

**REX INTERNATIONAL HOLDING LIMITED**  
(the “Company”)  
(Company Number: 201301242M)  
(Incorporated in the Republic of Singapore)

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**REX SUBSIDIARY LIME PETROLEUM AS ENTERS INTO AGREEMENT  
TO DIVEST INTERESTS IN TWO NORWAY ASSETS**

**MONETISATION IN LINE WITH BUSINESS STRATEGY**

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**1. INTRODUCTION**

The Board of Directors (the “**Board**”) of Rex International Holding Limited (the “**Company**” or “**Rex**”, and together with its subsidiaries, the “**Group**”) wishes to inform that the Company’s 90 per cent subsidiary Lime Petroleum AS (“**LPA**”), has entered into an agreement (the “**Agreement**”) with Lundin Norway AS (“**Lundin Norway**”) to divest its 30% interest in the Rolvsnes discovery in PL338C, PL338E and its 20% interest in the Goddo prospect in PL815 (the “**Divestment**”) (the “**Assigned Interests**”). The transaction, to be effective from 1 January 2019 (a standard practice in Norway), involves a cash consideration of USD 43 million and a contingent payment of a further USD 2 million upon no adverse event materialising within a 12-month period from the completion of the Divestment (the “**Consideration**”).

**2. DETAILS OF THE DIVESTMENT**

Lundin Norway is the operator for both Rolvsnes in PL338C and Goddo in PL815. Rolvsnes is located 3 km south of the Lundin Norway operated Edvard Grieg platform on the Utsira High. According to Lundin Norway, Rolvsnes has a gross estimated resource range of between 14 and 78 million barrels of oil equivalent (MMboe).<sup>1</sup> Following the successful appraisal well and production test in 2018, an extended well test (EWT) will be conducted at Rolvsnes in 2021 to better understand the long-term reservoir behaviour. The production test in 2018 further de-risked the on trend Goddo basement prospect located in the adjacent PL815 licence, on which an exploration well will be drilled in 2019.

The Consideration of USD 43 million and a contingent payment of a further USD 2 million was arrived at on a willing buyer willing seller basis and taking into consideration the unaudited net assets value of the Assigned Interests of approximately USD 13.29 million as at 30 September 2018.

The Consideration of USD 43 million will be paid in cash on the completion date of the Divestment (“**Completion Date**”) and the contingent payment of a further USD 2 million will be paid in cash 12 months after the Completion Date upon no adverse event materialising within that period.

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<sup>1</sup> Source: Lundin Petroleum AB press release, Successful appraisal well and production test on Rolvsnes, 27 August 2018

### **3. MAIN CONDITIONS OF THE AGREEMENT**

The Divestment is subject to certain customary government and regulatory approvals.

Completion of this Agreement is also subject to and conditional upon the fulfilment of the following conditions:

- (a) receipt of written consent by the Ministry of Petroleum and Energy pursuant to section 10-12 of the Petroleum Act of 29 November 1996 on terms reasonably acceptable to LPA and Lundin Norway;
- (b) receipt of written consent from the Ministry of Finance pursuant to the Petroleum Taxation Act (Section 10) on terms reasonably acceptable to LPA and Lundin Norway;
- (c) no pre-emption rights being executed;
- (d) approval by the management committees in any of the production licences included in the Assigned Interests, if so required according to the Joint Operating Agreement; and
- (e) necessary internal corporate approval of LPA and Lundin Norway.

### **4. RATIONALE FOR THE DIVESTMENT**

As stated in the Company's Initial Public Offering (IPO) offer document dated 22 July 2013, the Company's intrinsic business model involves selling oil-in-the-ground (mature assets) as a means to unlock value and to recycle capital for new exploration and production (E&P) activities. Having taken the Rolvsnes discovery further to the mature stage of production testing, the Divestment is in line with this business model and a typical transaction in LPA's ordinary course of business.

Following the completion of the Divestment, LPA will continue to hold 30% interests in licences PL818 and PL818B in the North Sea, and a 20% interest in licence PL841 in the Norwegian Sea. PL818 and PL818B are located in the Utsira High, where potential commercialisation of discoveries can be fast-tracked as they are located close to existing oil production infrastructure.

The Group intends to use the proceeds from the aforementioned monetisation, if successful, for its E&P activities, to further grow and advance its portfolio of assets on the Norwegian Continental Shelf and to maintain a high equity stake in its Oman licence. Upon the completion of the Divestment, the Group will further share its rationale and strategy for the future via SGXNet.

### **5. FINANCIAL EFFECTS**

The financial effects of the Divestment on the Group as set out below are for illustrative purposes only and are not intended to reflect the actual future financial performance or position of the Group immediately after the completion of the Divestment. The financial effects of the Divestment set out below have been prepared based on the unaudited consolidated financial statements of the Group for the nine-month period ended 30 September 2018.

### Share capital

The Divestment will have no impact on the Company's issued share capital.

### Net asset value ("NAV")

The effects of the Divestment on the unaudited NAV per share of the Group as at 30 September 2018, assuming that the Divestment had been effected on 30 September 2018 are summarised below:

	<b>Before Divestment</b>	<b>After Divestment</b>
Net asset value <sup>#</sup> (US\$)	118,769,000	147,161,000
Total number of issued shares excluding treasury shares	1,291,220,451	1,291,220,451
Net asset value per ordinary share based on number of shares in issue as at end of 30 September 2018 (US cents)	9.20	11.40

<sup>#</sup>Net asset value as disclosed above includes non-controlling interests and net of transaction costs.

### Earnings per share ("EPS")

The effects of the Divestment on the unaudited consolidated EPS of the Group as at 30 September 2018, assuming that the Divestment had been effected on 1 January 2018 are summarised below:

	<b>Before Divestment</b>	<b>After Divestment</b>
Net (loss)/ earnings attributable to owners of the Company (US\$)	(6,431,000)	21,961,000
Weighted average number of ordinary shares	1,287,511,921	1,287,511,921
Consolidated EPS (US cents)	(0.50)	1.71

## **6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

None of the Directors of the Company has any interest, direct or indirect (other than through their shareholdings in the Company, if any), in the Divestment.

The Boards of Directors of the Company, LPA, Lundin Norway and Lundin Petroleum AB have approved the Divestment.

## **7. CAUTIONARY STATEMENT**

Shareholders of the Company ("**Shareholders**") and potential investors should exercise caution when trading in the shares of the Company in relation to this announcement as there is no certainty that the Divestment will be completed as it is subject to the fulfilment of terms and

conditions as set out in the announcement. When in doubt as to the action they should take, Shareholders and potential investors should consult their financial, tax or other advisors.

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

Dan Broström  
Executive Director and Chairman

28 January 2019

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

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

*The contact person for the Sponsor is Ms Jennifer Tan, Senior Manager, Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: [sponsorship@ppcf.com.sg](mailto:sponsorship@ppcf.com.sg)).*