

20 November 2014

**THE PROPOSED ACQUISITION OF EQUITY INTERESTS IN
PT BENAKAT OIL, PT INDELBERG INDONESIA, PT BINTANG SUKSES
NASIONAL AND PT BENAKAT BARAT PETROLEUM**

The board of directors (the “**Board**”) of Interra Resources Limited (the “**Company**”) refers to its announcements dated 3 September 2013, 16 September 2013, 23 September 2013, 2 June 2014, 2 July 2014, 1 August 2014 and 23 August 2014 relating to the Proposed Acquisition (the “**Announcements**”). Capitalised terms not defined herein shall bear the same meanings ascribed to them in the Announcements.

The Board wishes to announce that Gaffney Cline & Associates (“**GCA**”) has made the following revisions to the Qualified Person’s Report (the “**Updated Reserve Report**”) and the economic evaluation report on the West Benakat KSO (the “**Economic Evaluation Report**”) dated 21 August 2014 and prepared by GCA, certain details of which were communicated in paragraph 4 of the Announcement made on 23 August 2014. In their revisions to these reports, dated 19 November 2014, GCA has made the following changes:

1. The post-tax NPVs for the West Benakat KSO associated with 2P reserve case as at 31 March 2014 (based on discount rates of 8% to 15%) have been revised down to a range of US\$52.74 million to US\$42.82 million. This revises the NPVs reported in paragraph 4.2 of the 23 August 2014 Announcement which reported an NPV range of US\$62.19 million to US\$50.77 million; and
2. While Gross Reserves remain unchanged, the equivalent Net Entitlement Reserves (not addressed in the 23 August 2014 Announcement) are reduced by 0.23 mmstb.

The revised Updated Reserve Report has been prepared in accordance with the requirements of Practice Note 6.3 of the Listing Manual and conforms to the standards promulgated by SPE-PRMS as defined under the Listing Manual. Other than the changes mentioned in point 1 above, no other material changes have been made to the matters announced at paragraphs 4.1 and 4.2 of the Announcement made on 23 August 2014.

In view of the changes made in the revised Reserve Report, the Company is now reviewing the implications of these revisions. The Company will make further announcements as and when necessary.

A copy each of the revised Updated Reserve Report and the revised Economic Evaluation Report dated 19 November 2014 will be made available for inspection during normal business hours at the Company’s registered office at 1 Grange Road, #05-04 Orchard Building, Singapore 239693 for a period of 3 months commencing from the date of this announcement.



Shareholders and potential investors are advised to exercise caution when trading in the Shares. There is no certainty or assurance as at the date of this announcement that the Proposed Acquisition will be completed, or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments on the Proposed Acquisition. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Persons who are in doubt as to the action they should take should consult their legal, financial, tax or other professional advisers.

By Order of the Board of Directors of
INTERRA RESOURCES LIMITED

Marcel Tjia
Chief Executive Officer

GCA is an independent international energy advisory group of more than 50 years' standing, whose expertise includes petroleum reservoir evaluation and economic analysis.

The qualified person with overall responsibility for the revised Updated Reserve Report and revised Economic Evaluation Report is Mr Robert George, the Vice President of GCA. He is a member of the American Association of Petroleum Geologists (AAPG), the Petroleum Exploration Society of Great Britain (PESGB), the Society of Petroleum Engineers (SPE) and the Association of International Petroleum Negotiators (AIPN) and has over 40 years' industry experience in the estimation, assessment and evaluation of oil and gas that is under consideration and to the activity which he is undertaking to qualify as a qualified person as defined under the Listing Manual, and satisfies the criterion under rule 210(9)(b) of the Listing Manual to qualify as an independent qualified person. The revised Updated Reserve Report and revised Economic Evaluation Report were reviewed by Mr David Ahye and Mr Stephen M Lane, and approved by Mr Robert George. The information in the revised Updated Reserve Report, revised Economic Evaluation Report and this announcement is based on information compiled by persons who are or were at the time professional associates of GCA, all of whom hold degrees in geoscience, petroleum engineering or related disciplines and have 15 years or more experience. They include Ms Nila Murti, Mr David Waldo, Mr Raymond Tsuen, Mr Andrew Duncan and Mr Paul McGhee.

Mr George has reviewed and approved the references to GCA contained in this announcement in the form and context in which they appear. Mr George further confirms that the crude oil prices assumed in deriving the revised NPVs remain unchanged from those utilized in preparing the 21 August 2014 GCA reports and are intended to reflect conditions prevailing as at 31 March 2014.

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.