

REX INTERNATIONAL HOLDING LIMITED
(the "Company")
(Company Number: 201301242M)
(Incorporated in the Republic of Singapore)

**REX INTERNATIONAL HOLDING LIMITED PARES DOWN ITS STAKE IN REXONIC AG
FROM 66.67 PER CENT TO 50 PER CENT**

1. INTRODUCTION

The Board of Directors (the "**Board**") of Rex International Holding Limited (the "**Company**" or "**Rex**" and together with its subsidiaries, the "**Group**") wishes to announce that its wholly-owned subsidiary, Rex International Investments Pte. Ltd. ("**RII**") had on 11 December 2015, completed the divestment of 25,125 issued and paid-up shares, representing 16.67% of the total issued and paid-up share capital, of Rexonic AG ("**Rexonic**") to Ogsonic AG. ("**Ogsonic**") for a cash consideration of about S\$ 1.89 million (about US\$ 1.34 million based on the exchange rate of US\$1 : S\$1.4067 as at the date of this announcement) (the "**Consideration**") (the "**Divestment**"). Pursuant to the completion of the Divestment, joint venture partners RII and Ogsonic each holds equal stakes of 50.0% in Rexonic, a technology service provider to oil production companies and oil service companies, using its proprietary, patented high-power ultrasound technology for commercial oil well stimulation. The Company's effective equity interest in Rexonic has reduced from 66.67% to 50.0%, and Rexonic remains a jointly controlled entity of the Group.

The Consideration was arrived on a willing-buyer-willing-seller basis and after taking into consideration, *inter alia*, the latest unaudited net tangible asset value and net asset value of Rexonic of US\$83,900 and US\$94,400 respectively, as at 30 September 2015.

The Board is of the view that Ogsonic's purchase of the increased stake in Rexonic demonstrates Ogsonic founder and Rexonic CEO Mr Peter Spenger's commitment to the joint venture and the ultrasound well stimulation technology which he developed.

2. INFORMATION ON OGSONIC

Ogsonic is a limited liability holding company incorporated in Switzerland, whose primary business is to invest in technologies applicable in the oil services sector. The founders of Ogsonic have more than 45 years' experience in developing and operating ultrasound technology.

The directors and shareholders of Ogsonic are not related to the directors, Chief Executive Officer or controlling shareholders of the Company, or their associates.

3. INFORMATION ON REXONIC

Rexonic was incorporated on 25 October 2013 in Switzerland; its principal activity being that of a company holding patents and trademarks relating to oil exploration and production services, as well as a holding company of companies which are operating in the oil E&P services industry.

Rexonic owns an environmentally-friendly, high-power ultrasound technology for commercial oil well stimulation that has shown to increase oil production from 30% to up to 380% both onshore and offshore. The technology is highly efficient in cleaning the production well bore from typical oil production inhibitors such as wax, paraffin and salt deposits, thereby significantly increasing the flow of oil into the well bore at low cost.

4. RATIONALE FOR THE DIVESTMENT

While the Company continues to see Rexonic's unique enhancing oil recovery technology as a complementary extension to its core competence in oil exploration using its proprietary Rex Technologies, it is cutting down on capital expenditure and focusing on its core assets in Oman and Norway, amid a challenging oil price environment. The Divestment will allow the Company to remain invested in Rexonic, which continue to have promising prospects, with a lower level of working capital contribution.

The Company also welcomes Ogsonic's purchase of the increased stake in Rexonic, as it views this as clear demonstration by Ogsonic founder and Rexonic CEO Mr Peter Spenger and his team, of their commitment to the joint venture and to the ultrasound well stimulation technology which he developed. The transaction also reflects the good working relations between the joint venture partners.

5. USE OF PROCEEDS FROM THE DIVESTMENT

The Company has yet to determine the use of the proceeds from the Divestment at this juncture. Such proceeds may be used for working capital and/or invested in other assets or investments which may provide better returns to the Company and/or any other purpose. The Company will determine and announce the intended use of the said proceeds at an appropriate time in the future.

6. CONDITIONS PRECEDENT

The completion of the Divestment was subject to Ogsonic's fulfilment, prior to, or simultaneously with the completion of the Divestment, of the provision of a loan of US\$ 2 million to Rexonic on terms to be agreed to between the Ogsonic and the Rexonic.

7. IMPACT ON THE COMPANY'S FINANCIAL PERFORMANCE

The above transaction is not expected to have any material impact on the earnings per share and net tangible assets per share of the Company for the financial year ending 31 December 2015.

8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Saved as disclosed above, none of the Directors and controlling shareholders of the Company have any interest, direct or indirect (other than through their shareholdings in the Company), in the above transaction.

9. RESPONSIBILITY STATEMENT

The Directors (including those who may have delegated detailed supervision of the preparation of this announcement) have taken all reasonable care to ensure that the facts stated in this announcement are fair and accurate and that no material facts have been omitted from this announcement, and they have jointly and severally accepted responsibility accordingly.

10. DOCUMENTS FOR INSPECTION

A copy of the agreement in relation to the Divestment is available for inspection at the registered office of the Company at 80 Robinson Road #02-00, Singapore 068898 during normal business hours for a period of 3 months from the date of this announcement.

BY ORDER OF THE BOARD OF
Rex International Holding Limited

Dan Broström
Executive Director and Chairman

11 December 2015

This announcement has been prepared by the Company and its contents have been reviewed by the sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") for compliance with the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Gillian Goh, Director, Head of Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.