

17 October 2016

**UPDATE ON THE PROPOSED DISPOSAL OF A GRANITE QUARRY OWNED BY
A SUBSIDIARY, PT MITRA INVESTINDO TBK**

*All capitalised terms used in this announcement shall, unless otherwise defined herein, have the same meanings as in the announcement dated 17 November 2015 (the “**Previous Announcement**”).*

The board of directors (the “**Board**”) of Interra Resources Limited (the “**Company**”) refers to the Previous Announcement.

The Company had announced in the Previous Announcement that two of the relative figures computed on the bases set out under Rule 1006 of the Listing Manual of the SGX-ST exceed 5% but do not exceed 20%; accordingly, the Proposed Disposal is considered a Discloseable Transaction under Chapter 10 of the Listing Manual. Whilst none of the relative figures as computed on the bases set out in Rule 1006 of the Listing Manual exceed 20%, the relative figure computed under Rule 1006(b) of the Listing Manual is a negative figure and the Company sought clarification from the SGX-ST on whether the Company is required to seek the approval of its shareholders at a general meeting for the Proposed Disposal, pursuant to Rule 1007(1) of the Listing Manual.

The Board wishes to announce that the Company has received a letter from the SGX-ST dated 17 October 2016, informing the Company that the Proposed Disposal is a discloseable transaction under Part VI, Chapter 10 of the Listing Manual.

Accordingly, the Company will proceed with the completion of the Proposed Disposal and will make the necessary follow-up announcement upon the completion of the Proposed Disposal.

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 petroleum exploration and production (E&P). Our E&P activities include petroleum production, field development and exploration. We are positioning ourselves to become a leading regional independent producer of petroleum.