



**REX INTERNATIONAL
HOLDING LIMITED**

(Company Registration Number: 201301242M)

**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2021**

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SPONSOR STATEMENT

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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A. Condensed interim consolidated statement of profit or loss and other comprehensive income

		Group Six Months Ended		Change
	Note	30-Jun-21 US\$'000	30-Jun-20 US\$'000	%
Revenue:				
Sale of crude oil	4.2	75,762	14,574	420
Cost of sales:				
Production and operating expenses		(12,720)	(15,855)	(20)
Depletion of oil and gas properties		(19,544)	(10,015)	95
Exploration and evaluation expenditure		(10,804)	(837)	1191
Cost of services		(389)	(265)	47
Gross profit/ (loss)		32,305	(12,398)	NM
Administration expenses		(7,575)	(7,279)	4
Other expense		–	(6,045)	NM
Other income		1,072	94	1040
Results from operating activities		25,802	(25,628)	NM
Finance income		478	164	191
Foreign exchange (loss)/ gain		(504)	47	NM
Finance costs		(507)	(502)	1
Net finance costs		(533)	(291)	83
Profit/ (loss) before tax	6	25,269	(25,919)	NM
Tax credit	7	2,446	2,887	(15)
Profit/ (loss) for the period, net of tax		27,715	(23,032)	NM
Other comprehensive loss				
<i>– Items that are or may be reclassified subsequently to profit or loss:</i>				
Foreign currency translation differences from foreign operations, representing total other comprehensive loss for the period		(63)	(1,584)	(96)
Total comprehensive income/ (loss) for the period, net of tax		27,652	(24,616)	NM
Profit/ (loss) attributable to:				
Owners of the Company		23,930	(20,980)	NM
Non-controlling interests		3,785	(2,052)	NM
Profit/ (loss) for the period, net of tax		27,715	(23,032)	NM

NM: Not meaningful

A. Condensed interim consolidated statement of profit or loss and other comprehensive income (continued)

	Note	Group Six Months Ended		Change %
		30-Jun-21 US\$'000	30-Jun-20 US\$'000	
Total comprehensive income/ (loss) attributable to:				
Owners of the Company		23,872	(22,406)	NM
Non-controlling interests		3,780	(2,210)	NM
Total comprehensive income/ (loss) for the period, net of tax		27,652	(24,616)	NM
Earnings/ (loss) per share				
Basic earnings/ (loss) per share (cents)	6.1	1.84	(1.61)	NM
Diluted earnings/ (loss) per share (cents)	6.1	1.84	(1.61)	NM

NM: Not meaningful

B. Condensed interim statements of financial position

		Group		Company	
	Note	30-Jun-21 US\$'000	31-Dec-20 US\$'000	30-Jun-21 US\$'000	31-Dec-20 US\$'000
Assets					
Exploration and evaluation assets	9	33,483	30,376	–	–
Oil and gas properties	10	66,569	76,266	–	–
Other intangible assets	11	2,940	3,365	–	–
Plant and equipment	12	1,801	2,160	347	444
Subsidiaries		–	–	93,639	106,139
Other receivables		5,846	–	–	–
Non-current assets		110,639	112,167	93,986	106,583
Trade and other receivables		80,737	37,200	630	2,568
Quoted investments		27,380	25,925	27,345	25,622
Cash and cash equivalents		18,850	20,375	2,467	3,289
Current assets		126,967	83,500	30,442	31,479
Total assets		237,606	195,667	124,428	138,062
Equity					
Share capital	14	257,677	257,677	257,677	257,677
Reserves		6,945	6,923	611	582
Accumulated losses		(113,162)	(137,092)	(155,343)	(154,759)
Total equity attributable to owners of the Company		151,460	127,508	102,945	103,500
Non-controlling interests		16,503	12,718	–	–
Total equity		167,963	140,226	102,945	103,500
Liabilities					
Deferred tax liabilities		16,679	13,173	–	–
Provisions		2,404	1,210	–	–
Lease liabilities		362	573	137	236
Non-current liabilities		19,445	14,956	137	236
Loan and borrowings	13	20,923	18,010	–	–
Trade and other payables		28,850	22,053	21,151	34,134
Lease liabilities		425	422	195	192
Current liabilities		50,198	40,485	21,346	34,326
Total liabilities		69,643	55,441	21,483	34,562
Total equity and liabilities		237,606	195,667	124,428	138,062

C. Condensed interim statements of changes in equity

	Attributable to owners of the Company							Total US\$'000	Non- controlling interests US\$'000	Total equity US\$'000
	Share capital US\$'000	Treasury shares US\$'000	Merger reserve US\$'000	Capital reserve US\$'000	Share-based payment reserve US\$'000	Translation reserve US\$'000	Accumulated losses US\$'000			
Group										
At 1 January 2021	257,677	(716)	4,129	1,630	967	913	(137,092)	127,508	12,718	140,226
Total comprehensive income for the period										
Profit for the period	–	–	–	–	–	–	23,930	23,930	3,785	27,715
Other comprehensive loss										
Foreign currency translation differences, representing total other comprehensive loss	–	–	–	–	–	(58)	–	(58)	(5)	(63)
Total comprehensive income for the period	–	–	–	–	–	(58)	23,930	23,872	3,780	27,652
Transactions with owners, recognised directly in equity										
Contributions by and distributions to owners										
Share-based payment transactions – employee share option scheme and performance share plan, representing total transactions with owners	–	–	–	–	80	–	–	80	5	85
At 30 June 2021	257,677	(716)	4,129	1,630	1,047	855	(113,162)	151,460	16,503	167,963

C. Condensed interim statements of changes in equity (continued)

	Attributable to owners of the Company							Total US\$'000	Non- controlling interests US\$'000	Total equity US\$'000
	Share capital US\$'000	Treasury shares US\$'000	Merger reserve US\$'000	Capital reserve US\$'000	Share-based payment reserve US\$'000	Translation reserve US\$'000	Accumulated losses US\$'000			
Group										
At 1 January 2020	257,590	(716)	4,129	1,080	894	615	(122,874)	140,718	13,678	154,396
Total comprehensive loss for the period										
Loss for the period	-	-	-	-	-	-	(20,980)	(20,980)	(2,052)	(23,032)
Other comprehensive loss										
Foreign currency translation differences, representing total other comprehensive loss	-	-	-	-	-	(1,426)	-	(1,426)	(158)	(1,584)
Total comprehensive loss for the period	-	-	-	-	-	(1,426)	(20,980)	(22,406)	(2,210)	(24,616)
Transactions with owners, recognised directly in equity										
Contributions by and distributions to owners										
Issuance of shares	87	-	-	-	(87)	-	-	-	-	-
Share-based payment transactions – employee share option scheme and performance share plan,	-	-	-	-	116	-	-	116	1	117
Total transactions with owners	87	-	-	-	29	-	-	116	1	117
At 30 June 2020	257,677	(716)	4,129	1,080	923	(811)	(143,854)	118,428	11,469	129,897

C. Condensed interim statements of changes in equity (continued)

	Share capital US\$'000	Treasury shares USD\$'000	Capital reserve US\$'000	Share-based payment reserve US\$'000	Accumulated losses US\$'000	Total equity US\$'000
Company						
At 1 January 2021	257,677	(716)	505	793	(154,759)	103,500
Total comprehensive loss for the period						
Loss for the period, representing total comprehensive loss for the period	–	–	–	–	(584)	(584)
Transactions with owners, recognised directly in equity						
Contributions by and distributions to owners						
Share-based payment transactions – performance share plan, representing total transactions with shareholders	–	–	–	29	–	29
At 30 June 2021	257,677	(716)	505	822	(155,343)	102,945

C. Condensed interim statements of changes in equity (continued)

	Share capital US\$'000	Treasury shares USD\$'000	Capital reserve US\$'000	Share-based payment reserve US\$'000	Accumulated losses US\$'000	Total equity US\$'000
Company						
At 1 January 2020	257,590	(716)	505	732	(147,868)	110,243
Total comprehensive loss for the period						
Loss for the period, representing total comprehensive loss for the period	-	-	-	-	(6,834)	(6,834)
Transactions with owners, recognised directly in equity						
Contributions by and distributions to owners						
Issuance of shares	87	-	-	(87)	-	-
Share-based payment transactions – performance share plan	-	-	-	112	-	112
Total transactions with shareholders	87	-	-	25	-	112
At 30 June 2020	257,677	(716)	505	757	(154,702)	103,521

D. Condensed interim consolidated statement of cash flows

	Group	
	Six Months Ended	
	30-Jun-21 US\$'000	30-Jun-20 US\$'000
Cash flows from operating activities		
Profit/ (loss) before tax for the period	25,269	(25,919)
Adjustments for:		
Depreciation	367	510
Depletion of oil and gas properties	19,544	10,015
Amortisation of other intangible assets	425	425
Net finance costs	29	338
Expensed exploration and evaluation costs	9,615	6
Write-down of inventories	–	175
Change in fair value of quoted investments	(834)	1,850
(Gain)/ loss on disposal of quoted investments	(106)	761
Equity settled share-based payment transactions	85	117
	54,394	(11,722)
Changes in:		
Inventories	–	(1,893)
Trade and other receivables	(43,355)	(8,367)
Trade and other payables	6,795	9,948
Net cash from/ (used in) operating activities	17,834	(12,034)
Cash flows from investing activities		
Interest received	478	164
Purchase of quoted investments	(9,316)	(10,341)
Proceeds from disposal of quoted investments	8,432	22,589
Investments in oil and gas properties and exploration and evaluation expenditure (Notes 9, 10)	(21,982)	(10,797)
Purchase of plant and equipment (Note 12)	(8)	(887)
Net cash (used in)/ from investing activities	(22,396)	728
Cash flows from financing activities		
Interest paid	(372)	(426)
Proceeds from bank loans	2,914	3,956
Repayment of lease liabilities	(207)	(123)
Net cash from financing activities	2,335	3,407
Net decrease in cash and cash equivalents	(2,227)	(7,899)
Cash and cash equivalents at beginning of the period	20,375	21,930
Effect of exchange rate fluctuations on cash held	702	178
Cash and cash equivalents at end of the period	18,850	14,209

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

Rex International Holding Limited (the “**Company**”) is a company incorporated and domiciled in Singapore and whose shares are publicly traded on the Catalist Board of the Singapore Exchange Securities Trading Limited. These condensed interim consolidated financial statements as at and for the six months ended 30 June 2021 (“**1H FY2021**”) comprise the Company and its subsidiaries (collectively, the “**Group**”).

The principal activities of the Company are those relating to investment holding. The principal activities of the Group are mainly 1) oil and gas exploration and production; and 2) oil exploration technology.

2. Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2021 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in United States (“**US**”) dollar which is the Company’s functional currency. All financial information presented in US dollars have been rounded to the nearest thousand, unless otherwise stated.

2.1. New and amended standards adopted by the Group

A number of amendments to the Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

2.2. Use of judgements and estimates (continued)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a team that has overall responsibility for all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer.

The team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the team assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of SFRS(I), including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Group's Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the date of the statement of financial position, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit ("**CGU**") and choose a suitable discount rate in order to calculate the present value of those cash flows.

2.2. Use of judgements and estimates (continued)

Key sources of estimation uncertainty (continued)

Amortisation of technology assets

Technology assets are amortised on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these assets to be within 10 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, and therefore future depreciation expenses could be revised. The carrying amounts of these assets are disclosed in Note 11 to the financial statements.

Provisions

Estimates of the Group's obligations arising from exploration drilling rehabilitation that exist as at the reporting date may be affected by future events which cannot be predicted with any certainty. The assumptions and best estimates in determining these provisions are made based on management's judgement and experience and therefore, future exploration drilling rehabilitation obligations and expenses could be revised.

Critical judgements made in applying accounting policies

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are discussed below.

Exploration and evaluation expenditures

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgement to determine whether it is likely that future economic benefits are likely from future exploitation or sale, or whether activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The determination of reserves and resources is itself an estimation process that requires varying degrees of uncertainty depending on how the resources are classified. These estimates directly impact when the Group defers or ceases exploration and evaluation expenditure.

The Group's accounting policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular, whether an economically viable extraction operation can be established and executed successfully. Any such estimates and assumptions may change as new information becomes available. If, after expenditure is capitalised, information becomes available suggesting that the recovery of the expenditure is unlikely, the relevant capitalised amount is written off in profit or loss in the period when the new information becomes available.

2.2. Use of judgements and estimates (continued)

Critical judgements made in applying accounting policies (continued)

Hydrocarbon reserves

Hydrocarbon reserves are estimates of the amount of oil that can be economically and legally extracted by the Group in approved fields. For the purpose of estimating reserves, several factors are considered, among others, such as geological, technical and economic, production techniques, recovery rates, production costs, transportation costs, demand and prices for commodities and exchange rates. Estimating the quantity and grade of reserves requires determining the size, shape and depth of the reservoirs or fields to be determined by analysing geological data and drilling samples. This process may require interpreting complex and difficult geological judgements. Because the economic assumptions change from period to period and the Group is still generating additional geological data during the course of operations, estimates of reserves may change from period to period. Changes in reported reserves may affect the recovery of the carrying amount of oil properties due to changes in estimated future cash flows and the cost of depreciation recorded in profit or loss as it is given in terms of units of production based on total proven reserves.

3. Seasonal operations

The Group's businesses were not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

The Group has three reportable segments: Oil and Gas (exploration and production); Non-Oil and Gas (oil exploration technology); and Corporate.

The following summary describes the operations of each of the Group's reportable segments:

- Oil and Gas: involved in oil and gas exploration and production with concessions located in Oman and Norway.
- Non-Oil and Gas: pertains to technology segment. Rex Technology owns the Rex Virtual Drilling technology that can extract information on the presence of reservoir rock and liquid hydrocarbons using conventional seismic data.
- Corporate: pertains to corporate functions.

These operating segments are reported in a manner consistent with internal reporting provided to the Group's Executive Chairman, Chief Executive Officer and senior management who are responsible for allocating resources and assessing performance of the operating segments.

4.1. Reportable segment

Information regarding the results of each reportable segment is as below:

Group	Oil and Gas US\$'000	Non-Oil and Gas US\$'000	Corporate US\$'000	Total US\$'000
1 January 2021 to 30 June 2021				
Sale of crude oil	75,762	–	–	75,762
Service revenue	–	1,001	–	1,001
Total revenue for reportable segments	75,762	1,001	–	76,763
Elimination of inter-segment revenue	–	(1,001)	–	(1,001)
Consolidated revenue	75,762	–	–	75,762
Other income	118	–	14	132
Segment expense	(28,214)	(636)	(1,846)	(30,696)
Finance income	–	–	478	478
Foreign exchange (loss)/ gain	(48)	3	(459)	(504)
Finance costs	(470)	–	(37)	(507)
Depreciation	(266)	–	(101)	(367)
Depletion of oil and gas properties	(19,544)	–	–	(19,544)
Amortisation of other intangible assets	–	(425)	–	(425)
Other material non-cash items:				
– Changes in fair values of quoted investments	1,100	–	(266)	834
– Gain from disposal of quoted investments	106	–	–	106
Reportable segment profit/ (loss) before tax	28,544	(1,058)	(2,217)	25,269
Reportable segment assets	194,166	3,175	40,265	237,606
<i>Segment assets include:</i>				
Additions to:				
– Plant and equipment*	4	–	4	8
– Exploration and evaluation assets and oil and gas properties	21,982	–	–	21,982
Reportable segment liabilities	(68,109)	(414)	(1,120)	(69,643)

* Excludes right-of-use assets

4.1. Reportable segment (continued)

Group	Oil and Gas US\$'000	Non-Oil and Gas US\$'000	Corporate US\$'000	Total US\$'000
1 January 2020 to 30 June 2020				
Sale of crude oil	14,574	–	–	14,574
Service revenue	–	971	–	971
Total revenue for reportable segments	14,574	971	–	15,545
Elimination of inter-segment revenue	–	(971)	–	(971)
Consolidated revenue	14,574	–	–	14,574
Other income	–	–	94	94
Segment expense	(20,849)	(841)	(1,789)	(23,479)
Loss from crude oil futures contract hedging	–	–	(3,256)	(3,256)
Finance income	–	–	164	164
Foreign exchange gain/(loss)	257	–	(210)	47
Finance costs	(447)	(1)	(54)	(502)
Depreciation	(421)	–	(89)	(510)
Depletion of oil and gas properties	(10,015)	–	–	(10,015)
Amortisation of other intangible assets	–	(425)	–	(425)
Other material non-cash items:				
– Changes in fair values of quoted investments	(405)	–	(1,445)	(1,850)
– Gain from disposal of quoted investments	(163)	–	(598)	(761)
Reportable segment loss before tax	(17,469)	(1,267)	(7,183)	(25,919)
Reportable segment assets	139,021	4,773	28,986	172,780
<i>Segment assets include:</i>				
<i>Additions to:</i>				
– Plant and equipment*	11	–	876	887
– Exploration and evaluation assets	10,797	–	–	10,797
Reportable segment liabilities	(41,479)	(468)	(936)	(42,883)

* Excludes right-of-use assets

4.2. Disaggregation of revenue

Sale of crude oil

Nature of goods or services	Crude oil
When revenue is recognised	Revenue is recognised when the crude oil is loaded and on board the vessel arranged by buyer and certified by an independent surveyor
Significant payment terms	30 days after bill of lading

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers.

Group
Six Months Ended
30-Jun-21 **30-Jun-20**
US\$'000 **US\$'000**

Geographical information

Singapore	62,425	–
China	13,337	–
Bahrain	–	14,575
Total revenue	75,762	14,575

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2021 and 31 December 2020:

	Mandatorily at FVTPL US\$'000	Amortised cost US\$'000	Other financial liabilities US\$'000	Total carrying amount US\$'000	Fair value US\$'000
Group					
30 June 2021					
Trade and other receivables*	–	61,503	–	61,503	61,503
Quoted investments	27,380	–	–	27,380	27,380
Cash and cash equivalents	–	18,850	–	18,850	18,850
Total financial assets	27,380	80,353	–	107,733	107,733
Loans and borrowings (Note 13)	–	–	20,923	20,923	20,923
Lease liabilities	–	–	787	787	787
Trade and other payables	–	–	28,850	28,850	28,850
Total financial liabilities	–	–	50,560	50,560	50,560

* Excludes income tax receivables and prepayments

5. Financial assets and financial liabilities (continued)

	Mandatorily at FVTPL US\$'000	Amortised cost US\$'000	Other financial liabilities US\$'000	Total carrying amount US\$'000	Fair value US\$'000
Company					
30 June 2021					
Loan to a subsidiary	–	93,639	–	93,639	93,639
Other receivables*	–	519	–	519	519
Quoted investments	27,345	–	–	27,345	27,345
Cash and cash equivalents	–	2,467	–	2,467	2,467
Total financial assets	27,345	96,625	–	123,970	123,970
Lease liabilities	–	–	332	332	332
Other payables	–	–	21,151	21,151	21,151
Total financial liabilities	–	–	21,483	21,483	21,483
Group					
31 December 2020					
Trade and other receivables*	–	17,391	–	17,391	17,391
Quoted investments	25,925	–	–	25,925	25,925
Cash and cash equivalents	–	20,375	–	20,375	20,375
Total financial assets	25,925	37,766	–	63,691	63,691
Loans and borrowings (Note 13)	–	–	18,010	18,010	18,010
Lease liabilities	–	–	995	995	995
Trade and other payables	–	–	22,053	22,053	22,053
Total financial liabilities	–	–	41,058	41,058	41,058
Company					
31 December 2020					
Loan to a subsidiary	–	106,139	–	106,139	106,139
Other receivables*	–	2,431	–	2,431	2,431
Quoted investments	25,622	–	–	25,622	25,622
Cash and cash equivalents	–	3,289	–	3,289	3,289
Total financial assets	25,622	111,859	–	137,481	137,481
Lease liabilities	–	–	428	428	428
Other payables	–	–	34,134	34,134	34,134
Total financial liabilities	–	–	34,562	34,562	34,562

* Excludes income tax receivables and prepayments

5.1. Financial assets and financial liabilities – Fair value measurement

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy have the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following methods and assumptions are used to estimate the fair value of each class of financial instruments.

	Quoted prices in active markets for identical instruments (Level 1) US\$'000	Significant other observable inputs (Level 2) US\$'000	Significant unobservable inputs (Level 3) US\$'000	Total US\$'000
Group				
30 June 2021				
Quoted investments				
– Equity investments	35	–	–	35
– Debt securities	27,345	–	–	27,345
	27,380	–	–	27,380
31 December 2020				
Quoted investments				
– Equity investments	303	–	–	303
– Debt securities	25,622	–	–	25,622
	25,925	–	–	25,925
Company				
30 June 2021				
Quoted investments				
– Debt securities	27,380	–	–	27,380
31 December 2020				
Quoted investments				
– Debt securities	25,622	–	–	25,622

5.1. Financial assets and financial liabilities – Fair value measurement (continued)

Estimation of fair values

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments of the Group and Company.

Debt securities

The fair values of investments in debt securities are determined by reference to their quoted closing bid price in an active market at the measurement date.

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than 1 year are assumed to approximate their fair values because of the short period to maturity or repricing.

6. Profit before taxation

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

	Group	
	Six Months Ended	
	30-Jun-21	30-Jun-20
	US\$'000	US\$'000
Depreciation of plant and equipment	(367)	(510)
Depletion of oil and gas properties	(19,544)	(10,015)
Amortisation of other intangible assets	(425)	(425)
Impairment losses on exploration and evaluation assets	–	(6)
Expensed exploration and evaluation costs	(9,615)	–
Write-down of inventories	–	(175)
Change in fair value of quoted investments	834	(1,850)
Gain/ (loss) on disposal of quoted investments	106	(761)
Loss from crude oil futures contract hedging	–	(3,256)

6.1. Earnings/ (loss) per share

	Group	
	Six Months Ended	
	30-Jun-21	30-Jun-20
Calculation of basic and diluted earnings/ (loss) per share ("EPS" / "LPS") is based on:		
Profit/ (loss) attributable to ordinary shareholders (US\$)	23,930,000	(20,980,000)
Weighted average number of ordinary shares	1,302,320,991	1,301,024,675
Basic and fully diluted EPS/ (LPS) (US cents)	1.84	(1.61)

6.1. Earnings/ (loss) per share (continued)

As at 30 June 2021, 11,724,100 share awards (30 June 2020: 61,715,800 share awards) were excluded from the diluted weighted average number of ordinary shares calculation as they either had no impact or their effect would have been anti-dilutive. As such, the basic and fully diluted EPS/ (LPS) were the same for the respective financial periods.

6.2. Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the condensed interim financial statements.

7. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Six Months Ended	
	30-Jun-21 US\$'000	30-Jun-20 US\$'000
Current income tax expense	(3,616)	(2,459)
Deferred tax expense relating to origination and reversal of temporary differences	6,062	5,346
Total tax credit	2,446	2,887

8. Net asset value

	Group		Company	
	30-Jun-21	31-Dec-20	30-Jun-21	31-Dec-20
Net asset value# (US\$)	167,963,000	140,226,000	102,945,000	103,500,000
Total number of issued shares excluding treasury shares	1,302,320,991	1,302,320,991	1,302,320,991	1,302,320,991
Net asset value per ordinary share based on number of shares in issue as at the end of the financial period/ year (US cents)	12.90	10.77	7.90	7.95

Net asset value includes non-controlling interests.

9. Exploration and evaluation assets

	Group	
	30-Jun-21 US\$'000	31-Dec-20 US\$'000
Cost		
At beginning of period/ year	65,751	123,438
Additions	12,910	32,203
Charged to profit or loss for capitalised exploration expenditure	(9,615)	–
Adjustments	–	(467)
Transferred to oil and gas properties (Note 10)	–	(92,164)
Translation difference on consolidation	(444)	2,741
At end of period/ year	68,602	65,751
Accumulated amortisation and impairment loss		
At beginning of period/ year	35,375	33,471
Impairment of capitalised exploration expenditure	–	259
Transferred to oil and gas properties (Note 10)	–	(250)
Translation difference on consolidation	(256)	1,895
At end of period/ year	35,119	35,375
Carrying amounts at end of period/ year	33,483	30,376

Exploration and evaluation costs incurred were in respect of exploration and evaluation of hydrocarbons in Norway and Oman.

The table below shows the impairment loss on exploration and evaluation expenditure included in the consolidated statement of comprehensive income:

	Six Months Ended	
	30 June 2021 US\$'000	30 June 2020 US\$'000
Cost of sales includes:		
Impairment of exploration expenditure previously capitalised	–	6
Charge to profit or loss for exploration expenditure previously capitalised	9,615	–
Other exploration costs	1,189	831
Total exploration and evaluation expenditure	10,804	837

9. Exploration and evaluation assets (continued)

Norway

On 6 April 2021, one of the Group's subsidiaries, Lime Petroleum AS ("LPA") had signed an agreement with ONE-Dyas Norge AS ("ONE-Dyas") to swap its 20% interests in each of the licences PL263D, PL263E, and PL263F Sierra (previously known as Apollonia) in the Norwegian Sea for ONE-Dyas' 13.30% interest in PL433 Fogelberg. LPA has agreed to pay ONE-Dyas a contingent cash consideration, which is related to the Plan for Development and Operations (PDO). The transfer of the interests is pending regulatory approval. An announcement will be made upon completion of the transfer of the interests. Please refer to the Company's press release dated 7 April 2021 for further details.

10. Oil and gas properties

	Group	
	30-Jun-21	31-Dec-20
	US\$'000	US\$'000
Cost		
At beginning of period/ year	98,000	–
Transferred from exploration and evaluation assets (Note 9)	–	92,164
Additions	9,072	5,836
Adjustments	775	–
At end of period/ year	107,847	98,000
Accumulated depletion and impairment loss		
At beginning of period/ year	21,734	–
Depletion	19,544	21,484
Transferred from exploration and evaluation assets (Note 9)	–	250
At end of period/ year	41,278	21,734
Carrying amounts at end of period/ year	66,569	76,266

Norway

On 15 June 2021, LPA had entered into a conditional sale and purchase agreement with Repsol Norge AS ("Repsol"), to acquire Repsol's 33.8434% interests in the oil, gas and natural gas liquids (NGL) producing Brage Field (as defined herein) and five licences on the Norwegian Continental Shelf over which the Brage Field straddles (the "Target Assets"), for a post-tax consideration of US\$42.60 million.

The Target Assets are Repsol's 33.8434% interests in a joint venture for oil, gas and natural gas liquids (NGL) production and operation of the Brage Field in blocks 31/4, 31/7 and 30/6 (the "Brage Field") and the five licences (PL 053B, PL 055, PL 055B, PL 055D and PL 185) over which the Brage Field straddles.

10. Oil and gas properties (continued)

Norway (continued)

Separately, Repsol has agreed to pay to (or on behalf of) LPA, a Brage decommissioning carry limited to 95% of decommissioning costs for the current Brage Field infrastructure (the “**Brage Decommissioning Carry**”). The Brage Decommissioning Carry will be guaranteed by Repsol Exploración S.A., the parent company of Repsol, with a guarantee granted in LPA’s favour on completion of the acquisition. Most of the decommissioning is expected to occur after the expiration of the licences’ validity. At the end of Brage Field’s production life, LPA will pay an effective 1.69% of the total estimated decommissioning costs for the current Brage Field infrastructure, in respect of its 33.8434% interest in the Brage Field.

Please refer to the Company’s announcement dated 16 June 2021 for further details.

11. Other intangible assets

Group	Technology US\$’000	Customer Contracts US\$’000	Total US\$’000
Cost			
At 1 January 2020, 31 December 2020 and 30 June 2021	4,700	3,800	8,500
Accumulated amortisation			
At 1 January 2020	2,369	1,916	4,285
Amortisation	470	380	850
At 31 December 2020	2,839	2,296	5,135
Amortisation	235	190	425
At 30 June 2021	3,074	2,486	5,560
Carrying amounts			
At 30 June 2021	1,626	1,314	2,940
At 31 December 2020	1,861	1,504	3,365
At 1 January 2020	2,331	1,884	4,215

Amortisation

The amortisation of technology and customer contracts is included in “administration expenses”.

12. Plant and equipment

The Group acquired assets amounting to US\$8,000 in 1H FY2021 (six months ended 30 June 2020: US\$887,000). No assets were disposed in both financial periods.

13. Loan and borrowings

	Group	
	30-Jun-21 US\$'000	31-Dec-20 US\$'000
<u>Amount repayable within one year or on demand</u>		
Secured	20,923	18,010
Unsecured	–	–
<u>Amount repayable after one year</u>		
Secured	–	–
Unsecured	–	–

Details of any collateral

The credit facilities of the Group as at 30 June 2021 and 31 December 2020 were secured by:

- First priority assignment of tax refunds in Norway;
- First priority charge over certain bank accounts in Norway; and
- First priority assignment of certain insurance in Norway.

14. Share capital

	Group and Company			
	30-Jun-21 Number of shares '000	30-Jun-21 US\$'000	31-Dec-20 Number of shares '000	31-Dec-20 US\$'000
Fully paid ordinary shares, with no par value:				
In issue at beginning of period/ year	1,315,507	257,677	1,313,889	257,590
Issuance of shares pursuant to vesting of share awards under the Performance Share Plan (“PSP”)	–	–	1,618	87
At end of period/ year	1,315,507	257,677	1,315,507	257,677

The Company’s issued and fully paid-up capital as at 30 June 2021 comprised 1,315,507,991 (31 December 2020: 1,315,507,991) ordinary shares, of which 13,187,000 (31 December 2020: 13,187,000) were held by the Company as treasury shares. The number of issued shares, excluding treasury shares, was 1,302,320,991 (31 December 2020: 1,302,320,991).

The treasury shares held represent 1.01% (31 December 2020: 1.01%) of the total number of issued shares (excluding treasury shares) as at 30 June 2020. There were no sales, transfers, cancellation and/or use of treasury shares in the six-month period ended 30 June 2020.

The Company did not issue any new shares in 1H FY2021.

There were no subsidiary holdings as at 30 June 2021 and 31 December 2020.

15. Share-based payment arrangements

Performance Share Plan ("PSP") (equity-settled)

The PSP of the Company was approved and adopted by its members at an Extraordinary General Meeting held on 24 June 2013 and amended with shareholders' approval at an Extraordinary General Meeting of the Company on 30 April 2014 and on 28 April 2017.

Movement of the awards of ordinary shares granted under the PSP (the "Awards"):

Date of Grant of Awards	Number of Awards					Number of Holders
	At 1-Jan-21	Granted in 1H FY2021	Lapsed/ Cancelled in 1H FY2021	Vested in 1H FY2021	At 30-Jun-21	
29-Apr-19	53,172,700		(53,172,700)	–	–	–
22-May-20	5,082,400	–	(5,082,400)	–	–	–
9-Mar-21	–	11,724,100 ⁽²⁾	–	–	11,724,100	4
	58,255,100 ⁽¹⁾	11,724,100	(58,255,100) ⁽¹⁾	–	11,724,100	4

⁽¹⁾ On 9 March 2021, all 58,255,100 Awards previously granted had been cancelled (forthwith lapsed and to be of no value).

⁽²⁾ On 9 March 2021, the Company granted 11,724,100 Awards to certain directors of the Company. The number of Awards to be vested will range from 0% to 100%, subject to fulfilment of certain predetermined performance benchmarks and the satisfactory completion of time-based service condition(s).

If the Average Performance Market Price is S\$0.30 and above, 50% of the Awards shall be released after the vesting period. If the Average Performance Market Price is S\$0.45 and above, an additional 50% of the Awards shall be released. If the Average Performance Market Price is less than S\$0.30, none of the Awards shall be released unless otherwise determined by the committee administering the PSP. Please refer to the Company's announcement dated 9 March 2021 for further details.

16. Contingent liability

Legal claims – Global Settlement Agreement

On 31 August 2020, the Group and associates related to the legal cases with Gulf Hibiscus Limited signed a global settlement agreement ("**Settlement Agreement**") with Hibiscus Petroleum Berhad ("**Hibiscus**"), its subsidiary and other parties related to the legal cases for purposes of resolving and settling those legal cases and other related claims. The Settlement Agreement does not involve any payment by the Group to Hibiscus group (including Gulf Hibiscus Limited). The terms of the Settlement Agreement are confidential, and implementation of the same is subject to a long stop date of 31 December 2020, which was further extended to 30 June 2021.

On 25 June 2021, the parties entered into a second supplemental agreement to extend the long stop date for implementation of the settlement from 30 June 2021 to 31 December 2021. Please refer to the Company's announcement dated 25 June 2021 for further details.

17. Subsequent events

Investment in commercial drone company

On 5 July 2021, the Company's wholly owned subsidiary Rex Technology Investments Pte Ltd ("**RTI**") entered into a conditional subscription agreement with Xer Technologies Pte. Ltd. ("**Xer**"), a company indirectly controlled by a director of the Company, to subscribe for 33,333 shares in Xer, an approximate 40% shareholding interest in the Singapore-registered commercial drone company at a consideration of US\$1 million (the "**Acquisition**").

As a condition to completion of the Acquisition ("**Completion**"), RTI is to enter into a shareholders' agreement with Xer's other shareholders, pursuant to which, RTI shall commit to inject a capital amount of up to US\$3 million, subject to the achievement of certain technical and sales milestones by Xer within the next 18 months.

The Acquisition has been completed on 28 July 2021. Pursuant to the Completion, Xer has become an associated company of the Company. The shareholders of Xer as at the date of this announcement, are RTI at 40%, Cresta Group Ltd at 42%, Limea Ltd. at 15%, and Makli Invest AS at 3%.

In addition to the voting interests acquired in Xer, the Group has representatives on the board of directors and can participate in the financial and operating decisions of the company. The Group is able to exercise a significant influence over Xer and the investment is therefore accounted for as an associate.

Please refer to the Company's announcements dated 6 July 2021 and 28 July 2021 for further details.

The financial effects of the above transaction have not been included in this interim financial statements for the period ended 30 June 2021. The operating results and assets and liabilities of the company will be reflected in the second half 2021 financial statements and full year financial statements for 2021.

Masirah Oil Ltd

On 5 August 2021, Petroci Holding ("**Petroci**") filed a claim against the Company's subsidiary, Rex Oman Limited ("**Rex Oman**"), 86.37% subsidiary Masirah Oil Limited ("**MOL**"), and certain past and present directors of MOL in the High Court, Commercial Division of the British Virgin Islands, in connection with the alleged conduct of MOL's affairs, which led to a dilution of Petroci's interest in MOL as a partner and minority shareholder.

Rex Oman and MOL have received a statement of claim from Petroci dated 5 August 2021 on 10 August 2021 and the companies are currently taking legal advice with respect to the next steps to be taken

The Company is of the view that the claims and allegations against Rex Oman and MOL are frivolous, baseless and unmeritorious. Rex Oman and MOL will respond strongly and take all measures necessary to resist and refute these frivolous, baseless and unmeritorious claims and allegations. The Company assesses that there will be no material financial impact from the claim.

Please refer to the Company's announcement dated 11 August 2021 for further details.

F. Other additional information required pursuant to Appendix 7C to the Catalist Rules

1. Audit or review

The condensed consolidated statement of financial position of Rex International Holding Limited and its subsidiaries as at 30 June 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed by the Company's auditors.

2. Review of performance of the Group

Consolidated Statement of Comprehensive Income

Revenue increased by more than five-fold to US\$75.76 million in 1H FY2021, from US\$14.57 million for the six months ended 30 June 2020 ("**1H FY2020**"), from the sale of crude oil from the Yumna Field (after the Oman government take). The increase in revenue was due to 1) an increase in the number of oil liftings from three in 1H FY2020 to six in 1H FY2021, and 2) an increase in the average realised oil price sold from US\$23 per barrel in 1H FY2020 to US\$62 per barrel in 1H FY2021.

Production and operating expenses decreased to US\$12.72 million in 1H FY2021, from US\$15.86 million in 1H FY2020 due to the absence of higher start-up costs incurred in 1H FY2020.

Depletion of oil and gas properties increased to US\$19.54 million, from US\$10.02 million in 1H FY2020, as a result of the increase in the volume of oil lifted and sold in 1H FY2021.

Exploration and evaluation expenditure increased to US\$10.80 million in 1H FY2021, from US\$0.84 million in 1H FY2020, due to the expensed exploration costs of US\$9.62 million in Oman for three exploration wells that were deemed non-commercial.

Administrative expenses remained fairly consistent in both periods, US\$7.58 million and US\$7.28 million in 1H FY2021 and 1H FY2020 respectively.

Other expenses were \$nil in 1H FY2021. Other expenses of US\$6.05 million was recorded in 1H FY2020 was due to 1) loss from Brent Crude Oil futures contract hedging of US\$3.26 million, 2) unrealised loss in fair value of quoted investments of US\$1.85 million, as a result of poor performance in the bond and equity markets, and 3) realised loss on disposal of quoted investments of US\$0.76 million.

Other income of US\$1.07 million recorded in 1H FY2021 was due to unrealised gain in fair value of quoted investments of US\$0.83 million and realised gain on disposal of quoted investments of US\$0.11 million, as a result of better performance in the bond and equity markets. Other income of US\$0.09 million in 1H FY2020 was negligible.

Finance income increased to US\$0.48 million in 1H FY2021, from US\$0.16 million in 1H FY2020, due to better performance in the bond and equity markets.

Finance costs remained fairly consistent in both periods, US\$0.51 million and US\$0.50 million in 1H FY2021 and 1H FY2020 respectively, due to the drawdown of short-term bank borrowings and unwinding of long-term decommissioning provision and lease liabilities.

The Group recorded a net foreign exchange loss of US\$0.50 million in 1H FY2021, as compared to a net foreign exchange gain of US\$0.05 million in 1H FY2020. The foreign exchange loss in 1H FY2021 was due to the weakening of the Euro against the United States dollar in 1H FY2021 as a portion of the quoted investments was denominated in Euro.

The Group recorded a tax credit of US\$2.45 million and US\$2.89 million in 1H FY2021 and 1H FY2020 respectively, in relation to the tax refund of the exploration costs incurred in Norway.

As a result of the aforementioned, the Group registered total profit after tax of US\$27.72 million in 1H FY2021, as compared to total loss after tax of US\$23.03 million in 1H FY2020.

Statement of Financial Position

Non-current assets of the Group decreased to US\$110.64 million as at 30 June 2021, from US\$112.17 million as at 31 December 2020. The decrease was mainly due to depletion of oil and gas properties in 1H FY2021, which was partially offset by 1) an increase in exploration and evaluation assets in Norway from active exploration work, and 2) recognition of long-term income tax receivables from the Norwegian tax authorities in 1H FY2021.

Current trade and other receivables of the Group increased to US\$80.74 million as at 30 June 2021, from US\$37.20 million as at 31 December 2020, largely due to increased receivables from the sale of crude oil in Oman which included the Oman government take for the oil lifted and sold in 1H FY2021.

Quoted investments increased to US\$27.38 million as at 30 June 2021, from US\$25.93 million as at 31 December 2020, due to 1) the purchase of new quoted investments, and 2) an increase in fair value of quoted investments as a result of better performance in the bond and equity markets.

Subsequent to the spudding of development wells Yumna 2 and Yumna 3, decommissioning provisions increased to US\$2.40 million as at 30 June 2021, from US\$1.21 million as at 31 December 2020.

Deferred tax liabilities increased to US\$16.68 million as at 30 June 2021, from US\$13.17 million as at 31 December 2020, due to increase in exploration and evaluation assets in Norway from active exploration work in 1H FY2021.

Total current and non-current lease liabilities decreased to an aggregate of US\$0.79 million as at 30 June 2021, from US\$1.00 million as at 31 December 2020, due to the repayment of lease liabilities in 1H FY2021.

The Group recorded short-term borrowings of US\$20.92 million and US\$18.01 million as at 30 June 2021 and 31 December 2020 respectively, from drawn-down credit facilities to fund its exploration activities in Norway.

Trade and other payables increased to US\$28.85 million as at 30 June 2021, from US\$22.05 million as at 31 December 2020, as a result of ongoing production activities in Oman and amounts due to the Oman government for oil lifted and sold in 1H FY2021.

Working capital increased to US\$76.77 million as at 30 June 2021, from US\$43.02 million as at 31 December 2020, mainly due to the increase in sale of crude oil in 1H FY2021.

Statement of Cash Flows

As at 30 June 2021, the Group's cash and cash equivalents and quoted investments totalled US\$46.23 million (31 December 2020: US\$46.31 million); with cash and cash equivalents at US\$18.85 million (31 December 2020: US\$20.38 million); and quoted investments at US\$27.38 million (31 December 2020: US\$25.93 million).

The Group reported net cash generated from operating activities of US\$17.83 million in 1H FY2021, after accounting for movements in working capital. This was primarily due to sale of crude oil and was partially offset by production and operating expenses used in the production activities in Oman, and administrative and other operational expenses incurred in relation to the Group's business.

Net cash used in investing activities of US\$22.40 million in 1H FY2021 was mostly attributable to exploration and evaluation expenditure of US\$21.98 million and purchase of quoted investments of US\$9.32 million. The net cash used in investing activities was also partially offset by proceeds from the disposal of quoted investments of US\$8.43 million.

Net cash generated from financing activities of US\$2.34 million in 1H FY2021 was mainly due to proceeds from bank loans of US\$2.91 million.

As a result of the aforementioned, the Group recorded an overall net decrease in cash and cash equivalents of US\$2.23 million in 1H FY2021, as compared to an overall net decrease in cash and cash equivalents of US\$7.90 million in 1H FY2020.

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

Not applicable.

4. 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 operating period and the next 12 months

Brent crude oil soared in the first half of 2021, increasing from US\$55.66 per barrel on 4 January 2021 to US\$75.18 per barrel on 30 June 2021¹, riding on optimism that global demand will be restored by effective COVID-19 vaccine rollouts, alongside with healthy controls on supply by the Organisation of the Petroleum Exporting Countries ("OPEC") and its partners. The Brent crude oil price averaged \$73 per barrel in June 2021, up \$5 per barrel from May 2021. June 2021 was the first month when the Brent crude oil price averaged more than \$70 per barrel since May 2019². However, in mid-July 2021, oil prices declined after OPEC+ agreed to boost production into 2022, amid concern that the spread of the COVID-19 delta variant might threaten oil demand³. As at 11 August 2021, Brent crude oil was around US\$70.50.

According to Bloomberg, the International Energy Agency, the U.S. Energy Information Administration and the Organization of Petroleum Exporting Countries share the view that global oil demand will continue to recover through to at least the end of 2022, with consumption exceeding comparable 2019 levels and hitting new highs. All three agencies see the world needing between 4 million and 5 million barrels a day more crude from the OPEC+ countries than it got in June 2021.⁴

In Oman, the Group is continuing with production from its three production wells in the Yumna Field, optimised in accordance with the reservoir management plan to maximise recovery. Following the completion of the three exploration wells in April 2021, the results of which confirmed the extents of good quality Lower Aruma sandstone, more studies are being made to refine the Group's understanding of the trap mechanisms in the area before a new exploration drilling programme is proposed.

In Norway, Rex subsidiary Lime Petroleum AS's ("LPA") acquisition of 33.8434% in the Brage Field and licence swap of its 20 per cent interests in each of the licences PL263D, PL263E, and PL263F Sierra (previously known as Apollonia) in the Norwegian Sea for a 13.3 per cent interest in the discovery asset PL433 Fogelberg, are pending authorities' approval. Both transactions will be effective from 1 January 2021, upon completion.

LPA will also participate (with 15% interest) in the drilling of the Fat Canyon prospect in licences PL937/B, scheduled to start at the end of third quarter 2021. The well will be drilled by the Borgland Dolphin semi-submersible drilling rig, which has been found by Rystad Energy to have the lowest emissions of greenhouse gases among the rigs currently operating on the Norwegian Continental Shelf.

The Group will update shareholders whenever there are material developments to its operational plan.

Footnotes:

- 1 Bloomberg data
- 2 US Energy Information Administration, Brent crude oil price forecast to average \$72 per barrel in the second half of 2021, 15 July 2021
- 3 Business Times / Bloomberg, Oil retreats on Opec+ deal, threat from delta variant, 20 July 2021
- 4 World Oil / Bloomberg, Forecasters agree more OPEC oil is needed, but just how much is up for debate, 16 July 2021

5. Dividend information

5a. Current financial period reported on

Any dividends recommended for the current financial period reported on? No

5b. Corresponding period of the immediate preceding financial year

Any dividends declared for the corresponding period of the immediate preceding financial year? No.

5c. Date payable

Not applicable.

5d. Books closure date

Not applicable.

5e. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

No interim dividend for 1H FY2021 was declared or recommended for the Company as the Group has recently turned profitable from sale of crude oil in 1H FY2021.

6. Interested person transactions ("IPT")

The Group has not obtained a general mandate from shareholders for IPT. There were no IPT transactions of more than S\$100,000 in 1H FY2020.

On 5 July 2021, the Company's wholly owned subsidiary Rex Technology Investments Pte Ltd ("**RTI**") entered into a conditional subscription agreement with Xer Technologies Pte. Ltd. ("**Xer**") to subscribe for 33,333 shares in Xer, an approximate 40% shareholding interest in the Singapore-registered commercial drone company at a consideration of US\$1 million (the "**Acquisition**").

As a condition to completion of the Acquisition ("**Completion**"), RTI is to enter into a shareholders' agreement with Xer's other shareholders, pursuant to which, RTI shall commit to inject a capital amount of up to US\$3 million, subject to the achievement of certain technical and sales milestones by Xer within the next 18 months.

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. ("**Limea**"), in which each of Mr Hans Lidgren and Cresta Group Ltd ("**Cresta**") have a 50% shareholding interest respectively. Cresta is in turn wholly owned by Dr Karl Lidgren. Cresta and Limea each hold 70% and 25% of the shareholding interest in Xer respectively, prior to Completion. Upon Completion, Cresta and Limea will hold 42% and 15% shareholding interest in Xer respectively. Dr Karl Lidgren is also a Non-Independent and Executive Director of the Company. As such, Xer 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, entry into the agreements between RTI and Xer as an "interested person", is an "interested person transaction" pursuant to Chapter 9 of the Catalist Rules.

The total consideration of US\$4 million (comprising initial consideration of US\$1 million and subsequent capital commitment of up to US\$3 million subject to certain performance milestones) represents approximately 2.92% of the Group's latest audited net tangible assets as at 31 December 2020, being US\$136.86 million ("**NTA**"), which is less than 3% of the NTA. Accordingly, the Company is not required to make an announcement in respect of the Agreements pursuant to Catalist Rule 905. However, the Company has elected to make an announcement to inform shareholders of the Group's business diversification efforts. Please refer to the Company's announcement dated 6 July 2021 for more details.

Save as disclosed above, there were no other IPTs that were more than S\$100,000 entered into by the Group as at the date of this announcement.

7. Confirmation that the issuer has procured undertaking 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) of the SGX-ST Listing Manual Section B: Rules of Catalist.

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

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). As at the date of this announcement, the Company had utilised all the 2013 Placement proceeds except for a part of the amount allocated to the share buyback mandate of S\$5.96 million.

The Company had utilised S\$0.99 million in relation to the share buyback exercise as at the date of this report, and the ending balance of the amount allocated to the share buyback mandate as at 30 June 2021 and the date of this report, was S\$4.97 million.

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

Actual use of funds/ cash

	Three Months Ended
	30-Jun-21
	US\$'000
Exploration and production activities in Oman	8,527
Exploration and drilling activities in Norway*	1,346
General working capital	1,337
Total	11,210

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

In the three-month period ended 30 June 2021 (“**2Q FY2021**”), US\$8.53 million was used for production and exploration related activities in Oman and US\$1.35 million was used for exploration related activities in Norway. US\$1.34 million was used for the Singapore and Rex Technology offices’ staff costs, operational expenses, and consultancy and professional fees.

The actual amount of funds used for production and exploration related activities in Oman in 2Q FY2021 was US\$3.40 million lower than the projected amount in the previous quarter ended 31 March 2021 (“**1Q FY2021**”). The lower actual amount was due to major savings from faster and more efficient drilling activities in Oman in 2Q FY2021.

The actual amount of funds used for exploration activities in Norway in 2Q FY2021 was US\$0.50 million lower than the projected amount, mainly due to cost reduction in exploration activities in Norway.

The actual amount of funds used for general working capital was US\$0.07 million lower than the projected amount, due to a slight decrease in operational and staff costs in 2Q FY2021.

The total actual use of funds for 2Q FY2021 amounted to US\$11.21 million, which was US\$3.98 million lower than the projected amount in 1Q FY2021.

Projection on the use of funds/ cash

	Three Months Ending 30-Sep-21 US\$'000
Exploration and production activities in Oman	7,014
Exploration and drilling activities in Norway*	2,073
General working capital	1,379
Total	10,466

* Net of tax refund receivables from the Norwegian tax authorities in relation to exploration costs incurred in Norway.

- 10. Pursuant to Rule 705(7) - Details of exploration (including geophysical surveys), 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 2Q FY2021, the Group incurred US\$8.53 million for production and exploration related activities in Oman and US\$3.72 million for exploration activities in Norway.

Production from the Yumna Field in Oman is ongoing, and the Group's exploration work in Norway is a continuous process.

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

On behalf of the Board, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board which may render the financial statements for 1H FY2021 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

Muhammad Sameer Yousuf Khan
Independent Director

Singapore
12 August 2021