


10 August 2017

**EXTENSION OF THE CHAUK AND YENANGYAUNG  
IMPROVED PETROLEUM RECOVERY CONTRACTS**



Interra Resources Limited (the “**Company**” or “**Interra**”) is pleased to announce that its joint venture entity, Goldpetrol Joint Operating Company Inc. (“**Goldpetrol**”), has received a letter dated 8 August 2017 from the Myanmar Oil and Gas Enterprise (“**MOGE**”) informing it that an extension of 11 years for the Improved Petroleum Recovery Contracts (“**IPRCs**”) for the Chauk field and the Yenangyaung field, both of which are situated in Myanmar, have been approved by the relevant Myanmar authorities.

Interra has a 60% interest in each of the IPRCs for the Chauk field and the Yenangyaung field, and also owns 60% of Goldpetrol, which is the operator of both Chauk field and Yenangyaung field.

As announced in the Company’s earlier announcement on 28 March 2017, Goldpetrol has been negotiating with MOGE to seek an extension of the terms of the IPRCs for the Chauk field and the Yenangyaung field. MOGE has informed Goldpetrol on 8 August 2017 that the supplemental agreements to extend both IPRCs for 11 years have been approved by the relevant Myanmar authorities and Goldpetrol has been asked to make arrangements with MOGE to fix the schedule for the signing of the supplemental agreements to extend the two IPRCs for 11 years until 3 April 2028. The extension of the IPRCs for the Chauk field and the Yenangyaung field will take effect upon the signing of the relevant supplemental agreements.

Following the extension of the two IPRCs, the Company will conduct an update on its reserves and resources for both the Chauk and Yenangyaung fields accordingly.

The Company’s news release on the extension of the two IPRCs, which will be released today following this announcement, is attached for information.

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.



**INTERRA RESOURCES SECURES 11-YEAR DEAL  
TO EXTEND OIL PRODUCTION ACTIVITIES IN MYANMAR**

- *Move paves way to introduce cutting-edge exploration and field development technologies to entrench existing position as Myanmar's largest onshore crude oil producer*
- *Aggressive exploration for new petroleum accumulations and accelerating drilling of in-field development wells expected in the next 12-24 months*

**SINGAPORE, 10 August 2017** – Interra Resources Limited (Interra Resources), an independent petroleum exploration and production player in Southeast Asia, has secured an 11-year deal with the receipt of an official letter from the Myanmar Oil & Gas Enterprise, Myanmar's state-owned company responsible for the upstream oil and gas sector, requesting a convenient schedule to sign the definitive agreements.

With the definitive agreements expected to be signed soon, Interra Resources plans to substantially expand the exploration and development activities of its Chauk and Yenangyaung fields enabling it to increase its petroleum production in the country. The contract areas in the Myanmar Central Basin cover approximately 1,800 square kilometres. Interra Resources has a 60% interest in Goldpetrol Joint Operating Company Inc. which has 100% interest in the Chauk and Yenangyaung fields and is the operator of both fields.

The new deal paves the way for Interra Resources to explore for new petroleum reservoirs and pools and accelerate development drilling in existing accumulations. Exploration, development and production activities will benefit from the immediate implementation of cutting edge technologies.

First quarter 2017, Interra Resources generated a combined shareable production of 70,096 barrels of oil from the two fields. Importantly, the 11-year term and subsequent new activities will result in a substantial increase in Interra Resources' reserves base.

This latest development follows an interim allowance for the successive operation from the Myanmar Oil & Gas Enterprise in March 2017, which enabled the operator to continue its development and production activities while negotiations were being finalised.

Interra Resources' Chief Executive Officer Marcel Tjia said: "Interra Resources has had a strong and collaborative relationship with Myanmar in the oil and gas sector since 1990s. Over the years, both parties view their partnership as extremely strategic for the continued development of Myanmar's energy resources.

"This 2017 agreement will allow Interra Resources to expand its operations to a higher level, given Myanmar's economic development potential. For Interra Resources, it will create an opportunity to implement the latest advanced oil and gas techniques and technologies to support the country's on-going development in this sector."



The move comes at a time when Myanmar continues to reiterate its need to tap its abundant energy resources to meet the energy needs of the country. According to a 2015 report by The Asian Development Bank and The Myanmar Ministry of Energy, the country's energy needs will triple by 2030.

Advanced field studies conducted by an external research centre and the operator's own technical staff are focused on the feasibility and effectiveness of accomplishing certain future development activities. These have included studies of the petroleum reservoir properties, increasing production in existing wells, infrastructure improvements and other field enhancements that may optimise oil and gas production.

Specifically, the deal will allow Interra Resources to:

- Acquire high quality 3D and 2D seismic which will allow for the resolution of basic geological structural reservoir questions;
- Proceed with the implementation of a secondary oil recovery pilot test via water flooding;
- Introduce enhanced oil recovery methods, which entail extracting oil by altering the properties of the oil through chemical or microbial injections;
- Assess hydraulic fracturing methods of enhanced oil recovery; and
- Implement borehole and surface equipment improvements to optimise production while other technologies such as horizontal drilling will continue to be utilised.

In sum, the goal is to deploy the latest techniques to create higher efficiency and productivity throughout Interra Resources' operations in Myanmar.

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### **Media Contacts**

Joseph Rajendran / Casuarina Peck

Tranz Communications

Phone: +65 9228 7801 / +65 9363 5609

Email: [joseph@tranzcomm.com](mailto:joseph@tranzcomm.com) / [casuarina@tranzcomm.com](mailto:casuarina@tranzcomm.com)