

7 February 2017

**UPDATE ON THE PROPOSED ACQUISITION OF 23.4401761% OF THE ISSUED
AND PAID-UP SHARE CAPITAL OF PT BENAKAT OIL**

All capitalised terms used in this announcement shall, unless otherwise defined herein, have the same meanings as in the announcement dated 31 May 2016 and 20 December 2016 (the “Previous Announcements”).

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

The Board of the Company wishes to announce that MITI, the Company’s subsidiary incorporated in the Republic of Indonesia which is listed on the Indonesia Stock Exchange, has increased its number of issued shares from 1,283,228,000 shares to 1,411,550,800 shares through the issue and allotment of 128,322,800 ordinary shares to Mahakarya Investment Limited (the “**Share Issue**”). The Share Issue was undertaken to provide funds for the Proposed Acquisition, in particular, the proceeds of the Share Issue shall be used for payment of the Sale Shares, and other acts as may be relevant to give effect to the transactions contemplated in the CSPA.

Following the Share Issue, the shareholding of the Company in MITI has been diluted from 53.76% to 48.87% (the “**Dilution**”).

The Dilution is not expected to have any material impact on the consolidated net tangible assets or earnings per shares of the Company for the financial year ending 31 December 2017.

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect (other than through their shareholdings in the Company), in the Dilution.

Shareholders and potential investors are advised to exercise caution when trading in the Shares. There is no certainty or assurance as at the date of this announcement that the Proposed Acquisition will be completed, or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments on the Proposed Acquisition. 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.