

5 September 2014

**PROPOSED ISSUE OF BONUS WARRANTS AND PIGGYBACK WARRANTS
(THE "PROPOSED WARRANTS ISSUE")**

The Board of Directors (the "**Board**") of Interra Resources Limited (the "**Company**") refers to the announcement made by the Company dated 28 March 2014 (the "**Announcement**") and the announcement made by the Company dated 19 June 2014 (the "**Second Announcement**") and the announcement made by the Company dated 18 August 2014 (the "**Third Announcement**").

Unless otherwise defined, all capitalised terms shall bear the same meanings ascribed to them in the Announcement and the Third Announcement.

Proposed adjustment of Bonus Warrants Exercise Price and Piggyback Warrants Exercise Price

As stated in the Announcement, the Bonus Warrants Exercise Price for each Bonus Warrant will be S\$0.275, representing a discount of approximately 28.6% to the last transacted price of S\$0.385 per Share on the Main Board of the SGX-ST on 27 March 2014 (being the last market day preceding the date of the Announcement). The Piggyback Warrants Exercise Price for each Piggyback Warrant will be S\$0.205, representing a discount of approximately 25.5% to the Bonus Warrants Exercise Price.

Due to the significant change in the Company's share price from S\$0.385 per Share on the Main Board of the SGX-ST on 27 March 2014 (being the last market day preceding the date of the Announcement) to S\$0.300 per Share (the "**Reference Price**") on 4 September 2014 (being the last market day preceding the date of the this announcement), the Board is proposing to adjust the Bonus Warrants Exercise Price for each Bonus Warrant and the Piggyback Warrants Exercise Price for each Piggyback Warrant in line with the Company's share price.

It is proposed that the Bonus Warrants Exercise Price for each Bonus Warrant be adjusted to S\$0.235, representing a discount of approximately 21.7% to the Reference Price. It is further proposed that the Piggyback Warrants Exercise Price for each Piggyback Warrant be adjusted to S\$0.175, representing a discount of approximately 25.5% to the Bonus Warrants Exercise Price.

The proposed adjustment to the Bonus Warrants Exercise Price and Piggyback Warrants Exercise Price is subject to confirmation from the SGX-ST that the Approval In-Principle that the Company had received on 18 August 2014 from the SGX-ST remains valid. An announcement in this regard will be released to Shareholders in due course.



The Approval-In-Principle is not to be taken as an indication of the merits of the Proposed Warrants Issue, the Bonus Warrants, the Piggyback Warrants and the New Shares, the Company and/or its subsidiaries.

By Order of the Board of Directors of
INTERRA RESOURCES LIMITED

Marcel Tjia
Chief Executive Officer

About Interra

Interra Resources Limited, a Singapore-incorporated company listed on SGX Mainboard, is engaged in the business of oil and gas exploration and production (E&P). Our E&P activities include oil and gas production, field development and exploration. We are positioning ourselves to become a leading regional independent producer of oil and gas.