subsidiaries	-	-	90,636	67,931
Jointly controlled entities <sup>(1)</sup>	2,344	5,444	-	-
Associate <sup>(2)</sup>	-	3,592	-	-
Available-for-sale investments <sup>(2)(3)</sup>	2,637	701	1,531	701
<b>Non-current assets</b>	<b>70,128</b>	<b>77,161</b>	<b>92,192</b>	<b>68,691</b>
Inventories	3,188	2,717	-	-
Trade and other receivables	22,609	72,067	2,276	1,953
Quoted investments	31,102	31,630	31,102	31,495
Cash and cash equivalents	33,240	53,447	18,108	35,754
<b>Current assets</b>	<b>90,139</b>	<b>159,861</b>	<b>51,486</b>	<b>69,202</b>
<b>Total assets</b>	<b>160,267</b>	<b>237,022</b>	<b>143,678</b>	<b>137,893</b>
<b>Equity</b>				
Share capital	254,873	254,055	254,873	254,055
Reserves	8,295	6,841	2,888	1,744
Accumulated losses	(139,892)	(127,220)	(125,890)	(119,598)
<b>Total equity attributable to owners of the Company</b>	<b>123,276</b>	<b>133,676</b>	<b>131,871</b>	<b>136,201</b>
<b>Non-controlling interests</b>	<b>10,160</b>	<b>19,282</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>133,436</b>	<b>152,958</b>	<b>131,871</b>	<b>136,201</b>
<b>Liabilities</b>				
Deferred tax liabilities	581	13,862	-	-
Provisions	10,821	9,838	-	-
<b>Non-current liabilities</b>	<b>11,402</b>	<b>23,700</b>	<b>-</b>	<b>-</b>
Loan and borrowings	12,488	33,720	-	-
Trade and other payables	2,941	26,644	11,807	1,692
<b>Current liabilities</b>	<b>15,429</b>	<b>60,364</b>	<b>11,807</b>	<b>1,692</b>
<b>Total liabilities</b>	<b>26,831</b>	<b>84,064</b>	<b>11,807</b>	<b>1,692</b>
<b>Total equity and liabilities</b>	<b>160,267</b>	<b>237,022</b>	<b>143,678</b>	<b>137,893</b>

**Footnotes:**

- (1) Jointly controlled entities comprised the Group's equity interest in:

Name of jointly controlled entities	Percentage of interest	
	31-Dec-16	31-Dec-15
Lime Petroleum Plc (" <b>Lime</b> ")	65.00%	65.00%
HiRex Petroleum Sdn Bhd (" <b>HiRex</b> ")	41.00%	41.00%
Rexonic AG (" <b>Rexonic</b> ")	50.00%	50.00%

- (2) In 4Q FY2016, the Company's effective equity interest in Steeldrum was lowered to 25.72%, and was reclassified from an associate to an available-for-sale investment as at 31 December 2016 (31 December 2015: 36.86%). Refer to section 8 for further details.

- (3) **Group**  
Comprised the Group's investments in North Energy ASA ("**North Energy**") and Steeldrum as at 31 December 2016; and in North Energy as at 31 December 2015.

**Company**

Comprised the Company's investment in North Energy as at 31 December 2016 and 31 December 2015.

**1(b)(ii) Aggregate amount of group's borrowings and debt securities.**

**Amount repayable in one year or less, or on demand**

As at 31-Dec-16		As at 31-Dec-15	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
12,488	-	33,720	-

**Amount repayable after one year**

As at 31-Dec-16		As at 31-Dec-15	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
-	-	-	-

**Details of any collateral**

The credit facilities of the Group as at 31 December 2016 are secured by:

- First priority assignment of tax refunds;
- First priority charge over certain bank accounts;
- First priority pledge of certain subsidiary's participation interests in licences; and
- First priority assignment of certain insurance.

**1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	<b>Group</b>		<b>Group</b>	
	<b>Three Months Ended</b>		<b>Twelve Months Ended</b>	
	<b>31-Dec-16</b>	<b>31-Dec-15</b>	<b>31-Dec-16</b>	<b>31-Dec-15</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>	<b>Audited</b>
<b>Cash flows from operating activities</b>				
Loss for the period/ year before tax	(24,774)	(30,676)	(67,727)	(71,154)
Adjustments for:				
Depreciation	42	58	181	123
Amortisation of exploration and evaluation assets	-	-	-	1,366
Amortisation of intangible assets	213	213	850	850
Net finance costs/ (income)	130	(255)	1,626	(1,356)
Loss on sale of discontinued operation, net of tax	-	7,747	-	7,747
Impairment loss on available-for-sale investments	-	2,112	-	3,497
Impairment of a jointly controlled entity	-	1,062	1,246	10,807
Loss on dilution of investment in an associate	2,090	-	2,090	-
Impairment of exploration and evaluation assets	16,544	17,873	43,231	29,202
Write-off of doubtful receivables	-	-	1,250	-
Share of equity-accounted losses of jointly controlled entities and an associate, net of tax	873	334	2,593	7,128
Equity settled share-based payment transactions	661	334	1,184	1,176
Change in fair value of quoted investments	322	(97)	(697)	500
Loss on disposal of quoted investments	8	43	89	137
	(3,891)	(1,252)	(14,084)	(9,977)
Changes in working capital:				
- Inventories	-	-	(471)	(169)
- Trade and other receivables	6,467	1,094	15,049	2,666
- Trade and other payables	(5,039)	(202)	(23,700)	(2,548)
Tax receipts	54,248	-	54,248	-
<b>Net cash generated from/ (used in) operating activities</b>	<b>51,785</b>	<b>(360)</b>	<b>31,042</b>	<b>(10,028)</b>

**Cash flows from investing activities**

Interest received	640	501	1,542	1,735
Other acquisitions, net of cash acquired	-	8,596	-	(3,124)
Disposal of discontinued operation, net of cash disposed	-	(2,391)	-	(2,391)
Proceeds from partial disposal of a jointly controlled entity	-	1,347	-	1,347
Investments in jointly controlled entities	-	-	(500)	(12,172)
Investment in an associate	-	(300)	(332)	(300)
Purchase of an available-for-sale investment	-	-	-	(1,788)
Purchase of quoted investments	-	-	(7,268)	(6,000)
Proceeds from disposal of quoted investments	6,272	4,458	8,405	4,458
Exploration and evaluation expenditure	(1,225)	-	(40,297)	(5,168)
Purchase of plant and equipment	-	(46)	(45)	(135)
<b>Net cash generate from/ (used in) investing activities</b>	<b>5,687</b>	<b>12,165</b>	<b>(38,495)</b>	<b>(23,538)</b>

**Cash flows from financing activities**

Proceeds from partial disposal of subsidiaries	-	-	9,750	-
Interest paid	(519)	(246)	(2,184)	(379)
Proceeds from borrowings	1,208	-	29,251	-
Repayment of borrowings	(53,803)	-	(53,803)	-
<b>Net cash used in financing activities</b>	<b>(53,114)</b>	<b>(246)</b>	<b>(16,986)</b>	<b>(379)</b>

**Net increase/ (decrease) in cash and cash equivalents**

	4,358	11,559	(24,439)	(33,945)
Cash and cash equivalents at beginning of the period/ year	28,830	41,888	53,447	87,131
Effect of exchange rate changes on balances held in foreign currency	52	-	4,232	261
Cash and cash equivalents at end of the period/ year	<b>33,240</b>	<b>53,447</b>	<b>33,240</b>	<b>53,447</b>



**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Attributable to owners of the Company							Non-controlling interests US\$'000	Total equity US\$'000
	Share capital US\$'000	Merger reserve US\$'000	Capital reserve US\$'000	Fair value reserve US\$'000	Share-based payment reserve US\$'000	Translation reserve US\$'000	Accumulated losses US\$'000	Total US\$'000	
<b>Group (Unaudited)</b>									
At 1 January 2016	254,055	4,129	1,080	-	1,239	393	(127,220)	133,676	152,958
<b>Total comprehensive loss for the period</b>									
Loss for the period	-	-	-	-	-	-	(19,196)	(19,196)	(20,837)
<b>Other comprehensive income</b>									
Foreign currency translation differences	-	-	-	-	-	1,887	-	1,887	2,314
Net change in fair value of available-for-sale investment, net of tax	-	-	-	998	-	-	-	998	998
<b>Total other comprehensive income</b>	-	-	-	998	-	1,887	-	2,885	3,312
<b>Total comprehensive income/ (loss) for the period</b>	-	-	-	998	-	1,887	(19,196)	(16,311)	(17,525)
<b>Transactions with owners, recognised directly in equity</b>									
<b>Contributions by and distributions to owners</b>									
Issuance of shares	818	-	-	-	(759)	-	-	59	59
Share-based payment transactions – employee share option scheme and performance share plan	-	-	-	-	464	-	-	464	464
<b>Total contributions by and distributions to owners</b>	818	-	-	-	(295)	-	-	523	523
<b>Changes in ownership interests in subsidiaries</b>									
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	9,171	9,171	(9,171)
Partial disposal of subsidiaries without a change in control	-	-	-	-	-	-	4,652	4,652	5,098
<b>Total changes in ownership interests in subsidiaries</b>	-	-	-	-	-	-	13,823	13,823	4,073
<b>Total transactions with owners</b>	818	-	-	-	(295)	-	13,823	14,346	10,273
At 30 September 2016	254,873	4,129	1,080	998	944	2,280	(132,593)	131,711	145,706

	Attributable to owners of the Company							Non-controlling interests US\$'000	Total equity US\$'000
	Share capital US\$'000	Merger reserve US\$'000	Capital reserve US\$'000	Fair value reserve US\$'000	Share-based payment reserve US\$'000	Translation reserve US\$'000	Accumulated losses US\$'000	Total US\$'000	
<b>Group (Unaudited)</b>									
At 1 October 2016	254,873	4,129	1,080	998	944	2,280	(132,593)	131,711	145,706
<b>Total comprehensive loss for the period</b>									
Loss for the period	-	-	-	-	-	-	(10,302)	(10,302)	(10,902)
<b>Other comprehensive loss</b>									
Foreign currency translation differences	-	-	-	-	-	(1,629)	-	(1,629)	(1,863)
Net change in fair value of available-for-sale investment, net of tax	-	-	-	(168)	-	-	-	(168)	(168)
<b>Total other comprehensive loss</b>	-	-	-	(168)	-	(1,629)	-	(1,797)	(2,031)
<b>Total comprehensive loss for the period</b>	-	-	-	(168)	-	(1,629)	(10,302)	(12,099)	(12,933)
<b>Transactions with owners, recognised directly in equity</b>									
<b>Contributions by and distributions to owners</b>									
Share-based payment transactions – employee share option scheme and performance share plan, representing total contributions by and distributions to owners	-	-	-	-	661	-	-	661	663
<b>Changes in ownership interests in subsidiaries</b>									
Acquisition of non-controlling interests without a change in control, representing total changes in ownership interests in subsidiaries	-	-	-	-	-	-	3,003	3,003	(3,003)
<b>Total transactions with owners</b>	-	-	-	-	661	-	3,003	3,664	663
<b>At 31 December 2016</b>	<b>254,873</b>	<b>4,129</b>	<b>1,080</b>	<b>830</b>	<b>1,605</b>	<b>651</b>	<b>(139,892)</b>	<b>123,276</b>	<b>133,436</b>

	Attributable to owners of the Company								Non-controlling interests US\$'000	Total equity US\$'000
	Share capital US\$'000	Merger reserve US\$'000	Capital reserve US\$'000	Fair value reserve US\$'000	Share-based payment reserve US\$'000	Translation reserve US\$'000	Accumulated losses US\$'000	Total US\$'000		
<b>Group (Unaudited)</b>										
At 1 January 2015	253,713	4,129	1,080	-	405	314	(70,590)	189,051	426	189,477
<b>Total comprehensive loss for the period</b>										
Loss for the period	-	-	-	-	-	-	(40,452)	(40,452)	(26)	(40,478)
<b>Other comprehensive income/ (loss)</b>										
Foreign currency translation differences	-	-	-	-	-	416	-	416	2	418
Net change in fair value of available-for-sale investment, net of tax	-	-	-	(1,500)	-	-	-	(1,500)	-	(1,500)
Impairment loss of an available-for-sale investment reclassified to profit or loss, net of tax	-	-	-	1,385	-	-	-	1,385	-	1,385
<b>Total other comprehensive income/ (loss)</b>	-	-	-	(115)	-	416	-	301	2	303
<b>Total comprehensive income/ (loss) for the period</b>	-	-	-	(115)	-	416	(40,452)	(40,151)	(24)	(40,175)
<b>Transactions with owners, recognised directly in equity</b>										
<b>Contributions by and distributions to owners</b>										
Issuance of shares	342	-	-	-	-	-	-	342	-	342
Share-based payment transactions – employee share option scheme and performance share plan	-	-	-	-	591	-	-	591	-	591
<b>Total transactions with owners</b>	342	-	-	-	591	-	-	933	-	933
At 30 September 2015	254,055	4,129	1,080	(115)	996	730	(111,042)	149,833	402	150,235

	Attributable to owners of the Company								Non-controlling interests US\$'000	Total equity US\$'000
	Share capital US\$'000	Merger reserve US\$'000	Capital reserve US\$'000	Fair value reserve US\$'000	Share-based payment reserve US\$'000	Translation reserve US\$'000	Accumulated losses US\$'000	Total US\$'000		
At 1 October 2015	254,055	4,129	1,080	(115)	996	730	(111,042)	149,833	402	150,235
<b>Total comprehensive loss for the period</b>										
Loss for the period	-	-	-	-	-	-	(16,178)	(16,178)	(241)	(16,419)
<b>Other comprehensive income/ (loss)</b>										
Foreign currency translation differences	-	-	-	-	-	37	-	37	-	37
Foreign currency translation differences arising from disposal of subsidiary reclassified to profit or loss, net of tax	-	-	-	-	-	(374)	-	(374)	-	(374)
Net change in fair value of available-for-sale investment	-	-	-	(209)	-	-	-	(209)	-	(209)
Impairment loss on an available-for-sale investment reclassified to profit or loss, net of tax	-	-	-	324	-	-	-	324	-	324
<b>Total other comprehensive income/ (loss)</b>	-	-	-	115	-	(337)	-	(222)	-	(222)
<b>Total comprehensive income/ (loss) for the period</b>	-	-	-	115	-	(337)	(16,178)	(16,400)	(241)	(16,641)
<b>Transactions with owners, recognised directly in equity</b>										
Share-based payment transactions, representing total transactions with owners	-	-	-	-	243	-	-	243	-	243
<b>Changes in ownership interests in subsidiaries</b>										
Disposal of a subsidiary	-	-	-	-	-	-	-	-	(426)	(426)
Acquisitions of subsidiaries with non-controlling interests	-	-	-	-	-	-	-	-	19,547	19,547
<b>Total changes in ownership interests in subsidiaries</b>	-	-	-	-	-	-	-	-	19,121	19,121
<b>Total transactions with owners</b>	-	-	-	-	243	-	-	243	19,121	19,364
<b>At 31 December 2015</b>	<b>254,055</b>	<b>4,129</b>	<b>1,080</b>	<b>-</b>	<b>1,239</b>	<b>393</b>	<b>(127,220)</b>	<b>133,676</b>	<b>19,282</b>	<b>152,958</b>

	Share capital US\$'000	Capital reserve US\$'000	Fair value reserve US\$'000	Share-based payment reserve US\$'000	Accumulated losses US\$'000	Total equity US\$'000
<b><u>Company (Unaudited)</u></b>						
At 1 January 2016	254,055	505	-	1,239	(119,598)	136,201
<b>Total comprehensive loss for the period</b>						
Loss for the period	-	-	-	-	(4,065)	(4,065)
<b>Other comprehensive income</b>						
Net change in fair value of an available- for-sale investment, net of tax, representing total other comprehensive income	-	-	998	-	-	998
<b>Total comprehensive income/ (loss) for the period</b>	-	-	998	-	(4,065)	(3,067)
<b>Transactions with owners, recognised directly in equity</b>						
<b>Contributions by and distributions to owners</b>						
Issuance of shares	818	-	-	(759)	-	59
Share-based payment transactions – employee share option scheme and performance share plan	-	-	-	435	-	435
<b>Total transactions with shareholders</b>	818	-	-	(324)	-	494
At 30 September 2016	254,873	505	998	915	(123,663)	133,628

	Share capital US\$'000	Capital reserve US\$'000	Fair value reserve US\$'000	Share-based payment reserve US\$'000	Accumulated losses US\$'000	Total equity US\$'000
<b><u>Company (Unaudited)</u></b>						
At 1 October 2016	254,873	505	998	915	(123,663)	133,628
<b>Total comprehensive loss for the period</b>						
Loss for the period	-	-	-	-	(2,227)	(2,227)
<b>Other comprehensive loss</b>						
Net change in fair value of an available- for-sale investment, net of tax, representing total other comprehensive loss	-	-	(168)	-	-	(168)
<b>Total comprehensive loss for the period</b>	-	-	(168)	-	(2,227)	(2,395)
<b>Transactions with owners, recognised directly in equity</b>						
<b>Contributions by and distributions to owners</b>						
Share-based payment transactions – performance share plan, representing total transactions with shareholders	-	-	-	638	-	638
<b>At 31 December 2016</b>	<b>254,873</b>	<b>505</b>	<b>830</b>	<b>1,553</b>	<b>(125,890)</b>	<b>131,871</b>

	Share capital US\$'000	Capital reserve US\$'000	Fair value reserve US\$'000	Share-based payment reserve US\$'000	Accumulated losses US\$'000	Total equity US\$'000
<b><u>Company (Unaudited)</u></b>						
At 1 January 2015	253,713	505	-	405	(61,723)	192,900
<b>Total comprehensive loss for the period</b>						
Loss for the period	-	-	-	-	(12,046)	(12,046)
<b>Other comprehensive income/ (loss)</b>						
Net change in fair value of an available- for-sale investment, net of tax	-	-	(1,500)	-	-	(1,500)
Impairment loss on an available for sale investment reclassified to profit or loss, net of tax	-	-	1,385	-	-	1,385
<b>Total other comprehensive income/ (loss)</b>	-	-	(115)	-	-	(115)
<b>Total comprehensive loss for the period</b>	-	-	(115)	-	(12,046)	(12,161)
<b>Transactions with owners, recognised directly in equity</b>						
<b>Contributions by and distributions to owners</b>						
Issuance of shares	342	-	-	-	-	342
Share-based payment transactions – employee share option scheme and performance share plan	-	-	-	591	-	591
<b>Total transactions with shareholders</b>	342	-	-	591	-	933
At 30 September 2015	254,055	505	(115)	996	(73,769)	181,672

	Share capital US\$'000	Capital reserve US\$'000	Fair value reserve US\$'000	Share-based payment reserve US\$'000	Accumulated losses US\$'000	Total equity US\$'000
At 1 October 2015	254,055	505	(115)	996	(73,769)	181,672
<b>Total comprehensive loss for the period</b>						
Loss for the period	-	-	-	-	(45,829)	(45,829)
<b>Other comprehensive income/ (loss)</b>						
Net change in fair value of an available- for-sale investment, net of tax	-	-	(209)	-	-	(209)
Impairment loss on an available-for-sale investment reclassified to profit or loss, net of tax	-	-	324	-	-	324
<b>Total other comprehensive income/ (loss)</b>	-	-	115	-	-	115
<b>Total comprehensive income/ (loss) for the period</b>	-	-	115	-	(45,829)	(45,714)
<b>Transactions with owners, recognised directly in equity</b>						
<b>Contributions by and distributions to owners</b>						
Share-based payment transactions, representing total transactions with owners	-	-	-	243	-	243
<b>At 31 December 2015</b>	<b>254,055</b>	<b>505</b>	<b>-</b>	<b>1,239</b>	<b>(119,598)</b>	<b>136,201</b>



- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, 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. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

#### Share Capital

The Company's issued and fully paid-up capital as at 31 December 2016 comprised 1,267,421,563 (30 September 2016: 1,267,421,563) ordinary shares. The Company did not issue any new shares during 4Q FY2016.

#### Employee Share Option Scheme (the "ESOS")

On 29 November 2013, the Company granted an aggregate of 3,187,500 options pursuant to its ESOS to eligible participants (the "**Options**"), of which 150,000 Options were cancelled in 2014. Details of the options granted under the ESOS are as follows:

Date of grant of Options	Exercise price of Options	Number of Options outstanding at 1-Oct-16	Options granted in 4Q FY2016	Options exercised in 4Q FY2016	Options cancelled in 4Q FY2016	Number of Options outstanding at 31-Dec-16	Exercise period of Options
29.11.13	S\$0.65	2,025,000	-	-	-	2,025,000	29.11.14 to 28.11.18
29.11.13	S\$0.52	1,012,500	-	-	-	1,012,500	29.11.15 to 28.11.18
		<u>3,037,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,037,500</u>	

No new Option had been granted under the ESOS in 4Q FY2016. No Option was exercised in 4Q FY2016. The total number of Options outstanding as at 31 December 2016 was 3,037,500, which would be exercisable into 3,037,500 shares (31 December 2015: 3,037,500 Options exercisable into 3,037,500 shares).

## Performance Shares Plan (the “PSP”)

### Grant of Awards

#### ***Grant Date: 29 April 2016***

- On 29 April 2016, the Company granted awards of ordinary shares (“**Awards**”) of up to 11,407,100 shares in the capital of the Company pursuant to its PSP to associates of a controlling shareholder of the Company, which were approved by the shareholders at the Company’s Annual General Meeting held on 29 April 2016. The closing market price of the Company’s shares on 29 April 2016 was S\$0.096 per share.

Please refer to the Company’s announcement dated 29 April 2016 for further details.

#### ***Grant Date: 3 March 2016***

- On 3 March 2016, the Company granted Awards of up to 29,779,500 shares in the capital of the Company pursuant to its PSP to eligible participants. Depending on the achievement of pre-determined targets over a two-year performance period, the actual number of shares to be delivered pursuant to the Awards granted could range from 0% to 100% of the number of shares which are the subject of the Awards granted.

None of the 29,779,500 shares which are the subject of the Awards granted on 3 March 2016 were granted to directors and controlling shareholders or their associates. The closing market price of the Company’s shares on 3 March 2016 was S\$0.088 per share.

Please refer to the Company’s announcement dated 3 March 2016 for further details.

- In 2Q FY2016, 2,920,900 Awards were cancelled due to the cessation of employment of an eligible employee.
- In 4Q FY2016, 14,399,300 of the Awards granted on 3 March 2016 to eligible participants, were cancelled subsequent to a decision made by the Remuneration Committee.

#### ***Grant Date: 23 February 2015 and 30 April 2015***

- On 23 February 2015, the Company granted Awards of up to an aggregate of 2,102,700 shares pursuant to its PSP to eligible participants. None of the 2,102,700 shares which are the subject of the Awards granted on 23 February 2015 were granted to directors and controlling shareholders or their associates.
- The Company also granted Awards of 1,161,600 shares to Mr Måns Lidgren, an associate of a controlling shareholder of the Company, under the PSP which was approved by shareholders at the Company’s Annual General Meeting held on 30 April 2015.
- The closing market prices of the Company’s shares on 23 February 2015 and 30 April 2015 were S\$0.365 and S\$0.315 per share respectively.

### Cancellation of Awards Granted

- In 2Q FY2016, 2,920,900 Awards were cancelled due to the cessation of employment of an eligible employee.

- In 4Q FY2016, 14,399,300 of the Awards granted on 3 March 2016 to eligible participants, were cancelled subsequent to a decision made by the Remuneration Committee.

#### **Vesting of Awards Granted**

- Subsequent to the end of FY2016, on 31 January 2017, the Company issued and allotted 10,719,024 new ordinary shares in the Company, pursuant to the partial vesting of the Awards granted to eligible participants based on the achievement of certain pre-determined performance goals set for FY2016. Please refer to the Company's announcement dated 31 January 2017 for further details.
- No Awards granted had vested in 4Q FY2016.
- On 29 February 2016 and 3 May 2016, the Company issued and allotted 2,102,700 and 1,161,600 new ordinary shares in the Company pursuant to the vesting of the Awards granted to eligible participants and to Mr Måns Lidgren, an associate of a controlling shareholder of the Company, respectively, based on the achievement of pre-determined performance goals set for the financial year ended 31 December 2014 and the satisfactory completion of time-based service conditions under the PSP.
- Please refer to the Company's announcements dated 29 February 2016 and 3 May 2016 for further details.

Details of the Awards granted but not yet vested for 4Q FY2016 are as follows:

Date of grant of Award	Number of shares which are the subject of Awards granted as at 1-Oct-16	Number of shares which are the subject of Awards adjusted in 4Q FY2016	Number of shares which are the subject of Awards granted in 4Q FY2016	Number of shares which are the subject of Awards which had lapsed/ cancelled in 4Q FY2016	Number of shares which are the subject of Awards vested in 4Q FY2016	Number of shares which are the subject of Awards granted as at 31-Dec-16	Number of holders
03.03.16	26,858,600 <sup>(1)</sup>	(1,740,276) <sup>(2)</sup>	-	(14,399,300) <sup>(3)</sup>	-	10,719,024 <sup>(4)</sup>	7
29.04.16	11,407,100 <sup>(1)</sup>	-	-	-	-	11,407,100	4
	38,265,700	(1,740,276)	-	(14,399,300) <sup>(3)</sup>	-	22,126,124	

- (1) The actual number of Awards to be delivered will range from 0% to 100% and is contingent on the achievement of pre-determined benchmarks set over a two-year performance period.
- (2) Following approval by the Company's Remuneration Committee in 4Q FY2016, the actual number of Awards to be delivered to certain awardees was adjusted by applying an achievement factor for FY2016 to the initial maximum number of shares which were the subject of Awards granted on 3 March 2016.
- (3) A total of 14,399,300 Awards were cancelled at the discretion of the Company's Remuneration Committee in 4Q FY2016.
- (4) Subsequent to the end of FY2016, on 31 January 2017, the Company issued and allotted 10,719,024 new ordinary shares in the Company, pursuant to the partial vesting of the Awards granted on 3 March 2016 to eligible participants. Please refer to the Company's announcement dated 31 January 2017.

The total number of shares which are the subject of Awards granted but not yet vested as at 31 December 2016 is 22,126,124 shares (31 December 2015: 3,264,300 shares).

Save for the aforementioned Options and Awards, the Company did not have any other outstanding convertibles or treasury shares as at 31 December 2016 and 31 December 2015.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

Group		Company	
31-Dec-16	31-Dec-15	31-Dec-16	31-Dec-15

Total number of  
issued shares  
excluding treasury  
shares

1,267,421,563    1,264,157,263    1,267,421,563    1,264,157,263

The Company did not have any treasury shares as at 31 December 2016 and 31 December 2015.

- 1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the Company's auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation as those in the audited financial statements for the financial year ended 31 December 2015 except for the adoption of accounting standards and interpretations applicable for the financial period beginning 1 January 2016.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The adoption of the new/revised accounting standards and interpretations applicable for the financial period beginning 1 January 2016 did not result in a significant change to the Group's accounting policies and did not have a material impact on the Group's results for the current financial period reported on.

**6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

- (a) Based on the weighted average number of ordinary shares in issue; and**  
**(b) On a fully diluted basis (detailing any adjustments made to the earnings).**

Loss per ordinary share ("LPS")	Group		Group	
	Three months ended		Twelve months ended	
	31-Dec-16	31-Dec-15	31-Dec-16	31-Dec-15
Net loss attributable to shareholders of the Company (US\$)				
- Continuing operations	(10,302,000)	(8,431,000)	(29,498,000)	(35,640,000)
- Discontinued operations	-	(7,747,000)	-	(20,990,000)
Weighted average number of ordinary shares	1,267,421,563	1,264,157,263	1,266,692,229	1,264,117,811
Basic and fully diluted LPS (US cents)				
- Continuing operations	(0.81)	(0.67)	(2.33)	(2.82)
- Discontinued operations	-	(0.61)	-	(1.66)

The basic and fully diluted LPS are the same as the effects of anti-dilutive potential ordinary shares are ignored during the respective financial periods/ years.

**7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**

- (a) current financial period reported on; and**  
**(b) immediately preceding financial year.**

	Group		Company	
	31-Dec-16	31-Dec-15	31-Dec-16	31-Dec-15
Net asset value# (US\$)	123,276,000	133,676,000	131,871,000	136,201,000
Total number of issued shares excluding treasury shares	1,267,421,563	1,264,157,263	1,267,421,563	1,264,157,263
Net asset value per ordinary share based on number of shares in issue as at the end of the financial year (US cents)	9.73	10.57	10.40	10.77

# Net asset value as disclosed above excludes non-controlling interests.

- 8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
  - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

#### Consolidated Statement of Comprehensive Income

The Group recorded service revenue of US\$0.10 million in 4Q FY2016 and total service revenue of US\$0.35 million in FY2016 from technical services rendered to clients by RTM. Comparatively, the Group recorded service revenue of US\$0.97 million in the three-month period ended 31 December 2015 ("**4Q FY2015**") and total service revenue of US\$4.65 million for the financial year ended 31 December 2015 ("**FY2015**").

The decrease in service revenue was mainly due to a significant portion of technical services in 4Q FY2016 being rendered to the Company's subsidiaries, LPN and MOL, which hold discovery assets in Norway and Oman. Service revenue earned from these subsidiaries was eliminated in the Group's consolidated results following a restructuring exercise in 4Q FY2015, pursuant to which LPN and MOL became subsidiaries of the Group.

The decrease in cost of services from US\$0.39 million in 4Q FY2015 to US\$0.25 million in 4Q FY2016, and from US\$2.16 million in FY2015 to US\$0.72 million in FY2016, were in line with the decrease in service revenue as explained above.

The Group recorded exploration and evaluation ("**E&E**") expenditure of US\$16.76 million in 4Q FY2016 and a total of US\$44.20 million in FY2016. The Group had in 4Q FY2016 further impaired five of the Group's licences in Norway, namely PL410, PL707, PL708, PL760 and PL770, as a result of relinquishments, bringing the total number of licences in Norway for which impairment and relinquishment had been recognised in FY2016 to seven. In its ordinary course of business, the Group acquires and relinquishes stakes in exploration assets in Norway and other regions. The Group has been progressively relinquishing licences with low possibility of commercialisation, in line with its strategy to focus on the development of its discovery assets amid a challenging environment.

The Group recognised further impairment loss of US\$16.54 million for these relinquishments on its E&E assets, and a corresponding write-down of the related deferred tax liability of US\$12.93 million in 4Q FY2016. The net impact of the impairment for the relinquishment of the five licences in Norway in 4Q FY2016 was a loss of US\$3.61 million.

The total impairment loss on its E&E assets for FY2016 amounted to US\$43.23 million (and a corresponding write-down of the related deferred tax liability of US\$30.87 million in FY2016), as compared to US\$29.20 million in FY2015. The year-on-year increase in impairment loss in its E&E assets was mainly due to higher costs incurred in the seven drilling campaigns in Norway that were being relinquished.

The Group recorded a gross loss of US\$16.91 million in 4Q FY2016 and total gross loss of US\$44.57 million in FY2016, as compared to a gross loss of US\$18.09 million in 4Q FY2015 and total gross loss of US\$16.17 million in FY2015.

Administrative expenses increased to US\$4.12 million in 4Q FY2016, from US\$1.84 million in 4Q FY2015, as a result of an increase in professional fees and operational and staff costs in 4Q

FY2016, mainly arising from LPN and MOL becoming subsidiaries of the Group. The Group recorded total administrative expenses of US\$16.16 million in FY2016, as compared to US\$8.94 million in FY2015. The year-on-year increase in administrative expenses was mainly due to 1) the write-off of US\$1.25 million in doubtful receivables in FY2016, which was deemed unrecoverable, and 2) the consolidation of the full year results of LPN and MOL in FY2016, while in FY2015, consolidation of the results of LPN and MOL took place in 4Q FY2015 when LPN and MOL became subsidiaries of the Group.

No amortisation expense was recorded in FY2016 in relation to the E&E assets, as LPN and MOL were involved in exploration and evaluation activities. Comparatively, in FY2015, US\$1.37 million of amortisation expense was recorded in relation to the E&E assets in Caribbean Rex Ltd ("**Caribbean Rex**") which were in the development stage. Following the merger of Caribbean Rex's assets into Steeldrum (the "**Merger**") in 2015, Caribbean Rex ceased to be a subsidiary of the Company.

The Group recorded total finance income of to US\$1.54 million and US\$1.74 million in FY2016 and FY2015 respectively. The year-on-year decrease in finance income was due to slightly lower returns on funds invested in quoted debt securities in FY2016.

Total finance costs increased to US\$3.17 million in FY2016, from US\$0.38 million in FY2015. The year-on-year increase in finance costs was due to 1) bank borrowings incurred by LPN for the drilling activities in Norway, and 2) unwinding of decommissioning provisions in relation to the exploration activities undertaken by MOL. The results of LPN and MOL were consolidated only in 4Q FY2015 when LPN and MOL became the subsidiaries of the Group.

The Group recorded total net foreign exchange loss of US\$0.29 million in FY2016, as compared to total net foreign exchange loss of US\$5.54 million in FY2015. The year-on-year decrease in net foreign exchange loss was due to 1) smaller portion of the Group's cash and cash equivalents and quoted investments which were held in SGD in FY2016, and 2) smaller depreciation of SGD against USD of approximately 2.29% in FY2016 as compared to 7.00% in FY2015.

The Group recorded its share of equity-accounted losses from an associate and jointly controlled entities of US\$0.87 million in 4Q FY2016 as compared to US\$0.33 million in 4Q FY2015. The increase was due to higher loss incurred by Rexonic and Steeldrum in 4Q FY2016 as a result of the expenses incurred in relation to its operating activities and the development of the well stimulation business.

Total share of equity-accounted losses from an associate and jointly controlled entities decreased to US\$2.59 million in FY2016, from US\$7.13 million in FY2015. The year-on-year decrease was primarily due to the consolidation of the FY2016 losses of LPN and MOL, which became subsidiaries of the Group in 4Q FY2015. Comparatively in FY2015, the losses of LPN and MOL were equity-accounted for under a jointly controlled entity, Lime for the nine-month period ended 30 September 2015.

During 4Q FY2016, the Group's shareholding in Steeldrum was lowered from 36.86% to 25.72%, following the Group's decision not to participate in Steeldrum's latest share issue. This decision is in line with the Group's strategy to focus on its key discovery assets in Oman and Norway. Please refer to the Company's announcement dated 29 December 2016 for further details. As a result of this decision, the Group recognised a loss on dilution of investment in Steeldrum of US\$2.09 million in 4Q FY2016.

Subsequent to the reduction in the shareholding of Steeldrum, the Group re-assessed its involvement in Steeldrum and concluded that it had no significant influence in Steeldrum as it

could no longer participate in Steeldrum's financial and operating decisions. The Group ceased equity accounting for the results of Steeldrum from the point where significant influence was lost and reclassified the carrying value from investment in associate to available-for-sale investment ("**AFS**") as at 31 December 2016.

In FY2015, the Group recognised total impairment loss of US\$3.50 million in FY2015 in relation to its AFS in North Energy and FRAM, mainly due to the decline in the market value of North Energy and the depressed oil prices. No such impairment loss in relation to its AFS in North Energy and FRAM was recorded in FY2016.

In view of the uncertainty of continuous financial support from the shareholders of the jointly controlled entity, HiRex, the Group had therefore fully impaired the carrying value of its investment in HiRex of US\$1.25 million in FY2016. Comparatively in FY2015, the Group recorded total impairment loss of US\$10.81 million in relation to the carrying value of its investment in Rexonic, after taking into consideration of the continual depressed oil prices and the challenging economic environment.

The Group recorded total tax credit of US\$13.88 million in 4Q FY2016 in relation to the tax refund from the Norwegian authorities in relation to exploration costs incurred in Norway (net of write-down of deferred tax of US\$12.93 million from the relinquishment of five of the Group's licences in Norway).

As a result of the Merger in FY2015 subsequent to which Caribbean Rex ceased to be a subsidiary of the Company, the Group recognised a total loss from discontinued operations of US\$20.99 million for FY2015.

Overall, the Group registered a lower total comprehensive loss of US\$12.93 million in 4Q FY2016 as compared to US\$16.64 million in 4Q FY2015; and a lower total comprehensive loss of US\$30.46 million in FY2016 as compared to US\$56.82 million in FY2015.

#### Statement of Financial Position

Non-current assets of the Group decreased to US\$70.13 million as at 31 December 2016, from US\$77.16 million as at 31 December 2015. The decrease was mainly due to 1) a US\$1.25 million write-off of investment in a jointly controlled entity, HiRex in FY2016, and 2) a decrease in the carrying value of the investments in jointly controlled entities and an associate as a result of the recognition of the Group's share of losses of US\$2.59 million in FY2016, 3) a \$2.09 million write-down of investment in an associate in FY2016 as a result of the loss on dilution of investment in Steeldrum, and 4) net decrease in the E&E assets by US\$1.30 million as a result of impairment of E&E assets in LPN pursuant to the relinquishment of licences in Norway, which was partially offset by additions of E&E assets in FY2016.

Trade and other receivables of the Group decreased to US\$22.61 million as at 31 December 2016, from US\$72.07 million as at 31 December 2015. The decrease was largely due to 1) the receipt of tax refunds of US\$54.25 million from the Norwegian tax authorities in relation to the exploration costs incurred in Norway, 2) receipt of outstanding trade receivables of US\$2.75 million, and 3) amortisation and final cost adjustments of prepaid expenses to operators in relation to drilling activities in Norway of US\$13.52 million. The decrease in trade and other receivables was partially offset by tax receivables from the Norwegian tax authorities recorded in FY2016 of US\$21.18 million, in relation to the exploration costs incurred in Norway in FY2016, which is expected to be received by 31 December 2017.



Deferred tax liabilities decreased to US\$0.58 million as at 31 December 2016, from US\$13.86 million as at 31 December 2015 as a result of the write-down of the deferred tax liabilities in relation to the impairment of the E&E assets arising from the relinquishment of the Norway licences in FY2016.

The Group recorded long-term decommissioning provisions of US\$10.82 million and US\$9.84 million as at 31 December 2016 and 31 December 2015 respectively, in relation to exploration activities undertaken by MOL.

Short-term bank borrowings decreased to US\$12.49 million as at 31 December 2016, from US\$33.72 million as at 31 December 2015, due to repayment of borrowings of US\$53.80 million in FY2016, offset by drawdown of credit facilities of US\$29.25 million to fund drilling activities in Norway in FY2016. LPN, a pre-qualified petroleum company in Norway, is eligible to receive a cash tax refund of 78% of exploration costs annually from the Norwegian tax authorities. The tax refund receivable was pledged as a security for the bank borrowings. The tax regime in Norway allows LPN to have an active drilling programme in several licences, despite being in a capital intensive industry.

Trade and other payables decreased to US\$2.94 million as at 31 December 2016, from US\$26.64 million as at 31 December 2015, mainly due to 1) payment of office-related accrued expenses of approximately US\$2.23 million, and 2) payments and adjustments to final exploration costs of US\$24.41 million by the operators in relation to certain licences in which LPN had a stake in FY2016.

Working capital decreased to US\$74.71 million as at 31 December 2016, from US\$99.50 million as at 31 December 2015. The decrease in working capital was largely due to cash used in operating and investing activities of the Group, as explained below.

#### Statement of Cash Flows

The Group reported net cash of US\$31.04 million generated from operating activities in FY2016, after accounting for movements in working capital. This was primarily due to receipt of tax refunds of US\$54.25 million from the Norwegian tax authorities in relation to the exploration costs incurred in Norway, offset by 1) payment of office related accrued expenses and exploration costs in relation to certain licences in LPN, and 2) administrative and operational expenses, as well as consultancy and professional fees incurred in relation to the Group's business.

Net cash used in investing activities of US\$38.51 million in FY2016 was largely attributable to 1) investment in a jointly controlled entity, Rexonic, of US\$0.50 million, 2) investment in an associate, Steeldrum, of US\$0.33 million, 3) purchase of quoted investments of US\$7.27 million, and 4) exploration and evaluation expenditure of US\$40.30 million, which was incurred for drilling activities undertaken by LPN and MOL. The cash outflow from the investing activities was partially offset by the cash inflows generated from the investing activities due to 1) interest received from funds placed in banks and quoted investments of US\$1.54 million, and 2) proceeds received from disposal of quoted investments of US\$8.41 million.

Net cash used in financing activities of US\$16.99 million in FY2016 was attributable to the repayment of short-term bank borrowings of US\$53.80 million, and payment of interest expense of US\$2.18 million in relation to the bank borrowings. The cash outflow from financing activities was partially offset by 1) proceeds received from partial disposal of subsidiaries, LPN and MOL, of US\$9.75 million, and 2) proceeds from borrowings of US\$29.25 million for drilling activities in Norway.

The Group recorded an overall net decrease in cash and cash equivalents of US\$24.45 million in FY2016. As at 31 December 2016, the Group's cash and cash equivalents stood at US\$33.24 million and quoted investments stood at US\$31.10 million, totalling US\$64.34 million, as compared to a total of US\$85.08 million as at 31 December 2015 (comprised cash and cash equivalents of US\$53.45 million and quoted investments of US\$31.63 million).

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

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

**10. 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 reporting period and the next 12 months.**

Sentiments on oil prices were buoyed by the Organization of the Petroleum Exporting Countries' (OPEC) breakthrough agreement on 30 November 2016 to cut oil production. OPEC, which accounts for a third of global oil supply, agreed to cut production from January 2017 by around 1.2 million barrels per day (bpd), or over 3%, to 32.5 million bpd.<sup>1</sup> Oil prices closed the year 2016 at a high of around US\$57 a barrel, a vast increase from the January 2016 low of around US\$28 a barrel.<sup>2</sup>

As of January 2017, the US Energy Information Administration (EIA) forecasts Brent prices to average US\$54 a barrel in 2017.<sup>3</sup> A Barclays report said that global oil and gas companies are expected to raise exploration and production (E&P) spending in 2017 by 7 percent, marking the first increase in three years.<sup>4</sup>

The Group is cautiously optimistic that oil prices will stabilise in the medium term and increase in the long term, and is positioning itself to take advantage of beneficial changes to the oil markets with its various initiatives to generate cash flow. The Group remains in a healthy cash position with no long-term loans or borrowings, and will continue to focus on its key assets in Oman and Norway.

After having obtained in 2016, a three-year extension to the Exploration and Production Sharing Agreement (EPSA) for Block 50 Oman up until March 2020, the Group had embarked on a farm-out campaign in Oman and this is ongoing. Preparations are also underway for a new drilling in Oman. Overall, the Group will continue to minimise exploration risks with the continued development of the new multi-attribute version of its proprietary Rex Virtual Drilling technology and will update the market as and when there are material developments to its operational plan.

**Footnotes:**

<sup>1</sup> Reuters: Oil jumps over 10 percent as OPEC finalises output cut deal, 30 November 2016

<sup>2</sup> Bloomberg data

<sup>3</sup> US Energy Information Administration (EIA), Short-term Energy Outlook, 10 January 2017  
[https://www.eia.gov/forecasts/steo/report/global\\_oil.cfm](https://www.eia.gov/forecasts/steo/report/global_oil.cfm)

<sup>4</sup> Reuters: Oil companies may boost E&P spending after 2 years of declines: Barclays  
<http://www.reuters.com/article/us-energyoutlook-research-barclays-idUSKBN14T1AN>

**11. Dividend**

**a) Current financial period reported on**

No dividend has been declared or recommended for 4Q FY2016 and FY2016.

**b) Corresponding period to immediately preceding financial year**

No dividend has been declared or recommended for 4Q FY2015 and FY2015.

**c) Date payable**

Not applicable.

**d) Book closure date**

Not applicable.

**12. If no dividend has been declared (recommended), a statement to that effect.**

No dividend has been declared or recommended for 4Q FY2016 and FY2016.

**13. If the Group has obtained a general mandate from shareholders for Interested Person Transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group has not obtained a general mandate from shareholders for IPT. There were no IPT transactions of S\$100,000 and above during FY2016.

**14. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) 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 7H) under Rule 720(1).

15. **Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

	Oil & Gas	Non-Oil & Gas	Corporate	Total
	US\$'000	US\$'000	US\$'000	US\$'000
<b><u>FY2016 (Unaudited)</u></b>				
Total revenue for reportable segments	-	3,926	-	3,926
Elimination of inter-segment revenue	-	(3,576)	-	(3,576)
Consolidated revenue	-	350	-	350
Other income	-	138	713	851
Segment expense	(5,336)	(2,224)	(8,008)	(15,568)
Finance income	366	-	1,176	1,542
Foreign exchange (loss)/ gain	(114)	(392)	213	(293)
Finance costs	(2,858)	(3)	(307)	(3,168)
Depreciation	(139)	-	(42)	(181)
Amortisation of intangible assets	-	(850)	-	(850)
Share of loss of jointly controlled entities and an associate	(873)	(1,720)	-	(2,593)
Other material non-cash items:				
- Impairment of exploration and evaluation assets	(43,231)	-	-	(43,231)
- Impairment of a jointly controlled entity	(1,246)	-	-	(1,246)
- Loss on dilution of investment in an associate	(2,090)	-	-	(2,090)
- Write-off of doubtful receivables	-	(1,250)	-	(1,250)
<b>Reportable segment loss before tax</b>	<b>(55,521)</b>	<b>(5,951)</b>	<b>(6,255)</b>	<b>(67,727)</b>
<b>Reportable segment assets</b>	<b>97,613</b>	<b>13,189</b>	<b>49,465</b>	<b>160,267</b>
<i>Segment assets include:</i>				
Investment in jointly controlled entities	-	2,344	-	2,344
Additions to:				
- Plant and equipment	38	-	7	45
- Exploration and evaluation assets	40,297	-	-	40,297
<b>Reportable segment liabilities</b>	<b>(25,554)</b>	<b>(475)</b>	<b>(802)</b>	<b>(26,831)</b>

	Oil & Gas	Non-Oil & Gas	Corporate	Total
	US\$'000	US\$'000	US\$'000	US\$'000
<b><u>FY2015 (Audited)</u></b>				
Total revenue for reportable segments	-	5,458	-	5,458
Elimination of inter-segment revenue	-	(806)	-	(806)
Consolidated revenue	-	4,652	-	4,652
Other income	-	142	425	567
Segment expense	(1,275)	(2,514)	(7,130)	(10,919)
Finance income	151	-	1,584	1,735
Foreign exchange loss	(73)	-	(5,469)	(5,542)
Finance costs	(206)	-	(173)	(379)
Depreciation	(79)	-	(44)	(123)
Amortisation of intangible assets	-	(850)	-	(850)
Share of loss of jointly controlled entities and an associate	(4,494)	(2,634)	-	(7,128)
Loss from discontinued operation (net of tax)	(20,990)	-	-	(20,990)
Other material non-cash items:				
- Impairment of exploration and evaluation assets	(17,873)	-	-	(17,873)
- Impairment of a jointly controlled entity	-	(10,807)	-	(10,807)
- Impairment of available-for-sale investments	(3,497)	-	-	(3,497)
<b>Reportable segment loss before tax</b>	<b>(48,336)</b>	<b>(12,011)</b>	<b>(10,807)</b>	<b>(71,154)</b>
<b>Reportable segment assets</b>	<b>152,674</b>	<b>16,586</b>	<b>67,762</b>	<b>237,022</b>
<i>Segment assets include:</i>				
Investment in jointly controlled entities and an associate	4,996	4,040	-	9,036
Additions to:				
- Plant and equipment	-	-	135	135
- Exploration and evaluation assets	5,168	-	-	5,168
<b>Reportable segment liabilities</b>	<b>(83,156)</b>	<b>(551)</b>	<b>(357)</b>	<b>(84,064)</b>

### Geographical Information

	<b>FY2016 Unaudited US\$'000</b>	<b>FY2015 Audited US\$,000</b>
<b>Revenue</b>		
Norway	-	3,046
Oman	-	600
Malaysia	-	625
Switzerland	350	325
Singapore	-	56
	<b>350</b>	<b>4,652</b>
<b>Non-current assets</b>		
Norway	2,751	20,971
Oman	57,137	39,480
Malaysia	-	1,404
Switzerland	2,344	4,040
Trinidad & Tobago	1,106	3,592
British Virgin Islands	6,765	7,615
Singapore	25	59
	<b>70,128</b>	<b>77,161</b>

16. **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.**

#### Oil and Gas Segment

Oil and gas segment comprised LPN, MOL, Steeldrum, HiRex, and North Energy as at 31 December 2016.

Oil and gas segment loss of US\$55.52 million for FY2016 arose from 1) impairment of exploration and evaluation assets in Norway of US\$43.23 million, 2) share of loss of jointly controlled entities and an associate of US\$2.59 million, 3) impairment of investment in a jointly controlled entity, HiRex of US\$1.25 million, and 4) loss on dilution of investment in an associate, Steeldrum of US\$2.09 million.

Refer to section 8 for further details.

#### Non-oil and Gas Segment

Non-oil and gas segment comprised RTM and Rexonic as at 31 December 2016.

Non-oil and gas segment registered a consolidated revenue of US\$0.35 million for FY2016 which arose from the technical services rendered to clients by RTM.

Non-oil and gas segment loss of US\$5.95 million for FY2016 arose from 1) cost of technical services rendered and operating expenses incurred by RTM of US\$2.22 million, 2) amortisation expense of intangible assets of US\$0.85 million, 3) share of loss of Rexonic of US\$1.72 million, and 4) write-off of doubtful receivables of US\$1.25 million.

Refer to section 8 for further details.

## Corporate

Corporate segment loss of US\$6.26 million for FY2016 arose from administrative expenses of US\$8.01 million which was partially offset by finance income of US\$1.18 million.

Refer to section 8 for further details.

### 18. A breakdown of sales as follows:

	Twelve months ended		Change
	31-Dec-16	31-Dec-15	
	US\$'000	US\$'000	%
<b><u>Group</u></b>			
(a) Sales reported for first half year			
- Continuing operations	180	2,989	(94)
- Discontinued operations	-	1,214	NM
(b) Operating loss after tax before deducting minority interests reported for first half year			
- Continuing operations	(8,113)	(10,212)	(21)
- Discontinued operations	-	(1,884)	NM
(c) Sales reported for second half year			
- Continuing operations	170	1,663	(90)
- Discontinued operations	-	279	NM
(d) Operating loss after tax before deducting minority interests reported for second half year			
- Continuing operations	(23,626)	(25,695)	(8)
- Discontinued operations	-	(19,106)	NM

NM – Not Meaningful

### 19. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Not applicable. There is no annual dividend for FY2016 and FY2015.

20. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Lina Berntsen	40	Daughter to Mr. Hans Lidgren, a substantial shareholder of the Company	Chief Technology Officer of the Group since 1 August 2013. To co-ordinate the use of the Rex Technologies for the Group.	NIL

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

The utilisation of proceeds from the Company's various fund raising exercises as at the date of this announcement is as follows:

Use of proceeds	Amount allocated S\$'000	Amount redeployed S\$'000	Amount utilised S\$'000	Balance S\$'000
<b>Initial Public Offering</b>				
Investment in new oil and gas opportunities	15,690	2,282 <sup>(2)</sup>	(17,972)	-
Drilling in Middle East concessions	12,383	(3,598) <sup>(1)(2)</sup>	(8,581)	204
Drilling in Norwegian Licences	23,637	1,316 <sup>(1)</sup>	(24,953)	-
Repayment of loan to Rex Partners	2,354	-	(2,354)	-
General working capital	25,886	(1,704) <sup>(3)</sup>	(24,182) <sup>(4)</sup>	-
Listing expenses to be borne by the Company	5,300	1,704 <sup>(3)</sup>	(7,004)	-
<b>Total</b>	<b>85,250</b>	<b>-</b>	<b>(85,046)</b>	<b>204</b>
<b>2013 Placement<sup>(5)</sup></b>				
Exploration and drilling activities in new opportunities in the Asia-Pacific region	17,856	(15,960) <sup>(9)(10)</sup>	-	1,896
Exploration and drilling activities in new opportunities in geographical regions including the Middle East, Norway and Western Europe	16,787	-	(10,519)	6,268
Invest in and expand the business in the oil services sector using well stimulation technology	16,228	-	(16,128)	100
Share buyback mandate	-	5,960 <sup>(9)</sup>	-	5,960
General working capital	-	10,000 <sup>(10)</sup>	(7,791) <sup>(4)</sup>	2,209
<b>Total</b>	<b>50,871</b>	<b>-</b>	<b>(34,438)</b>	<b>16,433</b>



## 2014 Placement <sup>(6)</sup>

### 20% of net proceeds to be used for:

Settlement of liabilities of RTM and injection of working capital into RTM to increase capabilities and activities	18,735	-	(15,239) <sup>(7)</sup>	3,496
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### 60% of net proceeds to be used for:

- Further field development in Oman				
- Funding of the drilling of one well in Sharjah in the UAE				
- Further growth and development of the Group's existing sizeable licence portfolio in Norway	56,206	-	(50,442)	5,764

### 20% of net proceeds to be used for:

Existing and potential new business opportunities	18,735	-	(16,775) <sup>(8)</sup>	1,960
<b>Total</b>	<b>93,676</b>	<b>-</b>	<b>(82,456)</b>	<b>11,220</b>

## Footnotes:

- <sup>(1)</sup> S\$1.32 million was redeployed in the three-month period ended 31 March 2015 for drilling in Norwegian licences.
- <sup>(2)</sup> S\$2.28 million was redeployed in the three-month period ended 30 September 2014 to investment in new oil and gas opportunities for concessions in Trinidad & Tobago.
- <sup>(3)</sup> S\$1.70 million was redeployed to listing expenses to be borne by the Company.
- <sup>(4)</sup> S\$31.97 million was used for Singapore's office staff cost and operational expenses, consultancy and professional fees.
- <sup>(5)</sup> 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).
- <sup>(6)</sup> The Company had on 17 September 2014, completed a placement of 168 million new ordinary shares at an issue price of S\$0.57 per share (the "2014 Placement"), raising net proceeds of S\$93.68 million (after deducting placement expenses of S\$2.08 million).
- <sup>(7)</sup> US\$8.50 million (equivalent to S\$11.23 million based on the exchange rate of US\$1: S\$1.3213) was used for the repayment of the loan in RTM as disclosed in the announcement dated 2 September 2014. The remaining S\$4.01 million was used for the settlement of other liabilities in RTM which included trade and other payables, which were assumed by the Group upon completion of the acquisition of RTM.
- <sup>(8)</sup> S\$14.38 million was used for capital injections in Caribbean Rex, and S\$2.39 million was used to subscribe to additional shares in FRAM.
- <sup>(9)</sup> The provisional amount of S\$5.96 million which was redeployed was equivalent to 50% of the illustrated maximum amount of funds required for market purchases as disclosed in Section 2.9(c) of the circular to shareholders in relation to the proposed adoption of the share buyback mandate dated 1 October 2015.
- <sup>(10)</sup> S\$10.00 million was redeployed to general working capital for the financial years ending 31 December 2016 and 31 December 2017 due to fewer opportunities in the Asia Pacific region.

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

### Actual use of funds/ cash for 4Q FY2016

Purpose	Amount
	US\$'000
Exploration and drilling activities in Norway	613
Exploration and drilling activities in Oman	612
General working capital	1,561
<b>Total</b>	<b>2,786</b>

In 4Q FY2016, US\$0.61 million were used for drilling activities in both Norway and Oman. US\$1.56 million was used for the Singapore office's staff costs and operational expenses, consultancy and professional fees.

The actual use of funds for 4Q FY2016 amounted to US\$2.79 million, which was US\$1.31 million lower than that projected in 3Q FY2016. Less funds were used for drilling activities in Oman mainly due to the further slowdown of drilling activities in Oman following the Manarah-1 well drilling in April 2016 requiring further post well studies to be made before proceeding with the drilling program in Block 50. Also, less funds were used in Norway due to less drilling activities during the quarter. However, more funds were used for the professional and operating expenses during the quarter due to the settlement of legal expenses in 4Q FY2016.

**Projection on the use of funds/ cash in 1Q FY2017**

Purpose	Amount
	US\$'000
Exploration and drilling activities in Oman	2,300
Exploration and drilling activities in Norway	740*
General working capital	1,600
<b>Total</b>	<b>4,640</b>

\* Net of tax refund receivables from the Norwegian tax authorities in relation to the exploration costs incurred in Norway. LPN is a pre-qualified oil company in Norway which is eligible to receive a cash tax refund of 78% of exploration costs annually.

**23. Negative Confirmation by the Board pursuant to Rule 705(6)(b) of Catalist Listing Manual.**

The Board confirms that to the best of their knowledge, nothing has come to their attention which may render the above information provided to be false or misleading in any material aspect.

**24. Pursuant to Rule 705(7)(a) - Details of exploration (including geophysical surveys), mining 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.**

The Group incurred US\$12.75 million and US\$ 13.42 million for drilling activities in both Oman and Norway respectively in FY2016.

The Group's exploration work is an ongoing process. The exploration activities fulfilled in FY2016 included Rex Virtual Drilling and actual drillings and preparatory work in Oman and Norway.

25. Pursuant to Rule 705(7)(b) - An update on its reserves and resources, where applicable, in accordance with the requirements as set out in Practice Note 4C, including a summary of reserves and resources as set out in Appendix 7D.

Norway

Exploration well 16/1-25S in the North Sea licence, PL388C, in which LPN has a 30 per cent stake, was completed as an oil discovery in December 2015. The Company will include in its annual report for FY2016, a qualified person's report ("QPR") and a summary of reserves and resources as set out in Appendix 7D of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist ("Catalist Rules") in respect of the Edvard Grieg South (also known as Rolvsnes) in accordance with the requirements of Rule 1204(23) of the Catalist Rules.

Trinidad & Tobago

The SGX-ST had on 29 March 2016 granted the Company a one-off exemption from compliance with the requirement under Rules 1204(23)(a) and 1204(23)(c) of the Catalist Rules to include a QPR and a summary of reserves and resources as set out in Appendix 7D of the Catalist Rules supported by a QPR in the Company's annual report for FY2015 in respect of the Company's South Erin Block production assets in Trinidad & Tobago. Please refer to the Company's announcement dated 29 March 2016 for further details.

The Company had obtained a letter from Steeldrum confirming that there are no significant changes to the South Erin Block assets, given that there have been no new discoveries in the past year (FY2015). Accordingly, shareholders should refer to the QPR dated 31 December 2014 which was prepared and issued by RPS Energy Consultants Limited in respect of the South Erin Block assets ("2014 QPR"). The 2014 QPR, which was included in the Company's annual report for the financial year ended 31 December 2014, is available on SGXNET and the Company's website [www.rexih.com](http://www.rexih.com)

**BY ORDER OF THE BOARD OF**  
Rex International Holding Limited

Dan Broström  
Executive Director and Chairman

27 February 2017

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

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

*The contact person for the Sponsor is Ms Gillian Goh, Director, Head of Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 62298088.*