

PRESS RELEASE**Rex's 2021 Round-up: A transformational year**

- *Increased production in Oman and positive cash flow*
- *Acquisition of producing field in Norway on attractive terms*
- *Addition of Malaysian discovered oil fields with potential to be converted to production in the short term*
- *Submitted a proposal to transfer listing from the Catalist Board to the Mainboard of the Singapore Exchange Securities Trading Limited*

SINGAPORE, 13 January 2022 – **Rex International Holding Limited** (“**Rex International Holding**”, “**Rex**” or the “**Company**”, and together with its subsidiaries, the “**Group**”), a technology-driven oil company, closed the year 2021 with its subsidiary Lime Petroleum AS’s (“**LPA**”) acquisition of a 33.8434 per cent interest in the producing Brage Field operated by Wintershall Dea Norge AS; topping off an eventful year marked by increased oil production in Oman amid rising oil prices.

Oman: Increased production amid higher oil prices

Production in 2021 increased with the addition of two production wells to the existing Yumna 1. The Yumna 2 well started production on 23 January 2021, while the Yumna 3 well started production on 18 February 2021. Oil liftings doubled from three in the first half of 2020 to six in the first half of 2021. Average realised oil price sold also rose from an unprecedented low of US\$23 per barrel in the first half of 2020 to US\$62 per barrel in the first half of FY2021. A total of 12 liftings were done in 2021. By 31 December 2021, Brent oil prices had crept up to around US\$80 per barrel.

The results of the three exploration wells drilled in 2021 confirmed the extents of the good quality Lower Aruma sandstone and will help to refine understanding of the trap mechanisms in the area and future development of the field.

Norway: Second leg of production for Rex, transformational for LPA

LPA's acquisition of a 33.8434 per cent interest in the Brage Field (the "**Brage Acquisition**") was its most significant transaction of 2021, as it fulfils LPA's ambition to transition from pure-play exploration to a full cycle exploration and production company on the Norwegian Continental Shelf, and to establish recurring cash flow, as well as develop and drive further value in LPA's existing portfolio.

According to the Norwegian Petroleum Directorate, there are 3.42 million Sm³ of oil equivalent or 21.52 mmboe of remaining reserves in the Brage Field. Accordingly, giving LPA net 2P Reserves of about 7.3 mmboe. Based on the latest available data on the Norwegian Petroleum Directorate website as at the time of the Brage Acquisition, the Brage Field is expected to add an estimated 3,440 barrels of oil equivalent per day (net) (the working interest for March 2021), giving the Group a second production field.

LPA successfully raised a 2.5-year senior secured bond of NOK 500 million (approximately US\$60 million) (the "**Bonds**"). The Bonds were oversubscribed by more than 100 per cent and books were closed within three days after promotion to prospective investors was kicked off, a testament to the Brage Field's production profile, cash flow generation and quality in the security package of the bond provided. The security for the Bonds is ringfenced at the LPA level and does not affect the Company.

LPA continues to mature the Shrek, Fogelberg and Falk discoveries towards development and production whilst streamlining its remaining portfolio. Contingent resources estimated by various qualified persons in the three discovery assets and attributable to LPA, total 27.74 mmboe.

In 2021, LPA also entered into an agreement with Nautilus Carbon Services AS to participate in the first phase of a larger project involving several other joint-industry project partners, which aims to secure a storage site in the Norwegian Continental Shelf where CO₂ can be injected and safely stored permanently.

Malaysia: A potential third leg for production

In 2021, Rex was also awarded operatorship and 95 per cent participating interest in two Production Sharing Contracts (“PSCs”) for the development and production of the Rhu-Ara and the Diwangsa Clusters (the “Clusters”) located in offshore Peninsular Malaysia. The Rhu-Ara Cluster contains two discovered oil fields and the Diwangsa Cluster contains four discovered oil fields. The new PSC terms under the Small Fields Assets include an up-to-two-year pre-development phase followed by a two-year development and a 10-year production period. The Group will focus on the pre-development phase of the Clusters over the next two years. The anticipated production will be a potential third leg to the Group’s production and reserves base. A local team to drive the project in Malaysia has been set up.

Business Diversification

In July 2021, Rex entered into an agreement to invest up to US\$4 million for a 40 per cent interest in commercial drone company, Xer Technologies Pte Ltd, as part of its business diversification. This investment will allow Rex to take a stake in the fast-growing global commercial drone market, which is anticipated to reach over US\$500 billion by 2028¹.

Looking Ahead

Mr Dan Broström, Executive Chairman of Rex, said, “Rex’s goals are to increase production and reserves in the Company’s three operation areas: Oman, Norway and Malaysia. With Brent oil price presently above US\$80 per barrel, we consider this our first priority.”

Mr Broström added, “We have submitted a proposal to transfer the Company’s listing from the Catalist Board of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) to the Mainboard of the SGX-ST in December 2021 and look forward to be able to reach out to a larger investor base to maximise the Group’s growth potential going forward.”

¹Source: Research and Markets, "Commercial Drone Market Size, Share & Trends Analysis Report by Product, by Application, by End-use, by Region, and Segment Forecasts, 2021-2028", May 2021

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About Rex International Holding

Rex International Holding is a multinational exploration and production (E&P) company listed on Singapore Exchange Securities Trading Limited's Catalist Board. The Company de-risks its portfolio of exploration and development assets using its proprietary liquid hydrocarbon indicator Rex Virtual Drilling technology, which can locate oil reservoirs in the sub-surface using seismic data. Since the Company's listing in July 2013, the Group has achieved four offshore discoveries, one in Oman and three in Norway. Besides its E&P activities with a focus on Oman and 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.

Issued by Rex International Holding Limited

Tel: +65 6557 2477

Mok Lai Siong, laisiong.mok@rexih.com

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.

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The contact person for the Sponsor is Mr Pong Chen Yih, Chief Operating Officer, 7 Temasek Boulevard, #18-03B Suntec Tower 1, Singapore 038987, telephone (65) 6950 2188.