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ANNUAL REPORT 2024

DISCLAIMER

This Annual Report may contain forward-looking statements that are not statements of historical facts, and are subject to risk factors associated with the upstream petroleum businesses. Actual future results, performance and outcomes may differ materially from those anticipated, expressed or implied in such forward-looking statements as a result of a number of risks, uncertainties and/or assumptions including but not limited to petroleum price fluctuations, actual petroleum demand, currency fluctuations, drilling and production results, reserve estimates, loss of contracts, industry competition, credit risks, environmental risks, geological risks, political risks, sanctions-related risks, legislative, fiscal and regulatory developments, general industry conditions, economic and financial market conditions in various countries and regions, project delay or advancement, cost estimates, changes in operating expenses, cost of capital and capital availability, interest rate trends and the continued availability of financing in the amounts and the terms necessary to support future business. Undue reliance must not be placed on these forward-looking statements, which are based on current developments, events or circumstances, and may not be updated or revised to reflect new information or events.

CONTENTS

CORPORATE PROFILE

ABOUT INTERRA

Interra Resources Limited, a Singapore-incorporated company listed on the 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 renewable energy and have been included by PT PLN Nusantara Power in their Long List for Strategic Partner for partnership in developing power plant projects in Indonesia from 18 March 2024 to 18 March 2026.

EXPLORING,
DISCOVERING VALUE

MYANMAR:
CHAUK AND YENANGYAUNG FIELDS

In central Myanmar, we hold 60% participating interests in two of the largest onshore producing oil fields in Chauk and Yenangyaung under two Improved Petroleum Recovery Contracts (IPRCs) with the Myanma Oil and Gas Enterprise (MOGE). The IPRCs, which commenced on 4 October 1996 for a term of 20 years and 6 months, were subsequently extended for another term of 11 years. We manage the operatorship of the two fields jointly with a joint venture partner through Goldpetrol Joint Operating Company Inc. The adjacent Myanmar concessions, which extend over a total area of approximately 1,800 square kilometres along the Ayeyarwaddy River, are located approximately 580 kilometres north of Yangon.

INDONESIA:
KUALA PAMBUANG BLOCK

Onshore Central Kalimantan, we have a 72.75% participating interest in an exploration block, namely the Kuala Pambuang (KP) Production Sharing Contract (PSC). The PSC with Satuan Kerja Khusus Pelaksana Kegiatan Usaha Hulu Minyak Dan Gas Bumi (SKKMIGAS) was granted on 19 December 2011 with an initial exploration term of 6 years. It was subsequently extended for a further period of 4 years over an area of approximately 1,631 square kilometres. The exploration period, which was extended further to 14 March 2025, is expected to be extended for another 12 months. The KP block is located on the southern coast of Kalimantan, in the region 180 kilometres southwest of Palangkaraya.

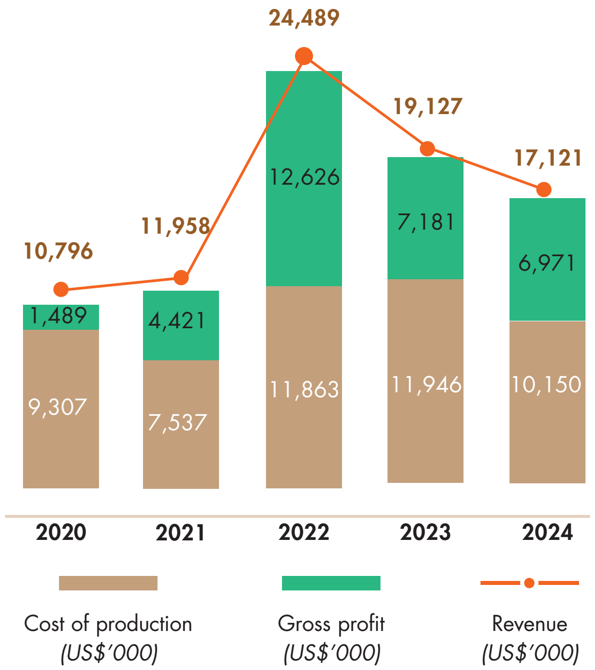
FINANCIAL HIGHLIGHTS

Group	2024	2023	2022	2021	2020
Financial Performance (US$'000)					
Revenue	**17,121**	19,127	24,489	11,958	10,796
Cost of production	**10,150**	11,946	11,863	7,537	9,307
Gross profit	**6,971**	7,181	12,626	4,421	1,489
Net profit/(loss)	**4,123**	1,124	9,513	2,487	(1,249)
Net profit/(loss) attributable to equity holders	**4,198**	2,522	9,578	2,549	(1,165)
Financial Position (US$'000)					
Cash and bank balances	**17,966**	17,258	14,138	5,488	4,218
Debt and borrowings	**–**	–	–	1,000	1,000
Net current assets	**19,684**	16,589	15,094	3,081	1,185
Shareholders' equity	**46,303**	42,710	40,170	30,244	27,788
Cash Flows (US$'000)					
Operating cash flows	**2,631**	8,123	12,542	3,411	1,875
Investing cash flows	**(1,194)**	(4,847)	(2,680)	(1,892)	(2,347)
Financing cash flows	**(729)**	(156)	(1,212)	(249)	1,913
Financial Ratio (US cents)					
Basic earnings/(losses) per share[a]	**0.645**	0.385	1.461	0.389	(0.186)
Net asset value per share	**7.281**	6.516	6.128	4.614	4.239

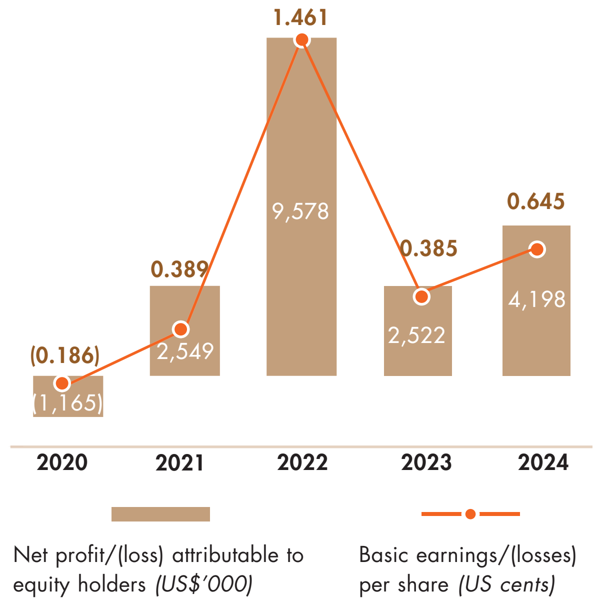
(a) See Note 31 of the Notes to the Financial Statements for more information on earnings/(losses) per share

Company	2024	2023	2022	2021	2020
SGX Share Price Information (S$)					
Year-end closing price	**0.041**	0.036	0.034	0.043	0.043
Average closing price	**0.038**	0.034	0.040	0.040	0.052
Highest traded price	**0.050**	0.041	0.058	0.058	0.108
Lowest traded price	**0.031**	0.027	0.026	0.023	0.032
Year-end market capitalisation	**26,875,443**	23,597,950	22,286,953	28,186,440	28,186,440
Average market capitalisation	**24,973,720**	22,081,616	26,036,405	26,036,405	32,489,572

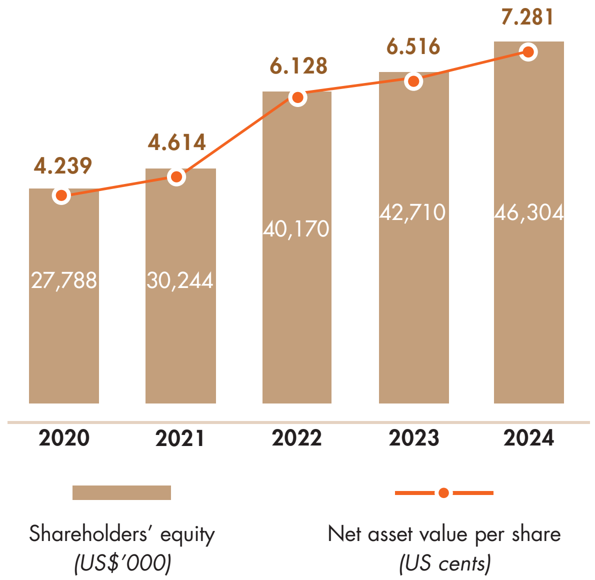
Cost of production, Gross profit & Revenue



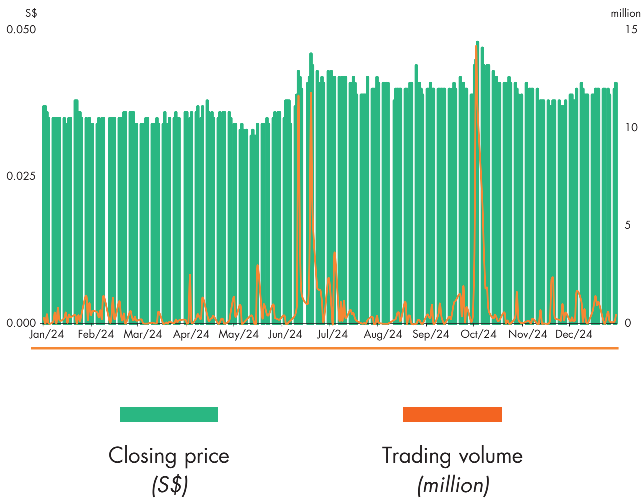
Net profit/(loss) attributable to equity holders & Basic earnings/(losses) per share



Shareholders' equity & Net asset value per share



SGX Closing price & Trading volume



CHAIRMAN'S STATEMENT

DEAR SHAREHOLDERS,

I am pleased to report another profitable year for Interra Resources Limited (the "Company") and its subsidiaries (the "Group") despite the challenges of operating in a difficult environment. With only two development wells drilled during the year, the results were encouraging with a net profit attributable to equity holders of US$4.20 million posted for the financial year ended 31 December 2024 ("FY2024") as compared to US$2.52 million for the financial year ended 31 December 2023 ("FY2023"). Revenue for the year under review was 10.5% lower than the previous year at US$17.12 million. Both shareable oil production and transacted crude oil prices were marginally lower while cost of production decreased 15.0% to US$10.15 million due to the reduced level of drilling activities.

As at the end of FY2024, cash and cash equivalents added up to US$17.97 million (FY2023: US$17.26 million). This will enable the Group to have sufficient cash resources for its operations as well as explore new business ventures as and when opportunities arise. The Board is pleased to recommend a final dividend of 0.15 Singapore cents per share for FY2024.

STRATEGIC DEVELOPMENTS

Our core strategy during 2024 remained steadfast – focus on business diversification in both geographical and sectoral aspects. We continued to pursue and assess new business opportunities, including new investments in sectors where we are optimistic about future growth potential:

- As part of our strategic plans to diversify into the area of renewable energy, we have been included in the PT PLN Nusantara Power Long List for Strategic Partner from 18 March 2024 to 18 March 2026 for partnership in developing power plant projects in Indonesia. PT PLN Nusantara Power ("PLNNP") is a sub-holding of PT PLN (Persero), the state-owned electricity entity of the Indonesian government.

- To allow the Company to submit a more competitive tender for the development of solar farms in Indonesia with PLNNP, we entered into legally binding heads of agreement with Sany Silicon Energy (Zhuzhou) Co., Ltd ("SSE"), a subsidiary of the Hong Kong listed Sany Heavy Equipment International Holdings Company Ltd. SSE is engaged in the research, development, manufacture, and sale of monocrystalline silicon materials, solar cells and modules. This agreement sets out the general terms on which we will cooperate in respect of tender for any particular solar farm project with PLNNP.

- We entered into a non-binding memorandum of understanding with PT Mitra Investindo Tbk, a company listed on the Indonesia Stock Exchange, to establish a joint venture to develop, manage and operate silica concessions in Indonesia and to collaborate on silica-based downstream industries including and related to the manufacture of solar cells or solar panels and other associated businesses.

- We committed a long-term strategic investment of 13.65% in the issued share capital of Morella Corporation Limited ("Morella"), an exploration and mineral resource development company listed on the Australian Securities Exchange and engaged in exploration activities on multiple lithium project opportunities. Morella has a long track record of discovery, development and operations of globally significant assets including raw materials to supply the consistently strong demand for global battery growth, which are compatible and synergistic with the Company's venture into renewable energy. It has recently discovered rubidium during its drilling programme at Mt Edon in the southern Mid-West region of Western Australia.

- In line with our strategy to grow and expand the existing petroleum exploration and production business, we entered into a co-operation agreement with PT Blora Patra Energi ("BPE") to record our intentions and understanding with respect to the proposed cooperation (i) to negotiate on a proposed operation agreement in relation to the operation of three oilfields located in Blora Regency, Central Java, Indonesia; (ii) to re-activate and improve the production of approximately 50 old, idle wells located in the Jepon District, Blora Regency, Central Java, Indonesia; and (iii) to endeavour to obtain the right to operate oil and gas operations or old wells located at Randu Gunting, Central Java, Indonesia. BPE is a regional-owned enterprise engaged in the energy and mineral resources sector in Blora Regency.

Although the proposed wood pellet plant in Sumatra and solar farm in Sabah announced in 2023 are not progressing as scheduled, there is no material negative impact on the Group given our fundamental strategy of being financially prudent. In the year ahead, we will strive to bring the new business endeavours to fruition while continuing to secure investments which generate positive provide cash flows. We will update shareholders when there are noteworthy developments.

MYANMAR UPDATES

In January 2025, an activist group, Justice for Myanmar, published an article containing several untrue allegations that, *inter alia*, the Company has contributed to the war crimes of the junta in Myanmar by helping to supply the junta with oil, and has a close relationship with the Myanmar military. The Singapore Exchange Regulation ("SGX RegCo") has required the Board to provide clarity on the issues raised and confirmation on the Company's compliance with relevant rules, laws and regulations. We have clarified some of the more material allegations in the announcement dated 6 February 2025. We have also, in consultation with SGX RegCo, requested for a trading suspension while the Company sought professional legal advice on whether the Company has breached EU or US sanctions laws and whether a potential violation may have any impact on the business and operations of the Group, and sought clarity on the adequacy and effectiveness of the control measures by the Company to address these risks.

I am pleased to confirm that the reputable legal adviser engaged by the Company, Herbert Smith Freehills Prolegis ("HSF Prolegis"), has opined that the Company has not breached US or EU sanctions regimes and accordingly, the risk of a potential violation of US or EU sanctions having an impact on the business and operations of the Company would be minimal. In light of the analysis provided in the professional legal opinion, our enterprise risk management consultant cum internal auditor, Crowe Horwath First Trust Advisory Pte Ltd, has reviewed the existing internal controls together with the sanctions compliance framework implemented, and conducted further facilitation in the identification and assessment of the enterprise risks relating to sanctions laws. Based on its review, management has assessed, with the concurrence of the Board, that there are no material changes in the overall risk exposure of the Company including the Company's risk of being subject to sanctions. Furthermore, our external auditor, who reviewed the professional legal opinion issued by HSF Prolegis, as well as management's assessment of any present obligations and potential operational or reputational risks arising from the allegations by the activist group, has identified no financial impact on the Group's financial statements that requires adjustment for the reporting period, and has thus issued an unmodified opinion on our financial statements for FY2024. Further details will be disclosed in an announcement to be released upon clearance by the SGX RegCo, which is currently reviewing the Company's request for a resumption of the trading of shares.

In March 2025, Myanmar was struck by an unfortunate disaster caused by an earthquake of 7.7-magnitude in the Sagaing region near Mandalay. The Company's oil fields, which are located in Central Myanmar, were not materially affected by the disaster. Unfortunately the same cannot be said of the people affected by the earthquake, and in line with our long-stablished corporate sustainability and welfare programme aimed at supporting the local communities through the provision of basic food distributions, healthcare equipment, education resources and infrastructure facilities, we committed additional financial aid to support relief efforts and reached out to legitimate and reputable organisations to provide food, medical supplies and other essentials to aid the victims of the earthquake. Beyond the viability of our business, we recognise that the well-being of the communities in areas where we operate is of utmost importance to our development and sustainability. These communities remain vulnerable and this is where our support can make a positive difference in their lives.

CORPORATE UPDATES

As the Company required more time to meet the exit criteria of the watch-list of the SGX, it had applied for a further extension of time of twelve months on 25 October 2024. The SGX confirmed on 28 November 2024 that it had no objection to the Company's application for an extension of time to 4 December 2025 to satisfy the requirements for its removal from the watch-list.

REVENUE
US$17.12
million

COST OF PRODUCTION
US$10.15
million

NET PROFIT
US$4.20
million

CHAIRMAN'S STATEMENT

In the year ahead, the Company will continue to consider various options to satisfy the requirement by the impending deadline and update shareholders on any material developments as and when appropriate.

With the adoption of the share purchase mandate approved by shareholders at the last annual general meeting, the Company has commenced buying back its shares since 10 June 2024, and has been reporting all its purchases in notices broadcasted via SGXNet. As of the date of this Annual Report, an aggregate of 22,464,500 shares, representing 3.55% of the issued share capital of the Company excluding treasury shares was purchased by way of market acquisition for a total consideration of S$0.89 million and held as treasury shares.

On 29 April 2024, we welcomed Ms Tong Miin on board as Independent Director. Being a partner at Lee & Lee, she brings with her a wealth of expertise in the legal domain, and also adds younger as well as female representation to the Board. At the same time, we recorded the retirement of Mr Low Siew Sie Bob as Lead Independent Director, whom we are thankful for his thirteen years of service.

LOOKING AHEAD

The strength of the Company is built upon the diligence, teamwork and professionalism of our dedicated employees. I am humbled by their staunch support and unwavering determination to building a resilient and forward-looking organisation. I am also grateful to our shareholders, various stakeholders and all who are continuously contributing to our ongoing journey. Despite the immense challenges in the face of changing business landscape and competitive market conditions, we will continue to actively solicit opportunities for diversification and remain committed to building a sustainable and robust business. I hope our unrelenting efforts will lead to new revenue streams and sustainable growth within the next few years and beyond.

Yours truly,

NG SOON KAI
Executive Chairman

5 May 2025

BOARD OF DIRECTORS

NG SOON KAI

Executive Chairman

Mr Ng Soon Kai is the Executive Chairman of the Company. He had previously served on the Board from 1 November 2005 to 29 April 2022 before becoming the controlling shareholder of the Company on 15 August 2023. He was subsequently appointed to the Board on 16 August 2023 and took on the role of Executive Chairman on 15 September 2023. Mr Ng was re-elected on 29 April 2024. He also holds directorships in various subsidiaries and joint venture entities of the Company.

Mr Ng was a partner in the Corporate Department of Lee & Lee from September 2015 to September 2023 and also sat on the board on Seroja Investments Limited from May 2015 to February 2024. He has extensive legal experience dealing with listed companies in the areas of mergers and acquisitions, corporate restructuring, reverse takeovers and schemes of arrangement.

Mr Ng graduated with a Bachelor of Laws (Second Class Upper) from the National University of Singapore, and was called to the Singapore Bar in 1989.

TJIA MARCEL HAN LIONG

Executive Director

Mr Tjia Marcel Han Liong is the Executive Director of the Company. He was first appointed to the Board on 20 June 2009 and was re-elected on 29 April 2024. Mr Tjia also sits on various boards of the Company's subsidiaries and joint venture entities.

Prior to joining the Company, Mr Tjia was a partner in a regional private equity and direct investment company with interests in energy and natural resources. Over the past 40 years, Mr Tjia has gained extensive experience in mergers and acquisitions as well as corporate finance in Hong Kong, Indonesia, Singapore and Canada. He is currently a partner in an investment company with holdings in real estate and the automotive industry.

Mr Tjia holds a Bachelor of Commerce (Honours) and a Master of Business Administration from The University of British Columbia.

LOH YU JUN

Lead Independent Director (Non-Executive)

Mr Loh Yu Jun is the Lead Independent Director of the Company. He was first appointed to the Board on 28 August 2023 and was re-elected on 29 April 2024. Mr Loh also serves as chairman of the Audit Committee, and a member of the Nominating Committee and the Remuneration Committee.

Mr Loh is currently the Director of SYNOTax Pte. Ltd. He has 18 years of tax experience with 6 years at Pricewaterhouse Coopers Services LLP, where he was part of the financial services tax advisory team specialising in insurance, banking and capital market and asset management. Mr Loh has on behalf of various clients represented them in their Income Tax and Goods and Services Tax matters with the Monetary Authority of Singapore and Inland Revenue Authority of Singapore.

Mr Loh has a Master of Taxation from the Singapore University of Social Sciences in addition to double degrees in Accountancy and Business Management from the Singapore Management University. He is also an Accredited Tax Advisor with the Singapore Chartered Tax Professionals.

Information on the Directors' interests in the Company is set out in the Directors' Statement section of this Annual Report.

BOARD OF DIRECTORS

KHOO CHUN LENG WILLIAM

Independent Director (Non-Executive)

Dr Khoo Chun Leng William is an Independent Director of the Company. He was first appointed to the Board on 16 August 2023 and was re-elected on 29 April 2024. Dr Khoo also serves as chairman of the Nominating Committee, and a member of the Audit Committee and the Remuneration Committee.

Dr Khoo is an experienced medical practitioner with more than 30 years of experience in the medical and scientific fields. He started his career working for various government hospitals (including Singapore General Hospital, Tan Tock Seng Hospital and Kandang Kerbau Hospital) and a small private hospital, the HMI Balestier Hospital (which was eventually public listed). Subsequently, Dr Khoo took over and set up two private general practice clinics providing general acute and chronic healthcare to the local communities over many years. He had also served on the Parkway Mount Elizabeth Organ Transplant Ethics Committee overseeing the organ donations/approval processes. Currently, he is a medical doctor and director of Victory Clinic and Surgery Pte. Ltd.

Dr Khoo holds a Bachelor of Medicine and Bachelor of Surgery from the National University of Singapore.

TONG MIIN

Independent Director (Non-Executive)

Ms Tong Miin is an Independent Director of the Company. She was appointed and elected to the Board on 29 April 2024. Ms Tong also serves as chairwoman of the Remuneration Committee, and a member of the Audit Committee and the Nominating Committee.

Ms Tong is currently a Partner in the Real Estate & Property Department of Lee & Lee. She has extensive experience handling a wide range of real estate and conveyancing work and representing clients of diverse interests, varying from individuals, publicly listed companies, private corporations, banks, management corporations, government authorities and associations. Her legal expertise is in collective purchases and sales where she has acted for both owners and purchasers in several collective sales of residential developments, commercial properties, and mixed-use developments. She also regularly acts for financial institutions and corporations in secured financing transactions.

Ms Tong graduated with a Bachelor of Laws (Honours) from the National University of Singapore in 2016, and called to the Singapore Bar in 2017. She is a member of the Law Society of Singapore, Singapore Academy of Law and Singapore Institute of Directors.

Information on the Directors' interests in the Company is set out in the Directors' Statement section of this Annual Report.

KEY MANAGEMENT PERSONNEL

LIM POH CHEN

Chief Financial Officer

Mr Lim Poh Chen joined the Company as Chief Financial Officer in November 2023. He is responsible for the overall management of the accounting, financial, audit, taxation, reporting, and compliance functions of the Group. He has more than 25 years of experience in accounting and finance management in listed and private companies.

Mr Lim holds a Bachelor of Accountancy from the Nanyang Technological University. He is a Chartered Accountant of Singapore.

GUNAWAN SAPUTRO

Country Head, Indonesia

Mr Gunawan Saputro assumed the position of Country Head, Indonesia in December 2024, and has the responsibility of overseeing the Group's mining operations and business activities in Indonesia.

Mr Saputro has 30 years of extensive experience in upstream operations in various parts of Indonesia, which includes managing the development of mature and suspended fields, conducting commercial analyses of production sharing contracts (PSCs) and negotiating farm-in/farm-out transactions. He was a consultant to several regionally owned enterprises (BUMDs) in East and Central Java from 2004 to 2010 to develop projects such as Lamongan Shorebase and BUMDs' participating interests in PSCs (farm-in).

Mr Saputro obtained a Bachelor's Degree in Computer Engineering from the Institut Teknologi Sepuluh Nopember (ITS) in 1993.

SUGI HANDOKO

Chief Technical Officer & Vice President of Operations

Mr Sugi Handoko was appointed to the position of Chief Technical Officer of the Company in October 2024, to manage the geological and technical aspects of the upstream business of the Group. He is concurrently the Vice President of Operations of the Company, a role which he assumed since January 2012 and has the overall responsibility of managing the exploration and production operations of the Group.

Prior to the current appointment, Mr Handoko was the Country Manager of the Group's joint operation in Myanmar. He has more than 38 years of experience in petroleum exploration and production operations and management, which includes engineering, production, finance, procurement, logistics, human resources and government liaison.

Mr Handoko graduated from the Bandung Institute of Technology in 1988 with a Bachelor's Degree in Petroleum Engineering. He obtained a Masters of Business Administration from the University of Dubuque in 2022. He is a member of the Indonesian Petroleum Association (IPA) and the Indonesian Association of Petroleum Engineering (IATMI).

DONAL MARTA

Country Manager, Myanmar

Mr Donal Marta was appointed Country Manager, Myanmar in January 2025, and seconded to the Group's joint operation in Myanmar to manage the petroleum exploration and production operations.

Prior to the current appointment, Mr Marta was assigned as a field manager at the Group's joint operation in Myanmar from September 2015 to January 2025. He commenced his career in 2010 as a reservoir engineer, working at various upstream petroleum projects in Indonesia. He joined the Group in 2014 as a petroleum engineer of the Linda-Sele fields located in West Papua. Mr Marta has over 14 years of diverse experience in the upstream industry, which encompasses operations, engineering, consulting and service roles.

Mr Marta has a Bachelor's Degree in Environmental Engineering and a Master's Degree in Petroleum Engineering from the Bandung Institute of Technology.

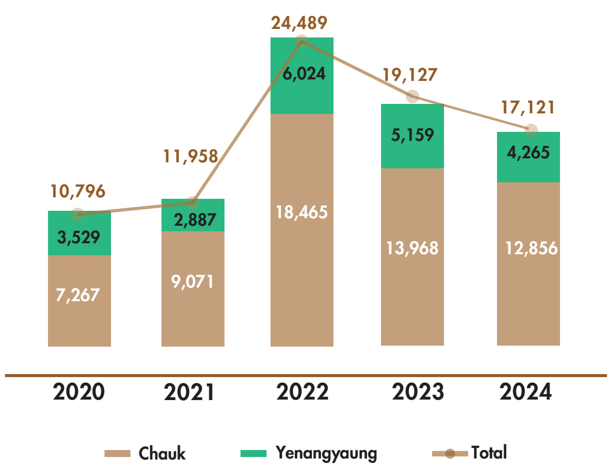
OPERATING AND FINANCIAL REVIEW

FINANCIAL PERFORMANCE

The operations in Myanmar remain relatively resilient throughout the post-coup years. Revenue from the sales of crude oil during FY2024 amounted to US$17.12 million, a decrease of US$2.00 million from FY2023. This was due to a combination of lower shareable oil production and lower crude oil prices. In FY2024, shareable oil production was 308,940 barrels (FY2023: 319,909 barrels) and weighted average transacted crude oil price was US$79.98 per barrel (FY2023: US$81.27 per barrel). The Group's revenue breakdown by fields for the past five years is charted below.

Revenue breakdown

(US'$000)



With only two development wells drilled during the year, total cost of production decreased to US$10.15 million from US$11.95 million a year ago, mainly attributable to lower capital expenditure. Hence, gross profit for FY2024 remained fairly stable at US$6.97 million (FY2023: US$7.18 million). Other income, without the US$1.71 million gain from the disposal of patents in FY2023, amounted to US$1.71 million in FY2024 (FY2023: US$3.23 million). The higher administrative expenses of US$3.81 million (FY2023: US$3.22 million) incurred during the year were mainly due to higher expenses of both head office and Myanmar operations. The lower income tax expense of US$0.64 million (FY2023: US$1.07 million) was because of a reversal of tax provision with respect to a contract of which the statute of limitations had lapsed. In the absence of impairment loss, which amounted to US$4.88 million in FY2023, the Group generated a net profit after tax of US$4.12 million for FY2024 compared to US$1.12 million for FY2023.

The ongoing civil war and conflicted economy in Myanmar has certainly posed domestic as well as international challenges in the business environment and operating conditions. The operator has been constantly assessing ongoing changes, including sanctions-related legal and regulatory changes, and adapting to mitigate the effects of the volatile situation. The Company will continue to exercise extreme caution in the business operations and any planned investments in Myanmar.

FINANCIAL STRENGTH

The non-current assets of the Group as at the end of FY2024 totalled US$29.08 million, a marginal increase of US$0.47 million compared to FY2023. The increase was mainly attributable to the long-term strategic investment in Morella of fair value US$0.81 million and additional loan with accrued interest of US$0.65 million to non-related parties to finance the exploration activities of the Kuala Pambuang block in Indonesia. The increase was partially offset by a US$0.92 million decrease in producing oil and gas properties of the oil fields in Myanmar.

The current assets of the Group increased by US$1.66 million to US$25.15 million as at year end. The key components of the increase were US$0.73 million from trade and other receivables, US$0.21 million from other current assets and US$0.71 million from cash and cash equivalents. The increase in current trade and other receivables was due to a delay in invoice payment, which was subsequently received in January 2025, whereas that of other current assets was due to advance payments made to suppliers to secure spare parts and machineries critical for the oil field operations.

The total liabilities of the Group as at the end of the year under review were US$6.44 million, US$1.43 million lower than the previous year end. The two main reasons for the decrease were lower current trade and other payables, which was in line with the reduced level of drilling activities in Myanmar, and the reversal of tax provision mentioned above.

The overall financial position of the Group remained healthy with no bank borrowings and cash and cash equivalents amounting to US$17.97 million as at the end of FY2024 (FY2023: US$17.26 million). Operating activities in Myanmar provided net cash of US$2.63 million during the year compared to US$8.12 million in the previous year. Interest from fixed deposits provided US$0.88 million to the cash flows for investing activities while US$0.94 million were used to invest in Morella. The capital expenditures for the development and production of the Myanmar oil fields and exploration activities of the Kuala Pambuang block amounted to US$1.01 million and US$0.12 million respectively. The purchase of treasury shares accounted for US$0.59 million of the cash flows from financing activities. In the year ahead, the Company will maintain its fiscal discipline and manage the usage of the funds on hand with prudence.

NEW BUSINESS UPDATES

As mentioned in the announcement dated 28 February 2025, the joint venture to build a wood pellet plant in Sumatra has been put on hold. The existing wood pellet plant under assessment has yet to produce results for the continuation of the project. Instead, the joint venture will engage an Indonesian university to perform a feasibility study to assess the economic, operational and financial viability of building the wood pellet plant in Sumatra. After the feasibility study is completed, the joint venture partners will then decide on the next course of actions.

The project to build a 2-MW solar farm in Sabah is currently under review. The joint venture partner intends to engage a consultant and will provide the Company with the project timeline in due course. The Company will continue to monitor the status and announce any material developments as and when appropriate.

SHARE CAPITAL

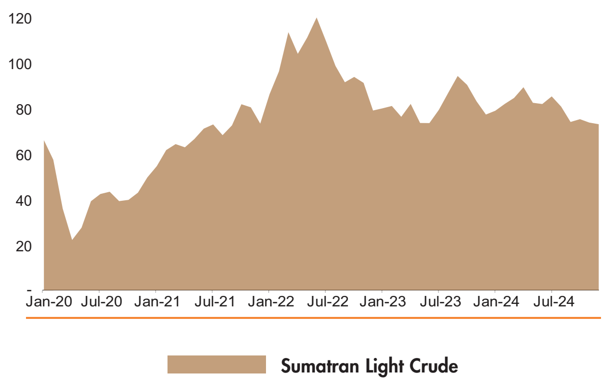
On 24 May 2024, the Company granted options to its five directors including Mr Ng Soon Kai, each with the rights to subscribe for 5,000,000 ordinary shares under the Interra Share Option Plan 2017 (ISOP 2017). The grant of options to Mr Ng Soon Kai, who is also controlling shareholder of the Company, was approved by shareholders at the annual general meeting held on 29 April 2024. These options may be exercised during the period from 25 May 2025 to 24 May 2029 (both dates inclusive) by Mr Ng Soon Kai and the other four directors at the prices of S$0.038 per share and S$0.036 per share respectively. Key terms of the ISOP 2017 and details of the grant of options are set out in the Directors' Statement section of this Annual Report. As at the end of FY2024, the total number of unissued ordinary shares comprised in options outstanding was 27,900,000 (FY2023: 2,900,000).

Following the approval of the adoption of the share purchase mandate proposed by the Company at the same annual general meeting, an aggregate of 19,588,400 shares of the Company were purchased by way of market acquisition during FY2024 for a total consideration of US$0.59 million and held as treasury shares. The Company did not have any subsidiary holdings as at 31 December 2024.

CRUDE OIL PRICES

During 2024, crude oil prices traded slightly lower than 2023, between US$70 to US$90 per barrel, and closed at the lower end of the range. Sluggish global demand and relatively high supply outside of the OPEC+ countries contributed to the lower trading range despite geopolitical tensions in the Middle East. The Group's transacted crude oil prices for the past five years are charted below.

Crude oil prices
(US$ per barrel)



The series of tariff announcements by the US President since 2 April 2025 has caused significant volatility in crude oil prices. Global economic growth is expected to slow further in the wake of proliferating US tariffs and mounting recession fears. Therefore, crude oil price gains in 2025 should be limited as demand outlook dims. The Company will continue to monitor price movements and implement appropriate measures should crude oil prices decline drastically.

OPERATING AND FINANCIAL REVIEW

SANCTIONS-RELATED RISKS

The principal operations of the Group are located in Myanmar, where the military regime overthrew the democratically elected government on 1 February 2021. The military coup and the subsequent military and police repression against peaceful demonstrators are grave violations of basic human rights, resulting in sanctions being imposed on target persons or entities whose actions, policies or activities undermine democracy or the rule of law, or who threaten the peace, security or stability of Myanmar.

The Group has petroleum contracts with the Myanma Oil and Gas Enterprise ("MOGE"), which is an enterprise formed by the government of Myanmar and is concerned with the exploration and production of petroleum. MOGE is a sanctioned entity under the EU and US sanctions regime, and is subject to EU and US sanctions restrictions. However, as the Group does not fall within the jurisdictional scope of the EU sanctions due to a lack of EU nexus and does not deal through or with US persons and with any persons or entities under the Special Designated Nationals and Blocked Person List, it has not breached either the EU or US sanctions regimes. Therefore, the risk of a potential violation of EU or US sanctions having an impact on the business and operations of Interra would be minimal. The aforesaid analysis and conclusion were set out in the legal opinion dated 11 April 2025 by HSF Prolegis, a reputable legal adviser engaged by the Company.

Based on the review by the Company's enterprise risk management consultant cum internal auditor of the existing internal controls together with the sanctions compliance framework implemented, management has assessed, with the concurrence of the Board, that there are no material changes in the overall risk exposure of the Company including the Company's risk of being subject to sanctions. The Company's external auditor has identified no financial impact on the Group's financial statements that requires adjustment for the reporting period, and has thus issued an unmodified opinion on the Group's financial statements for FY2024.

Hence, based on the above, the Board is of the opinion, with the concurrence of the Audit Committee, that adequate and effective sanctions-related risk control measures have been implemented to safeguard shareholders' interests and the Company's assets. The Board and the Audit Committee are mindful that they are both responsible for (a) monitoring the Company's risk of becoming subject to, or violating, any sanctions law; and (b) ensuring timely and accurate disclosures to SGX and other relevant authorities.

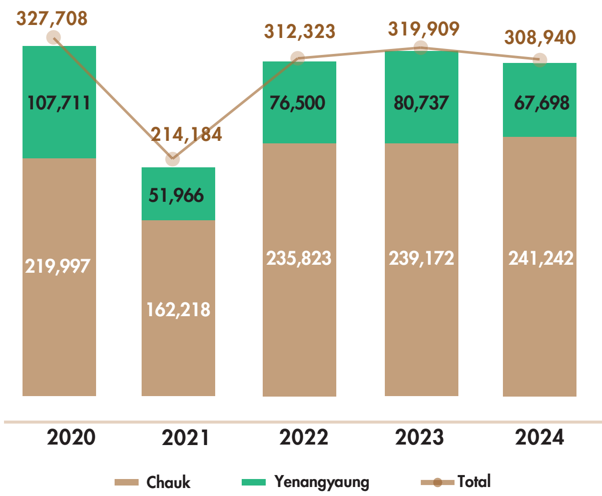
The Company will continue to monitor its exposure to sanctions-related risks, including the continued validity of any legal advice, and make timely announcements as and when there are any material changes in relation to such risks.

PRODUCTION

In FY2024, there were only two development wells drilled in the Chauk field (FY2023: six wells). Despite the reduced level of drilling activities, the Group's shareable oil production from the two fields decreased by only 3.4% to 308,940 barrels for FY2024 from 319,909 barrels for FY2023. The proportion of contributions were 78.1% from the Chauk field (FY2023: 74.8%) and 21.9% from the Yenangyaung field (FY2023: 25.2%). The Group's shareable oil production by fields before application of contractual terms with the host government for the past five years is charted below.

Shareable oil production

(barrels of oil)



The operating conditions in Myanmar are becoming increasingly unfavourable as a consequence of the ongoing civil war. The Group will study and assess the viability of renewing the petroleum contracts which will expire in April 2028.

OPERATING ACTIVITIES

- **Myanmar – Chauk and Yenangyaung Fields**

  The drilling programme for the year commenced in January 2024 and was completed in February 2024, yielding a total cumulative production of 36,512 barrels of oil up to 31 December 2024. The first well performed better than expected in terms of oil production gain while the second well was converted to a water injection well to provide better reservoir pressure support for waterflood activities, thereby enhancing the overall oil recovery in the surrounding area. The average wellhead production gain since the commencement of the waterflood project was approximately 309 barrels per day from all the producing wells in eleven waterflood areas. The combined gross production of the two fields for FY2024 remained relatively stable at 867,323 barrels (FY2023: 880,261 barrels).

  In 2025, 2 development wells are planned for the Chauk field. The operator will continue with the regular activities of workovers, well reactivation, additional perforation and the waterflood project.

- **Indonesia – Kuala Pambuang Block**

  The exploration period of the contract, which was further extended until 14 March 2025, is expected to be extended for another 12 months, with an obligation of drilling another exploratory well located in a different closure of the first well.

  Land clearance for both the well site of the drill location and the access roads has been completed. The technical drilling proposal for the exploratory well and details of the authorisation for expenditure (AFE) have been approved by the government institution, SKKMIGAS. The preparations for the well site and access road construction as well as the tender for drilling materials and services are underway. These activities are aligned with the proposal for a further extension of the exploration period submitted to SKKMIGAS, which has agreed in principle to a 12-month extension. The proposal is currently pending final approval by the Ministry of Energy and Mineral Resources. The Company will update shareholders of the outcome and make such necessary announcements as and when appropriate.

OPERATING AND FINANCIAL REVIEW

RISK FACTORS AND UNCERTAINTIES

The upstream petroleum business is capital intensive and long term in nature and involves complex multiplicity of risks and uncertainties. The Group's operating and financial results depend on its ability to identify and mitigate these risks, which are inherent in its operations, in a timely and sustainable manner. An outline of the key factors affecting the Group's business is provided below.

- **Sales of Crude Oil**

  The marketability of crude oil produced by the Group depends on the proximity of its reserves to pipelines, oil tankers and processing facilities and is subject to operational problems associated with such infrastructures and facilities which could cause delays in its delivery of crude oil, thus affecting its billings. The Group currently sells the crude oil that it produces to the respective host governments and the quantum of which is subject to wide-ranging government regulations and policies relating to benchmark price, cost recovery, taxes, royalties, domestic market obligation and fiscal system. Therefore, the final shareable production to be translated into revenue is not directly proportional to gross production, and to a certain extent, is beyond the Group's control.

- **Crude Oil Prices**

  Petroleum exploration and production is fundamentally a commodity business and hence, revenue is exposed to fluctuations in the prevailing crude oil and natural gas prices, which are dependent on a combination of various factors such as international demand and supply, geopolitical developments, and global economic conditions. The single largest variable that affects the Group's operating and financial results is crude oil prices. The Group does not have any hedging or derivative arrangements which would have the effect of giving the business a certain and fixed sale price for the crude oil produced. Depressed crude oil prices over prolonged periods will have an adverse impact on its profitability and cash flows, or may even render extraction commercially unviable, thus leading to recognition of significant impairment charges on the carrying amounts of producing oil and gas properties.

- **Operating Costs**

  The Group's operating and financial results depend on its ability to execute and operate development projects as planned. Due to constantly changing market conditions and difficult environmental challenges, cost and schedule projections can be uncertain. Factors that may affect the economics of these projects include delays in issuance of permits and licence by government agencies, shortages or delays in the availability or delivery of critical equipment, escalating procurement and leasing costs, unforeseen technical difficulties, adverse weather conditions, and changes in operating conditions, which could cause cost overruns and prolonged delays in development thereby impeding production growth. The Group's operating costs in the foreseeable future depend largely on its ability to implement effective cost controls.

- **Credit Risk**

  The Group currently sells all the crude oil that it produces only to the host government in Myanmar. Although the Group currently does not have any issues with invoice payments, there can be no assurance that risks of counterparty default would not occur in the future. Any significant default or delay in the payment could adversely affect its cash flow and financial position.

- **Capital Funding and Interest Rate Risk**

  Petroleum exploration and production is a long-term and capital-intensive business. Substantial capital investment is required to exploit and develop reserves for petroleum production. Cash flows from operations may not be sufficient to fund drilling activities and business operations from time to time. Failure to obtain additional funding on a timely basis may cause the Group to discontinue some of its exploration, development and production activities or to forfeit its interests in certain petroleum contracts, resulting in material adverse impact on the Group's financial condition, results of operations or prospects. Raising capital through certain debt or equity financing may have dilutive effect on the Group's earnings.

- **Reserve Replacement**

  Future petroleum production is dependent on the Group's ability to replace produced reserves and access new reserves through successful exploration and development activities, new discoveries, new extraction techniques, negotiation with governments and other owners of reserves, and acquisition of petroleum acreages. Unsuccessful exploratory or developmental drillings as well as failure in identifying or finalising transactions to access potential reserves could cause its reserves to decline and affect future production levels. Given the present volatile crude oil price environment, the Group's focus on capital expenditure and cost control management may have a negative impact on its progress in respect of reserve replacement.

- **Petroleum Agreements**

  A production-sharing type of petroleum agreement with the host government or its agency grants the participating party (or parties) the rights and obligations to conduct exploitation and production of hydrocarbons at its own expense and risk on a compensated basis for an established time period. Each contract is highly regulated and is subject to conditions imposed by the host government or its agency in matters such as drilling plan and development work commitment, domestic market obligation, abandonment of contract area, field restoration, and environmental protection. The final shareable production to be split with the host government before translating into revenue is derived after deducting various capital and operational expenditures, royalties and taxes. Due to the intrinsic complexity of the different forms of contractual terms, revenue is not proportionally dependent on gross production and crude oil prices. In addition, there is no guarantee that contract extension or renewal will be granted upon expiration, failing which may result in substantial losses and significant reduction in investment value. The Group's existing petroleum contracts with the Myanmar government will expire in April 2028 and it is uncertain whether these contracts will be extended or renewed.

OPERATING AND FINANCIAL REVIEW

- **Taxes**

  In addition to the payment of royalties and signature or production bonuses, petroleum and income taxes of the upstream petroleum sector tend to be higher than those payable in many other commercial activities. Adverse changes in fiscal or tax regimes applicable to petroleum industry in the countries where the Group conducts its upstream operations could have a negative impact on the Group's profitability.

- **Political and Regulatory Risks**

  The Group operates in countries where political, economic and social transitions are taking place or may occur from time to time. Developments in politics, laws and regulations can affect its operational performance and financial position. Potential developments include forced divestment of assets, limits on production or cost recovery, international sanctions, import and export restrictions, price controls, tax increases and other retroactive tax claims, expropriation of property, cancellation of contract rights, changes to environmental regulations, international conflicts such as war, civil unrest, acts of sabotage or terrorism, and local security concerns that threaten the safe operation of facilities. In countries which lack well-developed legal systems or have yet adopted clear regulatory frameworks for petroleum industry, the Group's operations are exposed to increased risk of adverse or unpredictable actions by government officials and may face difficulty in enforcing contracts or delays in issuance of licences and permits.

- **Sanctions-Related Risks**

  The European Union, the United States and various other countries, as well as the United Nations and other international bodies, may impose economic and trade sanctions or embargoes with respect to certain countries in support of their respective foreign policy and security goals. These economic and trade sanctions or embargoes generate restrictions with respect to activities or transactions with countries, governments, entities or individuals that are the target of the corresponding sanctions. These sanctions could impact ability to conduct business in certain regions, affect supply chain and prices, and increase legal and compliance costs. While the Group has sanctions compliance framework with procedures, processes and controls in place to mitigate the risk of international sanctions prior to the formalisation of a commercial relationship with a third party and during the execution of operations, as sanctions laws and regulations are increasingly complex and constantly evolving, there is a risk that such measures may not always prove effective and any future sanctions or enforcement actions could result in legal liabilities and material adverse effects on the financial position, businesses or results of operations.

- **Exploration Risk**

  Exploration activities involve significant inherent risks including failure to discover any accumulation of hydrocarbons, or that the discovery of hydrocarbons is not commercially recoverable or viable. Development of hydrocarbon reserves is a complex and lengthy process which includes appraising a discovery, sanctioning a development project, and building and commissioning related facilities. Thus, the rates of return for such long-lead-time projects are exposed to the volatility of oil and gas prices and costs, which may be substantially different from the prices and costs assumed when the investment decision was actually made. In the event that an exploration programme proves to be unsuccessful or unprofitable, it may lead to substantial losses, considerable reduction in cash reserves, significant diminution in asset values and possible relinquishment of contractual rights. The Group currently has one ongoing exploration project in southern Central Kalimantan and it is highly uncertain whether the capital invested could ultimately yield commercially recoverable hydrocarbons or profitable production.

- **Drilling Risk**

  The Group endeavours to maintain and grow its petroleum production through drilling programmes, which may be developmental or exploratory in nature, based upon geological and geophysical studies of available information or new data. However, underground drilling activities are subject to numerous unexpected drilling conditions including pressure or irregularities in geological formations and invasion of water into producing formations. Therefore, it is not certain that such drillings will ultimately yield commercially recoverable hydrocarbons or profitable production. Unsuccessful drillings may have material negative impact on the operating results and financial position of the Group.

- **Production Risk**

  There are inherent risks involved in the production of hydrocarbons that, in addition to impacting the actual volumes produced, may ultimately affect the reserves (recovered). The performance of the reservoirs may be affected by the use of new technologies and the failure to develop and employ advanced technologies to achieve maximum recovery rates of hydrocarbons or to gain access to previously inaccessible reservoirs. In addition, continuous disregard for industry standard production practices can lead to reduction in production volumes, and in extreme cases, actual total loss of production. In the event that incremental production growth is not sufficient to keep pace with natural field decline, the Group's operating and financial performance will be adversely affected.

- **Reserve Estimation Risk**

  There are indefinite inherent uncertainties in respect of the estimation and valuation of petroleum reserves. The estimation of petroleum reserves is not an exact science and depends on numerous factors such as quantity and quality of the geological, engineering and economic data, assumptions adopted when making the estimate, projections regarding future production volumes, development expenditures, operating costs, cash flows, timing of work plans, availability of equipment and technology, and experience and knowledge of evaluators in their interpretation and judgment. Many of these factors, assumptions and variables involved in estimating reserves are subject to fluctuations and changes. Final results of drilling and testing, the actual development execution and production performance, and changes in crude oil and natural gas prices after the date of estimation could significantly affect the reserve estimates. Therefore, the quantities of petroleum ultimately recovered by the Group and the timing and cost of those volumes as well as the net cash flow that it receives from the production may differ materially from the numbers reflected in the reserve estimates. Moreover, reserves certification conducted by different estimators may vary considerably depending on the methodology and approaches employed in the assessment. Any such instance may adversely affect the future net cash flow and fair asset value of the Group.

- **Environmental and Operational Hazards**

  Given the nature of petroleum exploration and extraction, the Group is exposed to a wide spectrum of risks related to health, safety, environment and security. Environmental and operational hazards including blowout, leak, spill, property damage and personal injury or loss of life could result in operational disruption, regulatory action, legal liability, loss of revenue and damages that could adversely affect the Group's operational performance and financial conditions. The Group's insurance may limit or may not cover all risks of liabilities which the Group is exposed to, or the Group may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or other reasons. Moreover, the Group's operations may be affected by fire, typhoons, floods and other natural calamities, which are generally excluded from insurance policies.

Information on the factors impacting the financial and operating performance of the Group is set out in the following sections of the Notes to the Financial Statements of this Annual Report:

– Note 3, Critical Accounting Estimates, Assumptions and Judgements;

– Note 33, Contingent Liabilities; and

– Note 34, Financial Risk Management.

Information on the factors impacting the environmental and social performance of the Group is set out in the Summary Sustainability Report section of this Annual Report and the full Sustainability Report on the Company's website.

The Group may be affected by a number of risks that may relate to the industries and countries in which the Group operates as well as those that may generally arise from, *inter alia*, economic, business, market and political factors, including the risks set out herein. The risks described above are not intended to be exhaustive. There may be additional risks not presently known to the Group, or that the Group may currently deem immaterial, which could affect its operations, possibly materially.

OPERATING AND FINANCIAL REVIEW

SUMMARY OF RESERVES AND RESOURCES AS OF 31 DECEMBER 2024

The following information is summarised based on the qualified person's reports ("QPRs") dated 5 May 2025 prepared by a reputable reservoir evaluation firm, ERCE Australia Pty Ltd ("Sproule ERCE"), a wholly owned subsidiary of Sproule Holdings International Limited, with respect to the hydrocarbon reserves and resources of the various petroleum contracts of the Group. Please also refer to the Appendix of this Annual Report for ERCE's summary QPR.

Category	Gross (mmstb)	Net (mmstb)	Change (%)	RF (%)	Gross (mmstb)	Net (mmstb)	Change (%)	RF (%)	Gross (mmstb)	Net (mmstb)	Change (%)	RF (%)
Oil Reserves	**1P**				**2P**				**3P**			
Myanmar	2.19	0.41	(29.8)	NA	2.48	0.50	(25.4)	NA	2.74	0.58	(24.7)	NA
Contingent Resources	**1C**				**2C**				**3C**			
Myanmar (Development on hold)	4.10	2.46	(27.4)	80	6.19	3.72	(30.7)	80	8.74	5.24	(28.8)	80
Prospective Resources (Unrisked)	**1U**				**2U**				**3U**			
Indonesia	68	48	0	17	305	223	0	17	1,288	938	0	17

Definitions:

"1P" : Proved

"2P" : Proved plus probable

"3P" : Proved plus probable plus possible

"Change" : Change from the previous update dated 28 March 2024, which also takes into account actual production, expiration, termination or renewal of contracts, and changes in effective interest of the Group

"Gross" : Gross reserves, contingent resources or prospective resources attributable to the contract before the application of contractual terms with the host government

"mmstb" : Million stock tank barrels

"NA" : Not applicable

"Net" : Net reserves is the net entitlement attributable to the Group after the application of contractual terms with the host government; Net contingent and prospective resources are the net volumes attributable to the Group's effective interest in the contract before the application of contractual terms with the host government

"RF" : Risk factor

Notes:

(1) Gross reserves attributable to the contract represent 100% of the estimated commercially recoverable hydrocarbons before taking into account the contractual terms with the host government.

(2) Net reserves attributable to the Group represent the actual net entitlement attributable to the Group's effective interest in the contract after taking into account the contractual terms with the host government.

(3) Gross contingent resources attributable to the contract represent 100% of the estimated hydrocarbons technically recoverable on an unrisked basis (i.e. before the application of chance of development factor). Contingent resources reported under sub-classification "Development on hold" represents a project where activities are on hold and/or where justification as a commercial development may be subject to delay.

(4) Net contingent resources attributable to the Group represent the proportion of gross contingent resources attributable to the Group's effective interest in the contract. Net contingent resources are unrisked, and do not take into account the contractual terms with the host government and do not represent the Group's actual net entitlement under the contract. Contingent resources reported under sub-classification "Development on hold" represents a project where activities are on hold and/or where justification as a commercial development may be subject to delay.

(5) Gross prospective resources attributable to the contract represent 100% of the estimated hydrocarbons potentially recoverable from undiscovered accumulations on an unrisked basis (i.e. before the application of chance of development factor).

(6) Net prospective resources attributable to the Group represent the proportion of gross prospective resources attributable to the Group's effective interest in the contract. Net prospective resources are unrisked, and do not take into account the contractual terms with the host government and do not represent the Group's actual net entitlement under the contract.

(7) Unrisked prospective resources are derived from the arithmetic sum of individual prospects before the application of chance of geological success factor.

(8) Risk factor for contingent resources represents the estimated chance of development or probability that the volumes will be commercially extracted. Risk factor for prospective resources represents the chance of geological success or probability of discovering hydrocarbons in sufficient quantity for them to be tested to the surface (i.e. the chance or probability of the prospective resources maturing into contingent resources). Risk factor for unrisked prospective resources is calculated based on the summed mean unrisked and risked prospective resources.

(9) The above gross and net reserves, contingent resources and prospective resources data are extracted from the respective QPRs with an effective date of 31 December 2024 prepared in accordance with the requirements set out in paragraph 5 of Practice Note 6.3 to the Listing Manual of the Singapore Exchange Securities Trading Limited and the standards promulgated by the Petroleum Resources Management System (SPE-PRMS) by:

Name of Qualified Person	:	Aizat Rusli of Sproule ERCE
Professional Society Affiliation/Membership	:	Society of Petroleum Engineers
Date	:	5 May 2025

(10) The Group's petroleum assets are tabulated as follows:

Country/ Asset Name	Effective Interest (%)	Development Status	Type of Contract	Contract Expiry Date	Contract Area (km^2)	Type of Deposit
Myanmar						
Chauk Field	60.00	Producing	Improved Petroleum Recovery Contract (IPRC)	3 April 2028	955	Hydrocarbon
Yenangyaung Field	60.00	Producing	Improved Petroleum Recovery Contract (IPRC)	3 April 2028	845	Hydrocarbon
Indonesia						
Kuala Pambuang Block	72.75	Exploration	Production Sharing Contact (PSC)	14 March 2026	1,631	Hydrocarbon

CORPORATE GOVERNANCE REPORT

The Company is required under the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual (the "**SGX-ST Listing Manual**") to describe its corporate governance practices in its annual report with specific reference to the principles and the provisions of the Code of Corporate Governance 2018 (the "**Code**").

This report discloses the Company's corporate governance policies and practices which have been adopted in line with the spirit of the Code. The Company complies with the principles, and adheres largely to the provisions set out in the Code. Where its practices vary from any provisions of the Code, the Company specifies and explains the reason for the variation and how the practices adopted are consistent with the intent of the relevant principle.

BOARD MATTERS

Principle 1 – The Board's Conduct of Affairs
The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

The duties of the Board include:

(a) providing entrepreneurial leadership and setting corporate strategy and direction, and ensuring that the necessary financial resources and human resources are in place for the Company to meet its objectives;
(b) establishing a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the Company's assets;
(c) reviewing Management's performance;
(d) identifying the key stakeholder groups and recognising that their perceptions affect the Company's reputation;
(e) setting the Company's values and standards (including ethical standards), and ensuring that obligations to shareholders and other stakeholders are understood and met; and
(f) considering sustainability issues, such as environmental and social factors, as part of its strategic formulation.

Provision 1.1

The Directors understand that they are fiduciaries who act objectively in the best interests of the Company and hold Management accountable for performance. The heavily regulated regime in Singapore, where the Company is incorporated and listed, principally sets appropriate tone-from-the-top and desired organisational culture of the Company. Since the listing of the Company on SGX-ST in 2003, the Board has adopted the practice of basing its governance and decision making on the orderly legal system and sound regulatory framework of Singapore under close guidance of the Company Secretary who is a lawyer from a reputable law firm. Its tradition of being committed to upholding high standards of corporate governance defines Management's fundamental priority of abiding by statutory obligations and adhering to regulatory compliance, thereby ensuring proper accountability within the Company. As an investment holding entity, the Company operates with a small group of professionals, managers and executives, and does not have its code of ethics and conduct formally written at the company level. At the group level, its individual subsidiaries and joint ventures incorporate their code of ethics and conduct in the rules and regulations of their respective employment policies. The Board intends to formalise the code of ethics and conduct as the Company grows in size.

The Directors regard disclosure of interests in transactions as a statutory duty of utmost importance and adopt the customary practice of tabling at Board meetings general notices of individual directorships and material interests annually and as and when circumstances require. Directors facing conflicts of interest recuse themselves from decisions involving the issues of conflict.

CORPORATE GOVERNANCE REPORT

Provision 1.2

The Directors understand the Company's business as well as their directorship duties (including their roles as executive, non-executive and independent directors). When one new independent Director, Ms Tong Miin ("**Ms Tong**") was appointed during the year, she was given a formal letter setting out her duties and obligations as an independent Director. When Mr Tjia Marcel Han Liong ("**Mr Tjia**") was redesignated from Chief Executive Officer to Executive Director during the year, he was also given a formal letter setting out his duties and obligations accordingly. As a new Director of the Company, Ms Tong also received customised induction and orientation which serves to familiarise her with the Company's business and governance practices, including her role as Director. Being a new Director with no prior experience as director of a Singapore-listed company, the Company made arrangements for Ms Tong to undergo the training conducted by the Singapore Institute of Directors ("**SID**"), namely, the Listed Entity Directors Programme, including the elective modules relevant to her appointment. All the Directors had received training on sustainability matters, thus fulfilling the requirement under Rule 720(7) of the SGX-ST Listing Manual. All such training undertaken by Directors are generally funded by the Company.

The Directors are provided with opportunities to develop and maintain their skills and knowledge at the Company's expense. To encourage Directors to keep up with regulatory and industry changes, the Company furnishes them with SID's annual calendar of professional development curriculum at the beginning of the year and keeps them informed of suitable training courses and professional development programmes available from time to time, in particular, industry related and updates on relevant regulations and standards. As the Directors receive training and development in their own professional fields or through companies in which they hold directorships, they usually do not attend any similar programmes offered by the Company.

Provision 1.3

The roles and responsibilities of the Board and Management are clearly defined in order to facilitate better understanding of their respective accountabilities and contributions. Management has been charged to run the ordinary business of the Company and its group operations, while major matters and material transactions are brought to the Board's attention for its deliberation and decision. The Company has adopted internal guidelines which specifically reserve the following key matters for the Board's approval: significant acquisitions and disposals or undertakings, funding proposals, and announcements of financial results, exploratory drilling updates and material information.

Provision 1.4

To assist in the efficient discharge of its fiduciary duties and responsibilities, the Board has, without abdicating its responsibility, established three (3) Board Committees namely, the Audit Committee ("**AC**"), the Nominating Committee ("**NC**") and the Remuneration Committee ("**RC**"). Each Board Committee has its own terms of reference setting out their compositions, authorities and duties, written in line with the Code, to address their respective areas of focus. Matters which are delegated to the Board Committees are reported to and approved collectively by the Board. The names of the members of each Board Committee as at the date of this Annual Report are set out in the Corporate Information section of this Annual Report. The terms of reference and key activities of each Board Committee are disclosed under the relevant provisions of the Code below.

CORPORATE GOVERNANCE REPORT

Provision 1.5

During the year, the Board and Board Committees had a total of six (6) formal meetings to review and approve various matters relating to business strategies, material transactions, governance matters, operating affairs and financial performance of the Company. Board meetings were scheduled to coincide with half-yearly reporting in order to facilitate the review of financial results announcements. Directors with multiple board representations would make efforts to accommodate the meeting schedules of the Company, or take steps to have their thoughts represented at the meetings in their absence. Where the attendance of certain Directors was not physically possible, meetings were conducted with these Directors communicating through audio-video conferencing. The Constitution of the Company provides that the Directors may meet by audio or audio-visual communication by which all persons participating in the meeting are able to hear and be heard by all other participants. In order to gather views and address major concerns without delay, where necessary, ad hoc Board discussions via electronic means were organised to deliberate material matters and transactions as appropriate, and resolutions of the Board were passed by way of circulating minutes pursuant to the Constitution of the Company.

The attendance of each member at Board and Board Committee meetings, expressed as a ratio of the total number of meetings held during the member's period of appointment in the financial year ended 31 December 2024 ("**FY2024**"), is set out as follows:

Name of Director	Board Meeting Attendance	AC Meeting Attendance	NC Meeting Attendance	RC Meeting Attendance
Ng Soon Kai[1]	2/2	2/2*	1/1	1/1*
Tjia Marcel Han Liong[2]	2/2	2/2*	1/1*	1/1*
Low Siew Sie Bob[3]	1/1	1/1	1/1*	1/1
Khoo Chun Leng William[4]	2/2	2/2	1/1	1/1
Loh Yu Jun[5]	2/2	2/2	1/1	1/1
Tong Miin[6]	1/1	1/1	N.A.	N.A.

"N.A." denotes "Not applicable".

* Attendance by invitation.

Provision 1.6

Management routinely keeps the Board updated on the Company's operational activities, project progress and development, and business prospects through the provision of timely monthly management accounts, half-yearly papers and ad hoc email correspondences. These reports and updates are supported with comprehensive background or explanatory information such as relevant disclosure documents, work plans, expenditure proposals, budgets and forecasts. In respect of budgets and cash flows, any material variances between the projections and actual results are highlighted and explained. Material announcements such as half year and full year financial statements and activity reports are submitted to the Board for review and approval before releasing to the public. The foregoing information enables the Board to make informed decisions and discharge their duties and responsibilities.

1 Mr Ng Soon Kai stepped down as a member of the NC on 29 April 2024.
2 Mr Tjia Marcel Han Liong was re-designated from Chief Executive Officer of the Company to Executive Director of the Company on 1 June 2024.
3 Mr Low Siew Sie Bob retired from the Board on 29 April 2024.
4 Dr Khoo Chun Leng William was re-designated from a member of the NC to Chairman of the NC and re-designated from Chairman of the RC to member of the RC on 29 April 2024.
5 Mr Loh Yu Jun was appointed as Lead Independent Director of the Company on 29 April 2024. He was re-designated from member of the NC to Chairman of the AC on 29 April 2024.
6 Ms Tong Miin was appointed as an Independent Director, Chairwoman of the RC and a member of the AC and NC on 29 April 2024.

CORPORATE GOVERNANCE REPORT

Provision 1.7

The Directors have separate and independent access to Management as and when they need to make further enquiries or require additional information. Management endeavours to meet their requirements in a timely manner so as to enable them to make informed decisions.

In addition, the Directors have direct and independent access to the Company Secretary, whose appointment and removal is a matter for the Board as a whole. The responsibilities of the Company Secretary include:

(a) attending all Board and Board Committee meetings and preparing minutes of these meetings;
(b) ensuring compliance with applicable laws and regulations;
(c) ensuring compliance with internal procedures and guidelines of the Company;
(d) maintaining and updating all statutory books and records;
(e) ensuring that good information flows within the Board and its Board Committees and between Management and non-executive Directors;
(f) advising the Board on all other corporate, administrative and governance matters; and
(g) facilitating orientation and assisting with professional development as required.

In the furtherance of their duties and responsibilities, the Directors may, individually or as a group, seek independent professional advice, if necessary, at the Company's expense. Such requirements are to be put forth for general consensus before the Board approves the motion.

Principle 2 – Board Composition and Guidance
The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Provision 2.1

The Company adopts the definition that an "independent" director is one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interests of the Company. It further notes that Rules 210(5)(d)(i) and (ii) of the SGX-ST Listing Manual provide circumstances for which a Director will not be independent, including if he is employed by the Company or any of its related corporations for the current or any of the past three (3) financial years, or if he has an immediate family member who is employed or has been employed by the Company or any of its related corporations for the same period and whose remuneration is determined by the RC. It also notes that pursuant to Rule 210(5)(d)(iv) of the SGX-ST Listing Manual, a Director will not be independent if he has been a director of the Company for an aggregate period of more than nine (9) years (whether before or after listing) and such Director may continue to be considered independent until the conclusion of the next annual general meeting ("**AGM**").

The name of each independent Director as at the date of this Annual Report is set out in the Corporate Information section of this Annual Report. Collectively, the independent Directors have strong accounting and industry background, and the independence of each is reviewed annually by the NC based on, *inter alia*, the criteria set forth in the SGX-ST Listing Manual, the Code, individual Directors' declarations and peer performance evaluations. The Board concurs with the NC's recommendation that each of Dr Khoo Chun Leng William ("**Dr Khoo**"), Mr Loh Yu Jun ("**Mr Loh**") and Ms Tong have no relationship which could interfere, or could be reasonably perceived to interfere, with the exercise of his/her independent business judgement with a view to the best interests of the Company. Mr Loh replaces Mr Low Siew Sie Bob ("**Mr Low**"), who had served on the Board beyond an aggregate period of nine (9) years and retired from the Board on 29 April 2024, as Lead Independent Director.

CORPORATE GOVERNANCE REPORT

Provision 2.2

As at the date of this Annual Report, the Board comprises five (5) Directors. There are presently three (3) independent Directors on the Board, and the proportion of independent Directors forms at least one-third (⅓) of the Board of five (5) Directors as stipulated under Rule 210(5)(c) of the SGX-ST Listing Manual.

The Board is headed by the Executive Chairman, Mr Ng, who is also a controlling shareholder of the Company. Currently, independent directors make up a majority of the Board. The NC is of the view that there is a sufficiently strong independent element and diversity of thought and background in the composition of the Board and the present composition of the Board allows it to exercise objective judgement on corporate affairs independently in the best interests of the Company and that no individual or small group of individuals dominates the decisions of the Board.

Provision 2.3

As at the date of this Annual Report, the Board has two (2) executive Directors, Mr Ng and Mr Tjia. Therefore, there being presently three (3) non-executive Directors, non-executive Directors make up a majority of the Board.

Provision 2.4

The Board is of the view that its current size is appropriate, taking into account the size, scope and nature of operations, the requirements of the business and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees.

The Company had adopted a board diversity policy in 2022 which addresses gender, skills and experience, and any other relevant aspects of diversity of the Board ("**Board Diversity Policy**"). The Board recognises that a combination of skills, talents, experience and diversity of its Directors will enhance its exercise of objective judgement and better support its decision-making process. In determining its composition, the Board places primary emphasis on core competencies and optimal functionality given the Company's size, nature of operations, industry, revenue and market capitalisation. It will endeavour to broaden its board diversity beyond skills, knowledge and experience to include other aspects such as age and gender.

The Board Diversity Policy provides that when reviewing the Board composition and considering a new Board member, the NC will give due regard for achieving an optimal balance of diversity that encompasses various skills, knowledge and experience, age, gender, ethnicity and other relevant factors. It will endeavour to include additional attributes when there is a need to bring in fresh perspectives and enhancements.

The Board and NC are of the view that age and gender are important aspects of diversity, and will strive to ensure that:

(a) younger candidates be fielded for consideration when there is a need to identify a new Director for appointment to the Board;
(b) female candidates be fielded for consideration when there is a need to identify a new Director for appointment to the Board;
(c) succession planning be put into action in the near future; and
(d) there is appropriate female representation on the Board in the next three to five years.

The final decision on the selection of Directors will be made based on merit against objective criteria, in the context of the requisite attributes, independence, experience and expertise which the Board requires as a whole to be effective.

The composition and diversity of the Board is reviewed annually by the NC through skills matrix checklists. The NC will also review annually the Company's progress towards achieving the targets and set further relevant qualitative and measurable quantitative objectives and timelines for achieving diversity on the Board where appropriate. It will report its findings and make its recommendations to the Board for consideration and approval on an annual basis.

CORPORATE GOVERNANCE REPORT

Having nominated Ms Tong for election as an independent Director with the retirement of Mr Low at the AGM held on 29 April 2024, the Board and the NC fulfilled targets (a), (b) and (d). They had identified and considered candidates who were younger and could offer female representation on the Board. The appointment of Ms Tong as an independent Director (as disclosed under Provision 1.2) brings both fresh perspectives and an essential female voice to discussions at Board meetings during the year under review. Since Rule 210(5)(d)(iv) of the SGX-ST Listing Manual took effect in 2023, two independent Directors who served beyond the nine-year tenure limit have been replaced with younger Directors, thereby putting succession planning of target (c) into action. The Board and the NC will continue to monitor the tenure of the independent Directors as well as the average age of the Board members and make recommendations as and when the need arises.

The Board and its Board Committees currently comprise Directors who possess the requisite skills, knowledge and experience across various fields. As a group, the Board comprises Directors whom have served on the Board for different tenures, provides an appropriate balance and mix of skills, knowledge, gender and experience that encompass core competencies such as business management, strategic planning, risk management, mergers and acquisitions, capital markets, accounting, finance, taxation, law and related industries.

Provision 2.5

In addition to formal Board and Board Committee meetings, the Board and Management maintain active and effective communication through emails whereby Management provides the Board with regular corporate, financial and operational updates and the Board members engage in deliberation of important issues. This manner of electronic communication facilitates swift gathering of views or inputs and prompt address of major concerns. Through this means, the non-executive Directors and/or independent Directors communicate without the presence of Management so as to facilitate a more effective check on Management. The matters discussed include developing proposals on strategy, reviewing the performance of Management in meeting agreed goals and objectives, and monitoring the reporting of performance. Feedback from such discussions is provided to Management.

Principle 3 – Chairman and Chief Executive Officer
There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Provision 3.1

During the year under review, prior to 1 June 2024, the roles of the Chairman and the Chief Executive Officer ("**CEO**") were kept separate to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. The Chairman and the CEO were not immediate family members.

With effect from 1 June 2024, the Company no longer maintains the position of CEO following the re-designation of Mr Tjia from CEO to Executive Director of the Company. This change reflects the Company's efforts to align its executive responsibilities with its strategic priorities and ensure agile and effective management of the Company. The requirement that the Chairman and the CEO are separate persons therefore did not apply to the Company during the year following the re-designation of Mr Tjia.

Provision 3.2

The Chairman, who is an executive Director, is responsible for the leadership and objective functioning of the Board, including its effectiveness on all aspects of its role and its progress towards promoting high standards of corporate governance. A culture of openness and debate is ensured at the Board by encouraging constructive relations within the Board and between the Board and Management. The Chairman is supported by the Company Secretary and Management who assist in the organisation of essential meeting agenda, timely dissemination of meeting materials and administration of meetings by ensuring adequate time for discussion of all agenda items especially strategic issues.

CORPORATE GOVERNANCE REPORT

Provision 3.3

The Board has appointed a Lead Independent Director since 2012 to support the Chairman in his role of facilitating effective contributions of non-executive Directors and effective communication with shareholders. The current Lead Independent Director, Mr Loh, is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate. In addition, he takes the lead to conduct discussions (usually held during half-yearly meetings) among independent Directors, formally or informally, without the presence of the other executive and non-independent Directors, and any matters of significance arising from such discussions are conveyed to the Chairman.

Principle 4 – Board Membership
The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Provision 4.1

The Board has established and delegated Board membership matters to the NC. Each meeting of the NC is properly minuted and upon confirmation of such minutes by the NC Chairman, a copy of the confirmed minutes is duly circulated to all members and tabled at Board meetings.

The NC has written terms of reference that clearly sets out its functions and duties as follows:

(a) To review the size and composition of the Board and Board Committees, taking into consideration the independent element, the need for progressive refreshing, the necessity of alternate directorship, core competencies, and balance and diversity of skills, experience, gender and knowledge, and to recommend any changes it considers necessary to the Board.
(b) To develop, implement and maintain a formal and transparent process for the search, selection, nomination, appointment and re-appointment of Directors (including alternate Directors) to the Board.
(c) To review all nominations for the appointment and re-appointment of members of the Board (including alternate Directors), taking into consideration the composition and progressive renewal of the Board and the attributes of each nominee, before making recommendations to the Board.
(d) To ensure that all Directors submit themselves for re-nomination and re-election at regular intervals and at least once every three (3) years or in accordance with the requirements of the Companies Act 1967 (the "**Act**"), the Constitution of the Company, the SGX-ST Listing Manual and the Code, as amended or modified from time to time.
(e) To determine annually, and as and when circumstances require, whether a Director is independent in character and judgement and whether there are relationships or circumstances which are likely to affect, or could appear to affect the Director's judgement, bearing in mind the years of services, relationships or circumstances set forth in the SGX-ST Listing Manual and the Code and any other salient factors.
(f) To develop, implement and maintain a formal process for evaluation of the performance of the Board, Board Committees and Board members.
(g) To decide on how the Board's performance may be evaluated and propose objective performance criteria for the Board's approval.
(h) To decide on the maximum number of listed company board representations a Director may hold for the Board's approval.
(i) To assess and report to the Board annually the effectiveness of the Board as a whole and the Board Committees and the contributions of each individual Director to the effectiveness of the Board.
(j) To review the results of the performance evaluation and recommend to the Board on whether to appoint new Directors or to seek resignation of Directors.
(k) To review the succession plans for Directors, in particular, the Chairman and the CEO of the Company.
(l) To review and make recommendations to the Board the training and professional development programme for the Board.

CORPORATE GOVERNANCE REPORT

(m) To review the various disclosure requirements on the appointment and resignation of Directors, particularly those required by regulatory bodies such as the SGX-ST.
(n) To retain such professional consultancy firm as the NC may deem necessary to enable it to discharge its duties hereunder satisfactorily.
(o) To undertake such other duties and projects as may be requested by the Board, and to report to the Board its findings from time to time on matters arising and requiring the attention of the NC.
(p) To conduct periodic review of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at optimal effectiveness and recommend any changes it considers necessary to the Board.

Provision 4.2

The NC comprises three (3) non-executive Directors, of which all members, including the NC Chairman, are independent Directors. The Lead Independent Director is also a member of the NC. The name of each NC member as at the date of this Annual Report is set out in the Corporate Information section of this Annual Report.

Provision 4.3

After the end of the financial year, the NC assessed the performance of each Director, each Board Committee and the Board as a whole and made the requisite recommendations to the Board on the re-nomination and re-election of Directors in accordance with the Constitution of the Company, the SGX-ST Listing Manual and as contemplated by the Code. When considering the nomination of Directors for re-election or re-appointment, the NC took into account their competencies, commitment, contribution and performance (for example, attendance, preparedness, participation and candour) as well as their overall contributions to the effectiveness of the Board. The NC is satisfied with the overall results of the performance evaluation and the composition of the Board, and will not be proposing new members to be appointed to the Board at the forthcoming AGM. The Board has considered and endorsed the recommendations of the NC.

If there is a need for a new Director to be appointed, the NC has in place an internal process to facilitate the search, selection and nomination of a suitable Director. The NC members would first evaluate the range of skills, experience and expertise of the Board and identify the necessary competencies required from the incoming Director that would best increase Board effectiveness, and then search externally through the usual channels of professional contacts and personal networks for suitable candidates who are highly regarded in the relevant industry. In addition, the NC will have regard to the Board Diversity Policy as described under Provision 2.4. When considering the new Board member, the NC would review the curriculum vitae of each potential candidate and consider his/her experience and expertise and likely contribution to the Board. Subsequently, interviews would be conducted before the NC makes its recommendation to the Board. The Board shall make the final determination for the appointment.

During the year under review, Mr Low retired at the AGM held on 29 April 2024. To fill this vacancy, Ms Tong was nominated as candidate for the role of independent Director (as disclosed under Provision 2.4). The NC had reviewed her resume and agreed that Ms Tong's industry experience, gender and relatively younger age group would fit both the targets of the Board Diversity Policy and business needs of the Company. Having considered her previous experience and expertise and assessing her independence as defined under Provision 2.1, the NC recommended the appointment of Ms Tong to the Board. The Board had considered and endorsed the NC's recommendation, and Ms Tong was appointed to the Board on 29 April 2024. In light of Mr Low's retirement, the NC also recommended that Mr Loh be appointed as the Lead Independent Director of the Board on 29 April 2024.

The Constitution of the Company calls for one-third (⅓) of the Directors other than the CEO (or if their number is not a multiple of three (3), then the number nearest to one-third (⅓)) to retire from office by rotation at AGMs. Furthermore, under the Constitution of the Company, any Director appointed from time to time and at any time, either to fill a casual vacancy or as an additional Director, shall hold office only until the next AGM of the Company, but shall be eligible for re-election at that meeting. Additionally, Rule 720(5) of the SGX-ST Listing Manual requires all Directors, including executive Directors, to submit themselves for re-nomination and re-appointment at least once every three (3) years.

CORPORATE GOVERNANCE REPORT

At the forthcoming AGM, Mr Tjia and Dr Khoo are due for re-election pursuant to Regulation 100 of the Constitution of the Company. Mr Tjia has informed the Board of his intention to retire from the Board and he will therefore not be seeking re-election at the forthcoming AGM. Upon the retirement of Mr Tjia, he will cease to be an executive Director of the Company. As for Dr Khoo, the NC has recommended that Dr Khoo, being eligible, be nominated for re-election at the AGM and the Board has accepted its recommendations. Dr Khoo will, upon re-election as a Director, remain an independent Director, the Chairman of the NC and a member of the AC and RC. Dr Khoo has consented to continue in office and will be submitting himself for re-election at the AGM.

The key information pursuant to Appendix 7.4.1 of the SGX-ST Listing Manual relating to Dr Khoo is set out as follows:

Name of Director	Khoo Chun Leng William @Chiu Chun Nun
Date of appointment	16 August 2023
Date of last re-appointment	29 April 2024
Age	61
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process).	The Board approved Dr Khoo's reappointment after having considered the recommendation of the NC which reviewed his expertise and experience as well as the Company's board diversity targets.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive
Job title (upon re-election at the AGM)	Independent Director, NC Chairman, AC Member and RC Member
Professional qualifications	Bachelor of Medicine and Bachelor of Surgery, National University of Singapore
Working experience and occupation(s) during the past 10 years	2002 to Present: Medical Doctor/Director, Victory Clinic and Surgery Pte. Ltd.
Shareholding interest in the Company and its subsidiaries	Shares: Nil Share Options: Interra Share Option Plan 2017 – 1 exercisable option to subscribe for 5,000,000 ordinary shares in the Company
Any relationship (including immediate family relationships) with any existing Director, executive officer, the Company and/or substantial shareholder of the Company or of any of its principal subsidiaries	Nil
Conflict of interest (including any competing business)	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the Company	Yes

CORPORATE GOVERNANCE REPORT

Other principal commitments* including Directorships * (all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations)	a. Past (for the last 5 years): Nil b. Present: Medical Doctor/Director, Victory Clinic and Surgery Pte. Ltd.
General statutory disclosures (items (a) to (k) of Appendix 7.4.1)	No information to be disclosed
Any prior experience as a director of a company listed on the SGX-ST (applicable to appointment of Director only)	Not Applicable

Provision 4.4

During the annual review, the NC also reviewed and determined, based on the circumstances set forth in the SGX-ST Listing Manual, the Code and the accompanying practice guidance and individual Directors' declarations, the independent status of existing and new independent Directors (as disclosed under Provision 2.1).

Provision 4.5

The duties and commitment requirements of being director of a listed company are conveyed to new Directors in the formal letter of appointment. During the year, to ensure that Directors are able to meet the demands of the responsibilities and discharge their duties adequately besides their principal commitments and other directorships, the NC adopted new guidelines pursuant to which each Director should not have in aggregate more than five (5) listed company Board representations. During the annual review, none of the Directors exceeded the limit on listed company Board representations or had the issue of competing time commitments that are faced when Directors serve on multiple boards. The NC was also satisfied with each of their abilities to diligently discharge their duties as Directors.

The profiles and key information of each Director as at the date of this Annual Report are set out in the Board of Directors section of this Annual Report.

Principle 5 – Board Performance
The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

Provision 5.1

The NC has established an appraisal process to assess the performance and effectiveness of the Board as a whole and of its Board Committees, and the contribution of the Chairman and each individual Director to the Board. The range of performance criteria used for the evaluation is proposed by the NC and approved by the Board, and does not change from year to year unless circumstances deem it necessary for any of the criteria to be changed. If and where circumstances deem it necessary to change any of the criteria, the NC will provide the underlying rationale for the Board to justify the decision.

The assessment parameters for the effectiveness of the Board as a whole include its size and composition, practices and conduct, processes and accountability, communication and rapport with Management, and risk management and internal controls. The assessment parameters for the performance of individual Directors, which aim to assess whether each Director is willing and able to contribute effectively to the Board and demonstrate commitment to the role(s) on the Board and/or Board Committee(s), include attendance at meetings, participation in discussions, contributions to the Board and/or Board Committees, interactive and interpersonal skills, core competency knowledge and foresight, and preparedness for meetings.

CORPORATE GOVERNANCE REPORT

Provision 5.2

After the end of the financial year, all Directors are requested to complete a Board performance evaluation questionnaire to seek their view on the various aspects of the Board's performance so as to assess the overall effectiveness of the Board, and an appraisal form to evaluate each individual Director's contributions to the Board and the Board Committees. Directors who are members of the respective Board Committees are also requested to complete appraisal forms for the respective Board Committees to assess the overall effectiveness of each Board Committee. The responses are collated and compiled by the Company Secretary who then presents the results to the NC on a non-attribution basis so as to encourage open and frank discussions and feedback. Following the review by NC, the results are submitted to the Board together with the NC's recommendations for deliberation and decision. In view of the current size and scope of the Board, the NC does not propose the use of external facilitators in the performance assessment.

During the annual review, the Chairman, together with the Board, having reviewed the feedback from the NC, is of the view that the Board as a whole is of an appropriate constitution with the competency of meeting its performance objectives effectively and the individual Directors are of professional integrity with the ability to fulfil their obligations satisfactorily.

REMUNERATION MATTERS

Principle 6 – Procedures for Developing Remuneration Policies
The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Provision 6.1

The RC has been delegated by the Board to be in charge of remuneration matters of both the Board and key management personnel ("**KMP**"). Each meeting of the RC is properly minuted and upon confirmation of such minutes by the Chairman, a copy of the confirmed minutes is duly circulated to all members and tabled at Board meetings.

The RC has written terms of reference that clearly sets out its duties and functions as follows:

(a) To develop, implement and maintain a formal and transparent policy for the determination of each Director's and KMP's specific remuneration package, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits-in-kind.
(b) To review and recommend to the Board a general framework of remuneration for the Board and Management, and the specific remuneration packages for each Director and KMP.
(c) To structure and propose appropriate performance conditions aimed at rewarding achievements but not poor performance, to be linked to the remuneration of executive Directors and KMP for the Board's approval.
(d) To review the Company's obligations arising in the event of termination of contracts of services of executive Directors and KMP, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.
(e) To assess and report to the Board annually the performance of executive Directors and KMP and whether their performance conditions are met.
(f) To ensure that the remuneration of non-executive Directors is appropriate to the level of contribution, taking into account factors such as effort and time spent, and responsibilities undertaken, but not excessive to the extent that their independence may be compromised.
(g) To administer the share-based incentive scheme(s) of the Company as amended or modified from time to time and to report to the Board annually the important terms of the scheme(s).
(h) To make remuneration recommendations in consultation with the CEO and submit its recommendations for endorsement by the entire Board.
(i) To review the various disclosure requirements on the remuneration of Directors and KMP, particularly those required by regulatory bodies such as the SGX-ST, and to ensure that there is adequate disclosure in the financial statements.

CORPORATE GOVERNANCE REPORT

(j) To retain such professional consultancy firm as the RC may deem necessary to enable it to discharge its duties hereunder satisfactorily.
(k) To undertake such other duties as may be requested by the Board, and to report to the Board its findings from time to time on matters arising and requiring the attention of the RC.
(l) To conduct periodic review of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at optimal effectiveness and recommend any changes it considers necessary to the Board.

Provision 6.2

The RC comprises three (3) non-executive Directors, all of whom, including the RC Chairman, are independent Directors. The name of each RC member as at the date of this Annual Report is set out in the Corporate Information section of this Annual Report.

Provision 6.3

After the end of the financial year, the RC reviewed and made the requisite recommendations regarding the general remuneration framework for the Board and the specific remuneration packages of KMP before submitting them for endorsement by the entire Board. The RC's recommendations covered all aspects of remuneration, including but not limited to Director's fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits-in-kind, to ensure they are fair. No Director was involved in deciding his own remuneration other than the framework of remuneration for the Board as a whole. Taking into consideration the performance of the Directors and the present business conditions, the RC is not proposing any changes to the existing framework. The Board has accepted the recommendation of the RC and the non-executive Directors' remuneration for FY2024 will be put to shareholders for approval at the forthcoming AGM.

During the year, the RC reviewed the remuneration terms for the appointment of Mr Sugi Handoko as Chief Technical Officer of the Company and Mr Gunawan Saputro as Country Head, Indonesia under a subsidiary. The RC had reviewed the Company's obligations arising in the event of termination of their services to ensure that the contracts of service contain fair and reasonable termination clauses which are not overly generous.

Provision 6.4

As no changes are proposed to be made to the existing framework of remuneration for the Board and KMP, the RC deems seeking expert advice from remuneration consultants unnecessary. The Board has considered and endorsed the recommendation of the RC.

Principle 7 – Level and Mix of Remuneration
The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Provision 7.1

In setting the remuneration packages of the executive Directors and KMP, the RC takes into consideration the remuneration and employment conditions within the same industry and of comparable companies, and the size and scope of operations of the Company. Each package is tailored to the specific role and comprises an appropriate combination of base salary, allowance, benefits and performance bonus. A significant and appropriate portion of the executive Directors' and KMP's remuneration is structured so as to link rewards to corporate and individual performance. Such performance-related remuneration takes into account the financial and operational performance, management execution and expansion growth of the Company, and is aligned with the interests of shareholders and other stakeholders so as to promote the long-term success of the Company.

CORPORATE GOVERNANCE REPORT

The Company has in place a share option plan which serves to align the remuneration of, *inter alia*, the executive Directors and KMP with the interests of shareholders and to promote long-term success of the Company. The 10-year plan, known as the Interra Share Option Plan 2017 ("**ISOP 2017**"), was approved by shareholders at the extraordinary general meeting held on 28 April 2017. The long-term incentive scheme, which is designed to primarily reward contributions and retain of talents, takes into consideration the costs and benefits of the incentives to be granted. Options granted from time to time under the scheme are to meet the vesting period requirements under the SGX-ST Listing Manual before they can be exercised. The executive Directors and KMP are encouraged to hold their Shares for the longer term that is beyond the vesting period where possible, subject to the need to finance any cost of acquiring the Shares and associated tax liability.

Provision 7.2

The RC has in place a remuneration scheme for non-executive Directors, which takes into account individual level of contribution and factors such as effort and time spent, and responsibilities based on the role undertaken on the Board and/or Board Committees and the number of Board Committees served on. The scheme does not change from year to year unless circumstances deem it necessary to be changed. To better align the interests of non-executive Directors with the interests of shareholders, share options or other share-based instruments are awarded from time to time, if necessary, under shareholders' approval. The RC is mindful that non-executive Directors should not be over-compensated to the extent that their independence may be compromised.

Provision 7.3

The remuneration packages of the executive Director and KMP are reviewed annually by the RC to ensure that the level of compensation remains optimal for attracting, retaining and motivating capable and talented people to successfully manage the company for the long term. While the use of contractual provisions to reclaim incentive components of remuneration from executive directors and KMP in exceptional circumstances of misstatement of financial results, or misconduct resulting in financial loss to the Company is not a common industry practice for small companies, the RC aims to be fair and avoid rewarding poor performance when setting the remuneration packages of the executive Director and KMP.

Principle 8 – Disclosure on Remuneration
The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Provision 8.1

The Company endeavours to provide adequate disclosure of the remuneration of its Directors, and KMP for the purpose of enhancing transparency between the Company and shareholders. The Company recognises that for financial years ended on or after 31 December 2024, Rule 1207(10D) of the SGX-ST Listing Manual requires the Company to disclose in its annual reports, the names, exact amounts and breakdown of remuneration paid to each individual Director and the CEO by the Company and its subsidiaries.

CORPORATE GOVERNANCE REPORT

The total remuneration of Directors in respect of FY2024 amounted to S$1,316,229 (FY2023: S$740,400), of which the amounts and breakdown for each individual Director are disclosed as follows:

Name of Director	Directors' Fees[1] (S$)	Base/Fixed Salary (S$)	Variable or Performance-related Bonuses (S$)	Share-based Incentives and Awards (S$)	Benefits-in-kind, Allowances and Other Incentives (S$)
Non-Executive Directors					
Low Siew Sie Bob[2]	13,553	–	–	–	–
Khoo Chun Leng William[3]	43,014	–	–	25,538	–
Loh Yu Jun[4]	45,031	–	–	25,538	–
Tong Miin[5]	28,906	–	–	25,538	–
Executive Directors					
Ng Soon Kai[6]	11,653	612,840	76,584	23,728	–
Tjia Marcel Han Liong[7]	–	312,323	31,188	25,538	15,257

The Company had five (5) KMP in FY2024. Their total remuneration in respect of FY2024 amounted to S$738,225 (FY2023: S$808,662) and is summarised as follows:

Name of KMP	Base/Fixed Salary	Variable or Performance-related Bonuses	Share-based Incentives and Awards	Benefits-in-kind, Allowances and Other Incentives
Below S$250,000				
Lim Poh Chen	87%	11%	2%	–
Stewart Easton[8]	100%	–	–	–
Sugi Handoko[9]	83%	10%	3%	4%
Gunawan Saputro[10]	100%	–	–	–
S$250,000 – S$500,000				
Han Liqiang	85%	13%	2%	–

The remuneration of KMP generally comprises base salary and a variable component which encompasses cash bonuses, long-term incentives and share-based awards. The variable portion is mainly performance-related and depends largely on corporate and individual performance indicators determined and reviewed annually by the RC. When assessing the performance of KMP, the RC considers various long-term and shorter-term metrics relevant to the specific functions and objectives of individual KMP.

No termination, retirement and post-employment benefits have been granted to the Directors, or KMP.

Provision 8.2

There were no employees who are substantial shareholders of the Company, or immediate family members of a Director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeds S$100,000 during FY2024.

1 The Directors' fees in respect of FY2024 are subject to shareholders' approval at the forthcoming AGM.
2 Mr Low Siew Sie Bob retired from the Board on 29 April 2024.
3 Dr Khoo Chun Leng William was re-designated as member of the NC to Chairman of the NC and re-designated from Chairman of the RC to member of the RC on 29 April 2024.
4 Mr Loh Yu Jun was appointed as Lead Independent Director, redesignated from member of the AC to Chairman of the AC, and redesignated from Chairman of the NC to member of the NC on 29 April 2024.
5 Ms Tong Miin was appointed as independent Director, Chairwoman of the RC and a member of the AC and NC on 29 April 2024.
6 Mr Ng Soon Kai stepped down as a member of the NC on 29 April 2024.
7 Mr Tjia Marcel Han Liong was re-designated from CEO to Executive Director on 1 June 2024.
8 Mr Stewart Easton retired as Chief Technical Officer on 16 October 2024.
9 Mr Sugi Handoko was appointed on 16 October 2024 to replace Mr Stewart Easton as Chief Technical Officer.
10 Mr Gunawan Saputro was appointed as Country Head, Indonesia on 2 December 2024.

CORPORATE GOVERNANCE REPORT

Provision 8.3

The Company had made offers on grant of options to the Directors pursuant to the ISOP 2017, details of which were announced via SGXNet on 24 May 2024 and 7 June 2024. Key terms of the ISOP 2017 and details on the grant of options are set out in the Directors' Statement section of this Annual Report.

All information on the remuneration, payment and benefits in respect of Directors and KMP are reported under the Directors' Statement and Note 36(b) of the Notes to the Financial Statements of this Annual Report.

ACCOUNTABILITY AND AUDIT

Principle 9 – Risk Management and Internal Controls
The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

Provision 9.1

In furtherance of its continuing efforts to safeguard shareholders' interests and the Company's assets, the Board has tasked the AC with the responsibility of overseeing the risk management framework and risk policies of the Company and this includes determining the Company's levels of risk tolerance and overseeing Management in the design, implementation and monitoring of the risk management and internal control systems. The Board has also engaged Crowe Horwath First Trust Advisory Pte Ltd ("**Crowe**"), a reputable professional firm specialising in audit and risk solutions, for the provision of enterprise risk management ("**ERM**") services to assist the Board in its review of the adequacy and effectiveness of the Company's risk management and internal control systems.

The scope of the ERM services is to facilitate the development and subsequent updating of key risk profiles in respect of the Company's business and operations. During the annual review, key risk profiles are compiled by Crowe based on the risk management methodology adopted by the Company, which is aligned with an internationally recognised standard. The findings, which cover areas in strategic, financial, operational, compliance, information technology and climate-related changes, are then presented to the AC for its deliberation and recommendation to the Board. In assessing these results, the AC aims to strike a balance between pursuing strategic objectives and focusing on the consensual levels of risk appetite and risk tolerance. Besides the ERM report, the AC is provided with findings and recommendations from the internal auditor, who performs an annual review of the internal control systems, and the external auditor, who conducts an annual compliance check on the accounting records and the financial statements prepared by Management. This three-dimensional approach facilitates the AC in assessing the adequacy and effectiveness of the Company's risk management framework and internal control systems.

During FY2024, Crowe reviewed the potential key risks and related controls identified by the Company and assessed the likelihood of occurrence and impact to the Company across six (6) areas, namely strategic, financial, operational, compliance, information technology and climate-related changes. From the findings, there are no significant weaknesses that require urgent attention. The main risk exposure of the Company remains the volatility of crude oil prices, which requires monitoring and is beyond its control. The steps taken by the Company to mitigate the inherent risk include maintaining a lean cost structure, optimising production levels and deferring non-critical capital expenditure. These results were presented to the AC by Crowe for assessment and reporting to the Board.

CORPORATE GOVERNANCE REPORT

In January 2025, an activist group published an article containing several allegations that, *inter alia*, the Company has contributed to the war crimes of the junta in Myanmar by helping to supply the junta with oil, and has a close relationship with the Myanmar military. The Singapore Exchange Regulation ("**SGX RegCo**") required the Board to provide clarity on the issues raised and confirmation of the Company's compliance with relevant rules, laws and regulations. The Company clarified some of the more material allegations in the announcement dated 6 February 2025 and provided further updates on 19 March 2025. The Company also engaged Prolegis LLC and Herbert Smith Freehills LLP, through their Formal Law Alliance Herbert Smith Freehills Prolegis ("**HSF Prolegis**") to provide their professional legal opinion on whether the Company's dealings/operations in Myanmar would violate any sanctions laws from a European Union ("**EU**") law perspective and from a United States of America ("**US**") law perspective, and from a legal perspective only, whether a potential violation thereof would have any impact on the business and operations of the Company. HSF Prolegis has opined that based on the information furnished by the Company to HSF Prolegis in the context of preparing the legal opinion, the Company has not breached US or EU sanctions regimes and accordingly, the risk of a potential violation of US or EU sanctions having an impact on the business and operations of the Company would be minimal.

In light of the analysis provided in the professional legal opinion, the Company's enterprise risk management consultant, Crowe, conducted further facilitation in the identification and assessment of the enterprise risks relating to sanctions laws and added the inherent risk of violating international sanctions under the compliance category of the risk assessment. In respect of the professional legal opinion, the Board will seek confirmation on the continued validity of any such legal advice and provide such confirmation in its subsequent annual reports. Where there are material updates to the legal advice, the Company will make timely disclosure of any changes.

The Board is of the opinion, with the concurrence of the AC, that based on the ERM evaluation and the review performed by the internal and external auditors, (a) there has been no material changes in the overall risk exposure of the Company, including its risk of being subject to any sanctions-related law or regulation; and (b) the Company maintains a sound system of risk management and internal controls in the areas of financial, operational, compliance (including sanctions-related risks), information technology and climate-related changes, and is assured of its adequacy and effectiveness in safeguarding the shareholders' interests and the Company's assets. The Board however notes that no system of internal controls can provide absolute assurance against failure to meet business objectives, poor business judgement, human fallibility, material errors or losses, frauds, breaches of laws or regulations, or other unforeseeable occurrences.

<u>Provision 9.2</u>

The Board has received, together with the AC's recommendation, a letter of assurance from the Executive Director and the Chief Financial Officer ("**CFO**") with respect to FY2024 confirming that:

(a) the accounting and other financial records required by the Act to be kept by the Company have been maintained in accordance with the provisions of the Act;
(b) the financial statements of the Company (together with its subsidiaries, the "**Group**") have been prepared in accordance with the provisions of the Act, Singapore Financial Reporting Standards (International) and International Financial Reporting Standards so as to give a true and fair view of the state of business and financial affairs of the Company and of the Group; and
(c) the Company and the Group have put in place and will continue to maintain an effective and reliable system of risk management and internal controls.

Principle 10 – Audit Committee
The Board has an Audit Committee ("AC") which discharges its duties objectively.

<u>Provision 10.1</u>

The AC has been delegated by the Board to oversee matters pertaining to financial reporting, internal and external audit, and risk governance. It has explicit authority to investigate any matter within its terms of reference, full access to and co-operation by Management and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions. Each meeting of the AC is properly minuted and upon confirmation of such minutes by the Chairman, a copy of the confirmed minutes is duly circulated to all members and tabled at Board meetings.

CORPORATE GOVERNANCE REPORT

The AC has written terms of reference, which has been updated on 29 April 2025, that clearly sets out its duties and functions as follows:

(a) To review the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance.
(b) To review the annual consolidated financial statements and the external auditors' report on those financial statements, and discuss any significant adjustments, major risks areas, changes in accounting policies, compliance with Singapore Financial Reporting Standards (International), concerns and issues arising from their audits including any matters which the auditors may wish to discuss in the absence of Management, where necessary, before submission to the Board for approval.
(c) To review the periodic consolidated financial statements and such other financial information required under the SGX-ST Listing Manual, before submission to the Board for approval.
(d) To review the various disclosure requirements for the financial reporting, particularly those required by regulatory bodies such as the SGX-ST and ensure that there is adequate disclosure in the financial statements.
(e) To approve the hiring, removal, evaluation and compensation of the head of the internal audit function, or the accounting/auditing firm or corporation to which the internal audit function is outsourced and ensure that the internal auditor has unfettered access to all the Company's documents, records, properties and personnel, including access to the AC.
(f) To ensure that the internal audit function is adequately resourced, independent of the activities it audits, has appropriate standing within the Company and is staffed with persons with the relevant qualifications and experience.
(g) To review with the internal auditors, their audit plan, scope of internal control procedures and results of the audit.
(h) To review the adequacy and effectiveness of the internal audit function at least once a year.
(i) To meet with the internal auditors without the presence of Management at least once a year and to review the assistance given by the Company's officers, including Management, to the internal auditors.
(j) To review and report to the Board at least annually the adequacy and effectiveness of the Company's risk management and internal controls systems, including financial, operational, compliance (including sanctions-related risks) and information technology controls.
(k) To review with the external auditors, their audit plan, evaluation of the system of internal accounting controls and their audit report.
(l) To review the scope and results of the external audit and appraise the effectiveness of the audit efforts of the external auditors.
(m) To review the independence and objectivity of the external auditors annually and to report the aggregate amount of fees paid to the external auditors, broken down into audit and non-audit services.
(n) To meet with the external auditors without the presence of Management at least once a year and to review the assistance given by the Company's officers, including Management, to the external auditors.
(o) To serve as a channel of communication between the Board and the external auditors on matters relating to and arising out of the external audit.
(p) To make recommendations to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors.
(q) To review the policy and arrangements by which staff of the Company and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters.
(r) To review and discuss with the external and internal auditors and report to the Board, when appropriate, any suspected fraud or irregularity, or suspected infringement of any laws or regulations or rules of the SGX-ST Listing Manual or any other regulatory authority, which has or is likely to have a material impact on the Company's operating results or financial position and Management's response.
(s) To commission and review the findings of internal or external investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any law, rule or regulation or where it will be in the best interest of the Company.
(t) To determine and recommend to the Board for its approval, the nature and extent of significant risks in achieving the Board's strategic objectives.

CORPORATE GOVERNANCE REPORT

(u) In relation to risk assessment, (i) to keep under review the Company's overall risk assessment processes that form the Board's decision making; (ii) to review regularly and approve the parameters used in these measures and the methodology adopted; and (iii) to set a process for the accurate and timely monitoring of large exposures and certain risk types of critical importance.
(v) To advise the Board on proposed strategic transactions, focusing in particular on risk aspects and implications for the risk tolerance of the Company, and taking independent external advice where appropriate and available.
(w) To review the assurance from an executive Director or the CEO and CFO to ensure that the financial records have been properly maintained and the financial statements give a true and accurate view of the Company's operations and finances.
(x) To monitor the independence of risk management functions throughout the organisation.
(y) In relation to sanctions-related law or regulation:
    (i) to monitor the Company's risk of becoming subject to, or violating, any sanctions-related law or regulation, including assessing whether there is a need to obtain independent legal advice or appoint a compliance adviser in relation to the sanctions-related risks applicable to the Company, and continuously monitor the validity of the information provided to shareholders and the SGX-ST; and
    (ii) to ensure timely and accurate disclosures to the SGX-ST and other relevant authorities.
(z) To review any interested person transactions subject to the provisions of the Act or falling within the scope of the SGX-ST Listing Manual as may be amended or modified from time to time and such other rules and regulations of the SGX-ST that may be applicable in relation to such matters from time to time.
(aa) To review any potential conflicts of interest.
(bb) To take such measures to keep abreast of changes to accounting standards and issues which may have direct impact on financial statements.
(cc) To undertake generally such other functions and duties as may be required by law, the Act, the SGX-ST Listing Manual or the Securities and Futures Act 2001 and by such amendments made thereto from time to time.
(dd) To ensure the Company complies with requirements under the Act and the SGX-ST Listing Manual and any undertakings given by the Company to the SGX-ST.
(ee) To undertake such other reviews and projects as may be requested by the Board, and to report to the Board its findings from time to time on matters arising and requiring the attention of the AC.
(ff) To retain such professional consultancy firm as the AC may deem necessary to enable it to discharge its duties hereunder satisfactorily.
(gg) To conduct periodic review of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at optimal effectiveness and recommend any changes it considers necessary to the Board.

The AC has in place a whistle blowing policy which provides a platform for employees of the Group to report any fraud, abuse or violation of business ethics and regulations to the AC Chairman directly, and puts in place arrangements for independent investigation by the internal audit function (which is outsourced as described under Provision 10.4) of such concerns and appropriate follow-up actions. Employees may report any violations in writing to the AC Chairman in confidence. An employee who makes an allegation in good faith will be treated fairly and justly, and harassment or victimisation of an employee who has lodged a report will not be tolerated. The violations that can be reported on under the policy include both accounting and non-accounting related matters. The AC is responsible for the regular review, oversight and monitoring of the whistle-blowing policy and procedure. During the year under review, no whistle-blowing concerns were raised through the AC Chairman.

CORPORATE GOVERNANCE REPORT

Provision 10.2

The AC comprises three (3) non-executive Directors, all of whom, including the Chairman, are independent Directors. The name of each AC member as at the date of this Annual Report is set out in the Corporate Information section of this Annual Report.

The Board considers that the AC Chairman, who is an Accredited Tax Advisor with the Singapore Chartered Tax Professionals and a Chartered Accountant of Singapore and has extensive tax experience and relevant accounting knowledge, is well qualified to chair the AC. The other two members of the AC have many years of experience in their respective domains of (a) the medical and scientific fields and (b) the legal field. The Board is of the view that the present number and expertise of AC members is appropriate for the current size and scope of the Company's operations. At least two (2) of the AC members (including the AC Chairman), whose professions or principal commitments require them to keep abreast of changes to accounting standards and regulatory developments through training courses, conferences or seminars, have sufficient accounting or related financial management expertise and experience to discharge their responsibilities as set out in the terms of reference. Furthermore, changes to the various accounting standards are monitored closely by Management. Where these changes have an important bearing on the Company's disclosure obligations, the Directors as well as the AC members are kept informed of such changes through circulation which are also tabled at Board meetings.

Provision 10.3

None of the AC members are former partners or directors of the Company's existing auditing firm or auditing corporation: (a) within a period of two (2) years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

Provision 10.4

The internal audit function of the Company is outsourced to Crowe, who aligns their services to the standards set by the relevant professional bodies in Singapore, including the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. The internal auditor has unfettered access to all the Company's documents, records and personnel, including the AC. Being directly involved in establishing and executing the strategy, objectives and directions of the internal audit function, it also has appropriate standing in the Company. The AC reviews and approves the engagement, evaluation and remuneration of the internal auditor, who reports functionally to the AC Chairman and administratively to Management.

During FY2024, the internal auditor continued to review the sustainability reporting process of the Company as part of its internal audit plan pursuant to Rule 711B(3) of the SGX-ST Listing Manual. This function is built upon the Company's existing corporate governance and supported by its risk management framework and internal control systems. The Board, which has ultimate responsibility for the Company's sustainability reporting, approved the AC's recommendation of the Company adopting a sustainability reporting policy on 13 August 2024. The policy sets out the Company's approach to sustainability reporting so as to provide meaningful disclosures of the sustainability aspects, namely the environmental, social and governance factors, that are material to the Company. The Company, being in the energy industry, had started complying with the recommendations of the Task Force on Climate-related Financial Disclosures ("**TCFD**") in its sustainability reporting since FY2023. Hence, the Company has complied with the requirements pursuant to Rule 711B(4) of the SGX-ST Listing Manual.

In addition, to respond to the queries by SGX RegCo (as disclosed under Provision 9.1) on the adequacy and effectiveness of the control measures by the Company to address sanctions-related risks, the internal auditor worked together with the Company on the review of internal controls addressing these risks. The review concluded that the Company currently has internal controls in place to monitor potential activities and transactions that may violate applicable sanctions laws and regulations. It also has control measures in place to help ensure that the Group can remain in operation notwithstanding any ongoing sanctions affecting Myanmar.

CORPORATE GOVERNANCE REPORT

To strengthen controls for sanctions-related risks, the Company proceeded to formalise its sanctions compliance framework, which was reviewed by the internal auditor based on the legal context outlined in the professional legal opinion issued by HSF Prolegis and considered to be adequately devised to address these risks. The strengthened controls under this formalised framework include conducting periodic review and monitoring of the scope of applicable sanctions laws and regulations, as well as periodic review and screening of suppliers or counterparties with whom the Group has dealings.

The Company will include sanctions-related risks in the scope of the internal audit for the current year under review to enhance oversight and assurance, thereby facilitating the AC's review and confirmation of the adequacy and effectiveness of the control measures implemented with respect to sanctions-related risks.

Provision 10.5

In respect of FY2024, the AC met with the internal auditor on two (2) occasions, of which a separate session was held without the presence of Management. Agenda of these sessions included, *inter alia*, review of internal controls maintained by the Company, scope, findings and recommendations of audit, and objectivity and independence of the internal auditor. The AC also reviewed the adequacy and effectiveness of the internal audit function and was satisfied with the qualifications and experience of, and the work performed and resources provided by Crowe. It has reported to the Board that the internal audit function of the Company is adequately resourced and independent of the activities it audits.

The Company has engaged the same Singapore-based external auditor, CLA Global TS Public Accounting Corporation ("**CLA Global TS**"), to audit its financial statements and that of all its Singapore-incorporated subsidiaries. The Company does not have any Singapore-incorporated significant associated companies. CLA Global TS is a reputable accounting firm registered with and regulated by the Accounting and Corporate Regulatory Authority. In addition, both the firm and the director-in-charge have relevant experiences, professional capabilities and collective expertise in auditing SGX-listed companies and companies in the oil and gas industry. The name and date of appointment of the director-in-charge, whose engagement does not exceed five (5) consecutive years, are set out in the Corporate Information section of this Annual Report. The financial statements of the Company's significant foreign-incorporated components are reviewed by CLA Global TS for management and consolidation purpose and suitable reputable accounting firms for statutory purpose. Therefore, the Company has complied with Rules 712, 713 and 715 of the SGX-ST Listing Manual for FY2024, and Rule 716 is not applicable.

In respect of FY2024, the AC met with the external auditor on two (2) occasions and had a separate session without the presence of Management. Apart from review of financial statements, agenda of these meetings included, *inter alia*, discussion of significant accounting issues and judgements, changes in accounting policies and internal control procedures that are relevant in the preparation of financial statements, scope and findings of audit, cooperation extended by Management, and objectivity and independence of the external auditor.

The report of CLA Global TS as the external auditor of the Company is set out in the Independent Auditor's Report section of this Annual Report. The fees paid or payable by the Group to CLA Global TS for its audit services with respect to FY2024 amounted to US$117,102 (FY2023: US$121,465). There were no non-audit services provided by CLA Global TS to the Group for FY2024. Should there be any non-audit services provided by CLA Global TS to the Group, the AC will undertake a review of the services and ensure that such services would not, in the AC's opinion, affect the independence of CLA Global TS. After considering the experience of and the resources provided by CLA Global TS and the director-in-charge, the quality of works performed under regulatory guidelines, and the remuneration and terms of engagement, the AC has recommended to the Board the re-appointment of CLA Global TS as external auditor for the Company's audit obligations in the ensuing year. The Board has accepted the recommendation of the AC and the re-appointment will be put to shareholders for approval at the forthcoming AGM.

CORPORATE GOVERNANCE REPORT

SHAREHOLDER RIGHTS AND ENGAGEMENT

Principle 11 – Shareholder Rights and Conduct of General Meetings
The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Provision 11.1

Pursuant to Practice Note 7.5 of the Listing Rules, as read with Rule 730A of the SGX-ST Listing Manual on the conduct of general meetings by issuers on and after 1 July 2023, listed companies are required to hold all their general meetings either at a physical place in Singapore, or at a physical place in Singapore and using virtual meeting technology. Listed companies are guided by the SGX-ST to have regard to the size and needs of their shareholder base and to facilitate shareholder engagement. In this regard, the Company's AGM in respect of FY2023 was convened and held in a wholly physical format. Shareholders participated in the AGM by attending in person, submitting questions in advance of or during the AGM and/or appointing proxy(ies) to attend, speak and vote on their behalf. There were no questions received prior to the meeting. If there were questions submitted within a reasonable amount of time prior to the meeting, the Company would have addressed them by publishing responses to those questions on SGXNet and the Company's website 48 hours prior to the closing date and time for the lodgement of the proxy forms in accordance with Practice Note 7.5 of the Listing Rules, as read with Rule 730A of the SGX-ST Listing Manual.

The Company respects shareholder rights and ensures that shareholders have the opportunity to participate effectively in and vote at its general meetings by keeping them informed of the rules and voting procedures governing the meetings. Notices of general meetings, together with proxy forms relating to voting procedures, are despatched to all shareholders on or before the requisite minimum notice period. These notices are also published in major newspapers, announced on SGXNet and made available on the Company's website on the date of posting. Circulars, statements or reports in respect of the general meetings are provided via electronic communications under the implied consent regulation of the Company's Constitution. Given the timelier, more efficient and less costly mode of transmission, these documents are made available on the aforesaid websites by default, unless otherwise required by the SGX-ST Listing Manual, on the respective dates of posting of general meeting notices. Shareholders also are promptly notified of the details of the website publication and offered the option of requesting physical copies of the documents.

The Company encourages active and greater shareholder participation at its general meetings, where ample time is set aside for shareholder engagement after the meetings. This provides opportunities conducive to better understanding of the Company's performance, position and prospects as Management is able to illustrate and explain in layman's terms. Shareholders are also able to effectively communicate their views on various matters affecting the Company.

Provision 11.2

Resolutions proposed by the Company at general meetings are kept separate with respect to each substantially separate issue, unless the resolutions have to be inter-conditional and linked so as to form one significant proposal. Explanatory notes on the resolutions with underlying reasons and material implications are provided within the notices of general meeting. Where information relating to the resolutions are of a huge amount (such as financial data, curriculum vitae, terms and conditions), clear references to the respective documents containing the details are stated in the notices. Besides providing the necessary information, shareholders are also given the opportunity to ask questions and exercise their voting rights.

CORPORATE GOVERNANCE REPORT

Provision 11.3

During the year under review, the Company held one general meeting, at which all Directors were present. The Company Secretary and external auditor were also present to assist the Directors in answering relevant questions raised by shareholders at the general meeting. The attendance of the Directors at the general meeting is set out below.

Name of Director	AGM held on 29 April 2024
Ng Soon Kai	Present
Tjia Marcel Han Liong	Present
Khoo Chun Leng Willian	Present
Loh Yu Jun	Present
Tong Miin	Present (appointed at the AGM)

Provision 11.4

Generally, the Constitution of the Company allows shareholders who are unable to attend general meetings to appoint up to two (2) proxies each to attend and vote on their behalf as long as their proxy forms are duly lodged with the Company in advance. Shareholders who are relevant intermediaries, such as banks, capital market services licence holders which provide custodial services and the Central Provident Fund Board, are allowed to appoint more than two (2) proxies to attend, speak and vote at general meetings. However, the Company has decided not to provide for other absentia voting methods until security and other pertinent issues relating to shareholder identity authentication can be satisfactorily resolved.

The Company adopts the procedure of putting all resolutions tabled at general meetings to vote by poll and announced the detailed results showing the number of votes cast for and against each resolution and the respective percentages. To streamline the registration, vote casting and counting processes, the Company has started to adopt electronic polling at its AGM held in 2024.

Provision 11.5

The Company Secretary makes notes of substantial and relevant comments or queries from shareholders relating to the agenda, and responses from the Board and Management during general meetings. The minutes of the AGM in respect of FY2023 have been published on SGXNet and the Company's website in accordance with Practice Note 7.5 of the Listing Rules, as read with Rule 730A of the SGX-ST Listing Manual.

Provision 11.6

The Company does not have a fixed dividend policy. The Board intends to recommend the declaration of a first and final dividend of S$0.0015 per ordinary share from the Company's net profit in FY2024. This will be subject to shareholders' approval at the forthcoming AGM. The form, frequency and amount of dividends will depend on the Group's financial results, capital requirements, cash flow, development plans and other factors as the directors may deem appropriate. If there is intention to declare dividends, this will be clearly communicated to the shareholders via announcements through SGXNet.

CORPORATE GOVERNANCE REPORT

Principle 12 – Engagement with Shareholders
The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Provision 12.1

The Board is mindful of its responsibility of overseeing the corporate performance of the Company and its accountability to shareholders for the processes of directing and managing the Company's business and affairs. Announcements of the half-yearly financial results and operational activities, ad hoc updates and material developments are released by the Board with the aim of providing shareholders with a balanced and understandable assessment of the Company's performance, position and prospects. The information and assessments presented therein are based upon the comprehensive monthly management accounts, regular updates and ad hoc progress reports provided by Management to the Board. The Board endeavours to circulate timely, adequate and non-selective disclosures of material information to shareholders while giving due consideration to the commercial sensitivity and confidentiality constraints of such information. It is also committed to take adequate steps in ensuring compliance with legislative and regulatory requirements, including its continuing disclosure obligations under the SGX-ST Listing Manual, and is constantly seeking guidance from the Company Secretary and various legal advisers in this regard.

Releases of half-yearly financial and operational reports, activity updates, media releases on significant developments and other pertinent information are first announced on SGXNet and then posted on the Company's website. These websites are updated regularly and provides an efficient channel of communication with shareholders.

Typically, after general meetings, the Lead Independent Director performs the role of facilitating constructive dialogue between the shareholders and the Board. These dialogue sessions serve as an effective avenue of soliciting and gathering views and inputs from shareholders who are able to openly communicate with the Directors and Management.

Provision 12.2

The Company has in place an investor communication framework that disseminates timely financial data, price-sensitive updates and material information to shareholders. All public releases are drafted under legal or secretarial guidance, so as to provide relevant and sufficient information without being overly detailed and technical. A dedicated email managed by in-house investor relations function is provided on the Company's website for shareholders to direct their queries and convey their views to Management. To promote communication with analysts and the media, Management voluntarily meets with them separately from time to time to explain and clarify the Company's financial results and industry operations.

Provision 12.3

The Company welcomes ad hoc queries from shareholders but to avoid making inadvertent or asymmetrical disclosures in the course of addressing their concerns, the standard mode of communication adopted by the Company to engage shareholders is through its corporate website and email correspondence. In this manner, queries can be directed properly to the appropriate personnel or division for response.

CORPORATE GOVERNANCE REPORT

MANAGING STAKEHOLDERS RELATIONSHIPS

Principle 13 – Engagement with Stakeholders
The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Provision 13.1

Apart from shareholder engagement, the Board regards fostering relationships with other stakeholders, such as business partners, surrounding communities, customers, employees and regulators, an important element in achieving long-term sustainable business performance. Therefore, the Board considers sustainability issues, such as environmental and social factors, as part of its strategic formulation so as to ensure the interests of material stakeholders are taken into account in its decision-making processes. In 2017, the Board commissioned the establishment of a formal sustainability reporting framework aimed at providing meaningful disclosures of the environmental and social aspects that are material to the Company's business operations. Subsequently, the first and second entry-level annual sustainability reports, prepared based on the internationally recognised Global Reporting Initiative standards, were issued on 28 March 2018 and 27 March 2019 respectively. By 2020, this annual sustainability reporting had developed into a standard platform for identifying and conducting regular interaction with material stakeholders. In 2022, the Company, under the leadership of the internal auditor, initiated the early adoption of the new requirements under Rule 711B of the SGX-ST Listing Manual by including selected climate-related disclosures consistent with the recommendations of the TCFD in its sustainability report. The implementation was conducted in phases and by 2023, the Company had reported all relevant climate-related disclosures based on the recommendations of the TCFD, thus complying with Rule 711B of the SGX-ST Listing Manual. Going forward, the sustainability report of the Company, which contains all the stipulated primary components, is expected to provide stakeholders with a more comprehensive picture of the Company, thereby enabling a better assessment of the Company's financial prospects and quality of management.

Provision 13.2

A summary of the sustainability report for FY2024 is set out in the Summary Sustainability Report section of this Annual Report and the full report is available on the Company's website. The report covers the Company's strategy, practices, results and performance across four (4) key material sustainability aspects, namely, sustainable development, environmental stewardship, health and safety, and community. It discloses how the Company endeavours to operate in an economically, environmentally and socially responsible way through stakeholder engagement. In addition, the Company has included climate-related disclosures consistent with the recommendations of TCFD as a primary component of the sustainability report for FY2024, and as required under Rule 711B of the SGX-ST Listing Manual. Its internal audit function has also conducted an internal review of the sustainability reporting process in accordance with the standards set by the relevant professional bodies in Singapore (as disclosed under Provision 10.4), thereby validating the accuracy and reliability of the sustainability information disclosed.

Provision 13.3

The Company publishes a full sustainability report annually on both SGXNet and its corporate websites and employs such reporting as a means of raising transparency and awareness on the Company's footprint in the environmental and social realms. It aims to gradually deepen stakeholders' understanding of its management of social and environmental issues, thereby promoting stakeholder engagement and improving communications with stakeholders. The outcomes of such stakeholder engagement are reviewed annually, and applied in the development of the Company's sustainability materiality matrix and towards the progression of its sustainability reporting.

CORPORATE GOVERNANCE REPORT

INTERESTED PERSON TRANSACTIONS

There were no interested person transactions entered into during FY2024. The Company did not seek any general mandate from shareholders pursuant to Rule 920 of the SGX-ST Listing Manual during FY2024.

DEALING IN SECURITIES

The Company has in place a securities trading policy which sets out the framework on the dealing in its securities. In general, the Directors and employees of the Company are required to adhere to the following best practices at all times:

(a) to observe insider trading laws and avoid potential conflicts of interest at all times when dealing in securities;
(b) not to deal in the Company's Shares while in possession of unpublished material price sensitive information;
(c) not to deal in the Company's Shares for short-term considerations; and
(d) not to deal in the Company's Shares during the period commencing one (1) month before the announcement of the Group's half year and full year financial statements.

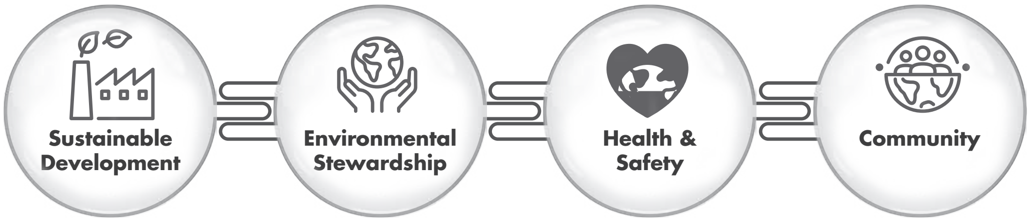
Hence, the Company has complied with Rule 1207(19) of the SGX-ST Listing Manual in relation to dealings in securities of the Company.

SUMMARY SUSTAINABILITY REPORT

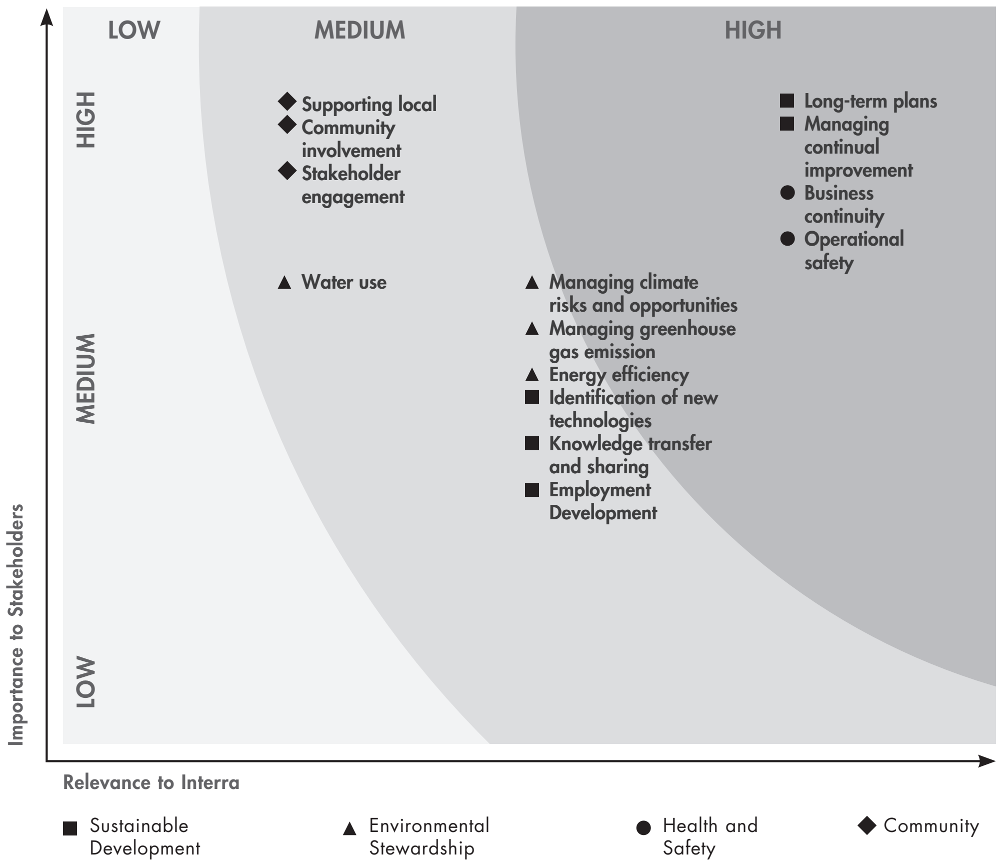
SUSTAINABILITY STRATEGY

Our sustainability strategy is designed to generate integrated value, encompassing both economic and societal dimensions. While we focus on creating economic value through the maximisation of profits and shareholder returns, we also embrace a broader responsibility as global corporate citizens to contribute to societal well-being. This commitment reflects our dedication to delivering value to all stakeholders.

Reflecting on our progress over the past year, our efforts to provide comprehensive value to our stakeholders can be summarised as follows:



We actively engage with both internal and external stakeholders regularly to enhance our sustainability approach and overall performance. This engagement involves understanding their expectations, soliciting feedback on our effectiveness in meeting these expectations, and fostering collaboration for deeper insights and shared benefits. Through these stakeholder engagement processes, we collect both qualitative and quantitative input, which are critical for shaping our strategic direction, guiding day-to-day operations, and maximising the value of our contributions across all stakeholder groups.



The full Sustainability Report for FY2024 is available on the Company's website at www.interraresources.com.

SUMMARY SUSTAINABILITY REPORT

SUSTAINABILITY PERFORMANCE

Sustainable Development

Track and report fulfilment of budgeted drilling programme

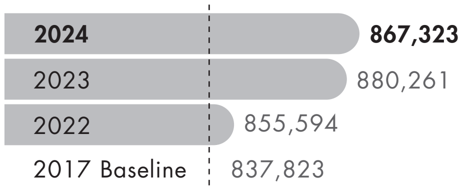
Wells drilled (No.) and Wells completed as oil producers (No.)

FY2024 progress

- A total of two development wells were drilled in FY2024.
- Two wells with initial production rates totalling 154 BO per day.

Improve oil production (from FY2017 baseline)

Barrels of oil produced (BO)



FY2024 progress

- The combined gross production for both Chauk and Yenangyuang oil fields was 867,323 BO.
- Oil production has recovered to the FY2017 baseline level.

Environmental Stewardship

Achieve zero spills and regulatory compliance incidents

Achievements

- **Achieved zero spills and regulatory compliance incidents in Myanmar**

FY2024 progress

- We had no spills and no regulatory compliance incidents in Myanmar, demonstrating the benefits of integrating environmental initiatives into our business plans and strategies.

Maintain carbon footprint per barrel of oil production (from FY2024 baseline)

Carbon footprint per barrel of oil production (kgCO_2e/BO)

FY2024 progress

- Our total Scope 1 and Scope 2 emissions for FY2024 amounted to 13,832.39 tCO_2e, with emissions intensity reached 15.95 kgCO_2e/BO.
- We have undertaken a review and revised the target to a 10% reduction in carbon emissions intensity by FY2030, using FY2024 as the new baseline.

The full Sustainability Report for FY2024 is available on the Company's website at www.interraresources.com.

SUMMARY SUSTAINABILITY REPORT

Health and Safety

Achieve zero safety incidents

Achievements

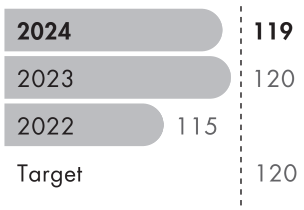
- **Achieved zero safety incidents in Myanmar**

FY2024 progress

- We had no safety incidents in Myanmar, demonstrating our commitment to the safety of the people who work in or live near our operational areas.

Limit maximum of 120 hours of overtime per employee

Overtime hours per employee (Hours)



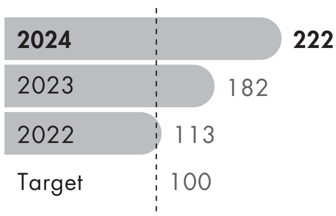
FY2024 progress

- We clocked 120 overtime hours per employee.
- We managed to keep overtime at 120 hours per employee as per our targets, and the safety of our operations was not compromised. All field operations staff had at least 8 hours of rest before commencing their work shifts.

Community

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

Investment in community projects (US$'000)



FY2024 progress

- We invested about US$222,000 in the Chauk and Yenangyaung communities, supporting causes such as healthcare, education and infrastructure.

The full Sustainability Report for FY2024 is available on the Company's website at www.interraresources.com.

SHAREHOLDER DEMOGRAPHICS

AS AT 25 APRIL 2025

ISSUED SHARE CAPITAL

Class: Ordinary Shares	Number of Shares	Voting Rights
Total number of issued shares excluding treasury shares	633,034,104	One (1) vote per share (on poll)
Treasury shares	22,464,500 (3.55%*)	No voting rights
Subsidiary holdings	0 (0%*)	No voting rights

Distribution of Shareholdings
(As per the Register of Members and Depository Register)

Size of Shareholdings	Number of Shareholders	%	Number of Shares	%*
1 to 99	344	3.78	11,354	0.00
100 to 1,000	4,402	48.36	1,845,616	0.29
1,001 to 10,000	2,257	24.79	10,666,897	1.69
10,001 to 1,000,000	2,054	22.56	172,903,399	27.31
1,000,001 and above	46	0.51	447,606,838	70.71
Total	**9,103**	**100.00**	**633,034,104**	**100.00**

Twenty Largest Shareholders
(As per the Register of Members and Depository Register)

Name of Shareholder	Number of Shares	%*
NG SOON KAI	170,733,300	26.97
CITIBANK NOMINEES SINGAPORE PTE LTD	58,076,956	9.17
LIM AND TAN SECURITIES PTE LTD	33,540,400	5.30
TAN KAH HENG (CHEN JIAXING)	29,180,700	4.61
PHILLIP SECURITIES PTE LTD	20,824,687	3.29
RAFFLES NOMINEES (PTE) LIMITED	10,779,836	1.70
OCBC SECURITIES PRIVATE LTD	10,220,392	1.61
HUSNI HERON	8,088,126	1.28
GOH KHAY PHENG (WU QIPING)	7,500,000	1.18
WANG YAGUANG	6,800,000	1.07
ABN AMRO CLEARING BANK N.V.	6,345,088	1.00
CHUA LAI SIANG	6,300,000	1.00
CHUA SEOK YIN @ CHUA XIN BEI	6,000,000	0.95
LOW CHEN PENG	5,769,500	0.91
UOB KAY HIAN PTE LIMITED	5,138,660	0.81
IP YUEN KWONG	4,668,400	0.74
DBS NOMINEES PTE LTD	4,176,081	0.66
CHEW LEONG CHEE	4,000,000	0.63
TAN BOON PEW	3,198,000	0.51
IFAST FINANCIAL NOMINEES PTE LTD	2,184,480	0.44
Total	**404,154,606**	**63.83**

* *Percentage is computed based on the total number of issued shares of the Company excluding treasury shares.*

SHAREHOLDER DEMOGRAPHICS

AS AT 25 APRIL 2025

Substantial Shareholders
(As per the Register of Substantial Shareholders)

	Direct Interest		Deemed Interest	
Substantial Shareholder	**Number of Shares**	**%***	**Number of Shares**	**%***
Ng Soon Kai[1]	170,733,300	26.97	6,000,000	0.95
Poly Legend International Limited ("PLI")[2]	37,473,100	5.92	–	–

Notes:

(1) Ng Soon Kai is deemed to have an interest in the 6,000,000 shares held by his spouse, Chua Seok Yin.

(2) Although the Company has not received formal notification in respect of a change in percentage level of interests in voting shares of the Company or ceasing to be a substantial shareholder in the manner prescribed by the Monetary Authority of Singapore by way of Form 3 from PLI, the Company has reasonable grounds to believe that it is no longer a substantial shareholder as at the date of the Annual Report. The Company has reminded PLI to provide it with the requisite notification in the prescribed manner and will make the relevant announcements via SGXNet when the notification is duly received from PLI.

Public Shareholding

Based on the information available to the Company, approximately 72%[3] of the total number of issued ordinary shares of the Company excluding treasury shares is held by the public as at 25 April 2025. This is in compliance with Rule 723 of the SGX-ST Listing Manual.

Note:

(3) For the purpose of the computation of the total number of issued ordinary shares held by the "public" under Rule 723 of the SGX-ST Listing Manual, the shareholding interests of PLI were disregarded as shares held by a "Substantial Shareholder", for the reason explained in Note 2 to the list of Substantial Shareholders above.

* *Percentage is computed based on the total number of issued shares of the Company excluding treasury shares.*

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

The directors present their statement to the members together with the audited statement of financial position of the Company as at 31 December 2024 and the consolidated financial statements of the Group for the financial year ended 31 December 2024.

In the opinion of the directors,

(a) the statement of financial position of the Company and the consolidated financial statements of the Group as set out on pages 63 to 130 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2024 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company statement are as follows:

Ng Soon Kai
Tjia Marcel Han Liong
Khoo Chun Leng William
Loh Yu Jun
Tong Miin (Appointed on 29 April 2024)

Arrangements to enable Directors to Acquire Shares or Debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than as disclosed under "Share Options" on pages 53 to 54.

Directors' Interests in Shares or Debentures

(a) According to the register kept by the Company for the purposes of Section 164 of the Singapore Companies Act 1967 (the "Act"), the interests of directors holding office at the end of the financial year in shares or debentures of the Company and its related corporations other than wholly-owned subsidiary corporations were as follows:

	Held in the Name of Director or Nominee		Held in which the Director is Deemed to Have an Interest	
	At end of the financial year and 21 January 2025	At beginning of the financial year or date of appointment, if later	At end of the financial year and 21 January 2025	At beginning of the financial year or date of appointment, if later
The Company				
No. of Ordinary Shares				
Ng Soon Kai[1]	170,733,300	170,733,300	6,000,000	6,000,000

[1] Ng Soon Kai is deemed to have an interest in the 6,000,000 ordinary shares held by his spouse, Chua Seok Yin.

(b) According to the register of directors' shareholdings, no directors holding office at the end of the financial year had interests in options to subscribe for ordinary shares of the Company granted pursuant to the Interra Share Option Plan under "Share Options" on pages 53 to 54.

(c) By virtue of Section 7 of the Singapore Companies Act 1967, Mr Ng Soon Kai is deemed to have an interest in the shares of all the Company's subsidiary corporations at the end of the financial year.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Directors' Contractual Benefits

Except as disclosed in the accompanying financial statements and in this statement, since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest.

Share Options

(a) Interra Share Option Plan 2017

The Interra Share Option Plan 2017 ("ISOP 2017") was approved by members of the Company at an Extraordinary General Meeting on 28 April 2017. ISOP 2017 provides a means to recruit, retain and give recognition to directors of the Group, employees, controlling shareholders and/or their associates, who have contributed to the success and development of the Group with an opportunity to participate in the equity of the Company and to motivate them to better performance through increased dedication and loyalty. The ISOP 2017 is administered by the Remuneration Committee, of which the members at the date of this statement are as follows:

Tong Miin (Chairman)
Khoo Chun Leng William
Loh Yu Jun

Subject to the absolute discretion of the Remuneration Committee, the controlling shareholders and/or their associates are eligible to participate in the ISOP 2017, provided that the participation of the controlling shareholders and/or their associates and the actual number of shares comprised in the option(s) and terms of such option(s) to be granted to any of them only be effected with the specific prior approval of independent shareholders in a general meeting in separate resolutions. The aggregate number of shares over which options can be granted to one controlling shareholder or his associate shall not exceed 10% of the total number of shares available under the ISOP 2017, and the aggregate number of shares over which options can be granted to all controlling shareholders and their associates shall not exceed 25% of the total number of shares available under the ISOP 2017.

Under the ISOP 2017, options to subscribe for the ordinary shares of the Company are granted to directors and employees of the Group after taking into account criteria such as the rank, job performance, years of service, potential for future development, contribution to the success and development of the Group and the prevailing market and economic conditions. The exercise price of the options is determined at the average of the closing prices of the Company's ordinary shares as quoted on the Singapore Exchange Securities Trading Limited ("SGX-ST") for five consecutive market days immediately preceding the date of the grant or a price which is set at a premium or discount to the market price, the quantum of such premium or discount (up to 20%) is to be determined by the Remuneration Committee in its absolute discretion. Options granted at market price or premium may be vested after one year from the date of grant and are exercisable over a period of four years, while options granted at a discount may be vested after two years from the date of grant and are exercisable over a period of three years. The options may be exercised, in whole or in part (being 1,000 shares or any multiple thereof), on the payment of the aggregate exercise price. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

The aggregate number of shares over which options may be granted on any date, when added to the number of shares issued and issuable in respect of all options granted under the ISOP 2017, shall not exceed 15% of the issued shares of the Company (excluding treasury shares and subsidiary holdings) on the day preceding that date.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Share Options (Continued)

(a) Interra Share Option Plan 2017 (Continued)

On 17 November 2023, the Company granted options to key management personnel and employees to subscribe for 2,900,000 ordinary shares of the Company at exercise price of S$0.036 per share ("2023 Options"). The 2023 Options were exercisable from 18 November 2024, and will expire on 17 November 2028. The fair value of the 2023 Options granted was estimated to be S$34,499 (equivalent to US$25,575) using the Binomial Option Pricing Model. On 24 May 2024, the Company granted share options to the Executive Chairman to subscribe for 5,000,000 shares at an exercise price of S$0.038 per share and to other Directors to subscribe for a total of 20,000,000 shares at an exercise price of S$0.036 per share ("2024 Options"). The 2024 Options are exercisable from 25 May 2025 and will expire on 24 May 2029. The fair value of the 2024 Options granted was estimated to be S$207,900 (US$153,949) using the Binomial Option Pricing Model.

Details of the 2024 Options granted to directors and 2023 Options granted to key management personnel and employees of the Company were as follows:

	Number of Unissued Ordinary Shares of the Company under Option			
	Aggregate granted since commencement of Plan to end of the financial year	**Aggregate exercised since commencement of Plan to end of the financial year**	**Aggregate lapsed since commencement of Plan to end of the financial year**	**Aggregate outstanding at end of the financial year**
2023 Options	2,900,000	–	–	2,900,000
2024 Options	25,000,000	–	–	25,000,000

No options have been granted to controlling shareholders of the Company or their associates (as defined in the Listing Manual of the SGX-ST).

No participant under the ISOP 2017 received 5% or more of the total number of shares available under the ISOP 2017.

(b) Share Options Outstanding

The number of unissued ordinary shares of the Company under option in relation to the Plan outstanding at the end of the financial year was as follows:

	Number of Unissued Ordinary Shares under Option			
	At end of the financial year	**At beginning of the financial year**	**Exercise price**	**Exercise period**
2023 Options	2,900,000	2,900,000	S$0.036	18 November 2024 to 17 November 2028
2024 Options	20,000,000	–	S$0.036	25 May 2025 to 24 May 2029
2024 Options	5,000,000	–	S$0.038	25 May 2025 to 24 May 2029
	27,900,000	2,900,000		

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Audit Committee

The members of the Audit Committee at the date of this statement are set out as follows:

Loh Yu Jun (Chairman)
Khoo Chun Leng William
Tong Miin

All members of the Audit Committee are non-executive directors and independent directors.

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act. In performing those functions, the Audit Committee reviewed:

- the scope and the results of internal audit procedures with the internal auditor;
- the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditor and the internal auditor; and
- the statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2024 before their submission to the Board of Directors.

The Audit Committee has recommended to the Board of Directors that CLA Global TS Public Accounting Corporation, be nominated for re-appointment as independent auditor of the Company at the forthcoming Annual General Meeting of the Company.

Independent Auditor

The independent auditor, CLA Global TS Public Accounting Corporation, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors

Ng Soon Kai
Director

Tjia Marcel Han Liong
Director

5 May 2025

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INTERRA RESOURCES LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Interra Resources Limited (the "Company") and its subsidiary corporations (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 63 to 130.

In our opinion, the accompanying statement of financial position of the Company and the consolidated financial statements of the Group are properly drawn up in accordance with the provision of the Singapore Companies Act 1967 (the "Act"), Singapore Financial Reporting Standards (International) ("SFRS(I)s") and International Financial Reporting Standards ("IFRS") so as to give a true and fair view of the financial position of the Company and the consolidated financial position of the Group as at 31 December 2024 and of the consolidated financial performance, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year ended on that date.

Basis of Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the *Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics applicable to Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significant in our audit of the financial statements of the current financial year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1 Impairment of Non-financial Assets

(a) <u>Exploration and Evaluation ("E&E") Assets</u>

Refer to Note 2(c)(i), Note 3(a) and Note 7 to the financial statements.

Area of focus

The carrying value of E&E assets as at 31 December 2024 amounted to US$10,428,197 (2023: US$10,453,398), which represent 19% (2023: 20%) of the Group's total assets. The Group's E&E costs relate to exploration costs incurred for Kuala Pambuang ("KP") block under Production Sharing Contract ("PSC"), Indonesia.

Under SFRS(I) 6 *Exploration for and Evaluation of Mineral Resources*, E&E costs shall be assessed for impairment when facts and circumstances suggest that the carrying amount of the E&E assets may exceed its recoverable amount. When facts and circumstances suggest that the carrying amount exceeds the recoverable amount, an entity shall measure, present, and disclose any resulting impairment loss in accordance with SFRS(I)1-36 *Impairment of Assets*. E&E costs capitalised are written off unless commercial reserves have been established or in the progress of appraisal process.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INTERRA RESOURCES LIMITED

Key Audit Matters (Continued)

1 Impairment of Non-financial Assets (Continued)

(a) Exploration and Evaluation ("E&E") Assets (Continued)

Area of focus (Continued)

The realisation of the carrying value of E&E assets is dependent on the Group's ability and intention to continue with the exploration. The carrying value may also be impacted by the results of exploration work indicating that the E&E assets may not hold hydrocarbons that are commercially viable for extraction.

As disclosed in Note 3(a) to the financial statements, management performed an impairment assessment of E&E assets. The recoverable amount was determined using a value-in-use basis using a discounted cash flow model. Based on the assessment, no impairment charge on E&E assets was recognised for the financial year ended 31 December 2024, as the estimated recoverable amounts exceeded the carrying amount. An application for a further exploration extension period was submitted to Satuan Kerja Khusus Pelaksana Kegiatan Usaha Hulu Minyak Dan Gas Bumi ("SKKMIGAS") on 17 January 2025, as the third extension of the exploration period ended on 14 March 2025. Following the meeting with SKKMIGAS on 20 February 2025, the Group was informed that SKKMIGAS had no objection with the extension and would issue the extension letter on or before the end of first half of year 2025. Accordingly, the Group continues to hold the rights to explore.

In view of the significant involvement of management and industry expert estimates and judgements to assess the recoverable amounts of E&E assets, this has been determined as one of the key audit matters.

How our audit addressed the area of focus

In obtaining sufficient audit evidence, the following procedures were carried out:

- Evaluated and assessed the management's basis and judgement over the review of impairment indicators assessment on the E&E assets, on the following points:
  - Rights to explore in the relevant exploration license
  - Intention to carry out E&E activities in relevant exploration area
  - Ability to finance any planned future E&E activities and drilling operation
- Obtained and reviewed impairment assessment prepared by management together with independent consultant, analysed the net present value used and determine whether they are reasonable and supportable given the current economic situation;
- Evaluated the reasonableness and appropriateness of key assumptions used by the management, by comparing them against publicly available market data;
- With the assistance of internal valuation expert, evaluated whether the model and methodology used by management to determine the recoverable amount complies with SFRS(I) 1-36 *Impairment of Assets* and assessed the reasonableness of the discount rate used; and
- Reviewed and assessed the adequacy and appropriateness of disclosures made in the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INTERRA RESOURCES LIMITED

Key Audit Matters (Continued)

1 Impairment of Non-financial Assets (Continued)

(b) <u>Producing Oil and Gas Properties</u>

Refer to Note 2(c)(v), Note 3(b) and Note 6 to the financial statements.

Area of focus

The carrying value of producing oil and gas properties as at 31 December 2024 amounted to US$9,591,114 (2023: US$10,507,383), which represented 18% (2023: 20%) of the Group's total assets.

In accordance with SFRS(I) 1-36 *Impairment of Assets*, the Group is required to assess the producing oil and gas properties at each reporting date, whether there is any indication that an asset may be impaired. If such indication exists, the Group shall estimate the recoverable amounts of the asset through an estimate of expected future cash flows from each asset or cash-generating-unit ("CGU").

As disclosed in Note 3(b) to the financial statements, the management has prepared the impairment assessment of the producing oil and gas properties as at 31 December 2024. The recoverable amount was determined on a value-in-use basis using a discounted cash flow model. Based on the assessment, no impairment charge was recognised for the financial year ended 31 December 2024, as the estimated recoverable amounts exceeded the carrying amount.

In view of the inherent uncertainties in the political environment affecting the Group's operation and the preparation of cash flows projection, which involve significant management's judgments and estimates, this has been determined as one of the key audit matters.

How our audit addressed the area of focus

In obtaining sufficient audit evidence, the following procedures were carried out:

- Reviewed management's assessment on impairment indicators;
- Obtained and reviewed impairment assessment prepared by management, and analysed the assumptions used in preparation the cash flow projection to determine whether the assumptions used are reasonable and supportable given the current political situation in Myanmar;
- With the assistance of internal valuation expert, evaluated whether the model and methodology used by management to determine the recoverable amount complies with SFRS(I) 1-36 *Impairment of Assets* and assessed the reasonableness of the discount rate used;
- Evaluated the reasonableness and appropriateness of key assumptions used by management, by comparing them against historical forecasts and performance, as well as publicly available market data; and
- Reviewed and assessed the adequacy and appropriateness of disclosures made in the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INTERRA RESOURCES LIMITED

Key Audit Matters (Continued)

2 Expected Credit Losses ("ECL") on Other Receivables

Refer to Note 2(I)(ii), Note 3(d), Note 15 and Note 34(b) to the financial statements.

Area of focus

As of 31 December 2024, the Group and the Company have other receivables from non-related parties and subsidiary corporations of US$6,643,403 and US$3,407,112 respectively which are related to the Group's operation in KP PSC. These receivables represent 12% and 13% of the Group's and the Company's total assets respectively.

In accordance with SFRS(I) 9 *Financial Instruments*, the Group and the Company applied general approach (12 months ECL) for its other receivables. In determining the ECL, the Group and the Company have assessed the probability of default and estimation of the cash flows from these receivables. This includes both quantitative and qualitative information and analysis based on the Group's and Company's historical experience. The Group and the Company also considered the forward-looking overlay adjustments on the uncertainties in existing market conditions. The estimation of ECL is performed by management and approved by the Audit Committee and the Board of Directors.

As disclosed in Note 3(d) to the financial statements, the management conducted an ECL assessment on other receivables for the Group and the Company. Consequently, it was determined that no ECL were required at the Group and the Company.

As the ECL assessment on other receivables involved significant management's judgements and assumptions, this has been determined as one of the key audit matters.

How our audit addressed the area of focus

In obtaining sufficient audit evidence, the following procedures were carried out:

- Discussed with management on the recoverability of long outstanding financial assets and assessed whether there has been a change in the credit risk;
- Considered the appropriateness of the estimates and judgements used by management in the assessment of impairment of financial assets including historical default experience and the financial position of the counterparties, adjusted for factors that are specific in estimating the probability of default; and
- Verified to subsequent receipts or any other evidence to support the recoverability of outstanding financial assets; and
- Reviewed and assessed the adequacy and appropriateness of disclosures made in the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INTERRA RESOURCES LIMITED

Key Audit Matters (Continued)

3 Compliance of Laws and Regulations in relation to Myanmar Operations

Refer to Note 1 and Note 3(h) to the financial statements.

Area of focus

On 29 January 2025, an activist group, *Justice for Myanmar*, published an article alleging that the Group contributed to the Myanmar junta's war efforts by supplying oil that was subsequently refined into jet fuel and diesel for military use. The article further alleged that the Group failed to disclose dealings that may have constituted a breach of international sanction laws.

Following these allegations, Singapore Exchange Regulation ("SGX RegCo") raised queries regarding the Group's operations in Myanmar. To address the concerns over any potential violation of relevant laws and regulations, the Company engaged Prolegis LLC and Herbert Smith Freehills LLP, through their Formal Law Alliance Herbert Smith Freehills Prolegis to advise on whether the Group's dealings and operations in Myanmar would violate any potential sanctions from European Union and United States of America law perspective. Additionally, the legal opinion also assesses, from a legal perspective, whether any potential violations could have an impact on the Group's business and operations. Disclosure relating to the legal opinion obtained is provided in Note 3(h) to the financial statements. The management has assessed that there are no present obligations and no material operational or reputational risks arising from these allegations. Accordingly, no financial impact on the Group has been identified for the current reporting period.

In view of the nature of the allegations and the potential legal, regulatory, reputational or any other risks involved, management is required to exercise significant judgement in evaluating the impact of the allegations on the Group from an operational, financial and reporting perspective. Therefore, this has been determined as one of the key audit matters.

How our audit addressed the area of focus

In obtaining sufficient audit evidence, the following procedures were carried out:

- Obtained and reviewed the independent legal opinion obtained by management to support management's assessment of the Group's compliance with laws and regulations.
- Assessed the independence and credentials of the law firm and the legal professionals who provided the legal opinion.
- Discussed with management and evaluated management's assessment of any potential financial impact in accordance with SFRS(I) 1-37 *Provision, Contingent Liabilities and Contingent Assets*; and
- Reviewed and assessed the adequacy and appropriateness of disclosures made in the consolidated financial statements.

Other Information

Management is responsible for the other information. The other information comprises the Directors' statement and other sections of the annual report, which we obtained prior to the date of this auditor's report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INTERRA RESOURCES LIMITED

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act, SFRS(I) and IFRS, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INTERRA RESOURCES LIMITED

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current financial year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement director on the audit resulting in this independent auditor's report is Lee Look Ling.

CLA Global TS Public Accounting Corporation
Public Accountants and Chartered Accountants

Singapore
5 May 2025

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Note	Company 2024 US$	Company 2023 US$	Group 2024 US$	Group 2023 US$
ASSETS					
Non-current assets					
Property, plant and equipment	4	**791**	8,873	**791**	8,873
Right-of-use assets	5	**124,691**	206,115	**245,087**	245,300
Producing oil and gas properties	6	**–**	–	**9,591,114**	10,507,383
Exploration and evaluation assets	7	**–**	–	**10,428,197**	10,453,398
Investments in subsidiary corporations	9	**19,062,102**	19,062,102	**–**	–
Investments in associated company	10	**–**	–	**–**	–
Investments in joint venture	11	**286,925**	286,925	**272,925**	284,420
Financial assets, at fair value through other comprehensive income ("FVOCI")	12	**–**	–	**811,064**	–
Financial assets, at fair value through profit or loss ("FVPL")	13	**1,088,454**	1,123,608	**1,088,454**	1,123,608
Trade and other receivables	15	**3,407,112**	3,735,022	**6,643,403**	5,992,715
		23,970,075	24,422,645	**29,081,035**	28,615,697
Current assets					
Inventories	14	**–**	–	**3,370,247**	3,351,187
Trade and other receivables	15	**1,605,165**	94,066	**3,452,807**	2,722,131
Other current assets	16	**58,762**	62,330	**365,168**	159,420
Cash and cash equivalents	17	**254,183**	263,857	**17,965,717**	17,257,644
		1,918,110	420,253	**25,153,939**	23,490,382
Total Assets		**25,888,185**	24,842,898	**54,234,974**	52,106,079
LIABILITIES					
Non-current liabilities					
Trade and other payables	18	**–**	–	**841,949**	841,949
Lease liabilities	19	**41,654**	123,110	**124,215**	123,110
		41,654	123,110	**966,164**	965,059
Current liabilities					
Trade and other payables	18	**11,145,005**	11,334,926	**3,388,435**	3,740,538
Lease liabilities	19	**78,323**	84,990	**116,160**	125,436
Current income tax liabilities	20	**414,979**	172,246	**1,965,172**	3,035,734
		11,638,307	11,592,162	**5,469,767**	6,901,708
Total Liabilities		**11,679,961**	11,715,272	**6,435,931**	7,866,767
NET ASSETS		**14,208,224**	13,127,626	**47,799,043**	44,239,312
EQUITY					
Share capital	22	**75,157,304**	75,157,304	**75,157,304**	75,157,304
Treasury shares	23	**(591,818)**	–	**(591,818)**	–
Accumulated losses		**(60,476,050)**	(62,032,761)	**(11,636,639)**	(15,834,221)
Other reserves	25	**118,788**	3,083	**(16,625,718)**	(16,613,162)
Equity attributable to owners of the Company		**14,208,224**	13,127,626	**46,303,129**	42,709,921
Non-controlling interests	9	**–**	–	**1,495,914**	1,529,391
TOTAL EQUITY		**14,208,224**	13,127,626	**47,799,043**	44,239,312

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	2024 US$	2023 US$
Revenue	26	**17,120,929**	19,127,007
Cost of production		**(10,150,035)**	(11,946,429)
Gross profit		**6,970,894**	7,180,578
Other income, net	27	**1,714,084**	3,225,652
Other loss			
– Impairment loss		**–**	(4,883,829)
Expenses			
– Administrative expenses		**(3,807,148)**	(3,222,711)
– Finance expenses	28	**(106,236)**	(102,861)
Share of losses of joint venture after tax	11	**(11,495)**	(2,505)
Profit before income tax		**4,760,099**	2,194,324
Income tax expense	21	**(636,727)**	(1,069,828)
Net profit		**4,123,372**	1,124,496
Attributable to:			
Equity holders of the Company		**4,197,582**	2,521,510
Non-controlling interests		**(74,210)**	(1,397,014)
		4,123,372	1,124,496
Other comprehensive (loss)/income:			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences – (loss)/gain on consolidation	25(b)(iv)	**(57,027)**	15,548
Items that will not be reclassified subsequently to profit or loss:			
Financial assets, at FVOCI			
– Fair value loss – equity investments	25(b)(iii)	**(71,234)**	–
Other comprehensive (loss)/income, net of tax		**(128,261)**	15,548
Total comprehensive income		**3,995,111**	1,140,044
Total comprehensive profit attributable to:			
Equity holders of the Company		**4,069,321**	2,537,058
Non-controlling interests		**(74,210)**	(1,397,014)
		3,995,111	1,140,044
Earnings per share for profit from operations attributable to equity holders of the Company (cents per share)			
Basic earnings per share	31	**0.645**	0.385
Diluted earnings per share	31	**0.644**	0.385

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Attributable to Equity Holders of the Company									
Group	**Note**	**Share Capital US$**	**Currency Translation Reserve US$**	**Treasury Shares US$**	**Special Reserve US$**	**Share Option Reserve US$**	**Fair Value Reserve US$**	**Accumulated Losses US$**	**Total US$**	**Non-Controlling Interests US$**	**Total Equity US$**
At 1 January 2024		**75,157,304**	**(72,105)**	**–**	**(16,544,140)**	**3,083**	**–**	**(15,834,221)**	**42,709,921**	**1,529,391**	**44,239,312**
Profit/(Loss) for the financial year		–	–	–	–	–	–	4,197,582	4,197,582	(74,210)	4,123,372
Currency translation differences											
– loss on consolidation	25(b)(iv)	–	(57,027)	–	–	–	–	–	(57,027)	–	(57,027)
Fair value loss											
– equity investments	25(b)(iii)	–	–	–	–	–	(71,234)	–	(71,234)	–	(71,234)
Total comprehensive income/(loss) for the financial year		**–**	**(57,027)**	**–**	**–**	**–**	**(71,234)**	**4,197,582**	**4,069,321**	**(74,210)**	**3,995,111**
Purchase of treasury shares	23	–	–	(591,818)	–	–	–	–	(591,818)	–	(591,818)
Employee share option plan – value of employee services	25(b)(ii)	–	–	–	–	115,705	–	–	115,705	–	115,705
Additional increase of non-controlling interests in subsidiary corporation	9	–	–	–	–	–	–	–	–	40,733	40,733
Total transactions with owners, recognised directly in equity		**–**	**–**	**(591,818)**	**–**	**115,705**	**–**	**–**	**(476,113)**	**40,733**	**(435,380)**
At 31 December 2024		**75,157,304**	**(129,132)**	**(591,818)**	**(16,544,140)**	**118,788**	**(71,234)**	**(11,636,639)**	**46,303,129**	**1,495,914**	**47,799,043**

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Attributable to Equity Holders of the Company							
Group	**Note**	**Share Capital US$**	**Currency Translation Reserve US$**	**Special Reserve US$**	**Share Option Reserve US$**	**Accumulated Losses US$**	**Total US$**	**Non-Controlling Interests US$**	**Total Equity US$**
At 1 January 2023		**75,157,304**	**(87,653)**	**(16,544,140)**	**–**	**(18,355,731)**	**40,169,780**	**2,728,591**	**42,898,371**
Profit/(Loss) for the financial year		–	–	–	–	2,521,510	2,521,510	(1,397,014)	1,124,496
Currency translation differences – gain on consolidation	25(b)(iv)	–	15,548	–	–	–	15,548	–	15,548
Total comprehensive income/(loss) for the financial year		**–**	**15,548**	**–**	**–**	**2,521,510**	**2,537,058**	**(1,397,014)**	**1,140,044**
Employee share option plan – value of employee services	25(b)(ii)	–	–	–	3,083	–	3,083	–	3,083
Additional increase of non-controlling interests in subsidiary corporation	9	–	–	–	–	–	–	197,814	197,814
Total transactions with owners, recognised directly in equity		**–**	**–**	**–**	**3,083**	**–**	**3,083**	**197,814**	**200,897**
At 31 December 2023		**75,157,304**	**(72,105)**	**(16,544,140)**	**3,083**	**(15,834,221)**	**42,709,921**	**1,529,391**	**44,239,312**

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	2024 US$	2023 US$
Cash flows from operating activities			
Net profit		**4,123,372**	1,124,496
Adjustments for non-cash items			
Income tax expense	21	**636,727**	1,069,828
Depreciation of property, plant and equipment	4	**8,082**	24,564
Depreciation of right-of-use assets	5	**120,610**	120,610
Amortisation of producing oil and gas properties	6	**1,929,153**	3,192,988
Impairment loss on exploration and evaluation assets	7	**–**	4,883,829
Share of losses of joint venture after tax	11	**11,495**	2,505
Interest income from financial assets, at FVPL	27	**(96,020)**	(7,957)
Interest income from bank deposits	27	**(776,985)**	(637,818)
Interest income from loan to non-related parties	27	**(633,025)**	(562,384)
Interest on lease liabilities	28	**13,284**	9,910
Interest on provision of reinstatement costs	28	**51**	50
Unwinding of interest-free from non-current payables	28	**92,901**	92,901
Amortised cost adjustment for interest-free non-current payables	27	**(92,901)**	(92,901)
Fair value loss on financial assets, at FVPL	27	**–**	12,529
Gain on derecognised of lease liabilities	27	**–**	(54,389)
Gain on disposal of intangible assets	27	**–**	(1,712,221)
Reversals of exploration and evaluation assets	7	**143,845**	–
Share option expenses	25b(ii)	**115,705**	3,083
Unrealised currency translation losses		**1,180**	5,581
Operating profit before working capital changes		**5,597,474**	7,475,204
Changes in working capital			
Inventories		**(19,060)**	468,007
Trade and other receivables and other current assets		**(897,408)**	2,466,590
Trade and other payables		**(352,103)**	(825,839)
Cash generated from operations		**4,328,903**	9,583,962
Income tax paid	20	**(1,697,480)**	(1,461,756)
Net cash provided by operating activities		**2,631,423**	8,122,206
Cash flows from investing activities			
Interest received		**877,016**	606,351
Investments in joint venture	11	**–**	(286,925)
Purchases of financial assets, at FVOCI	12	**(939,801)**	–
Purchases of financial assets, at FVPL	13	**–**	(1,123,380)
Additions of property, plant and equipment	4	**–**	(1,661)
Additions of producing oil and gas properties	6	**(1,012,884)**	(2,619,055)
Additions of exploration and evaluation assets	7	**(118,644)**	(1,422,081)
Net cash used in investing activities		**(1,194,313)**	(4,846,751)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	2024 US$	2023 US$
Cash flows from financing activities			
Interest paid		**(13,284)**	(9,910)
Purchase of treasury shares	23	**(591,818)**	–
Principal payment of lease liabilities		**(123,792)**	(145,754)
Net cash used in financing activities		**(728,894)**	(155,664)
Net increase in cash and cash equivalents		**708,216**	3,119,791
Cash and cash equivalents at beginning of the financial year		**17,257,644**	14,137,815
Effects of currency translation on cash and cash equivalents		**(143)**	38
Cash and cash equivalents at end of the financial year	17	**17,965,717**	17,257,644

Reconciliation of liabilities arising from financing activities

	1 January 2024 US$	Principal and interest payments US$	Non-cash changes			31 December 2024 US$
			Additions US$	Interest expense US$	Currency translation US$	
Lease liabilities	248,546	(137,076)	120,397	13,284	(4,776)	240,375

	1 January 2023 US$	Principal and interest payments US$	Non-cash changes			31 December 2023 US$
			Derecognised of lease liabilities US	Interest expense US$	Currency translation US$	
Lease liabilities	445,148	(155,664)	(54,389)	9,910	3,541	248,546

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL

Interra Resources Limited (the "Company") is a company incorporated in the Republic of Singapore and is publicly traded on the Singapore Exchange Securities Trading Limited ("SGX-ST") Mainboard. The address of its registered office is at 1 Grange Road #05-04 Orchard Building Singapore 239693.

The principal activity of the Company is that of investment holding.

The principal activities, country of incorporation and place of operation of the subsidiary corporations, associated company and joint venture of the Group are set out in Note 9, Note 10 and Note 11 to the financial statements respectively.

The consolidated financial statements relate to the Company and its subsidiary corporations (the "Group") and the Group's interests in joint operations, associated company and joint venture.

Updates on Company's operations in Myanmar for Financial Year 2024:

On 31 January 2025, the Company received queries from the Singapore Exchange Regulation ("SGX RegCo") in relation to the Company's operations in Myanmar. The Company requested for a trading suspension of its securities on 6 February 2025 and released an announcement on its responses to SGX RegCo's queries on the same date. In its responses to SGX RegCo's queries, the Company stated that it will seek professional legal advice as to whether the Group's dealings may violate the Relevant Foreign Laws as stated in the announcement and whether a potential violation may have any impact on the business and operations of the Group.

On 28 February 2025, the Company has engaged Prolegis LLC and Herbert Smith Freehills LLP, through their Formal Law Alliance Herbert Smith Freehills Prolegis ("HSF Prolegis") to provide the professional legal advice. The scope of engagement involves HSF Prolegis providing a legal opinion on matters including whether the Company's dealings and operations in Myanmar would violate any sanctions laws from a United States of America ("US") or from a European Union ("EU") law perspective and from a legal perspective only, whether a potential violation thereof would have any impact on the business and operations of the Company.

Subsequently, on 11 April 2025, the Company received the legal opinion from HSF Prolegis. Based on the facts and information provided, HSF Prolegis has concluded that the Group has not breached the Relevant Foreign Laws and accordingly, the risk of a potential violation of US or EU sanctions having an impact on the business and operations of the Group would be minimal.

Political Instability Impact on Myanmar operations

As political instability in Myanmar remained challenging during financial year 2024, the Group will continue to monitor the situation closely. While current operations remain on-going, the Group's operations and financial results may still be impacted, as there remains a potential risk of disruption to its activities in Myanmar. The management of the Group is of the view that they are unable to ascertain the potential longer-term impact over the Group's financial performance. If the abovementioned situation persists beyond management's current expectation, the Group's assets may be subject to write down in the subsequent financial periods.

2. MATERIAL ACCOUNTING POLICIES

(a) Basis of Preparation

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)s") and International Financial Reporting Standards ("IFRS") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I)s requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(a) Basis of Preparation (Continued)

Interpretations and amendments to published standards effective in 2024

On 1 January 2024, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

Effective for annual periods beginning on or after 1 January 2024

1 January 2024	Amendments to: – SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current* – SFRS(I) 1-1: *Non-current Liabilities with Covenants* – SFRS(I) 1-7 and SFRS(I) 7: *Supplier Finance Arrangements* – SFRS(I) 16: *Lease Liability in a Sale and Leaseback*

The amendments listed above did not have any impact on the amounts recognised in prior periods and not expected to significantly affect the current or future periods.

The following are the new and amended Standards and Interpretations (issued by the Accounting Standards Council Singapore ("ASC") up to 31 December 2024 that are not yet applicable, but may be early adopted for the current financial year.

Annual periods commencing on	Description
1 January 2025	Amendments to SFRS(I) 1-21: *Lack of Exchangeability*
1 January 2026	Amendments to SFRS(I) 9 and SFRS(I) 7: *Amendments to the Classification and Measurement of Financial Instruments*
	Annual Improvements to SFRS(I)s – Volume 11
	Amendments to SFRS(I) 9 and SFRS(I) 7: *Contracts Referencing Nature-dependent Electricity*
1 January 2027	SFRS(I) 18: *Presentation and Disclosure in Financial Statements*
	SFRS(I) 19: *Subsidiaries without Public Accountability: Disclosures*

The new or amended accounting Standards and Interpretations listed above are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Group. These are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

(b) Group Accounting

(i) Subsidiary Corporations

(1) Consolidation

Subsidiary corporations are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiary corporations are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiary corporation has been changed where necessary to ensure consistency with the policies adopted by the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Group Accounting (Continued)

(i) Subsidiary Corporations (Continued)

(1) Consolidation (Continued)

Non-controlling interests comprise the portion of a subsidiary corporation's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary corporation, even if this results in the non-controlling interests having a deficit balance.

Investments in subsidiary corporations are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of such investments, the difference between the disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

(2) Acquisition

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary corporation or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary corporation measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interests in the acquiree at the date of acquisition either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets.

Where the business combination is achieved in stages, the fair value of the previously held interest immediately before the acquisition date shall form part of the total purchase consideration. That acquisition date fair value shall be disclosed together with the amount of any gain or loss recognised as a result of re-measuring to fair value the previously held interest, and the line item in the statement of comprehensive income where that gain or loss is included.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to the asset or liability is recognised in accordance with SFRS(I) 7 *Financial Instruments: Disclosures* either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. Please refer to the Note 2(d) "Intangible Assets" for the subsequent accounting policy on goodwill.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Group Accounting (Continued)

(i) Subsidiary Corporations (Continued)

(3) Disposals

When a change in the Group's ownership interest in a subsidiary corporation result in a loss of control over the subsidiary corporation, the assets and liabilities of the subsidiary corporation including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained profits if required by a specific SFRS(I).

Any retained equity interest in the entity is re-measured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiary corporations, associated companies and joint operations" for the accounting policy on investments in subsidiary corporations in the separate financial statements of the Company.

(ii) Transactions with Non-Controlling Interests

Changes in the Group's ownership interest in a subsidiary corporation that do not result in loss of control over the subsidiary corporation are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interests and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

(iii) Reverse Acquisition

Consolidated financial statements prepared following a reverse acquisition are issued under the name of the legal parent (accounting acquiree) but described in the notes as a continuation of the financial statements of the legal subsidiary corporation (accounting acquirer), with one adjustment, which is to adjust retroactively the accounting acquirer's legal capital to reflect the legal capital of the accounting acquiree.

Because the consolidated financial statements represent the continuation of the financial statements of the legal subsidiary corporation except for its capital structure, the consolidated financial statements reflect:

- the assets and liabilities of the legal subsidiary corporation (the accounting acquirer) recognised and measured at their pre-combination carrying amounts;
- the assets and liabilities of the legal parent (the accounting acquiree) are recognised at fair value and measured in accordance with SFRS(I) 3 *Business Combination* at the acquisition date;
- the retained profits and other equity balances of the legal subsidiary corporation (the accounting acquirer) before the business combination; and
- the amount recognised as issued equity interests in the consolidated financial statements is determined by adding the issued equity interest of the legal subsidiary corporation (the accounting acquirer) outstanding immediately before the business combination to the cost of reverse acquisition determined in accordance with SFRS(I) 3. However, the equity structure (i.e. the number and type of equity interests issued) reflects the equity structure of the legal parent (the accounting acquiree), including the equity interests issued by the legal parent to effect the combination. Accordingly, the equity structure of the legal subsidiary corporation (the accounting acquirer) is restated using the exchange ratio established in the acquisition agreement to reflect the number of shares of the legal parent (the accounting acquiree) issued in the reverse acquisition.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Group Accounting (Continued)

(iv) Joint Operation

The Group's joint operation is joint arrangement whereby the parties (the joint operators) that have joint control of the arrangement have rights to the assets, and obligations to the liabilities, relating to the arrangement.

The Group recognises, in relation to its interest in the joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

When the Group sells or contributes assets to a joint operation, the Group recognises gains or losses on the sale or contribution of assets that is attributable to the interest of the other joint operators. The Group recognises the full amount of any loss when the sale or contribution of assets provides evidence of a reduction in the net realisable value, or an impairment loss, of those assets.

When the Group purchases assets from a joint operation, it does not recognise its share of the gains and losses until it resells the assets to a third party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of assets to be purchased or an impairment loss.

The accounting policies of the assets, liabilities, revenues and expenses relating to the Group's interest in a joint operation have been changed where necessary to ensure consistency with the accounting policies adopted by the Group. The Company applies the same accounting policy on joint operation in its separate financial statements.

(v) Associated Companies and Joint Ventures

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%.

Joint ventures are entities over which the Group has joint control as a result of contractual arrangements, and rights to the net assets of the entities.

Investments in associated companies and joint ventures are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

(1) Acquisitions

Investments in associated companies and joint ventures are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies and joint ventures represents the excess of the cost of acquisition of the associated company or joint ventures over the Group's share of the fair value of the identifiable net assets of the associated company or joint ventures and is included in the carrying amount of the investments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Group Accounting (Continued)

(v) Associated Companies and Joint Ventures (Continued)

(2) Equity Method of Accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of its associated companies' or joint ventures' post-acquisition profits or losses of the investee in profit or loss and its share of movements in other comprehensive income of the investee's other comprehensive income. Dividends received or receivable from the associated companies or joint ventures are recognised as a reduction of the carrying amount of the investments. When the Group's share of losses in an associated company or joint venture equals to or exceeds its interest in the associated company or joint venture, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associated company or joint venture. If the associated company or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised. Interest in an associated company or joint venture includes any long-term loans for which settlement is never planned nor likely to occur in the foreseeable future.

Unrealised gains on transactions between the Group and its associated companies or joint ventures are eliminated to the extent of the Group's interest in the associated companies or joint ventures. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of associated companies or joint ventures are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(3) Disposals

Investments in associated companies or joint ventures are derecognised when the Group loses significant influence or joint control. If the retained equity interest in the former associated company or joint venture is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence or joint control is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

Investments in associated companies and joint ventures are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of such investments, the difference between the disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

(c) Producing Oil and Gas Properties

The Group applies successful efforts method of accounting for its exploration and evaluation costs, having considered for the requirements of SFRS(I) 6 *Exploration for and Evaluation of Mineral Resources*.

(i) Exploration and Evaluation Phase

Exploration and evaluation activity involves the search for hydrocarbon resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource.

Exploration and evaluation costs are accumulated in respect of each area of interest. Exploration and evaluation costs include the cost of acquisition, drilling, seismic, technical evaluation and feasibility studies, and include manpower and associated overhead charges incurred during the initial study period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(c) Producing Oil and Gas Properties (Continued)

(i) Exploration and Evaluation Phase (Continued)

Costs of evaluation and unsuccessful exploration in areas of interest where economically recoverable reserves do not currently exist (or is held under Retention Lease or equivalent) are expensed as incurred even if facilities in this area of interest are continuing. When an area of interest is abandoned or decided by the directors that it is not commercially viable, any accumulated costs in respect of that area are written off in the financial period when the decision is made. Each area of interest is also subject to technical, commercial and management review, as well as review for indicators of impairment at least once a year and its accumulated costs are written off to the extent that they will not be recoverable or impaired when proved reserves of oil and natural gas are identified and development is sanctioned by management due to unavailability of technical resources from development in near future. Each potential or recognised area of interest is evaluated as and when management deems there are indications of significant change in the oil reserves.

Exploration and evaluation costs are carried forward to where the right to tenure of the area of interest is current and they are expected to be recouped through successful development and exploitation of the area of interest, or where activities in the area of interest have not yet reached a stage that allows reasonable assessment of the existence of economically recoverable reserves. If commercial reserves have been discovered, the carrying value after the impairment loss of the relevant exploration and evaluation costs, is then reclassified as development and production assets.

(ii) Development and Production Phase

Development costs are incurred within an area of interest as a component of a commercial development phase only upon its commitment to a commercial development.

Expenditure on the construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling of commercially proven development wells, is capitalised within development and production assets and development tangible assets according to its nature.

The cost of development and production assets are capitalised as completed wells and related facilities when drilling or construction is completed. Uncompleted wells and related facilities are not amortised as these assets are not yet available for use.

(iii) Development Tangible Assets

Development tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. When assets are sold or retired, their cost and accumulated depreciation are removed from the financial statements and any gain or loss resulting from their disposal is included in profit or loss.

Subsequent expenditure relating to an asset that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(c) Producing Oil and Gas Properties (Continued)

(iv) Amortisation/Depreciation

Amortisation is not charged on costs carried forward in respect of areas of interest in the development phase until production commences. When production commences, carried forward development and production assets are amortised on units of production basis over the life of the economically recoverable reserves.

Depreciation of development tangible assets are calculated on a straight-line basis so as to write off the costs of these assets over their estimated useful life of 2 to 4 years.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

The residual values, estimated useful lives and depreciation method of development tangible assets are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

(v) Impairment

Development and production assets and development tangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest cash-generating-units ("CGU") for which there are separately identifiable cash flows.

When estimating these future cash flows, the Group makes reasonable and supportable assumptions based on a range of economic conditions that will exist over the remaining useful life of the asset. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from these estimates.

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset or its CGU is estimated to exceed its recoverable amount.

An impairment loss for an asset is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in profit or loss. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also recognised to profit or loss.

(vi) Participating Rights for Kuala Pambuang Production Sharing Contract ("KP PSC")/Concession Rights for Improved Petroleum Recovery Contracts ("IPRCs")

Participating/Concession rights relate to the Group's legal rights to explore, develop and produce oil and petroleum products. Participating/Concession rights acquired in a business combination are initially recognised at cost, which represents fair value at the date of acquisition, and are subsequently carried at cost less accumulated amortisation and impairment losses.

Concession rights are amortised on a straight-line basis from the date of initial recognition over the extended period of IPRCs. The extended period of IPRCs is 11 years from 4 April 2017 to 3 April 2028. No amortisation is charged for KP PSC during the exploration and evaluation phase.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(d) Intangible Assets

(i) Goodwill on Reverse Acquisition

Goodwill arising from reverse acquisition represents the excess of the deemed cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired of the legal parent (the accounting acquiree). Goodwill is tested for its impairment at least annually or more frequently if events or changes in circumstances indicate that the goodwill may be impaired.

(ii) Goodwill on Acquisitions

Goodwill on acquisitions of subsidiary corporations and businesses, represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired. Goodwill on subsidiary corporations is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on acquisitions of associated companies and joint venture represents the excess of the cost of acquisition over the Group's share of the fair value of the identifiable net assets acquired. Goodwill on associated companies is included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiary corporations, joint operations, associated companies and joint venture include the carrying amount of goodwill relating to the entity sold.

(iii) Computer Software

Computer software is initially capitalised at cost which includes the purchase prices (net of any discounts and rebates) and other directly attributable costs of preparing the asset for its intended use. Computer software is subsequently carried at cost less accumulated amortisation and accumulated impairment losses. The cost is amortised to profit or loss using straight-line basis over their estimated useful life of 3 to 4 years.

(iv) Patent Rights

The patent rights (i.e. technology know-how) acquired is initially recognised at cost which includes the purchase price (net of any discounts and rebates) and other directly attributable costs of preparing the asset for its intended use, and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised on a straight-line basis from the date of initial recognition over the extended period of IPRCs from 4 April 2017 to 3 April 2028.

The amortisation period and the amortisation method of intangible assets other than goodwill are reviewed at least at each reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(e) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. When assets are sold or retired, their costs and accumulated depreciation are removed from the financial statements and any gain or loss resulting from their disposal is included in profit or loss.

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss.

<u>Depreciation</u>

Depreciation on property, plant and equipment is calculated using the straight-line basis to allocate their depreciable amounts over their respective estimated useful lives as follows:

Computers	3 years
Office equipment	3 years
Renovations, furniture and fittings	2 to 3 years
Pumping tools	8 years
Motor vehicles	4 to 8 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

(f) Impairment of Non-financial Assets other than Producing Oil and Gas Properties

(i) Goodwill

Goodwill is reviewed for impairment whenever there is an indication of impairment and at least once a year.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's CGU expected to benefit from synergies arising from the business combination. An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use. The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) Impairment of Non-financial Assets other than Producing Oil and Gas Properties (Continued)

(ii) Other Non-Financial Assets

Other non-financial assets including intangible assets, property, plant and equipment, right-of-use assets, investments in subsidiary corporations, associated companies and joint venture are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs. When estimating these future cash flows, management makes reasonable and supportable assumptions based on a range of economic conditions that will exist over the remaining useful life of the asset. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from these estimates.

If the recoverable amount of the asset (or CGU) is estimated to be less than the carrying amount, the carrying amount of an asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

For an asset other than goodwill, management assesses at the end of the reporting period whether there is any indication that an impairment recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated and may result in a reversal of impairment loss. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also recognised in profit or loss.

(g) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

(h) Provisions

(i) General

A provision is recognised when the Company or the Group has a present legal or constructive obligation as a result of a past event, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

A provision for onerous contracts is recognised when the expected benefits from a contract are lower than the unavoidable cost of meeting the obligations under the contract.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(h) Provisions (Continued)

(ii) Environmental Expenditures and Liabilities

Liabilities for environmental and restoration costs are recognised when a clean-up is probable and the associated costs can be reliably estimated. The obligation generally arises when the asset is installed or the ground/environment is disturbed at the field location. When the liabilities are recognised, the present value of the estimated cost is capitalised by increasing the carrying amount of the producing of oil and gas properties. The amount recognised is the best estimate of the expenditure required. If the effect of the time value of money is material, the amount recognised is the present value of the estimated future expenditure.

Changes in the estimated timing or amount of the expenditure or discount rate for environmental and restoration costs are adjusted against the cost of the producing oil and gas properties, unless the decrease in the liability exceeds the carrying amount of the producing oil and gas properties or the producing assets has reached the end of its contract period. In such cases, the excess of the decrease over the carrying amount of the producing oil and gas properties or the changes in the liability is recognised in profit or loss immediately.

(iii) Dismantlement, Removal and Restoration of Right-of-use Assets

Provisions for asset dismantlement, removal or restoration are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amounts have been reliably estimated.

The Group recognises the estimated costs of dismantlement, removal or restoration of items of right-of-use assets arising from use of assets. This provision is estimated based on the best estimate of the expenditure required to settle the obligation, taking into consideration time value of money.

Changes in the estimated timing or amount of the expenditure or discount rate for asset dismantlement, removal and restoration costs are adjusted against the cost of right-of-use assets, unless the decrease in the liability exceeds the carrying amount of the asset or the asset has reached the end of its useful life. In such cases, the excess of the decrease over the carrying amount of the asset or the changes in the liability is recognised in profit or loss immediately.

(i) Income Taxes

(i) Current Income Tax

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

(ii) Deferred Income Tax

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiary corporations, associated companies and joint venture, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(i) Income Taxes (Continued)

(ii) Deferred Income Tax (Continued)

A deferred income tax asset is recognised to the extent it is probable that the future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(1) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date; and

(2) based on the tax consequence that will follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

(j) Borrowings and Finance Costs

Borrowings are presented as current liabilities unless, at the end of the reporting period, the Group has an unconditional right to defer settlement for at least twelve months after the year end date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Interest expense and similar charges are expensed in profit or loss in the period during which they are incurred, except to the extent that the expense is being capitalised as part of a cost that is directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. All borrowing costs are recognised in profit or loss using the effective interest method.

(k) Employee Compensation

The Group operates both defined contribution post-employment benefit plans and defined benefit plans. Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(i) Defined Contribution Plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The Group's contributions are recognised as employee compensation expense when they are due.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(k) Employee Compensation (Continued)

(ii) Defined Benefit Plans

Defined benefit plans are post-employment benefit pension plans other than defined contribution plans. Defined benefit plans typically define the amount of benefit that an employee will receive on or after retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit plan is the present value of the defined benefit obligation at the reporting date less the fair value of the plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yields of high-quality corporate bonds that are denominated in the currency and the country in which the benefits will be paid, and have tenures approximating to that of the related post-employment benefit obligations.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period when they arise. The experience adjustments are not to be reclassified to profit or loss in a subsequent period.

Past service costs are recognised immediately in profit or loss.

(iii) Employee Leave Entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for unutilised annual leave as a result of services rendered by employees up to the reporting date.

(iv) Share-Based Compensation

The Group operates an equity-settled, share-based compensation plan. The value of the employee services received in exchange for the grant of options is recognised as an expense with a corresponding increase in the share option reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on grant date. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date. At each reporting date, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share option reserve over the remaining vesting period.

When the options are exercised, the proceeds received (net of transaction costs) and the related balance previously recognised in the share option reserve is credited to the share capital account, when new ordinary shares are issued.

Where the terms of the share option plan are modified, the expense that is not yet recognised for the award is recognised over the remaining vesting period as if the terms had not been modified. Additional expense is recognised for any increase in the total fair value of the share options due to the modification, as measured at the date of modification.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(l) Financial Assets

(i) Classification and Measurement

The Group classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income ("FVOCI"); and
- Fair value through profit or loss ("FVPL").

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

<u>At initial recognition</u>

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

<u>At subsequent measurement</u>

(1) Debt instruments

Debt instruments mainly comprise cash and cash equivalents, trade and other receivables, listed and unlisted debt securities.

There are three subsequent measurement categories, depending on the Group's business model for managing the asset and the cash flow characteristics of the asset:

- Amortised cost: Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

- FVOCI: Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in other comprehensive income ("OCI") and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in "other income, net". Interest income from these financial assets is recognised using the effective interest rate method and presented in "other income, net".

- FVPL: Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in "other income, net".

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(l) Financial Assets (Continued)

(i) Classification and Measurement (Continued)

At subsequent measurement (Continued)

(2) Equity Investments

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "other income, net", except for those equity securities which are not held for trading. The Group has elected to recognise changes in fair value of equity securities not held for trading in OCI as these are strategic investments and the Group considers this to be more relevant. Movements in fair values of investments classified as FVOCI are presented as "fair value gains/losses" in OCI. Dividends from equity investments are recognised in profit or loss as "dividend income".

(ii) Impairment

The Group assesses on a forward-looking basis the expected credit loss associated with its debt financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 34(b) details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by the SFRS(I) 9 *Financial Instruments*, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iii) Recognition and De-recognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in OCI relating to that asset is reclassified to profit or loss.

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in OCI. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in OCI and transferred to retained profits along with the amount previously recognised in OCI relating to that asset.

(m) Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances, bank balances and bank deposits which are subject to an insignificant risk of change in value. For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents are presented net of bank overdrafts (if any) which are repayable on demand and which form an integral part of the Group's cash management and restricted cash. As restricted cash is not available for use by the Group, therefore it is not considered highly liquid and is excluded from cash and cash equivalents.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(n) Inventories

Inventories comprise mainly consumable stocks, spare parts, fuel, lubricants and supplies which are carried at the lower of cost and net realisable value. Cost is determined using the first-in-first-out method.

(o) Revenue Recognition

(i) Sale of Oil and Petroleum Products

The Group is principally engaged in the business of petroleum exploration and production. Revenue from the sale of oil and petroleum products is recognised when control of goods is transferred to the customer being when the product is physically transferred into a vessel, pipe and by other delivery mechanism at an amount that reflects the consideration to which the Group expects to be entitled in exchange of those goods.

(ii) Interest Income

Interest income from bank deposits, convertible bond and advances made to third party are accrued on a time basis with reference to the principal outstanding and the interest rate applicable.

(iii) Dividend Income

Dividend income from subsidiary corporations is recognised when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be reliably measured.

(iv) Management and Petroleum Services Fees

Management and petroleum services fees are recognised upon the rendering of management and consultation services to and the acceptance by associated companies and joint operations.

(p) Currency Translation

(i) Functional and Presentation Currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in United States Dollar ("USD or US$"), which is the functional currency of the Company.

(ii) Transactions and Balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss. Monetary items include primary financial assets (other than equity investments), contract assets and financial liabilities. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in OCI and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(p) Currency Translation (Continued)

(ii) Transactions and Balances (Continued)

Foreign exchange gains and losses that relate to borrowings are presented in profit or loss within "finance expenses". All other foreign exchange gains and losses impacting profit or loss are presented in profit or loss within "other income, net."

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(iii) Translation of Group Entities' Financial Statements

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(1) Assets and liabilities are translated at the closing exchange rates at the reporting date;
(2) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of transactions); and
(3) All resulting foreign currency translation differences are recognised in OCI and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal with loss of control of the foreign operation.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

(q) Leases

When the Group is the lessee:

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

(i) Right-of-use Assets

The Group recognises right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any leased payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets. The cost of the right-of-use assets includes an estimated of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site of which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

The lessee incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-of-use assets are presented separately as "Right-of-use assets".

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(q) Leases (Continued)

(ii) Lease Liabilities

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease payments include the following:

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees;
- The exercise price of a purchase option if is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For contracts that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Group has elected to not separate lease and non-lease component for property leases and account these as one single lease component.

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be re-measured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There is modification in the scope or the consideration of the lease that was not part of the original term.

Lease liability is re-measured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use assets has been reduced to zero.

(iii) Short Term and Low Value Leases

The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of twelve months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

(iv) Variable Lease Payments

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group shall recognise those lease payments in profit or loss in the periods that triggered those lease payments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(r) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors whose members are responsible for allocating resources and assessing performance of the operating segments.

(s) Dividends to Company's Shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payment by the shareholders at general meetings.

(t) Fair Value Estimation

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities and derivatives) are based on quoted market prices at the reporting date. The quoted market prices used for financial assets are the current bid prices and the appropriate quoted market prices used for financial liabilities are the current asking prices.

The fair values of current financial assets and liabilities are carried at amortised cost approximate their carrying amounts.

(u) Government Grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are deducted in reporting the related expense.

(v) Share Capital and Treasury Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the carrying amount which includes the consideration paid and any directly attributable transaction costs is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained profits of the Company if they shares are purchased out of earnings of the Company.

When treasury shares are subsequently sold or reissued pursuant to an employee share option plan, the cost of treasury shares is reversed from the treasury account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical, relevant factors and conditions, including expectation of future events that are believed to be reasonable under the circumstances.

(a) Impairment of Exploration and Evaluation ("E&E") Assets

As disclosed in Note 2(c)(i) to the financial statements, the Group applies successful efforts method of accounting for its E&E costs, having considered for the requirements under SFRS(I) 6 *Exploration for and Evaluation of Mineral Resources*.

The Group's E&E costs relate to exploration costs incurred for KP PSC, Indonesia. Under SFRS(I) 6, E&E costs shall be assessed for impairment when facts and circumstances suggest that the carrying amount of E&E assets may exceed its recoverable amount. When facts and circumstances suggest that carrying amount exceeds the recoverable amount, the Group shall measure, present, and disclose any resulting impairment loss in accordance with SFRS(I)1-36 *Impairment of Assets*. E&E costs capitalised are written off unless commercial reserves have been established or in the progress of appraisal process.

The realisation of the carrying value of E&E assets is dependent on the Group's ability and intention to continue with exploration. The carrying value may also be impacted by the results of exploration work indicating that the E&E assets may not hold hydrocarbons that are commercially viable for extraction.

In prior financial year ended 31 December 2023, the Group engaged an independent consultant specialising in geoscience, subsurface/surface engineering and economic modelling ("independent consultant") to perform a review of the well tests carried out on the well KP-1 in the KP PSC. In deriving the net present value of the reserves, the independent consultant has taken into the consideration of gross oil production, crude oil price, inflation index and discount rate. Based on the aforesaid assessment, management has recognised an impairment loss on E&E assets of US$4,883,829.

During the financial year ended 31 December 2024, the management performs impairment assessment of the E&E assets when there is indication of impairment. In deriving the net present value of the potential oilfield reserve associated with the E&E assets, the management has taken into consideration factors including gross oil production, crude oil price, inflation index and discount rate. Additionally, an application of a further exploration extension proposal to Satuan Kerja Khusus Pelaksana Kegiatan Usaha Hulu Minyak Dan Gas Bumi ("SKKMIGAS") was submitted on 17 January 2025 as the third extension of the exploration period ended on 14 March 2025. Followed the meeting with SKKMIGAS on 20 February 2025, SKKMIGAS has informed the Group that they have no objection with the extension and will issue the extension letter on or before the end of first half of year 2025. Based on the aforesaid assessment, no impairment charge on E&E assets was recognised for the financial year ended 31 December 2024 (2023: impairment loss of US$4,883,829).

If management's estimated discount rate applied to the discounted cash flows has been 1% higher and crude oil price has been 2% lower than as at 31 December 2024, the recoverable amount of this CGU would still be higher than the carrying amount of E&E assets.

The details of E&E assets are disclosed in Note 7 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONTINUED)

(b) Estimated Impairment of Producing Oil and Gas Properties

The Group performs impairment assessment of the non-financial assets (other than goodwill) when there is indication of impairment. Due to the unstable political situation in Myanmar, it has resulted in inherent uncertainty in the operations, which constitutes an impairment indicator for producing oil and gas properties. In determining the recoverable amount of CGU, the Group has prepared future cash flows projection to determine the value-in-use. The key assumptions applied in the future cash flows projection by management include, but not limited to, work programs and budgets, long-term oil prices, production profiles, cost profiles and escalation applied, capital costs, reserves estimates and discount rates. Management used the 2024 budgets reviewed by the respective owner committees and past experiences as a guide. The period beyond 2025 until the contracts expire assumes some drilling activities undertaken to further develop the existing fields. Future cash flows are discounted using discount rate of 16% per annum (2023: 21% per annum) (a comparable rate used by other companies in the region and in the similar nature of business sector). The average pre-tax discount rate is estimated to be 34% per annum (2023: 37% per annum).

As at 31 December 2024, the carrying amounts of producing oil and gas properties was US$9,591,114 (2023: US$10,507,383) (Note 6). Based on the impairment test of the CGU performed, no impairment charge was recognised for producing oil and gas properties for the financial years ended 31 December 2024 and 2023. The estimated recoverable amount was higher than its carrying amount.

If management's estimated crude oil price used in the discounted cash flows as at 31 December 2024 had been lower by 18%, the carrying amount of producing oil and gas properties would be reduced by US$3,400,000.

(c) Estimated Impairment of Investments in Subsidiary Corporations

As the Company's subsidiary corporations derive revenue from petroleum production, field development and exploration, any impairment on the respective entity's non-financial assets will have a significant adverse impact on the subsidiary corporations' financial position and performance which is considered as indication that the Company's investments in the subsidiary corporations may need to be impaired.

Impairment of investments in subsidiary corporations are assessed based on value-in-use calculation as derived from the Group's producing oil and gas properties of the CGU.

Actual results may ultimately differ from the estimates and key assumptions utilised in the calculations. Accordingly, there may be material adjustments to the carrying amount of the respective assets.

As at 31 December 2024, the carrying amount of the Company's investments in subsidiary corporations was US$19,062,102 (2023: US$19,062,102) (Note 9). Based on the impairment test of the CGU performed, no impairment charge was recognised for the Company's investments in subsidiary corporations for the financial years ended 31 December 2024 and 2023 respectively. The estimated recoverable amount was higher than its carrying amount.

Management has assessed that any reasonable increase in discount rate applied and decrease in crude oil price used in the discounted cash flows from management's estimates is unlikely to result in any impairment to the carrying amount of the Company's investments in subsidiary corporations.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONTINUED)

(d) Expected Credit Losses ("ECL") on Trade and Other Receivables

Trade Receivables

As at 31 December 2024, the Group's trade receivables amounted to US$3,191,360 (Note 15), arising from the Group's revenue segments – namely the exploration and operation of oil fields for crude petroleum production. Trade receivables relate mainly to receivables from the Myanma Oil and Gas Enterprise ("MOGE") in respect of the sale of the Group's share of petroleum entitlements.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

Trade receivables are written off when there is no reasonable expectation of recovery. The Group considers a trade receivable as default if the counterparty fails to make contractual payments within 120 days when they fall due, which are derived based on the Group's historical information. Where trade receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

As at 31 December 2024, trade receivables were not past due and were not subject to any material credit losses.

The Group's credit risk exposure for trade receivable is set out in Note 34(b).

Other Receivables

The Group and the Company assess on a forward-looking basis the ECL associated with its financial assets carried at amortised cost. The assessment of ECL depends on whether there has been a significant increase in credit risk. For other receivables, the Group and the Company have applied general approach and measured loss allowance at an amount equal to the 12-month ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating the ECL, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's and Company's historical experience. The Group and the Company also consider the forward-looking overlay adjustments on the uncertainties in existing market conditions. The Group and the Company use relevant historical information and loss experience to determine the probability of default of the instruments and incorporated forward looking information, including significant changes in external market indicators which involved significant estimates and judgements.

In view of the unfavourable production testing results of well KP-1 in the KP PSC for the financial year ended 31 December 2023, management conducted an ECL on other receivables from non-related parties and subsidiary corporations taking into the consideration the credit risk rating of these receivables based on qualitative and quantitative, including external ratings, audited financial statements, management accounts and cash flow projections, and available press information (if any). Consequently, it was determined that no ECL were required at the Group level, while ECL totaling USD$4,904,428 was recognised by the Company as at 31 December 2023. No ECL was recognised at the Group and Company level for the financial year ended 31 December 2024.

The carrying amount of the other receivables at the reporting date is disclosed in Note 15 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONTINUED)

(e) Amortisation of Development and Production Assets (Producing Oil and Gas Properties)

The amounts recorded for amortisation and the recovery of the carrying value of development and production assets depend on the estimates of petroleum recoverable reserves and the remaining life of the contract period. There are numerous uncertainties inherent in the estimation of reserves and cash flows, including many factors beyond the Group's control. Evaluation of reserves and cash flows includes a number of assumptions relating to factors such as initial production rates, production decline rates, ultimate recovery of reserves, timing and amount of capital expenditures, marketability of production, future petroleum prices, future operating costs and government levies that may be imposed over the producing life of the reserves. Many of these assumptions are subject to change and are beyond the Group's control. The determination of petroleum recoverable reserves has a significant impact on future cash flows which may affect the production level and hence future sales.

The Group currently amortises development and production assets using the units of production method against management's estimates of petroleum recoverable reserves. Changes in the petroleum recoverable reserves could impact future amortisation charges. Accordingly, there may be material adjustments made to the carrying amount of the respective assets. As at 31 December 2024, the carrying amount of the development and production assets was US$9,195,624 (2023: US$10,063,938) (Note 6). The amortisation charge for the financial year ended 31 December 2024 was US$1,733,703 (2023: US$2,938,613) (Note 6).

(f) Income Taxes

The Group's profit is subject to income tax mainly in Indonesia, Myanmar and Singapore. Significant judgement is required in determining the Group-wide provisions for income taxes including capital allowances and deductibility of certain expenses. The Group has made the necessary tax provisions under the respective petroleum contracts. These income tax expenses are still subject to final tax assessments from the tax authority. If the final tax outcome allows deduction of unrecovered cost pools against profit oil, the actual tax expenses may be lower than current tax position. If such over-provision occurs, it will be reversed upon determination. The amounts of current income tax liabilities and income tax expense are disclosed in Note 20 and Note 21 respectively. Please refer to Note 33 for contingent liabilities for possible capital gain tax in Myanmar.

For Myanmar operations, the tax assessment was finalised till year of assessment 2024, as a result, there was an over provision in prior year income tax of US$20,455 (2023: under provision US$2,112). The income tax paid for the financial year ended 31 December 2024 was US$1,542,220 (2023: US$1,425,774).

During the financial year ended 31 December 2024, the Group re-assessed the prior year tax provisions for the Indonesia operations for the financial year ended 31 December 2013, after Technical Assistance Contract ("TAC") expired. As a result, the Group reversed the amount of US$1,228,217 (2023: US$440,943) after the statute of limitations lapsed.

(g) Joint Arrangement

The Group holds 60% of the voting rights of its joint arrangement, Goldpetrol Joint Operating Company Inc. ("Goldpetrol"). The Group has joint control over this arrangement as under the contractual agreement, unanimous consent is required from all parties for all relevant operating activities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONTINUED)

(g) Joint Arrangement (Continued)

In assessing the classification of the joint arrangement, the Group considers:

(i) The structure of the joint arrangement – whether it is structured through a separate vehicle; and

(ii) When the arrangement is structured through a separate vehicle, the Group also considers the rights and obligations arising from:

(1) the legal form of the separate vehicle;
(2) the terms of the contractual arrangement; and
(3) other facts and circumstances (where relevant).

The Group has assessed that the joint arrangement shall be classified as joint operation as the Group and the other party have contractually agreed that each party shall have rights and obligations arising from the joint arrangement's activities in proportion to the respective holdings in Goldpetrol, and in particular both parties share the rights and obligations arising from the exploration and development concession granted, the production obtained and all related costs.

(h) Assessment of Financial Impact of Compliance with Foreign Laws and Regulations

Management has assessed the potential financial impact on the Group arising from recent allegations concerning non-compliance with US and EU sanctions laws in connection with its operations in Myanmar. The Group has obtained a legal opinion from HSF Prolegis, which concluded that there has been no breach of applicable US or EU sanctions laws based on the facts and information provided. Operations in Myanmar remain unaffected and continue as usual, with no operational disruptions observed. Additionally, management is not aware of any material reputational risk arising from the current situation.

Based on this assessment, management has concluded that there are no present obligations and no material operational or reputational risks arising from the allegations. Accordingly, no financial impact to the Group has been identified for the current reporting period.

(i) Measurement of Fair Values

The Group has an established control framework with respect to the measurement of fair values. This includes finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values and reports directly to the management team.

The finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the finance team assess the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the Accounting Standards, including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation issues are reported to the Group's audit committee.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONTINUED)

(i) Measurement of Fair Values (Continued)

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirely in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting during the change has occurred. Further information about the assumptions made in measuring fair values is included Note 12 and Note 13.

4. PROPERTY, PLANT AND EQUIPMENT

Company and Group	Computers US$	Office Equipment US$	Renovations, Furniture and Fittings US$	Total US$
2024				
Cost				
Opening and Closing balance	**121,917**	**6,991**	**107,178**	**236,086**
Accumulated depreciation				
Opening balance	**121,493**	**6,991**	**98,729**	**227,213**
Depreciation charge (Note 29)	**401**	**–**	**7,681**	**8,082**
Closing balance	**121,894**	**6,991**	**106,410**	**235,295**
Net book value as at 31 December 2024	**23**	**–**	**768**	**791**
2023				
Cost				
Opening balance	121,917	6,991	107,122	236,030
Additions	–	–	1,661	1,661
Write off	–	–	(1,605)	(1,605)
Closing balance	121,917	6,991	107,178	236,086
Accumulated depreciation				
Opening balance	114,372	6,991	82,891	204,254
Depreciation charge (Note 29)	7,121	–	17,443	24,564
Write off	–	–	(1,605)	(1,605)
Closing balance	121,493	6,991	98,729	227,213
Net book value as at 31 December 2023	424	–	8,449	8,873

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

5. RIGHT-OF-USE ASSETS

Leases – The Company and the Group as a lessee

Nature of the Company and the Group's leasing activities

Property and Office Equipment

The Company and Group lease office space and office equipment for the purpose of back office operations. The Group renegotiated and modified an existing lease contract for office space, extending the lease term by another 3 years and revising the lease payments. As this extension is not part of the terms and conditions of the original lease contract, it is considered a lease modification and results in an increase in right-of-use assets. The corresponding adjustment to lease liability is recorded under "Lease Liabilities" (Note 19).

Motor Vehicles and Heavy Equipment and Machinery

The Group leases motor vehicles for internal logistic purposes and leases of heavy equipment and machinery for oil extraction operations.

(a) Carrying amounts and depreciation charge

Company	Property US$	Office Equipment US$	Total US$
2024			
Cost			
Opening and Closing balance	**281,781**	**13,937**	**295,718**
Accumulated depreciation			
Opening balance	**85,190**	**4,413**	**89,603**
Depreciation charge	**78,637**	**2,787**	**81,424**
Closing balance	**163,827**	**7,200**	**171,027**
Net book value as at 31 December 2024	**117,954**	**6,737**	**124,691**
2023			
Cost			
Opening and Closing balance	281,781	13,937	295,718
Accumulated depreciation			
Opening balance	6,553	1,626	8,179
Depreciation charge	78,637	2,787	81,424
Closing balance	85,190	4,413	89,603
Net book value as at 31 December 2023	196,591	9,524	206,115

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

5. RIGHT-OF-USE ASSETS (CONTINUED)

(a) Carrying amounts and depreciation charge (Continued)

Group	Property US$	Office Equipment US$	Total US$
2024			
Cost			
Opening balance	**399,338**	**13,937**	**413,275**
Additions	**120,397**	**–**	**120,397**
Closing balance	**519,735**	**13,937**	**533,672**
Accumulated depreciation			
Opening balance	**163,562**	**4,413**	**167,975**
Depreciation charge (Note 29)	**117,823**	**2,787**	**120,610**
Closing balance	**281,385**	**7,200**	**288,585**
Net book value as at 31 December 2024	**238,350**	**6,737**	**245,087**

	Property US$	Office Equipment US$	Heavy Equipment and Machinery US$	Total US$
2023				
Cost				
Opening balance	399,338	13,937	260,064	673,339
Derecognised	–	–	(260,064)	(260,064)
Closing balance	399,338	13,937	–	413,275
Accumulated depreciation				
Opening balance	45,739	1,626	260,064	307,429
Depreciation charge (Note 29)	117,823	2,787	–	120,610
Derecognised	–	–	(260,064)	(260,064)
Closing balance	163,562	4,413	–	167,975
Net book value as at 31 December 2023	235,776	9,524	–	245,300

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

5. RIGHT-OF-USE ASSETS (CONTINUED)

(b) Interest expense

	Group	
	2024 US$	**2023 US$**
Interest expense on lease liabilities (Note 28)	**13,284**	9,910

(c) Lease expense not capitalised in lease liabilities

	Group	
	2024 US$	**2023 US$**
Lease expense – short-term leases (Note 29)	**199,592**	250,688

(d) Total cash outflow for all the leases

	Group	
	2024 US$	**2023 US$**
Cash outflow for all the leases	**336,668**	406,352

(e) Future cash outflow which are not capitalised in lease liabilities

(i) Variable lease payments

There are no variable lease payments for the financial year ended 31 December 2024 and 2023 respectively.

(ii) Extension options

The leases for heavy equipment and machinery contain extension periods, for which the related lease payments had been included in lease liabilities as the Group is reasonably certain to exercise these extension option. The Group negotiates extension options to optimise operational flexibility in terms of managing the assets used in the Group's operations. The majority of the extension options are exercisable by the Group and not by the lessor.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

6. PRODUCING OIL AND GAS PROPERTIES

Group	Development and Production Assets US$	Development Tangible Assets US$	Participating and Concession Rights US$	Total US$
2024				
Cost				
Opening balance	**56,755,504**	**6,644,821**	**600,000**	**64,000,325**
Additions	**865,389**	**147,495**	**–**	**1,012,884**
Closing balance	**57,620,893**	**6,792,316**	**600,000**	**65,013,209**
Accumulated amortisation and impairment losses				
Opening balance	**46,691,566**	**6,201,376**	**600,000**	**53,492,942**
Amortisation charge (Note 29)	**1,733,703**	**195,450**	**–**	**1,929,153**
Closing balance	**48,425,269**	**6,396,826**	**600,000**	**55,422,095**
Net book value as at 31 December 2024	**9,195,624**	**395,490**	**–**	**9,591,114**
2023				
Cost				
Opening balance	54,401,111	6,380,159	600,000	61,381,270
Additions	2,354,393	264,662	–	2,619,055
Closing balance	56,755,504	6,644,821	600,000	64,000,325
Accumulated amortisation and impairment losses				
Opening balance	43,752,953	5,947,001	600,000	50,299,954
Amortisation charge (Note 29)	2,938,613	254,375	–	3,192,988
Closing balance	46,691,566	6,201,376	600,000	53,492,942
Net book value as at 31 December 2023	10,063,938	443,445	–	10,507,383

During the financial years ended 31 December 2024 and 2023, no impairment loss arose in producing oil and gas properties as its recoverable amount is higher than carrying amount. The key assumptions used for impairment assessment are disclosed under Note 3(b).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

7. EXPLORATION AND EVALUATION ASSETS

Group	Exploration and Evaluation Assets US$	Participating Rights US$	Total US$
2024			
Cost			
Opening balance	**20,144,881**	**1,435,258**	**21,580,139**
Additions	**118,644**	**–**	**118,644**
Reversals	**(143,845)**	**–**	**(143,845)**
Closing balance	**20,119,680**	**1,435,258**	**21,554,938**
Accumulated impairment losses			
Opening and Closing balance	**11,126,741**	**–**	**11,126,741**
Net book value as at 31 December 2024	**8,992,939**	**1,435,258**	**10,428,197**
2023			
Cost			
Opening balance	18,722,800	1,435,258	20,158,058
Additions	1,422,081	–	1,422,081
Closing balance	20,144,881	1,435,258	21,580,139
Accumulated impairment losses			
Opening balance	6,242,912	–	6,242,912
Impairment losses (Note 29)	4,883,829	–	4,883,829
Closing balance	11,126,741	–	11,126,741
Net book value as at 31 December 2023	9,018,140	1,435,258	10,453,398

The key assumptions used for impairment assessment are disclosed under Note 3(a).

8. INTANGIBLE ASSETS

Group	Goodwill on Reverse Acquisition US$	Computer Software US$	Total US$
2024			
Cost			
Opening and Closing balance	**1,488,902**	**25,903**	**1,514,805**
Accumulated amortisation and impairment losses			
Opening and Closing balance	**1,488,902**	**25,903**	**1,514,805**
Net book value as at 31 December 2024	**–**	**–**	**–**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

8. INTANGIBLE ASSETS (CONTINUED)

Group	Goodwill on Reverse Acquisition US$	Computer Software US$	Patent Rights US$	Total US$
2023				
Cost				
Opening balance	1,488,902	25,903	3,480,000	4,994,805
Disposals	–	–	(3,480,000)	(3,480,000)
Closing balance	1,488,902	25,903	–	1,514,805
Accumulated amortisation and impairment losses				
Opening balance	1,488,902	25,903	1,712,221	3,227,026
Disposals	–	–	(1,712,221)	(1,712,221)
Closing balance	1,488,902	25,903	–	1,514,805
Net book value as at 31 December 2023	–	–	–	–

Goodwill on Reverse Acquisition

Goodwill on reverse acquisition represents the goodwill that arose from the business combination in which Goldwater Company Limited ("Goldwater") acquired the Company through a reverse acquisition on 10 July 2003. Goodwill on reverse acquisition is the difference between Goldwater's deemed cost of acquisition over the fair value of assets acquired and liabilities of the Company on the reverse acquisition date (Note 2(b)(iii)).

The deemed cost of acquisition is derived from the total percentage of shareholdings held by the shareholders of the former Van der Horst Limited (now known as "Interra Resources Limited") as at the reverse acquisition date and Shantex Holdings Pte. Ltd. multiplied by the net assets of Goldwater as at the reverse acquisition date. As a result of applying the above, goodwill on reverse acquisition amounting to US$1,488,902 was recognised in the consolidated financial statements.

Impairment Tests for Goodwill

Goodwill is allocated to the Group's CGUs identified according to countries of operation and business segments. Goodwill on reverse acquisition is allocated to oil exploration business in Myanmar and had been fully impaired in prior financial year.

During the financial year ended 31 December 2023, the Group disposed the patent rights at US$3,480,000 following the cancellation of the loan under the loan agreement with joint operator and joint operation partner. Accordingly, a gain on disposal of patent rights of US$1,712,221 (Note 27) was recognised during the financial year ended 31 December 2023.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

9. INVESTMENTS IN SUBSIDIARY CORPORATIONS

	Company	
	2024 US$	**2023 US$**
Composition:		
Equity shares at cost	**19,062,204**	19,062,204
Allowance for impairment	**(102)**	(102)
Net investments in subsidiary corporations	**19,062,102**	19,062,102
Equity shares at cost		
Opening and Closing balance	**19,062,204**	19,062,204
Allowance for impairment		
Opening and Closing balance	**102**	102

The details of the subsidiary corporations as at 31 December 2024 and 2023 were as follows:

Name of Company	Principal Activities	Country of Incorporation/ Operation	Proportion of Ordinary Shares held by the Parent		Proportion of Ordinary Shares held by the Group		Proportion of Ordinary Shares held by Non-Controlling Interests	
			2024 %	2023 %	2024 %	2023 %	2024 %	2023 %
Goldwater Company Limited[(b)]	Exploration and operation of oil fields for crude petroleum production	British Virgin Islands/ Myanmar	**100**	100	**100**	100	**–**	–
Goldwater TMT Pte. Ltd.[(b)]	Dormant	Singapore	**100**	100	**100**	100	**–**	–
Goldwater Eagle Limited[(a)]	Investment holding	British Virgin Islands	**100**	100	**100**	100	**–**	–
Goldwater Indonesia Inc. ("GII")[(a)]	Investment holding	British Virgin Islands	**100**	100	**100**	100	**–**	–
Interra Resources (Borneo) Pte. Ltd. (formerly known as Interra Resources (Australia) Pte. Ltd.)[(b)]	Dormant	Singapore	**100**	100	**100**	100	**–**	–
Goldwater KP Pte. Ltd. ("GKP")[(b)]	Exploration and operation of oil fields for crude petroleum production	Singapore/ Indonesia	**100**	100	**100**	100	**–**	–
Held by a subsidiary corporation, GKP								
PT Sumber Sari Rejeki ("SSR")[(c)]	Trading of heavy machinery	Indonesia/ Indonesia	**100**	100	**100**	100	**–**	–
Held by a subsidiary corporation, SSR								
PT Pambuang Investindo ("PI")[(c)]	Multi-industry sector	Indonesia/ Indonesia	**100**	100	**100**	100	**–**	–
Held by a subsidiary corporation, PI								
PT Mentari Pambuang Internasional ("MPI")[(c)]	Exploration and operation of oil fields for crude petroleum production	Indonesia/ Indonesia	**72.75**	72.75	**72.75**	72.75	**27.25**	27.25

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

9. INVESTMENTS IN SUBSIDIARY CORPORATIONS (CONTINUED)

(a) Not required to be audited under the laws of the country of incorporation

(b) Audited by CLA Global TS Public Accounting Corporation, Singapore

(c) Audited by Kanaka Puradiredja, Suhartono, a member firm of Nexia International

Restrictions

As at 31 December 2024 and 2023, there were no currency exchange restrictions with regards to cash and cash equivalents of the Group.

Carrying Value of Non-Controlling Interests

	Group	
	2024 US$	**2023 US$**
PT Mentari Pambuang Internasional ("MPI")	**1,495,914**	1,529,391

Summarised Financial Information of Subsidiary Corporation with Material Non-Controlling Interests

Set out below was the summarised financial information for subsidiary corporation that have non-controlling interests which were material to the Group. These were presented before inter-company eliminations.

Summarised Statement of Financial Position

	MPI	
	As at 31 December	
	2024 US$	**2023 US$**
Current		
Assets	**296,177**	264,250
Liabilities	**(304,814)**	(371,879)
Total current net liabilities	**(8,637)**	(107,629)
Non-current		
Assets	**8,992,939**	9,018,140
Liabilities	**(3,494,933)**	(3,298,291)
Total non-current net assets	**5,498,006**	5,719,849
Net assets	**5,489,369**	5,612,220

Summarised Statement of Comprehensive Income

	MPI	
	For the financial year ended 31 December	
	2024 US$	**2023 US$**
Net loss, representing total comprehensive loss	**(272,329)**	(5,126,658)
Total comprehensive loss allocated to non-controlling interests	**(74,210)**	(1,397,014)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

9. INVESTMENTS IN SUBSIDIARY CORPORATIONS (CONTINUED)

Summarised Statement of Cash Flows

	MPI For the financial year ended 31 December 2024 US$	MPI For the financial year ended 31 December 2023 US$
Cash used in operations, representing net cash used in operating activities	**(759)**	(216,964)
Net cash used in investing activities	**(118,514)**	(1,420,132)
Net cash provided by financing activities	**128,367**	710,581
Net increase/(decrease) in cash and cash equivalents	**9,094**	(926,515)
Cash and cash equivalents at beginning of financial year	**52,405**	978,920
Cash and cash equivalents at end of financial year	**61,499**	52,405

Effects of Transactions with Non-controlling Interests on the Equity Attributable to Owners of the Parent

	Group 2024 US$	Group 2023 US$
Changes in equity attributable to shareholders of the Company arising from		
– Additional increase of non-controlling interests in subsidiary corporation in relation to capitalisation of loans from non-controlling shareholders as equity	**40,733**	197,814

10. INVESTMENTS IN ASSOCIATED COMPANY

	Company and Group 2024 US$	Company and Group 2023 US$
Equity shares at cost		
Opening and Closing balance	**–**	–

Set out below was the associated company of the Group as at 31 December 2024 and 2023. The associated company as listed below has share capital consisting solely of ordinary shares, which was held directly by the Group.

Name of Company	Principal Activities	Country of Incorporation/ Operation	Ownership Interest 2024 %	Ownership Interest 2023 %
Held by a subsidiary corporation, GII				
PT Indelberg Oil Indonesia (formerly known as PT Benakat Oil) ("IOI")[a]	Exploration and operation of oil fields for crude petroleum production	Indonesia/ Indonesia	**21.51**	21.51

(a) In process of liquidation

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

11. INVESTMENTS IN JOINT VENTURE

	Company		Group	
	2024 US$	**2023 US$**	**2024 US$**	**2023 US$**
Equity shares at cost				
Opening balance	**286,925**	–	**284,420**	–
Additions	**–**	286,925	**–**	286,925
Share of losses (Note 21)	**–**	–	**(11,495)**	(2,505)
Closing balance	**286,925**	286,925	**272,925**	284,420

Set out below was the joint venture of the Group as at 31 December 2024 and 2023. The joint venture as listed below has share capital consisting solely of ordinary shares, which was held directly by the Group.

Name of Company	Principal Activities	Country of Incorporation/ Operation	Ownership Interest 2024 %	Ownership Interest 2023 %
PT Mitra Biomass Internasional ("MBI")[(a)]	Firewood and wood pellets production	Indonesia/ Indonesia	**40**	40

(a) Audited by Kanaka Puradiredja, Suhartono, a member firm of Nexia International

The Company and the joint venture partners, PT Mitra Investindo Tbk and PT Prima Aset Lestari incorporated a new joint venture, PT Mitra Biomass Internasional to build and operate a wood pellet plant in Sumatra, Indonesia. The Company subscribed to 40% issued share capital of MBI of Rp4,400,000,000 (equivalent to US$286,925).

The Group has joint control over joint venture as under the contractual agreements, unanimous consent is required from all parties to the arrangements for all relevant activities. The Group's joint arrangement is structured as a limited company such that the Group and the parties to the arrangement have the rights to the net assets of the limited company under the arrangements. Therefore, these arrangements are classified as joint venture. There are no contingent liabilities relating to the Group's interest in a joint venture company.

No summarised financial information for the joint venture is presented as the joint venture is not material to the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

12. FINANCIAL ASSETS, AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVOCI")

	Group	
	2024 US$	**2023 US$**
Opening balance	**–**	–
Additions	**939,801**	–
Fair value loss through other comprehensive income (Note 25)(b)(iii)	**(71,234)**	–
Revaluation loss on currency translation	**(57,503)**	–
Closing balance	**811,064**	–
Non-current		
Listed equity security: Morella Corporation Limited	**811,064**	–

On 17 October 2024, the Group subscribed for 24,258,333 fully paid ordinary shares in Morella Corporation Limited pursuant to a placement of shortfall shares at an issue price of A$0.036 per share. This subscription included 12,129,166 free-attaching shortfall options. The total amount paid for the first placement shares was A$873,633 (equivalent to US$587,955). Subsequently, the Group acquired from open market an additional 1,593,240 shares for a purchase consideration of A$48,580 (equivalent to US$31,796). On 20 December 2024, the Group further subscribed 19,230,769 shares pursuant to a second placement at an issue price of A$0.026 per share. The total amount paid for this second placement shares was A$500,000 (equivalent to US$320,050). Under the applicable SFRS(I), the Group has elected to recognise changes in fair value of equity securities not held for trading in other comprehensive income ("OCI") as these are long term strategic investments. The movement in fair value of such investments are recorded as fair value through other comprehensive income ("FVOCI"). Accordingly, as at 31 December 2024, a fair value loss of US$71,234 was recognised in OCI.

13. FINANCIAL ASSETS, AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVPL")

	Company and Group	
	2024 US$	**2023 US$**
Opening balance	**1,123,608**	–
Additions	**–**	1,123,380
Fair value loss through profit or loss (Note 27)	**–**	(12,529)
Revaluation (loss)/gain on currency translation	**(35,154)**	12,757
Closing balance	**1,088,454**	1,123,608
Non-current		
Unlisted 8.5% convertible bond due on 30 November 2026	**1,088,454**	1,123,608

On 1 November 2023, the Company participated in the joint venture in the construction of solar farm by subscribing to a convertible bond issued by VibroPower Corporation Limited with a principal amount of S$1,500,000 (equivalent to US$1,123,380) at coupon rate of 8.5% per annum over 36 months. The convertible bond was issued on 1 December 2023. During the financial year ended 31 December 2024, the Company assessed the fair value of the convertible bond under SFRS(I) 9 *Financial Instruments* and determined no fair value adjustment is required.

The fair value of the unlisted convertible bond was estimated to be S$1,483,271 (equivalent to US$1,088,454). The redemption method derived the fair value using the Binomial Option Pricing Model. The significant inputs into the model were the weighted average share price of S$0.029 per share at the reporting date, the conversion price of S$0.026 per share, standard deviation of expected share price returns of 140%, no dividend yield, the bond life of three years and the annual risk-free interest rate of 3.30%. The volatility measured as the standard deviation of expected share price returns was estimated based on statistical analysis of share prices over the last three years. The conversion method calculated the fair value using cash flows discounted at a rate based on the risk-adjusted discount rate of 9.45% per annum.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

14. INVENTORIES

Consumables stock includes tubing, casing, well heads, chemicals, tools and spare parts required for drilling, oil wells and field maintenance.

	Group	
	2024 US$	2023 US$
Inventories – consumable stock	**3,370,247**	3,351,187

15. TRADE AND OTHER RECEIVABLES

Trade receivables relate to receivables from the MOGE in respect of the sale of the Group's share of petroleum entitlements.

	Company		Group	
	2024 US$	2023 US$	2024 US$	2023 US$
Current				
Trade receivables – non-related party	**–**	–	**3,191,360**	2,389,555
Loan to subsidiary corporations	**6,162,417**	10,134,951	**–**	–
Less: Loss allowances (Note 34(b))	**(6,150,307)**	(10,134,951)	**–**	–
Loan to subsidiary corporations, net	**12,110**	–	**–**	–
Other receivables – non-related parties	**93,055**	94,066	**261,447**	332,576
Other receivable – subsidiary corporation	**1,500,000**	–	**–**	–
Loan to associated company	**–**	–	**528,395**	528,395
	1,593,055	94,066	**789,842**	860,971
Less: Loss allowances (Note 34(b))	**–**	–	**(528,395)**	(528,395)
	1,593,055	94,066	**261,447**	332,576
	1,605,165	94,066	**3,452,807**	2,722,131
Non-current				
Loan to subsidiary corporations	**16,207,425**	16,535,335	**–**	–
Less: Loss allowances (Note 34(b))	**(12,800,313)**	(12,800,313)	**–**	–
Loan to subsidiary corporations, net	**3,407,112**	3,735,022	**–**	–
Loan to non-related parties	**–**	–	**6,643,403**	5,992,715
	3,407,112	3,735,022	**6,643,403**	5,992,715

During the financial year ended 31 December 2024, the Company write off the loss allowance of US$3,984,644 (2023: loss allowance of US$3,265) on the advances made to Interra Resources (Borneo) Pte. Ltd. for its Australia operation that ceased since year 2012 under current loan to subsidiary corporations. During the financial year ended 31 December 2024, loss allowance of nil (2023: US$6,178) was recognised on the advances made to Goldwater TMT Pte. Ltd. under current loan to subsidiary corporations and loss allowance of nil (2023: US$4,904,428) was recognised on the advances made to GKP under non-current loan to subsidiary corporations.

In the prior financial year ended 31 December 2019, the loan to an associated company, IOI of US$528,395 was fully impaired upon the receipt of a termination letter from Pertamina for Benakat Barat KSO on 16 May 2019. Accordingly, the Company also recognised a loss allowance of US$7,895,885 on the advances made to Goldwater Indonesia Inc. for the purpose of investment in Benakat Barat KSO.

NOTES TO THE FINANCIAL STATEMENTS

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15. TRADE AND OTHER RECEIVABLES (CONTINUED)

The fair values of non-current other receivables are computed based on cash flows discounted at market borrowing rates. The fair values are within Level 2 of the fair value hierarchy.

	Company		Group	
	2024 %	**2023** %	**2024** %	**2023** %
Borrowing rates				
Loan to subsidiary corporations	**6.94**	6.86	**–**	–
Loan to non-related parties	**–**	–	**9.49-10.38**	9.31-10.38

Company

As at 31 December 2024, loan to subsidiary corporations were unsecured, interest-free and receivable on demand except for loan to GKP which bear interest rate at 1.80% above Secured Overnight Financing Rate ("SOFR") (2023: 1.80% above SOFR) per annum i.e. 6.94% (2023: 6.86%) per annum and not expected to be recovered within twelve months from the end of the financial year. The loans are provided for the purpose of operating and development activities in their respective fields and are expected to be repaid or received upon successful development and production of the respective fields.

Group

The non-current loan to non-related parties as at 31 December 2024 of US$6,643,403 (2023: US$5,992,715) were unsecured and receivable upon commencement of production of which timing cannot be determined at this point. Interest rate was charged at 5% above SOFR per annum. On 20 January 2023, PT Mentari Abdi Nusa ("MAN") pledged all its shares in MPI as collateral for its outstanding loan. As at 31 December 2024, the outstanding loan to MAN amounted to US$4,709,714 (2023: US$4,243,731).

16. OTHER CURRENT ASSETS

	Company		Group	
	2024 US$	**2023** US$	**2024** US$	**2023** US$
Deposits	**23,140**	23,887	**31,841**	32,946
Prepayments	**35,622**	38,443	**98,148**	95,849
Advances to suppliers and staff	**–**	–	**235,179**	30,625
	58,762	62,330	**365,168**	159,420

17. CASH AND CASH EQUIVALENTS

	Company		Group	
	2024 US$	**2023** US$	**2024** US$	**2023** US$
Cash at banks and on hand	**254,183**	263,857	**2,072,721**	2,757,644
Short-term bank deposits	**–**	–	**15,892,996**	14,500,000
	254,183	263,857	**17,965,717**	17,257,644

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

18. TRADE AND OTHER PAYABLES

	Company		Group	
	2024 US$	**2023 US$**	**2024 US$**	**2023 US$**
Current				
Trade payables – non-related parties	**–**	–	**722,661**	1,029,607
Trade payables – related parties	**–**	–	**90,000**	270,000
Accrued expenses	**413,287**	367,357	**567,872**	655,811
Other payables – non-related parties	**74,648**	28,432	**2,007,902**	1,785,120
Loan from subsidiary corporations	**10,657,070**	10,939,137	**–**	–
	11,145,005	11,334,926	**3,388,435**	3,740,538
Non-current				
Other payable – non-related party	**–**	–	**841,949**	841,949

Company

As at 31 December 2024 and 2023, loan from subsidiary corporations was unsecured, interest-free and payable on demand.

Group

As at 31 December 2024, non-current other payable to non-related party related to the remaining consideration for the participating rights in KP PSC of US$1,038,001 was re-measured at amortised cost to US$841,949 (2023: US$841,949) based on the extended agreement signed by the counter-party to defer the settlement from 31 December 2025 to 31 December 2026 without interest charged. The decrease of non-current other payable to related party was related to a loan cancellation from one of the joint operators to the joint operation of US$3,480,000 upon the disposal of the patent rights on 29 June 2023, resulting in a gain on disposal of intangible assets of US$1,712,221 for the financial year ended 31 December 2023.

19. LEASE LIABILITIES

	Company		Group	
	2024 US$	**2023 US$**	**2024 US$**	**2023 US$**
Current	**78,323**	84,990	**116,160**	125,436
Non-current	**41,654**	123,110	**124,215**	123,110
Total lease liabilities	**119,977**	208,100	**240,375**	248,546

20. CURRENT INCOME TAX LIABILITIES

	Company		Group	
	2024 US$	**2023 US$**	**2024 US$**	**2023 US$**
Opening balance	**172,246**	29,853	**3,035,734**	3,422,769
Current income tax expense (Note 21)	**422,420**	168,021	**1,909,777**	1,509,140
Overprovision in prior financial years (Note 21)	**(24,378)**	(481)	**(1,273,050)**	(439,312)
Income tax paid	**(145,703)**	(29,830)	**(1,697,480)**	(1,461,756)
Currency translation differences	**(9,606)**	4,683	**(9,809)**	4,893
Closing balance	**414,979**	172,246	**1,965,172**	3,035,734

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

21. INCOME TAX EXPENSE

The Company is liable to income tax in Singapore on its chargeable income arising from interest income and the management and petroleum services fees that the Company charged its subsidiary corporations. These fees charged are based on a cost plus 5% mark-up basis.

The subsidiary corporations are liable to pay income taxes in the countries where the respective petroleum contracts and operations are domiciled. The subsidiary corporations and joint operations of the Group operating in oil and gas segment have made the necessary tax provisions as required under their respective petroleum contracts.

During the financial year ended 31 December 2024, the Group re-assessed the prior year tax provisions for the Indonesia operations for the financial year ended 31 December 2013, after TAC expired. As a result, the Group reversed the amount of US$1,228,217 (2023: US$440,943) after the statute of limitations lapsed.

For Myanmar operations, the tax assessment was finalised till year of assessment 2024, as a result, there was an over provision in prior year income tax of US$20,455 (2023: under provision of US$2,112). The income tax paid for the financial year ended 31 December 2024 was US$1,542,220 (2023: US$1,425,774).

Tax expense attributable to profit or loss was made up of:

	Group	
	2024 US$	**2023 US$**
Profit for the financial year:		
Current income tax (Note 20)		
– Singapore	**422,420**	168,021
– Foreign	**1,487,357**	1,341,119
	1,909,777	1,509,140
Overprovision of current income tax in prior financial years (Note 20):		
– Singapore	**(24,378)**	(481)
– Foreign	**(1,248,672)**	(438,831)
	(1,273,050)	(439,312)
	636,727	1,069,828

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax was explained as follows:

	Group	
	2024 US$	**2023 US$**
Profit before income tax	**4,760,099**	2,196,829
Share of losses of joint venture after tax (Note 11)	**(11,495)**	(2,505)
Profit before tax and share of losses of joint venture	**4,748,604**	2,194,324
Tax calculated at tax rate of 17% (2023: 17%)	**807,263**	373,035
Effects of:		
– Different tax rates in other countries	**472,142**	411,866
– Income not subject to tax	**(306,316)**	(1,255,823)
– Expenses not deductible for tax purposes	**936,688**	1,980,062
– Over provision of prior financial years income tax	**(1,273,050)**	(439,312)
	636,727	1,069,828

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

22. SHARE CAPITAL

Company and Group	2024 Number of Ordinary Shares	2023 Number of Ordinary Shares	2024 US$	2023 US$
Opening and Closing balance	**655,498,604**	655,498,604	**75,157,304**	75,157,304

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

These newly issued ordinary shares ranked pari passu in all respects with the existing ordinary shares.

23. TREASURY SHARES

Company and Group	2024 Number of Ordinary Shares	2023 Number of Ordinary Shares	2024 US$	2023 US$
Opening balance	**–**	–	**–**	–
Purchase of treasury shares	**19,588,400**	–	**591,818**	–
Closing balance	**19,588,400**	–	**591,818**	–

Treasury shares relate to ordinary shares of the Company that is held by the Company.

During the financial year, the Company acquired 19,588,400 shares of the Company by way of market acquisition and all shares acquired are held as treasury shares. As at 31 December 2024, the Company had 19,588,400 treasury shares, representing 2.99% (31 December 2023: nil) of the total number of shares outstanding as at 31 December 2024.

There were no sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial year reported on.

24. SHARE OPTIONS

The Interra Share Option Plan 2017 ("ISOP 2017") was approved by members of the Company at an Extraordinary General Meeting on 28 April 2017. ISOP 2017 provides a means to recruit, retain and give recognition to directors of the Group, employees, controlling shareholders and/or their associates, who have contributed to the success and development of the Group with an opportunity to participate in the equity of the Company and to motivate them to better performance through increased dedication and loyalty.

Subject to the absolute discretion of the Remuneration Committee, the controlling shareholders and/or their associates are eligible to participate in the ISOP 2017, provided that the participation of the controlling shareholders and/or their associates and the actual number of shares comprised in the option(s) and terms of such option(s) to be granted to any of them only be effected with the specific prior approval of independent shareholders in a general meeting in separate resolutions. The aggregate number of shares over which options can be granted to one controlling shareholder or his associate shall not exceed 10% of the total number of shares available under the ISOP 2017, and the aggregate number of shares over which options can be granted to all controlling shareholders and their associates shall not exceed 25% of the total number of shares available under the ISOP 2017.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

24. SHARE OPTIONS (CONTINUED)

Under the ISOP 2017, options to subscribe for the ordinary shares of the Company are granted to directors and employees of the Group after taking into account criteria such as the rank, job performance, years of service, potential for future development, contribution to the success and development of the Group and the prevailing market and economic conditions. The exercise price of the options is determined at the average of the closing prices of the Company's ordinary shares as quoted on the Singapore Exchange Securities Trading Limited ("SGX-ST") for five consecutive market days immediately preceding the date of the grant or a price which is set at a premium or discount to the market price, the quantum of such premium or discount (up to 20%) is to be determined by the Remuneration Committee in its absolute discretion. Options granted at market price or premium may be vested after one year from the date of grant and are exercisable over a period of four years, while options granted at a discount may be vested after two years from the date of grant and are exercisable over a period of three years. The options may be exercised, in whole or in part (being 1,000 shares or any multiple thereof), on the payment of the aggregate exercise price. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

The aggregate number of shares over which options may be granted on any date, when added to the number of shares issued and issuable in respect of all options granted under the ISOP 2017, shall not exceed 15% of the issued shares of the Company (excluding treasury shares and subsidiary holdings) on the day preceding that date.

On 17 November 2023, the Company granted options to key management personnel and employees to subscribe for 2,900,000 ordinary shares of the Company at exercise price of S$0.036 per share ("2023 Options"). The 2023 Options were exercisable from 18 November 2024, and will expire on 17 November 2028. The fair value of the 2023 Options granted was estimated to be S$34,499 (equivalent to US$25,575) using the Binomial Option Pricing Model. On 24 May 2024, the Company granted share options to the Executive Chairman to subscribe for 5,000,000 shares at an exercise price of S$0.038 per share and to other Directors to subscribe for a total of 20,000,000 shares at an exercise price of S$0.036 per share ("2024 Options"). The 2024 Options are exercisable from 25 May 2025 and will expire on 24 May 2029. The fair value of the 2024 Options granted was estimated to be S$207,900 (US$153,949) using the Binomial Option Pricing Model.

The movements in the number of unissued ordinary shares under option and their exercise prices were as follows:

	Number of Ordinary Shares under Option						
Company and Group	At beginning of the financial year	Granted during financial year	Lapsed during financial year	Exercised during financial year	At end of the financial year	Exercise price	Exercise period
2024							
2024 Options	–	25,000,000	–	–	25,000,000	S$0.036 and S$0.038	25 May 2025 to 24 May 2029
2023							
2023 Options	–	2,900,000	–	–	2,900,000	S$0.036	18 November 2024 to 17 November 2028

The fair value of the 2023 Options granted was estimated to be S$34,499 (equivalent to US$25,575) using the Binomial Option Pricing Model. The significant inputs into the model were the share price of S$0.035 per share at the grant date, the exercise price of S$0.036 per share, standard deviation of expected share price returns of 67%, no dividend yield, the option life of two years and the annual risk-free interest rate of 3.25%. The volatility measured as the standard deviation of expected share price returns was estimated based on statistical analysis of share prices over the last two years.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

24. SHARE OPTIONS (CONTINUED)

The fair value of the 2024 Options granted was estimated to be S$207,900 (equivalent to US$153,949) using the Binomial Option Pricing Model. The significant inputs into the model were the share price of S$0.034 per share at the grant date, the exercise price of S$0.036 and S$0.038 per share for directors and Chairman respectively, standard deviation of expected share price returns of 49%, no dividend yield, the option life of two years and the annual risk-free interest rate of 3.46%. The volatility measured as the standard deviation of expected share price returns was estimated based on statistical analysis of share prices over the last two years.

25. OTHER RESERVES

(a) Composition:

	Company		Group	
	2024	**2023**	**2024**	**2023**
	US$	**US$**	**US$**	**US$**
Special reserve	**–**	–	**(16,544,140)**	(16,544,140)
Share option reserve	**118,788**	3,083	**118,788**	3,083
Fair value reserve	**–**	–	**(71,234)**	–
Currency translation reserve	**–**	–	**(129,132)**	(72,105)
	118,788	3,083	**(16,625,718)**	(16,613,162)

Other reserves are non-distributable.

(b) Movements:

(i) Special Reserve

As a result of applying the reverse acquisition accounting as set out in Note 2(b)(iii), the Group's consolidated financial statements reflect the continuation of the financial statements of its legal subsidiary corporation, Goldwater. As such, the cost of investment to acquire Goldwater and the reserves of the Company immediately prior to the reverse acquisition were transferred to special reserves during the consolidation of the financial statements. These reserves include share premium immediately before the debt restructuring on 10 July 2003 and accumulated losses immediately before the reverse acquisition on 10 July 2003.

	Group	
	2024	**2023**
	US$	**US$**
Cost of investment	**(18,319,492)**	(18,319,492)
Share capital of Goldwater	**200,000**	200,000
Goodwill on reverse acquisition	**1,575,352**	1,575,352
Opening and Closing balance	**(16,544,140)**	(16,544,140)

(ii) Share Option Reserve

	Company and Group	
	2024	**2023**
	US$	**US$**
Opening balance	**3,083**	–
Employee share option plan – value of employee services	**115,705**	3,083
Closing balance	**118,788**	3,083

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

25. OTHER RESERVES (CONTINUED)

(b) Movements: (Continued)

(iii) Fair Value Reserve

	Group	
	2024 US$	2023 US$
Opening balance	**–**	–
Fair value loss – equity investments (Note 12)	**(71,234)**	–
Closing balance	**(71,234)**	–

(iv) Currency Translation Reserve

	Group	
	2024 US$	2023 US$
Opening balance	**(72,105)**	(87,653)
Currency translation differences – (loss)/gain on consolidation	**(57,027)**	15,548
Closing balance	**(129,132)**	(72,105)

26. REVENUE

	Group	
	2024 US$	2023 US$
At a point in time:		
Sale of oil and petroleum products	**17,120,929**	19,127,007

27. OTHER INCOME, NET

	Group	
	2024 US$	2023 US$
Interest income from bank deposits	**776,985**	637,818
Interest income from loan to non-related parties	**633,025**	562,384
Interest income from financial assets, at FVPL	**96,020**	7,957
Total interest income	**1,506,030**	1,208,159
Petroleum services fees	**233,966**	231,934
Amortised cost adjustment for interest-free non-current payables	**92,901**	92,901
Currency translation losses	**(118,817)**	(80,604)
Gain on disposal of intangible assets (Note 8)	**–**	1,712,221
Gain on derecognised of lease liabilities	**–**	54,389
Fair value loss on financial assets, at FVPL (Note 13)	**–**	(12,529)
Others	**4**	19,181
	1,714,084	3,225,652

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

28. FINANCE EXPENSES

	Group	
	2024 US$	2023 US$
Interest on lease liabilities (Note 5(b))	13,284	9,910
Interest on provision of reinstatement costs	51	50
Unwinding of interest-free from non-current payables	92,901	92,901
	106,236	102,861

29. EXPENSES BY NATURE

	Group	
	2024 US$	2023 US$
Royalties	3,088,572	3,250,681
Repair and maintenance expenses	1,466,975	1,615,615
Well servicing and workover expenses	510,655	567,573
Depreciation of property, plant and equipment (Note 4)	8,082	24,564
Depreciation of right-of-use assets (Note 5)	120,610	120,610
Amortisation of producing oil and gas properties (Note 6)	1,929,153	3,192,988
Impairment loss of exploration and evaluation assets (Note 7)	–	4,883,829
Total amortisation, depreciation and impairment	2,057,845	8,221,991
Geology and geophysical study	21,796	56,181
Other production expenses	1,241,487	1,042,321
Employee compensation (Note 30)	3,365,301	3,587,531
Directors' remuneration (Note 36(b))	983,986	616,249
Lease expense – short-term leases (Note 5(c))	199,592	250,688
Professional, legal and compliance expenses	174,737	129,950
Other expenses	720,814	584,463
Auditor's fees:		
Fees on audit services paid/payable to:		
– Auditor of the Company	117,102	121,465
– Other auditors	8,321	8,261
Total cost of production, other loss and administrative expenses	13,957,183	20,052,969

30. EMPLOYEE COMPENSATION

	Group	
	2024 US$	2023 US$
Wages and salaries	2,980,642	3,215,335
Employer's contribution to defined contribution plan	92,139	92,301
Other short-term benefits	270,028	276,812
Share option expenses	22,492	3,083
Total employee compensation (Note 29)	3,365,301	3,587,531

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

31. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company for the financial year by the weighted average number of ordinary shares outstanding during the financial year.

For the purpose of calculating diluted earnings per share, profit attributable to equity holders of the Company and the weighted average number of shares on issue has been adjusted as if all dilutive share options were exercised. The number of shares that could have been issued upon the exercise of all dilutive share options less the number of shares that could have been issued at fair value (determined as the Company's average share price for the financial year) for the same total proceeds is added to the denominator as the number of shares issued for no consideration.

	Group	
	2024	**2023**
Net profit attributable to equity holders of the Company (US$)	**4,197,582**	2,521,510
Weighted average number of ordinary shares outstanding for basic earnings per share	**650,785,241**	655,498,604
Adjustments for share options	**1,266,451**	–
Weighted average number of ordinary shares outstanding for diluted earnings per share	**652,051,692**	655,498,604
Basic earnings per share (US cents)	**0.645**	0.385
Diluted earnings per share (US cents)	**0.644**	0.385

32. CAPITAL COMMITMENTS

The Group's capital commitments are in respect of the investments in the IPRCs in Myanmar and KP PSC in Indonesia. The capital expenditure for the financial year ending 31 December 2025 and financial year ended 31 December 2024 are based on the work program and budgets approved by the respective local authorities.

Capital expenditure contracted for at the reporting date but not recognised in the financial statements were as follows:

	Group	
	2024 US$	**2023 US$**
Not later than one year	**6,239,702**	2,489,326

33. CONTINGENT LIABILITIES

Contingent liabilities of which the probability of settlement is not remote at the reporting date are as follows:

Company

The Company has provided letters of financial support to some of its subsidiary corporations to enable the subsidiary corporations to operate as going concerns and to meet their liabilities as and when they fall due.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

33. CONTINGENT LIABILITIES (CONTINUED)

Group

The Myanmar Investment Commission ("MIC") resolved at its meeting in August 1994 that all projects established with the permission of the MIC shall be responsible for the preservation of the environment at and around the area of the project sites. The enterprises are entirely responsible for controlling pollution of air, water and land, and other environmental aspects and keeping the project site environmentally friendly. To meet the requirements of the MIC, the Group may incur costs in restoring the project sites. These potential costs are not estimated as the Group does not foresee any circumstances which require it to make provisions for such compliance with the MIC's requirements.

In late 2005, the Ministry of Finance and Revenue of Myanmar issued a notification stating that all capital gains arising from transactions in foreign currencies relating to the sale, exchange or transfer of shares, capital assets, ownership, or interest of companies doing business in the oil and gas sector in Myanmar are subject to tax. This change is to be applied retrospectively from 15 June 2000 onwards. In late 2002, the Group's subsidiary corporation, Goldwater, farmed out its 40% interest in the IPRCs to a joint venture partner. At that time, Goldwater informed MOGE that Goldwater's net cumulative investment was higher than the cash proceeds received from the farm-out and hence, Goldwater did not derive any capital gain. At this point in time, the Group is of the view that no tax provision in respect of this matter is required to be included in the financial statements. Furthermore, it is not possible to estimate the quantum of this amount which may eventually become payable.

The operations and earnings of the Group have been, and in the future may be, affected from time to time in varying degrees by political developments in Myanmar, and laws and regulations both in Myanmar and countries in responding to developments in Myanmar. These may include sanctions by other countries on trades with Myanmar, forced divestment of assets, expropriation of property, cancellation of contracts, restrictions on production, changes in tax rules and environmental regulations. The likelihood of such occurrences and their overalls effects on the Group are not predictable.

34. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to market risk (including price risk, interest rate risk, country risk and currency risk), credit risk and liquidity risk arising in the normal course of business. The Group recognises the existence of the various risks and management of the Group constantly assesses the potential impacts to the Group. The Group also implements measures and strategies to minimise risk exposures. The Group does not hold or issue any derivative financial instruments for trading purposes or to hedge against fluctuations, if any, in oil prices, interests and foreign exchange rates.

(a) Market Risk

(i) Price Risk

The Group is exposed to crude oil price risk arising from crude petroleum production. The price of crude oil, which is a global commodity, is not set by the Group and is subject to fluctuations. The Group does not hedge against fluctuations in crude oil prices. The Group monitors the situation and manages the risk accordingly.

If crude oil price strengthened/weakened by 5% (2023: 5%) with all other variables including tax rate being held constant, the impact to the revenue and net profit of the Group would have been higher/lower by approximately US$856,000 and US$805,000 (2023: higher/lower by approximately US$956,000 and US$890,000) respectively.

The Group is exposed to equity securities price risk arising from the investments held by the Group which are classified either as financial assets, at FVOCI. These securities are listed in Australia.

If prices for equity securities listed in Australia had changed by 10% (2023: nil) with all other variables including tax rate being held constant, the effects on other comprehensive income would have been higher/lower by approximately US$81,000 (2023: nil).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market Risk (Continued)

(ii) Cash Flow and Fair Value Interest Rate Risks

Cash flow interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Group's interest rate risk mainly arises from short-term bank deposits, convertible bond and loan to non-related parties. As short-term bank deposits are placed in short-term money market with tenures mostly within the range of one month to three months, the Group's interest income is subject to fluctuation in interest rates. These fixed deposits are placed on a short-term basis according to the Group's cash flow requirements, and hence the Group does not hedge against short-term interest rate fluctuations. The convertible bond interest rate is fixed at 8.50% per annum for 36 months and hence not subject to changes in market interest rates. In addition, loans to non-related parties are long-term basis and subject to changes in market borrowing interest rates.

The effective interest rates for short-term bank deposits ranged from 2.85% to 5.65% (2023: 4.80% to 5.65%) per annum. These deposits were staggered in varying periods and amounts in accordance with the cash requirements of the Group. The effective interest rates for loans to non-related parties ranged from 9.49% – 10.38% (2023: 9.31% – 10.38%) per annum was charged at 5% above SOFR (2023: 5% above SOFR) per annum. Any significant movement in the interest rates was not likely to be material to the Group.

(iii) Political and Regulatory Risks

The Group operates in countries where political, economic and social transitions are taking place or may occur from time to time. Developments in politics, laws and regulations can affect its operational performance and financial position. Potential developments include forced divestment of assets, limits on production or cost recovery, international sanctions, import and export restrictions, price controls, tax increases and other retroactive tax claims, expropriation of property, cancellation of contract rights, changes to environmental regulations, international conflicts such as war, civil unrest, acts of sabotage or terrorism, and local security concerns that threaten the safe operation of facilities. In countries which lack well developed legal systems or have yet adopted clear regulatory frameworks for petroleum industry, the Group's operations are exposed to increased risk of adverse or unpredictable actions by government officials and may face difficulty in enforcing contracts or delays in issuance of licences and permits. Please refer to Note 1 for further disclosure on management assessment on updates on Group's operation in financial year 2024 in respect to the EU and US sanction regime and political instability in Myanmar on the Group's operations and financial performance.

(iv) Currency Risk

The Group operates mainly in Myanmar, Indonesia and Singapore. Entities of the Group regularly transact in currencies other than their respective functional currencies ("foreign currencies") such as Singapore Dollar ("SGD") and Indonesian Rupiah ("IDR").

Currency risk arises when transactions are denominated in foreign currencies. The Group currently does not seek to hedge against these exposures as such transactions constitute a small portion of the Group's operations.

In addition, the Group is exposed to currency translation risk on the net assets of its foreign operations. The Group's currency risks are predominantly in SGD, AUD and IDR. The Group currently does not seek to hedge against these exposures. As at the reporting date, the Group does not have any forward foreign currency contracts.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market Risk (Continued)

(iv) Currency Risk (Continued)

The Company's currency exposure was as follows:

2024	USD US$	SGD US$	Others US$	Total US$
Financial assets				
Cash and bank balances	**77,466**	**176,559**	**158**	**254,183**
Trade and other receivables	**4,997,004**	**15,273**	**–**	**5,012,277**
Financial assets, at FVPL	**–**	**1,088,454**	**–**	**1,088,454**
Other financial assets	**–**	**23,140**	**–**	**23,140**
	5,074,470	**1,303,426**	**158**	**6,378,054**
Financial liabilities				
Lease liabilities	**–**	**(119,977)**	**–**	**(119,977)**
Trade and other payables	**(10,693,761)**	**(451,244)**	**–**	**(11,145,005)**
	(10,693,761)	**(571,221)**	**–**	**(11,264,982)**
Net financial (liabilities)/assets	**(5,619,291)**	**732,205**	**158**	**(4,886,928)**
Add: Net non-financial assets	**19,067,974**	**(259,747)**	**286,925**	**19,095,152**
Currency profile including non-financial assets	**13,448,683**	**472,458**	**287,083**	**14,208,224**
Currency exposure of financial assets, net of those denominated in the Company's functional currency	**–**	**732,205**	**158**	**732,363**
2023				
Financial assets				
Cash and bank balances	220,952	42,763	142	263,857
Trade and other receivables	3,823,489	5,599	–	3,829,088
Financial assets, at FVPL	–	1,123,608	–	1,123,608
Other financial assets	–	23,887	–	23,887
	4,044,441	1,195,857	142	5,240,440
Financial liabilities				
Lease liabilities	–	(208,100)	–	(208,100)
Trade and other payables	(10,958,027)	(376,899)	–	(11,334,926)
	(10,958,027)	(584,999)	–	(11,543,026)
Net financial (liabilities)/assets	(6,913,586)	610,858	142	(6,302,586)
Add: Net non-financial assets	19,062,102	81,185	286,925	19,430,212
Currency profile including non-financial assets	12,148,516	692,043	287,067	13,127,626
Currency exposure of financial assets, net of those denominated in the Company's functional currency	–	610,858	142	611,000

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34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market Risk (Continued)

(iv) Currency Risk (Continued)

The Group's currency exposure was as follows:

2024	USD US$	SGD US$	IDR US$	AUD US$	Others US$	Total US$
Financial assets						
Cash and bank balances	15,732,367	2,069,647	88,313	31,899	43,491	17,965,717
Trade and other receivables	9,613,399	15,273	467,538	–	–	10,096,210
Financial assets, at FVOCI	–	–	–	811,064	–	811,064
Financial assets, at FVPL	–	1,088,454	–	–	–	1,088,454
Other financial assets	8,702	23,139	–	–	–	31,841
	25,354,468	3,196,513	555,851	842,963	43,491	29,993,286
Financial liabilities						
Lease liabilities	(120,397)	(119,978)	–	–	–	(240,375)
Trade and other payables	(3,416,726)	(503,395)	(304,496)	–	(5,767)	(4,230,384)
	(3,537,123)	(623,373)	(304,496)	–	(5,767)	(4,470,759)
Net financial assets	21,817,345	2,573,140	251,355	842,963	37,724	25,522,527
Add: Net non-financial assets/(liabilities)	22,263,978	(260,537)	269,413	–	3,662	22,276,516
Currency profile including non-financial assets	44,081,323	2,312,603	520,768	842,963	41,386	47,799,043
Currency exposure of financial assets, net of those denominated in the respective entities' functional currencies	–	2,573,140	251,355	842,963	37,724	3,705,182

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market Risk (Continued)

(iv) Currency Risk (Continued)

The Group's currency exposure was as follows:

2023	USD US$	SGD US$	IDR US$	Others US$	Total US$
Financial assets					
Cash and bank balances	17,154,315	42,764	40,476	20,089	17,257,644
Trade and other receivables	8,261,890	5,599	447,357	–	8,714,846
Financial assets, at FVPL	–	1,123,608	–	–	1,123,608
Other financial assets	9,059	23,887	–	–	32,946
	25,425,264	1,195,858	487,833	20,089	27,129,044
Financial liabilities					
Lease liabilities	(40,446)	(208,100)	–	–	(248,546)
Trade and other payables	(3,781,522)	(416,919)	(370,279)	(13,767)	(4,582,487)
	(3,821,968)	(625,019)	(370,279)	(13,767)	(4,831,033)
Net financial assets	21,603,296	570,839	117,554	6,322	22,298,011
Add: Net non-financial assets	21,591,868	73,242	275,595	596	21,941,301
Currency profile including non-financial assets	43,195,164	644,081	393,149	6,918	44,239,312
Currency exposure of financial assets, net of those denominated in the respective entities' functional currencies	–	570,839	117,554	6,322	694,715

As at 31 December 2024, if SGD had strengthened/weakened by 5% (2023: 5%) against USD with other variables including tax rate being held constant, the Company's and the Group's profit after tax would have been higher/lower by approximately US$22,000 and US$110,000 (2023: higher/lower by approximately US$33,000 and US$31,000) respectively, as a result of currency translation gains/(losses) on SGD denominated financial instruments.

As at 31 December 2024, if IDR had strengthened/weakened by 5% (2023: 5%) against USD with other variables including tax rate being held constant, the Group's profit after tax would have been higher/lower by approximately US$25,000 (2023: higher/lower by approximately US$19,000), as a result of currency translation gains/(losses) on IDR denominated financial instruments.

As at 31 December 2024, if AUD had strengthened/weakened by 5% (2023: 5%) against USD with other variables including tax rate being held constant, the Group's profit after tax would have been higher/lower by approximately US$78,000 (2023: nil), as a result of currency translation gains/(losses) on AUD denominated financial instruments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Company and of the Group are cash and cash equivalents (Note 17), trade receivables, financial assets, at FVPL, loan to non-related parties and loan to associated company (Note 15). For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit standing and history. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

Cash and cash equivalents that are neither past due nor impaired are mainly deposits with banks of high credit-ratings assigned by international credit-rating agencies.

As the Company and the Group do not hold collaterals, the maximum exposure to credit risk for each class of financial assets is the carrying amount of that financial assets presented on the statement of financial position.

The Group currently sells all the crude oil produced to MOGE, and therefore has a significant concentration of credit risk. The Group does not foresee its exposure to MOGE to be significant as payments have been regular and there are no balances which are long over-due. The trade receivables from MOGE represented 100% (2023: 100%) of the Group’s total trade receivables respectively.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

Trade receivables are written off when there is no reasonable expectation of recovery. The Group considers a trade receivable as default if the counterparty fails to make contractual payments within 120 days when they fall due, which are derived based on the Group’s historical information. Where trade receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

As at 31 December 2024 and 2023, trade receivables were not past due and were not subject to any material credit losses.

As at 31 December 2024, the carrying amount of the loan extended to subsidiary corporations and non-related parties from the Company and the Group for short-term funding purposes amounted to US$4,919,222 and US$6,643,403 (2023: US$3,735,022 and US$5,992,715) respectively. The Group evaluates the credit risk rating of these receivables based on qualitative and quantitative, including external ratings, audited financial statements, management accounts and cash flow projections, and available press information (if any). Based on the assessment, these receivables are considered to have low credit risk except for loans to associated company and certain subsidiary corporations that were fully impaired in the prior financial years due to inactive and lack of revenue generator.

During the financial year ended 31 December 2024, the Company wrote off the loss allowance of US$3,984,644 (2023: loss allowance of US$3,265) on the advances made to Interra Resources (Borneo) Pte. Ltd. under current loan to subsidiary corporations. During the financial year ended 31 December 2024, loss allowance of nil (2023: US$6,178) was recognised on the advances made to Goldwater TMT Pte. Ltd. under current loan to subsidiary corporations and loss allowance of nil (2023: US$4,904,428) was recognised on the advances made to GKP under non-current loan to subsidiary corporations. In the prior financial year ended 31 December 2019, the Company had already recognised a loss allowance of US$7,895,885 on the advances made to Goldwater Indonesia Inc. based on lifetime ECL model (Note 15).

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit Risk (Continued)

The movements in credit loss allowance were as follows:

	Company		Group	
	Loan to subsidiary corporations		Loan to associated company	
	2024	**2023**	**2024**	**2023**
	US$	**US$**	**US$**	**US$**
Opening balance	**22,935,264**	18,021,393	**528,395**	528,395
Loss allowances	**–**	4,913,871	**–**	–
Loss allowances write off	**(3,984,644)**	–	**–**	–
Closing balance	**18,950,620**	22,935,264	**528,395**	528,395

(c) Capital Risk

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In light of the present economic conditions in the industry and various stages of development of its assets, the Group will endeavour to manage its capital structure and make adjustment to it, in order to achieve its objectives.

In view of the Group's assets at different stages of development, the Group will be actively seeking to raise debt financing or issue new shares in order to generate maximum returns, and at the same time attain an optimal capital structure through close monitoring of its gearing ratio.

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as lease liabilities plus trade and other payables less cash and bank balances. Total capital is calculated as total equity plus net debt.

	Company		Group	
	2024	**2023**	**2024**	**2023**
	US$	**US$**	**US$**	**US$**
Net debt	**11,010,799**	11,279,169	**(13,494,958)**	(12,426,611)
Total equity	**14,208,224**	13,127,626	**47,799,043**	44,239,312
Total capital	**25,219,023**	24,406,795	**34,304,085**	31,812,701
Gearing ratio	**44%**	46%	**NA**	NA

The Company and the Group have no externally imposed capital requirements for the financial years ended 31 December 2024 and 2023.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Liquidity Risk

Prudent liquidity risk management includes maintaining sufficient cash and obtaining credit facilities when the needs arise. The Group's financing activities are managed centrally by maintaining an adequate level of cash and cash equivalents to finance the Group's operations. The Group's surplus funds are also managed centrally by placing them on short-term deposits with reputable financial institutions.

	Company		Group	
	2024 US$	2023 US$	**2024 US$**	2023 US$
Less than one year				
Trade and other payables	**11,145,005**	11,334,926	**3,388,435**	3,740,538
Lease liabilities	**96,957**	97,090	**96,957**	138,850
	11,241,962	11,432,016	**3,485,392**	3,879,388
More than one year				
Other payables	**–**	–	**841,949**	841,949
Lease liabilities	**46,942**	147,804	**181,942**	147,804
	46,942	147,804	**1,023,891**	989,753

(e) Fair Value Measurements

The table below presents assets and liabilities recognised and measured at fair value and classified by level of the following fair value measurement hierarchy:

(a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
(b) Inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
(c) Inputs for the asset or liability that are based on observable market data (unobservable inputs) (Level 3).

Fair value measurement disclosure of other assets that are recognised or measured at fair value, can be found at Note 12 and Note 13.

Company and Group	Level 1 US$	Level 2 US$	Level 3 US$	Total US$
2024				
Financial assets, at FVPL	**–**	**1,088,454**	**–**	**1,088,454**
Financial assets, at FVOCI	**–**	**811,064**	**–**	**811,064**
2023				
Financial assets, at FVPL	–	1,123,608	–	1,123,608

There were no transfers between level 1 and 2 fair values during the year.

The redemption method derived the fair value using the Binomial Option Pricing Model. The significant inputs into the model were the weighted average share price of S$0.029 per share at the reporting date, the conversion price of S$0.026 per share, standard deviation of expected share price returns of 140%, no dividend yield, the bond life of three years and the annual risk-free interest rate of 3.30%. The volatility measured as the standard deviation of expected share price returns was estimated based on statistical analysis of share prices over the last three years. The conversion method calculated the fair value using cash flows discounted at a rate based on the risk-adjusted discount rate of 9.45% per annum.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(f) Financial Instruments by Category

The carrying amounts of the different categories of financial instruments were as follows:

	Company		Group	
	2024 US$	2023 US$	2024 US$	2023 US$
Financial assets, at FVOCI	**–**	–	**811,064**	–
Financial assets, at FVPL	**1,088,454**	1,123,608	**1,088,454**	1,123,608
Financial assets at amortised cost	**5,289,600**	4,116,832	**28,093,768**	26,005,436
Financial liabilities at amortised cost	**11,264,982**	11,534,206	**4,470,759**	4,831,033

35. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Board of Directors ("BOD") that are used to make strategic decisions, allocate resources, and assess performance.

The Group operates primarily in two geographical areas, namely Indonesia and Myanmar. The Group has one reportable business segment, namely the exploration and operation of oil fields for crude petroleum production.

Other services within Singapore include investment holding and the provision of management services, but these are not included within the reportable operating segments, as they are not included in the segment reports provided to the BOD. The results of these operations are included under "All Other Segments".

There is no inter-segment revenue. The revenue from external customers reported to the BOD is measured in a manner consistent with that in the statement of comprehensive income. The BOD assesses the performance of the operating segments based on a measure of earnings before interest, income tax, depreciation and amortisation ("adjusted EBITDA"). This measurement basis excludes the effects of expenditure from the operating segments such as impairment and reversal of impairment that is not expected to recur regularly in every period and are separately analysed. Interest income and finance expenses are not allocated to the segments as this type of activity is managed centrally.

The segment information provided to the BOD for the reportable segments for the financial years ended 31 December 2024 and 2023 were as follows:

2024	Indonesia US$	Myanmar US$	All Other Segments US$	Total US$
Revenue				
Sales to external customers	**–**	**17,120,929**	**–**	**17,120,929**
Expenses				
Royalties	**–**	**3,088,572**	**–**	**3,088,572**
Employee compensation	**27,807**	**2,412,665**	**924,829**	**3,365,301**
Adjusted EBITDA	**(114,304)**	**8,169,947**	**(2,718,899)**	**5,336,744**
Amortisation and depreciation	**–**	**1,968,339**	**89,506**	**2,057,845**
Total assets	**17,293,053**	**18,343,618**	**532,864**	**36,169,535**
Total assets include:				
Capital expenditures (tangible and intangible assets)	**(25,201)**	**1,012,883**	**–**	**987,682**
Total liabilities	**(1,182,291)**	**(2,665,839)**	**(622,629)**	**(4,470,759)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

35. SEGMENT INFORMATION (CONTINUED)

2023	Indonesia US$	Myanmar US$	All Other Segments US$	Total US$
Revenue				
Sales to external customers	–	19,127,007	–	19,127,007
Expenses				
Royalties	–	3,250,681	–	3,250,681
Employee compensation	6,284	2,687,119	894,128	3,587,531
Adjusted EBITDA	(94,015)	9,652,760	(2,092,205)	7,466,540
Amortisation and depreciation	–	3,232,175	105,987	3,338,162
Impairment loss	4,883,829	–	–	4,883,829
Total assets	16,647,208	18,913,223	637,620	36,198,051
Total assets include:				
Capital expenditures (tangible and intangible assets)	1,422,081	2,619,055	1,661	4,042,797
Total liabilities	(1,245,660)	(2,978,452)	(606,921)	(4,831,033)

(a) Reconciliations

(i) Segment Profits

A reconciliation of adjusted EBITDA to profit before income tax was as follows:

	Group 2024 US$	Group 2023 US$
Adjusted EBITDA for reportable segments	**8,055,643**	9,558,745
Adjusted EBITDA for other segments	**(2,718,899)**	(2,092,205)
Total adjusted EBITDA	**5,336,744**	7,466,540
Fair value loss on financial assets, at FVPL	**–**	(12,529)
Amortisation and depreciation	**(2,057,845)**	(3,338,162)
Finance expenses	**(106,236)**	(102,861)
Amortised cost adjustment for interest-free non-current payables	**92,901**	92,901
Gain on disposal of intangible assets	**–**	1,712,221
Share of losses of joint venture after tax	**(11,495)**	(2,505)
Interest income	**1,506,030**	1,208,159
Impairment loss on exploration and evaluation assets	**–**	(4,883,829)
Gain on derecognised of lease liabilities	**–**	54,389
Profit before income tax	**4,760,099**	2,194,324

(ii) Segment Assets

The amounts provided to the BOD with respect to the total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment. All assets are allocated to the reportable segments other than short-term bank deposits, financial assets, at FVPL and investments in joint venture.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

35. SEGMENT INFORMATION (CONTINUED)

(a) Reconciliations (Continued)

(ii) Segment Assets (Continued)

Segment assets were reconciled to total assets as follows:

	Group	
	2024 US$	**2023 US$**
Segment assets for reportable segments	**35,636,671**	35,560,431
Other segment assets	**532,864**	637,620
Total segment assets	**36,169,535**	36,198,051
Unallocated:		
Short-term bank deposits	**15,892,996**	14,500,000
Financial assets, at FVOCI	**811,064**	–
Financial assets, at FVPL	**1,088,454**	1,123,608
Investments in joint venture	**272,925**	284,420
Total assets	**54,234,974**	52,106,079

(iii) Segment Liabilities

The amounts provided to the BOD with respect to the total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment. All liabilities are allocated to the reportable segments other than current income tax liabilities.

Segment liabilities were reconciled to total liabilities as follows:

	Group	
	2024 US$	**2023 US$**
Segment liabilities for reportable segments	**3,848,130**	4,224,112
Other segment liabilities	**622,629**	606,921
Total segment liabilities	**4,470,759**	4,831,033
Unallocated:		
Current income tax liabilities	**1,965,172**	3,035,734
Total liabilities	**6,435,931**	7,866,767

(b) Revenue from Major Customers

The Group derived its revenue from the sale of crude petroleum to one external customer for the financial year ended 31 December 2024 amounting to US$17,120,929 (2023: US$19,127,007). The revenue was attributable to oil and gas segment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

35. SEGMENT INFORMATION (CONTINUED)

(c) Geographical Information

Revenue and non-current assets of the Group based on the location of customers and assets respectively were as follows:

	Revenue		Non-Current Assets	
	2024 US$	**2023 US$**	**2024 US$**	**2023 US$**
Indonesia	**–**	–	**10,701,122**	10,737,818
Myanmar	**17,120,929**	19,127,007	**9,711,510**	10,546,568
Other countries	**–**	–	**125,482**	214,988
	17,120,929	19,127,007	**20,538,114**	21,499,374

Non-current assets consist of property, plant and equipment, right-of-use assets, producing oil and gas properties, exploration and evaluation assets, intangible assets and investments in joint venture.

36. RELATED PARTIES AND SIGNIFICANT RELATED PARTIES TRANSACTIONS

Related parties comprise mainly companies that are controlled or significantly influenced by the Group's key management personnel and their close family members.

In addition to the related party information disclosed elsewhere in the financial statements, the following transactions took place between the Group and the related parties as per the terms agreed between the parties.

(a) Purchases of Drilling Equipment and Services Received from Related Parties

	Group	
	2024 US$	**2023 US$**
Purchases of drilling equipment	**–**	182,987
Geological and geophysics study services	**150,000**	270,000
	150,000	452,987

North Petroleum International Company Limited is also the common shareholders of China North Vehicle Corporation Ltd. and Chengdu North Petroleum Exploration and Development Technology Co., Ltd. During the financial year ended 31 December 2024, the Group received geological and geophysics study services at terms agreed with the related party.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

36. RELATED PARTIES AND SIGNIFICANT RELATED PARTIES TRANSACTIONS (CONTINUED)

(b) Key Management's Remuneration

The key management's remuneration included fees, salary, bonus, commission and other emoluments (including benefits-in-kind) computed based on the costs incurred by the Group, and where the Group did not incur any costs, the fair value of the benefits. The key management's remuneration was as follows:

	Group	
	2024 US$	**2023 US$**
Directors' fees*	**93,325**	120,552
Wages and salaries	**1,271,057**	1,060,344
Other benefits	**85,989**	48,622
Employer's contribution to defined contribution plan	**33,920**	24,671
Share option expenses	**103,296**	1,382
Total costs incurred by the Group	**1,587,587**	1,255,571
Costs are incurred for the following categories of key management:		
– Directors of the Company (Note 29)	**983,986**	616,249
– Other key management personnel	**603,601**	639,322
Total costs incurred by the Group	**1,587,587**	1,255,571

* Directors' fees disclosed above include US$106,578 (2023: US$120,552) in accrued expenses, subject to approval at the forthcoming Annual General Meeting. The difference of US$13,253 was due to overprovision of directors' fees in FY2023.

37. SUBSEQUENT EVENTS

(i) On 6 January 2025, the Company incorporated a subsidiary, Haikou Interra Import and Export Trading Co., Ltd. (海口赢得瑞进出口贸易有限公司) in Hainan, People's Republic of China. The principal activities of the subsidiary are import and export of goods, technology and agency. The registered capital of the subsidiary is RMB500,000 (approximately US$68,270).

(ii) On 24 January 2025, the Company incorporated a subsidiary, PT Interra Resources Indonesia Investment in Indonesia ("PT IRII"). The principal activities of the subsidiary are in investments holding. PT IRII is 99.99% and 0.01% held by the Company's wholly owned subsidiaries, Goldwater TMT Pte. Ltd. and Interra Resources (Borneo) Pte. Ltd. respectively. The authorised and issued paid up capital of the subsidiary is Rp 10,000,000,000 (approximately US$619,959).

(iii) On 1 May 2025, the Company struck off a wholly-owned subsidiary, Goldwater Eagle Limited ("GEL") incorporated in the British Virgin Islands, from the registrar of companies. The Company elected to strike off GEL by not renewing the annual license, as GEL had been dormant. The striking off is not expected to have any material impact for the financial year ending 31 December 2025.

(iv) Subject to shareholders' approval at the forthcoming Annual General Meeting on 30 May 2025, the Board intends to declare a final dividend of S$0.0015 per ordinary share amounting to a total of approximately S$950,000 from the net profit of the financial year ended 31 December 2024. This proposed dividend is not reflected as a dividend payable in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

38. NEW OR REVISED SFRS(I) AND INTERPRETATIONS

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2025 and which the Group has not early adopted.

(i) Amendments to SFRS(I) 1-21 – *Lack of Exchangeability* *(effective for annual periods beginning on or after 1 January 2025)*

SFRS(I) 1-21 is amended to add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not. Prior to these amendments, SFRS(I) 1-21 set out the exchange rate to use when exchangeability is temporarily lacking, but not what to do when lack of exchangeability is not temporary.

(ii) Amendments to SFRS(I) 9 and SFRS(I) 7 – *Amendments to the Classification and Measurement of Financial Instruments* *(effective for annual periods beginning on or after 1 January 2026)*

SFRS(I) 9 and SFRS(I) 7 are amended to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- clarity the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income.

(iii) Amendments to SFRS(I) 18 – *Presentation and Disclosure in Financial Statements* *(effective for annual periods beginning on or after 1 January 2027)*

SFRS(I) 18 replaces SFRS(I) 1-1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impact on the presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance (comprising of the statement of profit or loss and other comprehensive income) and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the group's consolidated financial statements. From the high-level preliminary assessment performed, the following impacts have been identified:

- Although the adoption of SFRS(I) 18 will have no impact on the group's net profit, the group expects that grouping items of income and expenses in statement of profit or loss into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the Group has performed, the following items might potentially impact operating profit:
  - Foreign exchange differences currently aggregated in the line item "other income/ (losses)" in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.

NOTES TO THE FINANCIAL STATEMENTS

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38. NEW OR REVISED SFRS(I) AND INTERPRETATIONS (CONTINUED)

(iii) Amendments to SFRS(I) 18 – *Presentation and Disclosure in Financial Statements* *(effective for annual periods beginning on or after 1 January 2027)* (Continued)

  - SFRS(I) 18 has specific requirements on the category in which derivative gains or losses are recognised – which is the same category as the income and expenses affected by the risk that the derivative is used to manage. Although the group currently recognises gains or losses in operating profit and others in finance costs, there might be a change to where these gains or losses are recognised, and the group is currently evaluating the need for change.

- The line items presented on the primary financial statements might change as a result of the application of the concept of "useful structured summary" and the enhanced principles on aggregation and disaggregation. In addition, since goodwill will be required to be separately presented in the statement of financial position, the group will disaggregate goodwill and other intangible assets and present them separately in the statement of financial position.
- The group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:
  - management-defined performance measures;
  - a break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss – this break-down is only required for certain nature expenses; and
  - for the first annual period of application of SFRS(I) 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying SFRS(I) 18 and the amounts previously presented applying SFRS(I) 1-1.
- From a cash flow statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.

The group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with SFRS(I) 18.

(iv) SFRS(I) 19 – *Subsidiaries without Public Accountability:* *Disclosures (effective for annual reporting periods beginning on or after 1 January 2027)*

SFRS(I) 19 allows for certain eligible subsidiaries of parent entities that report under SFRS(I) Accounting Standards to apply reduced disclosure requirements. This new standard works alongside other SFRS(I). An eligible subsidiary applies the requirements in other SFRS(I) except for the disclosure requirements; and it applies instead the reduced disclosure requirements in SFRS(I) 19.

SFRS(I) 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:

- It does not have public accountability; and
- It has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with SFRS(I) Accounting Standards.

The Group does not expect this standard to have an impact on its operations or financial statements.

39. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of the Company on 5 May 2025.

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5 May 2025

Mr Sugi Handoko
Chief Technical Officer
Interra Resources Limited
1 Grange Road, #05-04 Orchard Building, Singapore 239693

Dear Mr Handoko,

Summary of the Reserves, Contingent Resources and Prospective Resources Extracted from the Qualified Person's Reports for Interra Resources Limited Assets in Myanmar and Indonesia

In response to your request, ERCE Australia Pty Ltd ("Sproule ERCE"), a wholly owned subsidiary of Sproule Holdings International Limited, has carried out an evaluation of the hydrocarbon Reserves and Resources owned by Interra Resources Limited ("Interra") in Myanmar and Indonesia, with Reserves calculated as of 31st December 2024.

We have prepared the Reserves estimates in line with the requirements of the Singapore Exchange ("SGX") and the June 2018 SPE/WPC/AAPG/SPEE Petroleum Resources Management System ("PRMS") as the standard for classification and reporting of Proved, Probable and Possible Reserves together with Contingent Resources and Prospective Resources.

The evaluation and its results have been reported in full in separate Sproule ERCE Qualified Person's Reports ("QPRs"), one for each asset, dated 5 May 2025. The following summary information has been extracted from the QPRs. Interra has confirmed that the information below has been fully and accurately extracted from the QPRs. Further details can be found in the QPRs, which are available for inspection by Interra's shareholders at Interra's office in Singapore.

The assets for which Sproule ERCE conducted the Reserves, Contingent Resources and Prospective Resources evaluations are listed in **Table 1**.

Table 1: Summary of Interra's Assets

Country	Block / Licence	Field	Operator	Interra Working Interest (%)	Licence		Current Area (km^2)	Outstanding Commitments
					Start of Current Phase	End of Current Phase		
Myanmar	Chauk IPRC	Chauk	GJOC	60.00	04/04/2017	03/04/2028	955.0	None
Myanmar	Yenangyaung IPRC	Yenangyaung	GJOC	60.00	04/04/2017	03/04/2028	845.0	None
Indonesia	Kuala Pambuang PSC	(Exploration)	Interra	72.75	14/03/2025	14/03/2026	1,630.7	1 Expl Wells

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Sproule ERCE reviewed the reservoir and production engineering data provided by Interra of the respective blocks and generated independent production forecasts. Sproule ERCE also independently reviewed the CAPEX and OPEX presented by Interra and in accordance with reporting requirements, conducted Economic Limit Tests ("ELTs") on the resource volumes. The Reserves volumes calculated are based on Sproule ERCE's 2025 Q1 Price Deck and the cost and fiscal assumptions are detailed in the respective QPRs. Sproule ERCE's estimates of the oil Reserves, as of 31st December 2024 are summarised for each asset in **Table 2**.

Table 2: Summary of Oil Reserves for Interra's Assets in Myanmar

Country	Licence		Oil Reserves (MMstb)		
			1P	2P	3P
Myanmar	CHK IPRC	Gross (100%)	1.05	1.26	1.44
		Company Working Interest (60%)	0.55	0.66	0.76
		Company Net Entitlement	0.27	0.33	0.38
Myanmar	YNG IPRC	Gross (100%)	1.14	1.22	1.30
		Company Working Interest (60%)	0.60	0.64	0.68
		Company Net Entitlement	0.14	0.17	0.20

Notes:

1. Gross Reserves represent 100% of the estimated commercially recoverable oil within the IPRC period. Gross Reserves include volumes attributable to third parties and government, including the agreed contract baseline production, and thus contain volumes which are not attributable to Interra.
2. Company Working Interest Reserves are based on the working interest share of the field Gross Reserves and are used under the terms of the IPRC to ascertain Company Net Entitlement Reserves.
3. Company Net Entitlement Reserves are based on Company share of total Cost and Profit Revenues after the terms of the IPRC have been applied.

In the case of the two Myanmar Improved Petroleum Recovery Contracts ("IPRCs"), volumes which are still recoverable beyond the expiry of the current contracts are classified as Contingent Resources. The two Myanmar contracts are due to expire in April 2028. Under the current IPRC terms, if in the opinion of the Myanmar Oil and Gas Enterprise ("MOGE") and GoldPetrol Joint Operating Company ("GJOC") that (1) in the course of a waterflood pilot test or (2) after results of the new pool appraisal, commercial production can occur, then the GJOC may propose that the IPRC is extended for such further period and such terms to make commercial production economically feasible. Contingent Resources are reported for these contracts assuming extensions are granted with no reduction in equity and are sub-classified as Development on Hold. Additional Contingent Resources are associated with additional infill wells and further waterflooding activities. Sproule ERCE's estimates of the oil Contingent Resources in the Myanmar assets as of 31st December 2024 are presented in **Table 3**.

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Table 3: Summary of Oil Contingent Resources for Interra's Assets in Myanmar

Country	Licence	Sub-Classification		Oil Contingent Resources (MMstb)		
				1C	2C	3C
Myanmar	Chauk IPRC	Development on Hold	Gross (100%)	1.50	2.76	4.31
			Company Working Interest (60%)	0.90	1.66	2.58
Myanmar	YNG IPRC	Development on Hold	Gross (100%)	2.60	3.43	4.43
			Company Working Interest (60%)	1.56	2.06	2.66

Notes:

1. Gross Contingent Resources represent 100% of the estimated technically recoverable oil.
2. Company Working Interest Contingent Resources are based on the working interest share of the field Gross Contingent Resources.
3. Company Net Entitlement Contingent Resources require a full economic evaluation which has not been done as part of this QPR and hence are not presented.
4. Volumes presented are "unrisked" in the sense that no adjustment has been made for the risk that the project may not be developed in the form envisaged or may not go ahead at all (i.e. no "Chance of Development" factor has been applied).
5. Contingent Resources should not be aggregated with Reserves because of the different levels of risk involved and the different basis on which volumes are determined.

In December 2019, Interra drilled Well KP-1 to a total depth of 3,771 ft measured depth in the Kuala Pambuang PSC. The well targeted a four-way dip closure on the PR-1 prospect and is interpreted to have encountered net pay in carbonate reservoir intervals within the Berai Formation. Skim oil was recovered to surface during openhole swabbing over the interval of 2,043 – 3,771 ft measured depth. Completion operations fractured into the water-bearing aquifer and not the targeted formation, as such the well results have been deemed inconclusive, and the PR-1 prospect has not been updated.

A summary of the Unrisked Prospective Resources of oil for each individual prospect is shown in **Table 4**. A summary of the total Unrisked Prospective Resources of oil in the Kuala Pambuang PSC is presented in **Table 5**. Prospective Resources are reported at the 1U, 2U and 3U levels of confidence (as per PRMS 2018) which correspond with P90, P50 and P10 values respectively.

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Table 4: Summary of Unrisked Prospective Resources for Individual Prospects for Interra's Kuala Pambuang PSC, Indonesia

Block / Licence	Prospect		Oil Prospective Resources (MMstb)			Sub-Classification	Risk Factor
			1U	2U	3U		
Kuala Pambuang PSC	PR1	Gross Volumes (100.0% field)	14	81	430	Prospect	28.8%
		Company Working Interest (72.75%)	10	59	313		
Kuala Pambuang PSC	PR2	Gross Volumes (100.0% field)	19	70	247	Prospect	17.6%
		Company Working Interest (72.75%)	14	51	180		
Kuala Pambuang PSC	PR3	Gross Volumes (100.0% field)	18	81	346	Prospect	13.2%
		Company Working Interest (72.75%)	13	59	252		
Kuala Pambuang PSC	W1	Gross Volumes (100.0% field)	11	49	194	Prospect	9%
		Company Working Interest (72.75%)	8	36	141		
Kuala Pambuang PSC	W2	Gross Volumes (100.0% field)	2	8	22	Prospect	9%
		Company Working Interest (72.75%)	1	6	16		
Kuala Pambuang PSC	W3	Gross Volumes (100.0% field)	2	8	22	Prospect	9%
		Company Working Interest (72.75%)	1	6	16		
Kuala Pambuang PSC	W4	Gross Volumes (100.0% field)	2	8	27	Prospect	9%
		Company Working Interest (72.75%)	1	6	20		

Notes:

1) Gross Prospective Resources represent a 100% total of estimated technically recoverable oil. Gross volumes include volumes attributable to third parties and government and thus contain volumes which are not attributable to Interra.
2) Company Working Interest Prospective Resources represent the fraction of Gross Prospective Resources allocated to Interra, based on their working interest in the Contractor group.
3) Volumes reported here are "unrisked" in the sense that no adjustment has been made for the risk that the accumulation(s) may not be discovered (i.e. no Chance of Geological Success factor has been applied).
4) The "Risk Factor" shown in the far-right column of the table is equivalent to the Geological Chance of Success factor associated with the Prospective Resources. This is the chance that exploration activities will confirm the existence of a significant accumulation of potentially recoverable petroleum.

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Table 5: Summary of Unrisked Prospective Resources for Interra's Kuala Pambuang PSC, Indonesia

Country	Block / Licence		Oil Prospective Resources (MMstb)			Sub-Classification	Risk Factor
			1U	2U	3U		
Indonesia	Kuala Pambuang PSC	Gross Volumes (100.0% field)	68	305	1288	Prospect	17%
		Company Working Interest (72.75%)	48	223	938		

Notes:

1) Prospective Resources reported here are the arithmetic sum of the individual prospects (i.e. 1U + 1U + 1U… etc.). Totals summed from Table 4 may be different due to rounding.
2) Gross Prospective Resources represent a 100% total of estimated technically recoverable oil. Gross volumes include volumes attributable to third parties and government and thus contain volumes which are not attributable to Interra.
3) Company Working Interest Prospective Resources represent the fraction of Gross Prospective Resources allocated to Interra, based on their working interest in the Contractor group.
4) Volumes reported here are "unrisked" in the sense that no adjustment has been made for the risk that the accumulation(s) may not be discovered (i.e. no Chance of Geological Success factor has been applied).
5) The "Risk Factor" shown in the far-right column of the table is equivalent to the Geological Chance of Success factor associated with the Prospective Resources. This is the chance that exploration activities will confirm the existence of a significant accumulation of potentially recoverable petroleum.
6) The Risk Factor for the arithmetically summed Prospective Resources has been calculated based on the summed mean unrisked and risked Prospective Resources.

Basis of Opinion

This document reflects Sproule ERCE's informed professional judgement based on accepted standards of professional investigation and, as applicable, the data and information provided by Interra, the scope of engagement, and the time permitted to conduct the evaluation.

Sproule ERCE has used standard petroleum evaluation techniques in the generation of this report. These techniques combine geophysical and geological knowledge with assessments of porosity and permeability distributions, fluid characteristics, production performance and reservoir pressure. There is uncertainty in the measurement and interpretation of basic data. Sproule ERCE has estimated the degree of this uncertainty and determined the range of petroleum initially in place and recoverable hydrocarbon volumes. In applying these procedures and tests, nothing came to the attention of Sproule ERCE that would suggest that information provided by Interra was not complete and accurate. Sproule ERCE reserves the right to review all calculations referred to or included in this report and to revise the estimates in light of erroneous data supplied or information existing but not made available which becomes known subsequent to the preparation of this QPR.

Sproule ERCE has carried out this work in accordance with the June 2018 SPE/WPC/AAPG/SPEE/SEG/SPWLA/EAGE Petroleum Resources Management System (PRMS) as the standard for classification and reporting. A summary of the PRMS is found in Appendix 2 of the report. The full text can be downloaded from:-

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https://secure.spee.org/sites/spee.org/files/prmgmtsystem_final_2018.pdf.

The accuracy of any Reserves, Contingent Resources, Prospective Resources and production estimates is a function of the quality and quantity of available data and of engineering interpretation and judgment. While Reserves, Contingent Resources, Prospective Resources and production estimates presented herein are considered reasonable, the estimates should be accepted with the understanding that reservoir performance subsequent to the date of the estimate may justify revision, either upward or downward.

Oil volumes are reported in thousands (Mstb) and millions (MMstb) of barrels at stock tank conditions. Stock tank conditions are defined as 14.7 psia and 60^{o}F.

Sproule ERCE has relied upon data and information made available by Interra. These data comprise details of Interra's licence interests, seismic data, basic exploration and engineering data (including well logs, core, PVT and test data), technical reports, interpreted data, production and injection data and the field development plans. Sproule ERCE has reviewed data made available through to 31 December 2024. No site visit was undertaken in the generation of this report.

Interra has provided written representations that no new data or information has been acquired between the Effective Date and the publication date of these QPR's that would materially affect the opinions expressed in these QPR's.

No site visit was undertaken in the preparation of the QPRs.

Definition of Reserves and Resources

The PRMS presents the following definitions of Reserves and Resources.

Reserves are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must further satisfy four criteria: they must be discovered, recoverable, commercial, and remaining (as of the evaluation date) based on the development project(s) applied. Reserves are further categorised in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterised by development and production status.

Contingent Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations, but the applied project(s) are not yet considered mature enough for commercial development due to one or more contingencies. Contingent Resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality. Contingent Resources are further categorised in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterised by their economic status.

Prospective Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development

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projects. Prospective Resources have both an associated chance of discovery and a chance of development. Prospective Resources are further subdivided in accordance with the level of certainty associated with recoverable estimates assuming their discovery and development and may be sub-classified based on project maturity.

Professional Qualifications

Sproule ERCE is an independent consultancy specialising in geoscience evaluation, engineering and economic assessment. Sproule ERCE will receive a fee for the preparation of this report in accordance with normal professional consulting practices. This fee is not dependent on the findings of this QPR and Sproule ERCE will receive no other benefit for the preparation of this QPR.

Neither Sproule ERCE nor the Qualified Person who is responsible for authoring this QPR, nor any Directors of Sproule ERCE have at the date of this report, nor have had within the previous two years, any shareholding in Interra. Consequently, Sproule ERCE, the Qualified Person and the Directors of Sproule ERCE consider themselves to be independent of the Company, its directors and senior management.

Sproule ERCE has the relevant and appropriate qualifications, experience and technical knowledge to appraise professionally and independently the assets.

The preparation of this report has been supervised by Mr. Aizat Rusli, Country Manager Malaysia and Principal Reservoir Engineer of Sproule ERCE. Mr. Aizat has 14 years of experience in the evaluation of oil and gas fields, preparation of development plans, oil and gas assets operational and surveillance experience and assessment of reserves and resources. He holds a BSc. degree in Petroleum Engineering from Colorado School of Mines, Colorado, USA. He is a member of the Society of Petroleum Engineers and of the Society of Petroleum Evaluation Engineers ("SPEE"). Mr. Aizat therefore possesses the required competencies, being professionally qualified and a member in good standing of an appropriate recognised professional association.

Yours faithfully

Mr. Aizat Rusli

Country Manager (Malaysia), Principal Engineer

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Ng Soon Kai
Executive Chairman

Tjia Marcel Han Liong
Executive Director

Loh Yu Jun
Lead Independent Director
(Non-Executive)

Khoo Chun Leng William
Independent Director
(Non-Executive)

Tong Miin
Independent Director
(Non-Executive)

COMPANY SECRETARY

Adrian Chan Pengee

AUDIT COMMITTEE

Loh Yu Jun
Chairman
(Lead Independent Director)

Khoo Chun Leng William
(Independent Director)

Tong Miin
(Independent Director)

NOMINATING COMMITTEE

Khoo Chun Leng William
Chairman
(Independent Director)

Loh Yu Jun
(Lead Independent Director)

Tong Miin
(Independent Director)

REMUNERATION COMMITTEE

Tong Miin
Chairwoman
(Independent Director)

Khoo Chun Leng William
(Independent Director)

Loh Yu Jun
(Lead Independent Director)

INDEPENDENT AUDITOR

CLA Global TS Public Accounting Corporation
80 Robinson Road #25-00
Singapore 068898
Director-in-charge: Lee Look Ling
(Appointment effective from FY2021)

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Trading Code: 5GI

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Singapore 048619
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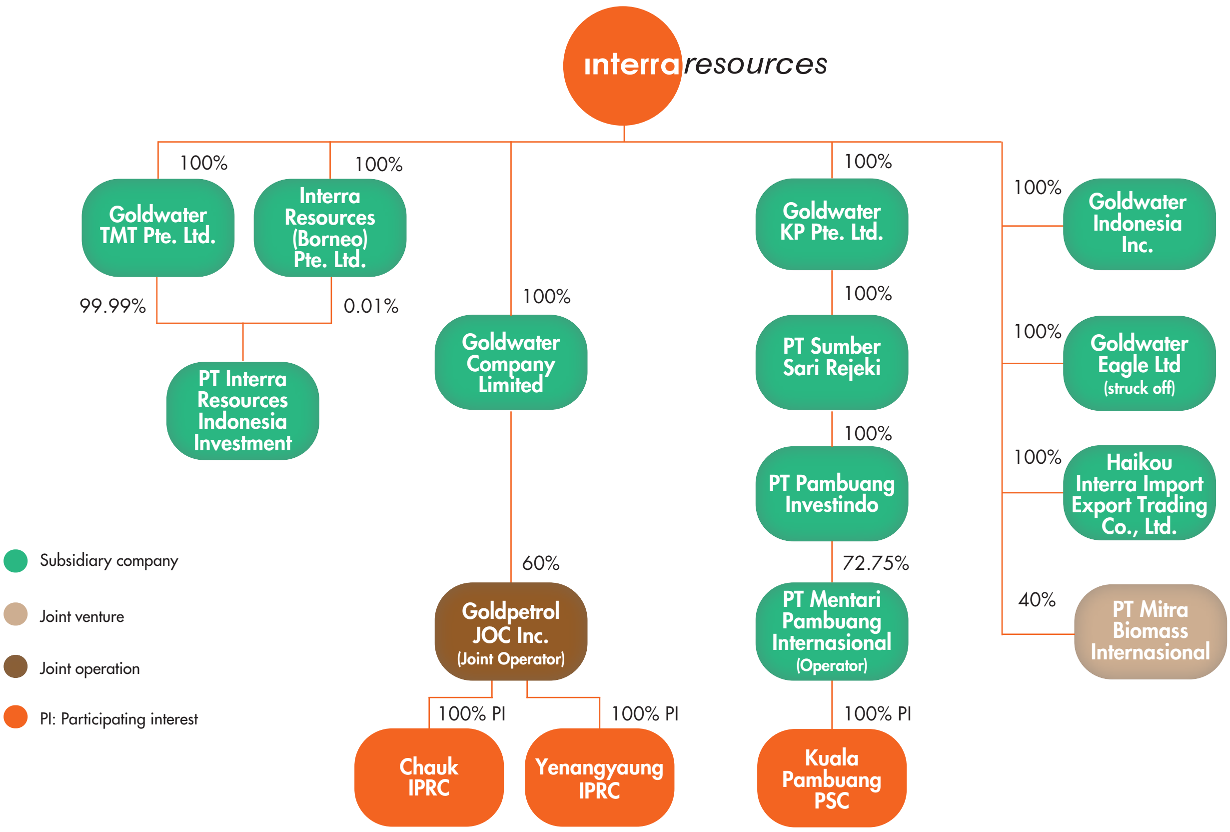

See Notes 9, 10 and 11 of the Notes to the Financial Statements for more information on subsidiary corporations, associated company and joint venture.

INTERRA RESOURCES LIMITED

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