


1 February 2012

REPLY TO QUERY REGARDING TRADING ACTIVITY



The Board of Directors of Interra Resources Limited (the “**Company**” or “**Interra**”) refers to the query from the Singapore Exchange Securities Trading Limited on 1 February 2012 regarding a substantial increase in the price of the shares of the Company on the same date and would like to respond as follows:-

Question 1:

Are you aware of any information not previously announced concerning you (the issuer), your subsidiaries or associated companies which, if known, might explain the trading? If yes, the information must be announced immediately.

Response:


We are not aware of any information which is material and not previously announced concerning us, our subsidiaries or associated companies which, if known, might explain the trading. However, the Company is at an advanced stage of negotiations which has commenced since October 2011 and of which the outcome is uncertain, to buy a minority stake in a greenfield Indonesian oil asset which the Board of Directors of the Company believes should not have any material impact on the Company for the current financial year, as the size of the transaction is small and is likely to fall below the relevant threshold for “discloseable transactions” under rule 1006 of the listing rules.

Question 2:

Are you aware of any other possible explanation for the trading?

Response:

The Company has noticed that, due to the recent political and economic reforms in Myanmar, there appears to be heightened attention on investments in the country. Interra has operations in Myanmar through its subsidiary, Goldpetrol Joint Operating Company Inc. Save for the above, we are not aware of any other possible explanation for the trading.



Question 3:

Can you confirm your compliance with the listing rules and, in particular, listing rule 703?

Response:

The Board of Directors of the Company confirms to the best of its knowledge and belief that the Company has complied with the listing rules and, in particular, listing rule 703.

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 the SGX Catalist, is engaged in the business of petroleum exploration and production (E&P). Our E&P activities include petroleum production, field development and exploration through strategic alliances and partnerships. We are positioning ourselves to becoming a leading regional independent producer of oil and gas.

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This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("Sponsor"), Collins Stewart Pte. Limited, for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). Collins Stewart Pte. Limited has not independently verified the contents of this announcement. This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Alex Tan, Managing Director, Corporate Finance, Collins Stewart Pte. Limited, at 77 Robinson Road #21-02 Singapore 068896, telephone (65) 6854 6160.