Interra Resources Limited

Sustainability Report

For the financial year ended 31 December 2018

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1. Highlights

1.1 Corporate Profile

Interra Resources Limited (‘**Interra**’ or the ‘**Company**’), together with its subsidiaries (the ‘**Group**’), are 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.

Since our inception, we have grown organically by developing our existing assets as well as through disciplined acquisitions by seeking attractive resource opportunities across Southeast Asia. Our portfolio of production, development and exploration assets comprises four petroleum contract areas in Indonesia and Myanmar.

Interra is listed on the Main Board of the Singapore Exchange.

1.2 Scope of Sustainability Report

The scope of the report dated 27 March 2019 covers information on material sustainability aspects of Interra, namely the Group’s significant joint venture entity in Myanmar, Goldpetrol Joint Operating Company Inc. (**Goldpetrol**), from 1 January 2018 to 31 December 2018 unless otherwise specified. This should sufficiently address stakeholders’ concerns in relation to sustainability issues arising from the major business operations of the Group.

Interra owns 60% of Goldpetrol, which operates the Chauk and Yenangyaung oil fields in central Myanmar, under two Improved Petroleum Recovery Contracts (**IPRCs**) with the Myanma Oil and Gas Enterprise (**MOGE**). Interra manages the operatorship of both oil fields jointly with a joint-venture partner, China ZhenHua Oil Co., Ltd (**ZhenHua Oil**). The oil fields cover a total area of approximately 1,800 km^2 and are located along the Ayeyarwaddy River, about 580 km north of Yangon.

During financial year under review, the combined gross production for both oil fields was 887,896 barrels of oil (**BO**), comprising 97% of the total oil production by the Group.

This report is prepared in accordance with the Global Reporting Initiative (**GRI**) Standards: Core Option as it provides a set of an extensive framework that is widely accepted as a global standard for sustainability reporting. It also considers the Sustainability Reporting Guide in Practice Note 7.6 of the Singapore Exchange Securities Trading Limited (**SGX-ST**) Listing Manual. In preparing our report, we applied the GRI’s principles for defining report content and report quality by considering the Group’s activities, impacts and substantive expectations and interests of its stakeholders.

The data and information provided within the report have not been verified by an independent third party. We have relied on internal data monitoring and verification to ensure accuracy.

Sustainability contact

We welcome feedback on our sustainability practices and reporting at sr@interraresources.com.

1.3 Message to Stakeholders

On behalf of the Board of Directors of Interra Resources Limited, I am pleased to present the Sustainability Report for the financial year ended 31 December 2018 (**FY2018**).

Developing resources responsibly requires a collective effort and everyone has a role to play. We must continue to operate in a safe and environmentally responsible manner and collaborate with communities in a mutually beneficial way. In addition, energy producers depend on host governments to develop policies that are based upon sound principles and, at the same time, serve to balance social, economic and environmental goals. Regulatory processes should be clear and transparent, and hold industry players accountable for their performance.

With more than 20 years of experience in developing Myanmar's crude oil resources and cooperating with the MOGE, Interra's long-term commitment to safe operations, minimised impact on the land, air and water, as well as investment in our communities remains strong.

In the FY2018 sustainability report, we will report on the Group's sustainability efforts on Sustainable Development, Environmental Stewardship, Health and Safety, and Community. The sustainability report highlights our business principles and approach, and how we are meeting the demand for energy in an economically, environmentally and socially responsible way. Interra continues to stay true to "Exploring, Discovering Value" by being responsible, mindful and ethical, while focusing on delivering results thereby positioning the Company for profitable and sustainable growth.

While we strive to make continual progress, there are always opportunities for improvement. Starting from this year, we have also included the key commitments for each area of our sustainability strategy in order to ensure that we have a robust sustainability programme in place.

We wish to confirm that the Board has considered sustainability issues as part of its strategic formulation. The Board has determined the material environmental, social and governance (ESG) factors and overseen the management in monitoring these material ESG factors.

On behalf of the Board of Directors

EDWIN SOERYADJAYA
Chairman

27 March 2019

2. Our Approach to Sustainability

2.1 Sustainability Organisational Structure

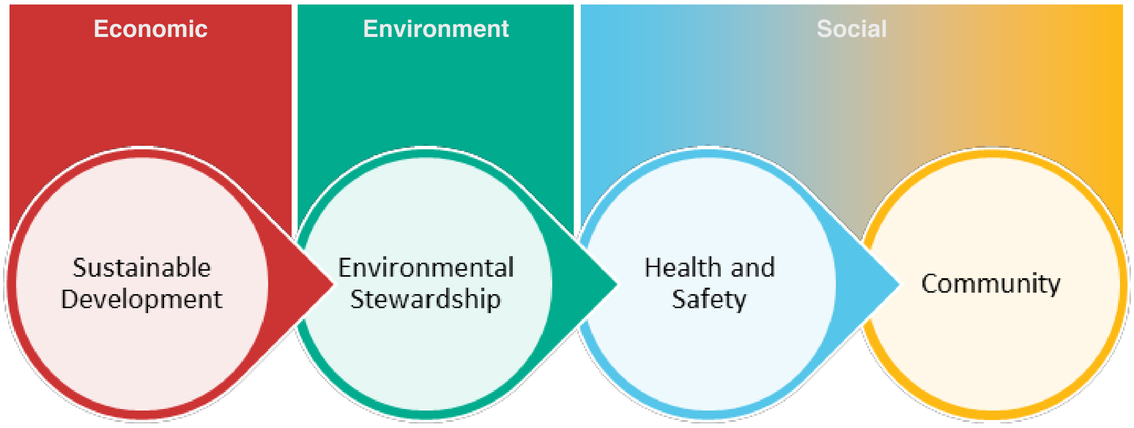
Sustainability is a vital part of our corporate strategy for achieving long-term growth. The values we create for our people, the environment and society at large very much influence our financial performance. In order to better accommodate our sustainability goals and values, we have developed a sustainability organisational structure to move things forward.

Board of Directors and Management	The Board of Directors establishes the sustainability while the Management sees through the implementation of the framework.
Country Manager	The Country Manager, together with the Corporate Social Responsibility (**CSR**) Coordinator, is charged with organising and coordinating the CSR work of all departments within the subsidiary.
Employees	Relevant head of various departments are responsible for the implementation of CSR works.

2.2 Sustainability Strategy

At the Group, our sustainability strategy aims to create integrated values. Not only do we create economic value by maximising profits and shareholder value, but we also take on a broader responsibility as a global corporate citizen to create societal values. We commit to deliver value to all our stakeholders.

As we look back on our progress over the last year, our efforts to deliver value to all our stakeholders can be summarised as follows:



The sustainable strategy is underpinned by:

(i) *Policies and guidelines*

Including our Employee Handbook which establishes a clear tone at the top with regards to employees' business and ethical conduct (including declaration of conflicts of interest); and

(ii) *Management systems*

Including our Environment Management Plan (**EMP**) which helps us align to best practices for managing environmental risks associated with crude oil extraction. The EMP has been in place at our Myanmar operations since 2014.

Our sustainability strategy is guided by a variety of external sources, including the GRI Standards and Sustainability Reporting Guide set out in Practice Note 7.6 of the SGX-ST) Listing Manual.

The rest of this report covers our progress and performance against each of these areas, and the impact we have on the economy, environment and society as a result.

2.3 Consulting Our Stakeholders

We engage both internal and external stakeholders on a regular basis with the goal of strengthening our sustainability approach and performance. We listen to their expectations – and views on how well we are meeting them – as well as collaborating with them for deeper insights and mutual benefits.

Through our stakeholder engagement processes, we gather both qualitative and quantitative input, which are essential in forming both our strategic direction and our day-to-day performance, and maximising the value of our contributions across all groups.

In mapping our stakeholders, we have identified those to whom we have legal, commercial or moral responsibility – such as our regulators, suppliers and the communities around our operational areas. The other equally important groups – because we depend on them to operate – are our people and our business partners.

An overview of our approach and rationale is set out below (with stakeholders listed in alphabetical order) together with the feedback we have received.

Stakeholders	How we listen	Why we do it	What you've told us
Business partners	• Quarterly meetings with ZhenHua Oil to update the progress of the annual drilling and production work programmes and budgets	• Ensure that actual performance of drilling and production work programmes are in line with targets • Explore opportunities for mutual collaboration	• Technical and operational updates • Update of significant events • Mutual agreement on future strategies
Community	• Biannual meeting with MOGE on local needs • Informal meet-ups with members from the community	• Foster relationship with community through investments and donations to build roads and amenities to improve local living conditions	• Fulfil needs of local community (access roads, schools, hospitals, facilities, etc.) • Sustainability matters
Customers	• Biannual meeting with MOGE to update the progress of the annual drilling and production work programmes and budgets	• Ensure that actual performance of drilling and production work programmes are in line with targets • Foster relationship with MOGE through long-term strategies and development plans for the oil fields	• Update drilling and production work programmes and budgets • Future strategies • Performance against targets • Compliance with all relevant requirements
Employees	• Employee's handbook • Periodic staff meetings • Staff training • Labour union meetings • Email feedback from employees	• Ensure that workplace health and safety enables the employees to work comfortably and safely • Employment benefits should address basic needs and help to manage stress and improve health • Training and career development should be in place to improve effectiveness and productivity	• Manage occupational health and safety • Maintain work life balance • Provide training and education
Regulators	• Consultation with SGX-ST • Letters from and meetings with government	• Keep up with the latest rules and regulations • Engage with regulators	• Compliance with relevant rules and regulations
Shareholder and investors	• SGXNET announcements • Shareholders' meeting • Annual reports • Interra website • Regular updates and communication • Investor road shows/analyst briefings	• Committed to delivering economic value to our capital providers through a strong financial performance and our methods of engagement with them	• Long-term profitability • Sustainability matters • Company's performance against targets • Compliance with all relevant requirements
Suppliers	• Request for quotations and/or proposals • Vendor briefings • Purchase agreements • Periodic reviews	• Ensuring integrity in all purchasing decisions • Adhering to agreement terms	• Fair vendor selection process • Ethical conduct • Timely payment

2.4 Sustainability Materiality

Based on the stakeholder engagement, we developed our sustainability materiality matrix containing material aspects which are aligned with our principal business and operational risks, and formed our sustainability strategy which has shaped our approach to sustainability reporting, as illustrated in the diagram below.

We will review and adjust the matrix each year as the external and business context changes.

The aspect boundaries 'within' the organisation are limited to Goldpetrol, whereas the aspect boundaries 'outside' the organisation include business partners, community, customers, employees, regulators, shareholders and investors, and suppliers.

3. Our Performance

3.1 How We Measure Our Performance

Our sustainability strategy is embedded into the appropriate parts of our business, with dedicated teams for each focus area, and coordination by our relevant departmental managers.

Progress will be tracked in two key ways: measuring performance against metrics, and evaluating how well the programmes have advanced through a series of 'commitments'.

Metrics and targets

We have established key performance indicators for each of the four focus areas outlined in our sustainability strategy. Periodically, we plan to introduce new metrics and update targets to ensure alignment with our strategy.

Commitments

To ensure we have a robust sustainability programme in place, we have included the key commitments for each area of our sustainability strategy. The progress we have made against each key commitment is indicated using the symbols shown in the table below.

We track and review our sustainability programme with the Board of Directors at least once a year.

Symbols used to indicate progress against commitments

Symbol	Meaning
Ⓝ	New commitment this year
◯	Not started
◑	In progress
◉	Complete
⟳	Ongoing commitment: no end date

3.2 Sustainable Development

Overview

Since 1997, we have been operating the Chauk and Yenangyaung oil fields in central Myanmar, and cooperating with the MOGE. Armed with robust drilling and development plans as well as investments in new technologies, Goldpetrol is well-positioned to deliver sustainable development for the Group for the future.

Long-term plans

In 2017, Goldpetrol was successfully awarded an 11-year extension of the IPRCs for the Chauk and Yenangyaung oil fields. In addition, Interra entered into a conditional subscription agreement with North Petroleum International Company Limited (**NPI**), a wholly-owned subsidiary of ZhenHua Oil, for the subscription of 79.5 million new ordinary shares in the capital of Interra by way of a private placement, which was completed on 30 January 2018.

In light of these new developments, together with lessons learnt from the Group's cost and operational control strategies in previous years, Goldpetrol is well-positioned to leverage on the strategic partnership between Interra and ZhenHua Oil, and put in place the investment and development planned for the oil fields and increase production output in the years ahead.

Managing continual improvement

In FY2018, Goldpetrol pushed ahead with its drilling campaign and accelerated its field activities. A total of eleven wells were drilled, of which two were under the 2019 drilling programme and spudded early in view of favourable dry surface conditions and rig availability. Eight wells were completed as oil producers, seven in the Chauk field and one in the Yenangyaung field, contributing to an increase in production averaging 500 BO per day.

As part of our strategy, Goldpetrol has committed to improve oil production progressively over the new contract period ending in 2028. As a result of our drilling efforts combined with effective field operations and production management, oil production increased by 6% from FY2017 to FY2018, on the FY2017 baseline.

Recent significant oil producers have been from wells primarily drilled in the Chauk South Central Fault Block and the Chauk North Fault Block. The continued development of these blocks is expected to accelerate production from these oil reservoirs. We continue to have successful results from directional drilling under the Ayeyarwaddy River from the east bank of northern Chauk field to penetrate un-drained producing reservoirs. Drilling in other producing areas of both Chauk and Yenangyaung fields have added materially to production gains and development of these will continue. In addition, there has been a renewed effort to identify existing wells that could add to production gains by perforations in un-tested reservoirs and to re-open old shut-in wells. All are aimed at increasing production volumes and adding to our oil reserves base.

Identification of new technologies

In February 2018, Goldpetrol completed the acquisition of eleven patent rights from Chengdu North Petroleum Exploration & Development Technology Co., Ltd (**CNPED**), a wholly-owned subsidiary of ZhenHua Oil. The patents will be utilised to enhance oil production in the Chauk and Yenangyaung fields using enhanced oil recovery methods and other technologies.

By adopting the patents in Myanmar, Goldpetrol is introducing new technologies to the Myanmar oil and gas industry which will benefit the industry in general.

The Water-Flood Project

In 2018, Goldpetrol commenced a secondary oil recovery project implemented through water-flooding (**WF**) of producing oil reservoirs in the Chauk oil field (the '**Water-Flood Project**').

Oil extraction over the history of operatorship in the Chauk and Yenangyaung oil fields by Goldpetrol (and its predecessor) since 1997 has principally been by Primary Recovery, i.e. either by hydrocarbons flowing to the surface due to natural reservoir pressure or lifting by pumping methods. It has been recognised that both fields could benefit from WF, a process which is generally accepted as having the potential to significantly increase oil recovery. This would be effective in both maintaining reservoir pressure and sweeping oil locked in the reservoirs to producing areas.

Preliminary tests were initiated in the Yenangyaung field approximately 10 years ago using simple gravity injection of water into shut-in wells on the fringes of producing areas. Although the process was not nearly as controlled as a true WF, it did succeed in increasing oil production in the certain wells. Having confirmed that the reservoirs were receptive to water injection, a small-scale pilot project was initiated in the Chauk field in 2016 using injection pumps and existing wells for both injection and targets. Since the beginning of the pilot WF, there has been an average oil production gain of these combined targeted wells of approximately 75 BO per day.

Concurrent with the pilot project, planning began on a more extensive WF project for the entire Singu North producing fault block in northern Chauk field with numerous wells and multiple reservoirs to be injected. This highly technical planning has involved expertise from both Goldpetrol and an external petroleum research centre. The implementation of the project has begun and will have at least six pump supported injector wells targeting over twenty producing oil wells.

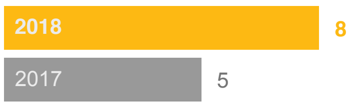
In addition, smaller scale WF project, which began in the Yenangyaung field during the second quarter of the year, have already given positive gains. Planning has also commenced for WF project in other producing fault blocks in both Chauk and Yenangyaung fields.

Commitments: Sustainable development

Track and report fulfilment of budgeted drilling programme

Wells drilled (No.)

Wells completed as oil producers (No.)



FY2018 progress

- A total of eleven wells were drilled, of which two were under the 2019 drilling programme and spudded early in view of favourable dry surface conditions and rig availability.
- Eight wells were completed as oil producers, contributing to an increase in production averaging 500 BO per day.

Improve oil production (from FY2017 baseline)

Barrels of oil produced (BO)

FY2018 progress

- As a result of our drilling efforts and combined with effective field operations and production management, oil production increased by 6% from FY2017 to FY2018, on the FY2017 baseline.

3.3 Environmental Stewardship

Overview

Goldpetrol is committed to operating in an environmentally responsible manner to develop Myanmar's crude oil reserves and resources. We seek to reduce our impact on wildlife, land, air and water at our operations through our commitment to our EMP and adherence to government regulations.

In FY2018, we had no spills and no regulatory compliance incidents in Myanmar, demonstrating the benefit of integrating environmental initiatives into our business plans and strategies. We are mindful of the environment in which we operate and we strive to minimise our impact.

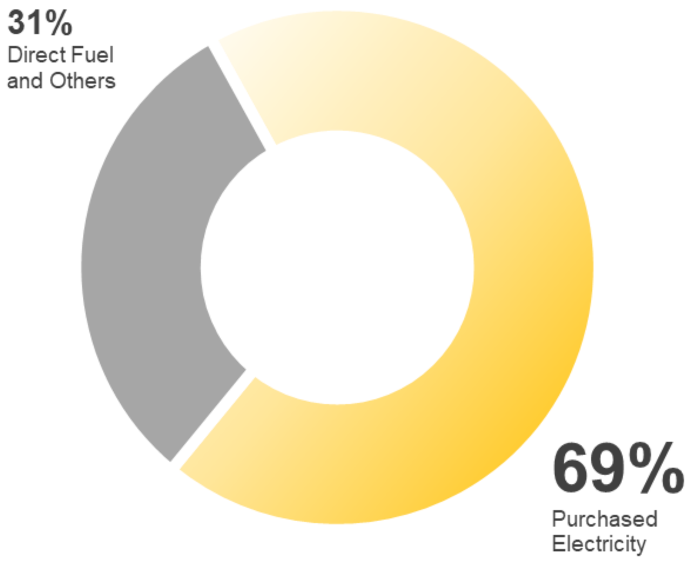
Managing greenhouse gas emissions

The risks associated with climate change are real and warrant action. Increasing carbon emissions in the atmosphere are having a warming effect. There is broad scientific and policy consensus that actions must be taken to further quantify and assess the risks.

Goldpetrol has the same concerns as people everywhere – how to provide the world with the energy it needs while reducing greenhouse gas (**GHG**) emissions. We are committed to positive action on climate change and dedicated to reducing the risk in the most efficient way for society by reducing GHG emissions in our operations.

To determine the carbon footprint, we collect energy usage data from Goldpetrol and then calculate its total annual GHG emissions.

In FY2018, Goldpetrol generated a carbon footprint of 12,629 tonnes of carbon dioxide emission (**tCO_2e**) with a carbon emission intensity of 14.2 kilograms of carbon dioxide emission (**kgCO_2e**) per barrel of oil production. The emission mainly arises from purchased electricity which accounted for 69% of the total carbon emission of Goldpetrol.



We follow the Greenhouse Gas Protocol established by the World Resources Institute and the World Business Council for Sustainable Development, the standard manual for measuring corporate greenhouse gas emissions.

Using the "control method", we include 100% of the emissions associated with businesses which we directly control. Our carbon footprint includes:

- All fuels used directly by our companies (Scope 1 emissions)
- All purchased electricity used in our facilities (Scope 2 emissions)
- Impact of business air travel (optional Scope 3 emissions)

Carbon footprint per barrel of oil production increased substantially from the previous year due to increased drilling activities in the current year and the inclusion of our diesel consumption from motor vehicles into the computation of our carbon footprint in FY2018. Energy consumption is expected to increase in tandem with the drilling campaign and accelerated field activities.

As part of our strategy, Goldpetrol has committed to maintain the carbon footprint per barrel of oil production over the new contract period ending 2028.

Energy efficiency

Energy consumed in our operations generates 99% of our GHG emissions and is one of our largest operating costs. As such, energy efficiency presents a tremendous opportunity to make an impact on both the environment and our bottom line by reducing emissions, lowering costs and improving competitiveness.

Our energy consumption comprises the following:

- Electricity consumption arising from operations of our offices and oil pump;
- Diesel consumption from operations of motor vehicles. As we only commenced tracking diesel consumption in FY2018, this criteria was not taken into consideration in our computation of GHG emissions in FY2017.

Whilst we take measures to reduce energy consumption through regular maintenance of our machinery, energy consumption is expected to increase in tandem with the drilling campaign and accelerated field activities.

Water use

Given that our operations are situated along the Ayeyarwaddy River in central Myanmar, we are always focused on freshwater conservation opportunities and the efficient use of water through the design, operation and expansion of our facilities.

In the past, water extracted together with crude oil production (**formation water**) through primary recovery method was routed for sedimentation at the treatment pits before being discharged into the river. Since 2016, we have been using the gravity injection of water in our oil fields to both increase oil production in offset wells and properly dispose of formation water. The ultimate goal is to reach zero discharge of water produced into the river and the surrounding environment.

With the implementation of the Water-Flood Project in 2018, the requirement for increased access to water supply for injection has been met by the use of recycled formation water supplemented by pumped river water. Formation water is also being used for injection in the smaller WF project in Yenangyaung.

Land and waste management and biodiversity

Minimising our impact to land and biodiversity is a key consideration throughout all life stages of our operations, from exploration, drilling and production, to responsible waste management, site reclamation and closure. We continue to develop and employ best practices and technologies to reduce our surface footprint and environmental impacts.

Commitments: Environmental stewardship

Achieve zero spills and regulatory compliance incidents

Achievements

- Achieved zero spills and regulatory compliance incidents in Myanmar

FY2018 progress

- We had no spills and no regulatory compliance incidents in Myanmar, demonstrating the benefit of integrating environmental initiatives into our business plans and strategies. We are mindful of the environment in which we operate and we strive to minimise our impact.

Maintain carbon footprint per barrel of oil production (from FY2018 baseline)

Carbon footprint per barrel of oil production (kgCO_2e)

FY2018 progress

- As a result of increased drilling activities, and the inclusion of our diesel consumption from motor vehicles into the computation of our carbon footprint in FY2018, our carbon footprint per barrel of oil production increased substantially from the previous year.
- Energy consumption is expected to increase in tandem with the drilling campaign and accelerated field activities.
- We will seek to gradually improve our performance in this area by focusing on the energy efficiency of our operations.

3.4 Health and Safety

Overview

Safety is a core value in every aspect of Goldpetrol's operations. Ensuring the safety of the people who work in or live near our operational areas is our number one priority.

In FY2018, we achieved an incident frequency rate of zero.

Operational safety

We continue to make progress on our commitment to achieve a safe and secure workplace through a strong focus on leadership behaviour, workforce engagement, risk management and consistent application of our EMP, which has been in place at our Myanmar operations since 2014.

The EMP is a comprehensive framework with a common set of expectations that embodies our commitment to managing personnel and process safety as well as operational and environmental risks inherent in our business.

In FY2018, key focus areas included:

- Training and prevention programmes, including safety leadership, risk tolerance and approaching others
- Risk management with active processes to facilitate mitigation of key residual risks and prevention of significant events

While we manage our business with the goal of preventing incidents, we are prepared for emergencies and can respond quickly, effectively, and with care to emergencies or incidents resulting from our operations. In the event of an incident, locally-trained personnel are supported by a response team from MOGE to control the situation, minimise impacts and restore operations in as short a time as possible.

As part of our strategy to ensure safety in our operations, Goldpetrol has committed to limit overtime hours per employee to a maximum of 120 hours on an ongoing basis. In FY2018, Goldpetrol clocked 115 overtime hours per employee, within the limit set.

Knowledge transfer and sharing

Together with our joint venture partner, we periodically conduct short-courses and on-the-job training for our workers to ensure that they are well-equipped to manage new and emerging oil production processes that are currently being put in place.

Some of the topics covered include:

- Drilling and workover operations
- Gas and oil collecting station management
- Mud engineering
- Cooling oil circulation and dewaxing processes
- Pumping unit maintenance
- Emergency handling of chemical release/spill
- Environment awareness
- Fire safety
- Chemical handling
- Waste disposal and segregation

As part of our strategy to ensure safety in our operations, Goldpetrol has committed to achieve a minimum of 40 hours of training per employee on an ongoing basis. In FY2018, Goldpetrol clocked 40 training hours per employee, fulfilling the minimum requirement.

Commitments: Health and safety

Achieve zero safety incidents

Achievements

- Achieved zero safety incidents in Myanmar

FY2018 progress

- We had no safety incidents in Myanmar, demonstrating our commitment to ensure that ensuring the safety of the people who work in or live near our operational areas is our number one priority.

Limit maximum of 120 hours of overtime per employee

Overtime hours per employee (Hours)

FY2018 progress

- We ensured overtime hours did not exceed 120 hours per employee to ensure the safety of our operations.

Achieve minimum of 40 hours of training per employee

Training hours per employee (Hours)

FY2018 progress

- We achieved a minimum of 40 hours of training per employee to ensure the safety of our operations.
- Additional training was conducted in FY2017 in preparation for the adoption of patents and implementation of water-flood projects.

3.5 Community

Overview

Goldpetrol has long been a part of the community which we operate in. We offer financial and volunteer support to MOGE-organised community outreach exercises in Chauk and Yenangyaung each year, and we are actively engaged in community services.

Community involvement

Our giving and community engagement is guided by our main areas of focus, which include:

- Education and sports
- Healthcare
- Basic infrastructure building and maintenance
- Indigenous capacity and community building

As part of our strategy to give back to the community, Goldpetrol has committed to invest at least US$100,000 towards community development on an ongoing basis. In FY2018, Goldpetrol invested more than US$143,000 in the Chauk and Yenangyaung communities, towards the causes of education, sports, healthcare, infrastructure and community building.

For example, as part of the Yenangyaung township development project in collaboration with the local government, we committed more than US$89,000 to provide a garbage collection truck, power supply transformer and water supply storage tanks, to construct recreational facilities, and to build a drainage ditch and access road.

Stakeholder engagement

While the government grants the permit for development, the community provides crucial support towards our operations. Our stakeholders offer a variety of perspectives on energy development. Engaging in regular discussions with these parties is crucial to responsible operations.

Goldpetrol's operations and development opportunities are located within local communities. We support communities in areas where we explore, develop and operate, and strive to establish lasting relationships built on mutual trust and respect.

In FY2018, stakeholder engagement activities included:

- Site visit by drilling contractors to inspect drilling operations including safety and environment protection aspects
- Field visit by investors to learn about oil and gas operations including the environment, health and safety impacts

Others

We also seek to create long-term economic and social benefits for our communities, including workforce and supplier development. Enhancing education, developing a skilled workforce, creating jobs and supporting a reliable local supply network drive both economic growth and a higher standard of living.

<u>Workforce</u>

We seek to attract and retain employees interested in a long-term career with the company. Our Standards of Business Conduct govern all aspects of our employment and support our commitment to provide equal employment opportunities, prohibit harassment and discrimination in the workplace and align with applicable laws and regulations.

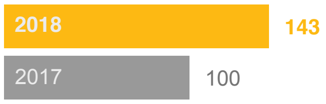
<u>Supplier development</u>

All of our suppliers and contractors must adhere to our requirements regarding safety, health, security and the environment, as well as the principles of our Standards of Business Conduct. We are also focused on developing local indigenous businesses through regular meetings with them to ensure they are aware of the opportunities created by our projects and understand our requirements.

Commitments: Community

Invest a minimum of US$100,000 towards community development

Investment in community projects (US$'000)



FY2018 progress

- We invested more than US$143,000 in the Chauk and Yenangyaung communities, towards the causes of education, sports, healthcare, infrastructure and community building.

Appendix A: Sustainability Scorecard

Economic contribution

Performance indicators	Units	FY2017	FY2018
Capital and exploration expenditures	US$'000	11,104	8,396
Payments to government	US$'000	636	1,167
Total employees	Number	437	469

Sustainable development

Performance indicators	Units	FY2017	FY2018
Wells drilled	Number	8	11
Wells completed as oil producers	Number	5	8
Gross oil production	Barrels	837,823	887,896

Environmental stewardship

Performance indicators	Units	FY2017	FY2018
Regulatory and compliance incidents	Number	0	0
Environmental fines and penalties	US$'000	0	0
Environmental and operating expenditures	US$'000	100	143
Direct GHG emissions	tCO_2e	2,407.2	3,829.5
Indirect GHG emissions	tCO_2e	6,722.0	8,800.0
Total GHG emissions	tCO_2e	9,129.2	12,629.5
GHG emissions intensity	$kgCO_2e/BO$	10.8	14.2

Health and safety

Performance indicators	Units	FY2017	FY2018
Safety incidents	Number	0	0
Training hours per employee	Hours	79	40
Overtime hours per employee	Hours	118	115

Community

Performance indicators	Units	FY2017	FY2018
Investment in community projects	Hours	100	143

Appendix B: GRI Content Index

GRI Standards Content Index

The GRI Content Index references the Interra Resources Limited Sustainability Report 2018 (SR) and its Annual Report 2018 (AR).

Disclosure number		Disclosure title	Page reference and remarks
GRI 102: General disclosures			
Organisational profile	102-1	Name of organisation	• AR: Corporate Profile (Pages 2-3)
	102-2	Activities, brands, products, and services	• AR: Corporate Profile (Pages 2-3)
	102-3	Location of headquarters	• AR: General – Note 1 to the Financial Statements (Page 67)
	102-4	Location of operations	• AR: Investments in Subsidiary Corporations – Note 8 to the Financial Statements (Pages 102-103)
	102-5	Ownership and legal form	• AR: General – Note 1 to the Financial Statements (Page 67)
	102-6	Markets served	• AR: Corporate Profile (Pages 2-3) • AR: Segment Information – Note 35 to the Financial Statements (Pages 139-140)
	102-7	Scale of organisation	• AR: Corporate Profile (Pages 2-3) • AR: Segment Information – Note 35 to the Financial Statements (Pages 139-140)
	102-8	Information on employees and other workers	• AR: Key Management Personnel (Page 10) • SR: Health and Safety (Pages 12-13)
	102-9	Supply chain	• AR: Operating and Financial Review (Pages 13-15) • SR: Consulting Our Stakeholders (Page 5)
	102-10	Significant changes to the organisation and its supply chain	• AR: Operating and Financial Review (Pages 13-15)
	102-11	Precautionary Principle or approach	• AR: Corporate Governance Report (Pages 34-35)
	102-12	External initiatives	• Not applicable
	102-13	Membership of associations	• Not applicable
Strategy	102-14	Statement from senior decision-maker	• AR: Chairman's Statement (Pages 6-7) • SR: Message to Stakeholders (Page 2)
	102-15	Key impacts, risks, and opportunities	• AR: Operating and Financial Review (Pages 16-18) • SR: Sustainability Materiality (Page 6)
Ethics and integrity	102-16	Values, principles, standards, and norms of behaviour	• SR: Sustainability Strategy (Page 4)
	102-17	Mechanisms for advice and concerns about ethics	• SR: Consulting Our Stakeholders (Page 5)
Governance	102-18	Governance structure	• AR: Corporate Governance Report (Pages 21-23)
	102-19	Delegating authority	• AR: Corporate Governance Report (Pages 21-23)
	102-20	Executive-level responsibility for economic, environmental, and social topics	• SR: Sustainability Organisational Structure (Page 3)
	102-21	Consulting stakeholders on economic, environmental, and social topics	• SR: Consulting Our Stakeholders (Page 5)

Disclosure number		Disclosure title	Page reference and remarks
	102-22	Composition of the highest governance body and its committees	• AR: Corporate Governance Report (Pages 24-26) • AR: Corporate Information (Inside back cover page)
	102-23	Chair of the highest governance body	• AR: Corporate Governance Report (Pages 24-26) • AR: Corporate Information (Inside back cover page)
	102-24	Nominating and selecting the highest governance body	• AR: Corporate Governance Report (Pages 26-30) • AR: Board of Directors (Pages 8-9)
	102-25	Conflicts of interest	• AR: Corporate Governance Report (Pages 21-26) • AR: Shareholder Demographics (Pages 47-48) • AR: Directors' Statement (Pages 49-53) • SR: Sustainability Strategy (Page 4)
	102-26	Role of highest governance body in setting purpose, values, and strategy	• AR: Corporate Governance Report (Pages 24-26)
	102-27	Collective knowledge of highest governance body	• AR: Corporate Governance Report (Pages 24-26)
	102-28	Evaluating the highest governance body's performance	• AR: Corporate Governance Report (Page 30)
	102-29	Identifying and managing economic, environmental, and social impacts	• AR: Corporate Governance Report (Pages 34-35) • SR: Sustainability Materiality (Page 6)
	102-30	Effectiveness of risk management processes	• AR: Corporate Governance Report (Pages 34-35)
	102-31	Review of economic, environmental, and social topics	• SR: Sustainability Report (Pages 1-20)
	102-32	Highest governance body's role in sustainability reporting	• SR: Sustainability Organisational Structure (Page 3)
	102-33	Communicating critical concerns	• SR: Consulting Our Stakeholders (Page 5)
	102-34	Nature and total number of critical concerns	• SR: Sustainability Materiality (Page 6)
	102-35	Remuneration policies	• AR: Corporate Governance Report (Pages 31-33)
	102-36	Process for determining remuneration	• AR: Corporate Governance Report (Pages 31-33)
	102-37	Stakeholders' involvement in remuneration	• AR: Corporate Governance Report (Pages 31-33)
	102-38	Annual total compensation ratio	• AR: Corporate Governance Report (Pages 33-34)
	102-39	Percentage increase in annual total compensation ratio	• AR: Key Management's Remuneration – Note 37(c) to the Financial Statements (Page 144)
Stakeholder engagement	102-40	List of stakeholder groups	• SR: Consulting Our Stakeholders (Page 5)
	102-41	Collective bargaining agreements	• Not applicable
	102-42	Identifying and selecting stakeholders	• SR: Consulting Our Stakeholders (Page 5)
	102-43	Approach to stakeholder engagement	• SR: Sustainability Strategy (Page 4)
	102-44	Key topics and concerns raised	• SR: Consulting Our Stakeholders (Page 5)

Disclosure number		Disclosure title	Page reference and remarks
Reporting practice	102-45	Entities included in the consolidated financial statements	• AR: Investments in Subsidiary Corporations – Note 8 to the Financial Statements (Pages 102-103) • AR: Investments in Associated Companies – Note 9 to the Financial Statements (pages 106-107)
	102-46	Defining report content and topic Boundaries	• SR: Sustainability Materiality (Page 6)
	102-47	List of material topics	• SR: Sustainability Materiality (Page 6)
	102-48	Restatements of information	• Not applicable
	102-49	Changes in reporting	• Not applicable
	102-50	Reporting period	• SR: Scope of Sustainability Report (Page 1)
	102-51	Date of most recent report	• SR: Scope of Sustainability Report (Page 1)
	102-52	Reporting cycle	• Annual
	102-53	Contact point for questions regarding the report	• SR: Scope of Sustainability Report (Page 1)
	102-54	Claims of reporting in accordance with the GRI Standards	• SR: Scope of Sustainability Report (Page 1)
	102-55	GRI content index	• SR: GRI Content Index (Pages 17-20)
	102-56	External assurance	• No external assurance
GRI 200: Economic disclosures (applicable sections only)			
Economic performance	201-1	Direct economic value generated and distributed	• AR: Financial Highlights (Pages 4-5) • AR: Operating and Financial Review (Pages 11-13) • SR: Sustainability Scorecard (Page 16)
Anti-corruption	205-3	Confirmed incidents of corruption and actions taken	• There is no incidence of corruption.
Anti-competitive behaviour	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	• There is no legal action for anti-competition.
GRI 300: Environment disclosures (applicable sections only)			
Energy	302-1	Energy consumption within the organisation	• SR: Environmental Stewardship (Page 10-11)
Water	303-1	Water withdrawal by source	• SR: Environmental Stewardship (Page 10-11)
	303-2	Water sources significantly affected by withdrawal of water	• SR: Environmental Stewardship (Page 10-11)
	303-3	Water recycled and reused	• SR: Environmental Stewardship (Page 10-11)
Biodiversity	304-2	Significant impacts of activities, products, and services on biodiversity	• SR: Environmental Stewardship (Page 10-11)
Emissions	305-1	Direct (Scope 1) GHG emissions	• SR: Sustainability Scorecard (Page 16)
	305-2	Energy indirect (Scope 2) GHG emissions	• SR: Sustainability Scorecard (Page 16)
	305-3	Other indirect (Scope 3) GHG emissions	• SR: Sustainability Scorecard (Page 16)
	305-4	GHG emissions intensity	• SR: Environmental Stewardship (Page 10-11) • SR: Sustainability Scorecard (Page 16)
	305-5	Reduction of GHG emissions	• Not applicable

Disclosure number		Disclosure title	Page reference and remarks
Effluents and waste	306-1	Water discharge by quality and destination	• SR: Environmental Stewardship (Page 10-11)
	306-2	Waste by type and disposal method	• SR: Environmental Stewardship (Page 10-11)
	306-3	Significant spills	• SR: Environmental Stewardship (Page 10-11) • SR: Sustainability Scorecard (Page 16)
Laws and regulations	307-1	Non-compliance with environmental laws and regulations	• There is no non-compliance with environmental laws and regulations.
GRI 400: Social disclosures (applicable sections only)			
Occupational health and safety	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	• SR: Health and Safety (Pages 12-13) • SR: Sustainability Scorecard (Page 16)
Training and education	404-1	Average hours of training per year per employee	• SR: Health and Safety (Pages 12-13) • SR: Sustainability Scorecard (Page 16)
	404-2	Programmes for upgrading employee skills and transition assistance programmes	• SR: Health and Safety (Pages 12-13)
Child labour	408-1	Operations and suppliers at significant risk for incidents of child labour	• Child labour is strictly prohibited.
Forced or compulsory labour	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	• Forced and compulsory labour is strictly prohibited.
Local communities	413-1	Operations with local community engagement, impact assessments, and development programmes	• SR: Community (Pages 14-15)
Socioeconomic compliance	419-1	Non-compliance with laws and regulations in the social and economic area	• There is no non-compliance with socioeconomic laws and regulations.