

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

**OPTIONS AGREEMENTS TO FUND LIME PETROLEUM'S PARTICIPATION  
 IN TWO NORWAY EXPLORATION WELLS**

**1. INTRODUCTION**

The board of directors (the "**Board**") of the Company (together with its subsidiaries, the "**Group**") wishes to announce that the Company's direct wholly-owned subsidiary, Rex International Investment Pte Ltd ("**RII**") has entered into options agreements (the "**Options Agreements**") with Trace Atlantic Oil Ltd ("**Trace**"), for Trace to have options to receive shares of proceeds of potential dividends from Lime Petroleum AS ("**LPA**") due to RII if drilling activities of the Apollonia prospect in licences PL236D/E and the Fat Canyon prospect in licences PL937/B are successful respectively. RII has a 90% interest in LPA.

A summary of the terms in the Options Agreements is as follows:

Licence	Prospect	LPA's interest	Option Fees	No. of conditional options	% of dividends due to RII that Trace would receive upon exercising all options
PL263D/E	Apollonia	20%	US\$ 550,000	550,000	6.75%
PL937/B	Fat Canyon	15%	US\$ 550,000	550,000	12.00%

**2. CHAPTER 9 OF THE CATALIST RULES**

Dr Karl Lidgren and Mr Hans Lidgren are controlling shareholders of the Company with a 34.71% deemed interest in the Company held through Limea Ltd., in which each of Mr Hans Lidgren and Cresta Group Ltd have a 50% shareholding interest respectively. Cresta Group Ltd is in turn wholly-owned by Dr Karl Lidgren.

Dr Karl Lidgren and Mr Hans Lidgren have a 64.59% deemed interest in Trace held through intermediate entities, in which Limea Ltd. has an 80% shareholding interest. Dr Karl Lidgren is also a Non-Independent and Executive Director of the Company. As such, Trace is an "interested person" pursuant to Chapter 9 of Section B: Rules of Catalist (the "**Catalist Rules**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). Accordingly, the entry into the Options Agreements between RII, as the Company's direct wholly-owned subsidiary and Trace as an "interested person", is an "interested person transaction" pursuant to Chapter 9 of the Catalist Rules.

Notwithstanding the above, the aggregate value of the option fees (“**Option Fees**”) which amounts to US\$1.10 million represents approximately 0.73% of the Group’s latest audited net tangible assets as at 31 December 2019, being US\$150.18 million (“**NTA**”), which is less than 3% of the NTA. Accordingly, the Company is not required to make an announcement in respect of the Options Agreements pursuant to Catalist Rule 905. However, the Company has elected to make an announcement to inform shareholders of how part of LPA’s participation in the exploration drilling of the Apollonia and Fat Canyon prospects in PL263D/E and PL937/B respectively will be funded.

As at the date of this announcement, there are no other transactions with Trace, Mr Hans Lidgren or Dr Karl Lidgren for the current financial year ending 31 December 2020 (excluding the Option Fees).

There have been no interested person transactions entered into between the Group and any interested person, excluding any transaction below S\$100,000, in the current financial year ending 31 December 2020.

### **3. DETAILS OF THE OPTIONS AGREEMENTS**

The Option Fees totalling US\$1.10 million were arrived at on a willing seller willing buyer basis, taking into consideration LPA’s unaudited net asset value/net tangible asset value of US\$13.74 million as at 30 June 2020 and the potential success in the exploration drilling of the Apollonia and Fat Canyon prospects in PL263D/E and PL937/B respectively.

The Options Agreements cannot be terminated or rescinded by either Trace or RII with or without cause, before the Options Agreements terminates pursuant to clause 2.1 of the Options Agreements, which relates to the terms of the options.

For avoidance of doubt, if the contemplated wells in PL263D/E and/or PL937/B turn out dry and unsuccessful (as determined by the Norwegian Oil Directorate), each option relating to the respective wells shall lapse and the terms under the Options Agreements shall be null and void, and RII shall not be liable for any payments whatsoever.

### **4. RATIONALE FOR THE OPTIONS AGREEMENTS**

The Options Agreements are necessary to fund LPA’s participation in exploration and drilling activities in Norway. The Group’s interests in LPA will remain unchanged should all call options be exercised by Trace.

### **5. STATEMENT FROM THE AUDIT COMMITTEE**

Having considered the terms and conditions of, as well as the rationale for the Options Agreements, the Audit Committee of the Company is of the view that the Options Agreements are not prejudicial to the interests of Rex International Holding and its minority shareholders.

**6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

As at the date hereof, save for the aforementioned, none of the Directors and to the best of the Directors' knowledge, none of the other controlling shareholders of the Company or their respective associates has any interest, direct or indirect, in the Options Agreements, other than that arising from their respective shareholdings in the Company, if any.

**BY ORDER OF THE BOARD OF**  
Rex International Holding Limited

Dan Broström  
Executive Director and Chairman

9 September 2020

*This announcement has been prepared by the Company and reviewed by the Company's sponsor, Novus Corporate Finance Pte. Ltd. (the "Sponsor"), in compliance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist.*

*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.*

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