INTERRA RESOURCES LIMITED
Company Registration No. 197300166Z

SGX ANNOUNCEMENT
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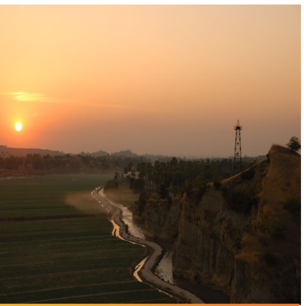

INTERRA RESOURCES LIMITED ENTERS INTO JOINT VENTURE AND CONVERTIBLE BOND AGREEMENTS WITH VIBROPOWER CORPORATION LIMITED (THE "TRANSACTIONS")

1. INTRODUCTION

1.1. **Introduction.** The board of directors (the "**Board**") of Interra Resources Limited (the "**Company**") is pleased to announce that it has entered into a joint venture agreement (the "**Joint Venture Agreement**") with VibroPower Corporation Limited ("**VibroPower**") on 1 November 2023.

1.2. **Joint Venture Agreement.** Under the Joint Venture Agreement, the Company and VibroPower have agreed to co-operate to build a 2-megawatt solar farm (the "**Solar Farm**") within a land parcel located in Sabah, Malaysia owned by VibroPower's associated company with the capacity to generate up to 2 thousand kilowatts of electricity from sunlight and develop a renewable energy supply business.

1.3. **Convertible Bond Agreement.** In addition, in connection with the Joint Venture Agreement, the Company has entered into a convertible bond agreement (the "**Convertible Bond Agreement**") with VibroPower, pursuant to which VibroPower shall constitute and sell to the Company, and the Company shall purchase from VibroPower, a convertible bond (the "**Convertible Bond**") with a principal amount of S$1,500,000, which shall be used by VibroPower in the construction of the Solar Farm.

1.4. **Personal Guarantee.** Under the Convertible Bond Agreement, it is a condition precedent to completion that Mr. Benedict Chen Onn Meng (the "**Guarantor**") executes a personal guarantee to guarantee the due observance and obligations of VibroPower's obligations to the Company under the Convertible Bond Agreement (the "**Personal Guarantee**").

2. INFORMATION ON VIBROPOWER AND BENEDICT CHEN ONN MENG

2.1. **VibroPower.** VibroPower is a public company incorporated in Singapore listed on the Mainboard of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") which is engaged in the primary business of designing, manufacturing, installing, servicing and supply of generators used in commercial and industrial projects. VibroPower is also in the clean energy production business and holds an effective 40% (indirect) shareholding interest of VibroPower Green Energy Sdn. Bhd.

2.2. **Benedict Chen Onn Meng.** The Guarantor is the Executive Director, Chief Executive Officer and controlling shareholder of VibroPower.

3. SALIENT TERMS OF THE TRANSACTIONS

3.1. Principal Terms of the Joint Venture Agreement. The principal terms of the Joint Venture Agreement are set out below:

3.1.1. The Company shall provide a sum of S$1,500,000 which shall be secured by the Convertible Bond.

3.1.2. The total cost for developing and constructing the Solar Farm is currently budgeted at S$3,000,000. Any costs incurred in the development and construction of the Solar Farm that is in excess of the sum of S$3,000,000 shall be borne solely by VibroPower.

3.1.3. VibroPower shall also procure the land on which the Solar Farm will be built. No rent shall be payable for the said land.

3.1.4. Upon completion of the Solar Farm, all assets belonging to or are a part of the Solar Farm and all profits generated by the Solar Farm will be owned and shared equally between the Company and VibroPower (the "**Profit Sharing and Ownership Arrangement**").

3.1.5. The Profit-Sharing and Ownership Arrangement will continue to be in effect until the Convertible Bond has been redeemed in full by VibroPower, converted by the Company into ordinary shares in the capital of the VibroPower ("**VP Shares**") if permissible under the terms and conditions of the Convertible Bond Agreement, or repaid by the Guarantor under the Personal Guarantee. Thereafter, the Company and VibroPower will negotiate in good faith the share of profits the Company shall be entitled to, based, and dependent, on the contribution the Company makes to the Solar Farm.

3.1.6. While VibroPower is primarily responsible for the development and construction of the Solar Farm, the Company and VibroPower have agreed to jointly manage the process under the terms of the Joint Venture Agreement.

3.2. Principal Terms of the Convertible Bond Agreement and the Personal Guarantee. The principal terms of the Convertible Bond Agreement and the Personal Guarantee entered into on 1 November 2023 are set out below:

3.2.1. The Convertible Bond has a principal amount of S$1,500,000 ("**Principal Amount**") and a redemption date of 36 months after the Convertible Bond has been issued and payment for the Convertible Bond has been made (the "**Redemption Date**").

3.2.2. The proceeds of the Convertible Bond shall be used for the sole purpose of constructing the Solar Farm.

3.2.3. Interest ("**Interest**") shall be payable on the Principal Amount then outstanding at the rate of 8.5% per annum (the "**Interest Rate**"), based on a 365-day year, with monthly rest.

3.2.4. If VibroPower fails to pay Interest accrued on the last day of each month and/or fails to pay the Principal Amount or the Principal Amount then outstanding including any Interest outstanding (the "**Redemption Amount**") on the Redemption Date of the Convertible Bond, Interest shall continue to accrue on the Principal Amount then outstanding at the rate of 3.5% per annum above the Interest Rate, and shall accrue daily, based on a 365-day year ("**Default Interest Rate**") until all outstanding Interest that has fallen due is paid in full (in the case where VibroPower fails to pay Interest in accordance with sub-paragraph 3.2.3 above) or the Redemption Amount has been paid in full (in the case where VibroPower fails to pay the Redemption Amount on the Redemption Date).

3.2.5. VibroPower may redeem the Convertible Bond in full or in part (which shall be in multiples of S$100,000 in the case of partial redemption) at any time prior to the Redemption Date by giving three (3) months' written notice to the Company of any such full or partial redemption (as the case may be). All Principal Amounts redeemed by VibroPower prior to the Redemption Date shall be paid on the last day of each month, together with any Interest outstanding, at the Interest Rate or the Default Interest Rate, as the case may be.

3.2.6. Upon the occurrence of certain events, the Convertible Bond shall be redeemed by VibroPower immediately at the Redemption Amount in full.

3.2.7. The Company may at its sole discretion convert the Redemption Amount into duly authorised, validly issued, fully paid-up and unencumbered VP Shares (the "**Conversion Shares**" and each a "**Conversion Share**") and this right of conversion may only be exercised by the Company if (a) VibroPower fails to pay the Redemption Amount on the Redemption Date or (b) VibroPower fails to pay any Interest at the Interest Rate or the Default Interest Rate, as the case may be, within fifteen (15) days of such Interest falling due (the "**Conversion Right**").

3.2.8. VibroPower intends to issue the Conversion Shares pursuant to the general share issue mandate granted or to be granted by its shareholders at the annual general meeting that precedes any conversion.

3.2.9. The total number of Conversion Shares, to be issued to the Company in exercising the Conversion Right, may not exceed a percentage (i.e., a controlling interest as defined in Rule 803 of the Listing Manual of the SGX-ST (the "**Listing Manual**")) that is permitted by Rule 803 of the Listing Manual.

3.2.10. Each Conversion Share shall be issued to the Company at an issue price per Conversion Share that is equal to 90% of the weighted average trading price of each VP Share for the last thirty (30) market days preceding the date of the conversion notice or such other maximum discount as shall be permitted by Rule 811 of the Listing Manual, whichever is the lower.

3.2.11. Following the exercise of the Conversion Right, in the event that VibroPower fails to convert any part of the Redemption Amount into Conversion Shares, whether due to the Listing Manual restrictions or otherwise, such amount shall be repaid in full by the Guarantor in accordance with the Personal Guarantee.

4. SOURCE OF FUNDING FOR THE TRANSACTIONS

4.1. The Company's share of this investment is estimated to be about S$1,500,000, which will be funded by internal sources of funds.

5. RATIONALE FOR THE TRANSACTIONS

5.1. The Transactions allow the Company to enter the solar farm market at minimum risk and at the same time provides the Company a steady return on its investment. The solar farm sector is an important part of the Company's efforts to move in the direction of clean and renewable energy. The Transactions will put the Company in good stead as it ventures into the clean and renewable energy sector.

6. DISCLOSEABLE TRANSACTION

6.1. **Rule 1006 Relative Figures.** The relative figures computed on the bases set out in Rule 1006 of the Listing Manual in respect of the Transactions based on the unaudited consolidated financial information of the Company and its subsidiaries (the "**Group**") for the first half-year ended 30 June 2023 ("**6M2023**") as announced on 11 August 2023 are as follows:

Rule 1006	Basis	Relative Figure (%)
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value	Not applicable
(b)	The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits[1]	(125.73)
(c)	The aggregate value of the consideration	6.29

[1] Under Rule 1002(3)(b) of the Listing Manual, "net profits" means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests. Based on the unaudited consolidated financial information of the Group for 6M2023, the net loss before tax was US$222,607. The total interest income attributable to the Convertible Bond is US$279,891 (S$382,500), converted at an exchange rate of US$1:S$1.36661 as at 31 October 2023.

Rule 1006	Basis	Relative Figure (%)
	given or received, compared with the issuer's market capitalisation[2] based on the total number of issued shares excluding treasury shares	
(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves	Not applicable

6.2. **Discloseable Transaction.** The relative figure under Rule 1006(b) is a negative figure due to the Group's net loss before tax for 6M2023. As the absolute relative figure under Rule 1006(b) exceeds 5% and the absolute relative figure under Rule 1006(c) exceeds 5% but is not more than 20%, the Transactions constitute a discloseable transaction for the Company as defined in Chapter 10 of the Listing Manual. Accordingly, the Company is not required to seek the approval of its shareholders for the Transactions pursuant to Chapter 10 of the Listing Manual.

7. PRO FORMA FINANCIAL EFFECTS OF THE TRANSACTIONS

7.1. The financial effects of the Transactions set out below are purely for illustrative purposes and should not be taken as an indication of the actual financial performance of the Group. The financial effects of the Transactions set out below were calculated based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2022 ("**FY2022**"), being the most recently completed financial year.

7.2. **Net Tangible Assets ("NTA").** The effect of the Transactions on the NTA per share of the Group for FY2022, assuming that the Transactions had been effected at the end of FY2022 is as follows:

FY2022	Before the Transactions	After the Transactions
NTA (US$'000)	24,487	24,580
Total number of issued Shares	655,498,604	655,498,604
NTA per Share (US cents)	3.736	3.750

[2] The market capitalisation is based on 655,498,604 ordinary shares of the Company ("**Shares**") in issue and the weighted average price of the Share transacted on the SGX-ST on 31 October 2023 of S$0.036 and converted at the exchange rate of US$1:S$1.36661 as at 31 October 2023.

7.3. **Earnings per Share (“EPS”).** The effect of the Transactions on the EPS of the Group for FY2022, assuming that the Transactions had been effected at the start of FY2022 is as follows:

FY2022	Before the Transactions	After the Transactions
Profit attributable to shareholders (US$’000)	9,577	9,671
Weighted average number of issued Shares	655,498,604	655,498,604
EPS (US cents)	1.461	1.475

8. FURTHER INFORMATION

8.1. **Interests Of Directors and Controlling Shareholders.** None of the Company’s directors or substantial shareholders has any interest, direct or indirect, in the Transactions save for their interests (if any) in the share capital of the Company.

8.2. **No Directors’ Service Contracts.** No person is proposed to be appointed to the Board as part of the Transactions and no director’s service contract is proposed to be entered into by the Company with any person in connection with the Transactions.

By Order of the Board of Directors of
INTERRA RESOURCES LIMITED

Ng Soon Kai
Executive Chairman

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 venturing into alternative, renewable energy and we have recently announced an agreement to jointly develop a wood pellet manufacturing plant in Indonesia where we will hold a 40% interest.

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