

6 February 2025

RESPONSE TO QUERIES FROM SGX ON MATTERS PERTAINING TO THE COMPANY'S OPERATIONS IN MYANMAR

The Board of Directors (the "**Board**") of Interra Resources Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to a report (the "**Report**") published on the webpage "<https://www.justiceformyanmar.org/stories/the-singapore-listed-company-fuelling-war-crimes-in-myanmar>". The Board would like to respond to the queries received from Singapore Exchange Regulation ("**SGX**") in relation to the Report as follows:

SGX's Query 1

With reference to the Report, please provide the comments from the Company's Board of Directors on the Report, in particular, we require clarity on the issues raised in the Report.


Company's Response to Query 1

The Company notes that the Report appears to have extracted information from the Company's various announcements, press releases and annual reports but then added unverified conjectures and conclusions based on unnamed sources and supposedly leaked information regarding the Group. The Company does not wish to be drawn into a debate with the anonymous authors of the Report but wishes to clarify some of the more material allegations of wrong-doing referred to in the Report.

In summary, the Report alleges that the Company has contributed to the war crimes of the junta in Myanmar by helping to supply the junta with oil, and seeks to depict the Company as having a close relationship with the Myanmar military. In this connection, the Company wishes to clarify the following:

- (i) Improved Petroleum Recovery Contracts ("**IPRCs**") have been entered into between Goldpetrol Joint Operating Company Inc. ("**GJOC**") and the Myanma Oil and Gas Enterprise ("**MOGE**"). MOGE is an enterprise formed by the government of Myanmar and is concerned with the exploration and production of petroleum. The state of Myanmar is the sole owner of the petroleum within her territory. The Company owns 60% equity interest in GJOC through its wholly owned subsidiary, Goldwater Company Limited ("**GCL**"). The Company became the parent company of GCL in July 2003 as part of a corporate restructuring exercise with Van Der Horst Limited. The remaining 40% equity interest is held by North Petrol Operating Inc. ("**NPOI**"), which is a subsidiary of China Zhenhua Oil Co. Ltd. ("**ZhenHua**"). ZhenHua is a Chinese oil and gas company with production and exploration activities in six countries including Abu Dhabi, Egypt and Iraq. The ultimate shareholder of ZhenHua is China North Industries Group Corporation Ltd, a Chinese state-owned company. ZhenHua acquired NPOI in 2010 from a French company that is unrelated to the Company. The Company was not involved in the transaction between NPOI and the French company.

By way of background, the IPRCs were first established in 1996 between MOGE and APN Petroleum Limited ("**APN**") on 4 October 1996, and the Company was not involved in the signing of these IPRCs. GCL acquired the IPRCs by way of a farmout agreement between APN and GCL on 15 October 1996, and the IPRCs were subsequently extended by GJOC and MOGE for 11 years from 4 April 2017 to 3 April 2028. The extension of GJOC's IPRCs was approved by the Myanmar Investment Commission ("**MIC**"), of which



Daw Aung San Suu Kyi was the Chairman in 2017. The Company would like to emphasise that the current IPRCs were obtained and extended under the civilian government and prior to the military coup in 2021.


The Report therefore contains untrue allegations that GJOC is “favouring the junta”, “has long enjoyed a close relationship with the Myanmar military” or that GJOC signed the contracts with the “previous military junta”.

To elaborate on the nature of the IPRC, the IPRC is a common type of production sharing contract signed between a host government and a resource extraction company. The terms of the GJOC's IPRCs in Myanmar (including royalties, production sharing as well as other terms) are similar to production sharing contracts in other jurisdictions. The Company conducts its business on normal commercial terms, and contracts which the Company and/or GJOC have entered into have all been conducted on an arms' length basis on the usual commercial terms.

After the junta seized power pursuant to the military coup in 2021, GJOC continues to operate in Myanmar as provided for by the terms of the IPRCs that were approved by the MIC in 2017, and such terms have remained unchanged. Under the terms of the IPRCs, the Company has no control over or power to dictate how the MOGE distributes or uses the oil that is produced by GJOC. The Report has sensationalised the situation by alleging that the Company has “helped supply the junta” and “fuelled its ongoing war crimes”;

- (ii) the Report contains untrue allegations that GJOC ramped up output after the coup attempt. With reference to pages 14, 14, 14, 14, and 13 of the Company's annual report for the financial years ended 2019, 2020, 2021, 2022 and 2023 respectively, GJOC's gross oil production in Myanmar has remained largely consistent for the past 5 years from 2019 to 2023 and had in fact peaked in 2020 with 970,513 barrels, which was before the coup. In addition, in 2021, the gross oil production decreased to 587,060 barrels as GJOC did not have continuous and uninterrupted access to its field operations at the Chauk and Yenangyaung fields;
- (iii) in relation to the revenue of the Group that is derived from the provision of oil by GJOC, petroleum exploration and production is fundamentally a commodity business and hence, revenue is exposed to fluctuations in the prevailing crude oil and natural gas prices, which are dependent on a combination of various factors such as international demand and supply, geopolitical developments, and global economic conditions. As such, it is erroneous to suggest that any increase in the Group's revenue must be associated with the junta's activities in Myanmar; and
- (iv) in relation to the payment arrangements, as stipulated in the IPRCs, payment by MOGE to GJOC shall be made to a bank in Myanmar or abroad as specified by the recipient (being GJOC). Payments by MOGE are currently made to GJOC's bank in Myanmar, which to the best of the Company's knowledge, is not currently subject to any sanctions.

The Company wishes to add that in view of the political uncertainties in Myanmar, in recent years, the Company has been further diversifying its business and investments into other types of renewable energy projects as highlighted on page 7 of the annual report for the financial year ended 2023. In this connection, please also refer to the Company's various announcements including those dated 9 October 2023, 1 November 2023, 18 March 2024, 28 May 2024, 21 November 2024, 5 December 2024, 16 December 2024, 17 December 2024 and 23 December 2024. In addition, the Group also has other exploration activities in Indonesia.



While not directly relevant to the main allegations of the Report, the Company also wishes to clarify that the Report contains several untrue statements, including the following:

- (i) the Report alleges that Mr Ng Soon Kai, executive chairman of the Company, had appointed his son, Mr Alaric Ng Jing Zhong to the Board. Please refer to the Company's announcement dated 31 May 2024 in which it was clearly stated that Mr Alaric Ng Jing Zhong was appointed as a business development manager of the Company (and not as a member of the Board). Also, while Mr Alaric Ng Jing Zhong was legally trained, he is not a lawyer in legal practice in Singapore (or elsewhere); and
- (ii) the Report describes Mr Ng Soon Kai as a "Singaporean lawyer". While Mr Ng Soon Kai used to be a lawyer, he is no longer a lawyer in legal practice in Singapore (or elsewhere) and does not currently hold a valid practising certificate.

SGX's Query 2

Please provide a confirmation from the Board of Directors and bases for such confirmations as to whether (i) the Company has complied with all Rules, Laws and Regulations and remains suitable to be listed; (ii) the Company's compliance with the listing rules, and in particular, Mainboard Rule 703; and (iii) sufficient information has been disclosed to enable market to continue trading on an informed basis.

Company's Response to Query 2

The Board of Directors confirms that, to the best of its knowledge and belief, the Company has conducted its business operations in compliance with the respective laws of the relevant jurisdictions in which it operates. The Group's principal places of business are Singapore, Indonesia and Myanmar.

However, the Company is aware that ever since the military junta conducted a coup in or around February 2021, it has resulted in sanctions on MOGE from the U.S. Department of the Treasury's Office of Foreign Asset Control relating to the provision of financial services to MOGE as well as sanctions from the European Union relating to the provision of financial services or arms and related equipment to MOGE ("**Relevant Foreign Laws**"). For the avoidance of doubt, the Company has no business operations in the U.S. or the European Union. Since 2021, the Company has made announcements and disclosures in its annual reports to provide updates in relation to the political instability in Myanmar and its impact on the Group's operations.

After consultation with the SGX, the Company has requested for a trading suspension of its securities on 6 February 2025, and is in the process of procuring professional legal advice as to whether the Group's dealings may violate the Relevant Foreign Laws, and whether a potential violation may have any impact on the business and operations of the Group, and seeking clarity on the adequacy and effectiveness of the control measures to address these risks. The Company will request for a lifting of the trading suspension when there is clarity in the findings from the professional legal advice obtained in respect of the Relevant Foreign Laws and whether a potential violation may have any impact on the business and operations of the Group, and the review of the adequacy and effectiveness of the control measures by the Company to address these risks.



The Company wishes to emphasise that the request for suspension by the Company should not be taken to imply that there has been any wrong-doing on the part of the Company; the request for suspension is to ensure information which would be important to shareholders is made available to ensure orderly trading in the Company's securities.

The Company will make further announcements as and when there are any material updates in relation to the above responses, and will endeavour to request for a resumption of trading of shares as soon as possible.

CAUTION IN DEALING

Shareholders and investors are advised to exercise caution when dealing in the shares of the Company. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stockbrokers, solicitors or other professional advisors if they have any doubts about the action they should take.

By Order of the Board of Directors of
INTERRA RESOURCES LIMITED

Ng Soon Kai
Executive Chairman

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 venturing into renewable energy and have been included by PT PLN Nusantara Power in their Long List for Strategic Partner for partnership in developing power plant projects in Indonesia from 18 March 2024 to 18 March 2026.

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