


3 February 2012




**ACQUISITION OF 49% SHARE CAPITAL OF
PT MENTARI PAMBUANG INTERNASIONAL
WHICH OWNS 100% PARTICIPATING INTEREST IN
THE KUALA PAMBUANG PRODUCTION SHARING CONTRACT**

The Board of Directors of Interra Resources Limited (the “**Company**” or “**Interra**”) wishes to announce that its wholly-owned subsidiary, Goldwater KP Pte. Ltd. (“**GKP**”), has on 3 February 2012 entered into a sale and purchase agreement (the “**Agreement**”) with PT Mentari Abdi Nusa (“**MAN**”), a company incorporated in the Republic of Indonesia, to acquire 49% of the total issued and paid-up share capital of PT Mentari Pambuang Internasional (“**MPI**”) (the “**Acquisition**”). MPI is a limited liability company incorporated in the Republic of Indonesia, which owns 100% participating interest in a production sharing contract dated 19 December 2011 with Badan Pelaksana Kegiatan Usaha Hulu Minyak Dan Gas Bumi (BPMIGAS) for the exploration and exploitation of the Kuala Pambuang Block. The Kuala Pambuang production sharing contract (the “**KP PSC**”) covers an area of 7,946 square kilometres and is located onshore Central Kalimantan, Indonesia.

The Agreement was agreed on a “willing buyer, willing seller” basis, taking into account the resources and time invested in procuring the KP PSC. Pursuant to the Agreement:

- (a) GKP agreed to pay MAN a sum of US\$312,000 in cash (the “**Purchase Consideration**”), and
- (b) MAN agreed to grant GKP a call option which allows GKP to acquire from MAN a further 18.5% of the total issued and paid-up share capital of MPI for a consideration of US\$1.00 (the “**Call Option**”).

The Purchase Consideration is payable upon the completion of the Acquisition, which is expected to take place in the month of February 2012. The Call Option may be exercised at any time after the end of the 3-year exploratory period, which commenced on 19 December 2011, as provided for under the KP PSC. Upon exercise of the Call Option, GKP will hold 67.5% of the total issued and paid-up share capital of MPI.



Within the meaning of Rule 1006 of the SGX Catalist Rules, this Acquisition is classified as a “non-discloseable” transaction. As MPI is a newly established company, with the sole purpose of holding the KP PSC, there are no tangible assets acquired pursuant to the Acquisition.

The Acquisition will be funded from existing funds on hand and is not expected to have any material impact on the consolidated earnings per share or consolidated net assets per share of the Company for the current financial year.

None of the Directors or substantial shareholders has any interest, direct or indirect, in the Acquisition.

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.