

26 March 2021

EMPHASIS OF MATTER BY INDEPENDENT AUDITOR ON THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

Pursuant to Rule 704(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Board of Directors (the “**Board**”) of Interra Resources Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the independent auditor of the Group, Nexia TS Public Accounting Corporation (the “**Independent Auditor**”), had included an emphasis of matter in respect of the temporary suspension of the Group’s operations at its Chauk and Yenangyaung fields as a result of the ongoing political developments in Myanmar in its report on the Group’s financial statements for the financial year ended 31 December 2020 (“**FY2020 Financial Statements**”).

The opinion of the Independent Auditor remains unqualified.

An extract of the Independent Auditor’s report together with the extract of the relevant note to the FY2020 Financial Statements are annexed to this announcement.

Shareholders are advised to read the FY2020 Financial Statements and the Independent Auditor’s Report which will be released via SGXNet in due course as part of the Company’s Annual Report for FY2020.

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.

**EXTRACT OF THE INDEPENDENT AUDITOR'S REPORT ON THE FY2020 FINANCIAL STATEMENTS**Emphasis of Matter

We draw attention to Note 34(a) to the financial statements. The global news on 1 February 2021 reported that Aung San Suu Kyi, the State Counsellor of Myanmar and other top government leaders from the National League Democracy party in Myanmar have been detained by the Tatmadaw Myanmar's military which vested power in a stratocracy. Civil resistance efforts have emerged within the country, in opposition to the coup, in numerous forms, including acts of civil disobedience, labour strikes, a military boycott campaign, a pot-banging movement, a red ribbon campaign, public protests, and formal recognition of the election results by elected representatives.

As a result of the current civil disobedience movement in Myanmar, the Group is not able to have continuous and uninterrupted access to its field operations at the Chauk and Yenangyaung fields. The Group is therefore temporarily suspending most of its operations in Myanmar including production. Field operations in Myanmar will resume once the Group is able to ensure its access to its fields without any interruptions. Although it is still too early to ascertain the longer term impact to the Myanmar operations and the Group's overall financial performance, the coup could have adverse impact on the Group as the mood on the ground in Myanmar remains tense, the demonstrations gather strength and the situation gets worse and/or prolonged in view of the Group's significant reliance on the Myanmar operations.

The financial statements do not include any adjustment which may arise from these uncertainties. In forming our opinion, we have considered the adequacy of the disclosure of this matter in the financial statements. Our opinion is not qualified with respect to this matter.

EXTRACT OF NOTE 34(A) TO THE FY2020 FINANCIAL STATEMENTS

34. Subsequent Events

- (a) The Myanmar coup began on 1 February 2021 when democratically elected members of Myanmar's ruling party, the National League for Democracy were deposed by the Tatmadaw Myanmar's military which vested power in a stratocracy. As a result of the current civil disobedience movement in Myanmar, the Group is not able to have continuous and uninterrupted access to its field operations at the Chauk and Yenangyaung fields. The Group temporarily suspended most of its operations in Myanmar including production as announced on 9 February 2021. Field operations in Myanmar will resume once the Group is able to ensure its access to its fields without any interruptions.

There is a potential risk on reduction in overall production of oil due to temporary suspension of the Group's operations in Myanmar. It is too early to ascertain the longer-term impact on the Group's overall financial performance. As such, at current situation, subject to the duration and severity of the unrest, the Group does not foresee significant financial impact to its operation.