

7 October 2019



**INDONESIA EXPLORATION PROJECT UPDATE:
DRILLING COMMENCEMENT OF
KUALA PAMBUANG EXPLORATION WELL KP-1**

Interra Resources Limited (the “**Company**” or “**Interra**”) is pleased to announce the commencement of drilling of the Company's first well in the Kuala Pambuang block (the “**Block**” or “**KP**”) onshore southern Central Kalimantan, Indonesia. Interra has a 67.5% working interest in the Block through PT Mentari Pambuang Internasional, the operator of the 1,631 km² Block as well as the drilling of the KP-1 exploration well.

The KP petroleum ‘play’ was originally based on reports and maps in the possession of the operator describing numerous producing oil wells that were drilled pre-World War II by a subsidiary of the Royal Dutch Shell (the “**Dutch Wells**”). These Dutch Wells were drilled to depths of 900 to 1,100 metres and most encountered three prospective oil reservoirs – a shallow clastic sandstone (Warukin formation) and two deeper limestones (upper and lower Berai formation).

KP-1 will be drilled as a vertical well to a planned total depth of approximately 1,100 metres employing a hired drilling rig, and is expected to intersect the same oil reservoirs that were encountered in the Dutch Wells.

The lower Berai formation had the highest oil influx rate both in testing and subsequent production, and is therefore Interra's primary target. The Berai formation potential reservoirs also correlate with more recent wells drilled in 1971 approximately 200 km to the east of the drill site.

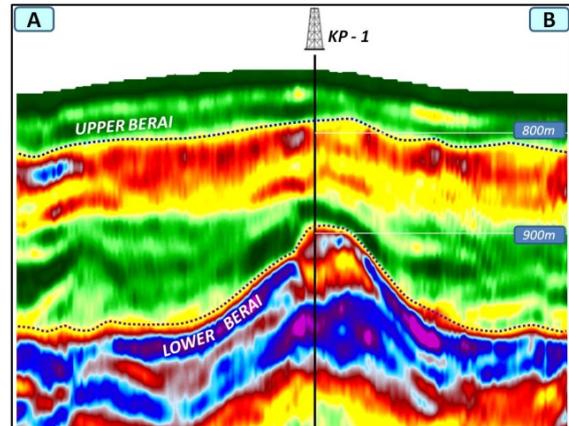
Following rigorous evaluation of existing data and, more importantly, the acquisition of technical data using the latest processes in advanced sub-surface exploration technology, Interra has identified several high-quality drillable prospects which have subsequently been confirmed by independent experts.

The most impactful of the data collected is the over 300 km of high quality 2D seismic data which clearly contain anomalies consistent with the limestone reservoirs reported in the Dutch Wells. Based on the new data, these are interpreted to be Berai limestone reefs with drape structures over them. The seismic data was processed using standard and advanced methods, the latter from which a prognosis of possible reservoir quality and/or fluid content can be made.

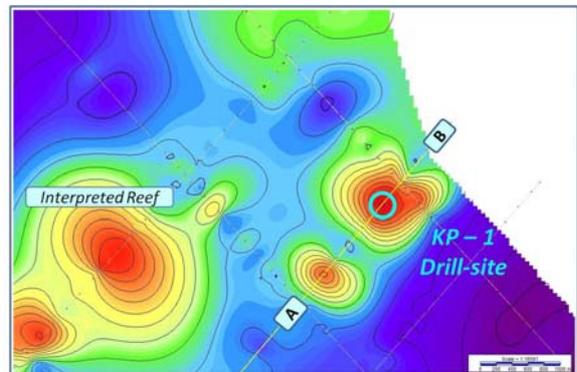




Kuala Pambuang Block with KP-1 location and 2D seismic grid



Seismic – inversion processing can indicate rock properties and/or fluid content, in this case red/yellow indicate possible better porosity or hydrocarbon presence



Structure map of primary target – upper Beral limestone illustrating one of several additional interpreted reef structures

The unrisks prospective resources for the entire Block estimated as at 1 January 2019 by ERC Equipose Pte Ltd are: low case of 67 mmstb, best case of 305 mmstb and high case of 1,288 mmstb (please refer to the Company's 2018 annual report for further details). If the drilling results of KP-1 are commercially successful, then these prospective resources may be upgraded and re-classified as reserves. In addition, resource volumes in other prospective areas that have been identified by seismic will most likely have their classifications upgraded.

The Company will announce the results of the drilling operation as soon as they may be ascertained as well as updates reflecting critical or unexpected events during drilling.

The Company wishes to advise that investors should exercise due care and caution when trading Interra's shares. It is not certain that the exploration drilling mentioned above will ultimately yield commercially recoverable hydrocarbons or profitable production.

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