REX INTERNATIONAL HOLDING LIMITED

(Company Registration Number: 201301242M)

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2022

CONTENTS

A. Condensed interim consolidated statement of profit or loss and other comprehensive income

	Note	Group Six Months Ended 31-Dec-22 US$'000	Group Six Months Ended 31-Dec-21 US$'000	Change %	Group Twelve Months Ended 31-Dec-22 US$'000	Group Twelve Months Ended 31-Dec-21 US$'000	Change %
Revenue:							
Sale of crude oil	4.2	70,805	82,682	(14)	170,259	158,444	7
Service revenue	4.2	–	30	NM	–	30	NM
Cost of sales:							
Production and operating expenses		(40,355)	(12,832)	214	(73,961)	(25,552)	189
Depletion of oil and gas properties	10	(10,931)	(16,694)	(35)	(28,252)	(36,238)	(22)
Exploration and evaluation expenditure	9	(1,383)	(1,110)	25	(3,225)	(11,914)	(73)
Impairment of exploration and evaluation assets	9	(15,537)	(1,018)	1426	(24,285)	(1,018)	2286
Impairment of oil and gas properties	10	–	(1,681)	NM	–	(1,681)	NM
Cost of services		(367)	(353)	4	(780)	(742)	5
Gross profit		2,232	49,024	(95)	39,756	81,329	(51)
Administration expenses		(16,695)	(21,539)	(22)	(28,567)	(29,114)	(2)
Other expenses		(450)	(232)	94	(3,444)	(1)	NM
Other income		400	19,989	(98)	617	20,830	(97)
Results from operating activities		(14,513)	47,242	NM	8,362	73,044	(89)
Finance income		641	250	156	744	728	2
Foreign exchange loss		(1,335)	(203)	558	(1,451)	(707)	105
Finance costs		(10,337)	(3,136)	230	(14,766)	(3,643)	305
Net finance costs		(11,031)	(3,089)	257	(15,473)	(3,622)	327
Share of profit of equity-accounted investees (net of tax)		70	–	NM	503	–	NM
(Loss)/ profit before tax	6	(25,474)	44,153	NM	(6,608)	69,422	NM
Tax credit	7	19,792	7,071	180	6,961	9,517	(27)
(Loss)/ profit for the period/ year, net of tax		(5,682)	51,224	NM	353	78,939	(100)
Other comprehensive (loss)/income							
Items that are or may be reclassified subsequently to profit or loss:							
Foreign currency translation differences from foreign operations, representing total other comprehensive (loss)/income for the period/ year, net of tax		1,753	1,096	60	(5,057)	1,033	NM
Total comprehensive (loss)/ income for the period/ year, net of tax		(3,929)	52,320	NM	(4,704)	79,972	NM

NM: Not meaningful

A. Condensed interim consolidated statement of profit or loss and other comprehensive income (continued)

	Note	Group Six Months Ended 31-Dec-22 US$'000	Group Six Months Ended 31-Dec-21 US$'000	Change %	Group Twelve Months Ended 31-Dec-22 US$'000	Group Twelve Months Ended 31-Dec-21 US$'000	Change %
(Loss)/ profit attributable to:							
Owners of the Company		(5,843)	43,227	NM	(1,000)	67,157	NM
Non-controlling interests		161	7,997	(98)	1,353	11,782	(89)
(Loss)/ profit for the period/ year, net of tax		(5,682)	51,224	NM	353	78,939	(100)
Total comprehensive (loss)/ income attributable to:							
Owners of the Company		(4,192)	44,353	NM	(5,633)	68,225	NM
Non-controlling interests		263	7,967	(97)	929	11,747	(92)
Total comprehensive (loss)/ income for the period/ year, net of tax		(3,929)	52,320	NM	(4,704)	79,972	NM
(Loss)/ earnings per share							
Basic (loss)/ earnings per share (cents)	6.1	(0.45)	3.32	NM	(0.08)	5.16	NM
Diluted (loss)/ earnings per share (cents)	6.1	(0.45)	3.32	NM	(0.08)	5.16	NM

NM: Not meaningful

B. Condensed interim statements of financial position

		Group		Company	
		31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	Note	US$'000	US$'000	US$'000	US$'000
Assets					
Exploration and evaluation assets	9	36,856	40,646	–	–
Oil and gas properties	10	220,998	137,022	–	–
Goodwill and intangible assets	11	37,598	2,515	–	–
Plant and equipment	12	2,174	1,609	338	244
Subsidiaries		–	–	92,621	92,621
Associate		2,514	1,000	–	–
Jointly controlled entity		989	–	–	–
Other receivables	13	135,515	167,193	–	–
Non-current assets		436,644	349,985	92,959	92,865
Inventories		13,733	11,278	–	–
Trade and other receivables	13	88,062	94,988	5,226	1,130
Quoted investments		23,041	26,306	23,040	26,298
Cash and cash equivalents		115,758	60,603	25,923	6,489
Current assets		240,594	193,175	54,189	33,917
Total assets		677,238	543,160	147,148	126,782
Equity					
Share capital	14	257,677	257,677	257,677	257,677
Reserves		4,477	8,753	1,082	725
Accumulated losses		(85,608)	(80,067)	(161,609)	(168,096)
Total equity attributable to owners of the Company		176,546	186,363	97,150	90,306
Non-controlling interests		11,937	12,892	–	–
Total equity		188,483	199,255	97,150	90,306
Liabilities					
Loans and borrowings	16	77,987	47,107	–	–
Deferred tax liabilities		75,565	40,831	–	–
Provisions	17	190,661	197,147	–	–
Lease liabilities		636	149	87	39
Non-current liabilities		344,849	285,234	87	39
Loans and borrowings	16	13,961	8,512	–	–
Trade and other payables		129,536	49,734	49,704	36,240
Lease liabilities		409	425	207	197
Current liabilities		143,906	58,671	49,911	36,437
Total liabilities		488,755	343,905	49,998	36,476
Total equity and liabilities		677,238	543,160	147,148	126,782

C. Condensed interim statements of changes in equity

	Attributable to owners of the Company									
	Share capital US$'000	Treasury shares US$'000	Merger reserve US$'000	Capital reserve US$'000	Share-based payment reserve US$'000	Translation reserve US$'000	Accumulated losses US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
Group										
At 1 January 2022	257,677	(716)	4,129	2,180	1,179	1,981	(80,067)	186,363	12,892	199,255
Total comprehensive loss for the year										
Profit for the year	–	–	–	–	–	–	(1,000)	(1,000)	1,353	353
Other comprehensive loss										
Foreign currency translation differences, representing total other comprehensive loss	–	–	–	–	–	(4,633)	–	(4,633)	(424)	(5,057)
Total comprehensive loss for the year	–	–	–	–	–	(4,633)	(1,000)	(5,633)	929	(4,704)
Transactions with owners, recognised directly in equity										
Contributions by and distributions to owners										
Share-based payment transactions – performance share plan	–	–	–	–	357	–	–	357	–	357
Dividends paid	–	–	–	–	–	–	(4,541)	(4,541)	–	(4,541)
Dividends payable to non-controlling interests*	–	–	–	–	–	–	–	–	(1,884)	(1,884)
Total transactions with owners	–	–	–	–	357	–	(4,541)	(4,184)	(1,884)	(6,068)
At 31 December 2022	257,677	(716)	4,129	2,180	1,536	(2,652)	(85,608)	176,546	11,937	188,483

* In 2022, the Group's subsidiary in Oman declared dividend amounting to US$1.88 million to non-controlling interests.

C. Condensed interim statements of changes in equity (continued)

	Attributable to owners of the Company									
	Share capital US$'000	Treasury shares US$'000	Merger reserve US$'000	Capital reserve US$'000	Share-based payment reserve US$'000	Translation reserve US$'000	Accumulated losses US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
<u>Group</u>										
At 1 January 2021	257,677	(716)	4,129	1,630	967	913	(137,092)	127,508	12,718	140,226
Total comprehensive income for the year										
Profit for the year	–	–	–	–	–	–	67,157	67,157	11,782	78,939
Other comprehensive income										
Foreign currency translation differences, representing total other comprehensive income	–	–	–	–	–	1,068	–	1,068	(35)	1,033
Total comprehensive income for the year	–	–	–	–	–	1,068	67,157	68,225	11,747	79,972
Transactions with owners, recognised directly in equity										
Contributions by and distributions to owners										
Share-based payment transactions – employee share option scheme and performance share plan	–	–	–	–	212	–	–	212	7	219
Proceeds from issuance of option agreements	–	–	–	550	–	–	–	550	–	550
Dividends paid to non-controlling interests*	–	–	–	–	–	–	–	–	(19,002)	(19,002)
Total contributions by and distributions to owners	–	–	–	550	212	–	–	762	(18,995)	(18,233)
Changes in ownership interests in subsidiaries										
Acquisition of non-controlling interests without a change in control, representing total changes in ownership interests in subsidiaries	–	–	–	–	–	–	(10,132)	(10,132)	7,422	(2,710)
Transactions with owners	–	–	–	550	212	–	(10,132)	(9,370)	(11,573)	(20,943)
At 31 December 2021	257,677	(716)	4,129	2,180	1,179	1,981	(80,067)	186,363	12,892	199,255

* In 2021, the Group's subsidiary in Oman declared and paid dividend amounting to US$19.00 million to non-controlling interests.

C. Condensed interim statements of changes in equity (continued)

	Share capital US$'000	Treasury shares USD$'000	Capital reserve US$'000	Share-based payment reserve US$'000	Accumulated losses US$'000	Total equity US$'000
<u>**Company**</u>						
At 1 January 2022	257,677	(716)	505	936	(168,096)	90,306
Total comprehensive income for the year						
Profit for the year, representing total comprehensive income for the year	–	–	–	–	11,028	11,028
Transactions with owners, recognised directly in equity						
Contributions by and distributions to owners						
Share-based payment transactions – performance share plan	–	–	–	357	–	357
Dividends paid, representing total transactions with shareholders	–	–	–	–	(4,541)	(4,541)
Total transactions with shareholders	–	–	–	357	(4,541)	(4,184)
At 31 December 2022	257,677	(716)	505	1,293	(161,609)	97,150

C. Condensed interim statements of changes in equity (continued)

	Share capital US$'000	Treasury shares USD$'000	Capital reserve US$'000	Share-based payment reserve US$'000	Accumulated losses US$'000	Total equity US$'000
<u>Company</u>						
At 1 January 2021	257,677	(716)	505	793	(154,759)	103,500
Total comprehensive loss for the year						
Loss for the year, representing total comprehensive loss for the year	–	–	–	–	(13,337)	(13,337)
Transactions with owners, recognised directly in equity						
Contributions by and distributions to owners						
Share-based payment transactions – performance share plan, representing total transactions with shareholders	–	–	–	143	–	143
At 31 December 2021	257,677	(716)	505	936	(168,096)	90,306

D. Condensed interim consolidated statement of cash flows

	Note	Group Twelve Months Ended 31-Dec-22 US$'000	31-Dec-21 US$'000
Cash flows from operating activities			
(Loss)/ profit before tax		(6,608)	69,422
Adjustments for:			
Bargain purchase from acquisition of oil and gas properties	10	–	(18,236)
Amortisation of other intangible assets	11	850	850
Depreciation of plant and equipment		853	752
Depletion of oil and gas properties	10	28,252	36,238
Expensed exploration and evaluation costs	9	–	9,733
Impairment losses on exploration and evaluation assets	9	24,285	1,018
Impairment losses on oil and gas properties	10	–	1,681
Loss on disposal of plant and equipment	12	507	–
Net finance costs		14,022	2,915
Share of profit of equity-accounted investees, net of tax		(503)	–
Change in fair value of quoted investments		2,786	(603)
Gain on disposal of quoted investments		(615)	(122)
Equity settled share-based payment transactions		357	219
		64,186	103,867
Changes in:			
– Inventories		6,433	(106)
– Trade and other receivables		25,338	(40,000)
– Trade and other payables		34,385	16,998
Restricted cash		–	(10,065)
Tax receipts from exploration and evaluation activities in Norway		39,208	18,709
Net cash from operating activities		169,550	89,403
Cash flows from investing activities			
Interest received		607	728
Acquisition of oil and gas licences	10	(54,821)	(40,961)
Additions to oil and gas properties	10	(56,299)	(10,539)
Exploration and evaluation expenditure	9	(24,522)	(22,204)
Investment in an associate		(2,000)	(1,000)
Purchase of quoted investments		(11,065)	(12,974)
Proceeds from disposal of quoted investments		11,649	13,165
Purchase of plant and equipment	12	(951)	(211)
Net cash used in investing activities		(137,402)	(73,996)

D. Condensed interim consolidated statement of cash flows (continued)

	Note	Group Twelve Months Ended 31-Dec-22 US$'000	31-Dec-21 US$'000
Cash flows from financing activities			
Interest paid		(805)	(3,024)
Dividends paid to owners of the Company		(4,541)	–
Dividends paid to non-controlling interests		–	(19,002)
Acquisition of non-controlling interests in a subsidiary		–	(2,710)
Payment for transaction costs related to loans and borrowings		(9,760)	(1,516)
Proceeds from issuance of option agreements		–	550
Proceeds from issuance of bonds by a subsidiary		87,199	57,069
Repayment of bonds		(49,594)	–
Proceeds from bank loans		–	2,914
Repayment of bank loans		–	(20,730)
Repayment of lease liabilities		(540)	(412)
Net cash from financing activities		21,959	13,139
Net increase in cash and cash equivalents		54,107	28,546
Cash and cash equivalents at beginning of the year		50,538	20,375
Effect of exchange rate fluctuations on cash held		1,048	1,617
Cash and cash equivalents at end of the year		105,693	50,538
Cash and cash equivalents in the statement of financial position		115,758	60,603
Less: Restricted cash		(10,065)	(10,065)
Cash and cash equivalents in the consolidated statement of cash flows		105,693	50,538

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

Rex International Holding Limited (the "**Company**") is a company incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange Securities Trading Limited. These condensed interim consolidated financial statements as at and for the six months and year ended 31 December 2022 ("**2H FY2022**" and "**FY2022**" respectively) comprise the Company and its subsidiaries (collectively, the "**Group**").

The principal activities of the Company are those relating to investment holding.

The principal activities of the Group are relating to oil and gas exploration and production and oil exploration technology.

2. Basis of preparation

The condensed interim financial statements for the six months and year ended 31 December 2022 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last interim financial statements for the period ended 30 June 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in United States ("**US**") dollar which is the Company's functional currency. All financial information presented in US dollars have been rounded to the nearest thousand, unless otherwise stated.

2.1. New standards and interpretations not adopted

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2022, and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these condensed interim financial statements.

2.2. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

2.2. Use of judgements and estimates (continued)

Key sources of estimation uncertainty

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit ("**CGU**") and choose a suitable discount rate in order to calculate the present value of those cash flows.

Amortisation of technology assets

Technology assets are amortised on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these assets to be within 10 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, and therefore future depreciation expenses could be revised.

Provisions

Estimates of the Group's obligations arising from exploration drilling rehabilitation that exist as at the reporting date may be affected by future events which cannot be predicted with any certainty. The assumptions and best estimates in determining these provisions are made based on management's judgement and experience and therefore, future exploration drilling rehabilitation obligations and expenses could be revised.

Depletion of oil and gas properties

Oil and gas properties are mainly depleted on a unit of production basis at a rate calculated by reference to prove plus probable reserves and incorporating the estimated future cost of developing and extracting those reserves. Future development costs are estimated using assumptions as to the numbers of wells required to produce those reserves, the cost of the wells, future production facilities and operating costs; together with assumptions on oil and gas realisations based on the approved field development plans.

2.2. Use of judgements and estimates (continued)

Critical judgements made in applying accounting policies

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is discussed below.

Business combination

An acquisition of a business, which is determined as an integrated set of activities and assets that are capable of being conducted and managed for the purpose of providing a return directly to investors, is a business combination.

Determining whether an acquisition meets the definition of a business combination requires judgement to be applied on a case-by-case basis. Acquisitions are assessed under the relevant SFRS(I) criteria to establish whether the transaction represents a business combination or an asset purchase. Depending on the specific facts, acquisitions of exploration and evaluation licences for which a development decision has not yet been made, have largely been concluded to represent asset purchases.

Acquisition accounting is subject to substantive judgement by the management. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability. The fair value of oil fields in production and development phase is normally based on discounted cash flow models, where the determination of inputs to the model may require significant judgement.

Exploration and evaluation expenditures

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgement to determine whether it is likely that future economic benefits are likely from future exploitation or sale, or whether activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The determination of reserves and resources is itself an estimation process that requires varying degrees of uncertainty depending on how the resources are classified. These estimates directly impact when the Group defers or ceases exploration and evaluation expenditure.

The Group's accounting policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular, whether an economically viable extraction operation can be established and executed successfully. Any such estimates and assumptions may change as new information becomes available. If, after expenditure is capitalised, information becomes available suggesting that the recovery of the expenditure is unlikely, the relevant capitalised amount is written off in profit or loss in the period when the new information becomes available.

2.2. Use of judgements and estimates (continued)

Critical judgements made in applying accounting policies (continued)

Hydrocarbon reserves

Hydrocarbon reserves are estimates of the amount of oil that can be economically and legally extracted by the Group in approved fields. For the purpose of estimating reserves, several factors are considered, among others, such as geological, technical and economic, production techniques, recovery rates, production costs, transportation costs, demand and prices for commodities and exchange rates. Estimating the quantity and grade of reserves requires determining the size, shape and depth of the reservoirs or fields to be determined by analysing geological data and drilling samples. This process may require interpreting complex and difficult geological judgements. Because the economic assumptions change from period to period and the Group is still generating additional geological data during the course of operations, estimates of reserves may change from period to period. Changes in reported reserves may affect the recovery of the carrying amount of oil properties due to changes in estimated future cash flows and the cost of depreciation recorded in profit or loss as it is given in terms of units of production based on total proven and probable reserves.

3. Seasonal operations

The Group's businesses were not affected significantly by seasonal or cyclical factors during the financial period/ year.

4. Segment and revenue information

The Group has three reportable segments: Oil and Gas (exploration and production); Non-Oil and Gas (oil exploration technology); and Corporate.

The following summary describes the operations of each of the Group's reportable segments:

* Oil and Gas: involved in oil and gas exploration and production with concessions located in Oman and Norway.
* Non-Oil and Gas: pertains to the technology segment. Rex Technology owns the Rex Virtual Drilling technology that can extract information on the presence of reservoir rock and liquid hydrocarbons using conventional seismic data.
* Corporate: pertains to corporate functions.

These operating segments are reported in a manner consistent with internal reporting provided to the Group's Executive Chairman, Chief Executive Officer and senior management who are responsible for allocating resources and assessing performance of the operating segments.

4.1. Reportable segment

Information regarding the results of each reportable segment is as below:

	Oil and Gas US$'000	Non-Oil and Gas US$'000	Corporate US$'000	Total US$'000
Group				
1 January 2022 to 31 December 2022				
Sale of crude oil	170,259	–	–	170,259
Service revenue	–	1,609	–	1,609
Total revenue for reportable segments	170,259	1,609	–	171,868
Elimination of inter-segment revenue	–	(1,609)	–	(1,609)
Consolidated revenue	170,259	–	–	170,259
Other income	–	1	1	2
Segment expense	(92,598)	(1,546)	(11,344)	(105,488)
Finance income	574	–	170	744
Foreign exchange gain/ (loss)	611	24	(2,086)	(1,451)
Finance costs	(14,687)	(2)	(77)	(14,766)
Depreciation of plant and equipment	(590)	–	(263)	(853)
Depletion of oil and gas properties	(28,252)	–	–	(28,252)
Amortisation of other intangible assets	–	(850)	–	(850)
Share of profit of equity-accounted investees (net of tax)	–	503	–	503
Other material non-cash items:				
– Changes in fair values of quoted investments	(7)	–	(2,779)	(2,786)
– Gain from disposal of quoted investments	–	–	615	615
– Impairment losses on exploration and evaluation assets	(24,285)	–	–	(24,285)
Reportable segment profit/ (loss) before tax	11,025	(1,870)	(15,763)	(6,608)
Reportable segment assets	621,159	5,386	50,693	677,238
Segment assets include:				
Additions to:				
– Plant and equipment *	951	–	–	951
– Exploration and evaluation assets	24,522	–	–	24,522
– Oil and gas properties	56,299	–	–	56,299
Investment in an associate	–	2,000	–	2,000
Acquisition of oil and gas properties	59,664	–	–	59,664
Reportable segment liabilities	482,009	1,053	5,693	488,755

* Excludes right-of-use assets

4.1. Reportable segment (continued)

	Oil and Gas US$'000	Non-Oil and Gas US$'000	Corporate US$'000	Total US$'000
Group				
1 January 2021 to 31 December 2021				
Sale of crude oil	158,444	–	–	158,444
Service revenue	–	1,813	–	1,813
Total revenue for reportable segments	158,444	1,813	–	160,257
Elimination of inter-segment revenue	–	(1,783)	–	(1,783)
Consolidated revenue	158,444	30	–	158,474
Other income	131	1,724	14	1,869
Segment expense	(39,518)	(3,014)	(13,456)	(55,988)
Finance income	–	–	728	728
Foreign exchange gain/ (loss)	(35)	6	(678)	(707)
Finance costs	(3,564)	(1)	(78)	(3,643)
Depreciation of plant and equipment	(548)	–	(204)	(752)
Depletion of oil and gas properties	(36,238)	–	–	(36,238)
Amortisation of other intangible assets	–	(850)	–	(850)
Other material non-cash items:				
– Bargain purchase from acquisition of oil and gas properties	18,236	–	–	18,236
– Changes in fair values of quoted investments	(293)	–	896	603
– Gain from disposal of quoted investments	–	–	122	122
– Expensed exploration and evaluation costs	(9,733)	–	–	(9,733)
– Impairment losses on exploration and evaluation assets	(1,018)	–	–	(1,018)
– Impairment losses on oil and gas properties	(1,681)	–	–	(1,681)
Reportable segment profit/ (loss) before tax	84,183	(2,105)	(12,656)	69,422
Reportable segment assets	502,293	4,246	36,621	543,160
Segment assets include:				
Additions to:				
– Plant and equipment	207	–	4	211
– Exploration and evaluation assets	22,204	–	–	22,204
– Oil and gas properties	10,539	–	–	10,539
Investment in an associate	–	1,000	–	1,000
Acquisition of oil and gas properties	82,584	–	–	82,584
Reportable segment liabilities	338,933	963	4,009	343,905

4.2. Disaggregation of revenue

	Group Six Months Ended		Group Twelve Months Ended	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	US$'000	US$'000	US$'000	US$'000
Sale of crude oil	70,805	82,682	170,259	158,444
Rendering of services	–	30	–	30
Total revenue	70,805	82,712	170,259	158,474

Sale of crude oil

Nature of goods or services	Crude oil
When revenue is recognised	Revenue is recognised when the crude oil is loaded and on board the vessel arranged by buyer and certified by an independent surveyor
Significant payment terms	5 to 30 days after bill of lading

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers.

	Group Six Months Ended		Group Twelve Months Ended	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	US$'000	US$'000	US$'000	US$'000
Geographical information				
Singapore	35,761	82,682	71,643	145,107
China	–	–	–	13,337
Norway	35,044	30	98,616	30
Total revenue	70,805	82,712	170,259	158,474

A breakdown of sales:

		Group Twelve Months Ended		
		31-Dec-22	31-Dec-21	Change
		US$'000	US$'000	%
(a)	Sales reported for the first half year	99,454	75,762	31
(b)	Operating profit after tax before deducting non-controlling interests reported for first half year	6,035	27,715	(78)
(c)	Sales reported for second half year	70,805	82,712	(14)
(d)	Operating (loss)/ profit after tax before deducting non-controlling interests reported for second half year	(5,682)	51,224	(111)

5. Financial assets and financial liabilities

Accounting classifications and fair values

The carrying amounts and fair values of financial assets and financial liabilities are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value as the carrying amount is a reasonable approximation of fair value.

	Group		Company	
	31-Dec-22	**31-Dec-21**	**31-Dec-22**	**31-Dec-21**
Financial assets measured at amortised cost				
Trade and other receivables (Note 13)*	28,781	51,930	4,990	1,000
Loan to a subsidiary	–	–	92,621	92,621
Other receivables – non-current (Note 13)	135,515	167,193	–	–
Cash and cash equivalents	115,758	60,603	25,923	6,489
	280,054	279,726	123,534	100,110
Financial assets measured at fair value				
Quoted investments	23,041	26,306	23,040	26,298
Financial liabilities measured at amortised cost				
Loans and borrowings (Note 16)	91,948	55,619	–	–
Lease liabilities	1,045	574	294	236
Trade and other payables	129,536	49,734	49,704	36,240
	222,529	105,927	49,998	36,476

* Excludes income tax receivables and prepayments

5.1. Financial assets and financial liabilities – Fair value measurement

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a team that has overall responsibility for all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer.

The team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the team assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of SFRS(I), including the level in the fair value hierarchy in which such valuations should be classified. Significant valuation issues are reported to the Group's Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

5.1. Financial assets and financial liabilities – Fair value measurement (continued)

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

Measurement of fair values

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments of the Group and the Company.

Debt and equity securities

The carrying amounts of investments in debt and equity securities are approximate their fair value. Fair values are determined by reference to their quoted closing bid price in an active market at the measurement date, using the Level 1 valuation inputs.

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year are assumed to approximate their respective fair values due to the relative short-term maturity of these financial instruments.

The fair value of non-current other receivables was calculated using the discounted cash flow model based on the present value of expected cashflow at the risk-free rate plus estimated credit spread of counterparty at the reporting date. The carrying amounts of non-current other receivables are assumed to approximate its fair value as the Group believes that the difference between the fair value and the carrying amount, if any, is negligible.

No disclosure of fair value is made for non-current loans to subsidiaries as it is not practicable to determine their fair values with sufficient reliability since the balances have no fixed terms of repayment. The Company does not anticipate that the carrying amounts recorded at the reporting date would be significantly different from the values that would eventually be received.

6. (Loss)/ profit before tax

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

	Group Six Months Ended		Group Twelve Months Ended	
	31-Dec-22 US$'000	31-Dec-21 US$'000	31-Dec-22 US$'000	31-Dec-21 US$'000
Depreciation of plant and equipment	(444)	(385)	(853)	(752)
Amortisation of other intangible assets	(425)	(425)	(850)	(850)
Expensed exploration and evaluation costs	–	(118)	–	(9,733)
Loss on disposal of plant and equipment	(507)	–	(507)	–
Bargain purchase from acquisition of oil and gas properties	–	18,236	–	18,236
Change in fair value of quoted investments	51	(231)	(2,786)	603
Gain on disposal of quoted investments	400	16	615	122
Recovery of bad debts previously written-off	–	1,720	–	1,720
Equity settled share-based payment transactions	357	134	357	219

6.1. (Loss)/ earnings per share

	Group Six Months Ended		Group Twelve Months Ended	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
Calculation of basic and diluted (loss)/ earnings per share ("**LPS**"/ "**EPS**") is based on:				
(Loss)/ profit attributable to ordinary shareholders (US$)	(5,843,000)	43,227,000	(1,000,000)	67,157,000
Weighted average number of ordinary shares	1,302,320,991	1,302,320,991	1,302,320,991	1,302,320,991
Basic and fully diluted (LPS)/ EPS (US cents)	(0.45)	3.32	(0.08)	5.16

6.1. (Loss)/ earnings per share (continued)

As at 31 December 2022, 14,124,100 share awards (31 December 2021: 11,724,100 share awards) were excluded from the diluted weighted average number of ordinary shares calculation as they either had minimal impact or their effect would have been anti-dilutive. As such, the basic and fully diluted (LPS)/EPS were the same for the respective financial periods/ years.

6.2. Related party transactions

Transactions with directors and other key management personnel

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group. The directors and certain key executives of the management team are considered as key management of the Group.

Key management personnel compensation comprised remuneration of directors and other key executives as follows:

	Group Twelve Months Ended	
	31-Dec -22	**31-Dec-21**
	US$'000	**US$'000**
Short-term employment benefits		
– Directors	5,525	5,827
– Key executives	8,680	9,620
Post-employment benefits (including CPF)	16	17
Share-based payment	357	143
	14,578	15,607

Other significant related party transactions

Apart from those disclosed elsewhere in the condensed interim financial statements, below are the remaining significant related party transactions.

	Group Twelve Months Ended	
	31-Dec-22	**31-Dec-21**
	US$'000	**US$'000**
Issuance of option agreements to a company controlled by a director	–	550
Consultancy fees paid to a company controlled by a director	13	9

7. **Taxation**

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group Six Months Ended		Group Twelve Months Ended	
	31-Dec-22 US$'000	**31-Dec-21 US$'000**	**31-Dec-22 US$'000**	**31-Dec-21 US$'000**
Current tax credit				
Current period/ year	(31,949)	(13,269)	(31,306)	(19,332)
Changes in estimates related to prior years	428	(2)	(8,161)	(2)
	(31,521)	(13,271)	(39,467)	(19,334)
Deferred tax expense				
Origination and reversal of temporary differences	11,729	6,200	32,506	9,817
Tax credit	(19,792)	(7,071)	(6,961)	(9,517)

8. **Net asset value**

	Group		Company	
	31-Dec-22	**31-Dec-21**	**31-Dec-22**	**31-Dec-21**
Net asset value# (US$)	188,483,000	199,255,000	97,150,000	90,306,000
Total number of issued shares excluding treasury shares	1,302,320,991	1,302,320,991	1,302,320,991	1,302,320,991
Net asset value per ordinary share based on number of shares in issue as at the end of the financial year (US cents)	14.47	15.30	7.46	6.93

Net asset value includes non-controlling interests.

9. Exploration and evaluation assets

	Group	
	31-Dec -22	31-Dec-21
	US$'000	US$'000
Cost		
At beginning of year	75,035	65,751
Additions	24,522	22,204
Expensed to profit or loss	–	(9,733)
Translation difference on consolidation	(11,221)	(3,187)
At end of year	88,336	75,035
Accumulated amortisation and impairment loss		
At beginning of year	34,389	35,375
Impairment of capitalised exploration expenditure	24,285	1,018
Translation difference on consolidation	(7,194)	(2,004)
At end of year	51,480	34,389
Carrying amounts at end of year	36,856	40,646

Exploration and evaluation costs incurred were in respect of exploration and evaluation of hydrocarbons in Norway, Oman and Malaysia.

The table below shows the exploration and evaluation expenditure included in the consolidated statement of comprehensive income:

	Group		Group	
	Six Months Ended		Twelve Months Ended	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	US$'000	US$'000	US$'000	US$'000
Expensed to profit or loss for capitalised exploration expenditure	–	118	–	9,733
Other exploration costs	1,383	992	3,225	2,181
Exploration and evaluation expenditure	1,383	1,110	3,225	11,914

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9. **Exploration and evaluation assets (continued)**

Norway

On 14 April 2022, Lime Petroleum AS ("**LPA**"), a subsidiary of the Group, had signed an agreement with MOL Norge AS to acquire the latter's 40% interests in licences PL 820 S and PL 820 SB in the North Sea. The transfer of the interests had been completed on 31 October 2022.

In 2021, LPA had signed an agreement with ONE-Dyas Norge AS ("**ONE-Dyas**") to swap its 20% interests in each of the licences PL 263D, PL 263E, and PL 263F Sierra (previously known as Apollonia) in the Norwegian Sea for ONE-Dyas' 13.30% interest in PL433 Tyrving (previously known as Fogelberg) (the "**Licence Swap**"). LPA had agreed to pay ONE-Dyas a contingent cash consideration, which is related to the Plan for Development and Operations (PDO). The Licence Swap had been completed on 31 August 2021.

Impairment assessment

In 2022, the Group recognised total impairment loss of US$24,285,000 (2021: US$1,018,000) with respect to exploration and evaluation assets in Norway as a result of the relinquishment of licences.

Based on the approved budgets and plans for exploratory activities, no other impairment of exploration and evaluation assets was required as of 31 December 2022.

10. **Oil and gas properties**

	Group	
	31-Dec-22	**31-Dec-21**
	US$'000	**US$'000**
Cost		
At beginning of year	196,675	98,000
Additions	56,299	10,539
Acquisition of Brage Field	–	82,584
Acquisition of Yme Field	59,664	–
Change in decommissioning provision (Note 17)	5,490	5,728
Adjustments	(350)	(176)
Translation difference on consolidation	(9,284)	–
At end of year	308,494	196,675
Accumulated depletion and impairment loss		
At beginning of year	59,653	21,734
Depletion	28,252	36,238
Impairment of oil and gas properties previously capitalised	–	1,681
Translation difference on consolidation	(409)	–
At end of year	87,496	59,653
Carrying amounts at end of year	**220,998**	**137,022**

10. Oil and gas properties (continued)

Acquisition of Yme Field

On 10 August 2022, Lime Petroleum AS ("**LPA**"), a subsidiary of the Group, entered into a conditional sale and purchase agreement with KUFPEC Norway AS ("**KUFPEC**"), to acquire KUFPEC's 10% interest in the Yme Field on the Norwegian North Sea, for a post-tax consideration of US$68.053 million (the "**Acquisition**"). The Yme Field is operated by Repsol Norge AS. The Acquisition further strengthens LPA's position as a full-fledged exploration and production player in the Norwegian Continental Shelf, following its acquisition of an 33.8434% interest in the producing Brage Field in 2021.

The Yme Field is located in PL 316 and PL 316B on the Norwegian Continental Shelf. According to the Norwegian Petroleum Directorate, Yme is a field in the south-eastern part of the Norwegian sector of the North Sea, 130 kilometres northeast of the Ula field.

The Acquisition was completed on 31 December 2022. The transaction has been determined to constitute a business combination and has been accounted for using the acquisition method of accounting as required by SFRS(I) 3 *Business Combinations*.

Consideration transferred

The following table summarises the acquisition-date fair value of each major class of consideration transferred:

	US$'000
Cash	54,821
Deferred consideration*	29,512
Total consideration transferred	84,333

* The deferred consideration of US$29.51 million was subsequently settled on 3 February 2023.

Acquisition-related costs

The Group incurred acquisition-related costs of US$219,000.

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of the Acquisition.

	US$'000
Oil and gas properties	59,664
Trade and other receivables	21,111
Inventories	8,888
Deferred tax liabilities	(7,154)
Provisions	(22,520)
Trade and other payables	(11,589)
Total net identifiable assets	48,400

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10. Oil and gas properties (continued)

Acquisition of Yme Field (continued)

Measurement of fair values

Management primarily used a discounted cash flow model (net present value of expected future cash flows) to determine the fair value of the oil and gas properties. The model incorporated expected future cash flows based on estimates of projected revenues, production costs and capital expenditures as at the acquisition date. The cash flows were estimated using post-tax basis in accordance with the industry practice where acquisition of licences on Norwegian continental shelf without grossing up the value with a tax amortisation benefit.

The trade and other receivables comprise gross contractual amounts due of US$21,111,000, of which none are expected to be uncollectible at the date of the Acquisition.

Fair values measured on a provisional basis

A preliminary purchase price allocation ("**PPA**") has been performed and all identified assets and liabilities have been measured at their acquisition date fair values in accordance with the requirements of SFRS(I) 3.

The final PPA will be completed within 12 months from the acquisition date. If new information obtained within one year from the date of acquisition about fact and circumstances that existed at the date of acquisition identified adjustments to the above amounts, or any additional provisions that existed at the date of acquisition, then the accounting for the acquisition will be revised.

Goodwill

Goodwill arising from the Acquisition has been recognised as follows:

	US$'000
Cash consideration transferred	84,333
Provisional fair value of identifiable net assets	(48,400)
Goodwill (Note 11)	35,933

Revenue and profit contribution

Since the Acquisition was completed on 23 December 2022, Yme Field did not contribute any revenue to the Group's results for FY2022. If the Acquisition had occurred on 1 January 2022, Management estimated that the Group's consolidated revenue would have increased by US$30,338,000, and consolidated profit for the year would have decreased by US$2,545,000. In determining these amounts, Management assumed that the fair value adjustments, determined provisionally, that arose on the date of the Acquisition would have been the same if the Acquisition had occurred on 1 January 2022.

10. Oil and gas properties (continued)

Acquisition of Brage Field

In 2021, LPA entered into a sale and purchase agreement with Repsol Norge AS ("**Repsol**"), to acquire Repsol's 33.8434% interests in the oil, gas and natural gas liquids ("**NGL**") producing Brage Field and six licences on the Norwegian Continental Shelf over which the Brage Field straddles (the "**Target Assets**"), for a post-tax consideration of US$40.96 million. The acquisition fulfils LPA's ambition to pivot from solely oil exploration, to exploration and production in the Norwegian Continental Shelf in the near term, and to establish recurring cash flow, as well as develop and drive further value in LPA's portfolio of several discovery licences.

The Target Assets are Repsol's 33.8434% interests in a joint venture for oil, gas and NGL production and operation of the Brage Field in blocks 31/4, 31/7 and 30/6 and the six licences (PL 053B, PL 055, PL 055B, PL 055D, PL 055E and PL 185) over which the Brage Field straddles.

Separately, Repsol has agreed to pay to (or on behalf of) LPA, a Brage decommissioning carry limited to 95% of decommissioning costs for the current Brage Field infrastructure (the "**Brage Decommissioning Carry**"). The Brage Decommissioning Carry will be guaranteed by Repsol Exploración S.A., the parent company of Repsol, with a guarantee granted in LPA's favour on completion of the acquisition. Most of the decommissioning is expected to occur after the expiration of the licences' validity. At the end of Brage Field's production life, LPA will pay an effective 1.69% of the total estimated decommissioning costs for the current Brage Field infrastructure, in respect of its 33.8434% interest in the Brage Field.

The acquisition of the Brage Field was completed on 31 December 2021. The transaction has been determined to constitute a business combination and has been accounted for using the acquisition method of accounting as required by SFRS(I) 3 *Business Combinations.*

Consideration transferred

The total cash consideration paid was US$40.96 million, included in cash flows from investing activities.

Acquisition-related costs

The Group incurred acquisition-related costs of US$300,000.

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition of the Brage Field.

	US$'000
Oil and gas properties	82,584
Other receivables – non-current	167,193
Trade and other receivables – current	17,486
Inventories	11,173
Deferred tax liabilities	(18,482)
Provisions	(190,077)
Trade and other payables – current	(10,680)
Total net identifiable assets	59,197

10. Oil and gas properties (continued)

Acquisition of Brage Field (continued)

Measurement of fair values

Management primarily used a discounted cash flow model (net present value of expected future cash flows) to determine the fair value of the oil and gas properties. The model incorporated expected future cash flows based on estimates of projected revenues, production costs and capital expenditures as at the acquisition date. The cash flows were estimated using post-tax basis in accordance with the industry practice where acquisition of licences on Norwegian continental shelf without grossing up the value with a tax amortisation benefit.

The trade and other receivables (both current and non-current) comprise gross contractual amounts due of US$195,902,000, of which none are expected to be uncollectible at the date of acquisition of the Brage Field.

Fair values measured on a provisional basis

A preliminary PPA has been performed and all identified assets and liabilities have been measured at their acquisition date fair values in accordance with the requirements of SFRS(I) 3.

If new information obtained within one year from the date of acquisition about fact and circumstances that existed at the date of acquisition identified adjustments to the above amounts, or any additional provisions that existed at the date of acquisition, then the accounting for the acquisition will be revised.

In 2022, the PPA was finalised and did not result in any material adjustments to the provisional values.

Gain from bargain purchase

Gain from bargain purchase arising from the acquisition of the Brage Field has been recognised as follows:

	US$'000
Total consideration transferred	40,961
Provisional fair value of identifiable net assets	(59,197)
Provisional gain from bargain purchase	(18,236)

A gain from bargain purchase from the acquisition of the Brage Field was recorded in 'other income'. The gain arose from a favourable movement in the oil market as compared to the market outlook at the date that the sales and purchase agreement was entered into.

10. Oil and gas properties (continued)

Acquisition of Brage Field (continued)

Revenue and profit contribution

Since the acquisition of the Brage Field was completed on 31 December 2021, the Brage Field did not contribute any revenue to the Group's results in the twelve months ended 31 December 2021. If the acquisition of the Brage Field had occurred on 1 January 2021, Management estimated that the Group's consolidated revenue would have increased by US$76,544,000, and consolidated profit for the year would have increased by US$32,652,000. In determining these amounts, Management assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition of the Brage Field would have been the same if the acquisition of the Brage Field had occurred on 1 January 2021.

In 2022, the PPA was finalised and did not result in any material adjustments to the provisional values.

Impairment assessment

An impairment assessment was performed over the Group's oil and gas properties. Based on the impairment assessment performed, no impairment loss was recognised in 2022.

In 2021, the Group recognised total impairment loss of US$1,681,000 with respect to oil and gas properties in Oman as these assets are no longer in use.

11. Goodwill and other intangible assets

Group	Goodwill US$'000	Technology US$'000	Customer Contracts US$'000	Total US$'000
Cost				
At 1 January 2021 and 31 December 2021	–	4,700	3,800	8,500
Acquisitions – Business Combinations (Note 10)	35,933	–	–	35,933
At 31 December 2022	35,933	4,700	3,800	44,433
Accumulated amortisation				
At 1 January 2021	–	2,839	2,296	5,135
Amortisation	–	470	380	850
At 31 December 2021	–	3,309	2,676	5,985
Amortisation	–	470	380	850
At 31 December 2022	–	3,779	3,056	6,835
Carrying amounts				
At 31 December 2022	35,933	921	744	37,598
At 31 December 2021	–	1,391	1,124	2,515
At 1 January 2021	–	1,861	1,504	3,365

Amortisation

The amortisation of technology and customer contracts is included in "administration expenses".

12. Plant and equipment

The Group acquired plant and equipment (excluding right-of-use assets) of US$74,000 during the six months ended 31 December 2022 (six months ended 31 December 2021: US$203,000), and US$951,000 for the full year ended 31 December 2022 (2021: US$211,000).

The Group acquired right-of-use assets of US$1,155,000 during the six months and full year ended 31 December 2022. No right-of-use assets were acquired in 2021.

The Group disposed plant and equipment with carrying amount of US$507,000 during the six months and full year ended 31 December 2022. No assets were disposed in 2021.

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13. Trade and other receivables

	Group		Company	
	31-Dec-22 US$'000	31-Dec-21 US$'000	31-Dec-22 US$'000	31-Dec-21 US$'000
Trade receivables	3,426	44,212	–	–
Amounts due from subsidiaries, non-trade	–	–	4,795	871
Amounts due from a jointly controlled entity and an associate, non-trade	97	2,647	87	–
Deposits	218	213	103	106
Decommissioning receivables	135,515	167,193	–	–
Other receivables	25,040	4,858	5	23
	164,296	219,123	4,990	1,000
Prepayments	2,456	2,497	236	130
Income tax receivables (i)	56,825	40,561	–	–
Trade and other receivables	223,577	262,181	5,226	1,130
Non-current	135,515	167,193	–	–
Current	88,062	94,988	5,226	1,130
	223,577	262,181	5,226	1,130

(i) Income tax receivables of US$56,825,000 (2021: US$40,561,000) relates to an amount receivable from Norway tax authorities for exploration costs incurred in 2022 (2021: 2021). Oil exploration companies operating on the Norwegian Continental Shelf may claim a 78% refund of their exploration costs limited to tax losses of the year. The refund will be paid out in November the following year.

Amounts due from subsidiaries and related parties are repayable on demand, unsecured and interest-free.

14. Share capital

	Group and Company			
	31-Dec-22 Number of shares '000	31-Dec-22 US$'000	31-Dec-21 Number of shares '000	31-Dec-21 US$'000
Issued and fully paid ordinary shares, with no par value:				
At beginning and end of year	1,315,507	257,677	1,315,507	257,677

There was no change in the Company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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, being 30 June 2022.

14. Share capital (continued)

The Company's issued and fully paid-up capital as at 31 December 2022 comprised 1,315,507,991 (31 December 2021: 1,315,507,991) ordinary shares, of which 13,187,000 (31 December 2021: 13,187,000) were held by the Company as treasury shares. The number of issued shares, excluding treasury shares, was 1,302,320,991 (31 December 2021: 1,302,320,991).

The treasury shares held represent 1.01% of the total number of issued shares (excluding treasury shares) as at 31 December 2022 (31 December 2021: 1.01%). There were no sales, transfers, cancellation and/or use of treasury shares in 2H FY2022.

There were no outstanding convertibles issued by the Company as at 31 December 2022 and 31 December 2021. There were no subsidiary holdings as at 31 December 2022 and 31 December 2021, and no sales, transfers, cancellation and/or use of subsidiary holdings in 2H FY2022.

15. Share-based payment arrangements

Performance Share Plan ("PSP") (equity-settled)

The PSP of the Company was approved and adopted by its members at an Extraordinary General Meeting held on 24 June 2013 and amended with shareholders' approval at Extraordinary General Meetings of the Company held on 30 April 2014, 28 April 2017 and 3 March 2022.

Movement of the awards of ordinary shares granted under the PSP (the "**Awards**"):

	Number of Awards					
Date of Grant of Awards	At 1-Jan-22	Granted in FY2022	Lapsed/ Cancelled in FY2022	Vested in FY2022	At 31-Dec-22	Number of Holders
9-Mar-21	11,724,100 (1)	–	(11,724,100) (2)	–	–	–
8-Apr-22	–	11,724,100 (3)	(1,200,000) (4)	–	10,524,100	3
20-Oct-22	–	3,600,000 (3)	–	–	3,600,000	3
	11,724,100	15,324,100	(12,924,100)	–	14,124,100	6

(1) On 9 March 2021, the Company granted 11,724,100 Awards to certain directors of the Company. The number of Awards to be vested will range from 0% to 100%, subject to fulfilment of certain predetermined performance benchmarks and the satisfactory completion of time-based service condition(s).

If the Average Performance Market Price* is S$0.30 and above, 50% of the Awards shall be released after the vesting period. If the Average Performance Market Price is S$0.45 and above, an additional 50% of the Awards shall be released. If the Average Performance Market Price is less than S$0.30, none of the Awards shall be released unless otherwise determined by the committee administering the PSP.

(2) On 8 April 2022, 5,862,050 Awards previously granted had been cancelled (forthwith lapsed and to be of no value).

On 29 April 2022, 5,862,050 Awards previously granted had been cancelled (forthwith lapsed and to be of no value), subsequent to the approval of payment of additional remuneration to certain Directors at the conclusion of the annual general meeting held on 29 April 2022.

15. Share-based payment arrangements (continued)

Performance Share Plan ("PSP") (equity-settled) (continued)

(3) On 8 April 2022 and 20 October 2022, the Company granted 11,724,100 and 3,600,000 Awards respectively, to certain directors of the Company. The number of Awards to be vested will range from 0% to 100%, subject to fulfilment of certain predetermined performance benchmarks and the satisfactory completion of time-based service condition(s).

If the Average Performance Market Price* is S$0.45 and above, 50% of the number of shares in the Awards shall be released. If the Average Performance Market Price is S$0.60 and above, an additional 50 per cent of the number of shares in the Awards shall be released. If the Average Performance Market Price is less than S$0.45 and S$0.60 in 2022 and 2023 respectively, a Key Performance Indicator-based incentive scheme ("**KPI-based Incentive Scheme**") shall apply and the number of shares to be released under the Awards will range from 0% to 100%, subject to the fulfilment of the predetermined performance targets in the KPI-based Incentive Scheme. The committee administering the Rex PSP may also modify the release of the Awards in tranches at its own discretion, in accordance with the rules of the Rex PSP.

(4) On 29 April 2022, 1,200,000 Awards previously granted to a director had been cancelled (forthwith lapsed and to be of no value), subsequent to his retirement as Independent Non-Executive Director.

* ***Average Performance Market Price*** refers to the average of Company's closing market prices of Shares over a consecutive period of five (5) market days in which transactions in the Shares were recorded, at any time within a two-year period from the date of Awards.

16. Loans and borrowings

	Group	
	31-Dec-22 US$'000	31-Dec-21 US$'000
Non-current liabilities		
Secured bond issues	77,987	47,107
Current liabilities		
Current portion of secured bond issues	13,961	8,512

Secured bond issues

On 5 July 2022, Lime Petroleum AS ("**LPA**"), a subsidiary of the Group, completed the issuance of a three-year senior secured bond issue of NOK 950 million (approximately US$96.70 million) (the "**Bond Issue**" or the "**Bonds**") (ISIN: NO0012559246), with maturity date on 7 July 2025. The coupon rate will be 3 months Norwegian interbank offered rate ("**NIBOR**") plus 9.25%. The Bonds were issued at 97% of the nominal amount. The Bonds are listed on the Oslo Børs.

The purpose of the new Bond Issue is to refinance of the existing NOK 500 million (approximately US$50.89 million) senior secured bonds with maturity in January 2024 (ISIN NO0011037343) and for LPA's acquisition purposes on the Norwegian Continental Shelf (NCS), as well as general working capital purposes.

16. **Loans and borrowings (continued)**

Secured bond issues (continued)

In 2021, LPA completed the issuance of NOK 500 million (approximately US$50.89 million) (ISIN: NO0011037343) worth of 2.5-year senior secured bonds with maturity in January 2024. The bonds bore an interest rate of 3 months NIBOR plus margin of 8.25% per annum. Interests and redemption of bonds was repayable in semi-annual instalments, with first repayment in July 2022. The NOK 500 million senior secured bonds with maturity in January 2024 had been refinanced with the current new Bond Issue.

There were no unsecured loans or borrowings for the financial years ended 31 December 2022 and 31 December 2021.

Assets pledged as security

The new Bond Issue is secured with, 1) inter alia, a pledge over the Company's wholly owned subsidiary, Rex International Investments Pte. Ltd.'s shareholding interests in LPA, and 2) security with first priority charge over the interest in the hydrocarbon production licenses in Norway, monetary claims under LPA's insurances, tax refunds, and certain bank accounts, and floating charges over LPA's trade receivables, operating assets and inventory, and the Debt Service Reserve Account.

17. **Provisions**

	Decommissioning provisions	
	31-Dec-22	**31-Dec-21**
	US$'000	**US$'000**
Group		
At 1 January	197,147	1,210
Acquisition of oil and gas properties (Note 10)	22,520	190,077
Unwinding of discount	3,766	132
Provisions (reversed)/ made during the year	(13,189)	5,728
Translation difference on consolidation	(19,583)	–
At 31 December	190,661	197,147
Comprising:		
Current	–	–
Non-current	190,661	197,147
	190,661	197,147

17. Provisions

Decommissioning provisions

The decommissioning provision represents the present value of the cost of rehabilitating and decommissioning oil field assets and infrastructure such as wells, pipelines and processing facilities in Oman and Norway, which are expected to be incurred when the operations are ceased. These provisions have been created based on the Group's internal estimates. Assumptions based on the current economic environment have been made, which management believes are a reasonable basis upon which to estimate the future liability. These estimates, including discount rates, are reviewed regularly to take into account any material changes to the assumptions. However, actual decommissioning costs will ultimately depend upon future market prices for the necessary decommissioning works required that will reflect market conditions at the relevant time. Furthermore, the timing of decommissioning is likely to depend on when the fields cease to produce at economically viable rates. This, in turn, will depend upon future oil and gas prices, which are inherently uncertain.

In 2022, as part of the Group's regular review, the provisions were revised following the establishment and commencement of the planned drilling programme in Oman and Norway. Accordingly, the provisions decreased by US$13,189,000 (2021: increased by US$5,728,000) with a corresponding decrease in decommissioning receivables of US$18,679,000 (2021: US$Nil) and increase in oil and gas properties of US$5,490,000 (2021: US$5,728,000) (Note 10).

18. Contingent liability

(a) Legal claims

<u>Global Settlement Agreement</u>

On 31 August 2020, the Group and associates related to the legal cases with Gulf Hibiscus Limited signed a global settlement agreement ("**Settlement Agreement**") with Hibiscus Petroleum Berhad ("**Hibiscus**"), its subsidiary and other parties related to the legal cases for purposes of resolving and settling those legal cases and other related claims. The Settlement Agreement does not involve any payment by the Group to Hibiscus group (including Gulf Hibiscus Limited). The terms of the Settlement Agreement are confidential, and implementation of the same is subject to a long stop date of 31 December 2020, which was further extended to 30 June 2021.

On 25 June 2021, the parties entered into a second supplemental agreement to extend the long stop date for implementation of the settlement from 30 June 2021 to 31 December 2021.

On 18 October 2021, the settlement arrangement between the relevant parties in relation to the subject court proceedings and other related claims between the parties were duly completed and/or effected pursuant to the terms of the Settlement Agreement.

18. Contingent liability (continued)

(a) Legal claims (continued)

Masirah Oil Ltd

On 5 August 2021, Petroci Holding (“**Petroci**”) filed a claim against the Company’s subsidiaries, Rex Oman Limited ("**Rex Oman**"), Masirah Oil Limited (“**MOL**”), and certain past and present directors of MOL in the High Court, Commercial Division of the British Virgin Islands, in connection with the alleged conduct of MOL’s affairs, which led to a dilution of Petroci’s interest in MOL as a partner and minority shareholder.

Management has considered the above claims and allegations and are of the view that these claims and allegations against Rex Oman and MOL are frivolous, baseless and unmeritorious. Management does not expect any material financial impact from the claim.

(b) Guarantee

KUFPEC Norway AS

The Company (hereinafter referred to as the “**Guarantor**”, as a primary obligor and not merely as a surety) had provided a parent company guarantee to KUFPEC Norway AS (“**KUFPEC**”) (hereinafter referred to as "**Seller**") to guarantee to the Seller that Lime Petroleum AS (hereinafter referred to as "**Buyer**") will perform the Guaranteed Obligations and shall comply with the terms and conditions of the Decommissioning Security Agreement (“**DSA**”).

The Guarantor undertakes to pay to the Seller, within seven days upon written demand of the Seller stating that the Buyer has failed to pay any amount due and payable to the Seller under the DSA, such amount due and payable.

The Guarantor further undertakes to hold the Seller whole for any taxes that the Seller has to pay on any amount paid to the Seller under this Guarantee.

The Guarantor further undertakes, upon the request of the Seller, to immediately perform any Guaranteed Obligations not performed by the Buyer or procure that such Guaranteed Obligations are performed by a third party.

Jack-Up Barge Operations B.V.

On 6 March 2020, the Company had provided a parent guarantee to Jack-Up Barge Operations B.V. (“**JUB**”) to guarantee the duties, undertakings and obligations or discharge any or all of its liabilities under or pursuant to a charter party dated 30 December 2019 entered into by MOL for the charter of self-elevating platform “JB114” with JUB. The parent guarantee to JUB had been released and discharged on 20 June 2022.

18. Contingent liability (continued)

(b) Guarantee (continued)

Ministry of Petroleum and Energy

The Company had provided a parent company guarantee to the Ministry of Petroleum and Energy on basis of the Norwegian Petroleum Act. Under the Norwegian Petroleum Act, the Company undertakes financial liability as surety for obligations that may arise from exploration for and exploitation of subsea natural resources on the Norwegian Continental Shelf ("**NCS**") and any liability, including liability for any recovery claim, which may be imposed under Norwegian law for pollution damage and for personal injury.

Management believes that the Group and the operators of its licences in NCS are in compliance with current applicable environmental laws and regulations and hence does not consider it probable that a claim will be made against the Company under the guarantee.

19. Subsequent events

i. On 20 January 2023, the Company obtained shareholders' approval via an extraordinary general meeting, to reduce the share capital of the Company by the cancellation of the share capital of the Company that has been lost or is unrepresented by available assets to the extent of the amount of the accumulated losses of the Company up to 31 December 2021 of US$168,096,000.

ii. Subsequent to the year ended 31 December 2022, one of the Group's subsidiaries, Lime Petroleum AS ("**LPA**"), had successfully raised NOK 250 million (approximately US$25.3 million) by tapping on its existing Bond (ISIN NO0012559246) (Note 16) in accordance with the loan agreement for the Bond (the "**Tap Issue**"). After the Tap Issue was carried out, the total outstanding amount pertaining to the refinancing of the previous senior secured bonds and for the acquisition of Yme Field, as well as general working capital purposes is NOK 1,200 million (approximately US$121.4 million). The settlement took place on 18 January 2023. The Bonds were issued at 99.25% of the nominal amount.

iii. In January 2023, LPA was awarded stakes in two offshore licences, a 50% interest in PL1178 in the North Sea and a 30% interest in PL1190 in Norwegian Sea.

F. Other information required by Listing Rule Appendix 7.2

1. Audit or review

The condensed consolidated statement of financial position of Rex International Holding Limited (the Company) and its subsidiaries (collectively the Group) as at 31 December 2022 and the related condensed consolidated profit or loss and other comprehensive income of the Group for the six-month and twelve-month period then ended, condensed statement of changes in equity of the Company and the Group for the twelve-month period then ended and condensed consolidated statement of cash flows of the Group for the twelve-month period then ended and certain explanatory notes have not been audited or reviewed by the Company's auditors.

2. Review of performance of the Group

Consolidated Statement of Comprehensive Income

Revenue from sale of crude oil increased to US$170.26 million in FY2022, from US$158.44 million in the financial year ended 31 December 2021 ("**FY2021**"), from the sale of crude oil from the Yumna Field (after the Oman government take) and the Brage Field. The increase in revenue was due to inclusion of oil liftings from the Brage Field in Norway (the acquisition of which was completed on 31 December 2021) and an increase in the average realised oil price sold from US$67 per barrel in FY2021 to US$88 per barrel in FY2022 for the sale of crude oil from the Yumna Field in Oman. The increase in revenue was partially offset by a decrease in the volume of oil lifted and sold from the Yumna Field in FY2022, due to production stoppages for the planned major change-outs and upgrades made to the production facilities from February 2022 to April 2022 and unforeseen operational issues in June and November 2022 in both Oman and Norway.

Production and operating expenses increased to US$73.96 million in FY2022, from US$25.55 million in FY2021, mainly due to 1) inclusion of production costs from the Brage Field in Norway and 2) an increase in production costs in Oman from the planned change-out of the floating storage tanker and the planned change-out of the Mobile Offshore Production Unit (MOPU) with upgraded facilities onboard.

Depletion of oil and gas properties decreased to US$28.25 million in FY2022, from US$36.24 million in FY2021, due to the decrease in volume of oil lifted and sold in Oman in FY2022.

Exploration and evaluation expenditure decreased to US$3.23 million in FY2022, from US$11.91 million in FY2021, mainly due to one-off expensed exploration costs of US$9.73 million in Oman for three exploration wells that were deemed non-commercial in FY2021.

Impairment of exploration and evaluation assets of US$24.29 million in FY2022 relates to the relinquishment of licences PL937, PL433 and PL1111 in Norway, while impairment of exploration and evaluation assets of US$1.02 million in FY2021 relates to the relinquishment of licence PL1062 in Norway.

Administrative expenses remained fairly consistent in both financial years, US$28.57 million and US$29.11 million in FY2022 and FY2021 respectively.

Other expenses of US$3.44 million recorded in FY2022 was mainly due to 1) unrealised fair value loss of quoted investments of US$2.79 million, as a result of the poor performance in the bond and equity markets in Europe, and 2) loss on disposal of plant and equipment of US$0.51 million. Other expenses in FY2021 was negligible.

Other income of US$0.62 million recorded in FY2022 was due to realised gain from the disposal of quoted investments. Comparatively, other income of US$20.83 million recorded in FY2021 was mainly due to 1) bargain purchase of US$18.24 million from acquisition of the Brage Field, and 2) recovery of bad debts previously written-off of US$1.72 million.

Finance income remained fairly consistent in both financial years, US$0.74 million and US$0.73 million in FY2022 and FY2021 respectively.

Finance costs increased to US$14.77 million in FY2022, from US$3.64 million in FY2021, due to the issuance of senior secured bonds by a subsidiary.

Net foreign exchange loss increased to US$1.45 million in FY2022, from US$0.71 million in FY2021 due to the weakening of the Norwegian Kroner and Euro against the United States dollar in FY2022. A portion of the quoted investments were denominated in Euro.

The Group recorded tax credits of US$6.96 million and US$9.52 million in FY2022 and FY2021 respectively, in relation to refundable tax arising from exploration costs incurred in Norway.

As a result of the aforementioned, the Group recorded a profit after tax of US$0.35 million in FY2022, as compared to profit after tax of US$78.94 million in FY2021.

Statement of Financial Position

Non-current assets of the Group increased to US$436.64 million as at 31 December 2022, from US$349.99 million as at 31 December 2021. The increase was mainly due to 1) an increase in oil and gas properties and recognition of US$35.93 million goodwill from the acquisition of the Yme Field in Norway, and 2) further investment in an associate.

Inventories increased to US$13.73 million as at 31 December 2022, from US$11.28 million as at 31 December 2021 was largely attributable to the acquisition of the Yme Field.

Current trade and other receivables of the Group decreased to US$88.06 million as at 31 December 2022, from US$94.99 million as at 31 December 2021, largely due to a decrease in trade receivables from the sale of crude oil in Oman as a result of significantly shorter payment terms.

Quoted investments decreased to US$23.04 million as at 31 December 2022, from US$26.31 million as at 31 December 2021, mainly due to unrealised fair value loss as a result of the poor performance in the bond and equity markets in Europe.

Total current and non-current loan and borrowings increased to US$91.95 million as at 31 December 2022, from US$55.62 million as at 31 December 2021, due to an increase in the amount of secured bonds raised by a subsidiary to fund the acquisitions on the Norwegian Continental Shelf (NCS), as well as for general working capital purposes. Please refer to the Company's press release dated 29 June 2022 for further information.

Decommissioning provisions decreased to US$190.66 million as at 31 December 2022, from US$197.15 million as at 31 December 2021, mainly due to 1) reversal of decommissioning provision relating to the Brage Field in Norway and 2) foreign currency translation loss on consolidation as a result of weakening of the Norwegian Kroner against the United States dollar. The decrease was partly offset by the recognition of additional decommissioning provisions from the acquisition of the Yme Field.

Deferred tax liabilities increased to US$75.57 million as at 31 December 2022, from US$40.83 million as at 31 December 2021, due to an increase in oil and gas properties, as well as exploration and evaluation assets in Norway.

Total current and non-current lease liabilities increased to an aggregate of US$1.05 million as at 31 December 2022, from US$0.57 million as at 31 December 2021, due to recognition of additional right-of-use assets and its corresponding lease liabilities in FY2022.

Trade and other payables increased to US$129.54 million as at 31 December 2022, from US$49.73 million as at 31 December 2021, largely due to 1) deferred consideration payable of US$29.51 million from the acquisition of the Yme Field, 2) prepayment of US$30.00 million from a customer for the sale of crude oil in Norway and 3) increase in accrued production costs in relation to the production activities in both Norway and Oman.

Working capital decreased to US$96.69 million as at 31 December 2022, from US$134.50 million as at 31 December 2021, mainly due to the decrease in crude oil revenue and acquisition of the Yme Field in FY2022.

Statement of Cash Flows

As at 31 December 2022, the Group's cash and cash equivalents and quoted investments totalled US$138.80 million (31 December 2021: US$86.91 million); with cash and cash equivalents at US$115.76 million (31 December 2021: US$60.60 million); and quoted investments at US$23.04 million (31 December 2021: US$26.31 million).

The Group reported net cash generated from operating activities of US$169.55 million in FY2022, after accounting for movements in working capital. This was primarily due to sale of crude oil and tax receipts from the Norwegian authorities for exploration and evaluation activities in Norway. The net cash generated from operating activities was partially offset by production and operating expenses used in the production activities in Oman, as well as administrative and other operational expenses incurred in relation to the Group's business.

Net cash used in investing activities of US$137.40 million in FY2022 was mainly attributable to 1) the acquisition of the Yme Field of US$54.82 million, 2) additions to oil and gas properties of US$56.30 million, 3) exploration and evaluation expenditure of US$24.52 million, 4) investment in an associate of US$2.00 million, 5) purchase of quoted investments of US$11.07 million and 6) purchase of plant and equipment of US$0.95 million. The net cash used in investing activities was also partially offset by proceeds from the disposal of quoted investments of US$11.65 million and interest received of US$0.61 million.

Net cash generated from financing activities of US$21.96 million in FY2022 was mainly due to proceeds from the issuance of secured bonds by a subsidiary of US$87.20 million, which was partially offset by 1) settlement of an existing bond of US$49.59 million (NOK 500 million), 2) transaction costs of US$9.76 million paid in relation to the issuance of secured bonds by a subsidiary, and 3) dividends paid to the owners of the Company of US$4.54 million.

As a result of the aforementioned, the Group recorded an overall net increase in cash and cash equivalents of US$54.11 million in FY2022, as compared to US$28.55 million in FY2021.

3. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

Not applicable.

4. **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 operating period and the next 12 months**

From maintaining above US$100 a barrel during the first half of 2022, the Brent crude oil cooled rapidly in the second half of 2022, dropping to its lowest for the year at US$77.17[1] on 8 December 2022 as central banks hiked interest rates and fanned worries of recession. Nevertheless, the Brent crude oil price ended the year with a second straight annual gain of 7.7% to US$85.91, after jumping 52.9% in 2021.[2] As at 14 February 2023, Brent crude oil was around US$84.77.

According to the International Energy Agency (IEA), global oil demand growth is expected to slow down but will remain robust at 1.7% in 2023 as China recovers from its COVID-related economic policies. While there is upside potential from China, IEA expects Chinese oil demand to contract by 400,000 barrels per day (bpd) before recovering by almost one million bpd in 2023.[3] Similarly, the Organization of the Petroleum Exporting Countries (OPEC) has projected a more optimistic demand growth of 2.3% in 2023.[4]

In Norway, the drilling programme on the Brage Field, in which Rex's subsidiary Lime Petroleum AS ("**LPA**") holds 33.8434% interests, is progressing according to plan. Currently, a well is being drilled in the Taliskar discovery. The well will further appraise the discovery and will from summer 2023 be used as a producer. Barring any unforeseen circumstances, the Group expects the well, when completed, to contribute positively to production. The Group intends to drill an additional three infill wells in 2023, one of which will test an exploration target on the southwestern flank of the field. The Company will update shareholders when there are material updates on its drilling programme

The Yme Field, in which LPA holds 10% interests, has been on a commissioning phase in wells for production since 2022. This includes drilling both from the production rig (Inspirer) on the main structure at Yme and from the Valeris Viking on the satellite structure.

In Oman, the drilling campaign which included a workover of the Yumna-3 well and the drilling of the Yumna-4 well in Block 50 Oman recently concluded. Drilling plans are being made for 2023.

The Group's long-term target to get to 20,000 boepd remains but in 2023, this will be dependent on the availability of rigs and other equipment, particularly for Oman and Malaysia. In addition, we will continue to look for investment and development opportunities to bolster our production.

In Malaysia, development plans for the Malaysian assets under the Group's wholly-owned subsidiary, Pantai Rhu Energy Sdn Bhd are ongoing and will be shared in due course.

The Group will update shareholders whenever there are material developments to its operational plan.

Footnotes:

1 FactSet data
2 Business Times, Oil ends year of wild price swings with second straight annual gain, 31 Dec 2022
3 Reuters, Oil demand growth set to slow but stay robust in 2023, 14 Dec 2022
4 Reuters, OPEC sees robust global oil demand growth in 2023 after 2022 Chinese contraction, 14 Dec 2022

5. Dividend information

5a. Current financial period reported on

Any dividends recommended for the current financial period reported on? Yes.

Name of dividend	:	Proposed final
Dividend type	:	Ordinary
Dividend per share (Singapore cent)	:	0.5 cents per ordinary share
Tax rate	:	Tax exempt

5b. Corresponding period of the immediate preceding financial year

Name of dividend	:	Final
Dividend type	:	Ordinary
Dividend per share (Singapore cent)	:	0.5 cents per ordinary share
Tax rate	:	Tax exempt

5c. Date payable

The Directors are pleased to recommend a final dividend of 0.5 Singapore cents per ordinary share in respect of the financial year ended 31 December 2022 for approval by the shareholders at the next annual general meeting to be convened on or before 30 April 2023.

The date of payment of the proposed final dividend, if approved at the annual general meeting, is targeted to be payable in May 2023. The date of payment, when confirmed, will be announced at a later date.

5d. Books closure date

The books closure date will be announced at a later date.

5e. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

Not applicable.

6. Interested person transactions ("IPT")

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

Dr Karl Lidgren and Mr Hans Lidgren are controlling shareholders of the Company with a 34.71% deemed interest in the Company held through Limea Ltd. ("**Limea**"), in which each of Mr Hans Lidgren and Cresta Group Ltd ("**Cresta**") have a 50% shareholding interest respectively. Cresta is in turn wholly owned by Dr Karl Lidgren.

<u>Moroxite AB</u>

On 30 December 2022, the Company's wholly owned subsidiary, Moroxite Holding Pte. Ltd ("**MHPL**") entered into a conditional share purchase agreement with Moroxite AB ("**MA**") to purchase the entire issued share capital of Moroxite T AB ("**Moroxite T**"), comprising 1,000 shares, at a nominal consideration of SEK 1 (approximately US$0.10), with a commitment to invest up to an additional SEK 43.2 million (approximately US$4.12 million), subject to the fulfilment of certain conditions.

MA is 39.6% held by a company owned by Dr Lars Lidgren, brother to Dr Karl Lidgren and Mr Hans Lidgren. The remainder 60.4% is held by other investors. Upon completion, MHPL will hold 100% of Moroxite T. Dr Karl Lidgren is also a Non-Independent and Executive Director of the Company. As such, MA is an "interested person" pursuant to Chapter 9 of Mainboard Rules (the "**Mainboard Rules**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). Accordingly, entry into the agreements between MHPL and MA as an "interested person", is an "interested person transaction" pursuant to Chapter 9 of the Mainboard Rules. The transaction is subject to, among others, shareholders' approval.

<u>Xer Technologies Pte. Ltd.</u>

On 30 December 2022, the Company's wholly owned subsidiary Rex Technology Investments Pte Ltd ("**RTI**") entered into a conditional subscription agreement with Xer Technologies Pte. Ltd. ("**Xer**") to subscribe for 23,809 new shares in Xer, at a consideration of US$1 million (the "**Acquisition**"). This will bring RTI's shareholding interest in Xer from 40% to approximately 53%, making Xer a subsidiary of the Company.

As a condition to completion of the Acquisition, RTI is to enter into a revised shareholders' agreement with Xer's other shareholders, pursuant to which, RTI shall commit to inject a capital amount of up to US$3 million (notwithstanding the Acquisition), subject to the achievement of certain technical and sales milestones by Xer.

Cresta and Limea each hold 42% and 15% of the shareholding interest in Xer respectively, prior to completion. Upon completion, Cresta and Limea will hold 33% and 12% shareholding interest in Xer respectively. Dr Karl Lidgren is also a Non-Independent and Executive Director of the Company. As such, Xer is an "interested person" pursuant to Chapter 9 of Mainboard Rules (the "**Mainboard Rules**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). Accordingly, entry into the agreements between RTI and Xer as an "interested person", is an "interested person transaction" pursuant to Chapter 9 of the Mainboard Rules.

Save as disclosed above, there were no other IPTs that were more than S$100,000 entered into by the Group as at the date of this announcement.

7. Confirmation that the issuer has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company confirms that undertakings have been procured from the Board of Directors and Executive Officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

8. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

	Twelve months ended 31-Dec-22 US$'000	Twelve months ended 31-Dec-21 US$'000
Ordinary	4,908	4,541
Preference	–	–
Total	4,908	4,541

9. Disclosure of persons occupying managerial positions who are related to a director, CEO or substantial shareholder

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	46	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

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

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). As at the date of this announcement, the Company had utilised all the 2013 Placement proceeds except for a part of the amount allocated to the share buyback mandate of S$5.96 million.

The Company had utilised S$0.99 million in relation to the share buyback exercise as at the date of this announcement, and the ending balance of the amount allocated to the share buyback mandate as at 31 December 2022 and the date of this announcement, was S$4.97 million.

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

Actual use of funds/ cash

	Three Months Ended 31-Dec-22 US$'000
Production and exploration activities in Oman	24,431
Production and exploration activities in Norway	27,583
Exploration and drilling activities in Malaysia	822
General working capital	1,667
Total	**54,503**

In the three-month period ended 31 December 2022 ("**4Q FY2022**"), US$24.43 million and US$27.58 million were used for production and exploration related activities in Oman and Norway respectively, US$0.82 million was used for exploration related activities in Malaysia. US$1.67 million was used for the Singapore and Rex Technology offices' staff costs, operational expenses, as well as consultancy and professional fees.

The actual amount of funds used for production and exploration related activities in Oman in 4Q FY2022 was fairly consistent with the projected amount of US$24.56 million.

The actual amount of funds used for exploration activities in Norway in 4Q FY2022 was US$0.96 million lower than the projected amount, mainly due to a decrease in the actual seismic-related costs incurred.

The actual amount of funds used in exploration and drilling activities in Malaysia was US$0.48 million lower than the projected amount due to delay in the work programme.

The actual amount of funds used for general working capital was US$0.89 million lower than the projected amount, due to a recharge of manpower costs to subsidiaries and lower actual professional costs.

The total actual use of funds for 4Q FY2022 amounted to US$54.50 million, which was US$2.46 million lower than the projected amount in 3Q FY2022.

Projection on the use of funds/ cash

	Three Months Ending 31-Mar-23 US$'000
Production and exploration activities in Oman (1)	11,018
Production and exploration activities in Norway (2)	36,992
Exploration and drilling activities in Malaysia (3)	803
General working capital (4)	4,441
Total	**53,254**

Footnotes:

(1) For capital expenditure in relation to drilling of Yunma 4, and production costs in relation to the production activities in Oman
(2) For continuous drilling in Brage Field to increase production in Norway
(3) For geotechnical, geophysical and rig positioning services, and operational expenses in Malaysia office
(4) For operational expenses in Singapore and Rex Technology offices and payment of bonuses to key executives and employees

12. Pursuant to Rule 705(7) - Details of exploration (including geophysical surveys), 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 FY2022, the Group incurred US$24.43 million and US$27.58 million for production and exploration related activities in Oman and Norway respectively. US$0.82 million was used for exploration related activities in Malaysia.

Production from the Yumna Field in Oman, the Brage Field and the Yme Field in Norway are ongoing. The exploration activities in Malaysia is in progress and there are upcoming plans for the pre-development phase of the Rhu-Ara and the Diwangsa Clusters in Malaysia.

13. Negative Confirmation by the Board pursuant to Rule 705(6) of the Listing Manual.

On behalf of the board of directors (the "**Board**") of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board which may render the condensed interim financial statements for the six months and full year ended 31 December 2022 and 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	Heng Su-Ling Mae Independent Director

1 March 2023