

PRESS RELEASE

Rex updates business strategy after war chest recharged from Norway asset sales

- *Group recorded a record profit net of tax of US\$26.29 million (approximately S\$36.54 million (US\$1:S\$1.39)) for the quarter ended 30 June 2019, following monetisation of oil-in-the-ground in Norway*
- *War chest comprising cash, cash equivalents and quoted investments totaled US\$70.75 million (approximately S\$98.34 million (US\$1:S\$1.39)) as at 30 June 2019; Company remains long-term debt-free*
- *Aims to advance to first oil for GA South discovery in Oman by end of 2019*

SINGAPORE, 19 August 2019 – Rex International Holding Limited (“Rex International Holding”, “Rex” or the “Company”, and together with its subsidiaries, the “Group”), a technology-driven oil company, would like to share its business strategy going forward, after achieving a record profit net of tax of approximately US\$26.29 million (approximately S\$36.54 million (US\$1:S\$1.39)) for the quarter ended 30 June 2019, following the Group’s sales of interests in certain assets in Norway. Rex’s war chest has been bolstered by the same transaction, to a total of US\$70.75 million (approximately S\$98.34 million (US\$1:S\$1.39)) in liquid assets comprising cash, cash equivalents and quoted investments, as at 30 June 2019. The Company remains long-term debt free as at 30 June 2019.

Mr Måns Lidgren, Chief Executive Officer of Rex International Holding, said, “The Norway transaction is a fruition of our business strategy as set out in our initial public offering document; that is, to find oil using our liquid hydrocarbon indicator technology Rex Virtual Drilling, sell oil-in-the-ground and recycle capital. Although we achieved discoveries in Oman and Norway respectively, this monetisation strategy could not be executed during the oil price rout which started in 2014 until early this year when an opportunity to divest arose. While we will continue with this proven strategy for our operations in Norway, our plan for value creation in Oman remains to achieve first oil by end-2019.”

Share buyback initiated

Mr Dan Broström, Executive Chairman of Rex International Holding, added, “Recent global economic and political developments have affected oil prices and consequently, our stock price. We have been valued by the market at cash and even below cash, without any value placed on our Oman discovery asset, our Norway assets or our Rex Virtual Drilling technology. The recent monetisation of the Group’s interests in several assets in Norway is testament to the inherent value of these assets. The Company had initiated a share buyback exercise in August 2019 as it is confident of its potential prospects in Norway and Oman.”

Key activities going forward

In Norway, Rex’s 90 per cent subsidiary Lime Petroleum AS (“LPA”) announced in June 2019, the acquisition of 30 per cent interests in two licences in the Norwegian Sea which contain the Shrek prospect. The prospect is slated to be drilled in the second half of 2019. LPA remains a pre-qualified company and will continue to benefit from the Norwegian tax system with 78 per cent cash refunds of all exploration expenditures annually.

In Oman, the Company is looking to put the GA South asset into production at the end of 2019, which if successful, will generate revenue. The plan is to finance this mainly through off-balance sheet financing. The fiscal policy for exploration & production activities in Oman differs from Norway, where the cost pool spent in the Block 50 licence could be recouped upon production. Rex’s 92.65 per cent subsidiary Masirah Oil Ltd, which holds a 100 per cent interest in the Block 50 licence, has to date more than US\$100 million (approximately S\$139 million (US\$1:S\$1.39)) in its cost pool.

The Group will update investors as and when there are material developments to its operational plans.

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About Rex International Holding

Rex International Holding was listed on Singapore Exchange Securities Trading Limited's Catalist Board on 31 July 2013. The Company de-risks its portfolio of exploration and development assets using its proprietary liquid hydrocarbon indicator Rex Virtual Drilling technology to identify the location of oil reservoirs in the sub-surface through analysis of seismic data. Since the Company's listing in July 2013, the Group has achieved two offshore discoveries, one each in Oman and Norway. The Group also offers Rex Virtual Drilling screening services to other oil exploration companies as an additional tool to increase the success rate of finding oil.

Issued by Rex International Holding Limited

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This press release has been prepared by the Company and reviewed by the sponsor, Novus Corporate Finance Pte. Ltd. (the "**Sponsor**"), in compliance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist.

This press release has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this press release, including the correctness of any of the statements or opinions made, or reports contained in this press release.

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