

16 May 2019

UPDATE ON THE STATUS OF THE BENAKAT BARAT KSO

The board of directors (the “**Board**”) of Interra Resources Limited (the “**Company**”) wishes to announce that it has just been made aware that a letter of termination has been issued by PT Pertamina EP (“**Pertamina**”) to PT Indelberg Makmur Petroleum (formerly known as PT Benakat Barat Petroleum) (“**IMP**”), a limited liability company incorporated under the laws of Indonesia that holds an undivided 100% interest in an operations cooperation agreement to exploit, develop and explore for hydrocarbons in the Benakat Barat field in South Sumatra, Indonesia (the “**Benakat Barat KSO**”).

The Company holds an effective interest of 20% of IMP through its wholly-owned subsidiary, Goldwater Indonesia Inc. (“**GII**”), and a further effective interest of 10.65% of IMP through its associated company, PT Mitra Investindo Tbk (“**MITI**”), a company that is incorporated in the Republic of Indonesia and which is listed on the Indonesia Stock Exchange. The Company’s investment in IMP through GII has been fully impaired during the financial year 2016. MITI is an associated company of the Company and its financial results are equity-accounted for in the Company’s accounts.

The Company understands from MITI that IMP will file an appeal against the letter of termination issued by Pertamina. In the event that IMP is not successful in its appeal against the letter of termination issued by Pertamina and the cancellation of the Benakat Barat KSO is not revoked, the Company will have to impair its investment in MITI and loan to IMP. The aggregate impairment amount, based on the unaudited financial results as at 31 March 2019, is approximately US\$2.9 million. The Company will make a further announcement if the finalised impairment amount is substantially different from the amount stated above.

Shareholders and potential investors are advised to exercise caution when trading in the shares of the Company. The Company will make the necessary announcements when there are further developments on this matter. 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.