

REX INTERNATIONAL HOLDING LIMITED
(Company Registration No.: 201301242M)

**Unaudited Financial Statement and Dividend Announcement
For the Third Quarter Ended 30 September 2014**

Background

Rex International Holding Limited (the “**Company**”) was incorporated in the Republic of Singapore on 11 January 2013 under the Companies Act (Chapter 50) of Singapore as a private limited company. The Company and its subsidiaries (the “**Group**”) were formed pursuant to a restructuring exercise (the “**Restructuring Exercise**”), which involved an allotment of shares to Rex Commercial Ltd and Schroders and Co. Bank AG, and a share swap with Fram Exploration ASA prior to the initial public offering (“**IPO**”) and listing on the Catalist of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) in July, 2013. The Restructuring Exercise was completed on 26 April 2013. Please refer to the Company’s Offer Document dated 22 July 2013 for further details on the Restructuring Exercise.

For the purpose of this announcement, the financial results of the Group comprise the consolidated accounts of the Group for the three-month period ended 30 September 2014 (“**3Q FY2014**”) and the nine-month period ended 30 September 2014 (“**9M FY2014**”).

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group			Group		
	Three Months Ended			Nine Months Ended		
	30-Sep-14	30-Sep-13	Change	30-Sep-14	30-Sep-13	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
	Unaudited	Unaudited		Unaudited	Unaudited	
Revenue	-	-	NA	-	-	NA
Administration expenses	(2,053)	(1,603)	28	(5,734)	(2,152)	166
Other expenses	-	(2,356)	NM	-	(2,356)	NM
Other income	-	-	NA	55	-	NM
Results from operating activities	(2,053)	(3,959)	(48)	(5,679)	(4,508)	26
Finance income	299	23	1200	697	25	2688
Foreign exchange (loss)/gain	(1,656)	527	NM	(852)	574	NM
Finance costs	(27)	-	NM	(97)	-	NM
Net finance (costs)/income	(1,384)	550	NM	(252)	599	NM
Gain on dilution of interest in a jointly controlled entity	-	3,999	NM	-	3,999	NM
Share of loss of jointly controlled entities and an associate	(1,440)	(2,173)	(34)	(5,120)	(3,771)	36
Loss before tax	(4,877)	(1,583)	208	(11,051)	(3,681)	200
Tax expense	-	-	NA	-	-	NA
Loss for the period, after tax	(4,877)	(1,583)	208	(11,051)	(3,681)	200
Other comprehensive income						
- Items that may be reclassified subsequently to profit or loss:						
Net change in fair value of available-for-sale investments	(711)	-	NM	(140)	-	NM
Foreign currency translation differences from foreign operations	139	-	NM	136	-	NM
Total comprehensive loss for the period	(5,449)	(1,583)	244	(11,055)	(3,681)	200

NA – Not Applicable
NM – Not Meaningful

1(a)(ii) Notes to Consolidated Statement of Comprehensive Income

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

	Group			Group		
	Three Months Ended		Change %	Nine Months Ended		Change %
	30-Sep-14	30-Sep-13		30-Sep-14	30-Sep-13	
	US\$'000 Unaudited	US\$'000 Unaudited		US\$'000 Unaudited	US\$'000 Unaudited	
Depreciation	(12)	(2)	500	(29)	(4)	625
Foreign exchange (loss)/ gain	(1,656)	527	NM	(852)	574	NM
Change in fair value of quoted investments	(32)	-	NM	88	-	NM
Loss on disposal of plant and equipment	-	-	NA	(6)	-	NM
Write-off of plant and equipment	-	-	NA	(12)	-	NM

NA – Not Applicable

NM – Not Meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	30-Sep-14	31-Dec-13	30-Sep-14	31-Dec-13
	US\$'000	US\$'000	US\$'000	US\$'000
	Unaudited	Audited	Unaudited	Audited
Assets				
Plant and equipment	100	81	100	81
Subsidiaries	-	-	57,535	37,303
Jointly controlled entities	57,948	42,700	-	-
Available-for-sale investments	43,417	39,717	44,225	40,525
Non-current assets	101,465	82,498	101,860	77,909
Other receivables	789	5,069	1,028	5,189
Quoted investments	28,145	7,520	28,145	7,520
Cash and cash equivalents	111,168	82,271	111,168	82,271
Current assets	140,102	94,860	140,341	94,980
Total assets	241,567	177,358	242,201	172,889
Equity				
Share capital	253,725	179,519	253,725	179,519
Reserves	5,480	5,229	680	565
Accumulated losses	(18,970)	(7,919)	(13,536)	(7,724)
Total equity	240,235	176,829	240,869	172,360
Liabilities				
Other payables	1,332	529	1,332	529
Current liabilities	1,332	529	1,332	529
Total equity and liabilities	241,567	177,358	242,201	172,889

Note:

Investments in jointly controlled entities comprised the Group's equity interest in:

<u>Name of Jointly Controlled Entity</u>	<u>Percentage of interest</u>
Lime Petroleum Plc (" Lime ")	65.00%
HiRex Petroleum Sdn Bhd (" HiRex ")	41.00%
Rexonic AG (" Rexonic ")	66.67%
Caribbean Rex Ltd (" Caribbean Rex ")	64.17%

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

The Group does not have any external borrowings and debt securities as at 30 September 2014 and 31 December 2013.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		Group	
	Three Months Ended		Nine Months Ended	
	30-Sep-14	30-Sep-13	30-Sep-14	30-Sep-13
	US\$'000	US\$'000	US\$'000	US\$'000
	Unaudited	Unaudited	Unaudited	Unaudited
Cash flows from operating activities				
Loss for the period	(4,877)	(1,583)	(11,051)	(3,681)
Adjustments for:				
Depreciation	12	2	29	4
Net finance income	(272)	-	(600)	-
Share of loss of jointly controlled entities and an associate, net of tax	1,440	2,173	5,120	3,771
Change in fair value of quoted investments	32	-	(88)	-
Loss on disposal of quoted investments	35	-	93	-
Loss on disposal of plant and equipment	-	-	6	-
Write-off of plant and equipment	-	-	12	-
Equity settled share-based payment transactions	93	-	255	-
Gain on dilution of interest in a jointly controlled entity	-	(3,999)	-	(3,999)
	(3,537)	(3,407)	(6,224)	(3,905)
Changes in working capital:				
Other receivables	(38)	(382)	4,281	(519)
Other payables	497	17	803	(69)
Net cash used in operating activities	(3,078)	(3,772)	(1,140)	(4,493)
Cash flows from investing activities				
Interest received	299	-	697	-
Proceeds from disposal of a jointly controlled entity	-	-	1,000	-
Investments in jointly controlled entities and an associate	(4,925)	(1,000)	(20,232)	(3,055)
Purchase of an available-for-sale investment	-	-	(3,840)	-
Purchase of quoted investments	(5,214)	-	(21,630)	-
Purchase of exploration and evaluation assets	-	(1,190)	-	(2,840)
Purchase of plant and equipment	(26)	(14)	(67)	(42)
Advance payment for an investment in Trinidad	-	(4,300)	-	(4,300)
Advance payment for an investment in Ogsonic AG	-	(100)	-	(100)
Net cash used in investing activities	(9,866)	(6,604)	(44,072)	(10,337)

Cash flows from financing activities

Interest paid	(27)	-	(97)	-
Proceeds from issuance of shares	75,867	69,498	75,867	97,424
Placement expenses	(1,661)	(3,187)	(1,661)	(5,368)
Repayment of loan to a related corporation	-	(1,901)	-	(1,901)
Cash contribution from shareholders	-	-	-	654
Net cash from financing activities	74,179	64,410	74,109	90,809

Net increase in cash and cash equivalents

	61,235	54,034	28,897	75,979
Cash and cash equivalents at beginning of the period	49,933	21,945	82,271	-
Cash and cash equivalents at end of the period	111,168	75,979	111,168	75,979

- 1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Share capital US\$'000	Merger reserve US\$'000	Capital reserve US\$'000	Fair value reserve US\$'000	Share option reserve US\$'000	Translation reserve US\$'000	Accumulated losses US\$'000	Total equity US\$'000
Group (Unaudited)								
At 1 January 2014	179,519	4,129	1,080	-	60	(40)	(7,919)	176,829
Total comprehensive loss for the period								
Loss for the period	-	-	-	-	-	-	(2,540)	(2,540)
Other comprehensive income								
Foreign currency translation differences	-	-	-	-	-	(10)	-	(10)
Net change in fair value of available-for-sale financial asset	-	-	-	957	-	-	-	957
Total comprehensive loss for the period	-	-	-	957	-	(10)	(2,540)	(1,593)
Transactions with owners, recognised directly in equity								
Contributions by and distributions to owners								
Share-based payment transactions - employee share option scheme, representing total transactions with owners	-	-	-	-	70	-	-	70
At 31 March 2014	179,519	4,129	1,080	957	130	(50)	(10,459)	175,306

	Share capital US\$'000	Merger reserve US\$'000	Capital reserve US\$'000	Fair value reserve US\$'000	Share option reserve US\$'000	Translation reserve US\$'000	Accumulated losses US\$'000	Total equity US\$'000
At 1 April 2014	179,519	4,129	1,080	957	130	(50)	(10,459)	175,306
Total comprehensive loss for the period								
Loss for the period	-	-	-	-	-	-	(3,634)	(3,634)
Other comprehensive loss								
Foreign currency translation differences	-	-	-	-	-	7	-	7
Net change in fair value of available-for-sale financial asset	-	-	-	(386)	-	-	-	(386)
Total comprehensive loss for the period	-	-	-	(386)	-	7	(3,634)	(4,013)
Transactions with owners, recognised directly in equity								
Contributions by and distributions to owners								
Share-based payment transactions - employee share option scheme, representing total transactions with owners	-	-	-	-	92	-	-	92
At 30 June 2014	179,519	4,129	1,080	571	222	(43)	(14,093)	171,385

	Share capital US\$'000	Merger reserve US\$'000	Capital reserve US\$'000	Fair value reserve US\$'000	Share option reserve US\$'000	Translation reserve US\$'000	Accumulated losses US\$'000	Total equity US\$'000
At 1 July 2014	179,519	4,129	1,080	571	222	(43)	(14,093)	171,385
Total comprehensive loss for the period								
Loss for the period	-	-	-	-	-	-	(4,877)	(4,877)
Other comprehensive income								
Foreign currency translation differences	-	-	-	-	-	139	-	139
Net change in fair value of available-for-sale financial asset	-	-	-	(711)	-	-	-	(711)
Total comprehensive loss for the period	-	-	-	(711)	-	139	(4,877)	(5,449)
Transactions with owners, recognised directly in equity								
Contributions by and distributions to owners								
Issuance of shares	75,867	-	-	-	-	-	-	75,867
Placement expenses	(1,661)	-	-	-	-	-	-	(1,661)
Share-based payment transactions - employee share option scheme	-	-	-	-	93	-	-	93
At 30 September 2014	253,725	4,129	1,080	(140)	315	96	(18,970)	240,235

	Share capital US\$'000	Merger reserve US\$'000	Capital reserve US\$'000	Fair value reserve US\$'000	Share option reserve US\$'000	Translation reserve US\$'000	Accumulated (losses)/profits US\$'000	Total equity US\$'000
<u>Group (Unaudited)</u>								
At 1 January 2013	1	4,129	409	-	-	-	589	5,128
Total comprehensive loss for the period								
Loss for the period, representing total comprehensive loss for the period	-	-	-	-	-	-	(1,413)	(1,413)
Transactions with owners, recognised directly in equity								
Contributions by and distributions to owners								
Loans forgiven by equity holders	-	-	654	-	-	-	-	654
At 31 March 2013	1	4,129	1,063	-	-	-	(824)	4,369
Total comprehensive loss for the period								
Loss for the period, representing total comprehensive loss for the period	-	-	-	-	-	-	(685)	(685)
Transactions with owners, recognised directly in equity								
Contributions by and distributions to owners								
Issuance of shares	33,524	-	-	-	-	-	-	33,524
At 30 June 2013	33,525	4,129	1,063	-	-	-	(1,509)	37,208

	Share capital US\$'000	Merger reserve US\$'000	Capital reserve US\$'000	Fair value reserve US\$'000	Share option reserve US\$'000	Translation reserve US\$'000	Accumulated (losses)/profits US\$'000	Total equity US\$'000
At 1 July 2013	33,525	4,129	1,063	-	-	-	(1,509)	37,208
Total comprehensive loss for the period								
Loss for the period, representing total comprehensive loss for the period	-	-	-	-	-	-	(1,583)	(1,583)
Transactions with owners, recognised directly in equity								
Contributions by and distributions to owners								
Issuance of shares	97,425	-	-	-	-	-	-	97,425
Listing expenses	(5,368)	-	-	-	-	-	-	(5,368)
At 30 September 2013	125,582	4,129	1,063	-	-	-	(3,092)	127,682

	Share capital US\$'000	Merger reserve US\$'000	Capital reserve US\$'000	Fair value reserve US\$'000	Share option reserve US\$'000	Accumulated losses US\$'000	Total equity US\$'000
<u>Company (Unaudited)</u>							
At 1 January 2014	179,519	-	505	-	60	(7,724)	172,360
Total comprehensive loss for the period							
Loss for the period	-	-	-	-	-	(981)	(981)
Other comprehensive income							
Net change in fair value of available-for-sale financial asset	-	-	-	957	-	-	957
Total comprehensive loss for the period	-	-	-	957	-	(981)	(24)
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners							
Share-based payment transactions							
- employee share option scheme, representing total transactions with owners	-	-	-	-	70	-	70
At 31 March 2014	179,519	-	505	957	130	(8,705)	172,406

	Share capital US\$'000	Merger reserve US\$'000	Capital reserve US\$'000	Fair value reserve US\$'000	Share option reserve US\$'000	Accumulated losses US\$'000	Total equity US\$'000
At 1 April 2014	179,519	-	505	957	130	(8,705)	172,406
Total comprehensive loss for the period							
Loss for the period	-	-	-	-	-	(1,426)	(1,426)
Other comprehensive loss							
Net change in fair value of available-for-sale financial asset	-	-	-	(386)	-	-	(386)
Total comprehensive loss for the period	-	-	-	(386)	-	(1,426)	(1,812)
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners							
Share-based payment transactions - employee share option scheme, representing total transactions with owners	-	-	-	-	92	-	92
At 30 June 2014	179,519	-	505	571	222	(10,131)	170,686

	Share capital US\$'000	Merger reserve US\$'000	Capital reserve US\$'000	Fair value reserve US\$'000	Share option reserve US\$'000	Accumulated losses US\$'000	Total equity US\$'000
At 1 July 2014	179,519	-	505	571	222	(10,131)	170,686
Total comprehensive loss for the period							
Loss for the period	-	-	-	-	-	(3,405)	(3,405)
Other comprehensive income							
Net change in fair value of available-for-sale financial asset	-	-	-	(711)	-	-	(711)
Total comprehensive loss for the period	-	-	-	(711)	-	(3,405)	(4,116)
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners							
Issuance of shares	75,867	-	-	-	-	-	75,867
Placement expenses	(1,661)	-	-	-	-	-	(1,661)
Share-based payment transactions - employee share option scheme	-	-	-	-	93	-	93
At 30 September 2014	253,725	-	505	(140)	315	(13,536)	240,869

	Share capital US\$'000	Merger reserve US\$'000	Capital reserve US\$'000	Fair value reserve US\$'000	Share option reserve US\$'000	Accumulated losses US\$'000	Total equity US\$'000
<u>Company (Unaudited)</u>							
At date of incorporation	1	-	-	-	-	-	1
Total comprehensive loss for the period							
Loss for the period, representing total comprehensive loss for the period	-	-	-	-	-	(154)	(154)
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners							
Loans forgiven by equity holders	-	-	501	-	-	-	501
At 31 March 2013	1	-	501	-	-	(154)	348
Total comprehensive loss for the period							
Loss for the period, representing total comprehensive loss for the period	-	-	-	-	-	(268)	(268)
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners							
Issuance of shares	33,524	-	-	-	-	-	33,524
At 30 June 2013	33,525	-	501	-	-	(422)	33,604

	Share capital US\$'000	Merger reserve US\$'000	Capital reserve US\$'000	Fair value reserve US\$'000	Share option reserve US\$'000	Accumulated losses US\$'000	Total equity US\$'000
At 1 July 2013	33,525	-	501	-	-	(422)	33,604
Total comprehensive loss for the period							
Loss for the period, representing total comprehensive loss for the period	-	-	-	-	-	(3,347)	(3,347)
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners							
Issuance of shares	97,425	-	-	-	-	-	97,425
Listing expenses	(5,368)	-	-	-	-	-	(5,368)
At 30 September 2013	125,582	-	501	-	-	(3,769)	122,314

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, 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. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Share Capital

	Company	
	Number of shares	Share capital
		US\$'000
Issued and fully paid:		
At 1 July 2014	1,094,957,263	179,519
Issuance of shares in connection with a share placement	168,000,000	75,867
Placement expenses	-	(1,661)
At 30 September 2014	1,262,957,263	253,725

Outstanding Options under the Company's Employee Share Option Scheme (the "ESOS")

On 29 November 2013, the Company granted an aggregate of 3,187,500 options pursuant to its ESOS to eligible participants (the "Options"), of which, 150,000 Options were cancelled in the three-month period ended 31 March 2014 due to cessation of employment of an eligible employee. Details of the ESOS are as follows:

Date of grant of Options	Exercise price of Options	Number of Options outstanding at 1-Jul-14	Options granted in 3Q FY2014	Options exercised in 3Q FY2014	Options cancelled in 3Q FY2014	Number of Options outstanding at 30-Sep-14	Exercise period of Options
29.11.13	S\$0.65	2,025,000	-	-	-	2,025,000	29.11.14 to 28.11.18
29.11.13	S\$0.52	1,012,500	-	-	-	1,012,500	29.11.15 to 28.11.18
		3,037,500	-	-	-	3,037,500	

No new Option was granted under the ESOS in 3Q FY2014, and no Option was exercised or cancelled in 3Q FY2014. The total number of Options outstanding as at 30 September 2014 was 3,037,500.

Save for the aforementioned Options, the Company did not have any other outstanding convertibles or treasury shares as at 30 September 2014.

The Company did not have any outstanding options, convertibles or treasury shares as at 30 September 2013.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

Group		Company	
30-Sep-14	31-Dec-13	30-Sep-14	31-Dec-13

Total number of
issued shares
excluding treasury
shares

1,262,957,263 1,094,957,263 1,262,957,263 1,094,957,263

The Company did not have any treasury shares as at 30 September 2014 and 31 December 2013.

- 1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the Company's auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation as those in the audited financial statements for the year ended 31 December 2013 except for the adoption of accounting standards and interpretations applicable for the financial period beginning 1 January 2014.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The adoption of the new/ revised accounting standards and interpretations applicable for the financial period beginning 1 January 2014 did not result in a significant change to the Group's accounting policies and did not have a material impact on the Group results for the current financial period reported on.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

- (a) Based on the weighted average number of ordinary shares in issue; and**
(b) On a fully diluted basis (detailing any adjustments made to the earnings).

Earnings per ordinary share ("EPS")	Three months ended		Nine months ended	
	30-Sep-14	30-Sep-13	30-Sep-14	30-Sep-13
Net loss attributable to shareholders of the Company (US\$)	(4,877,000)	(1,583,000)	(11,051,000)	(3,681,000)
Weighted number of ordinary shares	1,120,522,480	924,728,163	1,103,572,648	585,242,578
Basic and fully diluted EPS (US cents)	(0.44)	(0.17)	(1.00)	(0.63)

The basic and fully diluted EPS are the same as the effects of anti-dilutive potential ordinary shares are ignored for 3Q FY2014 and 9M FY2014. There were no anti-dilutive potential ordinary shares for the three-month period ended 30 September 2013 ("**3Q FY2013**") and the nine-month period ended 30 September 2013 ("**9M FY2013**").

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	30-Sep-14	31-Dec-13	30-Sep-14	31-Dec-13
Net asset value (US\$)	240,235,000	176,829,000	240,869,000	172,360,000
Total number of issued shares excluding treasury shares	1,262,957,263	1,094,957,263	1,262,957,263	1,094,957,263
Net asset value per ordinary share based on number of shares in issue as at the end of the financial period/year (US cents)	19.02	16.15	19.07	15.74

- 8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Consolidated Statement of Comprehensive Income

No revenue was recorded in both 3Q FY2014 and 3Q FY2013, as the Group was primarily involved in exploration and drilling activities.

Administrative expenses increased from US\$1.60 million in 3Q FY2013 to US\$2.05 million in 3Q FY2014; and increased from US\$2.15 million in 9M FY2013 to US\$5.73 million in 9M FY2014. The increase was primarily due to 1) rapid expansion of the Group's operations, 2) increase in professional and consultancy fees incurred in relation to the Group's business, and 3) additions to headcount in the Singapore office, as compared to 3Q FY2013 and 9M FY2013.

Other expenses of US\$2.36 million recorded in 3Q FY2013 and 9M FY2013 comprised listing fees in relation to the IPO.

Finance income of US\$0.30 million registered in 3Q FY2014 and US\$0.70 million registered in 9M FY2014 arose from interest income on funds invested, including debt securities.

Net foreign exchange loss of US\$1.66 million recorded in 3Q FY2014 was due to the weakening of the Singapore dollar against the United States dollar in the month of September 2014. This resulted in year-to-date net foreign exchange loss of US\$0.85 million in 9M FY2014.

In 3Q FY2013 and 9M FY2013, the Group's interest in HiRex had been diluted from 49% to 41%, resulting in a gain on dilution of US\$4.00 million. The dilution was a result of an external investor's investment of US\$10.00 million for 15% equity interest in HiRex.

Share of loss of jointly controlled entities decreased from US\$2.17 million in 3Q FY2013 to US\$1.44 million in 3Q FY2014. Year-to-date share of loss of jointly controlled entities increased from US\$3.77 million in 9M FY2013 to US\$5.12 million in 9M FY2014.

The aforementioned year-to-date share of loss of jointly controlled entities of US\$5.12 million in 9M FY2014 was attributable to 1) Caribbean Rex with share of loss of US\$0.89 million, 2) HiRex with share of loss of US\$1.05 million, 3) Rexonic with share of loss of US\$2.18 million, and 4) Lime with share of loss of US\$1.00 million.

Comparatively, the year-to-date share of loss of jointly controlled entities and an associate of US\$3.77 million in 9M FY2013 was attributable to 1) Lime with share of loss of US\$1.34 million, 2) Loyz Rex Drilling Services ("LRDS") with share of loss of US\$1.33 million, 3) HiRex with share of loss of US\$0.38 million, and 4) Fram Exploration ASA ("FRAM") with share of loss of US\$0.72 million.

Following the restructuring of the Group's assets in the US which was completed during the quarter ended 31 December 2013, the Group had subsequently re-assessed its involvement in FRAM and concluded that it no longer had significant influence in FRAM's financial and operating decisions. The Group ceased equity accounting for the results of FRAM from the point where significant influence was lost and reclassified the carrying value from investment in associate to available-for-sale investment on 18 October 2013.

The share of loss in relation to Caribbean Rex, HiRex, Rexonic and Lime in 9M FY2014 were predominantly due to expenses incurred in relation to exploration and drilling activities and the development of the well stimulation business.

Overall, the Group registered total comprehensive loss of US\$5.45 million in 3Q FY2014 as compared to US\$1.58 million in 3Q FY2013; and total comprehensive loss of US\$11.06 million in 9M FY2014 as compared to US\$3.68 million in 9M FY2013.

Statement of Financial Position

Non-current assets increased to US\$101.47 million as at 30 September 2014, from US\$82.50 million as at 31 December 2013. The increase was largely due to 1) capital injections into Lime and Caribbean Rex of US\$14.78 million and US\$5.45 million respectively over the nine-month period, partially offset by year-to-date share of loss of jointly controlled entities of US\$5.12 million, and 2) purchase of an available-for-sale investment in North Energy ASA of US\$3.84 million, which was subsequently marked-to-market at US\$3.70 million as at 30 September 2014.

Quoted investments increased to US\$28.15 million as at 30 September 2014, from US\$7.52 million as at 31 December 2013, due to purchase of debt securities. Pursuant to Rule 704(16)(b) of the Listing Manual (Section B: Rules of Catalyst) of the SGX-ST, information in respect of the quoted investments is as follows:

	Before the purchase of debt securities	After the purchase of debt securities
(i) Aggregate cost of the Group's quoted investments (US\$)	7,560,000	28,150,000
(ii) Total market value of the Group's quoted investments as at 30-Sep-14 (US\$)	7,520,000	28,145,000
(iii) Aggregate cost of the Group's quoted investments as a percentage of the latest audited consolidated net tangible assets of the Group as at 31 December 2013	4.28%	15.92%
(iv) Amount of any provision for diminution in value of the Group's quoted investments (US\$)	-	-

Other receivables decreased to US\$0.79 million as at 30 September 2014, from US\$5.07 million as at 31 December 2013. The decrease was due to consideration received in relation to the disposal of its 49% equity interest in Loyz Rex Drilling Services LLC.

Share capital increased to US\$253.73 million as at 30 September 2014, from US\$179.52 million as at 31 December 2013, following a share placement exercise which was completed on 17 September 2014 (the "**2014 Placement**").

Other payables increased to US\$1.33 million as at 30 September 2014, from US\$0.53 million as at 31 December 2013, largely due to accrual of staff bonus and professional fees.

The Group had working capital of US\$138.77 million as at 30 September 2014, as compared to working capital of US\$94.33 million as at 31 December 2013, an increase of US\$44.44 million. Increase in working capital was largely due to US\$74.21 million (after deducting placement fees and expenses of US\$1.67 million) of net proceeds raised from the 2014 Placement, partially offset by capital injections into jointly controlled entities of US\$20.23 million, purchase of available-for-sale investment of US\$3.84 million and general working capital of US\$4.91 million.

Statement of Cash Flows

The Group reported a net cash outflow of US\$3.08 million in 3Q FY2014 from its operating activities, after accounting for movements in working capital. This was primarily due to staff costs and operational expenses incurred in the Singapore office as well as consultancy and professional fees incurred in relation to the Group's business.

Net cash used in investing activities of US\$9.87 million in 3Q FY2014 was mainly attributable to capital injections into jointly controlled entities of US\$4.92 million in 3Q FY2014, and purchase of quoted investments of US\$5.21 million. Cash outflow from investing activities was partially offset by interest received of US\$0.30 million from quoted investments in 3Q FY2014.

Net cash generated from financing activities of US\$74.18 million in 3Q FY2014 was largely due to US\$74.21 million (after deducting placement fees and expenses of US\$1.67 million) of net proceeds raised from the 2014 Placement.

The Group recorded an overall net increase in cash and cash equivalents of US\$61.24 million in 3Q FY2014. Cash and cash equivalents stood at US\$111.17 million as at 30 September 2014 as compared to US\$75.98 million as at 30 September 2013.

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

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

10. 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 reporting period and the next 12 months.

Brent crude prices fell to a four-year low in mid-October 2014 as demand for oil fell in tandem with weak global growth, at a time of heavy oversupply. In its October 2014 report, the International Energy Agency (IEA) cut its forecasts for growth of world oil demand for 2014 and 2015, for the third month in a row. Core members of the Organisation of the Petroleum Exporting Countries (OPEC) appear to be focused on fighting for market share rather than on cutting production to shore up prices. Weak European markets and slowing inflation in China also add to concerns about global economic growth.

The Group's technology services and oil exploration activities are less affected by the recent decline in crude oil prices, given that lower oil prices will force players in the exploration and production industry to be even more cost conscious; thus effectively promoting the increased use of risk reducing tools such as the Company's proprietary technology Rex Virtual Drilling. The Group's licences are predominately either in shallow waters (Middle East) or in jurisdictions where there are attractive incentives for exploration activities (Norway and Trinidad & Tobago). Softer crude oil prices will likely dilute daily charter rates for rigs, which might in turn lead to lower drilling and exploration costs for the Group.

Following the completion of the restructuring of its US holdings on 20 November 2013, the Company ceased to have any significant influence in FRAM. The carrying value in FRAM was reclassified from investment in associate to available-for-sale investment on 18 October 2013. Referring to information in press releases dated 7 October 2014, 30 June 2014, 19 May 2014 and 17 April 2014 on FRAM, the Company is seeking clarification from FRAM on its financial situation and continues to take a cautious view and will monitor the situation closely. The Company would like to caution investors on the possibility of an impairment test on the book value of its equity stake in FRAM in the next reporting period should FRAM fail to secure funding to fulfil its on-going obligations. The Company will update investors as and when there are any material developments on the above.

The Group is continuing its onshore drilling programme in Trinidad into the fourth quarter of 2014. It is also on track with its plans to undertake extended well testing and early production in Block 50 Oman in the first half of 2015. The Group has plans to drill at least one offshore exploration well in each quarter of 2015. The funding for these firm wells are already in place. The Company will make the necessary announcements as and when there are material developments.

11. Dividend

a) Current financial period reported on

No dividend has been declared or recommended for 3Q FY2014.

b) Corresponding period to immediately preceding financial year

No dividend has been declared or recommended for 3Q FY2013.

c) Date payable

Not applicable.

d) Book closure date

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect.

No dividend has been declared or recommended for 3Q FY2014.

13. If the Group has obtained a general mandate from shareholders for Interested Person Transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Name of interested person	Aggregate value of all IPT during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules)	Aggregate value of all IPT conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules (excluding transactions less than S\$100,000)
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Rex Technology
Management Ltd
("RTM")⁽¹⁾

US\$882,550

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- ⁽¹⁾ RTM is an associate of Rex Commercial Ltd, a controlling shareholder which owns approximately 44.10% of the Company, and therefore is an interested person pursuant to Chapter 9 of the Catalist Rules.

The Company had on 2 September 2014, entered into a sale and purchase agreement to acquire 100% shareholding interest in RTM at a nominal value of US\$1 and a loan repayment of US\$8.5 million. The acquisition will be completed by 1 December 2014 or such other date as the parties may mutually agree in writing. Please refer to the Company's announcement and press release dated 2 September 2014 for further details.

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

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

Use of proceeds	Amount allocated S\$'000	Amount redeployed S\$'000	Amount utilised S\$'000	Balance S\$'000
Initial Public Offering				
Investment in new oil and gas opportunities	15,690	2,282 ⁽¹⁾	(17,972)	-
Drilling in Middle East concessions	12,383	(2,282) ⁽¹⁾	-	10,101
Drilling in Norwegian Licences	23,637	-	(18,722)	4,915
Repayment of loan to Rex Partners	2,354	-	(2,354)	-
General working capital	25,886	(1,704) ⁽²⁾	(10,155) ⁽³⁾	14,027
Listing expenses to be borne by the Company	5,300	1,704 ⁽²⁾	(7,004)	-
Total	85,250	-	(56,207)	29,043

2013 Placement⁽⁴⁾

Exploration and drilling activities in new opportunities in the Asia-Pacific region	17,856	-	-	17,856
Exploration and drilling activities in new opportunities in geographical regions including the Middle East, Norway and Western Europe	16,787	-	(10,519)	6,268
Invest in and expand the business in the oil services sector using well stimulation technology	16,228	-	(12,400)	3,828
Total	50,871	-	(22,919)	27,952

2014 Placement

20% of net proceeds to be used for:

Settlement of liabilities of RTM and injection of working capital into RTM to increase capabilities and activities	18,735	-	-	18,735
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60% of net proceeds to be used for:

- Further field development in Oman				
- Funding of the drilling of one well in Sharjah in the UAE				
- Further growth and development of the Group's existing sizeable licence portfolio in Norway	56,206	-	-	56,206

20% of net proceeds to be used for:

Existing and potential new business opportunities	18,735	-	-	18,735
Total	93,676	-	-	93,676

- (1) S\$2.28 million has been redeployed in 3Q FY2014 to investment in new oil and gas opportunities for the concessions in Trinidad & Tobago.
- (2) S\$1.70 million has been redeployed to listing expenses to be borne by the Company.
- (3) S\$10.16 million has been used for Singapore's office staff cost and operational expenses, consultancy and professional fees.
- (4) 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).

Additional Disclosure Required for Mineral, Oil and Gas Companies

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

Actual use of funds/ cash for 3Q FY2014

Purpose	Amount
	US\$'000
Investment in oil and gas opportunities in the Middle East and Trinidad & Tobago	4,925
General working capital	1,721
Total	6,646

The actual use of funds for 3Q FY2014 amounted to US\$6.65 million, which was lower than that projected in 2Q FY2014 of US\$10.50 million. The reason for the lower actual use of funds in 3Q FY2014 was due to postponement of drilling of one well (out of three wells which were originally planned to be drilled) in Trinidad & Tobago to 4Q FY2014 in order to optimise the drilling locations.

In 3Q FY2014, US\$2.04 million was used as capital injection in Lime for extended well testing and seismic data acquisition in Oman. US\$2.89 million was used for drilling activities in Trinidad & Tobago. US\$1.72 million was used for the Singapore's office staff costs and operational expenses, consultancy and professional fees.

Projection on the use of funds/ cash in 4Q FY2014

Purpose	Amount
	US\$'000
Settlement of liabilities of RTM	8,500
Investment in oil and gas opportunities in Middle East, Europe and Trinidad & Tobago	10,000
General working capital	2,000
Total	20,500

- 16. Pursuant to Rule 705(7)(a) - Details of exploration (including geophysical surveys), mining 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 3Q FY2014, no exploration and evaluation expenditure had been capitalised.

The Group's exploration work is on an ongoing process. The exploration activities fulfilled in 3Q FY2014 included virtual drilling and actual drillings in Trinidad & Tobago. The Group did not account for any new production activities in 3Q FY2014.

- 17. Pursuant to Rule 705(7)(b) - An update on its reserves and resources, where applicable, in accordance with the requirements as set out in Practice Note 4C, including a summary of reserves and resources as set out in Appendix 7D.**

Trinidad & Tobago

The Company has included in its Annual Report a CD-ROM setting out an independent Qualified Person Report (“QPR”) on its asset, South Erin Block, in Trinidad & Tobago.

The Company presently has four wells with limited production in the South Erin Block concession. The Company intends to rapidly grow its production from the concession and prove up additional reservoirs by drilling exploration and development wells in the concession during 2014 and 2015 into existing and new formations.

- 18. Negative Confirmation by the Board pursuant to Rule 705(5) and Rule 705(6)(b) of Catalyst Listing Manual.**

The Board of Directors of the Company confirms, to their best knowledge, that nothing has come to the attention of the Board of Directors which may render the unaudited financial statements for the financial period ended 30 September 2014 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

12 November 2014

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 (the "IPO") was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor").

This announcement 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 announcement.

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

The contact person for the Sponsor is Mr Mark Liew, Managing Director, Corporate Finance, at 20 Cecil Street, #21-02 Equity Plaza, Singapore 049705, telephone (65) 62298088.