



**INTERRA RESOURCES IN SHARE PLACEMENT WITH CHINA ZHENHUA OIL,  
STRATEGIC DEAL WILL EXPAND OPERATIONS,  
CREATE LONG-TERM PARTNERSHIP**

- *ZhenHua Oil buys into Interra Resources, aimed at deepening ties in Myanmar*
  - *Private placement will enable ZhenHua Oil to emerge as second largest shareholder in Singapore's mainboard company*

**SINGAPORE, 15 December 2017** – Interra Resources Limited, an independent oil and gas exploration and production player in Southeast Asia, today announced the signing of a private share placement of 79.5 million shares at S\$0.059 per share to North Petroleum International Co Ltd., a wholly-owned subsidiary of China ZhenHua Oil Co., Ltd. The placement will raise approximately US\$3.47 million (S\$4.68 million) in net proceeds.

Interra Resources and ZhenHua Oil have a 60%-40% stake respectively in Goldpetrol Joint Operating Company Inc., the company that operates the Chauk and Yenangyaung fields in Myanmar.

The placement aims to strengthen the existing strategic partnership between both companies which jointly see strong opportunities in Myanmar's oil and gas industry. Further, this move allows Interra Resources to leverage on the strengths and resources of ZhenHua Oil, and enable both companies to further explore a collaborative partnership in the region.

With the completion of the share placement, ZhenHua Oil, a Chinese state-owned company specialising in oil and gas exploration and production, will emerge as the second largest shareholder of the mainboard-listed company with approximately 13.6% of the enlarged share capital.

This placement comes on the heels of Interra Resources' recent announcement of its 11-year contract extension from Myanma Oil & Gas Enterprise (August 2017). The renewed contract will enable the company, which has been operating in Myanmar since the 1990s, to enhance the development of its fields in Myanmar.

Interra Resources' Chief Executive Officer Marcel Tjia said: "Interra Resources' partnership with ZhenHua Oil has been growing steadily over the past few years. With this new deal, we believe both companies will escalate their relationship to a significantly higher level.

"Interra Resources believes that this alliance will benefit Myanmar from the onset as the country's energy requirements continue to grow.

"We believe the fundamentals of our relationship are very strong and it is an opportune time to undertake more work in emerging Myanmar as well as regionally," he said.



ZhenHua Oil's Vice President Yin Lifeng (尹利锋) said: "Over the past several years, ZhenHua Oil and Interra have jointly achieved great success in the Chauk and Yenangyaung oil fields in Myanmar. The contract extension in these two fields gave us 11 more years to implement more ambitious oil field development plan.

"ZhenHua Oil believes that the Chauk and Yenangyaung oil fields have great production potential, and with effort and hard work from both partners, will bring new life to these 100-year old oil fields. ZhenHua Oil has a very close working relationship with Interra, and we believe both parties will have more opportunities for cooperation in the future," he said.

In the third quarter of 2017, Interra Resources' shareable production in Myanmar increased by 9% to 54,197 barrels, from 49,896 barrels in the second quarter. The rise was due largely to the resumption of work programs after the signing of the contract extension during the quarter. At the same time, the drilling program resumed and the total number of wells drilled during the year was 8.

#### **For Chinese Media:**

振华石油控股有限公司副总经理尹利锋说：“在过去数年，振华石油与 Interra 携手在缅甸仁安羌与稍埠油田取得了优异的成绩，延期协议的签署给了我们 11 年的时间去实施更为远大的油田开发计划。振华石油相信，仁安羌与稍埠油田有很好的增产潜力，经过双方的共同努力，这个百年老油田必将焕发新春！”

“振华石油与 Interra 有着紧密的合作关系，我们相信双方未来还有更多的合作机会。”

#### **About Interra Resources Limited**

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.

#### **Media Contacts**

Joseph Rajendran / Casuarina Peck

Tranz Communications

Phone: +65 9228 7801 / +65 9363 5609

Email: joseph@tranzcomm.com / casuarina@tranzcomm.com