

PRESS RELEASE

Update on Brage Field Transaction Financial Impact

- *Acquisition of the producing Brage Field was completed on 31 December 2021, with a retrospective right to all production from 1 January 2021*
- *The Group recorded the transaction as gain from bargain purchase of US\$18.2 million by way of accounting treatment as business combination*
- *Had the transaction been completed on 1 January 2021, total revenue for the financial year 2021 would have been approximately US\$76.5 million higher and EBITDA would have been approximately US\$32.7 million higher, before gain from bargain purchase*
- *Brage Field produced 1.06 MMBOE net to LPA in FY2021*
- *Average realised sales price net to LPA of around US\$72/BOE in 2021; current price of Brent is over US\$120/barrel*

SINGAPORE, 9 March 2022 – Rex International Holding Limited (“Rex International Holding”, “Rex” or the “Company”, and together with its subsidiaries, the “Group”), a multinational oil and gas exploration and production company, wishes to clarify the financial impact of its 91.65 per cent subsidiary Lime Petroleum AS’s (“LPA”) acquisition of a 33.8434 per cent interest in the producing Brage Field, which was completed on 31 December 2021.

On 15 June 2021, LPA entered into a conditional sale and purchase agreement with Repsol Norge AS (“Repsol”), to acquire Repsol’s 33.8434 per cent interests in the oil, gas and natural gas liquids (NGL) producing Brage Field on the Norwegian Continental Shelf for a post-tax consideration of US\$42.6 million.

The acquisition of the Brage Field did not contribute to any income or profit before tax in the Group's financial year ended 31 December 2021 ("FY2021"), but was recognised as a "gain from bargain purchase" of US\$18.2 million in terms of accounting treatment, as the acquisition was completed on 31 December 2021.

Based on Norwegian Petroleum Directorate's website, production in the Brage Field in 2021 amounted to gross 3.14* MMBOE. Using production of 1.06 MMBOE net to LPA based on LPA's interests in Brage Field, preliminary estimates of the financial impact from the transaction show that if the acquisition had been completed at the beginning of 2021, total revenue for FY2021 would have been approximately NOK 657.8 million (approximately US\$76.5 million i.e. at average realised sales price of US\$72/BOE) higher and EBITDA would have been approximately NOK 280.6 million (approximately US\$32.7 million) higher, before gain from bargain purchase.

Dan Broström, Executive Chairman of Rex, said, "Since the release of our annual accounts for the financial year 2021, we have fielded many questions regarding the financial impact of the Brage transaction. Due to the transaction being regarded as a business combination, the revenue, EBITDA and profit are not normally recognised in our books, but resulted in a bargain purchase gain, even though we have a right to the underlying cash-flow from the transaction from 1 January 2021. From this year 2022, revenue from the Brage Field will be fully recognised in our profit and loss statement and will make an important contribution. The estimated average oil price in 2021 for production from the Brage Field was around US\$72 per barrel of oil equivalent. This should be compared to the price of Brent today trading at over US\$120 a barrel. This bodes well for a strong start to 2022 as we now have two production legs to stand on - Norway and Oman. In summary, the purchase of the Brage Field has been very accretive to the Group to date."

BOE: Barrel of Oil Equivalent

MMBOE: Millions of BOE

EBITDA: earnings before interest, taxes, depreciation, and amortisation

**Norwegian Petroleum Directorate website: Field: BRAGE - Factpages - NPĐ*

Conversion: 1 Sm³ : 6.29 barrels based on the Norwegian Petroleum Directorate

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Disclaimer

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About Rex International Holding

Rex International Holding is a multinational exploration and production (E&P) company listed on Singapore Exchange Securities Trading Limited's Mainboard. The Company de-risks its portfolio of exploration and development assets using its proprietary liquid hydrocarbon indicator Rex Virtual Drilling technology, which can locate oil reservoirs in the sub-surface using seismic data. Since the Company's listing in July 2013, the Group has achieved four offshore discoveries, one in Oman and three in Norway. Besides its E&P activities with a focus on Oman and Norway, the Group also offers Rex Virtual Drilling screening services to other oil exploration companies as an additional tool to increase the success rate of finding oil.

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