

25 October 2016

**DISCLOSURE ON RECEIPT OF A PKPU BY AN ASSOCIATED COMPANY,
PT BENAKAT BARAT PETROLEUM**

The board of directors (the “**Board**”) of Interra Resources Limited (the “**Company**”) wishes to announce that the Company was informed today by its associated company, PT Benakat Barat Petroleum (“**PT BBP**”) that one of its suppliers, PT Gada Rajawali Dunia (“**PT GRD**”), has filed for and served a *penundaan kewajiban pembayaran utang* (“**PKPU**”) on PT BBP in Jakarta, Indonesia yesterday evening. The Company indirectly holds 20% of the issued and paid up share capital of PT BBP.

The Company understands that a PKPU is, in many ways, similar to an application for a Scheme of Arrangement in Singapore. If PT GRD succeeds in its application, then PT BBP has to present its restructuring plan to its creditor(s), for the creditor(s) to consider and take a vote on, with PT BBP facing potential bankruptcy if it does not get the requisite majority of its creditor(s) to accept the proposal.

The Company has been informed that the claim by PT GRD is approximately US\$ 800,000.

The Company has been informed that the matter has been fixed for hearing in the Jakarta courts on 31 October 2016. The Company understands from PT BBP that its management is working with the creditor to reach a settlement.

The Company will make the necessary follow-up announcement once it receives further details from PT BBP.

Shareholders and potential investors are advised to exercise caution when trading in the Company’s shares. The Company will make the necessary announcements when there are further developments on the PKPU. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Persons who are in doubt as to the action they should take should consult their legal, financial, tax or other professional advisers.

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.