Securities Investors Association (Singapore)
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UEN No: S99SS0111B
GST Reg No: M90367530Y0Y

Issuer: Interra Resources Limited

Stock code: 5GI

Meeting details:
Date: 21 April 2023
Time: 10.00 a.m.
Venue: <<live webcast>>

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Q1. Would the board/management provide shareholders greater clarity on the following operational and financial matters? Specifically:

(i) **Chauk and Yenangyaung Fields:** In 2019 and 2020, the combined gross production for both fields was approximately 970,000 per year. For 2022, the combined gross production of the two fields increased by 45.6% from the 2021 levels to 854,594 barrels, almost reaching the pre-suspension volumes. The 5-year history of the group's shareable oil production is shown on page 13. **Can management clarify if there have been any changes in the group's share of the oil production as a percentage?** In addition, the company recently completed development well CHK1237 as an oil producer in January 2023. **How soon can shareholders expect such completed wells to contribute to the actual production volume?**

(ii) **Capital commitments: Out of the total capital commitments of US$3.33 million (Note 29 Capital commitments), what is the split for development and production work in 2023? Also, what is the split between the two fields, Chauk and Yenangyaung?**

(iii) **Improved Petroleum Recovery Contracts (IPRCs): Given the current political situation in Myanmar, what is the board's thinking with regard to new investments in Chauk and Yenangyaung and the renewal or extension of the IPRCs in 2028?**

(iv) **Central Kalimantan:** The group has a 72.75% participating interest in an exploration block, namely the Kuala Pambuang (KP) Production Sharing Contract (PSC). The exploration period has been extended and ends on 25 July 2023. Management has acknowledged the inherent uncertainty associated with exploration projects, including the possibility that the capital invested may not yield commercially recoverable hydrocarbons or profitable production. **What options are available to the group once the findings are available?**

Q2. As disclosed in the company's announcement titled "Update on the application for extension of time to meet the requirements for removal from the watch-list" dated 5 December 2022, the company obtained an extension of time until 4 December 2023 to satisfy the requirements for its removal from the watch-list.

The company reported a consolidated pre-tax profit in FY2021 (and again in FY2022). However, the company had not achieved an average daily market capitalisation of $40 million or more over the last 6 months.

(i) **What deliberations did the board have regarding meeting the market capitalisation criteria required to exit the watch-list?**

(ii) **What strategic options are directors currently evaluating to address the company's market capitalisation shortfall?**

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The company's market capitalisation is approximately $24 million, approximately 40% below the $40 million market capitalisation required by SGX.

(iii) **Would the company be compelled to carry out a major corporate action just to meet the market capitalisation requirement? If so, how does the board, particularly the independent directors, ensure that the interests of minority shareholders are safeguarded?**

Q3. As disclosed in Note 1 in the financial statements (page 69 of the annual report), the group's operation in Chauk and Yenangyaung field in Myanmar was affected for a short period of time in 2021 after the political instability began. On 16 July 2021, the group has reached an agreement with Myanma Oil and Gas Enterprise ("MOGE") to resume its field operations in Myanmar. Since then, the group has resumed their operations at the Chauk and Yenangyaung field with no disruption.

On 7 March 2022, Singapore Exchange Regulation (SGX RegCo) published a Regulator's column titled "What SGX expects of issuers in respect of sanctions-related risks, subject or activity".

The Regulator's column can be found here:
https://www.sgxgroup.com/media-centre/20220307-regulators-column-what-sgx-expects-issuers-respect-sanctions-related-risks

(i) **Would the company provide additional insight into its working relationship with MOGE?**

(ii) **Can the board provide insights for shareholders on whether the group faces any sanctions-related risks, such as those identified in the Regulator's Column?**

(iii) **How are the board and the audit committee actively monitoring and managing the exposure or nexus to sanctions-related risks?**

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

Can't attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on SIAS website

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