

REX INTERNATIONAL HOLDING LIMITED

(Company Registration No.: 201301242M)

**Unaudited Financial Statement and Dividend Announcement
For the Fourth Quarter and Financial Year Ended 31 December 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-month period ended 31 December 2014 (“**4Q FY2014**”) and the financial year ended 31 December 2014 (“**FY2014**”).

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			Group 12 Months Ended		
	31-Dec-14 US\$'000 Unaudited	31-Dec-13 US\$'000 Unaudited	Change %	31-Dec-14 US\$'000 Unaudited	31-Dec-13 US\$'000 Audited	Change %
Revenue	334	-	NM	334	-	NM
Administration expenses	(2,347)	(3,115)	(25)	(8,081)	(5,268)	53
Other expenses	-	(164)	NM	-	(2,520)	NM
Other income	12	-	NM	67	-	NM
Results from operating activities	(2,001)	(3,279)	(39)	(7,680)	(7,788)	(1)
Finance income	445	105	324	1,142	130	779
Loss on re-measurement to fair value of pre-existing interest in a jointly controlled entity	(4,352)	-	NM	(4,352)	-	NM
Foreign exchange loss	(4,439)	(804)	452	(5,291)	(230)	2200
Finance costs	(61)	(29)	110	(158)	(29)	445
Net finance costs	(8,407)	(728)	1055	(8,659)	(129)	6612
Gain on disposal of jointly controlled operation and jointly controlled entity (net)	-	574	NM	-	574	NM
Gain on dilution of interest in a jointly controlled entity	-	-	NM	-	3,999	NM
Gain on step acquisition of a jointly controlled entity	2,416	-	NM	2,416	-	NM
Impairment of available-for-sale investments	(41,147)	-	NM	(41,147)	-	NM
Share of loss of associate and jointly controlled entities, net of tax	(2,481)	(1,394)	78	(7,601)	(5,164)	47
Loss before tax	(51,620)	(4,827)	969	(62,671)	(8,508)	637
Tax expense	-	-	NA	-	-	NA
Loss for the period/ year, after tax	(51,620)	(4,827)	969	(62,671)	(8,508)	637

NA – Not Applicable

NM – Not Meaningful

Other comprehensive income

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

Net change in fair value of available-for-sale investments	(1,290)	-	NM	(1,430)	-	NM
Realisation of translation reserve on re-measurement of pre-existing interest in a jointly controlled entity	4	-	NM	4	-	NM
Impairment loss on an available-for-sale investment reclassified to profit or loss	1,430	-	NM	1,430	-	NM
Foreign currency translation differences from foreign operations	214	(40)	NM	350	(40)	NM
Total comprehensive loss for the period/ year	(51,262)	(4,867)	953	(62,317)	(8,548)	629

NM – Not Meaningful

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

Loss before taxation is stated after charging the following:

	Group Three Months Ended			Group 12 Months Ended		
	31-Dec-14 US\$'000 Unaudited	31-Dec-13 US\$'000 Unaudited	Change %	31-Dec-14 US\$'000 Unaudited	31-Dec-13 US\$'000 Audited	Change %
Depreciation	(11)	(6)	83	(40)	(10)	300
Amortisation of intangible asset	(35)	-	NM	(35)	-	NM
Change in fair value of quoted investments	(303)	(40)	NM	(215)	(40)	NM
Loss on disposal of plant and equipment	-	-	NA	(18)	-	NM

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-14	31-Dec-13	31-Dec-14	31-Dec-13
	US\$'000	US\$'000	US\$'000	US\$'000
	Unaudited	Audited	Unaudited	Audited
Assets				
Exploration and evaluation assets	13,066	-	-	-
Plant and equipment	218	81	93	81
Intangible asset	8,465	-	-	-
Subsidiaries	-	-	71,352	37,303
Jointly controlled entities ⁽¹⁾	41,685	42,700	-	-
Available-for-sale investments	2,410	39,717	2,410	40,525
Non-current assets	65,844	82,498	73,855	77,909
Inventories	989	-	-	-
Trade and other receivables	9,814	5,069	6,266	5,189
Quoted investments	30,725	7,520	30,725	7,520
Cash and cash equivalents	87,131	82,271	83,375	82,271
Current assets	128,659	94,860	120,366	94,980
Total assets	194,503	177,358	194,221	172,889
Equity				
Share capital	253,713	179,519	253,713	179,519
Reserves	5,928	5,229	910	565
Accumulated losses	(70,590)	(7,919)	(61,723)	(7,724)
Total equity attributable to owners of the Company	189,051	176,829	192,900	172,360
Non-controlling interests	426	-	-	-
Total equity	189,477	176,829	192,900	172,360
Liabilities				
Trade and other payables	5,026	529	1,321	529
Current liabilities	5,026	529	1,321	529
Total equity and liabilities	194,503	177,358	194,221	172,889

Footnote:

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

<u>Name of jointly controlled entities</u>	Percentage of interest	
	31-Dec-14	31-Dec-13
Lime Petroleum Plc (" Lime ")	65.00%	65.00%
HiRex Petroleum Sdn Bhd (" HiRex ")	41.00%	41.00%
Rexonic AG (" Rexonic ")	66.67%	66.67%
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 December 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		Group	
	Three Months Ended		12 Months Ended	
	31-Dec-14	31-Dec-13	31-Dec-14	31-Dec-13
	US\$'000	US\$'000	US\$'000	US\$'000
	Unaudited	Unaudited	Unaudited	Audited
Cash flows from operating activities				
Loss for the period/ year	(51,620)	(4,827)	(62,671)	(8,508)
Adjustments for:				
Depreciation	11	6	40	10
Amortisation of intangible asset	35	-	35	-
Net finance income/(costs)	(384)	129	(984)	129
Loss on re-measurement to fair value of pre-existing interest in a jointly controlled entity	4,352	-	4,352	-
Gain on step acquisition of a jointly controlled entity	(2,416)	-	(2,416)	-
Impairment loss on available-for-sale investments	41,147	-	41,147	-
Share of loss of jointly controlled entities and an associate, net of tax	2,481	1,394	7,601	5,164
Change in fair value of quoted investments	303	40	215	40
Loss on disposal of quoted investments	5	-	98	-
Loss on disposal of plant and equipment	-	-	18	-
Gain on disposal of jointly controlled operation and jointly controlled entity (net)	-	(574)	-	(574)
Gain on dilution of interest in a jointly controlled entity	-	-	-	(3,999)
Equity settled share-based payment transactions	90	60	345	60
	(5,996)	(3,772)	(12,220)	(7,678)
Changes in working capital:				
Trade and other receivables	918	53	2,198	(465)
Trade and other payables	(2,977)	273	(2,174)	204
Net cash used in operating activities	(8,055)	(3,446)	(12,196)	(7,939)

Cash flows from investing activities

Interest received	445	26	1,142	26
Acquisition of subsidiaries, net of cash acquired ⁽¹⁾	(6,145)	-	(6,145)	-
Purchase of an available-for-sale investment	-	(7,000)	(3,840)	(7,000)
Acquisitions of jointly-controlled entities	-	(16,415)	-	(19,000)
Investments in jointly-controlled entities	(5,316)	-	(25,548)	(4,870)
Purchase of quoted investments	(4,889)	(7,560)	(23,518)	(7,560)
Proceeds from disposal of a jointly controlled entity	-	-	1,000	-
Purchase of plant and equipment	(4)	(48)	(71)	(91)
Exploration and evaluation expenditure	-	-	-	(2,839)
Net cash used in investing activities	(15,909)	(30,997)	(56,880)	(41,334)

Cash flows from financing activities

Interest paid	(61)	(29)	(158)	(29)
Proceeds from issuance of shares	-	42,509	75,867	139,933
Placement expenses	(12)	(1,523)	(1,673)	(6,891)
Repayment of loan to a related corporation	-	-	-	(1,901)
Cash contribution from shareholders	-	8	-	662
Net cash (used in)/ from financing activities	(73)	40,965	74,036	131,774

Net (decrease)/ increase in cash and cash equivalents

	(24,037)	6,522	4,860	82,501
Cash and cash equivalents at beginning of the period/ year	111,168	75,979	82,271	-
Effect of exchange rate changes on balances held in foreign currency	-	(230)	-	(230)
Cash and cash equivalents at end of the period/ year	87,131	82,271	87,131	82,271

Footnote:

⁽¹⁾ On 12 December 2014, the Group acquired 100% equity interest in Rex Technology Management Limited (“RTM”) for a nominal price of US\$1 and a loan repayment of US\$8,500,000.

On 18 December 2014, the Group acquired an additional equity interest of 34.19% in Caribbean Rex Limited (“Caribbean Rex”) for a consideration which was based on the fair value of Inniss-Trinity asset of US\$5,000,000, and provided working capital contribution of US\$513,000.

- 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 (Unaudited)								
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	-	-	-	-	-	-	(11,051)	(11,051)
Other comprehensive income								
Foreign currency translation differences	-	-	-	-	-	136	-	136
Net change in fair value of available-for-sale financial asset	-	-	-	(140)	-	-	-	(140)
Total comprehensive loss for the period	-	-	-	(140)	-	136	(11,051)	(11,055)
Transactions with owners, recognised directly in equity								
Contributions by and distributions to owners								
Issuance of shares	75,867	-	-	-	-	-	-	75,867
Placement expenses	(1,661)	-	-	-	-	-	-	(1,661)
Share-based payment transactions - employee share option scheme	-	-	-	-	255	-	-	255
At 30 September 2014	253,725	4,129	1,080	(140)	315	96	(18,970)	240,235

	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
At 1 October 2014	253,725	4,129	1,080	(140)	315	96	(18,970)	240,235
Total comprehensive loss for the period								
Loss for the period	-	-	-	-	-	-	(51,620)	(51,620)
Other comprehensive loss								
Realisation of translation reserve on re-measurement of pre-existing interest in a jointly controlled entity	-	-	-	-	-	4	-	4
Net change in fair value of available-for-sale financial assets	-	-	-	(1,290)	-	-	-	(1,290)
Foreign currency translation differences	-	-	-	-	-	214	-	214
Impairment loss on an available-for-sale investment reclassified to profit or loss	-	-	-	1,430	-	-	-	1,430
Total comprehensive loss for the period	-	-	-	140	-	218	(51,620)	(51,262)
Transactions with owners, recognised directly in equity								
Contributions by and distributions to owners								
Placement expenses	(12)	-	-	-	-	-	-	(12)
Share-based payment transactions - employee share option scheme	-	-	-	-	90	-	-	90
At 31 December 2014	253,713	4,129	1,080	-	405	314	(70,590)	189,051

	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 (Audited)</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	-	-	-	-	-	-	(3,681)	(3,681)
Transactions with owners, recognised directly in equity								
Contributions by and distributions to owners								
Issuance of shares	130,949	-	-	-	-	-	-	130,949
Listing expenses	(5,368)	-	-	-	-	-	-	(5,368)
Loans forgiven by equity holders	-	-	654	-	-	-	-	654
At 30 September 2013	125,582	4,129	1,063	-	-	-	(3,092)	127,682

	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
At 1 October 2013	125,582	4,129	1,063	-	-	-	(3,092)	127,682
Total comprehensive loss for the period								
Loss for the period	-	-	-	-	-	-	(4,827)	(4,827)
Other comprehensive income								
Foreign currency translation differences	-	-	-	-	-	(40)	-	(40)
Total comprehensive loss for the period	-	-	-	-	-	(40)	(4,827)	(4,867)
Transactions with owners, recognised directly in equity								
Contributions by and distributions to owners								
Issuance of shares	55,460	-	9	-	-	-	-	55,469
Listing expenses	(1,523)	-	-	-	-	-	-	(1,523)
Loans forgiven by equity holders	-	-	8	-	-	-	-	8
Share-based payment transactions - employee share option scheme	-	-	-	-	60	-	-	60
At 31 December 2013	179,519	4,129	1,080	-	60	(40)	(7,919)	176,829

	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 (Unaudited)</u>							
At 1 January 2014	179,519	-	505	-	60	(7,724)	172,360
Total comprehensive loss for the period							
Loss for the period	-	-	-	-	-	(5,812)	(5,812)
Other comprehensive income							
Net change in fair value of available-for-sale financial asset	-	-	-	(140)	-	-	(140)
Total comprehensive loss for the period	-	-	-	(140)	-	(5,812)	(5,952)
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners							
Issuance of shares	75,867	-	-	-	-	-	75,867
Placement expenses	(1,661)	-	-	-	-	-	(1,661)
Share-based payment transactions - employee share option scheme	-	-	-	-	255	-	255
At 30 September 2014	253,725	-	505	(140)	315	(13,536)	240,869

	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
At 1 October 2014	253,725	-	505	(140)	315	(13,536)	240,869
Total comprehensive loss for the period							
Loss for the period	-	-	-	-	-	(48,187)	(48,187)
Other comprehensive loss							
Net change in fair value of available-for-sale financial asset	-	-	-	(1,290)	-	-	(1,290)
Impairment loss on an available-for-sale investment reclassified to profit or loss	-	-	-	1,430	-	-	1,430
Total comprehensive loss for the period	-	-	-	140	-	(48,187)	(48,047)
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners							
Placement expenses	(12)	-	-	-	-	-	(12)
Share-based payment transactions - employee share option scheme, representing total transactions with owners	-	-	-	-	90	-	90
At 31 December 2014	253,713	-	505	-	405	(61,723)	192,900

	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 (Audited)</u>							
At date of incorporation	1	-	-	-	-	-	1
Total comprehensive loss for the period							
Loss for the period, representing total comprehensive loss for the period	-	-	-	-	-	(3,769)	(3,769)
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners							
Issuance of shares	130,949						130,949
Listing expenses	(5,368)						(5,368)
Loans forgiven by equity holders	-	-	501	-	-	-	501
At 30 September 2013	125,582	-	501	-	-	(3,769)	122,314

	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
At 1 October 2013	125,582	-	501	-	-	(3,769)	122,314
Total comprehensive loss for the period							
Loss for the period, representing total comprehensive loss for the period	-	-	-	-	-	(3,955)	(3,955)
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners							
Issuance of shares	55,460	-	-	-	-	-	55,460
Listing expenses	(1,523)	-	-	-	-	-	(1,523)
Share-based payment transactions							
- employee share option scheme	-	-	-	-	60	-	60
Loans forgiven by equity holders	-	-	4	-	-	-	4
At 31 December 2013	179,519	-	505	-	60	(7,724)	172,360

- 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 capital as at 31 December 2014 comprised 1,262,957,263 (30 September 2014: 1,262,957,263) ordinary shares ("**Shares**"). The Company did not issue any new Shares in 4Q FY2014.

Outstanding Options under the Company's 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 the three-month period ended 31 March 2014 due to cessation of employment of an eligible employee. Details of the ESOS are as follows:

Date of grant of Options	Exercise price of Options	Number of Options outstanding at 1-Oct-14	Options granted in 4Q FY2014	Options exercised in 4Q FY2014	Options cancelled in 4Q FY2014	Number of Options outstanding at 31-Dec-14	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 was granted under the ESOS in 4Q FY2014, and no Option was exercised or cancelled in 4Q FY2014. The total number of Options outstanding as at 31 December 2014 was 3,037,500 which are exercisable into 3,037,500 Shares (31 December 2013: 3,187,500 Options exercisable into 3,187,500 Shares).

Save for the aforementioned Options, the Company did not have any other outstanding convertibles or treasury shares as at 31 December 2014 and 31 December 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-Dec-14	31-Dec-13	31-Dec-14	31-Dec-13

Total number of
issued shares
excluding treasury
shares

1,262,957,263 1,094,957,263 1,262,957,263 1,094,957,263

The Company did not have any treasury shares as at 31 December 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 financial 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).

Loss per ordinary share ("LPS")	Group		Group	
	Three months ended		12 months ended	
	31-Dec-14	31-Dec-13	31-Dec-14	31-Dec-13
Net loss attributable to shareholders of the Company (US\$)	(51,620,000)	(4,827,000)	(62,671,000)	(8,508,000)
Weighted number of ordinary shares	1,262,957,263	1,058,334,321	1,143,746,304	707,846,635
Basic and fully diluted LPS (US cents)	(4.09)	(0.46)	(5.48)	(1.20)

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-14	31-Dec-13	31-Dec-14	31-Dec-13
Net asset value (US\$)	189,051,000	176,829,000	192,900,000	172,360,000
Total number of issued shares excluding treasury shares	1,262,957,263	1,094,957,263	1,262,957,263	1,094,957,263
Net asset value per ordinary share based on number of shares in issue as at the end of the financial year (US cents)	14.97	16.15	15.27	15.74

- 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

Subsequent to the acquisition of RTM, the Group recorded revenue of US\$0.33 million in 4Q FY2014, which arose from technical services rendered to clients by RTM. No revenue was recorded in 4Q FY2013, as the Group was primarily involved in exploration and drilling activities.

The decrease in administrative expenses from US\$3.12 million in 4Q FY2013 to US\$2.35 million in 4Q FY2014 was mainly due to nil bonus pay-out in 4Q FY2014.

Total administrative expenses increased from US\$5.27 million in FY2013 to US\$8.08 million in FY2014. The increase was primarily due to 1) expansion of the Group's operations; 2) increase in professional and consultancy fees incurred in relation to the Group's business; and 3) additions to headcount in the Singapore office.

Other expenses of US\$2.52 million recorded in FY2013 comprised listing fees in relation to the IPO.

Finance income of US\$0.45 million recorded in 4Q FY2014 and US\$1.14 million recorded in FY2014 arose from interest income on funds invested, including debt securities.

Net foreign exchange loss of US\$4.44 million recorded in 4Q FY2014 was due to the weakening of the Singapore dollar against the United States dollar. This also resulted in a year-to-date net foreign exchange loss of US\$5.29 million in FY2014.

Subsequent to the acquisition of an additional equity interest of 34.19% in Caribbean Rex, the Group recorded a loss of US\$4.35 million on re-measurement to fair value of its pre-existing interest in the jointly controlled entity and a gain of US\$2.42 million from the step acquisition in 4Q FY2014 and FY2014.

The Group obtained control over Caribbean Rex's financial and operating policies upon completion of the acquisition of the additional equity interest in Caribbean Rex, and had therefore ceased equity accounting for the results of Caribbean Rex. As at 31 December 2014, the Group held a 98.36% interest in Caribbean Rex and had consolidated its results with the Group's results.

Following the annual assessment of impairment of financial assets, the Company had taken the prudent step to address the impairment of its available-for-sale investment, Fram Exploration ASA ("**FRAM**"). In the Company's press release dated 21 January 2015, the Company had updated the market on its concern of FRAM's financial position on several occasions since 5 March 2014. The decision for the impairment was taken after the Company and other FRAM shareholders were approached to help resolve FRAM's financial issues to allow it to fulfil its on-going obligations.

In addition, with the effect of the current downward trend of oil prices on the pay-back of the concessions, and the increased difficulty in getting further investments in the short term when a full drilling programme is being developed, an impairment loss of US\$39.72 million was recorded in 4Q FY2014 for FRAM.

Net change in the fair value of an available-for-sale investment, North Energy ASA ("**North Energy**") of US\$1.43 million had been reclassified from equity to profit or loss in 4Q FY2014 due to the significant decline in the market value. This is in line with prudent step taken to address impairment of financial assets.

Share of loss of jointly controlled entities increased from US\$1.39 million in 4Q FY2013 to US\$2.48 million in 4Q FY2014. Total share of loss of jointly controlled entities increased from US\$5.16 million in FY2013 to US\$7.60 million in FY2014.

The aforementioned total share of loss of jointly controlled entities of US\$7.60 million in FY2014 was attributable to 1) Caribbean Rex with share of loss of US\$0.43 million, prior to the completion of the acquisition of the additional equity interest in Caribbean Rex; 2) HiRex with share of loss of US\$1.36 million; 3) Rexonic with share of loss of US\$3.15 million; and 4) Lime with share of loss of US\$2.66 million.

Comparatively, the total share of loss of jointly controlled entities and an associate of US\$5.16 million in FY2013 was attributable to 1) Caribbean Rex with share of loss of US\$0.31 million; 2) HiRex with share of loss of US\$0.58 million; 3) Rexonic with share of loss of 0.65 million; 4) Lime with share of loss of US\$1.49 million; 5) Loyz Rex Drilling Services ("**LRDS**") with share of loss of US\$1.32 million; and 6) FRAM with share of loss of US\$0.81 million.

Following the restructuring of the Group's assets in the US which was completed in 4Q FY2013, the Group had subsequently re-assessed its involvement in FRAM and concluded that it no longer had significant influence in FRAM's financial and operating decisions. The Group ceased equity accounting for the results of FRAM from the point where significant influence was lost and reclassified the carrying value from investment in associate to available-for-sale investment on 18 October 2013.

The share of loss in relation to Caribbean Rex, HiRex, Rexonic and Lime in FY2014 were predominantly due to expenses incurred in relation to exploration and drilling activities and the development of the well stimulation business.

Overall, the Group registered total comprehensive loss of US\$51.26 million in 4Q FY2014 as compared to US\$4.87 million in 4Q FY2013; and total comprehensive loss of US\$62.32 million in FY2014 as compared to US\$8.55 million in FY2013.

Statement of Financial Position

Non-current assets decreased to US\$65.84 million as at 31 December 2014, from US\$82.50 million as at 31 December 2013. The decrease was largely due to 1) impairment of an available-for-sale investment of US\$39.72 million; and 2) reclassification of Caribbean Rex from a jointly controlled entity to a subsidiary, subsequent to the acquisition of additional equity interest in Caribbean Rex. The decrease in non-current asset is partially offset by acquisition of intangible asset of US\$8.47 million and exploration and evaluation assets of US\$13.07 million, which arose from the consolidation of Caribbean Rex and RTM's results.

The Group recorded inventories of US\$0.99 million as at 31 December 2014, which arose from the consolidation of Caribbean Rex's results.

Quoted investments increased to US\$30.73 million as at 31 December 2014, from US\$7.52 million as at 31 December 2013, due to the purchase of debt securities.

Trade and other receivables increased to US\$9.81 million as at 31 December 2014, from US\$5.07 million as at 31 December 2013. The increase was due to the consolidation of Caribbean Rex and RTM's results, partially offset by consideration received in relation to the disposal of a 49% equity interest in Loyz Rex Drilling Services LLC in FY2013.

Share capital increased to US\$253.71 million as at 31 December 2014, from US\$179.52 million as at 31 December 2013, due to US\$74.19 million (after deducting placement fees and expenses of US\$1.67 million) of net proceeds raised from the share placement exercise which was completed on 17 September 2014 (the "**2014 Placement**").

Trade and other payables increased to US\$5.03 million as at 31 December 2014, from US\$0.53 million as at 31 December 2013, largely due to 1) the consolidation of Caribbean Rex and RTM's results; and 2) accrual of staff bonus and professional fees.

The Group had working capital of US\$123.63 million as at 31 December 2014, as compared to working capital of US\$94.33 million as at 31 December 2013, an increase of US\$29.30 million. The increase in working capital was largely due to net proceeds raised from the 2014 Placement and the consolidation of Caribbean Rex and RTM's results.

Statement of Cash Flows

The Group reported a net cash outflow of US\$8.06 million in 4Q FY2014 and US\$12.20 million in 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, as well as consultancy and professional fees incurred in relation to the Group's business.

Net cash used in investing activities of US\$15.91 million in 4Q FY2014 was mainly attributable to 1) capital injections into jointly controlled entities of US\$5.32 million in 4Q FY2014; 2) purchase of quoted investments of US\$4.89 million; and 3) acquisition of subsidiaries of US\$6.15 million. Cash outflow from investing activities was partially offset by interest received of US\$0.45 million from quoted investments in 4Q FY2014.

Net cash used in investing activities of US\$56.88 million in FY2014 was mainly attributable to 1) capital injections into jointly controlled entities of US\$25.55 million; 2) purchase of quoted investments of US\$23.52 million; 3) purchase of an available-for-sale investment in North Energy of US\$3.84 million; and 4) acquisition of subsidiaries of US\$6.15 million. Cash outflow from investing activities was partially offset by interest received of US\$1.14 million from quoted investments.

Net cash generated from financing activities for FY2014 of US\$74.04 million was largely due to US\$74.19 million (after deducting placement fees and expenses of US\$1.67 million) of net proceeds raised from the 2014 Placement.

Cash placed in quoted investments increased by US\$4.89 million in 4Q FY2014 and a total increase of US\$23.52 million in FY2014. The Group recorded an overall net decrease in cash and cash equivalents of US\$24.04 million in 4Q FY2014 and an overall net increase in cash and cash equivalents of US\$4.86 million in FY2014. Cash and cash equivalents stood at US\$87.12 million as at 31 December 2014 as 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.

Oil prices, following the weakness in 3Q 2014, declined at an accelerated rate in 4Q 2014 by another 40%. In their monthly Oil Market Report dated 16 January 2015, the International Energy Agency ("IEA") stated that a price recovery (for crude oil) – barring any major disruption – may not be imminent, but signs are mounting that the tide will turn⁽¹⁾. A Bloomberg consensus forecast indicates an oil price recovery in 2H2015, with an average price of US\$60 to US\$70 per barrel for the year⁽²⁾.

Media reports cited that major exploration and production (E&P) companies had initially considered capital expenditure cuts by about 15-20%, but recent announcements suggested that it could go as high as 30% in 2015⁽³⁾. Oil supply is likely to decrease due to lower production, geopolitical events, technological and funding constraints, helping to rebalance the market. The abovementioned factors bode well for the Company's technology services provider business, as E&P companies may be more receptive to using Rex Virtual Drilling, the Company's proprietary direct hydrocarbon indicator, to de-risk their exploration assets with a higher chance of success of finding oil.

Meanwhile, softer crude oil prices have started to dilute daily charter rates for rigs, and the Group has started to take advantage of lower oil drilling service costs, as was the case for the Group's recently completed drilling of three wells in the South Erin Block in Trinidad. Lower asset prices on the market, depressed by fallen oil prices, also suggest a wider range of farm-in opportunities at better prices for the Group. The Group will continue to select farm-in opportunities carefully using Rex Virtual Drilling.

The Company's subscription to more than its proportionate share in FRAM's fund-raising round in January 2015 was motivated by the potential value of two newly identified play types in Whitewater, Colorado and by the associated potential value of oil-in-the-ground in FRAM's two US onshore concessions. The funds raised will be used for working capital and well work-overs in Whitewater, Colorado and for conducting a seismic survey in Williston Basin, North Dakota, where Rex Virtual Drilling ("RVD") will then be applied. Any further investment by the Company into FRAM is contingent upon *inter alia*, positive results of RVD analysis, positive technical analysis of the new play types and participation by other shareholders in future capital fund-raising rounds.

Under the Operational Plan for 2015, the Group intends to participate in the drilling of about 10 wells where we can manage the margins with the new lower oil prices, focusing on our core areas of Norway, Oman and Trinidad. Rex Virtual Drilling has been incorporated together with conventional geological and geophysical studies to identify the locations of wells to drill. The Group is continuing its onshore drilling programme in Cory Moruga in Trinidad into the second quarter of 2015 and is committed to a three-well campaign in Norway in 2015, where there are attractive tax incentives for exploration activities. In Oman, drilling of two wells is being planned.

A more cost effective extended well testing (EWT) solution is being sought and proposed in Oman, so EWT will likely be deferred to late 2015. The funding for these firm wells are already in place. The Group believes that the results of this drilling programme will further validate its Rex Virtual Drilling proprietary technology as a direct hydrocarbon indicator. The Company will make the necessary announcements as and when there are material developments to the Operational Plan.

Footnotes:

- (1) <http://oilprice.com/Energy/Energy-General/IEA-Provides-First-Sign-That-Tide-May-Be-Turning-For-Oil-Prices.html>
- (2) Bloomberg data
- (3) Business Times Jan 18, 2015: Big Oil gets serious as cost cuts signal worst slump since 1986; <http://www.businesstimes.com.sg/energy-commodities/big-oil-gets-serious-as-cost-cuts-signal-worst-slump-since-1986>

11. Dividend

a) Current financial period reported on

No dividend has been declared or recommended for 4Q FY2014 and FY2014.

b) Corresponding period to immediately preceding financial year

No dividend has been declared or recommended for 4Q FY2013 and 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 4Q FY2014 and 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 year 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
("RTM") ⁽¹⁾

US\$882,550

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- ⁽¹⁾ RTM was an associate of Rex Commercial Ltd, a controlling shareholder which owns approximately 44.10% of the Company, and therefore was an interested person pursuant to Chapter 9 of the Catalist Rules.

The Company had on 12 December 2014 completed the acquisition of the entire equity interest of RTM.

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

14. **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
<u>FY2014 (Unaudited)</u>				
Total revenue for reportable segments	-	360	-	360
Elimination of inter-segment revenue	-	(26)	-	(26)
Consolidated revenue	-	334	-	334
Segment expense	-	(94)	(7,845)	(7,939)
Finance income	-	-	1,142	1,142
Loss on re-measurement to fair value of pre-existing interest in a jointly controlled entity	(4,352)	-	-	(4,352)
Foreign exchange loss	-	-	(5,291)	(5,291)
Finance costs	-	(3)	(155)	(158)
Depreciation	-	-	(40)	(40)
Amortisation of intangible asset	-	(35)	-	(35)
Share of loss of jointly controlled entities	(4,450)	(3,151)	-	(7,601)
Other material non-cash items:				
- Gain on step acquisition of a jointly controlled entity	2,416	-	-	2,416
- Impairment of available-for-sale investments	(41,147)	-	-	(41,147)
Reportable segment loss before tax	(47,533)	(2,949)	(12,189)	(62,671)
Reportable segment assets	47,953	29,415	117,135	194,503
<i>Segment assets include:</i>				
Investment in jointly controlled entities	24,940	16,745	-	41,685
Additions to:				
- Exploration and evaluation assets	13,066	-	-	13,066
- Plant and equipment	124	-	71	195
- Intangible asset	-	8,465	-	8,465
Reportable segment liabilities	(2,797)	(908)	(1,321)	(5,026)

	Oil & Gas	Non-Oil & Gas	Corporate	Total
	US\$'000	US\$'000	US\$'000	US\$'000
<u>FY2013 (Audited)</u>				
Segment expense	-	-	(7,778)	(7,778)
Finance income	-	-	130	130
Finance costs	-	-	(259)	(259)
Depreciation	-	-	(10)	(10)
Share of loss of associate and jointly controlled entities	(4,512)	(652)	-	(5,164)
Net gain on disposal of jointly controlled entity	574	-	-	574
Gain on dilution of interest in a jointly controlled entity	3,999	-	-	3,999
Reportable segment profit/(loss) before tax	61	(652)	(7,917)	(8,508)
Reportable segment assets	62,776	19,641	94,941	177,358
Capital expenditure	-	-	81	81
Reportable segment liabilities	-	-	(529)	(529)

15. 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 Caribbean Rex, Lime, HiRex, North Energy and FRAM.

Oil and gas segment loss of US\$47.53 million for FY2014 arose from 1) share of loss of jointly controlled entities of US\$4.45 million; 2) impairment of FRAM and North Energy of US\$41.15million; and 3) loss from re-measurement to fair value of pre-existing interest in Caribbean Rex of US\$4.35 million, and partially offset by gain on step acquisition of Caribbean Rex of US\$2.42 million.

Refer to section 8 for further details.

Non-oil and Gas Segment

Non-oil and gas segment comprised RTM and Rexonic.

Non-oil and gas segment registered a consolidated revenue of US\$0.33 million for FY2014 which arose from the technical services rendered to clients by RTM. The non-oil and gas segment recorded an overall loss of US\$2.95 million which arose mainly from share of loss of Rexonic.

Refer to section 8 for further details.

Corporate

Corporate segment recorded an overall loss of US\$12.19 million for FY2014 due to 1) administrative expenses of US\$7.85 million; 2) foreign exchange loss of US\$5.29 million; and 3) finance costs of US\$0.16 million, partially offset by finance income of US\$1.14 million which arose from interest income on funds invested, including debt securities.

Refer to section 8 for further details.

16. A breakdown of sales as follows:

<u>Group</u>	12 months ended		Change
	31-Dec-14	31-Dec-13	
	US\$'000	US\$'000	%
(a) Sales reported for first half year	-	-	NA
(b) Operating loss after tax before deducting minority interests reported for first half year	(6,174)	(2,098)	194
(c) Sales reported for second half year	334	-	NM
(d) Operating loss after tax before deducting minority interests reported for second half year	(56,497)	(6,410)	781

NA – Not Applicable

NM – Not Meaningful

17. 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 FY2014 and FY2013.

18. 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	38	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

19. 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
Initial Public Offering				
Investment in new oil and gas opportunities	15,690	2,282 ⁽¹⁾	(17,972)	-
Drilling in Middle East concessions	12,383	(2,282) ⁽¹⁾	(8,581)	1,520
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) ⁽²⁾	(12,934) ⁽³⁾	11,248
Listing expenses to be borne by the Company	5,300	1,704 ⁽²⁾	(7,004)	-
Total	85,250	-	(62,051)	23,199

Use of proceeds	Amount allocated	Amount redeployed	Amount utilised	Balance
	S\$'000	S\$'000	S\$'000	S\$'000
2013 Placement⁽⁴⁾				
Exploration and drilling activities in new opportunities in the Asia-Pacific region	17,856	-	-	17,856
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	-	(12,400)	3,828
Total	50,871	-	(22,919)	27,952

2014 Placement

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) 3,496

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 - - 56,206

20% of net proceeds to be used for:

Existing and potential new business opportunities

18,735 - (6,246) 12,489

Total

93,676 - (21,485) 72,191

Footnotes:

- (1) S\$2.28 million has been redeployed in 3Q FY2014 to investment in new oil and gas opportunities for the concessions in Trinidad & Tobago.
- (2) S\$1.70 million has been redeployed to listing expenses to be borne by the Company.
- (3) S\$12.93 million has been used for Singapore's office staff cost and operational expenses, consultancy and professional fees.
- (4) 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).

Additional Disclosure Required for Mineral, Oil and Gas Companies

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

Actual use of funds/ cash for 4Q FY2014

Purpose	Amount
	US\$'000
Investment in oil and gas opportunities in Middle East and Trinidad & Tobago	5,316
Settlement of liabilities in RTM	8,500
General working capital	4,818
Total	18,634

The actual use of funds for 4Q FY2014 amounted to US\$18.63 million, which was slightly lower than that projected in 3Q FY2014 by US\$1.87 million. The actual investment in oil and gas opportunities was US\$4.7 million lower than the US\$10 million which was projected in 3Q FY2014 mainly because funds were redeployed for the working capital of RTM.

In 4Q FY2014, US\$2.37 million was used as capital injection in Lime for extended well testing and seismic data acquisition in Oman. US\$2.95 million was used for drilling activities in Trinidad & Tobago. US\$8.50 million was used for settlement of liabilities in RTM. US\$4.82 million was used for 1) Singapore's office staff costs and operational expenses, consultancy and professional fees; and 2) working capital in RTM.

Projection on the use of funds/ cash in 1Q FY2015

Purpose	Amount
	US\$'000
Investment in oil and gas opportunities in Norway, Middle East, Trinidad & Tobago and US	17,200
General working capital	1,760
Total	18,960

- 21. 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 4Q FY2014, certain exploration and evaluation expenditure had been capitalised as a result of the acquisition of additional equity interest in Caribbean Rex.

The Group's exploration work is an ongoing process. The exploration activities fulfilled in 4Q FY2014 included virtual drilling and actual drillings in Trinidad & Tobago. The Group did not account for any new production activities in 4Q FY2014.

- 22. 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 for the financial year ended 31 December 2013, a CD-ROM setting out an independent Qualified Person Report ("QPR") on its asset, South Erin Block, in Trinidad & Tobago.

The Company presently has six wells on production in the South Erin Block concession. The current production from the six wells in the South Erin Block concession remains limited and the Company does not expect material changes to the level of reserves or resources in the South Erin Block concession.

The Company will provide updates on its reserves and resources in due course, in particular, in accordance with Rule 1204(23) of the Catalist Rules, which requires a qualified person's report on its reserves and resources dated no earlier than 31 December 2014.

- 23. Rule 705 (6)(b) of the 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.

BY ORDER OF THE BOARD OF
Rex International Holding Limited

Dan Broström
Executive Director and Chairman

27 February 2015

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 SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents 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.