

16 December 2016

**STATUS OF THE TANJUNG MIRING TIMUR
TECHNICAL ASSISTANCE CONTRACT**

Interra Resources Limited (the “**Company**” or “**Interra**”) wishes to inform shareholders that the Tanjung Miring Timur (“**TMT**”) Technical Assistance Contract (“**TAC**”) that its wholly owned subsidiary, Goldwater TMT Pte. Ltd. (“**GTMT**”) has a 100% participating interest in, has expired on 16 December 2016.

The Company understands that the Indonesian authorities have discontinued the issue of TACs, which are replaced by other forms of co-operation agreements such as Joint Operations (*Kerja Sama Operasi* or *KSO*) and Strategic Alliances (*Kerja Sama Aliansi* or *KSA*). GTMT has been negotiating with and has submitted a proposal to PT Pertamina EP (“**PEP**”) to, *inter alia*, seek an extension of operations in the TMT field for a period of 12 months from the expiry of the TAC. This temporary extension will allow GTMT and PEP to negotiate a more permanent solution for the continuation of the operations in the TMT field, in the form of a joint operation, strategic alliance or some other contractual arrangement. PEP is conducting internal discussions and considering the proposal submitted by GTMT. The Company will provide an update to shareholders once it receives a reply from PEP.

Shareholders and potential investors are advised to exercise caution when trading in the shares of the Company. The future of GTMT’s operations in the TMT field will depend on the decision(s) of PEP. There is no certainty or assurance as at the date of this announcement that an interim or permanent arrangement will be concluded, or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments on this matter. 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

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.