

REX INTERNATIONAL HOLDING LIMITED

(Company Registration No.: 201301242M)

**Unaudited Financial Statement and Dividend Announcement
For the First Quarter Ended 31 March 2016**

Corporate Profile

Rex International Holding Limited (the “**Company**”) was listed on Singapore Exchange Securities Trading Limited’s Catalist Board on 31 July 2013.

Rex International Holding Limited is a new generation technology-driven oil company that owns a set of proprietary and innovative exploration technologies, Rex Technologies, developed by the Company’s Swedish founders. These include the liquid hydrocarbon indicator Rex Virtual Drilling technology, which can pinpoint the location of oil reservoirs in the sub-surface using seismic data. The Rex Technologies allow the Company to de-risk its geographically diversified portfolio of onshore and offshore exploration and development assets.

Wholly-owned subsidiary Rex Technology Management Ltd provides Rex Virtual Drilling screening services to partners and clients, while Rex International Holding has been using the Rex Technologies to grow and de-risk its geographically diversified portfolio of onshore and offshore exploration and development assets. Its joint venture company Rexonic AG offers the Swiss-developed Rexonics ultrasound technology that is used for well-bore cleaning which allows for significantly increased oil production in wells that have issues with clogging and deposits.

Rex International Holding also has, amongst others, two indirect subsidiaries, Lime Petroleum Norway AS (“**LPN**”) and Masirah Oil Ltd (“**MOL**”), which hold interests in assets in Norway and the Middle East respectively; an associate, Steeldrum Oil Company Inc. (“**Steeldrum**”) which holds interests in assets in Trinidad & Tobago; and an available-for-sale investment, Fram Exploration ASA (“**FRAM**”) which holds interests in assets in US. These offshore and onshore assets cover an aggregate area of over 28,000 square kilometres in regions with previous oil and gas discoveries, as well as well-developed oil and gas infrastructures.

For the purpose of this announcement, the financial results of Rex International Holding Limited and its subsidiaries (the “**Group**”) comprise the consolidated unaudited accounts of the Group for the three-month period ended 31 March 2016 (“**1Q FY2016**”).

- 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		
	Three Months Ended		
	31-Mar-16	31-Mar-15	Change
	US\$'000	US\$'000	%
	Unaudited	Unaudited	
Revenue:			
- Service revenue	112	486	(77)
- Oil and gas revenue	-	1,586	NM
Cost of sales:			
- Cost of services	(107)	(443)	(76)
Exploration and evaluation expenditure	(321)	(469)	(32)
Gross (loss) /profit	(316)	1,160	NM
Administration expenses	(4,036)	(2,959)	36
Other income	353	305	16
Results from operating activities	(3,999)	(1,494)	168
Finance income	317	425	(25)
Foreign exchange gain/ (loss)	890	(3,952)	NM
Finance costs	(688)	(60)	1047
Net finance income/ (costs)	519	(3,587)	NM
Share of equity-accounted losses of an associate and jointly controlled entities, net of tax	(733)	(3,087)	(76)
Loss before tax	(4,213)	(8,168)	(48)
Tax credit	1,240	-	NM
Loss for the period, net of tax	(2,973)	(8,168)	(64)
Loss attributable to:			
Owners of the Company	(2,813)	(8,152)	(66)
Non-controlling interests	(160)	(16)	900
Loss for the period, net of tax	(2,973)	(8,168)	(64)
Other comprehensive income/ (loss)			
- <i>Items that are of may be reclassified subsequently to profit or loss:</i>			
Net change in fair value of an available-for-sale investment, net of tax	131	(1,285)	NM
Foreign currency translation differences from foreign operations	1,467	84	1646
Other comprehensive income/ (loss) for the period	1,598	(1,201)	NM

Total comprehensive loss for the period, net of tax	<u>(1,375)</u>	<u>(9,369)</u>	<u>(85)</u>
Total comprehensive loss attributable to:			
Owners of the Company	(1,215)	(9,352)	(87)
Non-controlling interests	<u>(160)</u>	<u>(17)</u>	<u>841</u>
Total comprehensive loss for the period	<u>(1,375)</u>	<u>(9,369)</u>	<u>(85)</u>

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

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

	Group		
	Three Months Ended		
	31-Mar-16	31-Mar-15	Change
	US\$'000	US\$'000	%
	Unaudited	Unaudited	
Depreciation of plant and equipment	(47)	(22)	114
Amortisation of exploration and evaluation assets	-	(827)	NM
Amortisation of an intangible asset	(212)	(212)	-
Change in fair value of quoted investments	308	191	61
Loss on disposal of quoted investments	(42)	(12)	250

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	
	31-Mar-16	31-Dec-15	31-Mar-16	31-Dec-15
	US\$'000	US\$'000	US\$'000	US\$'000
	Unaudited	Audited	Unaudited	Audited
Assets				
Exploration and evaluation assets	94,722	59,472	-	-
Plant and equipment	325	337	48	59
Intangible assets	7,402	7,615	-	-
Subsidiaries	-	-	73,504	67,931
Jointly controlled entities ⁽¹⁾	4,366	5,444	-	-
Associate ⁽²⁾	3,376	3,592	-	-
Available-for-sale investments ⁽³⁾	832	701	832	701
Other receivables	16,006	-	-	-
Non-current assets	127,029	77,161	74,384	68,691
Inventories	3,211	2,717	-	-
Trade and other receivables	75,802	72,067	2,544	1,953
Quoted investments	29,764	31,630	29,621	31,495
Cash and cash equivalents	45,557	53,447	30,746	35,754
Current assets	154,334	159,861	62,911	69,202
Total assets	281,363	237,022	137,295	137,893
Equity				
Share capital	254,600	254,055	254,600	254,055
Reserves	7,943	6,841	1,370	1,744
Accumulated losses	(126,580)	(127,220)	(120,649)	(119,598)
Total equity attributable to owners of the Company	135,963	133,676	135,321	136,201
Non-controlling interests	15,669	19,282	-	-
Total equity	151,632	152,958	135,321	136,201
Liabilities				
Deferred tax liabilities	30,518	13,862	-	-
Provisions	10,072	9,838	-	-
Non-current liabilities	40,590	23,700	-	-
Loan and borrowings	61,183	33,720	-	-
Provisions	4,197	-	-	-
Trade and other payables	23,761	26,644	1,974	1,692
Current liabilities	89,141	60,364	1,974	1,692
Total liabilities	129,731	84,064	1,974	1,692
Total equity and liabilities	281,363	237,022	137,295	137,893

Footnotes:

- (1) Jointly controlled entities comprised the Group's equity interest in:

Name of jointly controlled entities	Percentage of interest	
	31-Mar-16	31-Dec-15
Lime Petroleum Plc (" Lime ")	65.00%	65.00%
HiRex Petroleum Sdn Bhd (" HiRex ")	41.00%	41.00%
Rexonic AG (" Rexonic ")	50.00%	50.00%

- (2) Comprised the Company's effective equity interest of 36.86% in Steeldrum as at 31 March 2016 (31 December 2015: 36.86%).

- (3) Comprised the Group's investments in North Energy ASA ("**North Energy**") and FRAM.

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

Amount repayable in one year or less, or on demand

As at 31-Mar-16		As at 31-Dec-15	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
61,183	-	33,720	-

Amount repayable after one year

As at 31-Mar-16		As at 31-Dec-15	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
-	-	-	-

Details of any collateral

The credit facilities of the Group as at 31 March 2016 is secured by:

- First priority assignment of tax refunds;
- First priority charge over certain bank accounts;
- First priority pledge of certain subsidiary's participation interests in licences; and
- First priority assignment of certain insurance.

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	
	Three Months Ended	
	31-Mar-16	31-Mar-15
	US\$'000	US\$'000
	Unaudited	Unaudited
Cash flows from operating activities		
Loss before tax for the period	(4,213)	(8,168)
Adjustments for:		
Depreciation of plant and equipment	47	22
Amortisation of exploration and evaluation assets	-	827
Amortisation of intangible assets	212	212
Net finance costs/ (income)	371	(365)
Share of equity-accounted losses of an associate and jointly controlled entities, net of tax	733	3,087
Change in fair value of quoted investments	(308)	(191)
Loss on disposal of quoted investments	42	12
Equity settled share-based payment transactions	49	143
	(3,067)	(4,421)
Changes in:		
Inventories	(494)	11
Trade and other receivables	(3,734)	1,275
Trade and other payables	7,909	(2,103)
Provisions	(6,361)	-
Net cash used in operating activities	(5,747)	(5,238)
Cash flows from investing activities		
Interest received	317	425
Investment in a jointly controlled entity	-	(8,491)
Purchase of an available-for-sale investment	-	(1,789)
Purchase of quoted investments	-	(3,572)
Proceeds from disposal of quoted investments	2,132	-
Exploration and evaluation expenditure	(35,250)	(1,960)
Purchase of plant and equipment	(35)	(76)
Net cash used in investing activities	(32,836)	(15,463)
Cash flows from financing activities		
Interest paid	(688)	(60)
Proceeds from borrowings	27,463	-
Net cash from/ (used in) financing activities	26,775	(60)
Net decrease in cash and cash equivalents	(11,808)	(20,761)
Cash and cash equivalents at beginning of the period	53,447	87,131
Effect of exchange rate changes on balances held in foreign currency	3,918	75
Cash and cash equivalents at end of the period	45,557	66,445

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.

	Attributable to owners of the Company							Non-controlling interests US\$'000	Total equity US\$'000
	Share capital US\$'000	Merger reserve US\$'000	Capital reserve US\$'000	Fair value reserve US\$'000	Share-based payment reserve US\$'000	Translation reserve US\$'000	Accumulated losses US\$'000	Total US\$'000	
Group (Unaudited)									
At 1 January 2016	254,055	4,129	1,080	-	1,239	393	(127,220)	133,676	152,958
Total comprehensive loss for the period									
Loss for the period	-	-	-	-	-	-	(2,813)	(2,813)	(2,973)
Other comprehensive income									
Foreign currency translation differences	-	-	-	-	-	1,467	-	1,467	1,467
Net change in fair value of available-for-sale investment, net of tax	-	-	-	131	-	-	-	131	131
Total other comprehensive loss	-	-	-	131	-	1,467	-	1,598	1,598
Total comprehensive loss for the period	-	-	-	131	-	1,467	(2,813)	(1,215)	(1,375)
Transactions with owners, recognised directly in equity									
Contributions by and distributions to owners									
Issuance of shares	545	-	-	-	(545)	-	-	-	-
Share-based payment transactions – employee share option scheme and performance share plan	-	-	-	-	49	-	-	49	49
Total contributions by and distributions to owners	545	-	-	-	(496)	-	-	49	49
Changes in ownership interests in subsidiaries									
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	3,453	3,453	(3,453)
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	3,453	3,453	(3,453)
Total transactions with owners	545	-	-	-	(496)	-	3,453	3,502	(3,453)
At 31 March 2016	254,600	4,129	1,080	131	743	1,860	(126,580)	135,963	151,632

	Attributable to owners of the Company							Non-controlling interests US\$'000	Total equity US\$'000
	Share capital US\$'000	Merger reserve US\$'000	Capital reserve US\$'000	Fair value reserve US\$'000	Share-based payment reserve US\$'000	Translation reserve US\$'000	Accumulated losses US\$'000	Total US\$'000	
Group (Unaudited)									
At 1 January 2015	253,713	4,129	1,080	-	405	314	(70,590)	189,051	426 189,477
Total comprehensive loss for the period									
Loss for the period	-	-	-	-	-	-	(8,152)	(8,152)	(16) (8,168)
Other comprehensive income									
Foreign currency translation differences	-	-	-	-	-	85	-	85	(1) 84
Net change in fair value of available-for-sale investment, net of tax	-	-	-	(1,285)	-	-	-	(1,285)	- (1,285)
Total other comprehensive loss	-	-	-	(1,285)	-	85	-	(1,200)	(1) (1,201)
Total comprehensive loss for the period	-	-	-	(1,285)	-	85	(8,152)	(9,352)	(17) (9,369)
Transactions with owners, recognised directly in equity									
Contributions by and distributions to owners									
Issuance of shares	342	-	-	-	-	-	-	342	- 342
Share-based payment transactions – employee share option scheme and performance share plan	-	-	-	-	60	-	-	60	- 60
Total transactions with owners	342	-	-	-	60	-	-	402	- 402
At 31 March 2015	254,055	4,129	1,080	(1,285)	465	399	(78,742)	180,101	409 180,510

	Share capital US\$'000	Capital reserve US\$'000	Fair value reserve US\$'000	Share-based payment reserve US\$'000	Accumulated losses US\$'000	Total equity US\$'000
<u>Company (Unaudited)</u>						
At 1 January 2016	254,055	505	-	1,239	(119,598)	136,201
Total comprehensive loss for the period						
Loss for the period	-	-	-	-	(1,051)	(1,051)
Other comprehensive income						
Net change in fair value of an available- for-sale investment, net of tax	-	-	131	-	-	131
Total other comprehensive loss	-	-	131	-	-	131
Total comprehensive loss for the period	-	-	131	-	(1,051)	(920)
Transactions with owners, recognised directly in equity						
Contributions by and distributions to owners						
Issuance of shares	545	-	-	(545)	-	-
Share-based payment transactions – employee share option scheme and performance share plan	-	-	-	40	-	40
Total transactions with shareholders	545	-	-	(505)	-	40
At 31 March 2016	254,600	505	131	734	(120,649)	135,321

	Share capital US\$'000	Capital reserve US\$'000	Fair value reserve US\$'000	Share-based payment reserve US\$'000	Accumulated losses US\$'000	Total equity US\$'000
<u>Company (Unaudited)</u>						
At 1 January 2015	253,713	505	-	405	(61,723)	192,900
Total comprehensive loss for the period						
Loss for the period	-	-	-	-	(5,058)	(5,058)
Other comprehensive income						
Net change in fair value of an available- for-sale investment, net of tax	-	-	(1,285)	-	-	(1,285)
Total other comprehensive loss	-	-	(1,285)	-	-	(1,285)
Total comprehensive loss for the period	-	-	(1,285)	-	(5,058)	(6,343)
Transactions with owners, recognised directly in equity						
Contributions by and distributions to owners						
Issuance of shares	342	-	-	-	-	342
Share-based payment transactions – employee share option scheme and performance share plan	-	-	-	60	-	60
Total transactions with shareholders	342	-	-	60	-	402
At 31 March 2015	254,055	505	(1,285)	465	(66,781)	186,959

- 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 31 December 2015	1,264,157,263	254,055
Issuance of shares in connection with the vesting of contingent share awards granted under the Rex International Performance Share Plan (the "PSP")	2,102,700	545
At 31 March 2016	1,266,259,963	254,600

On 29 February 2016, the Company issued and allotted 2,102,700 new ordinary shares in the Company pursuant to the vesting of the contingent share awards granted to eligible participants based on the achievement of pre-determined performance goals set for the financial year ended 31 December 2014 and the satisfactory completion of time-based service conditions under the PSP. Please refer to the Company's announcement dated 29 February 2016 for further details.

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 2014. Details of the ESOS are as follows:

Date of grant of Options	Exercise price of Options	Number of Options outstanding at 1-Jan-16	Options granted in 1Q FY2016	Options exercised in 1Q FY2016	Options cancelled in 1Q FY2016	Number of Options outstanding at 31-Mar-16	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 had been granted under the ESOS in 1Q FY2016. No Option was exercised or cancelled in 1Q FY2016. The total number of Options outstanding as at 31 March 2016 was 3,037,500 which are exercisable into 3,037,500 shares (31 March 2015: 3,037,500 Options exercisable into 3,037,500 shares).

Performance Shares Plan (the “PSP”)

- On 3 March 2016, the Company granted awards of ordinary shares (“Awards”) of up to 29,779,500 shares in the capital of the Company pursuant to its PSP to eligible participants. Depending on the achievement of pre-determined targets over a two-year performance period, the actual number of shares to be delivered pursuant to the Awards granted could range from 0% to 100% of the number of shares which are the subject of the Awards granted.

None of the 29,779,500 shares which are the subject of the Awards granted on 3 March 2016 were granted to directors and controlling shareholders or their associates. The closing market price of the Company’s shares on 3 March 2016 was S\$0.088 per share.

Please refer to the Company’s announcement dated 3 March 2016 for further details.

- On 23 February 2015, the Company granted Awards of up to an aggregate of 2,102,700 shares pursuant to its PSP to eligible participants. None of the 2,102,700 shares which are the subject of the Awards granted on 23 February 2015 were granted to directors and controlling shareholders or their associates.

The Company also granted Awards of 1,161,600 shares to Mr Måns Lidgren, an associate of a controlling shareholder of the Company, under the PSP which was approved by the shareholders at the Company’s Annual General Meeting held on 30 April 2015.

The closing market prices of the Company’s shares on 23 February 2015 and 30 April 2015 were S\$0.365 and S\$0.315 per share respectively.

On 29 February 2016, the Company issued and allotted 2,102,700 new ordinary shares in the Company pursuant to the vesting of the Awards granted to eligible participants based on the achievement of pre-determined performance goals set for the financial year ended 31 December 2014 and the satisfactory completion of time-based service conditions under the PSP.

Please refer to the Company’s announcement dated 29 February 2016 for further details.

Details of the Awards granted are as follows:

Date of grant of Award	Number of shares which are the subject of Awards granted as at 1-Jan-16	Number of shares which are the subject of Awards granted in 1Q FY2016	Number of shares which are the subject of Awards which had lapsed/ cancelled in 1Q FY2016	Number of shares which are the subject of Awards vested in 1Q FY2016	Number of shares which are the subject of Awards granted as at 31-Mar-16	Number of holders
23.02.15	2,102,700	-	-	(2,102,700)	-	-
30.04.15	1,161,600	-	-	-	1,161,600	1
03.03.16	-	29,779,500 ⁽¹⁾	-	-	29,779,500	16
	3,264,300	29,779,500	-	(2,102,700)	30,941,100	

⁽¹⁾ The actual number of Awards to be delivered will range from 0% to 100% and is contingent on the achievement of pre-determined benchmarks set over a two-year performance period.

Save for the aforementioned Options and Awards, the Company did not have any other outstanding convertibles or treasury shares as at 31 March 2016 and 31 March 2015.

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	
31-Mar-16	31-Dec-15	31-Mar-16	31-Dec-15

Total number of issued shares excluding treasury shares

1,266,259,963 1,264,157,263 1,266,259,963 1,264,157,263

The Company did not have any treasury shares as at 31 March 2016 and 31 December 2015.

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 financial year ended 31 December 2015 except for the adoption of accounting standards and interpretations applicable for the financial period beginning 1 January 2016.

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 2016 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).

	Group	
	Three months ended	
	31-Mar-16	31-Mar-15
Loss per ordinary share ("LPS")		
Net loss attributable to owners of the Company (US\$)	(2,813,000)	(8,152,000)
Weighted average number of ordinary shares	1,264,896,674	1,263,997,263
Basic and fully diluted LPS (US cents)	(0.22)	(0.64)

The basic and fully diluted LPS are the same as the effects of anti-dilutive potential ordinary shares are ignored during the respective financial periods.

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	
	31-Mar-16	31-Dec-15	31-Mar-16	31-Dec-15
Net asset value [#] (US\$)	135,963,000	133,676,000	135,321,000	136,201,000
Total number of issued shares excluding treasury shares	1,266,259,963	1,264,157,263	1,266,259,963	1,264,157,263
Net asset value per ordinary share based on number of shares in issue as at the end of the financial period/ year (US cents)	10.74	10.57	10.69	10.77

[#] Net asset value as disclosed above excludes non-controlling interests.

- 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

The Group recorded revenue of US\$0.11 million and US\$0.49 million in 1Q FY2016 and in the three-month period ended 31 March 2015 ("**1Q FY2015**"), respectively, from technical services rendered to clients by Rex Technology Management Ltd ("**RTM**"). The decrease in service revenue was mainly due to decrease in the number of contracts clinched in 1Q FY2016.

Oil and gas revenue of US\$1.59 million recorded in 1Q FY2015 arose from the sale of oil and gas by Caribbean Rex Limited ("**Caribbean Rex**"). Subsequent to the merger of Caribbean Rex's assets into Steeldrum during the three-month period ended 31 December 2015 ("**4Q FY2015**"), Caribbean Rex ceased to be a subsidiary of the Company as the Company's effective equity interest in Caribbean Rex had been reduced to 36.86%. Accordingly, the results of Caribbean Rex was equity accounted for under the associate, Steeldrum. As such, no oil and gas revenue was recorded in 1Q FY2016.

The Group recorded gross loss of US\$0.32 million in 1Q FY2016 as opposed to a gross profit of US\$1.16 million in 1Q FY2015 mainly due to the absence of oil and gas revenue in 1Q FY2016 subsequent to the merger of Caribbean Rex's assets into Steeldrum as described above.

Administrative expenses increased to US\$4.04 million in 1Q FY2016, from US\$2.96 million in 1Q FY2015, as a result of the increase in professional fees and operational costs in 1Q FY2016, and

consolidation of LPN and MOL results in 1Q FY2016, subsequent to the restructuring exercise of LPN and subscription of new MOL shares in 4Q FY2015 pursuant to which LPN and MOL became subsidiaries of the Group.

No amortisation expense was recorded in 1Q FY2016, as LPN and MOL are involved in exploration and evaluation activities. US\$0.83 million of amortisation expense was recorded in 1Q FY2015 in relation to the exploration and evaluation assets in Trinidad.

Finance income of US\$0.32 million and US\$0.43 million was recorded in 1Q FY2016 and 1Q FY2015 respectively, which arose from interest income on funds invested, including quoted debt securities.

Finance costs increased to US\$0.69 million in 1Q FY2016, from US\$0.06 million in 1Q FY2015, mainly due to interests charged on bank borrowings. There was no bank borrowing in 1Q FY2015, and finance costs in 1Q FY2015 was due to bank charges.

The Group recorded a net foreign exchange gain of US\$0.89 million in 1Q FY2016 as a result of the strengthening of the Singapore dollar (“SGD”) against the United States dollar (“USD”). A major portion of the Group’s cash and cash equivalents was denominated in SGD as at 31 March 2016, and the Group’s presentation currency was in USD. Conversely, the net foreign exchange loss of US\$3.95 million in 1Q FY2015 was due to the weakening of the SGD against the USD.

The Group recorded its share of equity-accounted losses from an associate and jointly controlled entities of US\$0.73 million in 1Q FY2016, as compared to US\$3.09 million in 1Q FY2015. The decrease was primarily due to the consolidation of the results of LPN and MOL, which became subsidiaries of the Group in 4Q FY2015. Comparatively in 1Q FY2015, the results of LPN and MOL were equity accounted for under a jointly controlled entity, Lime. The Group did not have any associate in 1Q FY2015.

The share of equity-accounted losses from jointly controlled entities in 1Q FY2016 and 1Q FY2015 was primarily due to losses from HiRex and Rexonic as a result of expenses incurred in relation to their operating activities and the development of the well stimulation business.

The Group recorded tax credit of US\$1.24 million in relation to the tax refund from the Norwegian authorities in relation to the exploration costs incurred in Norway.

Overall, the Group registered a total comprehensive loss of US\$1.38 million in 1Q FY2016 as compared to US\$9.37 million in 1Q FY2015.

Statement of Financial Position

Non-current assets of the Group increased to US\$127.03 million as at 31 March 2016, from US\$77.16 million as at 31 December 2015. The increase was due to additions in exploration and evaluation assets in LPN and MOL of US\$35.25 million pursuant to the drilling activities in Norway and Oman, and the recognition of long-term income tax receivables from Norwegian authorities amounting to US\$16.01 million for exploration costs incurred in 1Q FY2016.

Jointly controlled entities decreased to US\$4.37 million as at 31 March 2016, from US\$5.44 million as at 31 December 2015, due to recognition of share of loss of US\$0.52 million from HiRex and Rexonic; and share of translation loss of US\$0.55 million in 1Q FY2016 due to the depreciation of the Swiss Franc against USD.

Trade and other receivables of the Group increased to US\$75.80 million as at 31 March 2016, from US\$72.07 million as at 31 December 2015. The increase was largely due to prepayments to the operators in Norway in 1Q FY2016 in relation to its drilling activities in Norway.

Quoted investments decreased to US\$29.76 million as at 31 March 2016, from US\$31.63 million as at 31 December 2015, due to the disposal of debt securities in 1Q FY2016.

The Group recorded total decommissioning provisions of US\$14.27 million as at 31 March 2016 in relation to the exploration activities undertaken by MOL, as compared to US\$9.84 million as at 31 December 2015. The increase in decommissioning provisions was due to the drilling of a new well in Oman in 1Q FY2016.

Deferred tax liabilities increased to US\$30.52 million as at 31 March 2016, from US\$13.86 million as at 31 December 2015, due to an increase in capitalised exploration and evaluation costs in LPN.

Short-term borrowings increased to US\$61.18 million as at 31 March 2016, from US\$33.72 million as at 31 December 2015, due to further drawdown of credit facilities to fund drilling activities in Norway.

Trade and other payables decreased to US\$23.76 million as at 31 March 2016, from US\$26.64 million as at 31 December 2015, due to payment of accrued expenses in 1Q FY2016.

Working capital decreased to US\$65.19 million as at 31 March 2016, from US\$99.50 million as at 31 December 2015. The decrease in working capital was largely due to an increase in bank borrowings, increased decommissioning provisions and a decrease in cash and cash equivalents as a result of exploration and evaluation expenditures and operational expenses incurred in 1Q FY2016.

Statement of Cash Flows

The Group reported an outflow in net cash used in operating activities of US\$5.75 million in 1Q FY2016, after accounting for movements in working capital. This was primarily due to changes in working capital, administrative and operational expenses, as well as consultancy and professional fees incurred in relation to the Group's business.

Net cash used in investing activities of US\$32.84 million in 1Q FY2016 was largely attributable to exploration and evaluation expenditure of US\$35.25 million in Norway and Oman, partially offset by proceeds from the disposal of quoted investments of US\$2.13 million.

Net cash from financing activities of US\$26.78 million in 1Q FY2016 was attributable to proceeds from bank borrowings of US\$27.46 million which was mainly for the drilling activities in Norway.], offset by interest expense of US\$0.69 million.

The Group recorded an overall net decrease in cash and cash equivalents of US\$11.81 million in 1Q FY2016. Cash and cash equivalents stood at US\$45.56 million (and quoted investments at US\$29.76 million) as at 31 March 2016, as compared to US\$53.45 million (and quoted investments at US\$31.63 million) as at 31 December 2015.

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.

Oil prices began the year on a weak note due to larger than expected inventory builds, delaying the rebalancing of the oil market. However, prices gradually picked up, climbing almost 20% from early January to mid-April 2016, to around US\$40 a barrel⁽¹⁾, on the back of speculation that oil producers will agree on an output freeze in the Doha meeting in April 2016. The US Energy Information Administration (EIA) reported that global oil inventory builds in 2015 averaged 2.1 million barrels per day. The EIA expects the pace of inventory builds to slow to an average of 1.4 million barrels per day in 2016 and to 0.4 million barrels per day in 2017⁽²⁾. World rig count has fallen over 20% in 2016⁽³⁾, with the number of rigs drilling for oil in the US dropping to its lowest level since 2009⁽⁴⁾.

While significantly reduced capital expenditure in the oil industry is expected to lead to lower oil production in the long term and cheaper oil is expected to stimulate additional demand, the Group expects the rebalancing of the oil market to take time and prices not to improve in the short term. The Group expects the volatility in oil prices to continue in the short term. As such, the Group intends to conserve cash by continuing to be stringent in its commitment to work programmes in its key assets in Norway and Oman. The Group will continue to leverage on its proprietary Rex Virtual Drilling technology and expert geological advice from its in-house Technical Review Committee, to minimise exploration risks in its selected drilling campaigns, amid the current challenging environment.

The Group will update the market as and when there are material developments to its operational plan.

⁽¹⁾ Bloomberg data

⁽²⁾ US Energy Information Administration (EIA), Short-term Energy Outlook, 12 April 2016
https://www.eia.gov/forecasts/steo/report/global_oil.cfm

⁽³⁾ Bloomberg data, Baker Hughes, Rigzone

⁽⁴⁾ Bloomberg news, Goldman says oil at \$35 is 'Goldilocks' ideal for US explorers, 7 April 2016
<http://www.bloomberg.com/news/articles/2016-04-07/goldman-says-oil-at-35-is-goldilocks-ideal-for-u-s-explorers>

11. Dividend

a) Current financial period reported on

No dividend has been declared or recommended for 1Q FY2016.

b) Corresponding period to immediately preceding financial year

No dividend has been declared or recommended for 1Q FY2015.

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 1Q FY2016.

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.

The Group has not obtained a general mandate from shareholders for IPT. There were no IPT transactions of S\$100,000 and above during 1Q FY2016.

14. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) 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 7H) under Rule 720(1).

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

The utilisation of proceeds from the Company's various fund raising exercises as at the date of this announcement is as follows:

Use of proceeds	Amount allocated	Amount redeployed	Amount utilised	Balance
	S\$'000	S\$'000	S\$'000	S\$'000
Initial Public Offering				
Investment in new oil and gas opportunities	15,690	2,282 ⁽²⁾	(17,972)	-
Drilling in Middle East concessions	12,383	(3,598) ⁽¹⁾⁽²⁾	(8,581)	204
Drilling in Norwegian Licences	23,637	1,316 ⁽¹⁾	(24,953)	-
Repayment of loan to Rex Partners	2,354	-	(2,354)	-
General working capital	25,886	(1,704) ⁽³⁾	(24,182) ⁽⁴⁾	-
Listing expenses to be borne by the Company	5,300	1,704 ⁽³⁾	(7,004)	-
Total	85,250	-	(85,046)	204
2013 Placement⁽⁵⁾				
Exploration and drilling activities in new opportunities in the Asia-Pacific region	17,856	(10,960) ⁽⁹⁾⁽¹⁰⁾	-	6,896
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	-	(15,135)	1,093
Share buyback mandate	-	5,960 ⁽⁹⁾	-	5,960
General working capital	-	5,000 ⁽¹⁰⁾	(1,107) ⁽⁴⁾	3,893
Total	50,871	-	(26,761)	24,110
2014 Placement⁽⁶⁾				
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	-	(15,239) ⁽⁷⁾	3,496
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	-	(46,879)	9,327
20% of net proceeds to be used for:				
Existing and potential new business opportunities	18,735	-	(16,323) ⁽⁸⁾	2,412
Total	93,676	-	(78,441)	15,235

Footnotes:

- (1) S\$1.32 million was redeployed in 1Q FY2015 for drilling in Norwegian licences.
- (2) S\$2.28 million was redeployed in the three-month period ended 30 September 2014 to investment in new oil and gas opportunities for concessions in Trinidad & Tobago.
- (3) S\$1.70 million was redeployed to listing expenses to be borne by the Company.
- (4) S\$25.29 million was used for Singapore's office staff cost and operational expenses, consultancy and professional fees.
- (5) 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).
- (6) The Company had on 17 September 2014, completed a placement of 168 million new ordinary shares at an issue price of S\$0.57 per share (the "**2014 Placement**"), raising net proceeds of S\$93.68 million (after deducting placement expenses of S\$2.08 million).
- (7) US\$8.50 million (equivalent to S\$11.23 million based on the exchange rate of US\$1: S\$1.3213) was used for the repayment of the loan in RTM as disclosed in the announcement dated 2 September 2014. The remaining S\$4.01 million was used for the settlement of other liabilities in RTM which included trade and other payables, which were assumed by the Group upon completion of the acquisition of RTM.
- (8) S\$13.93 million was used for capital injections in Caribbean Rex, and S\$2.39 million was used to subscribe to additional shares in FRAM.
- (9) The provisional amount of S\$5.96 million which was redeployed is equivalent to 50% of the illustrated maximum amount of funds required for market purchases as disclosed in Section 2.9(c) of the circular to shareholders in relation to the proposed adoption of the share buyback mandate dated 1 October 2015.
- (10) S\$5.00 million was redeployed to general working capital for the financial year ending 31 December 2016 due to less opportunities in Asia Pacific region.

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

Actual use of funds/ cash for 1Q FY2016

Purpose	Amount
	US\$'000
Exploration and drilling activities in Middle East	5,573
Exploration and drilling activities in Norway	6,300
General working capital	2,019
Total	13,892

The actual use of funds for 1Q FY2016 amounted to US\$13.89 million, which was US\$0.17 million lower than that projected in 4Q FY2015.

In 1Q FY2016, US\$5.57 million and US\$6.30 million were used for drilling activities in Oman and Norway (including the use of projected contingency costs) respectively. US\$2.02 million was used for the Singapore office's staff costs and operational expenses, consultancy and professional fees. The slight variance in the actual use of funds for general working capital was mainly due to increase in professional fees incurred in 1Q FY2016.

Projection on the use of funds/ cash in 2Q FY2016

Purpose	Amount
	US\$'000
Exploration and drilling activities in Middle East	6,630
Exploration and drilling activities in Norway	1,882*
General working capital	1,514
Total	10,026

* Net of tax refund receivables from the Norwegian tax authorities in relation to the exploration costs incurred in Norway. LPN is a pre-qualified oil company in Norway which is eligible to receive a cash tax refund of 78% of exploration costs annually.

- 17. 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 1Q FY2016, the Group incurred US\$5.57 million and US\$6.30 million for drilling activities in Oman and Norway respectively.

The Group's exploration work is an ongoing process. The exploration activities fulfilled in 1Q FY2016 included Rex Virtual Drilling and actual drillings and preparatory work in the Middle East and Norway.

- 18. 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 Singapore Exchange Securities Trading Limited (the "SGX-ST") had on 29 March 2016 granted the Company a one-off exemption from compliance with the requirement under Rules 1204(23)(a) and 1204(23)(c) of the SGX-ST Listing Manual Section B: Rules of Catalist ("Catalist Rules") to include a qualified person's report ("QPR") and a summary of reserves and resources as set out in Appendix 7D of the Catalist Rules supported by a QPR in the Company's annual report for the financial year ended 31 December 2015 in respect of the Company's South Erin Block production assets in Trinidad & Tobago. Please refer to the Company's announcement dated 29 March 2016 for further details.

The Company had obtained a letter from Steeldrum confirming that there are no significant changes to the South Erin Block assets, given that there have been no new discoveries in the past year. Accordingly, shareholders should refer to the QPR dated 31 December 2014 which was prepared and issued by RPS Energy Consultants Limited in respect of the South Erin Block assets ("2014 QPR"). The 2014 QPR, which was included in the Company's annual report for the financial year ended 31 December 2014, is available on SGXNET and the Company's website www.rexih.com

19. Negative Confirmation by the Board pursuant to Rule 705(5) and Rule 705(6)(b) of Catalist Listing Manual.

The Board confirms that to the best of their knowledge, nothing has come to their attention which may render the unaudited financial statements for 1Q FY2016 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

28 April 2016

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's 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. The Sponsor has also not drawn on any specific technical expertise in its review 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) 62298088.