



**REX INTERNATIONAL
HOLDING LIMITED**

(Company Registration Number: 201301242M)

**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS AND FULL YEAR ENDED
31 DECEMBER 2021**

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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. The Sponsor has also not drawn on any specific technical expertise in its review of this announcement.

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

	Note	Group Six Months Ended			Group Twelve Months Ended		
		31-Dec-21	31-Dec-20	Change	31-Dec-21	31-Dec-20	Change
		US\$'000	US\$'000	%	US\$'000	US\$'000	%
Revenue:							
Sale of crude oil	4.2	82,682	32,089	158	158,444	46,664	240
Service revenue	4.2	30	–	NM	30	–	NM
Cost of sales:							
Production and operating expenses		(12,832)	(7,986)	61	(25,552)	(23,841)	7
Depletion of oil and gas properties	10	(16,694)	(11,469)	46	(36,238)	(21,484)	69
Exploration and evaluation expenditure	9	(3,809)	(670)	469	(14,613)	(1,507)	870
Cost of services		(353)	(375)	(6)	(742)	(640)	16
Gross profit/ (loss)		49,024	11,589	323	81,329	(808)	NM
Administration expenses		(21,539)	(8,011)	169	(29,114)	(15,291)	90
Other expenses		(232)	(170)	36	(1)	(4,844)	(100)
Other income		19,989	1,401	1,327	20,830	124	16,698
Results from operating activities		47,242	4,809	882	73,044	(20,819)	NM
Finance income		250	613	(59)	728	777	(6)
Foreign exchange (loss)/ gain		(203)	842	NM	(707)	889	NM
Finance costs		(3,136)	(459)	583	(3,643)	(961)	279
Net finance (costs)/ income		(3,089)	996	NM	(3,622)	705	NM
Profit/ (loss) before tax	6	44,153	5,805	661	69,422	(20,114)	NM
Tax credit	7	7,071	2,015	251	9,517	4,902	94
Profit/ (loss) for the period/ year, net of tax		51,224	7,820	555	78,939	(15,212)	NM
Other comprehensive income/ (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 income/ (loss) for the period/ year, net of tax		1,096	1,914	(43)	1,033	330	213
Total comprehensive income/ (loss) for the period/ year, net of tax		52,320	9,734	437	79,972	(14,882)	NM

NM: Not meaningful

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

	Note	Group			Group		
		Six Months Ended		Change	Twelve Months Ended		Change
		31-Dec-21	31-Dec-20		31-Dec-21	31-Dec-20	
		US\$'000	US\$'000	%	US\$'000	US\$'000	%
Profit/ (loss) attributable to:							
Owners of the Company		43,227	6,762	539	67,157	(14,218)	NM
Non-controlling interests		7,997	1,058	656	11,782	(994)	NM
Profit/ (loss) for the period/ year, net of tax		51,224	7,820	555	78,939	(15,212)	NM
Total comprehensive income/ (loss) attributable to:							
Owners of the Company		44,353	8,486	423	68,225	(13,920)	NM
Non-controlling interests		7,967	1,248	538	11,747	(962)	NM
Total comprehensive income/ (loss) for the period/ year, net of tax		52,320	9,734	437	79,972	(14,882)	NM
Earnings/ (loss) per share							
Basic earnings/ (loss) per share (cents)	6.1	3.32	0.52	539	5.16	(1.09)	NM
Diluted earnings/ (loss) per share (cents)	6.1	3.32	0.52	539	5.16	(1.09)	NM

NM: Not meaningful

B. Condensed interim statements of financial position

	Note	Group		Company	
		31-Dec-21 US\$'000	31-Dec-20 US\$'000	31-Dec-21 US\$'000	31-Dec-20 US\$'000
Assets					
Exploration and evaluation assets	9	40,646	30,376	–	–
Oil and gas properties	10	137,022	76,266	–	–
Other intangible assets	11	2,515	3,365	–	–
Plant and equipment	12	1,609	2,160	244	444
Subsidiaries		–	–	92,621	106,139
Associate		1,000	–	–	–
Other receivables	13	167,193	–	–	–
Non-current assets		349,985	112,167	92,865	106,583
Inventories		11,278	–	–	–
Trade and other receivables	13	94,988	37,200	1,130	2,568
Quoted investments		26,306	25,925	26,298	25,622
Cash and cash equivalents		60,603	20,375	6,489	3,289
Current assets		193,175	83,500	33,917	31,479
Total assets		543,160	195,667	126,782	138,062
Equity					
Share capital	14	257,677	257,677	257,677	257,677
Reserves		8,753	6,923	725	582
Accumulated losses		(80,067)	(137,092)	(168,096)	(154,759)
Total equity attributable to owners of the Company		186,363	127,508	90,306	103,500
Non-controlling interests		12,892	12,718	–	–
Total equity		199,255	140,226	90,306	103,500
Liabilities					
Loans and borrowings	16	47,107	–	–	–
Deferred tax liabilities		40,831	13,173	–	–
Provisions	17	197,147	1,210	–	–
Lease liabilities		149	573	39	236
Non-current liabilities		285,234	14,956	39	236
Loans and borrowings	16	8,512	18,010	–	–
Trade and other payables		49,734	22,053	36,240	34,134
Lease liabilities		425	422	197	192
Current liabilities		58,671	40,485	36,437	34,326
Total liabilities		343,905	55,441	36,476	34,562
Total equity and liabilities		543,160	195,667	126,782	138,062

C. Condensed interim statements of changes in equity

	Attributable to owners of the Company									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	Total 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 year	-	-	-	-	-	-	67,157	67,157	11,782	78,939	
Other comprehensive income											
Foreign currency translation differences, representing total other comprehensive income	-	-	-	-	-	1,068	-	1,068	(35)	1,033	
Total comprehensive income for the year	-	-	-	-	-	1,068	67,157	68,225	11,747	79,972	
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	-	-	-	-	212	-	-	212	7	219	
Proceeds from issuance of option agreements	-	-	-	550	-	-	-	550	-	550	
Dividends paid to non-controlling interests*	-	-	-	-	-	-	-	-	(19,002)	(19,002)	
Total contributions by and distributions to owners	-	-	-	550	212	-	-	762	(18,995)	(18,233)	
Changes in ownership interests in subsidiaries											
Acquisition of non-controlling interests without a change in control, representing total changes in ownership interests in subsidiaries	-	-	-	-	-	-	(10,132)	(10,132)	7,422	(2,710)	
Transactions with owners	-	-	-	550	212	-	(10,132)	(9,370)	(11,573)	(20,943)	
At 31 December 2021	257,677	(716)	4,129	2,180	1,179	1,981	(80,067)	186,363	12,892	199,255	

* During 2021, the Group's subsidiary in Oman declared and paid dividend amounting to US\$19.00 million to non-controlling interests.

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 year										
Loss for the year	-	-	-	-	-	-	(14,218)	(14,218)	(994)	(15,212)
Other comprehensive income										
Foreign currency translation differences, representing total other comprehensive income	-	-	-	-	-	298	-	298	32	330
Total comprehensive loss for the year	-	-	-	-	-	298	(14,218)	(13,920)	(962)	(14,882)
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	-	-	-	-	160	-	-	160	2	162
Proceeds from issuance of option agreements	-	-	-	550	-	-	-	550	-	550
Total transactions with owners	87	-	-	550	73	-	-	710	2	712
At 31 December 2020	257,677	(716)	4,129	1,630	967	913	(137,092)	127,508	12,718	140,226

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
<u>Company</u>						
At 1 January 2021	257,677	(716)	505	793	(154,759)	103,500
Total comprehensive loss for the year						
Loss for the period, representing total comprehensive loss for the year	–	–	–	–	(13,337)	(13,337)
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	–	–	–	143	–	143
At 31 December 2021	257,677	(716)	505	936	(168,096)	90,306

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 year						
Loss for the period, representing total comprehensive loss for the year	-	-	-	-	(6,891)	(6,891)
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	-	-	-	148	-	148
Total transactions with shareholders	87	-	-	61	-	148
At 31 December 2020	257,677	(716)	505	793	(154,759)	103,500

D. Condensed interim consolidated statement of cash flows

	Note	Group	
		31-Dec-21 US\$'000	31-Dec-20 US\$'000
Cash flows from operating activities			
Profit/ (loss) before tax		69,422	(20,114)
Adjustments for:			
Depreciation		752	628
Depletion of oil and gas properties	10	36,238	21,484
Amortisation of other intangible assets	11	850	850
Net finance costs		2,915	184
Bargain purchase from acquisition of oil and gas properties	10	(18,236)	–
Expensed exploration and evaluation costs	9	9,733	–
Impairment losses on exploration and evaluation assets	9	1,018	259
Impairment losses on oil and gas properties	10	1,681	–
Change in fair value of quoted investments		(603)	568
(Gain)/ loss on disposal of quoted investments		(122)	672
Equity settled share-based payment transactions		219	162
		103,867	4,693
Changes in:			
– Inventories		(106)	–
– Trade and other receivables		(40,000)	(14,072)
– Trade and other payables		16,998	14,839
Restricted cash		(475)	–
Tax receipts from exploration and evaluation activities in Norway		18,709	18,776
Net cash from operating activities		98,993	24,236
Cash flows from investing activities			
Interest received		728	777
Acquisition of oil and gas licences	10	(40,961)	–
Investment in an associate		(1,000)	–
Purchase of quoted investments		(12,974)	(16,833)
Proceeds from disposal of quoted investments		13,165	29,818
Proceeds from sale of plant and equipment		–	1
Exploration and evaluation expenditure	9	(22,204)	(32,203)
Additions to oil and gas properties	10	(10,539)	(5,836)
Purchase of plant and equipment	12	(211)	(1,316)
Net cash used in investing activities		(73,996)	(25,592)

D. Condensed interim consolidated statement of cash flows (continued)

	Note	Group	
		Twelve Months Ended 31-Dec-21 US\$'000	31-Dec-20 US\$'000
Cash flows from financing activities			
Interest paid		(3,024)	(933)
Payment for transaction costs related to loans and borrowings		(1,516)	–
Proceeds from issuance of option agreements		550	550
Proceeds from issuance of bonds by a subsidiary		57,069	–
Proceeds from bank loans		2,914	14,373
Repayment of bank loans		(20,730)	(13,004)
Acquisition of non-controlling interests in a subsidiary		(2,710)	–
Dividends paid to non-controlling interests		(19,002)	–
Repayment of lease liabilities		(412)	(364)
Net cash from financing activities		13,139	622
Net increase/ (decrease) in cash and cash equivalents			
Cash and cash equivalents at beginning of the year		20,375	21,930
Effect of exchange rate fluctuations on cash held		1,617	(821)
Cash and cash equivalents at end of the year		60,128	20,375
Cash and cash equivalents in the statement of financial position			
Less: Restricted cash		(475)	–
Cash and cash equivalents in the consolidated statement of cash flows		60,128	20,375

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 and year ended 31 December 2021 (“**2H FY2021**” and “**FY2021**” respectively) 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 relating to oil and gas exploration and production and oil exploration technology.

2. Basis of preparation

The condensed interim financial statements for the six months and year ended 31 December 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 interim financial statements for the period ended 30 June 2021.

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.

Depletion of oil and gas properties

Oil and gas properties are mainly depleted on a unit of production basis at a rate calculated by reference to proved plus probable reserves and incorporating the estimated future cost of developing and extracting those reserves. Future development costs are estimated using assumptions as to the numbers of wells required to produce those reserves, the cost of the wells, future production facilities and operating costs; together with assumptions on oil and gas realisations based on the approved field development plans.

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.

Business combination

An acquisition of a business, which is determined as an integrated set of activities and assets that are capable of being conducted and managed for the purpose of providing a return directly to investors, is a business combination.

Determining whether an acquisition meets the definition of a business combination requires judgement to be applied on a case-by-case basis. Acquisitions are assessed under the relevant SFRS(I) criteria to establish whether the transaction represents a business combination or an asset purchase. Depending on the specific facts, acquisitions of exploration and evaluation licences for which a development decision has not yet been made, have largely been concluded to represent asset purchases.

Acquisition accounting is subject to substantive judgement by the management. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability. The fair value of oil fields in production and development phase is normally based on discounted cash flow models, where the determination of inputs to the model may require significant judgement.

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 July 2021 to 31 December 2021				
Sale of crude oil	82,682	–	–	82,682
Service revenue	–	812	–	812
Total revenue for reportable segments	82,682	812	–	83,494
Elimination of inter-segment revenue	–	(782)	–	(782)
Consolidated revenue	82,682	30	–	82,712
Other income	13	1,724	–	1,737
Segment expense	(20,919)	(2,378)	(11,610)	(34,907)
Finance income	–	–	250	250
Foreign exchange gain/ (loss)	13	3	(219)	(203)
Finance costs	(3,094)	(1)	(41)	(3,136)
Depreciation	(282)	–	(103)	(385)
Depletion of oil and gas properties	(16,694)	–	–	(16,694)
Amortisation of other intangible assets	–	(425)	–	(425)
Other material non-cash items:				
– Bargain purchase from acquisition of oil and gas properties	18,236	–	–	18,236
– Changes in fair values of quoted investments	(1,393)	–	1,162	(231)
– Gain from disposal of quoted investments	(106)	–	122	16
– Expensed exploration and evaluation costs	(118)	–	–	(118)
– Impairment losses on exploration and evaluation assets	(1,018)	–	–	(1,018)
– Impairment losses on oil and gas properties	(1,681)	–	–	(1,681)
Reportable segment profit/ (loss) before tax	55,639	(1,047)	(10,439)	44,153
Reportable segment assets	502,293	4,246	36,621	543,160
<i>Segment assets include:</i>				
Additions to:				
– Plant and equipment*	203	–	–	203
– Exploration and evaluation assets and oil and gas properties	10,761	–	–	10,761
Investment in an associate	–	1,000	–	1,000
Acquisition of oil and gas properties	82,584	–	–	82,584
Reportable segment liabilities	338,933	963	4,009	343,905

* 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 July 2020 to 31 December 2020				
Sale of crude oil	32,089	–	–	32,089
Service revenue	–	939	–	939
Total revenue for reportable segments	32,089	939	–	33,028
Elimination of inter-segment revenue	–	(939)	–	(939)
Consolidated revenue	32,089	–	–	32,089
Other income	–	–	1,401	1,401
Segment expense	(13,905)	(804)	(1,864)	(16,573)
Loss from crude oil futures contract hedging	–	–	(96)	(96)
Finance income	227	–	386	613
Foreign exchange gain/(loss)	46	(51)	847	842
Finance costs	(425)	(1)	(33)	(459)
Depreciation	(27)	–	(91)	(118)
Depletion of oil and gas properties	(11,469)	–	–	(11,469)
Amortisation of other intangible assets	–	(425)	–	(425)
Reportable segment profit/ (loss) before tax	6,536	(1,281)	550	5,805
Reportable segment assets	162,426	3,597	29,644	195,667
<i>Segment assets include:</i>				
Additions to:				
– Plant and equipment*	429	–	–	429
– Exploration and evaluation assets	19,242	–	–	19,242
Reportable segment liabilities	(54,202)	(275)	(964)	(55,441)

* 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 2021 to 31 December 2021				
Sale of crude oil	158,444	–	–	158,444
Service revenue	–	1,813	–	1,813
Total revenue for reportable segments	158,444	1,813	–	160,257
Elimination of inter-segment revenue	–	(1,783)	–	(1,783)
Consolidated revenue	158,444	30	–	158,474
Other income	131	1,724	14	1,869
Segment expense	(39,518)	(3,014)	(13,456)	(55,988)
Finance income	–	–	728	728
Foreign exchange (loss)/ gain	(35)	6	(678)	(707)
Finance costs	(3,564)	(1)	(78)	(3,643)
Depreciation	(548)	–	(204)	(752)
Depletion of oil and gas properties	(36,238)	–	–	(36,238)
Amortisation of other intangible assets	–	(850)	–	(850)
Other material non-cash items:				
– Bargain purchase from acquisition of oil and gas properties	18,236	–	–	18,236
– Changes in fair values of quoted investments	(293)	–	896	603
– Gain from disposal of quoted investments	–	–	122	122
– Expensed exploration and evaluation costs	(9,733)	–	–	(9,733)
– Impairment losses on exploration and evaluation assets	(1,018)	–	–	(1,018)
– Impairment losses on oil and gas properties	(1,681)	–	–	(1,681)
Reportable segment profit/ (loss) before tax	84,183	(2,105)	(12,656)	69,422
Reportable segment assets	502,293	4,246	36,621	543,160
<i>Segment assets include:</i>				
Additions to:				
– Plant and equipment*	207	–	4	211
– Exploration and evaluation assets and oil and gas properties	32,743	–	–	32,743
Investment in an associate	–	1,000	–	1,000
Acquisition of oil and gas properties	82,584	–	–	82,584
Reportable segment liabilities	338,933	963	4,009	343,905

* 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 31 December 2020				
Sale of crude oil	46,664	–	–	46,664
Service revenue	–	1,910	–	1,910
Total revenue for reportable segments	46,664	1,910	–	48,574
Elimination of inter-segment revenue	–	(1,910)	–	(1,910)
Consolidated revenue	46,664	–	–	46,664
Other income	–	–	124	124
Segment expense	(35,323)	(1,645)	(4,325)	(41,293)
Loss from crude oil futures contract hedging	–	–	(3,352)	(3,352)
Finance income	227	–	550	777
Foreign exchange gain/(loss)	303	(51)	637	889
Finance costs	(872)	(2)	(87)	(961)
Depreciation	(448)	–	(180)	(628)
Depletion of oil and gas properties	(21,484)	–	–	(21,484)
Amortisation of other intangible assets	–	(850)	–	(850)
Reportable segment loss before tax	(10,933)	(2,548)	(6,633)	(20,114)
Reportable segment assets	162,426	3,597	29,644	195,667
<i>Segment assets include:</i>				
Additions to:				
– Plant and equipment*	1,294	–	22	1,316
– Exploration and evaluation assets	38,039	–	–	38,039
Reportable segment liabilities	(54,202)	(275)	(964)	(55,441)

* Excludes right-of-use assets

4.2. Disaggregation of revenue

	Group		Group	
	Six Months Ended		Twelve Months Ended	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	US\$'000	US\$'000	US\$'000	US\$'000
Sale of crude oil	82,682	32,089	158,444	46,664
Rendering of services	30	–	30	–
Total revenue	82,712	32,089	158,474	46,664

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		Group	
	Six Months Ended		Twelve Months Ended	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	US\$'000	US\$'000	US\$'000	US\$'000
Singapore	82,682	32,089	145,107	32,089
China	–	–	13,337	–
Bahrain	–	–	–	14,575
Norway	30	–	30	–
Total revenue	82,712	32,089	158,474	46,664

Geographical information

A breakdown of sales:

	Group		Change %
	Twelve Months Ended		
	31-Dec-21	31-Dec-20	
	US\$'000	US\$'000	
(a) Sales reported for the first half year	75,762	14,575	420
(b) Operating profit/(loss) after tax before deducting non-controlling interests reported for first half year	27,715	(23,032)	NM
(c) Sales reported for second half year	82,712	32,089	158
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	51,224	7,820	555

5. Financial assets and financial liabilities

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

	Mandatorily at FVTPL US\$'000	Amortised cost US\$'000	Other financial liabilities US\$'000	Total carrying amount US\$'000
Group				
31 December 2021				
Trade and other receivables (Note 13)*	–	51,930	–	51,930
Other receivables – non-current (Note 13)	–	167,193	–	167,193
Quoted investments	26,306	–	–	26,306
Cash and cash equivalents	–	60,603	–	60,603
Total financial assets	26,306	279,726	–	306,032
Loans and borrowings (Note 16)	–	–	55,619	55,619
Lease liabilities	–	–	574	574
Trade and other payables	–	–	49,734	49,734
Total financial liabilities	–	–	105,927	105,927
Company				
31 December 2021				
Loan to a subsidiary	–	92,621	–	92,621
Other receivables (Note 13)*	–	1,000	–	1,000
Quoted investments	26,298	–	–	26,298
Cash and cash equivalents	–	6,489	–	6,489
Total financial assets	26,298	100,110	–	126,408
Lease liabilities	–	–	236	236
Other payables	–	–	36,240	36,240
Total financial liabilities	–	–	36,476	36,476

* 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
Group				
31 December 2020				
Trade and other receivables (Note 13)*	–	17,391	–	17,391
Quoted investments	25,925	–	–	25,925
Cash and cash equivalents	–	20,375	–	20,375
Total financial assets	25,925	37,766	–	63,691
Loans and borrowings (Note 16)	–	–	18,010	18,010
Lease liabilities	–	–	995	995
Trade and other payables	–	–	22,053	22,053
Total financial liabilities	–	–	41,058	41,058
Company				
31 December 2020				
Loan to a subsidiary	–	106,139	–	106,139
Other receivables (Note 13)*	–	2,431	–	2,431
Quoted investments	25,622	–	–	25,622
Cash and cash equivalents	–	3,289	–	3,289
Total financial assets	25,622	111,859	–	137,481
Lease liabilities	–	–	428	428
Other payables	–	–	34,134	34,134
Total financial liabilities	–	–	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				
31 December 2021				
Quoted investments				
– Equity investments	8	–	–	8
– Debt securities	26,298	–	–	26,298
	26,306	–	–	26,306
31 December 2020				
Quoted investments				
– Equity investments	303	–	–	303
– Debt securities	25,622	–	–	25,622
	25,925	–	–	25,925
Company				
31 December 2021				
Quoted investments				
– Debt securities	26,298	–	–	26,298
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 and equity securities

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

6. Profit before taxation

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

	Group		Group	
	Six Months Ended		Twelve Months Ended	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	US\$'000	US\$'000	US\$'000	US\$'000
Depreciation of plant and equipment	(385)	(118)	(752)	(628)
Depletion of oil and gas properties	(16,694)	(11,469)	(36,238)	(21,484)
Amortisation of other intangible assets	(425)	(425)	(850)	(850)
Impairment losses on exploration and evaluation assets	(1,018)	(78)	(1,018)	(259)
Expensed exploration and evaluation costs	(118)	–	(9,733)	–
Impairment losses on oil and gas properties	(1,681)	–	(1,681)	–
Bargain purchase from acquisition of oil and gas properties	18,236	–	18,236	–
Change in fair value of quoted investments	(231)	1,282	603	(568)
Gain/ (loss) on disposal of quoted investments	16	89	122	(672)
Recovery of bad debts previously written-off	1,720	–	1,720	–
Loss from crude oil futures contract hedging	–	(96)	–	(3,352)

6.1. Earnings/ (loss) per share

	Group Six Months Ended		Group Twelve Months Ended	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
Calculation of basic and diluted earnings/ (loss) per share (“EPS” / “LPS”) is based on:				
Profit/ (loss) attributable to ordinary shareholders (US\$)	43,227,000	6,762,000	67,157,000	(14,218,000)
Weighted average number of ordinary shares	1,302,320,991	1,302,320,991	1,302,320,991	1,301,678,160
Basic and fully diluted EPS/ (LPS) (US cents)	3.32	0.52	5.16	(1.09)

As at 31 December 2021, 11,724,100 share awards (31 December 2020: 58,255,100 share awards) were excluded from the diluted weighted average number of ordinary shares calculation as they either had minimal 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

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group. The directors and certain key executives of the management team are considered as key management of the Group.

Transactions with directors and other key management personnel

Apart from those disclosed elsewhere in the condensed interim financial statements, below are the remaining significant related party transactions.

Key management personnel compensation comprised remuneration of directors and other key executives as follows:

	Group Twelve Months Ended	
	31-Dec -21 US\$'000	31-Dec-20 US\$'000
Short-term employment benefits		
– Directors	5,827	2,089
– Key executives	9,620	4,061
Post-employment benefits (including CPF)	17	50
Share-based payment	143	54
	15,607	6,254

6.2. Related party transactions (continued)

Other significant related party transactions

	Group	
	Twelve Months Ended 31-Dec-21 US\$'000	31-Dec-20 US\$'000
Issuance of option agreements to a company controlled by a director	550	550
Consultancy fees paid to a company controlled by a director	9	28

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:

	Group		Group	
	Six Months Ended 31-Dec-21 US\$'000	31-Dec-20 US\$'000	Twelve Months Ended 31-Dec-21 US\$'000	31-Dec-20 US\$'000
Current tax credit				
Current period/ year	(13,269)	(11,497)	(19,332)	(16,843)
Changes in estimates related to prior years	(2)	438	(2)	438
	(13,271)	(11,059)	(19,334)	(16,405)
Deferred tax expense				
Origination and reversal of temporary differences	6,200	9,044	9,817	11,503
Tax credit	(7,071)	(2,015)	(9,517)	(4,902)

8. Net asset value

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
Net asset value [#] (US\$)	199,255,000	140,226,000	90,306,000	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 year (US cents)	15.30	10.77	6.93	7.95

Net asset value includes non-controlling interests.

9. Exploration and evaluation assets

	Group	
	31-Dec -21 US\$'000	31-Dec-20 US\$'000
Cost		
At beginning of year	65,751	123,438
Additions	22,204	32,203
Expensed to profit or loss	(9,733)	–
Adjustments	–	(467)
Transferred to oil and gas properties (Note 10)	–	(92,164)
Translation difference on consolidation	(3,187)	2,741
At end of year	75,035	65,751
Accumulated amortisation and impairment loss		
At beginning of year	35,375	33,471
Impairment of capitalised exploration expenditure	1,018	259
Transferred to oil and gas properties (Note 10)	–	(250)
Translation difference on consolidation	(2,004)	1,895
At end of year	34,389	35,375
Carrying amounts at end of year	40,646	30,376

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

9. Exploration and evaluation assets (continued)

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

	Group		Group	
	Six Months Ended		Twelve Months Ended	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	US\$'000	US\$'000	US\$'000	US\$'000
Cost of sales includes:				
Expensed to profit or loss for capitalised exploration expenditure	118	–	9,733	–
Impairment of exploration expenditure previously capitalised	1,018	78	1,018	259
Impairment of oil and gas properties previously capitalised (Note 10)	1,681	–	1,681	–
Other exploration costs	992	592	2,181	1,248
	3,809	670	14,613	1,507

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 Tyrving (previously known as Fogelberg) (the "**Licence Swap**"). LPA has agreed to pay ONE-Dyas a contingent cash consideration, which is related to the Plan for Development and Operations (PDO). The Licence Swap had been completed on 31 August 2021. Please refer to the Company's press release dated 1 September 2021 for further details.

Impairment assessment

In FY2021, the Group recognised total impairment loss of US\$1,018,000 with respect to exploration and evaluation assets in Norway as a result of the relinquishment of a licence. Based on the approved budgets and plans for exploratory activities, no other impairment of exploration and evaluation assets was required as of 31 December 2021.

10. Oil and gas properties

	Group	
	31-Dec-21 US\$'000	31-Dec-20 US\$'000
Cost		
At beginning of year	98,000	–
Transferred from exploration and evaluation assets (Note 9)	–	92,164
Additions	10,539	5,836
Acquisition of Brage Field	82,584	–
Change in decommissioning provision	5,728	–
Adjustments	(176)	–
At end of year	196,675	98,000
Accumulated depletion and impairment loss		
At beginning of year	21,734	–
Depletion	36,238	21,484
Transferred from exploration and evaluation assets (Note 9)	–	250
Impairment of oil and gas properties previously capitalised	1,681	–
At end of year	59,653	21,734
Carrying amounts at end of year	137,022	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.

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.

The acquisition of the Brage Field was completed on 31 December 2021.

The Group incurred acquisition-related costs of US\$300,000. The total cash consideration paid was US\$40.96 million.

10. Oil and gas properties (continued)

Norway (continued)

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired, and liabilities assumed by LPA at the acquisition date.

	US\$'000
Oil and gas properties	82,584
Other receivables – non-current	167,193
Trade and other receivables – current	17,486
Inventories	11,173
Deferred tax liabilities	(18,482)
Provisions	(190,077)
Trade and other payables – current	(10,680)
Total net identifiable assets	59,197
Cash consideration transferred	(40,961)
Gain from bargain purchase	18,236

Measurement of fair values

Management primarily used a discounted cash flow model (net present value of expected future cash flows) to determine the fair value of the oil and gas properties. The model incorporated expected future cash flows based on estimates of projected revenues, production costs and capital expenditures as at the acquisition date. The cash flows were estimated using post-tax basis in accordance with the industry practice where acquisition of licences on Norwegian continental shelf without grossing up the value with a tax amortisation benefit.

Impairment assessment

In FY2021, the Group recognised total impairment loss of US\$1,681,000 with respect to oil and gas properties in Oman as these assets are no longer in use. An impairment assessment was performed over the Group's remaining oil and gas properties in Oman. Based on the impairment assessment performed, the recoverable amounts were determined to be in excess of the carrying value of these oil and gas properties, and no further impairment loss was recognised.

The recoverable amounts of the oil and gas properties were determined based on value in use calculations and budgeted 6 years (FY2020: 4 years) production period before economic cut-off. The calculation was based on the following key assumptions:

	FY2021	FY2020
Pre-tax discount rate	10%	10%
Proved and probable reserves, million barrels of oil (MMBbls)	6.6	8.2
Oil price, US\$ per barrel (bbl)	64.5-73.5	40-59

11. Other intangible assets

Group	Technology US\$'000	Customer Contracts US\$'000	Total US\$'000
Cost			
At 1 January 2020, 31 December 2020 and 31 December 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	470	380	850
At 31 December 2021	3,309	2,676	5,985
Carrying amounts			
At 31 December 2021	1,391	1,124	2,515
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\$203,000 during the six months ended 31 December 2021 (six months ended 31 December 2020: US\$429,000), and US\$211,000 for the full year ended 31 December 2021 (FY2020: US\$1,391,000). No assets were disposed in FY2021 (FY2020: US\$1,000).

13. Trade and other receivables

	Group		Company	
	31-Dec-21 US\$'000	31-Dec-20 US\$'000	31-Dec-21 US\$'000	31-Dec-20 US\$'000
Trade receivables	44,212	14,833	–	–
Amounts due from subsidiaries, non-trade	–	–	871	2,314
Amounts due from related party, non-trade	2,647	–	–	–
Deposits	213	280	106	107
Decommissioning receivables (Note 10)	167,193	–	–	–
Other receivables	4,858	2,278	23	10
	<u>219,123</u>	<u>17,391</u>	<u>1,000</u>	<u>2,431</u>
Prepayments	2,497	739	130	137
Income tax receivables ⁽ⁱ⁾	40,561	19,070	–	–
Trade and other receivables	<u>262,181</u>	<u>37,200</u>	<u>1,130</u>	<u>2,568</u>
Non-current	167,193	–	–	–
Current	94,988	37,200	1,130	2,568
	<u>262,181</u>	<u>37,200</u>	<u>1,130</u>	<u>2,568</u>

(i) Income tax receivables of US\$40,561,000 (2020: US\$19,070,000) relates to an amount receivable from Norway tax authorities for exploration costs incurred in 2021 (2020: 2020). Oil exploration companies operating on the Norwegian Continental Shelf may claim a 78% refund of their exploration costs limited to tax losses of the year. The refund will be paid out in November the following year.

Amounts due from subsidiaries are repayable on demand, unsecured and interest-free.

Amounts due from related party (non-trade) will mature on 31 January 2022, unsecured and interest-free.

14. Share capital

	Group and Company			
	31-Dec-21 Number of shares '000	31-Dec-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 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 year	<u>1,315,507</u>	<u>257,677</u>	<u>1,315,507</u>	<u>257,677</u>

14. Share capital (continued)

There was no change in the Company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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, being 30 June 2021.

The Company's issued and fully paid-up capital as at 31 December 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% of the total number of issued shares (excluding treasury shares) as at 31 December 2021 (31 December 2020: 1.01%). There were no sales, transfers, cancellation and/or use of treasury shares in 2H FY2021.

There were no outstanding convertibles issued by the Company as at 31 December 2021 and 31 December 2020. There were no subsidiary holdings as at 31 December 2021 and 31 December 2020, and no sales, transfers, cancellation and/or use of subsidiary holdings in 2H FY2021.

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 FY2021	Lapsed/ Cancelled in FY2021	Vested in FY2021	At 31-Dec-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	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.

15. Share-based payment arrangements (continued)

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

Measurement of fair values

The estimated fair value at date of grant for each share granted on 9 March 2021 was S\$0.178 per share, and the estimated fair value at date of grant for each share granted on 22 May 2020 was S\$0.137 per share.

16. Loans and borrowings

	Group	
	31-Dec-21	31-Dec-20
	US\$'000	US\$'000
Amount repayable after one year		
Secured bond issues	47,107	–
Amount repayable within one year or on demand		
Secured bank loans	–	18,010
Current portion of secured bond issues	8,512	–
	<u>8,512</u>	<u>18,010</u>

There were no unsecured loans or borrowings for the financial years ended 31 December 2021 and 31 December 2020.

Secured bond issues

On 9 July 2021, LPA completed the issuance of NOK 500 million (approximately US\$57.07 million) worth of 2.5-year senior secured bonds. The bonds bear an interest rate of 3 months Norwegian interbank offered rate ("**NIBOR**") plus margin of 8.25% per annum. Interests and redemption of bonds is repayable in semi-annual instalments, with first repayment in July 2022. The final maturity date of the bonds is on 9 January 2024.

The bond is secured with, inter alia, a pledge over the Company's wholly-owned subsidiary, Rex International Investments Pte. Ltd.'s shareholding interests in LPA, security with first priority over interests in future hydrocarbon assets which LPA and/or its subsidiaries may acquire in future, tax balances held by LPA today and deferred tax assets related to the Brage Field upon completion of the acquisition of Brage Field. In the event of a default on the bond, any remaining tax assets (comprised deferred tax assets and tax refund receivables) are backed by the Norwegian Government and can be used by bond holders to partially recoup any shortfall in the bond issue. The bonds are targeted to be listed on the Oslo Børs.

16. Loans and borrowings (continued)

Bank loans

In 2020, LPA had entered into an Amendment Agreement pursuant to the original Revolving Exploration Financing Facility agreement with Skandinaviska Enskilda Banken to extend the credit facility until 31 December 2021 for NOK 350,000,000. Any outstanding amounts as at 31 December 2020 shall be repaid in December the following year following receipt of tax refunds. The agreed interest rate is 3-month NIBOR + 2.0%.

The credit facility was secured by a first priority assignment of tax refunds, first priority charge over certain bank accounts, a first priority pledge of certain participation interests in licences and a first priority assignment over certain insurances in the subsidiary in Norway.

All bank loans were fully repaid in FY2021.

17. Provisions

	Exploration drilling rehabilitation	
	31-Dec-21 US\$'000	31-Dec-20 US\$'000
Group		
At 1 January	1,210	1,628
Acquisition of oil and gas properties (Note 10)	190,077	–
Unwinding of discount	132	49
Provisions made during the year	5,728	–
Reversal of provisions	–	(467)
At 31 December	197,147	1,210
Comprising:		
Current	–	–
Non-current	197,147	1,210
	197,147	1,210

Exploration drilling rehabilitation

The rehabilitation provision represents the present value of the cost of rehabilitating and decommissioning oil field assets and infrastructure such as wells, pipelines and processing facilities in Oman, which are expected to be incurred when the operations are ceased. These provisions have been created based on the Group's internal estimates. Assumptions based on the current economic environment have been made, which management believes are a reasonable basis upon which to estimate the future liability. These estimates, including discount rates, are reviewed regularly to take into account any material changes to the assumptions. However, actual decommissioning costs will ultimately depend upon future market prices for the necessary decommissioning works required that will reflect market conditions at the relevant time. Furthermore, the timing of decommissioning is likely to depend on when the fields cease to produce at economically viable rates. This, in turn, will depend upon future oil and gas prices, which are inherently uncertain.

17. Provisions (continued)***Exploration drilling rehabilitation (continued)***

In 2021, as part of the Group's regular review, the provisions were revised following the establishment and commencement of the planned drilling programme in Oman. Accordingly, the provisions increased by US\$5,728,000 (2020: decreased by US\$467,000), with a corresponding increase in oil and gas properties of US\$5,728,000 (Note 10) (2020: decrease of US\$467,000 in the exploration and evaluation assets) (Note 9).

18. 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.

On 18 October 2021, the settlement arrangement between the relevant parties in relation to the subject court proceedings and other related claims between the parties were duly completed and/or effected pursuant to the terms of the Settlement Agreement.

Masirah Oil Ltd

On 5 August 2021, Petroci Holding ("**Petroci**") filed a claim against the Company's subsidiaries, Rex Oman Limited ("**Rex Oman**"), 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.

Management has considered the above claims and allegations and are of the view that these claims and allegations against Rex Oman and MOL are frivolous, baseless and unmeritorious. Management does not expect any material financial impact from the claim. Please refer to the Company's announcement dated 11 August 2021 for further details.

19. Subsequent events

On 26 January 2022, the Company obtained approval in-principle from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") in relation to the proposed transfer of the Company's listing from the Catalist Board of the SGX-ST to the SGX Mainboard of the SGX-ST (the "**Proposed Transfer**"). An extraordinary meeting will be held on 3 March 2022, to seek shareholders' approval for the Proposed Transfer.

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

1. Audit or review

The condensed consolidated statement of financial position of Rex International Holding Limited (the Company) and its subsidiaries (collectively the Group) as at 31 December 2021 and the related condensed consolidated profit or loss and other comprehensive income of the Group for the six-month and twelve-month period then ended, condensed statement of changes in equity of the Company and the Group for the twelve-month period then ended and condensed consolidated statement of cash flows of the Group for the twelve-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 from sale of crude oil increased to US\$158.44 million in FY2021, from US\$46.66 million in the financial year ended 31 December 2020 ("FY2020"). The increase in sale of crude oil was due to 1) an increase in the number of oil liftings from seven in FY2020 to 12 in FY2021, and 2) an increase in the average realised oil price sold from US\$34 per barrel in FY2020 to US\$67 per barrel in FY2021.

Correspondingly, production and operating expenses increased to US\$25.55 million in FY2021 from US\$23.84 million in FY2020.

Depletion of oil and gas properties increased to US\$36.24 million in FY2021, from US\$21.48 million in FY2020, due to the increase in volume of oil lifted and sold in FY2021.

Exploration and evaluation expenditure increased to US\$14.61 million in FY2021, from US\$1.51 million in FY2020, mainly due to the 1) expensed exploration costs of US\$9.73 million in Oman for three exploration wells that were deemed non-commercial, 2) impairment of exploration and evaluation assets of US\$1.02 million, and 3) write-off of oil and gas properties of US\$1.68 million in Oman upon annual review.

Administrative expenses increased to US\$29.11 million in FY2021, from US\$15.29 million in FY2020, largely due to performance bonuses paid to the executives and employees of the Group.

Other expenses of US\$4.84 million recorded in FY2020 was mainly attributable to 1) premiums paid for Brent Crude Oil futures contract hedging of US\$3.35 million in FY2020; 2) unrealised loss in fair value of quoted investments of US\$0.57 million due to poor performance in the bond and equity markets; and 3) realised loss on disposal of quoted investments of US\$0.67 million. Other expenses in FY2021 were negligible.

Other income of US\$20.83 million recorded in FY2021 was mainly due to 1) bargain purchase of US\$18.24 million from acquisition of Brage Field, 2) recovery of bad debts previously written-off of US\$1.72 million, and 3) unrealised gain in fair value of quoted investments of US\$0.60 million due to better performance in the bond and equity markets. Comparatively, other income of US\$0.12 million in FY2020 was negligible.

Finance income remained fairly consistent in both financial years, US\$0.73 million in FY2021 and US\$0.78 million in FY2020.

Finance costs increased to US\$3.64 million in FY2021, from US\$0.96 million in FY2020, due to the issuance of bonds by a subsidiary.

The Group recorded a net foreign exchange loss of US\$0.71 million in FY2021, as compared to a net foreign exchange gain of US\$0.89 million in FY2020. The foreign exchange loss in FY2021 was due to the weakening of the Euro and Singapore dollar against the United States dollar in FY2021 as a portion of the quoted investments were denominated in Euro and a portion of cash and cash equivalents were denominated in Singapore dollar.

The Group recorded tax credits of US\$9.52 million and US\$4.90 million in FY2021 and FY2020 respectively, in relation to tax refunds of exploration costs incurred in Norway.

As a result of the aforementioned, the Group registered total profit after tax of US\$78.94 million in FY2021, as compared to total loss after tax of US\$15.21 million in FY2020.

Statement of Financial Position

Non-current assets of the Group increased to US\$349.99 million as at 31 December 2021, from US\$112.17 million as at 31 December 2020. The increase was mainly due to 1) an increase in oil and gas properties and recognition of non-current receivables of US\$167.19 million from the acquisition of the Brage Field, 2) an increase in exploration and evaluation assets due to increased exploration activities in Norway, and 3) the investment in an associate.

Inventories of US\$11.28 million as at 31 December 2021 were largely attributable to the acquisition of Brage Field.

Current trade and other receivables of the Group increased to US\$94.99 million as at 31 December 2021, from US\$37.20 million as at 31 December 2020, largely due to 1) receivables from the acquisition of Brage Field, and 2) increased receivables from the sale of crude oil in Oman which included the Oman government take for the oil lifted and sold in FY2021.

The Group recorded marked-to-market quoted investments of US\$26.31 million and US\$25.93 million as at 31 December 2021 and 31 December 2020 respectively.

Subsequent to the acquisition of Brage Field, decommissioning provisions increased to US\$197.15 million as at 31 December 2021, from US\$1.21 million as at 31 December 2020 and deferred tax liabilities increased to US\$40.83 million as at 31 December 2021, from US\$13.17 million as at 31 December 2020.

Total current and non-current lease liabilities decreased to an aggregate of US\$0.57 million as at 31 December 2021, from US\$1.00 million as at 31 December 2020, due to the repayment of lease liabilities in FY2021.

The Group recorded total current and non-current loans and borrowings of US\$55.62 million as at 31 December 2021 from the issuance of secured bonds by a subsidiary to fund the acquisition of Brage Field. Comparatively, the Group recorded short-term bank borrowings of US\$18.01 million as at 31 December 2020 from drawn-down credit facilities to fund its exploration activities in Norway. All bank borrowings were fully repaid in FY2021.

Trade and other payables increased to US\$49.73 million as at 31 December 2021, from US\$22.05 million as at 31 December 2020, mainly due to 1) payables from the acquisition of Brage Field, and 2) ongoing production activities in Oman and amounts due to the Oman government for oil lifted and sold in FY2021.

Working capital increased to US\$134.50 million as at 31 December 2021, from US\$43.02 million as at 31 December 2020, mainly due to the acquisition of Brage Field and an increase in sale of crude oil in FY2021.

Statement of Cash Flows

As at 31 December 2021, the Group's cash and cash equivalents and quoted investments totalled US\$86.91 million (31 December 2020: US\$46.30 million); with cash and cash equivalents at US\$60.60 million (31 December 2020: US\$20.38 million); and quoted investments at US\$26.31 million (31 December 2020: US\$25.93 million).

The Group reported net cash generated from operating activities of US\$98.99 million in FY2021, after accounting for movements in working capital. This was primarily due to sale of crude oil and tax receipts from the Norwegian authorities for exploration and evaluation activities in Norway. The net cash generated from operating activities was partially offset by production and operating expenses used in the production activities in Oman, as well as administrative and other operational expenses incurred in relation to the Group's business.

Cash collateral placed with a financial institution of US\$0.48 million were pledged as securities for bank guarantee facilities granted to the Company, and therefore restricted from use in other operations.

Net cash used in investing activities of US\$74.00 million in FY2021 was attributable to 1) the acquisition of Brage Field of US\$40.96 million, 2) investment in an associate of US\$1.00 million, 3) purchase of quoted investments of US\$12.97 million and 4) exploration and evaluation expenditure of US\$32.74 million. The net cash used in investing activities was also partially offset by proceeds from the disposal of quoted investments of US\$13.17 million and interest received of US\$0.73 million.

Net cash generated from financing activities of US\$13.14 million in FY2021 was mainly due to 1) proceeds from the issuance of secured bonds by a subsidiary of US\$57.07 million to fund the acquisition of Brage Field and 2) proceeds from bank loans of US\$2.91 million to fund the exploration activities in Norway. Net cash generated from financing activities was also partially offset by 1) repayment of bank loans and lease liabilities of US\$21.14 million, 2) acquisition of non-controlling interests in a subsidiary of US\$2.71 million, 3) dividends paid to non-controlling interests of a subsidiary of US\$19.00 million, 4) transaction costs of US\$1.52 million paid in relation to the issuance of secured bonds by a subsidiary, and 5) interests paid of US\$3.02 million.

As a result of the aforementioned, the Group recorded an overall net increase in cash and cash equivalents of US\$38.14 million in FY2021, as compared to an overall net decrease in cash and cash equivalents of US\$0.73 million in 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 continued to rally in the second half of 2021 as increasing COVID-19 vaccination rates led to the easing of travel restrictions, a rebound in global economic activity, and demand for crude oil outpacing supply. Brent crude oil prices increased from US\$75.13¹ a barrel as of 30 June 2021 to US\$77.78 a barrel as of 31 December 2021, and further jumped to US\$93.70 a barrel on 4 February 2022, the highest in seven years.

The demand-supply imbalance is expected to hold in the short term as the Organization of the Petroleum Exporting Countries (OPEC) and its partners remain likely to stick to existing policies of moderate output increases, to boost output by 400,000 barrels per day despite oil price rally². While resumption of talks between the US and Iran could revive a nuclear agreement, paving the way for the removal of sanctions on Iranian oil exports and hence, increasing crude supply³, underinvestment in fossil fuel production in recent years in light of the global push toward clean energy, cyclical demand pressures, recent geopolitical events such as the Ukraine-Russia conflict and an acceleration of economic activities in China could lead to higher Brent crude oil prices^{4,5}.

The U.S. Energy Information Administration estimates Brent crude oil prices to average US\$75 a barrel in 2022⁶, whereas investment banks Goldman Sachs and JP Morgan have forecasted Brent crude oil prices to top US\$100 a barrel in 2022^{7,8}.

In Norway, the Group's subsidiary Lime Petroleum AS ("LPA") has been actively engaging the operator and partners of the Brage Field on production and development plans, since the completion of LPA's acquisition of a 33.8434% interest in the field on 31 December 2021. Three infill wells that were drilled in 2021 are expected to start production in 2022. Development work on three discovery assets in which LPA has interests – Shrek, Falk and Tyrving (previously known as Fogelberg) – are continuing. Exploration drilling of the PL867/B Gjegnalunden prospect in the North Sea is likely to be in the second half of 2022.

In Oman, maintenance of the Mobile Offshore Production Unit's production system in the Yumna Field remains ongoing. The Group is working on further exploration plans in Block 50.

In Malaysia, the local team that the Group has set up will be focusing on plans for the pre-development phase of the Rhu-Ara and the Diwangsa Clusters in offshore Peninsular Malaysia, in which the Group holds operatorship and 95% participating interests.

The Group will also be holding an extraordinary meeting on 3 March 2022, to seek shareholders' approval to transfer the Company's listing from the Catalist Board of the SGX-ST to the Mainboard of the SGX-ST.

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

Footnotes:

- 1 Bloomberg data
- 2 Reuters, OPEC+ seen sticking to policy despite oil price rally -sources, 2 Feb 2022
- 3 Reuters, Oil slips from 7-year high ahead of more U.S.-Iran talks, 8 Feb 2022
- 4 Today, Explainer: Why did oil prices go from less than zero to a multi-year high?, 7 Feb 2022
- 5 South China Morning Post, Oil prices will remain high as China's economy starts to fire on all cylinders again, 8 Feb 2022
- 6 EIA, EIA forecasts crude oil prices will fall in 2022 and 2023, 12 Jan 2022
- 7 Reuters, Oil to breach \$100 a barrel later this year- Goldman Sachs, 18 Jan 2022
- 8 Reuters, JP Morgan sees oil prices hitting \$125 in 2022, \$150/bbl in 2023, 2 Dec 2021

5. Dividend information

5a. Current financial period reported on

Any dividends recommended for the current financial period reported on? Yes.

Name of dividend	: Proposed final
Dividend type	: Ordinary
Dividend per share (S\$ cents)	: 0.5 cents per ordinary share
Tax rate	: Tax exempt

5b. Corresponding period of the immediate preceding financial year

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

5c. Date payable

The Directors are pleased to recommend a final dividend of 0.5 cents per ordinary share in respect of the financial year ended 31 December 2021 for approval by the shareholders at the next annual general meeting to be convened on or before 30 April 2022.

The date of payment of the proposed final dividend, if approved at the annual general meeting, will be announced at a later date.

5d. Books closure date

The books closure date will be announced at a later date.

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

Not applicable.

6. Interested person transactions (“IPT”)

The Group has not obtained a general mandate from shareholders for IPT.

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.

Masirah Oil Ltd

On 22 November 2021, the Group's indirect wholly owned subsidiary Rex Oman Ltd entered into sale and purchase agreements to acquire a total of 10,978 preference shares from 10 parties in the Group's subsidiary Masirah Oil Limited (“**MOL**”), of which 3,618 MOL preference shares were held by Orango Oil Ltd.. Orango Oil Ltd. is 40:40:20 held by Dr Karl Lidgren, Mr Hans Lidgren and Mr Svein Kjellesvik respectively. As such, Orango is an "interested person" and accordingly, Rex Oman's acquisition of the MOL preference shares constitutes an IPT.

Monarch Marine Holding Ltd

On 12 November 2021, the Company's indirect wholly owned subsidiary, Rex International Holding Ltd (British Virgin Islands) (“**RIHBVI**”) entered into a joint venture agreement with Monarch Marine Holding Ltd (“**MMH**”) to incorporate a joint venture company (“**JV Company**”) to own marine assets such as vessels, Mobile Offshore Production Units and other associated equipment. The JV Company, Crescent Marine Holding Ltd (“**CMH**”), is 80.1% held by MMH and 19.9% held by RIHBVI.

On 13 December 2021, RIHBVI, together with MMH, entered into loan agreements respectively, to extend an interest free, short-term bridging loan (“**Short-term Bridging Loan**”) totalling US\$13.3 million to CMH, up to 31 January 2022. The loans were granted in the respective proportions of shareholdings of RIHBVI and MMH in CMH.

MMH is 80% held by Limea Ltd and as such, MMH is an associate of Dr Karl Lidgren and Mr Hans Lidgren and is an "interested person".

Xer Technologies Pte. Ltd.

On 5 July 2021, the Company's wholly-owned subsidiary Rex Technology Investments Pte Ltd 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 up to US\$4 million, upon satisfaction of specific milestones (the “**Xer Acquisition**”). Cresta and Limea each hold 42% and 15% shareholding interest in Xer respectively, upon completion of the Xer Acquisition. As such, Xer is an "interested person".

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 Catalyst.

8. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

	Twelve months ended	
	31-Dec-21 US\$'000	31-Dec-20 US\$'000
Ordinary	4,826	–
Preference	–	–
Total	4,826	–

The final dividend is proposed by the Directors in respect of the financial year ended 31 December 2021 and is subject to shareholders' approval at the upcoming annual general meeting.

9. Disclosure of persons occupying managerial positions who are related to a director, CEO or substantial shareholder

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Lina Berntsen	45	Daughter to Mr Hans Lidgren, a substantial shareholder of the Company	Chief Technology Officer of the Group since 1 August 2013. To co-ordinate the use of the Rex Technologies for the Group.	NIL

10. 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 announcement, and the ending balance of the amount allocated to the share buyback mandate as at 31 December 2021 and the date of this announcement, was S\$4.97 million.

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

Actual use of funds/ cash

	Three Months Ended
	31-Dec-21
	US\$'000
Exploration and production activities in Oman	10,173
Exploration and drilling activities in Norway*	4,630
General working capital	9,334
Total	24,137

* 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 31 December 2021 (“**4Q FY2021**”), US\$10.17 million was used for production and exploration related activities in Oman and US\$4.63 million was used for exploration related activities in Norway. US\$9.33 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 related activities in Oman in 4Q FY2021 was US\$1.28 million higher than the projected amount in the previous quarter ended 30 September 2021 (“**3Q FY2021**”). The higher actual amount was mainly due to additional costs related to the modification of the replacement storage tanker.

The actual amount of funds used for exploration activities in Norway in 4Q FY2021 was US\$3.32 million higher than the projected amount, mainly due to spudding of the Fat Canyon well that was delayed to 4Q FY2021.

The actual amount of funds used for general working capital was US\$7.14 million higher than the projected amount, largely due to bonus payments to executives in 4Q FY2021.

The total actual use of funds for 4Q FY2021 amounted to US\$24.14 million, which was US\$11.73 million higher than the projected amount in 3Q FY2021.

Projection on the use of funds/ cash

	Three Months Ending 31-Mar-22 US\$'000
Exploration and production activities in Oman	18,184
Exploration and production activities in Norway*	10,030
Exploration and drilling activities in Malaysia	820
General working capital	2,748
Total	31,782

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

The projected use of funds in Oman for the three months ending 31 March 2022 (“1Q FY2022”) is expected to be higher compared to 4Q FY2021 due to a planned change out of the storage tanker and an upgrade of the production process facilities.

The projected use of funds in Norway in 1Q FY2022 is projected to be higher compared to 4Q FY2021, following the completion of the acquisition of the producing Brage Field on 31 December 2021.

Additional projected use of funds in 1Q FY2022 is projected to be from the exploration activities in Malaysia and the plans for the pre-development phase of the Rhu-Ara and the Diwangsa Clusters.

12. 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 4Q FY2021, the Group incurred US\$10.17 million for production related activities in Oman and US\$9.10 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.

Further details are set out in point 11 above.

13. Negative Confirmation by the Board pursuant to 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 condensed interim financial statements for the six months and full year ended 31 December 2021 and the above other 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 February 2022