

PRESS RELEASE

Rex International Holding restructures its holdings in US investments and increases stake in licence-holding company in Trinidad & Tobago

- Rex US's 20 per cent direct interest in Fram's Colorado and North Dakota concessions to be exchanged for equity stake in Fram
- Rex International Holding's direct stake in Fram to be increased to 27.7 per cent
- Stake in the licence-holding company Caribbean Rex to be increased to 64.17 per cent

SINGAPORE, 21 October 2013 – **Rex International Holding Limited** ("**Rex International Holding**" or the "**Company**", and together with its subsidiaries, the "**Group**"), one of the largest companies listed on the Catalist of the Singapore Exchange Securities Trading Limited, refers to its collaboration with Fram Exploration ASA ("**Fram**") in relation to Rex International Holding's US concessions and onshore exploration & production opportunities in the island nation of Trinidad & Tobago in the Caribbean ("**Assets**") and is pleased to update that Rex International Holding and Fram have, amongst others, agreed to restructure their shareholding arrangements in the Assets ("**Restructuring**") pursuant to the change in the working arrangements between Rex International Holding and Fram and as part of Fram's strategy of becoming a listed company in the future, as well as to allow the Company to realise operational efficiencies and cost savings.

As the first part of the Restructuring, Rex International Holding's wholly-owned subsidiary, Rex US Ltd. ("**Rex US**"), has entered into an agreement ("**Agreement**") with Fram to exchange Rex US's 20 per cent direct interest in Fram's Colorado and North Dakota concessions into shares in Fram (the "**Exchange**"). The Exchange is conditional upon the obtaining of approvals from Fram's shareholders as well as other relevant regulatory authorities.

Rex US will convert the payment due for part of the work programme already fulfilled under the farm-in agreement between Rex US, Loyz Energy Ltd (“**Loyz**”) and Fram (“**Work Programme**”), together with a cash payment of USD 4.51 million to Fram, for new shares to be issued by Fram (“**New Fram Shares**”). Pursuant to the Exchange, Fram and Loyz will continue with the remaining Work Programme from which Rex US will exit. The New Fram Shares will be issued at the same price per share as the share swap conducted between Fram and Rex International Holding in April 2013, and in aggregate, is valued at approximately USD 7 million. The New Fram Shares constitute 3.7 per cent of the issued share capital of Fram.

Prior to the completion of the Agreement and as at the date of this announcement, Rex International Holding holds a direct 24 per cent interest in Fram, while Rex US holds a 20 per cent direct interest in the Colorado and North Dakota concessions. After the completion of the Exchange, Rex International Holding will hold approximately 27.7 per cent of the issued share capital of Fram and no direct interest in the Colorado and North Dakota concessions.

Mr Måns Lidgren, CEO of Rex International Holding, said, “The Restructuring will streamline Rex International Holding’s investments, previously held through various entities, under a single investment holding entity, hence improving our effectiveness in administrative oversight and resulting in operating efficiencies and cost savings. The Restructuring is envisaged to benefit the Group in the long term and provide our shareholders with greater clarity on our investments in the US and strengthen Fram’s strategy of becoming a listed company in its own right in the near future which we also have a stake in.”

Fram is the operator of the Whitewater Federal Production Unit located in the Piceance Basin in Mesa and Delta Counties of Colorado, USA and holds leases centred on 10,863 acres in Renville County, North Dakota in the Williston Basin.

Pursuant to the Exchange, Loyz will remain partner to a Participation and Exploration Agreement with Fram on similar terms as before. The operations will continue as previously communicated, with the drilling campaign well underway.

Rex International Holding also refers to its press release dated 14 August 2013 (the “**14 August Press Release**”), on its signing of a term-sheet for access to three onshore exploration & production (E&P) licences in Trinidad & Tobago and is pleased to update that as the second part of the Restructuring, the Group is acquiring a larger stake of 64.17 per cent in the licence-holding company Caribbean Rex Limited (“**Caribbean Rex**”) (previously referred to as Rex Caribbean Oil Company Ltd in the 14 August Press Release) instead of the initially stated stake of 51.99 per cent. Rex International Holding will acquire the additional stake in Caribbean Rex from Fram for a consideration of approximately USD 3 million, by way of the issuance of new ordinary shares in the capital of Rex International Holding (“**Shares**”), which is pending regulatory approval.

Consideration for the initial stake in Caribbean Rex amounting to USD 9 million in cash has been paid and the consideration for the additional stake in Caribbean Rex to be paid is USD 3 million (equivalent to S\$3.75 million) in shares, at an issue price of S\$0.83 per Share (“**Issue Price**”). The Issue Price represents the seven-day average closing price of the Shares prior to the date of the signing of the agreement with Fram on 18 October 2013. The Shares are intended to be issued pursuant to the general share issuance mandate obtained at the extraordinary general meeting of the Company held on 24 June 2013. Upon completion of the transaction, the three shareholders of Caribbean Rex will be Rex International Holding (64.17 per cent), Pareto Staur SPV I AS (34.76 per cent) and Mr Geoffrey Leid, CEO-designate of Caribbean Rex, in his personal capacity (1.07 per cent).

Mr Måns Lidgren said, “Trinidad & Tobago will be one of our core markets going forward. With our acquisition of the additional stake in Caribbean Rex, which Fram previously held on behalf of its minority shareholders, Caribbean Rex will have just two major shareholders. Our increased stake in Caribbean Rex also means that we stand to recognise higher revenue and profit from Caribbean Rex’s future growth. The Trinidad assets are in a proven prolific hydrocarbon basin and consists of a mix of production and exploration assets. We stand to benefit from changes to the tax legislation for oil and gas companies operating in the country effective from January 2014, where revenue generated from oil production can be offset 100 per cent against exploration expenses, hence

attractively allowing us to reinvest in oil exploration activities. We expect our concessions in Trinidad & Tobago to be self-sufficient in terms of capital expenditure by the end of next year.”

“We are firming up the drilling schedule for the Trinidad assets and intend to drill up to 10 wells in 2014, with the first drilling to be carried out in the first quarter of next year,” Mr Lidgren added.

As further phases of the Restructuring are still being discussed and have not yet been finalised, Rex International Holding will update shareholders as and when there are material developments to the Restructuring.

About Rex International Holding

Rex International Holding was listed on Singapore Exchange Securities Trading Limited’s Catalist Board on 31 July 2013. The oil exploration and production company has access to a set of proprietary and innovative exploration technologies, Rex Technologies, originating from the Company’s Swedish founders. These include the game-changing Rex Virtual Drilling technology, the world’s first direct hydrocarbon detector using seismic data, which literally enables the Group to ‘see oil in the ground’ by pinpointing the location of oil reservoirs in the sub-surface. Through the exploration accuracy of Rex Technologies which are applicable to both onshore and offshore oil exploration, the oil discovery success rate is significantly increased.

Rex International Holding has stakes in E&P licences in the Middle East, Norway, the USA and Trinidad & Tobago. These concessions cover an aggregate area of over 22,000 square kilometres in regions known for previous oil and gas discoveries. Located in politically stable countries with well-developed oil and gas infrastructures, Rex International Holding has a portfolio of assets that is geographically diversified and consists of both onshore and offshore concessions.

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Rex International Holding Limited (the "Company") was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 31 July 2013. The initial public offering of the Company was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor").

This press release has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this press release.

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

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