

PRESS RELEASE

Rex provides business and strategy update

- *Company remains committed to its core oil & gas business for the foreseeable future*
- *Production from Norway in August 2023 totalled 7,726 barrels of oil equivalent per day (boepd), a 182% year-on-year increase with the addition of production from the Yme Field*
- *Total production of 8,259 boepd in August 2023 from Norway and Oman**
- *Tax receivables of US\$63.6 million from the Norwegian tax authorities in November 2023 will have positive impact on cash available within the Group*
- *On the lookout to acquire more production / near producing oil & gas projects to increase reserves and daily production*
- *Board renewal at Company and subsidiaries*

SINGAPORE, 12 September 2023 – Rex International Holding Limited (“Rex International Holding”, “Rex” or the “Company”, and together with its subsidiaries, the “Group”), an oil exploration and production company, wishes to provide a business and strategy update:

1 Commitment to oil & gas business

The Company reiterates that its strategic focus remains on its core business as an oil & gas exploration and production company. The Company is producing oil and gas in Norway and Oman and will continue to focus on further development of its oil & gas assets and portfolio in the coming years. Increase in reserves and production can come from the drilling of more wells or from acquisition of additional existing production.

2 Oil & gas production and operations

In August 2023, production from Norway increased 182 per cent year-on-year to a total of about 7,726 boepd, following the addition of production from the Yme Field; compared to production of 2,742 boepd from only the Brage Field in August 2022. Production from Norway and Oman* totalled about 8,259 boepd for the month.

*Production from Yumna Field, Oman is before government take

1H FY2022 vs 1H FY2023 production

Field	1H 2023 average production	1H 2022 average production	Increase / (decrease)
Brage Field, Norway	2,712 boepd	2,931 boepd	(7.5%)
Yme Field, Norway	1,726 boepd	N/A**	N/A
Yumna Field, Oman	4,781* stb/d	3,437* std/d	39.1%

*Production from Yumna Field, Oman is before government take

**The Yme Field acquisition was completed on 23 December 2023

Short-term catalysts to higher production levels

Brage Field: Four producer wells (one of which started production in May) and one new water injection well are expected to be added in 2023.

Yme Field: Four producer wells (one of which started production in August) are expected to be added in 2023.

Yumna Field: A more robust and larger flowline has been installed and production resumed on 3 September 2023, after production was halted from 9 August 2023. Maintenance works on the Mobile Offshore Production Unit (MOPU), originally scheduled to be undertaken in November 2023, have been carried out and completed. Gas lift plans with the intention to rejuvenate production from Yumna-3 are expected to be executed by the third week of September 2023.

Natural progression of oil fields, reserves and operations

In oil & gas production, it is a natural progression that the volume of oil produced will decrease over time, while the volume of water increases, maintaining a fairly stable total liquid production volume, as a producing well progresses towards its end of life. To maintain a certain level of oil production volume, more producer wells are drilled over time to compensate for the lower oil production in the earlier producer wells. For this reason, subject to availability of rigs and other equipment, new producers are drilled in the producing fields. To this end, the Yumna-4 producer well in Oman was drilled in 2022, while new producer wells in Norway, as detailed above, are being drilled in 2023.

As of 31 December 2022, the Yumna Field had produced 7.1 MMstb. The Summary Qualified Person's Report (QPR) on the Yumna Field dated 2 March 2023 estimates remaining 2P gross

reserves in the Yumna Field to have increased to 8.7 MMstb, making a total of 15.8 MMstb. This increase in reserves and the lower production in recent months due to unforeseen technical operational issues only mean that production can continue for longer in Oman than previously envisaged.

The new producer wells in Norway are expected to add to the reserves and production net to Lime Petroleum AS (“LPA”) in 2023. The Independent Summary QPRs on the Brage Field and the Yme Field, announced on 21 March 2023, will be updated accordingly after the new wells start production.

As good corporate governance, the Group provides monthly production updates to keep investors abreast of the Group’s production volumes and operations, so that investors can better understand the oil & gas production process. Unforeseen operational and technical issues are part and parcel of oil production, especially in offshore fields. Good Health, Safety and Environmental (HSE) practices take priority for both of Rex’s subsidiaries, Masirah Oil Limited (“MOL”) and LPA, which continues to work closely with the operators to manage and monitor operations at the Brage and Yme fields.

3 Financials

LPA’s acquisition of a 10 per cent interest in the producing Yme Field has led to additional production of 1,726 boepd net to LPA in 1H FY2023. Correspondingly, the lifting/production costs and an increase in depletion of oil & gas properties from the Yme Field had been consolidated in the 1H FY2023 financial statements.

Production costs

Yumna Field, Oman: Estimated production expenses: US\$80,000 per day

2 fields - Brage and Yme Fields, Norway: Estimated production expenses: US\$160,000 per day

Financing

The size of LPA’s bond was increased from approximately US\$50 million to approximately US\$125 million in FY2022, to fund LPA’s acquisition of a 10 per cent interest in the producing Yme Field,

refinance its then existing bond, as well as for general working capital purposes. As a result, finance costs increased by approximately US\$6.9 million in 1H FY2023. The bond was a non-dilutive fund-raising; and was issued and ring-fenced at the subsidiary level. A private placement of US\$125 million would have resulted in a massive dilution effect on LPA's shares.

It is to be noted that LPA has tax receivables of **US\$63.6 million** (31 December 2022: US\$56.8 million) from the Norway tax authorities for exploration costs incurred during the respective financial period/year, to be received in November 2023.

Group's cash, cash equivalents and quoted investments

As at 30 June 2023, the Group's cash and cash equivalents and quoted investments totalled **US\$75.49 million** (31 December 2022: US\$138.80 million); with cash and cash equivalents at US\$53.36 million (31 December 2022: US\$115.76 million); and quoted investments at US\$22.13 million (31 December 2022: US\$23.04 million).

The Company and MOL remain long-term debt free. And with increased production and oil prices during 2023, the Company considers itself to be in a good and stable cash position.

4 On the lookout for more production assets

Additionally, the Group is on the lookout to invest in more viable production / near producing assets, to grow its production portfolio and geographical presence.

5 Upcoming changes to the board of directors

The Company's board renewal process is ongoing. Over the past two years, five new directors have been appointed during this transitional period, in preparation for long-serving directors to pass the baton of board leadership. Additional directors may be appointed in due course. The board and management teams of the Group's subsidiaries are similarly under review and renewal.

6 Clarification on Interested Person Transactions (IPT)

The Company wishes to clarify that up to this date, no funds pertaining to the investments in Moroxite T AB ("**Moroxite T**") and Xer Technologies Pte Ltd ("**Xer**") have been paid to any person

related to the controlling shareholder. All funds committed and paid have been injected as capital contributions or loans in Moroxite T and Xer.

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Disclaimer

This press release may contain projections and forward-looking statements that reflect the Company's current views with respect to future events and financial performance. These views are based on estimates and current assumptions which are subject to business, economic and competitive uncertainties and contingencies as well as various risks and these may change over time and in many cases are outside the control of the Company and its directors. Actual future performance, outcome and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, availability of real estate properties, competition from other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. No assurance can be given that future events will occur, that projections will be achieved, or that the Company's assumptions are correct. The Company does not assume any responsibility to amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events, or otherwise. These statements can be recognised by the use of words such as "expects," "plans," "will," "estimates," "projects," or words of similar meaning. Such forward-looking statements are not guarantees of future performance and actual results may differ from those forecast and projected or in the forward-looking statements as a result of various factors and assumptions. There is no assurance that Rex Virtual Drilling will consistently deliver accurate analyses and results, as it is dependent on many external factors such as data quality. Shareholders and investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management of future events.

About Rex International Holding

Rex International Holding is a multinational exploration and production (E&P) company listed on Singapore Exchange Securities Trading Limited's Mainboard. The Company de-risks its portfolio of exploration and development assets using its proprietary liquid hydrocarbon indicator Rex Virtual Drilling technology, which can locate oil reservoirs in the sub-surface using seismic data. Since the Company's listing in July 2013, the Group has achieved four offshore discoveries, one in Oman and three in Norway. Besides its E&P activities with a focus on 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

Tel: +65 6557 2477

Mok Lai Siong, laisiong.mok@rexih.com