

25 May 2022



**RESPONSE TO QUERY ON ANNUAL REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (“AR FY2021”)**

The Board of Directors (the “**Board**”) of Interra Resources Limited (the “**Company**”) refers to the query received from the Singapore Exchange Regulation on 23 May 2022 regarding the AR FY2021, and would like to respond as follows:

Query 1

Listing Rule 710 requires issuers to explicitly state, when deviating from the provisions prescribed in the Code of Corporate Governance 2018 (the “**Code**”), an explanation on how the practices it had adopted are consistent with the intent of the relevant principle.

We note that the Company has not complied with Provision 8.1 of the Code with regards to the disclosure of remuneration of each individual director and the CEO. While the Company explained that this was due to sensitivity surrounding remuneration matters, there were no explanations provided for in your annual report on how it is consistent with the intent of Principle 8 of the Code.

Please clarify how the practices the Company had adopted are consistent with the intent of Principle 8 of the Code, which requires transparency on the Company’s remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation.

Response

The reason for the variation from Provision 8.1 of the Code with regard to the disclosure of remuneration of each individual Director, including the CEO, is provided under “Provision 8.1” at page 34 of the AR FY2021. It was stated that:

“The Company endeavours to provide adequate disclosure of the remuneration of its Directors, including the CEO, and KMP for the purpose of enhancing transparency between the Company and shareholders. However, being faced with stiff competition and escalating costs in attracting and retaining talents in similar specialised industry, the Company does not wish to divulge too much sensitive information with regard to remuneration packages of its Directors and KMP for its competitors to take advantage of.”

The Board would like to further clarify that the Company is of the view that the disclosure of the Directors’ total remuneration with a breakdown into directors’ fees, base/fixed salary, variable or performance-related bonuses, share-based incentives and awards, and benefits-in-kind, allowances and other incentives, in percentage terms and breakdown in bands of S\$250,000 for each Director, including the CEO, provides a reasonable amount of information on the Company’s remuneration framework.

Furthermore, the Company has also disclosed the framework for determining the remuneration of the Company’s executive Director (who is also the CEO) and non-executive Directors, including the relationships between remuneration, performance and value creation, under “Provision 7.1” and “Provision 7.2” at page 34 of the AR FY2021.

The fees payable to the Directors are also put forward to shareholders for approval on an annual basis at the Company's annual general meeting.

Based on the foregoing, the Company is of the view that there is sufficient transparency on the Company's remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation and accordingly, the Board believes that the existing practices adopted by the Company are consistent with the intent of Principle 8 of the Code.

Query 2

Please clarify how the Company has complied with Rule 716 of the Listing Manual which provides, inter alia, that an issuer may appoint different auditing firms for its subsidiaries or significant associated companies provided that (1) the issuer's board and audit committee are satisfied that the appointment would not compromise the standard and effectiveness of the audit of the issuer; or (2) the issuer's subsidiary or associated company is listed on a stock exchange.

Response

Rule 715(1) of the Listing Manual provides that subject to Rule 716 of the Listing Manual, an issuer must engage the same auditing firm based in Singapore to audit its accounts, and its Singapore-incorporated subsidiaries and significant associated companies.

The Company has disclosed, under "Provision 10.5" at page 40 of the AR FY2021, that the Company has engaged the same Singapore-based external auditor, Nexia TS Public Accounting Corporation, to audit its financial statements and that of all its Singapore-incorporated subsidiaries. The Company does not have any Singapore-incorporated significant associated companies as disclosed under "Investments in Associated Companies" of the Notes to the Financial Statements at page 104 of the AR FY2021.

The Company has therefore complied with Rule 715(1) of the Listing Manual and accordingly, Rule 716 of the Listing Manual is not applicable to the Company.

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.