

CWX GLOBAL LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 199905693M)

UPDATE ON THE IMPACT OF CORONAVIRUS DISEASE 2019 AND RECENT FALL IN CRUDE OIL PRICES ON THE GROUP'S OPERATIONS

The board of directors (the “**Board**”) of CWX Global Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to provide shareholders of the Company the following updates on the impact of the Coronavirus Disease 2019 (“**COVID-19**”) and the recent fall in crude oil prices on the Group’s operations.

On 11 March 2020, the World Health Organization (“**WHO**”) declared the COVID-19 outbreak to be a global pandemic. COVID-19 has prompted worldwide lockdowns, shuttered factories as well as travel and movement restrictions leading to contraction of the global economy. The pandemic has also reduced global demand for oil by about 29 million barrels a day. The Organisation of the Petroleum Exporting Countries (OPEC) and other producers agreed to cut production by 9.7 million barrels a day, far less than the decrease in demand, leaving a huge surplus of oil on the market and no buyers. Storage capacity on land has filled up quickly. Many oil-importing countries have stored large quantities of oil, taking advantage of cheap prices that may not last. This resulted in the collapse of the US crude oil futures contract for delivery in the month of May 2020. The unprecedented market move led to negative prices for the first time in history as the May 2020 futures contract ended the day at minus US\$37.63 a barrel as desperate traders paid to get rid of oil.

The price of WTI (West Texas Intermediate, a grade of crude oil used as a benchmark in oil pricing) has recovered to around US\$28 as at the date of this announcement. This recovery is supported by economies around the world, which have started to open up, resulting in optimism that the demand for oil will recover. The continuation of this oil price recovery is dependent on many factors, including the successful opening up of economies and the ability to keep COVID-19 in check.

The sharp fall in the oil price has resulted in a significant decrease in both revenue and cashflow of the Group, as the Group’s main source of income is generated from sales of oil from its 20%-owned Thailand onshore oil concessions in Phetchabun Basin (the “**Concessions**”). Through the joint venture partners of the Concessions, the Group has reviewed and streamlined the operations of the Concessions further and reduced cost significantly over the last two (2) months and will continue to keep costs low. The plans for a new drilling campaign and well workovers to increase the production of oil in the first quarter of 2020 has been delayed till later part of 2020 when oil prices stabilise at a more sustainable level.

Barring any unforeseen circumstances, the Group is expected to record a much lower revenue for the current financial year ending 30 June 2020 (“**FY2020**”), as compared to the preceding financial year ended 30 June 2019, and report a net loss before income tax for FY2020. Further details of the Group’s financial performance will be disclosed when the unaudited financial results of the Group for FY2020 are released on or before 29 August 2020.

The Company is currently in talks with its principal bank to extend the tenor of a bank facility which will mature in end July 2020. The Company is also in discussion with potential investors to inject new businesses and equity into the Group.

The Company will continue to monitor the evolving COVID-19 situation and its impact on the Group closely and shall release further announcements as and when there are any material developments in its business and operations.

In the meantime, the Board wishes to advise shareholders of the Company and potential investors to exercise caution when dealing in the shares of the Company. If in doubt about the action that they should take,

shareholders of the Company and potential investors should consult their stockbrokers, bankers, solicitors, accountants, tax advisers and/or other professional advisers.

By order of the Board

Jeffrey Pang
Chief Executive Officer and Executive Director
15 May 2020

*This announcement has been prepared by CWX Global Limited (the “**Company**”) and its contents have been reviewed by the Company’s sponsor (the “**Sponsor**”), ZICO Capital Pte. Ltd., in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalist.*

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 Ms Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd. at 8 Robinson Road #09-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.