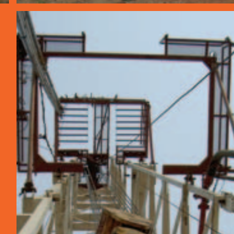
Realising Growth Annual Report 2004

interra resources

CORPORATE PROFILE



Interra Resources Limited is a Singapore-listed company specializing in upstream petroleum business. Our core focus is petroleum production, field development and low-risk exploration. We position ourselves to be a leading regional producer of oil and gas with global exposure and are constantly seeking good upstream investment opportunities. Our strategic growth plan is to build a balanced upstream portfolio through well-planned acquisition of assets which would yield stabilized earnings, enhance profitability and maximize shareholder value.

Currently, we have established interests and operations in Myanmar and Indonesia. In central Myanmar, we own 60% of the rights to operate two of the largest onshore oilfields through our subsidiary, Goldwater Company Limited. The Myanmar concessions, which comprises the Yenangyaung and Chauk fields, covers a total area of approximately 1,800 square kilometres and is located along the Ayeyarwady River, approximately 580 kilometres north of Yangon. In Indonesia, we own 70% of the rights through Goldwater TMT Pte. Ltd., to operate the Tanjung Miring Timur onshore oilfield, located in south Sumatra, 30 kilometres southeast of Prabumulih and approximately 120 kilometres southwest of Palembang.

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Chairman's Statement

Dear Shareholders

I am pleased to report that 2004 marks another significant milestone for Interra in our expansion of petroleum reserves in the region. Starting with just 60% operating rights in two oilfields in central Myanmar, we successfully added a 70% non-operating interest in an onshore field in South Sumatra, Indonesia. This raised the average share of production considerably from about 307 barrels of oil per day ("bopd") in 2003 to about 606 bopd in 2004.

Besides strengthening the balance sheet, Interra's organic growth strategy in 2004 was to increase production and develop additional potential from our existing proven reserves in Myanmar while maintaining a lookout for new and producing oilfields in other parts of Asia.

During the first half of the year, we managed to raise S$15 million through a private share placement of 80 million new shares, amidst challenges in a capital market that seemed not to ascribe a flattering valuation to a junior oil resource player. The Group also entered into an agreement to acquire a 70% interest in a technical assistance contract ("TAC") in the Tanjung Miring Timur ("TMT") oilfield in South Sumatra, Indonesia at the end of February 2004. The purchase at approximately S$8.6 million was mostly funded by proceeds from the placement exercise. This maiden acquisition was an important achievement in Interra's blueprint to become a regional crude oil producer.

After the purchase of TAC-TMT, we embarked on a three-well drilling program at the TMT field. At the end of the year, one of the wells was already producing within our expectations of about 84 bopd. We are still monitoring the drilling progress of the other two wells.

On the other hand, considerable technical and financial resources were allocated to develop the Yenangyaung and Chauk oilfields in Myanmar. Nevertheless, work over jobs performed at the wells were met with unexpected technical difficulties which prevailed through much of the year. This weakened our efforts to increase crude oil output and consequently impacted our profitability from the blocks. As a result, our overall financial performance for 2004 was affected to some extent. The joint operation has commissioned an external agent to conduct detailed geophysical, geological and engineering studies to address the technical hurdles. We expect the evaluation to be completed by mid 2005 and look forward to making some headway in producing from the discovered lower horizons of crude oil.

With the resurgence of crude oil prices, the mission of securing new assets at reasonable valuation and favourable terms has been tricky. We mulled over several investment opportunities, taking into account our financial limitation and the escalating crude oil prices. Finally in late December 2004, we formed a 50-50 joint venture with Citigroup Financial Products Inc., to sign an agreement with Mitsubishi Corporation to acquire its 5% stake in each of the Offshore Northwest Java ("ONWJ") production sharing contract ("PSC") and the South East Sumatra ("SES") PSC at an aggregate cost of US$48 million. This major transaction, which calls for shareholders' approval, plays a vital role in re-shaping Interra as we continue to pursue our exciting growth phase. With this deal, we will not only gain entry into the promising domain of natural gas production, but will also see an upsurge in our production entitlement to above the notable 4,300 barrels of oil equivalent per day ("boepd") level.

Moving forward, Interra will maintain focus on developing our existing assets and seeking attractive acquisition targets in the Asian arena and beyond. In recent years, Chinese and Indian entities have become significant competitors on the acquisition trail, resulting in more competitive bid processes.

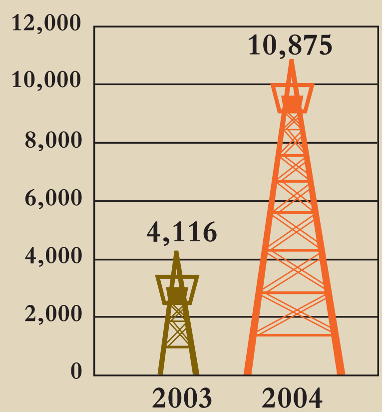
We will, however strive to enhance shareholder value. On behalf of Interra, I would like to thank our shareholders, employees and business associates for your support through this year of consolidation.

Purnardi Djojosudirdjo
Chairman

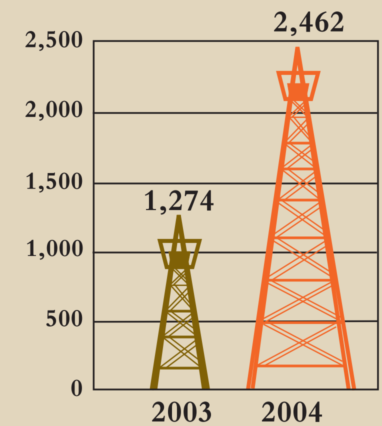
Financial Highlights

Group	2004	2003	Change
FINANCIAL PERFORMANCE	**(S$'000)**	**(S$'000)**	
Turnover	10,875	4,116	164.2%
Gross profit	2,462	1,274	93.2%
(Loss)/Profit before tax	(352)	5,261	NM
(Loss)/Profit after tax	(773)	4,884	NM
FINANCIAL STRENGTH	**(S$'000)**	**(S$'000)**	
Cash and cash equivalents	7,775	4,122	88.6%
Debt and borrowings	7,174	7,441	(3.6%)
Net current assets	5,493	4,440	23.7%
Shareholders' equity	30,387	17,302	75.6%
CASH FLOW POSITION	**(S$'000)**	**(S$'000)**	
Cash generated from operating activities	1,056	9,415	(88.8%)
Cash used in investing activities	(12,380)	(7,287)	69.9%
Cash generated from financing activities	14,977	1,638	814.3%
SHAREHOLDERS' WEALTH			
Number of issued and outstanding shares	962,635,120	882,635,120	
Weighted average number of issued and outstanding shares	933,564,082	735,509,989	
Earnings per share (cents)	(0.083)	0.664	NM
Net asset per share (cents)	3.157	1.960	61.0%
STOCK INFORMATION	(S$)	(S$)	
As at end of the year	0.120	0.235	
Average closing price for the year	0.162	0.267	
High for the year	0.335	0.380	
Low of the year	0.095	0.170	
Market capitalization as at end of the year	115,516,214	207,419,253	
Average market capitalization for the year	151,213,696	235,394,299	

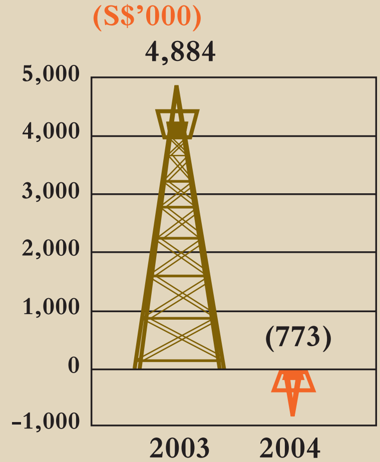
Turnover
(S$'000)



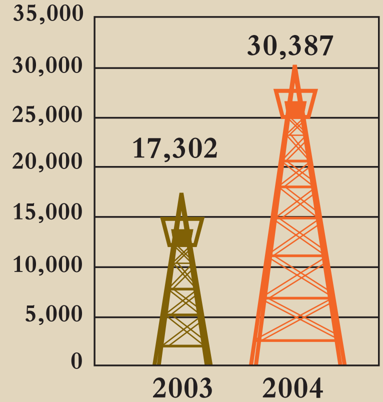
Gross Profit
(S$'000)



Profit After Tax
(S$'000)



Shareholders' Equity
(S$'000)



OPERATIONS REVIEW

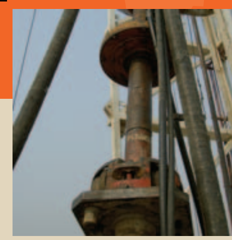
KEY MILESTONES

In year 2004, Interra recorded the following key milestones:

- Successful placement of 80 million new shares in May 2004.
- Acquisition of 70% interest in the Tanjung Miring Timur Technical Assistance Contract ("TAC TMT") which took effect from 1 April 2004.
- Successful bid for stakes in two production sharing contracts, namely the Offshore Northwest Java Production Sharing Contract ("ONWJ PSC") and the South East Sumatra Production Sharing Contract ("SES PSC") in December 2004.

ACQUISITION OF TAC TMT

At the beginning of 2004, the Group owned the rights to operate two oilfields in Myanmar, of which its production entitlement was in the region of 307 barrels of oil per day ("bopd"). The immediate goal was to build up and diversify the portfolio by acquiring producing oil and gas fields outside the boundaries of Myanmar with an upside potential. In the second quarter of 2004, the Group successfully acquired 70% of the stake in TAC TMT at about S$8.6 million. The purchase was mainly funded by the proceeds received from placing out 80 million new shares in May 2004. TAC TMT is located at about 30 kilometres southeast of Prabumulih and approximately 120 kilometres Southwest of Palembang, in south Sumatra, Indonesia.

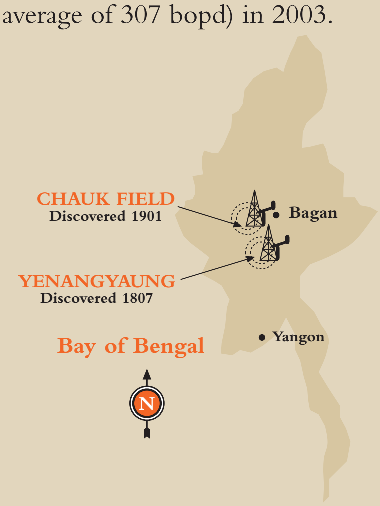


The producing oilfield is operated by PT Retco Prima Energi ("Retco"), an Indonesian company with a good track record in operating the TMT field. The acquisition symbolized the Group's first step into geographical diversification and also expanded its production and exploration portfolio. It contributed 325 bopd (12-month average) to the Group's total average entitlement of 606 bopd in 2004.

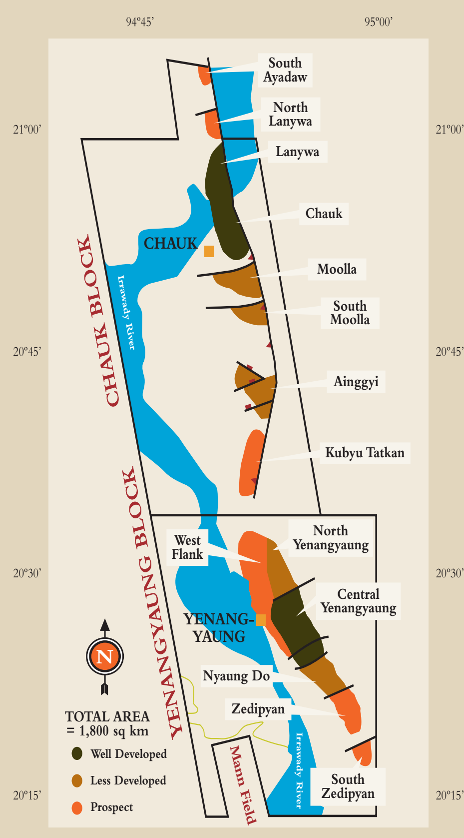
PRODUCTION AND DEVELOPMENT

Myanmar Operations

Following the new discovery in the lower horizons, the operator, Goldpetrol JOC Inc. ("Goldpetrol"), had been actively working on the extraction throughout the year. However, the development encountered unforeseen technical obstacles, causing production to remain stagnant. The Group's share of production in 2004 was 102,778 barrels (equivalent to an average of 281 bopd) compared to 112,076 barrels (equivalent to an average of 307 bopd) in 2003.



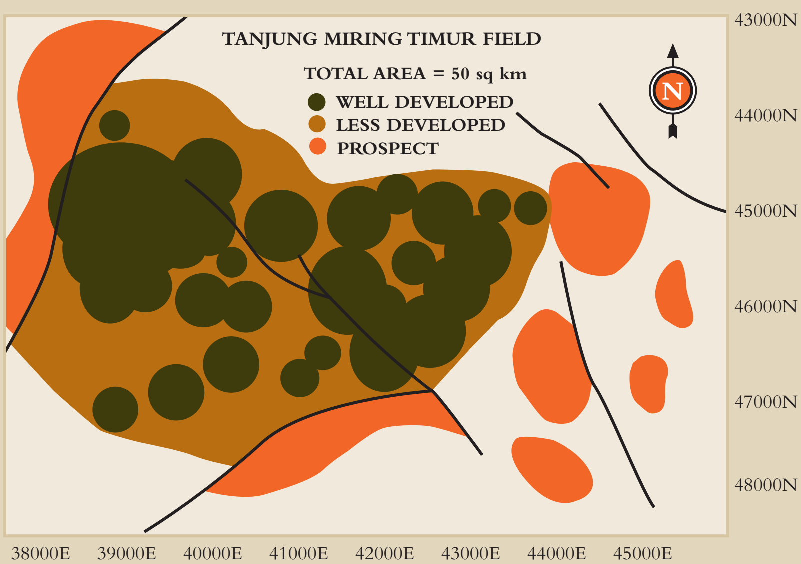
To tackle the technical difficulties, Goldpetrol has appointed an external professional firm, Schlumberger Logelco Inc., to perform detailed geophysical, geological and engineering studies on the blocks. This study, which is expected to be completed at the end of June 2005, is intended to solve the technical problems and to find optimal methods to exploit the lower horizons, thereby improving the production capabilities.



TAC TMT Operations

Following the acquisition of TAC TMT, the Company embarked on a three well drilling program by submitting its drilling proposals to Pertamina for approval. Upon approval at the end of the third quarter, the operator kicked off the three well drilling program. Drillings at the three wells spanned from the last quarter of 2004 to early 2005. Two of the wells encountered some problems during the drilling but these were subsequently solved. They are now under monitoring and awaiting installation of a submersible pump and work over rig. Drilling at the third well was completed with ease and is now producing at a rate of 84 bopd.

The accounts of TAC TMT were consolidated into the Group's financial statements from 1 April 2004 onwards. For the nine months, the Group's share of production was 118,847 barrels (equivalent to a 9-month average of 432 bopd).



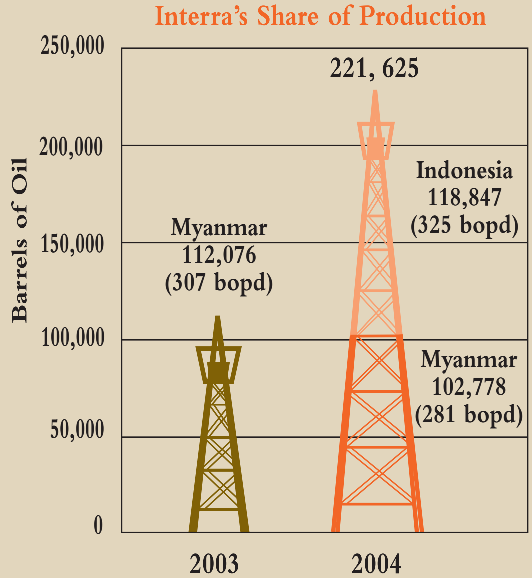
Reserves

Based on Lemigas' Report issued in September 2002 and taking into consideration the barrels of oil produced since then, the Group's remaining proven recoverable reserves for the Myanmar concessions was approximately 5 million barrels of oil ("mmbo") while the remaining probable and possible reserves were estimated to be nearly 41 mmbo.

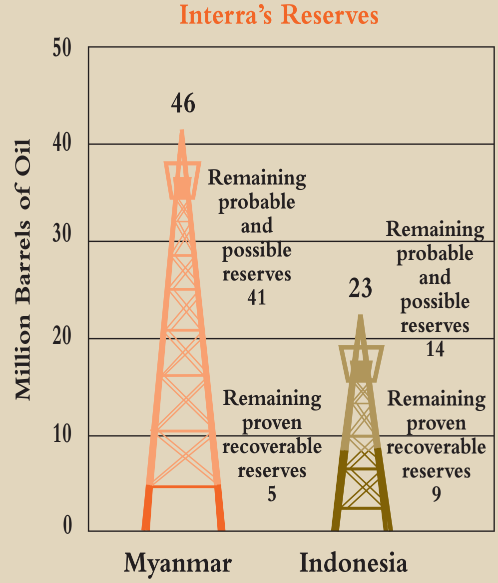
As for TAC TMT, a third party study in January 2004 indicated that the Group's share of remaining proven recoverable reserves stood at 9 mmbo while potential recoverable reserves were over 14 mmbo.

All in all, the Group's proven and probable reserves totalled 69 mmbo, of which the proven recoverable reserves were about 14 mmbo.

Interra's Share of Production



Interra's Reserves



OPERATIONS REVIEW

FINANCIAL REVIEW

Financial Performance

The Group's revenue rose by S$6.8 million to S$10.9 million compared to the FY 2003. This was largely contributed by the TAC TMT operations, of which the financial records were taken into the Group's books from 1 April 2004 onwards. Higher oil prices also played a part in the increase in revenue. The monthly average oil price was US$36.58 in FY 2004 compared to US$29.04 in the previous year. Correspondingly, gross profit increased from S$1.3 million in FY 2003 to S$2.5 million in FY 2004.

However, gross profit margin was reduced by 10% to 22% because of higher amortisation and depreciation costs. Higher production expenses, including a write-off of S$554k in unrecoverable expenses, also gave rise to the lower margin and hence a financial loss.

The decrease in gross profit margin had caused the Group to register a net loss after tax of S$773k in contrast to a profit of S$4.8 million in FY 2003. The gain in the previous year primarily came from the farm out of the Group's 40% interests in the Myanmar concessions for an amount of S$5.9 million. Without this exceptional gain, the Group would have made a loss after tax of S$1.0 million in FY 2003.

Despite having only nine months of results consolidated into the Group's accounts, TAC TMT operations (S$807k) posted better results than the Myanmar operations (S$707k). The Group expects the trend to be the same in 2005, especially as the Myanmar oilfields are currently undergoing detailed appraisals. While no major development is expected in Myanmar, additional drillings may be carried out at TAC TMT, subject to the results of the three well drilling program.

Financial Position

The net assets of the Group grew from S$17.3 million to S$30.4 million in FY 2004. This was mainly attributable to the issuance of 80 million new shares at S$0.19332 per share in May 2004. Accordingly, net asset per share increased from 1.960 cents to 3.157 cents in FY 2004.

Cash Flows

The Group's cash and cash equivalents improved by S$3.7 million in FY 2004. Cash inflow was mainly due to cash proceeds received from the placement of new shares in May 2004. Operating activities also contributed S$1 million to the Group's cash flow. Overall, the Group utilized S$8.6 million to acquire the 70% interest in TAC TMT and S$6.1 million for development activities in TAC TMT and the Myanmar concessions.

GOING FORWARD

Existing Reserves

The Group will focus on expanding the production capacity by optimizing its resources to increase output from producing wells and develop new producing sites, thereby uncovering the untapped potential of existing reserves. It aims to improve the efficiency and profitability of the Myanmar operations and does not discount the possibility of inviting strategic partners to participate in higher risk exploration projects. It will continue to leverage on its strength in managing the TAC TMT operations.

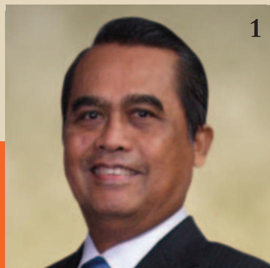
Possible Acquisitions

On 22 December 2004, the Company, together with Citigroup Financial Products Inc., entered into a sales and purchase agreement with Mitsubishi Corporation to acquire its 5% non-operating interests in two petroleum sharing contracts, namely the Offshore North West Java ("ONWJ PSC") and the South East Sumatra ("SES PSC"). This 50-50 joint venture was considered a major transaction and would require shareholders' approval at a general meeting.

If the Company is successful in this acquisition, it will mark another significant milestone in the history of Interra. Besides boosting the proven and probable reserves to a great extent, these two prominent PSCs could possibly contribute an average production entitlement in the region of 3,600 barrels of oil equivalent per day ("boepd") to the Group. Furthermore, the Company could get a head start in the production of natural gas which could be the main source of energy in the new era.

New acquisitions, if the opportunity arises, will be prudently evaluated and also confined to producing but less developed oil and gas fields.

Board Of Directors



Purnardi Djojosudirdjo[1]
Non-Executive Chairman

Mr Purnardi Djojosudirdjo, appointed as Chairman of the Board in July 2003, is also Member of the Audit Committee. In addition, he sits on the Board of Directors of PT Pesona Khatulistiwa Nusantara, a coal mining company, as President Director since 1997.

Mr Djojosudirdjo joined PT Astra International Tbk, a listed conglomerate in Indonesia, in 1973 and held various appointments within the group. He was Vice President Director of PT United Tractors from 1973 to 1991. Between 1991 to 1995, he was the President Director of APN Petroleum Limited, PT Astra Petronusa, an oil exploration company operating in Vietnam, and PT Suryaraya Teladan, an oil and gas company with oil fields in South Sumatra. In addition, Mr Djojosudirdjo was the President Director of PT Berau Coal, a coal mining company in East Kalimantan, from 1991 to 1998.

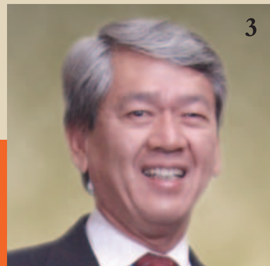
Mr Djojosudirdjo graduated from the Bandung Institute of Technology in 1969 with a Bachelor's degree in Mechanical Engineering. Subsequently, he received a Master's degree in Business Administration from INSEAD in France in 1981.

Sugiharto Soeleman[2]
Executive Director & Chief Executive Officer

Mr Soeleman was appointed as Executive Director and Chief Executive Officer in July 2003. In addition, he is the Managing Director of Goldwater Company Limited since 1995.

Mr Soeleman was employed by ARCO Indonesia as Senior Geophysicist from 1978 to 1984 and Sceptre Resources Limited as New Ventures Manager from 1985 to 1990. From 1991 to 1995, he held several positions within the Indonesia conglomerate PT Astra International Tbk, including as Director of APN Petroleum Limited, Vice President and General Manager of PT Suryaraya Teladan, and General Manager of PT Astra Petronusa.

Mr Soeleman received a postgraduate degree in Physics from the School of Sciences and Mathematics, Gadjah Mada University, Jogyakarta in 1978. Subsequently, he earned a Master's degree in Geophysics from the School of Earth Sciences, Flinders University of South Australia, Australia and a Master of Finance Degree from the School of Economics and Finance, RMIT University, Melbourne.



Edwin Soeryadjaya[3]
Non-Executive Director

Mr Edwin Soeryadjaya, appointed as Non-Executive Director in December 2004, is also a Director of Goldwater Company Limited since 1997. In addition, he is the Deputy Chairman, Chief Executive Officer and Executive Director of L & M Group Investments Limited.

Mr Soeryadjaya is the Chairman and sits on the investment committee of Saratoga Capital. He is also the Chairman of PT MGTI and the President Director of PT Adaro. Previously, he served as Vice President Director at PT Astra International Tbk from 1978 to 1993.

Mr Soeryadjaya graduated with a Bachelor of Science, majoring in Business Administration, from the University of Southern California, Los Angeles in 1974.

Sandiaga Salahuddin Uno[4]
Non-Executive Director

Mr Sandiaga Salahuddin Uno, appointed as Non-Executive Director in July 2003, is also Member of the Remuneration Committee. In addition, since 1998 he is the Principal and Managing Director of PT Saratoga Investama Sedaya, a private equity and direct investment company in Jakarta.

Mr Uno began his career at the Summa group of companies in Jakarta as Finance and Accounting Officer until June 1993. From July 1993 to April 1994, he worked at Seapower Asia Investment Limited in Singapore as Financial Analyst. Mr Uno joined MP Holdings Limited group in Singapore in their mergers and acquisitions department as Investment Manager from May 1994 to August 1995. For the next three years from September 1995, he worked at NTI Resources Limited, Calgary, an oil and gas company as Executive Vice President and Chief Financial Officer.

Mr Uno graduated from the Wichita State University, Kansas, with a Bachelor of Business Administration, majoring in Accounting in May 1990. Subsequently, he completed a Master of Business Administration majoring in International Business and Finance at the George Washington University, Washington in May 1992.

Board Of Directors

Subianto Arpan Sumodikoro[5]
Non-Executive Director

Mr Subianto Arpan Sumodikoro was appointed as Non-Executive Director in December 2004.

Mr Subianto started his career at PT Astra International Tbk (AI) and was assigned various management function in AI and several of its affiliate and subsidiary companies in his 34 years of service. Currently, he continues to serve commissioner positions at the AI group of companies; namely AI and PT Astra Agro Lestari. In addition, he is an active Chairman of PT Kirana Megatara since 2000, an active Chairman of Multi-Corporation (S) Pte Ltd since 2001 and an active Commissioner of PT Adaro Indonesia since 2002. He also leads the Board of Directors of PT Tri Nur Cakrawala, PT Pandu Alam Persada and PT Persada Capital and PT Persada Capital Investama.

Mr Subianto graduated from the Bandung Institute of Technology in 1969 with a Bachelor's degree in Engineering. He also has a Master's degree in Business Administration from INSEAD.

Yos Teo Sidy[6]
Non-Executive Director

Mr Yos Teo Sidy, appointed as non-executive Director in July 2003, is also Member of the Nominating Committee and Remuneration Committee.

Mr Sidy started his career with Siemens AG in Germany and subsequently in Singapore. He then joined the PT Astra International Tbk (AI) group of companies, dealing with heavy equipment business in Singapore and subsequently in Indonesia. Thereafter, Mr Sidy continued to serve the AI group in companies carrying on natural resource business. Between 1992 and 1996, Mr Sidy served as Finance Director at PT Astra Binabakti Intisari, an oil exploration and production company. In 1996 he was appointed as Finance Director of PT Berau Coal and later became Vice President Director. He retired in May 2003.

Mr Sidy obtained his Diplom-Ingenieur Degree from Technische Universiteit Muenchen, Germany in 1974.

Allan Charles Buckler[7]
Independent Director

Mr Allan Charles Buckler, appointed as Independent Director in December 2004, is also Chairman of the Nominating Committee and Member of the Audit Committee. In addition, he is the Chief Operating Officer and Advisor to the Chairman of the Board of Directors of New Hope Corporation. He is also a Director of PT Adaro Indonesia, PT Indonesia Bulk Terminal, Queensland Bulk Handling Pty Ltd and Queensland Commodity Exports.

Mr Buckler commenced his career in the mining industry as a Cadet Surveyor at Mt. Isa mines in 1966. He joined New Hope Collieries in 1978 as Mine Surveyor and was appointed Deputy General Manager – Exploration and Development in 1984. He then relocated overseas in 1985 to undertake the development of the PT Multi Harapan Utama coal mine in East Kalimantan in 1985. In 1989, Mr Buckler successfully negotiated the purchase of the Adaro Coal Deposit in South Kalimantan from the Spanish government on behalf of New Hope Corporation and a group of Indonesian shareholders. Following the purchase, he undertook the development of the mine and an associated deep water coal terminal (PT Indonesia Bulk Terminal) on the island of Palu Laut in South Kalimantan. He was appointed as Chief Operating Officer of New Hope Corporation in 1995 and subsequently appointed as Technical Director in 1997.

Mr Buckler holds a Certificate in Mine Surveying and Mining. He also hold a First Class Mine Managers Certificate and Mine Surveyor Certificate issued by the Queensland Government's Department of Mines.

Lim Hock San[8]
Independent Director

Mr Lim Hock San, appointed as Independent Director in July 2004, is also Chairman of the Audit Committee, Chairman of the Remuneration Committee and Member of the Nominating Committee. In addition, he is the President and Chief Executive Officer of both United Industrial Corporation Limited and Singapore Land Limited since 1992.

Mr Lim started his career in 1966 as Assistant Tax Examiner with the then Inland Revenue Department and later as Accountant with Mobil Oil Malaya Sdn Bhd in 1967. Subsequently, he joined the Port of Singapore Authority in 1968, working his way up to the position of Assistant Director. From 1976 to 1992, he was with the Civil Aviation Authority of Singapore, finally becoming the Director-General. Currently, Mr Lim sits on the boards of the Civil Aviation Authority of Singapore, Keppel Corporation Limited, Advance Materials Technologies Pte Ltd, Ascendas Pte Ltd and the United Test and Assembly Center Ltd. He is also the Chairman of Mount Alvernia Hospital Board and the National Council against Drug Abuse. His past directorships include Keppel TatLee Finance Ltd and Yong Nam Holdings Ltd.

Mr Lim graduated with a Bachelor of Accountancy from the University of Singapore. He received his Masters of Science from the Alfred P Sloan School of Management, Massachusetts Institute of Technology (MIT), USA in 1973 and attended the Advanced Management Program at Harvard Business School and the Senior Executive Program of the London Business School. He is also a Fellow of The Chartered Institute of Management Accountants, UK and a Member of the Institute of Certified Public Accountants of Singapore.

KEY MANAGEMENT

Steven Lwi Tong Boon[1]

Group Financial Controller, Interra Resources Limited

Mr Steven Lwi is the Group Financial Controller of Interra Resources Limited. He is overall responsible for the Group's financial and management accounting, treasury, taxation and other corporate compliance matters.

Prior to Interra, Mr Lwi accumulated his financial and compliance experience as Financial Controller of Ferrell Asset Management Pte Ltd, a boutique fund management company and as Compliance and Internal Audit Manager of Fraser Securities Pte Ltd, a member company of the Singapore Exchange Securities Trading Limited. He has also undertaken the role of Treasury System Consultant in a treasury software company.

Mr Lwi graduated from Nanyang Technological University, Singapore with an honours degree in Acountancy in 1992. He was initially trained as an auditor at Price Waterhouse. In 1996, he was admitted into the Institute of Certified Public Accountant Singapore as a non-practising Certified Public Accountant.

Joseph Taruno Poedjohardjo[2]

General Manager - Operation, Goldwater Company Limited

Mr Joseph Taruno Poedjohardjo is the General Manager – Operation of Goldwater Company Limited. He is responsible for the overall operation of Group's projects in Indonesia and Myanmar.

Mr Taruno commenced his career in the oil industry with Pertamina, the Indonesia State Oil Enterprise in 1971, as Exploration Staff for Upstream Area and Pertamina Head Office. In 1987, he was posted as Exploration Manager for Oil & Gas and Geothermal Pertamina (Kalimantan & Sulawesi) and Joint Operating Body (JOB) Pertamina – Golden Spike of Union Pacific Oil Co., USA (Onshore Raja & Pendopo Block, South Sumatra). Subsequently from 1991 to 1996, he served as Head of Upstream for Pertamina Corporate Planning Directorate, Pertamina Head Office. Mr Taruno was appointed General Manager for JOB Pertamina - Western Resources of City View Corporation, Australia (Onshore Madura Block) in 1996. He was primarily responsible for running and supervising the entire upstream general operation, from exploration to production activities, from planning to execution function, as well as controlling both technical and non-technical (financial , contracts, personnel, etc) matters. He retired in 2000.

Mr Taruno received his postgraduate degree in Geology and Magister Management, majoring in Financial Management, from the Gadjah Mada University, Jogyakarta. He is also trained in Geological and Geophysical Management both in Indonesia and abroad. In addition, he attended the Executive Program equivalent to an MBA, from the Michigan University Business School and the Top Management Oil & Gas Course of the Indonesia National Defense Institution.

Corporate governance report

Interra Resources Limited (the "Company") is committed to maintaining high standards of corporate governance in line with the Code of Corporate Governance ("Code") to enhance shareholder value. This report discusses the Company's corporate governance processes and activities in the year 2004 with specific references to the Code.

BOARD MATTERS

Principle 1 – Board's Conduct of its Affairs
Principle 2 – Board Composition and Balance
Principle 3 – Chairman and Chief Executive Officer

The Board comprises eight Directors, of whom only the Chief Executive Officer ("CEO") holds an executive position, and of whom two are considered independent. The Chairman of the Board, who is non-executive, is responsible for the leadership and objective functioning of the Board. Profiles of the Directors are set out in the Board of Directors section of this Annual Report. The Directors bring together a wealth of expertise and experience to lead the Company effectively. The key roles of the Board include, *inter alia*,

- approving strategic plans, major investments and funding decisions
- reviewing performance of the business and evaluating performance of the Management
- ensuring adequacy of internal control, risk management and financial reporting
- assuming responsibilities for corporate governance and regulatory compliance
- monitoring Board composition, performance and processes

To assist in the efficient discharge of its fiduciary duties, the Board established three Board Committees namely, the Audit Committee ("AC"), the Nominating Committee ("NC") and the Remuneration Committee ("RC") in the year 2003. Each committee has its own terms of references to address their respective areas of focus. Membership in the different committees is prudently delegated to ensure equitable distribution of responsibilities among Board members and to foster active participation and contribution from Board members.

During the year, there were a few appointments and resignations of Directors, including the following:

Mr Lim Poh Chuan resigned his directorship on 30 June 2004. Mr Lim Hock San was invited to the Board as Independent Director on 3 July 2004 and subsequently he was appointed as Audit Committee Chairman, Remuneration Committee Chairman and Nominating Committee Member on 31 July 2004. Under the recommendations of the NC, Mr Edwin Soeryadjaya, Mr Subianto Arpan Sumodikoro and Mr Allan Charles Buckler were nominated into the Board on 14 December 2004 as Non-Executive Directors, of whom Mr Buckler was considered to be independent. Newly appointed Directors are to stand for re-election at the forthcoming Annual General Meeting. On 31 December 2004, Mr Steven Joseph Koroknay resigned from the Board and consequently less than one-third of the Directors on Board were independent. However, in consideration of the retirement of two Directors at the forthcoming Annual General Meeting, the Board did not seek to fill the vacancy. In February 2005, Mr Buckler was appointed as Nominating Committee Chairman and Audit Committee Member.

The composition of the Board and Board Committees is set out below.

Name	Date of First Appointment/ Last Re-election	Board	AC	NC	RC
Purnardi Djojosudirdjo	28 Apr 2004	Non-Executive, Chairman	Member	–	–
Sugiharto Soeleman	28 Apr 2004	Executive, CEO	–	–	–
Edwin Soeryadjaya#	14 Dec 2004	Non-Executive	–	–	–
Sandiaga Salahuddin Uno	30 Jun 2003	Non-Executive	–	–	Member
Subianto Arpan Sumodikoro#	14 Dec 2004	Non-Executive	–	–	–
Yos Teo Sidy	30 Jun 2003	Non-Executive	–	Member	Member
Allan Charles Buckler#	14 Dec 2004	Independent	Member	Chairman	–
Lim Hock San#	3 Jul 2004	Independent	Chairman	Member	Chairman

appointed during the year

The following Directors resigned from Board during the year 2004:

Name	Date of Resignation	Board	AC	NC	RC
Lim Poh Chuan	30 Jun 2004	Independent	Chairman	Member	Chairman
Steven Joseph Koroknay	31 Dec 2004	Independent	Member	Chairman	-

During the year, the Board met frequently to review and approve the business strategies and activities of the Group. Four board meetings were scheduled in advance to coincide with the quarterly financial results reporting and several ad-hoc board meetings were convened as and when the circumstances necessitated. Where a physical board meeting was not possible, the Board members communicated through teleconferencing. The Directors' attendance at the meetings of the Board and Board Committees, expressed as a ratio of the total number of meetings held during each Director's period of appointment in the year 2004, is tabulated below:

Name	Board Meeting Attendance	AC Meeting Attendance	NC Meeting Attendance	RC Meeting Attendance
Purnardi Djojosudirdjo	9/9	5/5	1^	1^
Sugiharto Soeleman	9/9	2^	1^	1^
Edwin Soeryadjaya	0/0	-	-	-
Sandiaga Salahuddin Uno	5/9	-	1^	1/1
Subianto Arpan Sumodikoro	0/0	-	-	-
Yos Teo Sidy	9/9	-	1/1	1/1
Allan Charles Buckler	0/0	0/0	0/0	-
Lim Hock San	6/7	2/2	0/0	0/0
Lim Poh Chuan@	2/2	3/3	1/1	1/1
Steven Joseph Koroknay@	9/9	5/5	1/1	1^

@ denotes resigned *^ denotes by invitation*

Principle 4 – Board Membership
Principle 5 – Board Performance

The NC comprises three non-executive Directors of whom two, including the Chairman, are independent. As stipulated in its terms of reference, the NC is responsible for the recommendations of all Board appointments, including re-nomination and re-election of Directors at the Annual General Meeting.

During the year, the NC reviewed the composition and size of the Board based on the scope and nature of the Group's operations. The NC also assessed the effectiveness of the Board as a whole and the contribution by each Director to the effectiveness of the Board. Taking into consideration the Principles of the Code, the NC examined the independent element of the Board and determined whether or not a Director is independent. All in all, the NC recommended to the Board the appointment of four new Directors.

Principle 6 – Access to Information

The Management updates the Board regularly on the operational activities, progress and development of the Group. The Management also submits comprehensive quarterly financial reports of the Group for approval and release to the public. On issues that require the Board's decision, the Board is furnished with adequate and timely information prior to Board meetings and is kept advised of the developments on an on-going basis. In addition, the Board has unrestricted access to the Management and senior executives when making enquiries on matters concerning the Company and the Group. Where necessary, the Board has the discretion to obtain independent, professional advice.

The Board also has direct communication with the Company Secretary. Besides attending Board meetings and preparing minutes of Board proceedings, the Company Secretary's responsibilities include, *inter alia*, ensuring compliance by the Group with all applicable laws and regulations, ensuring Board procedures are followed and adhered to, and also maintaining and updating all statutory books and records.

REMUNERATION MATTERS

Principle 7 – Procedures for Developing Remuneration Policies
Principle 8 – Level and Mix of Remuneration
Principle 9 – Disclosure to Remuneration

The RC comprises three non-executive Directors, of whom the Chairman is independent. The Board is of the view that the present members of the RC are knowledgeable in the field of executive compensation to discharge their functions as set out in its terms of reference.

During the year, the RC appointed an external consultant to conduct a study on the Directors' remuneration of companies within the same industry and in comparable companies. In consultation with the Chairman of the Board, the RC recommended a remuneration framework which was developed based on the portfolios and responsibilities of each Director. The scheme, comprising basic fees and additional fees for serving on Board Committees, was endorsed by the Board and applied from July 2004 onwards. The Directors' fees are subject to shareholders' approval at the Annual General Meeting.

Under the recommendations of the RC, the Board has aborted the plans of adopting a Directors' and Employees' Option Scheme for the time being. However, the Board would consider embracing one when the need arises.

The remuneration of Directors for the financial year 2004 is summarised below.

Name	Base/Fixed Salary	Variable Component or Bonus	Directors' Fees	Benefits -in-kind, Allowances and Other Incentives
S$250,000 – S$500,000				
Sugiharto Soeleman	55%	–	17%	28%
Below S$250,000				
Purnardi Djojosudirdjo	–	–	87%	13%
Edwin Soeryadjaya	–	–	100%	–
Sandiaga Salahuddin Uno	–	–	70%	30%
Subianto Arpan Sumodikoro	–	–	100%	–
Yos Teo Sidy	–	–	76%	24%
Allan Charles Buckler	–	–	100%	–
Lim Hock San	–	–	100%	–
Lim Poh Chuan*	–	–	98%	2%
Steven Joseph Koroknay*	–	–	100%	–

* *Resigned during the year*

For the financial year 2004, there were no key executives in the Group who are not also Directors and whose remuneration exceeds S$250,000.

In the financial year 2004, there were no employees in the Group who were an immediate family member of a Director or the CEO.

ACCOUNTABILITY AND AUDIT

Principle 10 – Accountability

The Board is responsible for the corporate performance and is accountable to shareholders for the processes and structure by which the business and affairs of the Company are directed and managed. The Board plays a key role in enhancing long term shareholder value whilst taking into account the interests of other shareholders. On the other hand, the Management is accountable to the Board for the operational and financial performance of the Group. The Management keeps the Board informed by providing comprehensive financial reports with updates on the Group's position and prospects.

In addition to adopting corporate governance practices built around the spirit of the Code, the Company also observes continuing disclosure obligations under the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Company undertakes to circulate timely, adequate and non-selective disclosure of information, thereby promoting investor confidence as well as fairness and integrity of the securities market.

Within the prescribed period, the Board issued quarterly financial statements reviewed by the AC to provide shareholders with comprehensive information on the Group's performance, position and prospects.

Principle 11 – Audit Committee

The AC comprises three non-executive Directors, of whom two including the Chairman, are independent. The Board is of the view that the present members of the AC have sufficient financial management expertise and experience to discharge their responsibilities as set out in its terms of reference.

During the year, the AC met regularly with the Management and the external auditors to review the Group's financial statements, internal control procedures and interested person transactions. The AC also had a session with the external auditors, without the presence of the Management, to discuss effectiveness of the Group's overall system of internal controls and procedures. Besides evaluating the performance of the external auditors, the AC also reviewed the nature and scope of all non-audit services provided by them. The AC is satisfied with the independence and objectivity of the external auditors and recommended to the Board the re-appointment of the auditors at the forthcoming Annual General Meeting.

Principle 12 – Internal Controls
Principle 13 – Internal Audit

The Board recognizes that a sound set of internal controls is important in safeguarding shareholders' investments and the Company's assets. Internal controls are reviewed by the external auditors annually and major findings, recommendations and actions taken by the Management are reported to the AC. The Management is committed to put in place an efficient framework of internal controls and is constantly refining the procedures.

In view of the size and nature of the Group's operations, the Company does not have a dedicated internal audit unit. However, the Company outsources the internal audit function to external professionals whenever the need arises. For instance, during the acquisition of the interest in Tanjung Miring Timur TAC ("TAC TMT"), the Company engaged an external consultant to conduct a review on the internal controls of TAC TMT operations. Internal controls weaknesses identified during the course of review have been communicated to the operator of TAC TMT and the Company is constantly monitoring the progress of improvement of the operation.

COMMUNICATIONS WITH SHAREHOLDERS

Principle 14 – Regular, Effective and Fair Communication with Shareholders
Principle 15 – Greater Shareholder Participation

The Company has in place a communication framework that disseminates timely and complete financial data, price-sensitive information and material developments to shareholders. Quarterly release of financial results and all other information are first announced on the Singapore Exchange Limited website via SGXNET and then posted on the Company's website. Following any release of significant developments, the Company also issues press release and conducts analyst briefings.

The Company also encourages active shareholder participation at its general meetings. Notices of meetings are published in the newspapers and reports or circulars are despatched to all shareholders by post. The Board and the Management, together with the Company Secretary and external auditors, would be present at the meetings to address queries from shareholders. Shareholders, who are unable to attend, are also allowed to appoint up to two proxies each to attend and vote on their behalf through proxy forms sent in advance.

INTERESTED PERSON TRANSACTIONS

The details of interest person transactions for the financial year 2004 are set out below.

Name of Interested Person	Aggregate value of all interested person transactions during FY2004 (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate)	Aggregate value of all interested person transactions conducted under shareholders' mandate during FY2004 (excluding transactions less than S$100,000)
Subianto Arpan Sumodikoro (Director)	S$398,598 (2.815% of the Group's audited net tangible assets as at 31 December 2003)	-

The above transactions are in relation to the rental of drilling rig and equipment provided by Contium Engineers Far East Pte Ltd ("Contium") to the jointly-controlled entity of the Group, Goldpetrol Joint Operating Company Inc. Contium is wholly owned by Multi-Corporation (S) Pte Ltd, of which Mr Subianto Arpan Sumodikoro is a director and shareholder.

During the year, the Company did not seek a general mandate from shareholders for the above interested person transactions as the aggregate value of the transactions, pursuant to SGX-ST Listing Manual Rule 906, was expected not to exceed 5% of the Group's last audited net tangible assets as at 31 December 2003. The drilling rig and equipment rental contract with Contium expired in August 2004 and was not renewed.

DEALING IN SECURITIES

The Company has adopted the Best Practices Guide issued by the SGX-ST in relation to dealings in securities of the Company. Directors and employees of the Company are expected to adhere to the following rules at all times:

- to observe insider trading laws and avoid potential conflict of interests at all times when dealing in securities;
- not to deal in the Company's shares while in possession of unpublished material price-sensitive information;
- not to deal in the Company's shares for short-term considerations; and
- not to deal in the Company's shares during the period commencing two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year, or one month before the announcement of the Company's full year financial statements, and ending on the date of announcement of the relevant results.

DIRECTORS' REPORT
for the financial year ended 31 december 2004

The directors present their report to the members together with the audited balance sheet and statement of changes in equity of the Company and consolidated financial statements of the Group for the year ended 31 December 2004.

DIRECTORATE

The directors in office at the date of this report are as follows:

Purnardi Djojosudirdjo	
Sugiharto Soeleman	
Edwin Soeryadjaya	(Appointed on 14 December 2004)
Sandiaga Salahuddin Uno	
Subianto Arpan Sumodikoro	(Appointed on 14 December 2004)
Yos Teo Sidy	
Allan Charles Buckler	(Appointed on 14 December 2004)
Lim Hock San	(Appointed on 3 July 2004)

During the year, Mr Lim Poh Chuan resigned on 30 June 2004 and Mr Steven Joseph Koroknay resigned on 31 December 2004.

ARRANGEMENTS FOR 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 is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register kept by the Company for the purposes of Section 164 of the Companies Act, Chapter 50 (the "Act"), particulars of interests of directors who held office at the end of the financial year in shares or debentures in the Company and in related corporations other than wholly-owned subsidiary companies are as follows:

	Holdings in the name of the director		Other holdings in which the director is deemed to have an interest	
	At beginning of the year or date of appointment if later	At end of the year	At beginning of the year or date of appointment if later	At end of the year
The Company	**Ordinary shares of $0.05 each fully paid**		**Ordinary shares of $0.05 each fully paid**	
Purnardi Djojosudirdjo	–	51,700,000	204,000,000	–
Sugiharto Soeleman	–	38,960,000	204,000,000	–
Edwin Soeryadjaya	–	–	199,800,000	199,800,000
Sandiaga Salahuddin Uno	–	–	–	7,800,000
Subianto Arpan Sumodikoro	–	–	124,600,000	124,600,000
Yos Teo Sidy	–	33,340,000	204,000,000	–
Allan Charles Buckler	18,373,000	18,751,000	–	–

By virtue of Section 7 of the Act, Mr Edwin Soeryadjaya is deemed to have an interest in the shares of all the wholly-owned subsidiary companies at the end of the financial year.

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (CONT'D)

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares or debentures of the Company or of related corporations either at the beginning of the financial year, or at date of appointment, if later, or at the end of the financial year.

Except as disclosed above, there were no changes in any of the above mentioned interests in the Company between the end of the financial year and 21 January 2005.

DIRECTORS' CONTRACTUAL BENEFITS

Except as disclosed in the financial statements, since the end of last financial period, no director of the Company has received or become entitled to receive a benefit (other than as disclosed as directors' remuneration and fees in the accompanying financial statements) 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

During the financial year, there were:

(i) no options granted by the Company or its subsidiary companies to any person to take up unissued shares in the Company or its subsidiary companies; and

(ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiary companies.

AUDIT COMMITTEE

The Audit Committee carried out its functions in accordance with the Act. The nature and extent of the functions performed by the Audit Committee are further described in the Corporate Governance Report.

The Audit Committee has recommended to the Board of Directors the re-appointment of Nexia Tan & Sitoh, as auditors of the Company at the forthcoming Annual General Meeting.

AUDITORS

The auditors, Nexia Tan & Sitoh, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Purnardi Djojosudirdjo
Director

Sugiharto Soeleman
Director

Singapore
14 March 2005

Statement by directors

for the financial year ended 31 december 2004

We, **Purnardi Djojosudirdjo** and **Sugiharto Soeleman,** being directors of Interra Resources Limited, do hereby state that in our opinion,

(a) the balance sheet and statement of changes in equity of the Company and the consolidated financial statements of the Group as set out on pages 26 to 58 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2004 and the results of the business, changes in equity and cash flows of the Group for the year ended on that date; 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.

Purnardi Djojosudirdjo
Director

Sugiharto Soeleman
Director

Singapore
14 March 2005

AUDITOR'S REPORT
for the financial year ended 31 december 2004

REPORT OF AUDITORS TO THE MEMBERS OF INTERRA RESOURCES LIMITED AND ITS SUBSIDIARY COMPANIES

We have audited the financial statements of Interra Resources Limited as set out on pages 26 to 58 for the year ended 31 December 2004, comprising balance sheet and statement of changes in equity of the Company and consolidated financial statements of the Group. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

(a) the balance sheet and statement of changes of equity of the Company and the consolidated financial statements of the Group are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 ("the Act") and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2004 and the changes in equity of the Company and the results, changes in equity and cash flows of the Group for the financial year then ended on that date; and

(b) the accounting and other records (excluding registers) required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

NEXIA TAN & SITOH
Certified Public Accountants

Singapore
14 March 2005

BALANCE SHEETS

for the financial year ended 31 december 2004

	Notes	Company 2004 S$	Company 2003 S$	Group 2004 S$	Group 2003 S$
Non-current assets					
Property, plant and equipments	3	**35,041**	42,800	**1,596,657**	557,304
Exploration, evaluation and development costs	4	**-**	-	**24,142,451**	16,601,930
Intangibles	5	**-**	-	**9,134,495**	10,452,957
Interest in subsidiary companies	6	**41,030,675**	31,218,890	**-**	-
Goodwill on reverse acquisition	7	**-**	-	**2,438,226**	2,485,416
Participating rights	8	**-**	-	**3,301,749**	-
Current assets					
Inventories	9	**-**	-	**1,880,895**	1,373,370
Trade receivables	10	**-**	-	**2,281,768**	1,273,099
Other receivables, deposits and prepayments	11	**255,358**	56,682	**413,385**	2,877,725
Amounts due from a related party (non-trade)		**-**	-	**219**	-
Cash at bank and in hand		**5,930,480**	2,167,825	**7,774,975**	4,122,174
		6,185,838	2,224,507	**12,351,242**	9,646,368
Current liabilities					
Trade payables		**-**	-	**1,296,213**	640,392
Amounts due to related parties (trade)	36	**-**	-	**1,753,269**	2,204,553
Other payables and accruals		**204,496**	100,881	**2,038,468**	936,524
Amounts due to a director (non-trade)	12	**-**	-	**-**	11,845
Provision for taxation		**-**	-	**1,769,897**	1,412,799
		204,496	100,881	**6,857,847**	5,206,113
Net current assets/(liabilities)		**5,981,342**	2,123,626	**5,493,395**	4,440,255
Non-current liabilities					
Loan from a director	13	**-**	-	**(2,295,658)**	-
Loan from a substantial shareholder	14	**-**	-	**(2,439,137)**	(5,059,988)
Loan from a related party	15	**-**	-	**(2,439,137)**	(2,381,170)
Deferred income	16	**-**	-	**(8,546,526)**	(9,794,587)
		47,047,058	33,385,316	**30,386,515**	17,302,117
Representing:					
Share capital	17	**48,131,756**	44,131,756	**48,131,756**	44,131,756
Reserves	18	**(1,084,698)**	(10,746,440)	**(17,745,241)**	(26,829,639)
		47,047,058	33,385,316	**30,386,515**	17,302,117

The accompanying notes are an intergal part of the financial statements.

Consolidated profit and loss accounts

for the financial year ended 31 december 2004

Group	Notes	2004 S$	2003 S$
Revenue	19	**10,875,125**	4,116,231
Cost of production	20	**(8,413,177)**	(2,842,099)
Gross profit		**2,461,948**	1,274,132
Other income	21	**951,937**	1,033,580
Administrative expenses	22	**(2,545,379)**	(2,090,403)
Other operating expenses	23	**(1,220,403)**	(803,510)
(Loss) from operations	24	**(351,897)**	(586,201)
Finance costs	25	**–**	(77,520)
(Loss) from operations before exceptional item		**(351,897)**	(663,721)
Exceptional item	26	**–**	5,924,375
Net (loss)/profit from ordinary activities after exceptional item and before taxation		**(351,897)**	5,260,654
Taxation	27	**(420,948)**	(376,673)
Net (loss)/profit from ordinary activities after taxation		**(772,845)**	4,883,981
(Loss)/earnings per share (cents)			
Basic	30	**(0.083)**	0.664
Diluted	30	**(0.083)**	0.664

The accompanying notes are an intergal part of the financial statements.

Statement of changes in equity

for the financial year ended 31 december 2004

Company	**Share Capital S$**	**Share Premium S$**	**Accumulated Losses S$**	**Total S$**
At 30 September 2002	6,763,512	64,898,219	(185,224,883)	(113,563,152)
Capital reduction	(3,381,756)	–	3,381,756	–
Issue of ordinary shares pursuant to debt conversion	6,000,000	98,300,001	–	104,300,001
Issue of ordinary shares pursuant to reverse acquisition	30,000,000	–	–	30,000,000
Issue of ordinary shares for cash	4,750,000	–	–	4,750,000
Net profit for the period	–	–	7,898,467	7,898,467
At 31 December 2003	**44,131,756**	**163,198,220**	**(173,944,660)**	**33,385,316**
Issue of ordinary shares for cash	**4,000,000**	**10,976,632**	**–**	**14,976,632**
Net loss for the year	**–**	**–**	**(1,314,890)**	**(1,314,890)**
At 31 December 2004	**48,131,756**	**174,174,852**	**(175,259,550)**	**47,047,058**

The accompanying notes are an intergal part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 december 2004

Group	Share Capital S$	Share Premium S$	Foreign Currency Translation Reserve S$	Special Reserves S$	Unappropriated Profits S$	Total S$
At 31 December 2002	321,800	–	(202,063)	–	5,471,164	5,590,901
Arising from reverse acquisition	39,059,956	98,300,001	–	(135,457,376)	–	1,902,581
Issue of ordinary shares for cash	4,750,000	–	–	–	–	4,750,000
Foreign currency translation differences	–	–	174,654	–	–	174,654
Net profit for the period	–	–	–	–	4,883,981	4,883,981
At 31 December 2003	**44,131,756**	**98,300,001**	**(27,409)**	**(135,457,376)**	**10,355,145**	**17,302,117**
Issue of ordinary shares for cash	**4,000,000**	**10,976,632**	**–**	**–**	**–**	**14,976,632**
Foreign currency translation differences	**–**	**–**	**(1,119,389)**	**–**	**–**	**(1,119,389)**
Net loss for the year	**–**	**–**	**–**	**–**	**(772,845)**	**(772,845)**
At 31 December 2004	**48,131,756**	**109,276,633**	**(1,146,798)**	**(135,457,376)**	**9,582,300**	**30,386,515**

The accompanying notes are an intergal part of the financial statements.

Consolidated statement of cash flows

for the financial year ended 31 december 2004

Group	Notes	2004 S$	2003 S$
Cash flows from operating activities			
(Loss)/profit from ordinary activities before taxation		**(351,897)**	5,260,654
Adjustments for non-cash items			
Foreign currency translation		**(332,067)**	(83,104)
Contractual bonus written off		**-**	561,897
Concession rights written off		**-**	472,045
Loss from property, plant and equipments transferred to joint ventures		**-**	6,606
Depreciation of property, plant and equipments	3	**460,758**	114,601
Amortisation of:			
- Exploration, evaluation and development costs	4	**994,302**	548,038
- Concession rights	5	**49,536**	51,085
- Intangible benefits	5	**719,880**	618,267
- Goodwill on reverse acquisition	7	**47,190**	94,380
- Participating rights	8	**205,270**	-
Interest income		**(42,574)**	(2,762)
Interest expense		**-**	77,520
Deferred income	16	**(719,880)**	(618,267)
Exchange difference		**140,197**	23,030
Operating profit before working capital changes		**1,170,715**	7,123,990
Changes in working capital:			
Inventories		**(827,423)**	(757,741)
Trade and other receivables		**(1,700,575)**	1,221,101
Trade and other payables		**2,878,009**	737,990
Accrued operating expenses		**(2,583)**	(887,756)
Amounts due from a related party (non-trade)		**(219)**	-
Amounts due to related parties (trade)		**(451,284)**	2,119,004
Amounts due to a director (non-trade)		**(11,845)**	(140,844)
Net cash inflows from operating activities		**1,054,795**	9,415,744

The accompanying notes are an intergal part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the financial year ended 31 december 2004

Group	**2004 S$**	**2003 S$**
Cash flows from investing activities		
Interest income received	**42,574**	2,762
Acquisition of 70% interest in TAC TMT	**(8,613,779)**	–
Cash arising from reverse acquisition	**–**	1,865
Additional investment in production phase properties:		
– Purchase of property, plant and equipments	**(1,313,162)**	(351,031)
– Well drillings and improvements	**(4,876,721)**	(4,589,628)
– Geological and geophysical studies	**(128,838)**	–
Deposit refund/(placed) for possible acquisition	**2,511,300**	(2,547,900)
Property, plant and equipments transferred to joint ventures	**–**	196,523
Net cash outflows from investing activities	**(12,378,626)**	(7,287,409)
Cash flows from financing activities		
Interest paid	**–**	(77,520)
Repayment of loan to related parties	**–**	(3,034,387)
Net proceeds from placement of shares	**14,976,632**	4,750,000
Net cash inflows from financing activities	**14,976,632**	1,638,093
Net increase in cash and cash equivalents	**3,652,801**	3,766,428
Cash and cash equivalents at beginning of the year	**4,122,174**	355,746
Cash and cash equivalents at end of the year	**7,774,975**	4,122,174

Note: Net Cash Flow Effect from Acquisition of 70% Interest in TAC TMT

	S$
Fair value of net assets acquired as at date of acquisition:	
Cash	658,490
Property, plant and equipments	257,205
Exploration, evaluation and development costs	4,580,146
Current assets	997,818
Current liabilities	(1,029,811)
Participating rights	3,808,421
Consideration paid	**9,272,269**
Less: cash acquired	(658,490)
Net cash paid for acquisition	**8,613,779**

The accompanying notes are an intergal part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 december 2004

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

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"). The address of its registered office is at 391A Orchard Road, #13-06 Ngee Ann City Tower A, Singapore 238873.

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

The principal activities, country of incorporation and place of operation of the subsidiary companies are set out in the Note 6 to the financial statements. There have been no significant changes in such activities during the financial year.

The consolidated financial statements relate to the Company and its subsidiary companies (the "Group") and the Group's interests in joint ventures.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been consistently applied in the preparation of the financial information of the Group and of the Company are as follows:

(a) Basis of Preparation

The financial statements are prepared in accordance with the historical cost convention.

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The preparation of financial statements in conformity with FRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on the management's best knowledge of current events and actions, actual results may ultimately differ from these estimates.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting year compared with the financial statements as at 31 December 2003, except for the early adoption of the following new and revised Singapore FRS issued in July 2004 by the Council on Corporate Disclosure and Governance ("CCDG"), with effect from 1 April 2004:

FRS 103	Business Combinations
Revised FRS 36	Impairment of Assets
Revised FRS 38	Intangible Assets

From 1 April 2004 onwards, the Group has opted for early adoption of FRS103, FRS36 and FRS38 which deals with the treatment of goodwill arising from business combinations, whereby goodwill on reverse acquisition is no longer amortised, instead impairment is tested annually, or more frequently if events or changes in circumstances indicate that the goodwill might be impaired. As this new treatment is adopted prospectively from 1 April 2004, amortisation charges which have been made for the period 1 January 2004 to 31 March 2004 were not reversed.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Principles of Consolidation

Subsidiaries are those companies controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of a company so as to obtain benefits from its activities.

Investments in subsidiaries are stated in the Company's balance sheet at cost less impairment losses. Subsidiaries are consolidated with the Company in the Group's financial statements. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

On 10 July 2003, the Company became the legal parent of Goldwater Company Limited ("Goldwater") as part of its restructuring process. The shareholders of Goldwater became the majority shareholders of the Company with 76.18% of the enlarged share capital before the placement exercise. Further, the Company's continuing operations and executive management were those of Goldwater. Accordingly, the substance of the business combination was that Goldwater acquired the Company in a reverse acquisition. As a consequence of applying reverse acquisition accounting, the results for the year ended 31 December 2003 comprise the results of Goldwater for the year ended 31 December 2003 and the Company from 10 July 2003, the date of reverse acquisition, to 31 December 2003.

(c) Joint Ventures

Joint ventures are entities over which the Group has contractual arrangements to jointly share the control with one or more parties. The Group's interests in joint ventures are accounted for in the consolidated financial statements by proportionate consolidation.

Proportionate consolidation involves combining the Group's share of joint ventures' individual income and expenses, assets and liabilities and cash flows on a line-by-line basis with similar items in the Group's financial statements. The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint venture to the extent that it is attributable to the other venturers. The Group does not recognise its share of results from the joint venture that arises from its purchase of assets from the joint venture until the Group resells the assets to an independent party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets or an impairment loss.

(d) Goodwill on Reverse Acquisition

Goodwill on 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. Goodwill is stated at cost less accumulated amortisation and impairment losses. Goodwill is tested for its impariment annually, or more frequently if events or changes in circumstances indicate that the goodwill might be impaired.

As at 1 April 2004, the Group has opted for early adoption of FRS103, FRS36 and FRS38 which deals with the treatment of goodwill arising from business combination. Details on the impact of changes are disclosed in Note 7.

(e) Participating Rights

Participating rights represent the excess of the fair value of the identifiable assets acquired and liabilities assumed over the cost of acquisition of the 70% interest in the Technical Assistance Contract for Tanjung Miring Timur ("TAC TMT"). Participating rights is amortised on a straight line basis from the date of initial recognition over the remaining period of TAC TMT (see Note 8).

(f) Property, Plant and Equipments

Property, plant and equipments are stated at cost less accumulated depreciation and any impairment in value. 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 depreciations are removed from the financial statements and any gain or loss resulting from their disposal is included in the profit and loss account.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Depreciation

Depreciation is provided for all property, plant and equipments on a straight-line basis so as to write off the cost of these assets over the following continual useful life:

Pumping tools	4 years
Drilling and field equipments	4 years
Computers	3 years
Office equipment	3 years
Renovations, furniture and fittings	2 to 3 years

Fully depreciated property, plant and equipments are retained in the financial statements until they are no longer in use.

(h) Exploration, Evaluation and Development Costs

(i) Exploration and evaluation phase
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 initial joint study period.

Exploration, evaluation and development costs are carried forward, where 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.

Costs of evaluation and unsuccessful exploration in areas of interest where economically recoverable reserves do not currently exist (or are held under a 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 the directors decide that it is not commercially viable, any accumulated costs in respect of that area are written off in the financial period that the decision is made. Each area of interest is also reviewed at the end of financial period and accumulated costs are written off to the extent that they will not be recoverable. Each potential or recognised area of interest will be evaluated once in every three years to ascertain any significant change in the oil reserves.

(ii) Development and production phase
Development costs are only incurred within an area of interest as a component of a commercial development phase and only upon commitment to the commercial development.

Recoverable costs included in production phase represent costs recoverable under the production sharing type of petroleum contracts. Under these contracts, costs are recoverable monthly to the extent and out of a maximum allowable depending on the production output. Any excess expenses not recovered for the period are carried forward to the extent where it may be recouped in the following periods. The carrying amounts of the recoverable costs are reviewed to determine whether there is any indication of impairment. If there is an indication of impairment, capitalisation of recoverable cost will cease and impairment will be recongised to the extent where it is not recoverable. In periods where cost recovery revenue exceeds expenses for the period, capitalised recoverable costs are written off as expenses.

(iii) Amortisation
Amortisation is not charged on costs carried forward in respect of areas of interest in development phase until production commences. When production commences, carried forward exploration, evaluation and development costs will be amortised on units of production basis over the life of the economically recoverable reserves.

Capitalised recoverable costs are amortised on units of production basis over the life of the economically recoverable reserves for the year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Intangibles

Intangibles capitalised are amortised on a straight line basis over the remaining period of the IPR contracts (see Note 5).

(j) Deferred Income

Deferred income is recognised in the profit and loss account on a straight line basis over the remaining period of the IPR contracts (see Note 16).

(k) Receivables and Payables

Trade and other receivables are stated at cost less allowance for doubtful receivables.

Trade and other payables, and interest-bearing liabilities are stated at cost.

(l) Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and bank deposits. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts which are repayable on demand and which form an integral part of the Group's cash management.

(m) Provisions

A provision is recognised in the balance sheet when the Company or the Group has a legal constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

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.

(n) Deferred Taxation

Deferred tax is provided in full, using liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Temporary differences are not recognised for goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that affects neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amounts of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax is provided on temporary differences arising from investments in subsidiaries and joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not be reversed in the foreseeable future.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Impairment of Assets

The carrying amounts of the assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. In determining whether there is an indication of impairment, the recoverable amount is estimated by an individual asset or its cash-generating unit by discounting the expected net cash flows to their present value using risk free rate until the end of its useful life. When estimating these future cash flows, the Company has made 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 the profit and loss account whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Reversal of an impairment loss recognised in prior years is recorded when there is an indication that the impairment loss recognised of an asset or its cash-generating units no longer exists or has decreased. The reversal is recorded as income in the profit and loss account.

(p) Finance Costs

Interest expense and similar charges are expensed in the profit and loss account in the period in which they are incurred, except to the extent that they are being capitalised as part of 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.

(q) Employee Benefits

(i) Defined contribution plans
Contributions to post-employment benefits under defined contribution plans are recognised as an expense in the profit and loss account when incurred.

(ii) Employee leave entitlements
Employees' entitlements to annual leave are recognised when they accrue to the employees. An accrual is made for estimated liabilities for annual leave as a result of services rendered up to the balance sheet date.

(r) Inventories

Inventories comprise mainly consumable stocks which are stated at the lower of cost and net realisable value. Cost is determined by applying the first-in-first-out basis.

(s) Foreign Currency Translation

(i) Measurement currency
Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity ("Measurement Currency"). The consolidated financial statements and balance sheet of the Company are presented in Singapore Dollars, which is the measurement currency of the Company.

(ii) Transactions and balances
Foreign currency transactions are translated into the measurement currency using the exchange rates prevailing at the dates of transactions. Foreign currency monetary assets and liabilities are translated into the measurement currency at the exchange rate prevailing at the balance sheet date or at contracted rates where they are covered by forward exchange contracts. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at financial year end exchange rates of monetary assets and liabilities denominated in foreign currencies, are taken to the income statement.

(iii) Translation of Group entities' financial statements for consolidated financial statements
The results and financial position of Group entities (none of which has the currency of a hyperinflationary economy) that are in measurement currencies other than Singapore Dollars are translated into Singapore Dollars on the following basis:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Foreign Currency Translation (cont'd)

(1) Assets and liabilities for each balance sheet presented are translated at the rate of exchange approximating those ruling at the balance sheet date.
(2) Income and expenses for each income statement are translated at average exchange rates (unless this 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 at the dates of the transactions).

All resulting foreign currency translation differences are taken into the shareholders' equity as foreign currency translation reserve.

(t) Environmental and Restoration Expenditure

Liabilities for environmental remediation resulting from past operations or events are recognised in the period in which an obligation to a third party arises and the amount can be reasonably estimated. Measurement of liabilities is based on current legal requirements and existing technology.

(u) Income Recognition

Income is recognised when it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably. Income is recognised in the profit and loss account as follows:

(i) Sales revenue
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and it can be reliably measured.

(ii) Interest income
Interest income from bank deposits is accrued on a time basis, by reference to the principal outstanding and at the interest applicable.

(iii) Dividend income
Dividend income from subsidiary companies are recognised when the dividends are formally declared payable.

(iv) Management fees
Management fees are recognised upon the rendering of management and consultation services to and the acceptance by subsidiary companies.

(v) Related Party Transactions

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties are entities with common directors, indirect shareholders and/or directors.

(w) Segment Reporting

For management purposes, the Group operates primarily in two geographical areas, namely Indonesia and Myanmar. The Group operates in one business segment, namely exploration and operations of oilfields for crude petroleum production, and derives its revenue solely from the sales of crude oil. Segment revenues, expenses, assets and liabilities are those directly attributable or allocated to a segment on a reasonable basis. Segment assets do not include income tax assets and segment liabilities do not include income tax liabilities.

3. PROPERTY, PLANT AND EQUIPMENTS

Company	Computers S$	Office Equipment S$	Renovations, Furniture and Fittings S$	Total S$
Cost				
Opening balance	**17,403**	**5,143**	**28,320**	**50,866**
Addition	**9,222**	**1,823**	**4,749**	**15,794**
Disposal	**–**	**–**	**–**	**–**
Closing balance	**26,625**	**6,966**	**33,069**	**66,660**
Accumulated depreciation				
Opening balance	**2,192**	**523**	**5,351**	**8,066**
Charge	**7,623**	**2,048**	**13,882**	**23,553**
Disposal	**–**	**–**	**–**	**–**
Closing balance	**9,815**	**2,571**	**19,233**	**31,619**
Depreciation charge for 2003	2,192	523	5,351	8,066
Net book value as at				
31 Dec 2004	**16,810**	**4,395**	**13,836**	**35,041**
31 Dec 2003	15,211	4,620	22,969	42,800

Group	Computers S$	Office Equipment S$	Renovations, Furniture and Fittings S$	Pumping Tools S$	Drilling and Field Equipments S$	Total S$
Cost						
Opening balance	**27,209**	**13,928**	**78,200**	**529,268**	**62,321**	**710,926**
Acquisition*	**–**	**18,680**	**–**	**319,576**	**334,663**	**672,919**
Addition	**13,104**	**7,267**	**15,142**	**468,167**	**809,482**	**1,313,162**
Disposal	**–**	**–**	**–**	**–**	**–**	**–**
Foreign currency translation	**(555)**	**(841)**	**(2,442)**	**(61,448)**	**(38,517)**	**(103,803)**
Closing balance	**39,758**	**39,034**	**90,900**	**1,255,563**	**1,167,949**	**2,593,204**
Accumulated depreciation						
Opening balance	**2,464**	**767**	**6,910**	**129,500**	**13,981**	**153,622**
Acquisition*	**–**	**11,672**	**–**	**179,762**	**224,280**	**415,714**
Charge	**11,424**	**11,084**	**35,822**	**257,478**	**144,950**	**460,758**
Disposal	**–**	**–**	**–**	**–**	**–**	**–**
Foreign currency translation	**(128)**	**(240)**	**(501)**	**(23,759)**	**(8,919)**	**(33,547)**
Closing balance	**13,760**	**23,283**	**42,231**	**542,981**	**374,292**	**996,547**
Depreciation charge for 2003	2,464	767	6,910	93,725	10,735	114,601
Net book value as at						
31 Dec 2004	**25,998**	**15,751**	**48,669**	**712,582**	**793,657**	**1,596,657**
31 Dec 2003	24,745	13,161	71,290	399,768	48,340	557,304

Note: *Assets transferred to the Group arising from the acquisition of 70% interest in TAC TMT.

4. EXPLORATION, EVALUATION AND DEVELOPMENT COSTS

Group	Exploration and Evaluation			Development and Production			
	Initial Joint Study Cost S$	Contractual Bonus S$	Exploration, Geological and Geophysical S$	Wells under Construction S$	Completed Wells S$	Cost Recovery S$	Total S$
Cost							
Opening balance	**3,205,084**	**915,440**	**-**	**2,922,407**	**6,256,029**	**5,149,131**	**18,448,091**
Acquisition*	**-**	**-**	**-**	**-**	**4,580,146**	**-**	**4,580,146**
Addition	**-**	**-**	**128,838**	**2,052,411**	**694,253**	**2,130,057**	**5,005,559**
Transfer to completed wells	**-**	**-**	**-**	**(2,922,407)**	**2,922,407**	**-**	**-**
Disposal	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Foreign currency translation	**(109,013)**	**(31,136)**	**-**	**(29,597)**	**(678,643)**	**(317,338)**	**(1,165,727)**
Closing balance	**3,096,071**	**884,304**	**128,838**	**2,022,814**	**13,774,192**	**6,961,850**	**26,868,069**
Accumulated amortisation							
Opening balance	**281,874**	**80,138**	**-**	**-**	**1,155,474**	**328,675**	**1,846,161**
Acquisition*	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Charge	**33,728**	**9,602**	**-**	**-**	**870,431**	**80,541**	**994,302**
Disposal	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Foreign currency translation	**(10,623)**	**(3,019)**	**-**	**-**	**(84,320)**	**(16,883)**	**(114,845)**
Closing balance	**304,979**	**86,721**	**-**	**-**	**1,941,585**	**392,333**	**2,725,618**
Amortisation charge for 2003	35,418	10,176	-	-	450,471	51,973	548,038
Net book value as at							
31 Dec 2004	**2,791,092**	**797,583**	**128,838**	**2,022,814**	**11,832,607**	**6,569,517**	**24,142,451**
31 Dec 2003	2,923,210	835,302	-	2,922,407	5,100,555	4,820,456	16,601,930

Note: *Assets transferred to the Group arising from the acquisition of 70% interest in TAC TMT

5. INTANGIBLES

Group	Concession Rights S$	Intangible Benefits S$	Total S$
Cost			
Opening balance	**1,017,156**	**10,410,600**	**11,427,756**
Addition	**–**	**–**	**–**
Write off	**–**	**–**	**–**
Foreign currency translation	**(34,596)**	**(585,000)**	**(619,596)**
Closing balance	**982,560**	**9,825,600**	**10,808,160**
Accumulated amortisation			
Opening balance	**358,786**	**616,013**	**974,799**
Charge	**49,536**	**719,880**	**769,416**
Write off	**–**	**–**	**–**
Foreign currency translation	**(13,731)**	**(56,819)**	**(70,550)**
Closing balance	**394,591**	**1,279,074**	**1,673,665**
Amortisation charge for 2003	51,085	618,267	669,352
Net book value as at			
31 Dec 2004	**587,969**	**8,546,526**	**9,134,495**
31 Dec 2003	658,370	9,794,587	10,452,957

Concession rights

Concession rights refer to amount paid to acquire the interest of IPR contracts, which is amortised over the remaining period of approximately 14 years on a straight line basis from 1 March 2003 to 31 March 2017.

Intangible benefits

Intangible benefits of S$10,410,600 refer to the US$6 million technical services that Goldwater will benefit pursuant to the farm-out to Geopetrol Singu Inc. ("Geopetrol") in 2003. Intangible benefits are amortised over the remaining period of the IPR contracts of approximately 14 years on a straight line basis from 1 March 2003 to 31 March 2017.

6. INTEREST IN SUBSIDIARY COMPANIES

	Company	
	2004	2003
	S$	S$
Unquoted equity shares at cost		
Goldwater Company Limited	**30,000,000**	30,000,000
Goldwater TMT Pte. Ltd.	**1**	–
Goldwater Eagle Limited	**2**	–
	30,000,003	30,000,000
Advances made to subsidiary companies		
Goldwater Company Limited	**520,047**	1,218,890
Goldwater TMT Pte. Ltd.	**10,510,625**	–
	11,030,672	1,218,890
Interest in subsidiary companies	**41,030,675**	31,218,890

Advances made to subsidiary companies

Advances made to Goldwater are interest-free advances for the purpose of development activities in Myanmar.

Advances made to Goldwater TMT Pte. Ltd. are interest-free advances for the purposes of acquiring 70% interest in TAC TMT (S$9,083,293) and its development activities (S$1,427,332).

6. INTEREST IN SUBSIDIARY COMPANIES (CONT'D)

The principal activities, country of incorporation and place of operation of the subsidiary companies and joint ventures as at 31 December 2004 are:

Name of Company/Entity	Principal Activities	Country of Incorporation/ Place of Operation	Group's Effective Interest 2004 %	Group's Effective Interest 2003 %
Goldwater Company Limited[(a)]	Exploration and operations of oilfields for crude petroleum production	British Virgin Islands/ Myanmar	100	100
Goldwater TMT Pte. Ltd.[(a)]	Exploration and operations of oilfields for crude petroleum production	Singapore/Indonesia	100	–
Goldwater Eagle Limited[(b)]	Dormant	British Virgin Islands	100	–
Jointly controlled entity of Goldwater Company Limited				
Goldpetrol Joint Operating Company Inc.[(a)]	Exploration and operations of oilfield for crude petroleum production	Republic of Panama/ Myanmar	60	60
Jointly controlled operation of Goldwater TMT Pte. Ltd.				
TAC Tanjung Miring Timur[(c)]	Exploration and operations of oilfield for crude petroleum production	Tanjung Miring Timur South Sumatra, Indonesia	70	–

(a) Audited by Nexia Tan & Sitoh, a Member Firm of Nexia International
(b) Not required to be audited under the laws of the country of incorporation
(c) Audited by Johan Malonda Astika & Rekan, a Member Firm of Nexia International

7. GOODWILL ON REVERSE ACQUISITION

	Group 2004 S$	Group 2003 S$
Cost		
Opening balance	**2,579,796**	–
Goodwill arising from reverse acquisition	**–**	2,579,796
Change in accounting policy (Note 2a)		
– Reclassified from accumulated amortisation	**(141,570)**	–
Closing balance	**2,438,226**	2,579,796
Accumulated amortisation		
Opening balance	**94,380**	–
Charge to profit and loss statement	**47,190**	94,380
Change in accounting policy (Note 2a)		
– Reclassified to cost	**(141,570)**	–
Closing balance	**–**	94,380
Net book value	**2,438,226**	2,485,416

Goodwill on reverse acquisition arose from the difference between the deemed cost of acquisition and fair value of the net assets acquired at the reverse acquisition date on 10 July 2003 (see Note 2b).

The deemed cost of acquisition was derived from the total percentage of shareholdings held by the existing shareholders of the former Van der Horst Limited (now known as Interra Resources Limited) and Shantex Holdings Pte Ltd multiply by the net assets of Goldwater as at the reverse acquisition date. As a result of applying the above basis, goodwill on acquisition amounting to S$2,579,796 is recognised in the consolidated financial statement. Previously, the Group amortised this cost over the remaining period of the IPR contracts, which is approximately 14 years from 10 July 2003 to 31 March 2017.

As highlighted in Note 2a, the new treatment for goodwill on reverse acquisition was adopted prospectively from 1 April 2004. As such, amortisation charges were only made for the period 1 January 2004 to 31 March 2004. Had this new treatment not been adopted, amortisation charges from 1 April 2004 to 31 December 2004 amounting to S$141,570 would have been made and would have increased the loss before taxation by the same amount.

As at 31 December 2004, the management is of the view that no provision for impairment is necessary for the financial year 2004.

8. PARTICIPATING RIGHTS

	Group 2004 S$
Cost	
Opening balance	–
Addition	3,808,421
Written off	–
Foreign currency translation	(301,440)
Closing balance	**3,506,981**
Accumulated amortisation	
Opening balance	–
Charge	205,270
Written off	–
Foreign currency translation	(38)
Closing balance	**205,232**
Net book value as at 31 Dec 2004	**3,301,749**

Participating rights recognised in the Group's balance sheet arose from the acquisition of the 70% interest in TAC TMT. The amount recognised as participating rights is the excess of the net fair value of the identifiable assets acquired and liabilities assumed over the cost of acquisition. This cost of participation rights is amortised on a straight line basis over the remaining period of TAC TMT contract, which is 12.75 years from 1 April 2004 to 31 December 2016.

9. INVENTORIES

	Company 2004 S$	Company 2003 S$	Group 2004 S$	Group 2003 S$
Consumables	**–**	–	**1,880,895**	1,373,370

10. TRADE RECEIVABLES

Trade receivables are receivables from Myanma Oil and Gas Enterprise and Pertamina in respect of the Group's sales of its petroleum entitlement.

11. OTHER RECEIVABLES, DEPOSIT AND PREPAYMENTS

	Company 2004 S$	Company 2003 S$	Group 2004 S$	Group 2003 S$
Deposit placed for possible acquisition	**–**	–	**–**	2,547,900
Advances	**–**	–	**–**	29,429
Deposits	**36,907**	37,107	**80,088**	53,335
Other receivables	**18,198**	14,795	**66,055**	67,463
Prepayments	**200,253**	4,780	**267,242**	9,910
Amount due from joint ventures	**–**	–	**–**	169,688
	255,358	56,682	**413,385**	2,877,725

12. AMOUNTS DUE TO A DIRECTOR (NON-TRADE)

Amounts due to a director (non-trade) were interest-free advances relating to operational expenses paid on behalf of Goldwater in 2003 and were repaid in 2004.

13. LOAN FROM A DIRECTOR (UNSECURED)

The outstanding loan as at 31 December 2004 refers to an unsecured and interest-free loan from a director, Mr Edwin Soeryadjaya, and is repayable after 12 months. The estimated fair value of this loan as at 31 December 2004 is S$2,049,649 (2003: S$1,898,254) (see Note 36). The carrying amounts are denominated in the United States Dollars.

As at 31 December 2003, this loan was classified as Loan from a related party as Mr Edwin Soeryadjaya was not a director of the Company.

14. LOAN FROM A SUBSTANTIAL SHAREHOLDER (UNSECURED)

The outstanding loan as at 31 December 2004 refers to an unsecured and interest-free loan from a substantial shareholder, Canyon Gate Investments Ltd and is repayable after 12 months. The estimated fair value of this loan as at 31 December 2004 is S$2,177,800 (2003: S$2,106,895) (see Note 36). The carrying amounts are denominated in the United States Dollars.

The outstanding loan as at 31 December 2003 refers to an unsecured and interest-free loan from two substantial shareholders, Canyon Gate Investments Ltd and Prairie Heritage Ltd. As at 31 December 2004, the loan from Prairie Heritage Ltd. has been classified to Loan from a related party.

15. LOAN FROM A RELATED PARTY (UNSECURED)

The outstanding loan as at 31 December 2004 refers to an unsecured and interest-free loan from a related party, Prairie Heritage Ltd. and is repayable after 12 months. The estimated fair value of this loan as at 31 December 2004 is S$2,177,800 (2003: S$2,106,985) (see Note 36). The carrying amounts are denominated in the United States Dollars.

The outstanding loan as at 31 December 2003 refers to an unsecured and interest-free loan from Mr Edwin Soeryadjaya and is repayable after 12 months. As Mr Edwin Soeryadjaya was appointed as a director of the Company on 14 December 2004, this loan was reclassified to Loan from a director.

16. DEFERRED INCOME

	Group	
	2004	**2003**
	S$	**S$**
Opening balance	**9,794,587**	–
Addition	**-**	10,410,600
Income recognised for the year	**(719,880)**	(618,267)
Foreign currency translation	**(528,181)**	2,254
Closing balance	**8,546,526**	9,794,587
Income recognised for the year	**719,880**	618,267

Deferred income arose from Goldwater's 40% farm-out to Geopetrol for a total consideration of US$10 million of which US$4 million was received in cash and US$6 million (S$10,410,600) was the value of technical services to be provided by Geopetrol. The cash consideration is recognised in the profit and loss account (as disclosed in Note 24) whereas US$6 million is recognised as deferred income in the balance sheet.

Deferred income is recognised in the profit and loss account on a straight line basis over the remaining period of the IPR contracts, which is approximately 14 years from 1 March 2003 to 31 March 2017.

17. SHARE CAPITAL

	Group 2004 S$	Group 2003 S$
Authorised		
As at beginning of financial year/period		
– 150,000,000 ordinary shares of S$1.00 each (1 October 2002)	–	150,000,000
– 2,000,000,000 ordinary shares of S$0.05 each (1 January 2004)	**100,000,000**	–
Capital reduction		
– 150,000,000 ordinary shares of S$0.50 each	–	(75,000,000)
Share split		
– 1,500,000 ordinary shares of S$0.05 each	–	–
Increase in authorised capital		
– 500,000,000 ordinary shares of S$0.05 each	–	25,000,000
As at end of financial year/period		
– 2,000,000,000 ordinary shares of S$0.05 each	**100,000,000**	100,000,000
Issued and fully paid		
As at beginning of financial year/period	**44,131,756**	6,763,512
Capital reduction	–	(3,381,756)
Issue of ordinary shares pursuant to debt conversion	–	6,000,000
Issue of ordinary shares pursuant to reverse acquisition	–	30,000,000
Issue of ordinary shares for cash	**4,000,000**	4,750,000
As at end of financial year/period	**48,131,756**	44,131,756

During the financial year, the Company issued 80,000,000 new ordinary shares of S$0.05 each in issued and paid up share capital at S$0.19332 per share.

18. RESERVES

	Company		Group	
	2004	**2003**	**2004**	**2003**
	S$	**S$**	**S$**	**S$**
Share premium account	**174,174,852**	163,198,220	**109,276,633**	98,300,001
Revenue reserves	**(175,259,550)**	(173,944,660)	**9,582,300**	10,355,145
Special reserves	**–**	–	**(135,457,376)**	(135,457,376)
Foreign currency translation reserve	**–**	–	**(1,146,798)**	(27,409)
	(1,084,698)	(10,746,440)	**(17,745,241)**	(26,829,639)

Share premium account

During the financial year, the Company issued 80,000,000 new ordinary shares of S$0.05 each in issued and paid up share capital at premium of S$0.14332 per share.

Special reserves

As a result of applying the reverse acquisition accounting as set out in Note 2b, the Group's consolidated financial statements reflect the continuation of the financial statements of its legal subsidiary, Goldwater. As such, cost of investment to the Company and reserves of the Company immediately prior to the reverse acquisition are transferred to this special reserves when consolidating the financial statements.

19. REVENUE

	Group	
	2004	**2003**
	S$	**S$**
Sales of crude oil	**10,875,125**	4,116,231

20. COST OF PRODUCTION

	Group	
	2004	**2003**
	S$	**S$**
Royalty	**639,587**	569,554
Depreciation of property, plant and equipments	**402,428**	104,459
Amortisation of exploration, evaluation and development costs	**994,302**	548,038
Production expenses	**6,376,860**	1,620,048
	8,413,177	2,842,099

21. OTHER INCOME

	Group 2004 S$	Group 2003 S$
Bank interest income	**42,574**	2,762
Management fees	**187,553**	365,277
Deferred income	**719,880**	618,267
Others	**1,930**	47,274
	951,937	1,033,580

22. ADMINISTRATIVE EXPENSES

Administrative expenses comprise principally staff costs, rental of premises, travelling, accommodation, auditors' remuneration, tax and accounting fees and consultant fees.

23. OTHER OPERATING EXPENSES

	Group 2004 S$	Group 2003 S$
Depreciation of property, plant and equipments	**58,330**	10,142
Amortisation of concession rights	**49,536**	51,085
Amortisation of intangible benefits	**719,880**	618,267
Amortisation participating rights	**205,270**	–
Amortisation of goodwill on reserve acquisition	**47,190**	94,380
Foreign exchange loss, net	**140,197**	23,030
Loss from property, plant and equipments transferred to joint ventures	**–**	6,606
	1,220,403	803,510

24. LOSS FROM OPERATIONS

The loss from operations is determined:

	Notes	Group 2004 S$	Group 2003 S$
After charging:			
Directors' remuneration			
Directors of the Company			
Salaries		**179,938**	169,122
Directors' fees		**268,239**	177,000
Others		**77,449**	5,500
Directors of joint ventures, who are not Directors of the Company			
Salaries		**27,084**	26,296
Auditors' remuneration			
Auditors of the Company			
Audit fees		**74,741**	71,483
Others		**–**	10,000
Staff costs			
Production	28	**1,035,592**	874,123
Administrative	28	**420,823**	353,042
Depreciation of property, plant and equipments	3	**460,758**	114,601
Amortisation of			
Exploration, evaluation and development costs	4	**994,302**	548,038
Concession rights	5	**49,536**	51,085
Intangible benefits	5	**719,880**	618,267
Goodwill on reverse acquisition	7	**47,190**	94,380
Participating rights	8	**205,270**	-
Foreign exchange loss, net		**140,197**	23,030
Loss from property, plant and equipments transferred to joint ventures		**–**	6,606
After crediting:			
Bank interest income		**42,574**	2,762
Deferred income	16	**719,880**	618,267

25. FINANCE COST

	2004 S$	2003 S$
Interest on loan from a related party	–	77,520

This interest was incurred from an unsecured loan from a related party which charged interest at 12% per annum. The Group has fully repaid this loan in March 2003 (see Note 36).

26. EXCEPTIONAL ITEM

The exceptional item for the financial period ended 31 December 2003 represents the gain from farming-out 40% stake in the IPR contracts pursuant to Farm in-Farm out Agreement dated 3 October 2002. The net gain recognised in the profit and loss account is equivalent to the net cash proceeds received from the joint venture partner, Geopetrol, after deducting 40% of the net book value of the Concession rights and Contractual bonus amounting to S$472,045 and S$561,897 respectively.

27. TAXATION

	Group	
	2004 S$	**2003 S$**
Current year tax	**420,948**	376,673
Reconciliation of effective tax rate		
(Loss)/profit before tax	**(351,897)**	5,260,654
Income tax using Singapore tax rate	**(70,379)**	1,157,344
Effect of different tax rates in other countries	**140,310**	420,852
Income not subject to tax	**(453,350)**	(2,606,121)
Expenses not deductible for tax purposes	**514,573**	1,404,598
Deferred benefits not recognised	**289,794**	–
	(420,948)	376,673

The following temporary differences have not been recognised as deferred tax assets:

Opening balance	**–**	–
Differences in depreciation and capital allowances	**4,710**	–
Unutilised tax losses	**285,084**	–
Closing balance	**289,794**	–

These unutilised tax losses are subject to agreement by the tax authorities and compliance with tax regulations. Deferred tax assets have not been recognised in respect of these items because it is uncertain that these deferred tax assets can be utilised against future taxable profits.

28. STAFF COSTS

	Group 2004 S$	Group 2003 S$
Staff costs		
Production	**1,035,592**	874,123
Administrative	**420,823**	353,042
	1,456,415	1,227,165
Number of employees at 31 December	**315**	245
Cost of defined contribution plan included in staff costs	**28,798**	6,465

29. COMMITMENTS

(a) Operating Lease Commitments

The Group has the following operating lease commitments:

	Company		Group	
	2004 S$	2003 S$	2004 S$	2003 S$
Not later than 1 year	**126,417**	97,388	**174,535**	202,532
After 1 year	**–**	68,983	**24,067**	109,186
	126,417	166,371	**198,602**	311,718

(b) Capital Commitments

	Company		Group	
	2004 S$	2003 S$	2004 S$	2003 S$
Not later than 1 year	**–**	–	**386,515**	–
After 1 year	**–**	–	**–**	–
	–	–	**386,515**	–

30. EARNINGS PER SHARE

Earnings per share is calculated by dividing the Group's results for the year by the weighted average number of ordinary shares in issue during the financial year.

The weighted average number of ordinary shares is arrived as follows:

	Group 2004	Group 2003
Net (loss)/profit for the year (S$)	**(772,845)**	4,883,981
Weighted average number of ordinary shares in issue	**933,564,082**	735,509,989
Basic (loss)/earnings per share (cents)	**(0.083)**	0.664
Fully diluted (loss)/earnings per share (cents)	**(0.083)**	0.664

31. CONTINGENT LIABILITIES

(a) Corporate guarantee given by Goldwater to Multi-Corporation (S) Pte Ltd in respect of services provided as purchasing and financing agent to the 60% joint venture, Goldpetrol, amounted to US$1,200,000 (see Note 36).

(b) 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 effect on the Group are not predictable.

The Myanmar Investment Commission ("MIC") has 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 declaration and keeping project sites environmental friendly. To meet the requirements of the MIC, the Group may be exposed to the cost of restoring the project sites. The potential costs have not been estimated as the Group does not foresee any circumstances to arise which may require it to make such provisions to comply with the MIC.

(c) Under the terms of the Technical Assistance Contract for Tanjung Miring Timur, the operator of the Group's joint venture entity, TAC TMT, shall include in its operating costs, all actual and estimated expenditure for abandonment of wells and restoration of drill sites. To date, no such expenditure has been incurred or may be reasonably estimated. The Group does not foresee the need for any immediate provision at this point in time.

As at 31 December 2003 and 2004, the Group has no significant contingent liabilities.

32. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Group does not have any written risk management policies and guidelines, and is exposed to credit, crude oil price and other market risks arising in the normal course of businesses.

The Group does not hold any or issue any derivative financial instruments for trading purposes or hedging against fluctuations, if any, in interest and foreign exchange rates.

(a) Credit Risk

Credit risk refers to the risk that debtors will default on their obligations to repay the amounts owing to the Company, resulting in a loss to the Company.

As the Group currently sells all its crude oil production to Myanma Oil and Gas Enterprise and Pertamina, it has a significant credit risk concentration. However, the Group does not foresee that this will pose a significant risk to the Group as payments from these customers have been regular. Nevertheless, the Group is constantly aware of this risk and if the need arises, the crude oil will be sold to another party.

Cash is placed with reputable financial institutions.

The maximum exposure to credit risk is represented by the carrying amounts of each financial asset in the balance sheet.

(b) Crude Oil Price Risk

The Group derives its revenue from the sales of crude oil and this is subject to fluctuations in oil prices, which are dependent on market demand and supply. The Group currently does not seek to hedge this risk.

32. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONT'D)

(c) Foreign Currency Risk

The Group's foreign exchange risk arises from its subsidiaries operating in foreign countries which generate revenue and incur costs denominated in foreign currencies, and the Company's assets and liabilities, which are denominated in foreign currencies. The Group's primary exposure is in United States Dollar. These subsidiaries, whose net assets are measured in United States Dollar, are also exposed to translation risk.

The Group currently does not seek to hedge these exposures. As at the balance sheet date, the Group does not have any forward foreign currency contracts.

(d) Fair Value of Financial Assets and Liabilities

Except for the those disclosed in Note 13, 14 and 15, the carrying amounts of financial assets and financial liabilities reported in the balance sheet approximate their fair values.

(e) Liquidity Risk

Prudent liquidity risk management implies having sufficient cash and obtaining credit facilities if the need arises. The Group has not arranged for any committed credit facilities as there is no requirement for such facilities. However, when the need arises, the directors believe that the Group will be able to secure the necessary credit facilities or raise funds from the public capital market.

33. DECOMMISSIONING AND RESTORATION COSTS

The Group has not provided any allowances for decommissioning and restoration costs, as it is believed that there are no significant costs involved in meeting the legal and regulatory requirements laid down at the current time.

34. INVESTMENT IN JOINT VENTURES

	Group	
	2004	**2003**
	S$	**S$**
Balance sheet		
Non current assets	**12,972,441**	3,496,454
Current assets	**5,995,503**	3,468,711
Current liabilities	**(5,311,076)**	(3,549,610)
Net assets	**13,656,868**	3,415,555
Profit and loss account		
Revenue	**10,875,125**	2,945,471
Expenses	**(8,926,690)**	(2,072,150)
Profit before tax	**1,948,435**	873,321
Taxation	**(420,948)**	(269,468)
Profit after tax	**1,527,487**	603,853
Group's share of operating lease commitment in joint ventures	**13,564**	20,689
Group's share of capital commitment in joint ventures	**386,515**	-

The details of the joint ventures are in Note 6.

35. SEGMENT REPORTING

Group	Indonesia 2004 S$	Indonesia 2003 S$	Myanmar 2004 S$	Myanmar 2003 S$	Eliminations 2004 S$	Eliminations 2003 S$	Consolidated 2004 S$	Consolidated 2003 S$
Revenue								
Sales to external customers	**6,080,712**	-	**4,794,413**	**4,116,231**	**-**	**-**	**10,875,125**	**4,116,231**
Total revenue	**6,080,712**	-	**4,794,413**	4,116,231	**-**	-	**10,875,125**	4,116,231
Results								
Segment results	**807,150**	-	**707,275**	908,215	**-**	-	**1,514,425**	908,215
Unallocated corporate net operating results							**(1,866,322)**	(1,494,416)
(Loss)/profit from operation							**(351,897)**	(586,201)
Finance cost							**-**	(77,520)
Exceptional items							**-**	5,924,375
(Loss)/profit before income tax							**(351,897)**	5,260,654
Income tax							**(420,948)**	(376,673)
(Loss)/profit after income tax							**(772,845)**	4,883,981
Assets								
Segment assets	**12,850,916**	-	**31,421,822**	34,991,252	**-**	-	**44,272,738**	34,991,252
Unallocated corporate assets							**8,659,105**	4,752,723
Total assets							**52,931,843**	39,743,975
Liabilities								
Segment liabilities	**12,107,032**	-	**19,081,710**	22,147,068	**(10,617,807)**	(1,218,891)	**20,570,935**	20,928,177
Unallocated corporate liabilities							**1,974,393**	1,513,681
Total liabilities							**22,545,328**	22,441,858
Net assets as per consolidated balance sheet							**30,386,515**	17,302,117

35. SEGMENT REPORTING (CONT'D)

Group	Indonesia		Myanmar		Total	
	2004 S$	2003 S$	2004 S$	2003 S$	2004 S$	2003 S$
Other information						
Capital expenditure (tangible and intangible assets)	**2,789,054**	-	**3,513,874**	4,897,859	**6,302,928**	4,897,859
Depreciation and amortisation	**840,265**	-	**1,565,944**	1,323,975	**2,406,209**	1,323,975

36. RELATED PARTIES AND SIGNIFICANT RELATED PARTIES TRANSACTIONS

For the purpose of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties are entities with common directors, indirect shareholders and/or directors.

In addition to the related party information disclosed elsewhere in the financial statements, the Group had the following significant transactions with related parties during the year on terms agreed between the parties.

Significant Related Parties Transactions	Group	
	2004 S$	2003 S$
Fees paid by the Group for purchases of drilling materials made through Multi-Corporation (S) Pte Ltd [see (a) below]	**211,054**	205,425
Rental of drilling rigs and equipment from Contium Engineers Far East Pte Ltd [see (b) below]	**731,252**	1,296,831
	942,306	1,502,256
Repayment of loan from Saratoga Equity Partners I Limited [see (c) below]	**-**	3,034,387
Interest paid on loan from Saratoga Equity Partners I Limited [see (c) below]	**-**	77,520
	-	3,111,907

(a) Multi-Corporation (S) Pte Ltd ("Multi-Co")

Multi-Co is related to the Group because Mr Subianto Arpan Sumodikoro, who was appointed as a director of the Company on 14 December 2004, is a deemed substantial shareholder of the Company through Canyon Gate Investments Ltd, and also a director and shareholder of Multi-Co.

Multi-Co acts as a purchasing and financing agent to the Group's joint venture, Goldpetrol. Upon instructions from Goldpetrol it makes arrangements for payments to the suppliers of Goldpetrol by Letters of Credit and facilitates imports to Myanmar, for a fee based on the amount invoiced by the suppliers of Goldpetrol. The suppliers are sourced by Goldpetrol to provide supplies required by Goldpetrol to carry out its operations in Myanmar.

(b) Contium Engineers Far East Pte Ltd ("Contium")

Contium is related to the Group because it is a wholly owned subsidiary of Multi-Co.

Contium rents drilling rigs and equipment to Goldpetrol. The rental contract, which was awarded to Contium through a tendering exercise in 2001 is in compliance with MOGE's requirements. The drilling rig and equipment rental contract expired in August 2004 and Goldpetrol decided not to renew the contract.

36. RELATED PARTIES AND SIGNIFICANT RELATED PARTIES TRANSACTIONS (CONT'D)

(c) Saratoga Equity I Partners Limited ("Saratoga")

Saratoga is related to the Group because Mr Edwin Soeryadjaya, who was appointed as a director of the Company on 14 December 2004, is a deemed substantial shareholder of the Company through Fleur Enterprises Limited and also a director and substantial shareholder of Saratoga.

Prior to the reverse takeover of the Company on 10 July 2003, Goldwater had previously taken loans from Saratoga. Goldwater repaid the loans in March 2003.

(d) Loan from a Director (Unsecured) – Mr Edwin Soeryadjaya

The amount outstanding as at 31 December 2004 is in relation to a loan extended to Goldwater in 1997 by a director of the Company, Mr Edwin Soeryadjaya. Mr Soeryadjaya gave a deed of undertaking on 8 March 2004 in favour of Goldwater whereby Mr Soeryadjaya undertook not to require repayment of the loan by Goldwater until 21 January 2006. This loan is interest-free from 17 December 2002 onwards and is unsecured. The amount outstanding as at 31 December 2004 is US$1,401,843 or an equivalent of S$2,295,658.

(e) Loan from a Substantial Shareholder (Unsecured) – Canyon Gate Investments Ltd ("Canyon Gate")

The amount outstanding as at 31 December 2004 is in relation to a loan extended to Goldwater by Canyon Gate in 1997. Canyon Gate gave a deed of undertaking on 8 March 2004 in favour of Goldwater whereby Canyon Gate undertook not to require repayment of the loan by Goldwater until 21 January 2006. This loan is interest-free from 17 December 2002 onwards and is unsecured. The amount outstanding as at 31 December 2004 is US$1,489,458 or an equivalent of S$2,439,137. Mr Subianto Arpan Sumodikoro, who is a director of the Company, is a director and shareholder of Canyon Gate.

(f) Loan from a Related Party (Unsecured) – Prairie Heritage Ltd. ("Prairie")

The amount outstanding as at 31 December 2004 is in relation to a loan extended to Goldwater by Prairie in 1997. Prairie gave a deed of undertaking on 8 March 2004 in favour of Goldwater whereby Prairie undertook not to require repayment of the loan by Goldwater until 21 January 2006. This loan is interest-free from 17 December 2002 onwards and is unsecured. The amount outstanding as at 31 December 2004 is US$1,489,458 or an equivalent of S$2,439,137. Mr Sugiharto Soeleman, the Chief Executive Officer of the Company, Mr Purnardi Djojosudirdjo and Mr Yos Teo Sidy, who are directors of the Company, are directors and shareholders of Prairie.

(g) Key Management Personnel Remuneration

The key management personnel remuneration include fees, salary, bonus, commission and other emoluments (including benefits-in-kind) computed based on the costs incurred by the Group and the Company, and where the Group or Company did not incur any costs, the value of the benefits.

The costs incurred by the Group for key management personnel remuneration are as follows:

	Group	
	2004	**2003**
	S$	**S$**
Key management of the Group:		
– directors of the Company	**525,626**	351,622
– directors of subsidiaries and joint ventures who are not directors of the Company	**27,084**	26,296

Details of directors' remuneration mix are disclosed in the Corporate Governance Report.

37. SUBSEQUENT EVENTS

Proposed Acquisition Of MC Oil & Gas Java B.V. And MC Oil & Gas Sumatra B.V. ("Proposed Acquisition")

Proposed Issue Of US$11,000,000 In Nominal Value Of 7.0% Secured Bonds Due 2010 With Detachable Warrants Carrying The Right To Subscribe For New Ordinary Shares In The Capital Of The Company ("Proposed Issue")

On 22 December 2004, the Company and Citigroup Financial Products Inc. ("Citigroup") entered into a conditional sales and purchase agreement to acquire Mitsubishi Corporation's 5% non-operating interests in two major Production Sharing Contracts, namely South East Sumatra and Offshore North West Java. The Company and Citigroup will hold these interests through a special purpose vehicle which is jointly owned by the Company and Citigroup on a 50:50 basis. To finance this acquisition, the Company has also proposed an issuance of US$11,000,000 in nominal value of 7% secured bonds due 2010 with detachable warrants carrying the rights to subscribe for new ordinary shares in the share capital of the Company.

On 28 February 2005, all parties to the Proposed Acquisition and Proposed Issue have extended the Longstop Date for the fulfillment of the conditions precedent for the Proposed Acquisition and Proposed Issue from 28 February 2005 to 31 March 2005.

On 9 March 2005, for the purposes of the Proposed Acquisition, the Company and Citigroup have incorporated a special purpose vehicle in The Netherlands by the name of "Orchard Energy Holding Java & Sumatra B.V." ("Orchard Energy") with an initial issued and paid-up share capital of 18,000 Euros. The Company and Citigroup have each subscribed for 9,000 Euros of shares in Orchard Energy, and each presently holds 50% of the issued share capital of Orchard Energy. Orchard Energy is, accordingly, an associated company of the Company.

38. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorized for issue in accordance with a resolution of the Board of Directors of Interra Resources Limited on 14 March 2005.

39. COMPARATIVE FIGURES

Certain prior period's comparatives in the profit and loss account have been restated to conform to with current year's presentation.

The following adjustments have been made to the comparative figures in the notes to the financial statements. These adjustments do not affect the net assets or net profit of the Group.

	Group	
Staff Costs	**2003 (As restated)**	**2003 (As reported previously)**
Number of employees at 31 December [see Note (a) below]	**245**	3,339
Cost of defined contribution plan included in staff costs [see Note (b) below]	**6,465**	1,151

(a) This adjustment made was due to reclassification of casual labour for Goldpetrol's operations. Previously, casual labours employed by MOGE were classified as the Group's employees as their salaries were partly borne by the Group. The reclassification has been made to reflect more accurately the actual staff strength of the Group.

(b) This adjustment made was due to typographical error.

40. SUPPLEMENTARY INFORMATION ON OIL RESERVES

(a) Definition of Reserves Adopted by the Group

(i) Proved reserves
Proved reserves are the quantities of oil which by analysis of geological and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under current economic conditions, operating methods and government regulations. Reserves are considered proved if the commercial production of the reservoir is supported by actual production or formation tests, and in certain cases, by well logs and/or core analysis that indicate the subject reservoirs is hydrocarbon bearing and is analogous to reservoir in the same area that are producing or have demonstrated the ability to produce on formation tests.

(ii) Probable reserves
Probable reserves include reserves anticipated to be proved by reserves in formations that appear to be productive based on well log characteristic but lack of core data and definitive tests, the reserves are defined to a lower degree of certainty than proved reserves. Probable reserves may include the extension of proved reservoirs or other reservoirs that have not been tested at commercial flow rates.

(iii) Possible reserves
Possible reserves represent the oil-in-place that may exist but the data insufficient to classify such as proven or probable.

In the estimate of the oil reserves, the geological and engineering methods applied are generally accepted by the petroleum industry. The structure maps derived from seismic interpretation are used to estimate area covered in the prospect undeveloped areas. The volumes of original oil-in-place were then calculated based on volumetric method applied to the constructed geological maps.

(b) Reserves for the Areas of Interest – Yenangyaung and Chauk, Myanmar

The Research and Development Centre for Oil and Gas Technology of Indonesia ("LEMIGAS") conducted an evaluation on the Yenangyaung and Chauk oilfields. Based on the LEMIGAS report, the estimated net proved, probable and possible reserves of crude oil as at April 2002 are set out below.

Area of Interest	Proven (Mbbl)	Probable (Mbbl)	Possible (Mbbl)	Total (Mbbl)
Yenangyaung	7,047	2,047	2,680	**11,774**
Chauk	2,929	1,466	62,127	**66,522**
Total	**9,976**	**3,513**	**64,807**	**78,296**

Mbbl denotes thousand barrels

Following the Farm in-Farm out Agreement of the Group's participating interests in the oilfields on 3 October 2002, the above interests were reduced by 40%. The estimated oil reserves reported in LEMIGAS report may change in the future as additional data on new wells and/or further production history becomes available.

(c) Reserves for the Area of Interest – Tanjung Miring Timur, Indonesia

The Group has not commissioned a detailed technical study to ascertain the certified reserves on this area of interest. Such information will be disclosed when it becomes available.

Shareholding Statistics

As at 15 March 2005

SHARE CAPITAL

Authorised share capital	:	S$100,000,000
Issued and fully paid-up capital	:	S$48,131,756
Class of shares	:	Ordinary shares of S$0.05 each
Voting rights	:	One vote per share

SHAREHOLDING DISTRIBUTION

Range of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 999	2,044	14.23	1,111,755	0.12
1,000 - 10,000	6,833	47.56	27,613,290	2.87
10,001 - 1,000,000	5,459	38.00	323,297,985	33.58
1,000,001 and above	31	0.21	610,612,090	63.43
Total	14,367	100.00	962,635,120	100.00

TWENTY LARGEST REGISTERED SHAREHOLDERS

Name of Shareholder	No. of Shares	%
Raffles Nominees Pte Ltd	199,878,150	20.76
Citibank Nominees Singapore Pte Ltd	111,821,150	11.62
UOB Kay Hian Pte Ltd	71,437,000	7.42
Purnardi Djojosudirdjo	51,700,000	5.37
Sugiharto Soeleman	38,960,000	4.05
Amex Nominees (S) Pte Ltd	34,356,000	3.57
Yos Sidy Teo	33,340,000	3.46
DBS Nominees Pte Ltd	10,353,570	1.08
United Overseas Bank Nominees Pte Ltd	9,273,030	0.96
Kim Eng Securities Pte Ltd	6,545,660	0.68
Lam Tin Yie	5,130,000	0.53
OCBC Nominees Singapore Pte Ltd	4,119,650	0.43
Phillip Securities Pte Ltd	3,311,740	0.34
Tjiong Boen Ngiap @ Bushar Tomi	2,700,000	0.28
HSBC (Singapore) Nominees Pte Ltd	2,599,460	0.27
OCBC Securities Private Ltd	2,570,710	0.27
Merrill Lynch (S'pore) Pte Ltd	2,129,820	0.22
DBS Vickers Securities (S) Pte Ltd	2,068,150	0.21
Tan Ban Kau	2,000,000	0.21
Liew Chee Kong	1,800,000	0.19
Total	596,094,090	61.92

Shareholding Statistics

As at 15 March 2005

SUBSTANTIAL SHAREHOLDERS

Substantial Shareholder	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Edwin Soeryadjaya[1]	–	–	199,800,000	20.76
Fleur Enterprises Limited[2]	192,000,000	19.95	–	–
Canyon Gate Investments Ltd[3]	124,600,000	12.94	–	–
Subianto Arpan Sumodikoro[4]	–	–	124,600,000	12.94
Purnardi Djojosudirdjo	51,700,000	5.37	–	–

1 Edwin Soeryadjaya is deemed to be interested in the 192,000,000 shares held by Fleur Enterprises Limited of which he is a director and in which he has a direct shareholding interest of 100%. His deemed interest also arises from 7,800,000 shares held by Saratoga Equity Partners I Limited in which he has a direct shareholding interest of 50%.

2 Fleur Enterprises Limited's interest arises from the 192,000,000 shares held by Raffles Nominees Pte Ltd as its nominees.

3 Canyon Gate Investments Ltd's interest arises from the 24,600,000 shares held by Amex Nominees (S) Pte Ltd, 75,000,000 shares held by Citibank Nominees Singapore Pte Ltd, and 25,000,000 shares held by UOB Kay Hian Pte Ltd as its nominees.

4 Subianto Arpan Sumodikoro is deemed to be interested in the 124,600,000 shares held by Canyon Gate Investments Ltd of which he is a director and in which he has a shareholding interest of 100%.

PUBLIC SHAREHOLDING

Based on the information available to the Company as at 15 March 2005, approximately 60.93% of the Company's ordinary shares are held in the hands of the public. This is in compliance with Rule 723 of the SGX-ST Listing Manual.

NOTICE OF ANNUAL GENERAL MEETING

INTERRA RESOURCES LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 197300166Z)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Interra Resources Limited (the "Company") will be held at Meritus Mandarin Hotel, Mandarin Ballroom, Level 6 South Tower, 333 Orchard Road, Singapore 238867, on Tuesday, 26 April 2005 at 10.30 am for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and Audited Accounts for the financial year ended 31 December 2004 together with the Auditors' Report thereon.

2. To approve the payment of Directors' fees of S$268,239 for the financial year ended 31 December 2004 (FY 2003: S$177,000).

3. To re-elect the following Directors, each of whom will cease to hold office pursuant to Article 95 of the Articles of Association of the Company and who, being eligible, will offer themselves for re-election:

   (a) Mr Lim Hock San
   (If re-elected, he will remain as Audit Committee Chairman, Remuneration Committee Chairman and Nominating Committee Member.)

   (b) Mr Edwin Soeryadjaya

   (c) Mr Subianto Arpan Sumodikoro

   (d) Mr Allan Charles Buckler
   (If re-elected, he will remain as Nominating Committee Chairman and Audit Committee Member.)

4. (a) To re-elect Mr Sandiaga Salahuddin Uno, who will retire by rotation pursuant to Article 89 of the Articles of Association of the Company and who, being eligible, offers himself for re-election.
   (If re-elected, he will remain as Remuneration Committee Member.)

   (b) To record the retirement of Mr Purnardi Djojosudirdjo and Mr Yos Teo Sidy, each of whom will retire by rotation pursuant to Article 89 of the Articles of Association of the Company and each of whom, has decided not to seek re-election.

5. To re-appoint Nexia Tan & Sitoh as the Auditors of the Company and to authorise the Directors to fix their remuneration.

AS SPECIAL BUSINESS

To consider and, if thought fit, pass the following resolution as an Ordinary Resolution:

6. To consider and if thought fit, pass with or without modifications, the following resolution as an Ordinary Resolution:

   That authority be and is hereby given to the Directors of the Company to:

   (a) (i) issue shares in the capital of the Company ("shares") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

   (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force, provided that:

(1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per centum (50%) of the issued share capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed twenty per centum (20%) of the issued share capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited ("SGX-ST")) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued share capital shall be based on the issued share capital of the Company at the time this Resolution is passed, after adjusting for:

(i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and

(ii) any subsequent consolidation or subdivision of shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the Monetary Authority of Singapore and the Articles for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

7. To transact any other business that may properly be transacted at an Annual General Meeting of the Company.

By Order of the Board

ATTLEE HUE KUAN YEW
Company Secretary

Singapore
11 April 2005

NOTES

1. *A member entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company.*

2. *The instrument appointing a proxy must be lodged at the registered office of the Company not less than 48 hours before the time fixed for the Annual General Meeting.*

PROXY FORM
ANNUAL GENERAL MEETING

INTERRA RESOURCES LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 197300166Z)

IMPORTANT

1. *For investors who have used their CPF monies to buy ordinary shares in the capital of Interra Resources Limited, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.*
2. *This Proxy Form is not valid for use by such CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.*

I/We, ______________________________ (Name) ____________________________________ (NRIC/Passport No.)

of ____ (Address)

being a member/members of Interra Resources Limited (the "Company"), hereby appoint:

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings (No. of Shares)	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings (No. of Shares)	Proportion of Shareholdings (%)

or failing him/them, the Chairman of the Meeting as my/our proxy/proxies to attend and to vote on my/our behalf and, if necessary, to demand a poll, at the Annual General Meeting of the Company to be held **on Tuesday, 26 April 2005 at 10.30 am at Meritus Mandarin Hotel, Mandarin Ballroom, Level 6 South Tower, 333 Orchard Road, Singapore 238867** and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the Meeting.

No.	Ordinary Resolutions	For	Against
	Ordinary Business		
1	Adoption of Directors' Report and Audited Accounts		
2	Approval of Directors' fees		
3	(a) Re-election of Mr Lim Hock San as Director		
	(b) Re-election of Mr Edwin Soeryadjaya as Director		
	(c) Re-election of Mr Subianto Arpan Sumodikoro as Director		
	(d) Re-election of Mr Allan Charles Buckler as Director		
4	(a) Re-election of Mr Sandiaga Salahuddin Uno as Director		
5	Re-appointment of Nexia Tan & Sitoh as Auditors		
	Special Business		
6	General mandate to issue shares		
7	Any other business		

(Please indicate your vote "For" or "Against" with [X] in the box provided.)

Dated this ____________ day of ______________ 2005

TOTAL NUMBER OF SHARES HELD

____
Signature(s) of Member(s) or duly authorised officer
or attorney or Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF

NOTES

1. A member should insert the total number of shares held by you. If the member has shares entered against his name in the Depository Register (as defined In Section 130A of the Companies Act, Chapter 50 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number of shares entered against his name in the Depository Register and registered in his name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by the member.

2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his stead.

3. A proxy need not be a member of the Company.

4. Where a member appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.

5. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 391A Orchard Road, #13-06 Ngee Ann City Tower A, Singapore 238873 not less than 48 hours before the time appointed for the Annual General Meeting.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised.

7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointer by an attorney, the letter or power of attorney or a duly certified copy thereof (failing previous registration with the Company) must be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

GENERAL

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the

Corporate Information

BOARD OF DIRECTORS

Purnardi Djojosudirdjo
Non-Executive Chairman

Sugiharto Soeleman
Executive Director & Chief Executive Officer

Edwin Soeryadjaya
Non-Executive Director (appointed on 14 Dec 2004)

Sandiaga Salahuddin Uno
Non-Executive Director

Subianto Arpan Sumodikoro
Non-Executive Director (appointed on 14 Dec 2004)

Yos Teo Sidy
Non-Executive Director

Allan Charles Buckler
Independent Director (appointed on 14 Dec 2004)

Lim Hock San
Independent Director (appointed on 3 July 2004)

AUDIT COMMITTEE

Lim Hock San
Chairman (appointed on 31 July 2004)

Purnardi Djojosudirdjo
Member

Allan Charles Buckler
Member (appointed on 3 Feb 2005)

NOMINATING COMMITTEE

Allan Charles Buckler
Chairman (appointed on 28 Feb 2005)

Lim Hock San
Member (appointed on 31 July 2004)

Yos Teo Sidy
Member

REMUNERATION COMMITTEE

Lim Hock San *(appointed on 31 July 2004)*
Chairman

Sandiaga Salahuddin Uno
Member

Yos Teo Sidy
Member

COMPANY SECRETARY

Attlee Hue Kuan Yew

REGISTERED OFFICE

391A Orchard Road #13-06
Ngee Ann City Tower A
Singapore 238873
Tel (65) 6732 1711
Fax (65) 6738 1170
Email interra@interraresources.com
Website www.interraresources.com

SUBSIDIARIES

GOLDWATER COMPANY LIMITED (100%)
TrustNet Chambers
P.O. Box 3444 Road Town
Tortola
British Virgin Islands

GOLDWATER EAGLE LTD (100%)
TrustNet Chambers
P.O. Box 3444 Road Town
Tortola
British Virgin Islands

GOLDWATER TMT PTE. LTD. (100%)
391A Orchard Road #13-06
Ngee Ann City Tower A
Singapore 238873

REGISTRAR

M & C Services Private Limited
138 Robinson Road #17-00
The Corporate Office
Singapore 068906

AUDITORS

Nexia Tan & Sitoh
Certified Public Accountants
Member Firm of Nexia International
5 Shenton Way #23-03
UIC Building
Singapore 068808
Date of Appointment: 24 April 2001
Partner-in-Charge: Henry Tan Song Kok

an Equity production

Interra Resources Limited

Company Registration No: 197300166Z

391A Orchard Road #13-06
Ngee Ann City Tower A
Singapore 238873

Tel	: (65) 6732 1711
Fax	: (65) 6738 1170
Email	: interra@interraresources.com
Website	: www.interraresources.com