

REX INTERNATIONAL HOLDING LIMITED
(Company Registration No.: 201301242M)

**Unaudited Financial Statement and Dividend Announcement
For the First Quarter Ended 31 March 2014**

Background

Rex International Holding Limited (the “**Company**”) was incorporated in the Republic of Singapore on 11 January 2013 under the Companies Act (Chapter 50) of Singapore as a private limited company. The Company and its subsidiaries (the “**Group**”) were formed pursuant to a restructuring exercise (the “**Restructuring Exercise**”), which involved an allotment of shares to Rex Commercial Ltd and Schroders and Co. Bank AG, and a share swap with Fram Exploration ASA prior to the initial public offering (“**IPO**”) and listing on the Catalist of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) in July, 2013. The Restructuring Exercise was completed on 26 April 2013. Please refer to the Company’s Offer Document dated 22 July 2013 for further details on the Restructuring Exercise.

For the purpose of this announcement, the financial results of the Group comprise the consolidated accounts of the Group for the three months period ended 31 March 2014 (“**1Q FY2014**”). The comparative results of the Group for the three months period ended 31 March 2013 (“**1Q FY2013**”) mainly comprise the Company’s interest in Lime Petroleum Plc, a jointly controlled entity.

- 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		
	Three Months Ended		
	31-Mar-14	31-Mar-13	Change
	US\$'000	US\$'000	%
	Unaudited	Unaudited	
Revenue	-	-	N.A.
Administration expenses	(1,575)	(278)	466.5
Other income	282	-	N.M.
Results from operating activities	(1,293)	(278)	365.1
Finance income	299	-	N.M.
Finance costs	(20)	-	N.M.
Net finance income	279	-	N.M.
Share of loss of jointly controlled entities	(1,526)	(1,135)	34.4
Loss before tax	(2,540)	(1,413)	79.8
Tax expense	-	-	N.A.
Loss for the period, after tax	(2,540)	(1,413)	79.8
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Net change in fair value of available-for-sale investments	957	-	N.M.
Foreign currency translation differences from foreign operations	(10)	-	N.M.
Total comprehensive loss for the period	(1,593)	(1,413)	12.7

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

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

	Group		
	Three Months Ended		
	31-Mar-14	31-Mar-13	Change
	US\$'000	US\$'000	%
	Unaudited	Unaudited	
Depreciation	(9)	(1)	800.0
Foreign exchange gain	155	-	N.M.
Change in fair value of quoted investments	277	-	N.M.
Gain on disposal of quoted investments	5	-	N.M.

N.A. – Not Applicable

N.M. – 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-Mar-14	31-Dec-13	31-Mar-14	31-Dec-13
	US\$'000	US\$'000	US\$'000	US\$'000
	Unaudited	Audited	Unaudited	Audited
Assets				
Plant and equipment	108	81	108	81
Subsidiaries	-	-	47,704	37,303
Jointly controlled entities	51,564	42,700	-	-
Available-for-sale investments	44,514	39,717	45,322	40,525
Non-current assets	96,186	82,498	93,134	77,909
Other receivables	959	5,069	1,111	5,189
Quoted investments	18,900	7,520	18,900	7,520
Cash and cash equivalents	59,681	82,271	59,681	82,271
Current assets	79,540	94,860	79,692	94,980
Total assets	175,726	177,358	172,826	172,889
Equity				
Share capital	179,519	179,519	179,519	179,519
Reserves	6,246	5,229	1,592	565
Accumulated losses	(10,459)	(7,919)	(8,705)	(7,724)
Total equity	175,306	176,829	172,406	172,360
Liabilities				
Other payables	420	529	420	529
Current liabilities	420	529	420	529
Total equity and liabilities	175,726	177,358	172,826	172,889

Note:

Investment in jointly controlled entities comprised the Group's equity interest in:

<u>Names of jointly controlled entities</u>	<u>% of interest</u>
Lime Petroleum Plc (" Lime ")	65.00%
HiRex Petroleum Sdn Bhd (" HiRex ")	41.00%
Rexonic AG (" Rexonic ")	66.70%
Caribbean Rex Ltd (" Caribbean Rex ")	64.17%

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

The Group does not have any external borrowings and debt securities as at 31 March 2014 and 31 December 2013.

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.

	Group	
	Three Months Ended	
	31-Mar-14	31-Mar-13
	US\$'000	US\$'000
	Unaudited	Unaudited
Cash flows from operating activities		
Loss for the period	(2,540)	(1,413)
Adjustments for:		
Depreciation	9	1
Net finance income	(124)	-
Share of loss of jointly controlled entities, net of tax	1,526	1,135
Change in fair value of quoted investments	(277)	-
Gain on disposal of quoted investments	(5)	-
Equity settled share-based payment transactions	70	-
	(1,341)	(277)
Changes in working capital:		
Other receivables	(390)	(97)
Other payables	(110)	4
Net cash used in operating activities	(1,841)	(370)
Cash flows from investing activities		
Interest received	144	-
Proceeds from disposal of a jointly controlled entity	1,000	-
Investment in a jointly controlled entity	(10,400)	(2)
Purchase of an available-for-sale investment	(3,840)	-
Proceeds from disposal of quoted investments	5	-
Purchase of quoted investments	(7,603)	-
Purchase of plant and equipment	(35)	(22)
Net cash used in investing activities	(20,729)	(24)
Cash flows from financing activities		
Interest paid	(20)	-
Cash contribution from shareholders	-	654
Net cash used in financing activities	(20)	654
Net (decrease) increase in cash and cash equivalents	(22,590)	260
Cash and cash equivalents at beginning of the period	82,271	-
Effect of exchange rate changes on balances held in foreign currency	-	-
Cash and cash equivalents at end of the period	59,681	260

- 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.

	Share capital US\$'000	Merger reserve US\$'000	Capital reserve US\$'000	Fair value reserve US\$'000	Share option reserve US\$'000	Translation reserve US\$'000	Accumulated losses US\$'000	Total equity US\$'000
Group								
At 1 January 2014	179,519	4,129	1,080	-	60	(40)	(7,919)	176,829
Total comprehensive loss for the period								
Loss for the period	-	-		-	-	-	(2,540)	(2,540)
Other comprehensive loss								
Foreign currency translation reserve	-	-		-	-	(10)	-	(10)
Net change in fair value of available-for-sale financial assets	-	-		957	-	-	-	957
Total comprehensive loss for the period	-	-		957	-	(10)	(2,540)	(1,593)
Transactions with owners, recognised directly in equity								
Contributions by and distributions to owners								
Share-based payment transactions - employee share option scheme, representing total transactions with owners	-	-	-	-	70	-	-	70
At 31 March 2014	179,519	4,129	1,080	957	130	(50)	(10,459)	175,306

	Share capital US\$'000	Merger reserve US\$'000	Capital reserve US\$'000	Fair value reserve US\$'000	Share option reserve US\$'000	Translation reserve US\$'000	Accumulated (losses)/profits US\$'000	Total equity US\$'000
<u>Group</u>								
At 1 January 2013	1	4,129	409	-	-	-	589	5,128
Total comprehensive loss for the period								
Loss for the period, representing total comprehensive loss for the period	-	-	-	-	-	-	(1,413)	(1,413)
Transactions with owners, recognised directly in equity								
Contributions by and distributions to owners								
Loans forgiven by equity holders	-	-	654	-	-	-	-	654
At 31 March 2013	1	4,129	1,063	-	-	-	(824)	4,369

	Share capital US\$'000	Merger reserve US\$'000	Capital reserve US\$'000	Fair value reserve US\$'000	Share option reserve US\$'000	Accumulated losses US\$'000	Total equity US\$'000
<u>Company</u>							
At 1 January 2014	179,519	-	505	-	60	(7,724)	172,360
Total comprehensive loss for the period							
Loss for the period	-	-	-	-	-	(981)	(981)
Other comprehensive loss							
Net change in fair value of available-for-sale financial assets	-	-	-	957	-	-	957
Total comprehensive loss for the period	-	-	-	957	-	(981)	(24)
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners							
Share-based payment transactions - employee share option scheme, representing total transactions with owners	-	-	-	-	70	-	70
At 31 March 2014	179,519	-	505	957	130	(8,705)	172,406

	Share capital US\$'000	Merger reserve US\$'000	Capital reserve US\$'000	Fair value reserve US\$'000	Share option reserve US\$'000	Accumulated losses US\$'000	Total equity US\$'000
<u>Company</u>							
At date of incorporation	1	-	-	-	-	-	1
Total comprehensive loss for the period							
Loss for the period, representing total comprehensive loss for the period	-	-	-	-	-	(154)	(154)
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners							
Loans forgiven by equity holders	-	-	501	-	-	-	501
At 31 March 2013	1	-	501	-	-	(154)	348

- 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 March 2014 comprised 1,094,957,263 (31 December 2013: 1,094,957,263) ordinary shares. The Company did not issue any new shares in 1Q FY2014.

Outstanding Options under the Company's Employee Share Option Scheme (the "ESOS")

On 29 November 2013, the Company had granted an aggregate of 3,187,500 options pursuant to its ESOS to eligible participants (the "**Options**"), details of which are as follows:

Date of grant of Options	Exercise price of Options	Number of Options outstanding at 1-Jan-14	Options granted in 1Q FY2014	Options exercised in 1Q FY2014	Options cancelled in 1Q FY2014	Number of Options outstanding at 31-Mar-14	Exercise period of Options
29.11.13	S\$0.65	2,125,000	-	-	(100,000)	2,025,000	29.11.14 to 28.11.18
29.11.13	S\$0.52	1,062,500	-	-	(50,000)	1,012,500	29.11.15 to 28.11.18
		<u>3,187,500</u>			<u>(150,000)</u>	<u>3,037,500</u>	

During 1Q FY2014, 150,000 Options were cancelled due to cessation of employment of an eligible participant.

No new Option was granted under the ESOS in 1Q FY2014 and no Option was exercised in 1Q FY2014. The total number of Options outstanding as at 31 March 2014 was 3,037,500.

Save for the aforementioned Options, the Company did not have any other outstanding convertibles as at 31 March 2014.

The Company did not have any outstanding options, convertibles or treasury shares as at 31 March 2013.

- 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-Mar-14	31-Dec-13	31-Mar-14	31-Dec-13

Total number of
issued shares
excluding treasury
shares

1,094,957,263 1,094,957,263 1,094,957,263 1,094,957,263

The Company did not have any treasury shares as at 31 March 2014 and 31 December 2013.

- 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 year ended 31 December 2013 except for the adoption of accounting standards and interpretations applicable for the financial period beginning 1 January 2014.

- 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 2014 did not result in a significant change to the Group's accounting policies and did not have a material impact on the Group 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).

Earnings per ordinary share ("EPS")	Three months ended	
	31-Mar-14	31-Mar-13
Net loss attributable to shareholders of the Company (US\$)	(2,540,000)	(1,413,000)
Basic EPS based on the weighted average number of ordinary shares in issue (US cents)	(0.23)	(2.95)
Fully diluted EPS (US cents)	(0.23)	(2.95)

The basic EPS for the financial period ended 31 March 2014 is calculated based on the weighted average number of ordinary shares in issue of 1,094,957,263 (31 March 2013 : 47,925,001).

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

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-Mar-14	31-Dec-13	31-Mar-14	31-Dec-13
Net asset value (US\$)	175,306,000	176,829,000	172,406,000	172,360,000
Net asset value per ordinary share based on number of shares in issue as at the end of the financial period (US cents)	16.01	16.15	15.75	15.74

The net asset value per ordinary share as at 31 March 2014 and 31 December 2013 are calculated based on 1,094,957,263 ordinary shares in issue as at end of the respective financial period/ year.

- 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

No revenue was recorded in both 1Q FY2014 and 1Q FY2013 as the Group was involved in exploration and drilling activities.

The Group registered other income of US\$0.28 million in 1Q FY2014, which arose from 1) fair value gain from mark-to-market quoted investments, and 2) gain on disposal of quoted investments. No other income was registered in 1Q FY2013.

Administrative expenses increased by US\$1.30 million, from US\$0.28 million in 1Q FY2013 to US\$1.58 million in 1Q FY2014. The increase was due to rapid expansion of the Group's operations and additions to headcount in the Singapore office. Administrative expenses in 1Q FY2014 largely comprised staff costs and operational expenses incurred in the Singapore office of US\$1.00 million, technical fees of US\$0.16 million, consultancy and professional fees of US\$0.35 million.

Finance income of US\$0.30 million registered in 1Q FY2014 arose from interest income on funds invested, including debt securities, and net foreign exchange gain as a result of an overall strengthening of the Singapore dollar against the United States dollar during 1Q FY2014. Finance costs arose from bank charges. No finance income or expense was registered in 1Q FY2013.

Share of loss of jointly controlled entities increased to US\$1.53 million in 1Q FY2014, from US\$1.14 million in 1Q FY2013, an increase of US\$0.39 million.

The aforementioned share of loss of jointly controlled entities of US\$1.53 million in 1Q FY2014 was attributable to 1) Caribbean Rex with share of loss of US\$0.48 million, 2) HiRex with share of loss of US\$0.24 million, 3) Rexonic with share of loss of US\$0.80 million, and 4) Lime with share of loss of US\$0.01 million.

Comparatively, the Group's share of loss of jointly controlled entities of US\$1.14 million in 1Q FY2013 was attributable to Lime.

The share of loss in relation to Caribbean Rex, HiRex and Rexonic in 1Q FY2014 were predominantly due to their start-up costs.

The reduction in the share of loss in Lime from US\$1.14 million in 1Q FY2013 to US\$ 0.01 million in 1Q FY2014 was mainly due to cost recovery in Norway in 1Q FY2014. Lime Petroleum AS ("**Lime Norway**") was accorded Pre-qualified Petroleum Company status in February 2013, allowing it to apply for a cash tax refund for 78% of exploration costs under the Norwegian Petroleum Tax Act.

Overall, the Group registered loss for the period of US\$2.54 million and total comprehensive loss of US\$1.59 million in 1Q FY2014, as compared to loss for the period which represented total comprehensive loss of US\$1.41 million in 1Q FY2013.

Statement of Financial Position

Non-current assets increased to US\$96.19 million as at 31 March 2014, from US\$82.50 million as at 31 December 2013. The increase was largely due to 1) capital injection into Lime Norway of US\$10.40 million, partially offset by share of loss in the jointly controlled entities in US\$1.53 million, and 2) purchase of available-for-sale investment in North Energy ASA of US\$3.84 million.

Quoted investments increased to US\$18.90 million as at 31 March 2014, from US\$7.52 million as at 31 December 2013, due to purchase of debt securities in 1Q FY2014.

The Group had working capital of US\$79.12 million as at 31 March 2014, as compared to working capital of US\$94.33 million as at 31 December 2013, a decrease of US\$15.21 million. The decrease in working capital was mainly due to capital injection into Lime Norway of US\$10.40 million, purchase of available-for-sale investment of US\$3.84 million and operational expenses of US\$1.58 million.

Statement of Cash Flows

The Group reported a net cash outflow of US\$1.84 million in 1Q FY2014 from its operating activities, after accounting for movements in working capital. This was primarily due to staff costs and operational expenses incurred in the Singapore office, technical fees, consultancy and professional fees incurred in relation to the Group's activities.

Net cash used in investing activities of US\$20.73 million in 1Q FY2014 was largely due to capital injection into Lime Norway of US\$10.40 million, purchase of available-for-sale investment of US\$3.84 million and purchase of quoted investments of US\$7.60 million. Cash outflow from investing activities was partially offset by cash consideration of US\$1.00 million received in 1Q FY2014 from disposal of the Group's entire 49 per cent equity interest in Loyz Rex Drilling Services LLC, and interest received of US\$0.14 million from quoted investments.

Net cash used in financing activities comprised interest paid of US\$0.02 million.

The Group recorded an overall net decrease in cash and cash equivalents of US\$22.59 million in 1Q FY2014, largely due to capital injection into Lime Norway of US\$10.40 million, investment in North Energy ASA of US\$3.84 million and purchase of quoted investments of US\$7.60 million. Cash and cash equivalents stood at US\$59.68 million as at 31 March 2014, compared to US\$82.27 million as at 31 December 2013.

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.

In its publication, “2014 - The Outlook for Energy: A View to 2040”, ExxonMobil said that ongoing advances in exploration and production technology continued to expand the size of the world’s recoverable crude and condensate resources. Despite rising liquids production, it estimated that by 2040, about 65% of the world’s recoverable crude and condensate resource base would have yet to be produced. ExxonMobil said that even as global oil production rises, the estimated size of the global recoverable resource base would continue to increase as a result of advancements in science and technology that have enabled the production of new sources of liquid fuels.

The Group will be starting on its five-well onshore drilling programme for two of its concessions – South Erin Block and Cory Moruga - in Trinidad in the second quarter of 2014. These wells will be put on production about one to two months after completion of each drilling operation, subject to successful commerciality testing. One already drilled well in Cory Moruga will also be put on production.

The Group continues to work closely with its partners to pursue early production in Block 50 Oman in the next 12 months. The Group is also actively planning other drilling campaigns and is pursuing other business opportunities and will make the necessary announcements as and when there are material developments.

11. Dividend

a) Current financial period reported on

No dividend has been declared or recommended for 1Q FY2014.

b) Corresponding period to immediately preceding financial year

No dividend has been declared or recommended for 1Q FY2013.

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 1Q FY2014.

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.

Name of interested person	Aggregate value of all IPT during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules)	Aggregate value of all IPT conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules (excluding transactions less than S\$100,000)
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Rex Technology Management Ltd ⁽¹⁾	US\$625,000	-
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The Group has not obtained a general mandate from shareholders for IPT.

- ⁽¹⁾ Rex Technology Management Ltd is an associate of Rex Commercial Ltd, a controlling shareholder which owns approximately 50.86% of the Company, therefore is an interested person pursuant to Chapter 9 of the Catalist Rules.

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

Initial Public Offering ("IPO") Proceeds

The Company had raised gross proceeds of S\$85.25 million from the IPO on the Catalist Board of the SGX-ST on 31 July 2013.

The details of the utilisation of the net IPO proceeds as at 31 March 2014 are shown below:

Use of IPO proceeds	Amount allocated S\$'000	Amount redeployed S\$'000	Amount utilised S\$'000	Balance S\$'000
Investment in new oil and gas opportunities	15,690		(11,160)	4,530
Drilling in Middle East concessions	12,383		-	12,383
Drilling in Norwegian Licences	23,637		(13,206)	10,431
Repayment of loan to Rex Partners	2,354		(2,354)	-
General working capital	25,886	(1,704) ⁽¹⁾	(5,126) ⁽²⁾	19,056
Listing expenses to be borne by the Company	5,300	1,704 ⁽¹⁾	(7,004)	-
Total	85,250	-	(38,850)	46,400

- ⁽¹⁾ S\$1.70 million has been redeployed to listing expenses to be borne by the Company.

- ⁽²⁾ S\$5.13 million has been used for Singapore's office staff cost and operational expenses, consultancy and professional fees.

Second Placement Proceeds

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.

The details of the utilisation of the net proceeds from the Second Placement, after deducting placement expenses of S\$1.98 million, as at 31 March 2014 are shown below:

Use of net proceeds from Second Placement	Percentage allocated	Amount allocated	Amount utilised	Balance
	%	S\$'000	S\$'000	S\$'000
Exploration and drilling activities in new opportunities in the Asia-Pacific region	35.1	17,856	-	17,856
Exploration and drilling activities in new opportunities in geographical regions including Middle East, Norway and Western Europe	33.0	16,787	(10,519)	6,268
Invest in and expand the business in the oil services sector using well stimulation technology	31.9	16,228	(12,400)	3,828
Total	100.0	50,871	(22,919)	27,952

Additional Disclosure Required for Mineral, Oil and Gas Companies

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

Actual use of funds/ cash for 1Q FY2014

Purpose	Amount
	US\$'000
Investment in oil and gas opportunities in Norway	14,240
Technical fees paid to Rex Technology Management Ltd	625
General working capital	1,370
Total	16,235

The actual use of funds for 1Q FY2014 amounted to US\$16.24 million, which was lower than that projected in 4Q FY2013 of US\$21.40 million. The reason for the lower actual use of funds in 1Q FY2014 was due to delays in drilling activities in Trinidad & Tobago. The drilling activities in Trinidad & Tobago are postponed to 2Q FY2014 in order to optimise the drilling locations.

In 1Q FY2014, US\$10.40 million was used as capital injection in Lime Norway to facilitate the drawdown of a loan which will fully finance Lime Norway's activities into 2015 and US\$3.84 million was used for investment in North Energy ASA. In addition, US\$0.63 million was paid to a related party, Rex Technology Management Ltd for technical fees, and US\$1.37 million was used for the Singapore's office staff cost and operational expenses, consultancy and professional fees.

Projection on the use of funds/ cash in 2Q FY2014

Purpose	Amount
	US\$'000
Investment in oil and gas opportunities in Middle East, Europe and Trinidad & Tobago	14,000
General working capital	2,000
Total	16,000

- 16. 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.**

In 1Q FY2014, no exploration and evaluation expenditures had been capitalised.

The Group's exploration work is on an ongoing process. The exploration activities fulfilled in 1Q FY2014 mainly included virtual drilling and actual drilling in Middle East concessions. The Group did not account for any new production activities.

- 17. 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.**

Trinidad & Tobago

The Company has included in its Annual Report a CD-ROM setting out an independent Qualified Person Report ("**QPR**") on its asset, South Erin Block, in Trinidad & Tobago.

The Company presently has four wells with limited production in the South Erin Block concession. The Company intends to rapidly grow its production from the concession and prove up additional reservoirs by drilling exploration and development wells in the concession during 2014 and 2015 into existing and new formations.

US

Upon completion of the restructuring of shareholding arrangements with Fram Exploration ASA ("**FRAM**") on 20 November 2013, the Company no longer has any direct interest in the US Concessions and currently holds 27.87% of the enlarged share capital of FRAM.

As a shareholder of FRAM, the Company relies on information publicly released by FRAM to be communicated to the Company's stakeholders, if applicable. FRAM has advised that as at 31 December 2013, there have been no significant changes to its US Concessions when compared against the QPR set out in the Company's Offer Document. As such, the Company has included in its 2013 Annual Report a CD-ROM setting out its Offer Document which comprises the QPR on the US Concessions.

Save for the above, the Group has no material update on the reserves and resources as set out in the QPR dated 31 March 2013.

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

The Board of Directors of the Company confirms, to their best knowledge, that nothing has come to the attention of the Board of Directors which may render the unaudited financial statements for the financial period ended 31 March 2014 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD OF
Rex International Holding Limited

Dan Broström
Executive Director and Chairman

29 April 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.