

18 August 2014

**PROPOSED ISSUE OF BONUS WARRANTS AND PIGGYBACK WARRANTS
(THE “PROPOSED WARRANTS ISSUE”)**

The Board of Directors (the “**Board**”) of Interra Resources Limited (the “**Company**”) refers to the announcement made by the Company dated 28 March 2014 (the “**Announcement**”) and the announcement made by the Company dated 19 June 2014 (the “**Second Announcement**”).

Unless otherwise defined, all capitalised terms shall bear the same meanings ascribed to them in the Announcement.


1. APPROVAL IN-PRINCIPLE

1.1 Further to the Announcement and the Second Announcement, the Board is pleased to announce that the Company has on 18 August 2014, received the approval in-principle from the SGX-ST (the “**Approval In-Principle**”) for the listing of and quotation for:

- (i) up to 45,343,035 Bonus Warrants on the basis of one (1) Bonus Warrant for every ten (10) Shares held in the share capital of the Company as at a books closure date to be determined at an exercise price of S\$0.275 for each New Exercised Share, fractional entitlements to be disregarded;
- (ii) up to 45,343,035 New Exercised Shares to be issued upon exercise of the Bonus Warrants; and
- (iii) up to 22,671,517 New Exercised Shares to be issued and credited as fully paid upon the exercise of the Piggyback Warrants which will be issued for free on the basis of one (1) Piggyback Warrant for every two (2) Bonus Warrants which are validly and concurrently exercised.

1.2 The Approval In-Principle is subject to the following conditions:

- (i) compliance with the SGX-ST’s listing requirements;
- (ii) Shareholders’ approval for the Proposed Warrants Issue;
- (iii) a written confirmation that the Proposed Warrants Issue is in compliance with the relevant Companies Act;
- (iv) a written confirmation from the Company that there is a satisfactory spread of Bonus Warrant holders to provide an orderly market for the Bonus Warrants in compliance with Listing Rule 826 of the Listing Manual;


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- (v) a written undertaking from the Company that it will comply with Listing Rule 704(30) of the Listing Manual in relation to the use of proceeds arising from the exercise of the Bonus Warrants and the Piggyback Warrants and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company's announcements on use of proceeds and in the annual report;
 - (vi) a written undertaking from the Company to announce any adjustment made pursuant to Listing Rule 829(1); and
 - (vii) a written undertaking from the Company that it will comply with Listing Rule 831.

The Approval In-Principle is not to be taken as an indication of the merits of the Proposed Warrants Issue, the Bonus Warrants, the Piggyback Warrants and the New Exercised Shares, the Company and/or its subsidiaries.

- 1.3 For the avoidance of doubt, each Piggyback Warrant shall entitle the Piggyback Warrant holder to subscribe for one (1) New Exercised Share at the exercise price of S\$0.205, exercisable during the Piggyback Warrants exercise period (as described in paragraph 2.1 below).

2. PIGGYBACK WARRANTS EXERCISE PERIOD

- 2.1 The Company wishes to announce that the exercise period of the Piggyback Warrants shall be extended such that the Piggyback Warrants shall be exercisable during the period commencing on and including the date of issue of the Piggyback Warrants and expiring at 5.00 p.m. (Singapore time) on the day falling twenty-one (21) calendar days after the date immediately preceding the first (1st) anniversary of the date of issue of the Bonus Warrants unless such date is a date on which the Register of Members of the Company is closed or is not a market day, in which event the exercise period shall expire on the date prior to the closure of the Register of Members of the Company or the immediately preceding market day, but excluding such period(s) during which the register of warrant holders of the Company is closed pursuant to the terms and conditions of the Piggyback Warrants set out in the Piggyback Warrants deed poll.
- 2.2 For the avoidance of doubt, the Bonus Warrants shall be exercisable during the period commencing on and including the date of the issue of the Bonus Warrants and expiring at 5.00 p.m. (Singapore time) on the date immediately preceding the first (1st) anniversary of the date of issue of the Bonus Warrants unless such date is a date on which the Register of Members of the Company is closed or is not a market day, in which event the exercise period shall expire on the date prior to the closure of the Register of Members of the Company or the immediately preceding market day, but excluding such



period(s) during which the register of warrant holders of the Company may be closed pursuant to the terms and conditions of the Bonus Warrants set out in the Bonus Warrants deed poll.

Shareholders are reminded that the Proposed Warrants Issue is conditional upon, *inter alia*, approval of Shareholders for the Proposed Warrants Issue (including the issue and allotment of the Warrants and the New Exercised Shares upon exercise of the Warrants) being obtained at an extraordinary general meeting to be convened, and lodgement of OIS with the Monetary Authority of Singapore.

The Circular containing, *inter alia*, the details of the Proposed Warrants Issue will be despatched to Shareholders in due course.

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 oil and gas exploration and production (E&P). Our E&P activities include oil and gas production, field development and exploration. We are positioning ourselves to become a leading regional independent producer of oil and gas.