

PRESS RELEASE**Rex reports profitable 2H FY2020**

- *Operational revenue of US\$46.66 million net of government take from oil sales in Oman in FY2020*
- *The oil price per barrel for sales in 2H FY2020 were sold at an average realised oil price of US\$42.75 a barrel, against unprecedented lows in April to June 2020*
- *The Group remains long-term debt-free; cash and cash equivalents and quoted investments totalled US\$46.31 million as at 31 December 2020*
- *Additional Yumna production wells being drilled. The second production well, Yumna-2, has been producing at a stabilised rate of 9,000 stb/d at the end of January 2021*
- *Exploration drilling in Fat Canyon prospect in Norway expected in second half of 2021*

SINGAPORE, 26 February 2021 – **Rex International Holding Limited** (“**Rex International Holding**”, “**Rex**” or the “**Company**”, and together with its subsidiaries, the “**Group**”), a technology-driven oil company, today announced its financial results for the six-month period ended 31 December 2020 (“**2H FY2020**”) and for the financial year ended 31 December 2020 (“**FY2020**”). For 2H FY2020, the Group recorded revenue of US\$32.09 million, mainly from subsidiary Masirah Oil Ltd’s share of the produced oil after the Oman government’s take. Profit after tax of US\$7.82 million was recorded in 2H FY2020, against a loss after tax of US\$3.00 million for the six-month period ended 31 December 2019. EBITDA for 2H FY2020 was a positive US\$18.28 million.

For FY2020, the Group recorded revenue of US\$46.66 million, compared to US\$0.14 million revenue generated by the Group for the financial year ended 31 December 2019 (“**FY2019**”), mainly due to oil sales in Oman starting from April 2020. The Group recorded total loss after tax of US\$15.90 million in FY2020, as compared to total profit after tax of US\$22.23 million in FY2019, due to high start-up production costs, low initial realised oil prices during the six-month period ended 30 June 2020 and depletion of oil and gas properties. EBITDA for FY2020 was a positive US\$3.81 million.

EBITDA: earnings before interest, taxes, depreciation, and amortisation

Mr Dan Broström, Executive Chairman of Rex, said, “Achieving first oil in Oman in 2020 has fundamentally changed the complexion of our Group, as we progressed from oil exploration to oil production. Oil sale prices in the second half of 2020 were significantly higher with average realised oil price of US\$42.75 a barrel, against unprecedented lows between April and June caused by the Covid-19 pandemic, at about half of the August 2020 price of US\$45 a barrel.”

“We are cautiously optimistic that the recent uptick in Brent oil prices to about US\$67 a barrel now will continue as more countries roll out Covid-19 vaccinations and economies start to recover. We have upgraded our production facilities with a liquid rate capacity of 30,000 bpd to handle the increased production volume from the three Yumna wells. With high initial start-up costs behind us, and leveraging on economies of scale with the trio of wells going forward, operating costs are estimated to be about US\$80,000 per day. We remain long-term debt free and will continue to work towards financial independence for our subsidiaries in Oman and Norway, even as new exploration drillings are being planned. In Oman, the drilling of the Zhakera prospect has just started, while in Norway, the Fat Canyon prospect is expected to be drilled in the second half of the year,” Mr Broström added.

As at 31 December 2020, the Group’s cash and cash equivalents and quoted investments totalled US\$46.31 million (31 December 2019: US\$61.93 million); with cash and cash equivalents at US\$20.38 million (31 December 2019: US\$21.93 million); and quoted investments at US\$25.93 million (31 December 2019: US\$40.00 million). The Group remains long-term debt-free.

In Oman, the Group is continuing with its three-well drilling programme of drilling two development wells and one exploration well. The Yumna 2 well has been completed and started production on 23 January 2021, producing a stabilised rate of 9,000 stb/d of oil, while the Yumna 3 well was spudded on 20 January 2021 and has started production on 18 February 2021, after having tested at a rate of 12,984 stb/d of oil on natural flow through an 80/64” choke. The production facilities on the Yumna Mobile Offshore Production Unit (MOPU) are being also upgraded to increase the liquid processing capacity to handle up to 30,000 bpd from the three Yumna wells - Yumna 1, Yumna 2 and Yumna 3 – when all are put on production simultaneously. An exploration drilling of the Zakhera prospect,

located about 12 km to the south of the Yumna Field and targeting a structure that looks similar to the Yumna Field, was spudded on 21 February 2021.

In Norway, Rex's subsidiary Lime Petroleum AS ("**LPA**") will participate (with 15% interest) in the drilling of the Fat Canyon prospect in licences PL937/B, now expected in the second half of 2021. The Fat Canyon prospect is located in the well-known Jurassic reservoir and has strong support from the Group's proprietary Rex Virtual Drilling technology. With the latest Award of Predefined Areas (ARA) round in Norway in January 2021, LPA now has interests in three discovery assets – PL838 Shrek, PL263 D/E/F Apollonia and PL1125 Falk/Linerle. LPA will be reviewing with its partners, possible commercial field development potential for these assets in the near future. LPA is also continuing its active search for farm-in opportunities with near-term drilling.

*stb/d: stock barrels per day
bpd: barrels per day*

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Disclaimer

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About Rex International Holding

Rex International Holding was listed on Singapore Exchange Securities Trading Limited's Catalist Board on 31 July 2013. The Company de-risks its portfolio of exploration and development assets using its proprietary liquid hydrocarbon indicator Rex Virtual Drilling technology to identify the location of oil reservoirs in the sub-surface through analysis of seismic data. Since the Company's listing, the Group has achieved four offshore commercial discoveries, one in Oman and three in Norway. The Group also offers Rex Virtual Drilling screening services to other oil exploration companies as an additional tool to increase the success rate of finding oil.

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This press release 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 press release 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 press release.

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