

**INTERRA RESOURCES LIMITED**

**UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003**

Attached is the financial statements for the year ended 31 December 2003. These figures have not been audited.



6588FY 2003 Announcement V09.pdf

By Order of the Board

Attlee Hue  
Company Secretary  
28 February 2004

Submitted by Attlee Hue, Company Secretary on 28/02/2004 to the SGX

**INTERRA RESOURCES LIMITED**
**UNAUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003**
**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**
**1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year**
**GROUP**

All figures are in S\$'000

		1 Jan 2003 to 31 Dec 2003	1 Jan 2002 to 31 Dec 2002 (Restated)	Percentage Change (+ / -)
<b>Revenue</b>		4,116	6,437	-36.1%
<b>Cost of production</b>	Note 1	(2,842)	(2,798)	+ 1.6%
<b>Gross Profit</b>		<u>1,274</u>	<u>3,639</u>	-65.0%
<b>Operating Income</b>				
Management fees		365	-	NM
Interest income		3	4	-25.0%
Other income		47	-	NM
Deferred income	Note 3	618	-	NM
<b>Total Operating Income</b>		<u>1,033</u>	<u>4</u>	
<b>Operating Expenses</b>				
Administrative expenses		(2,090)	(1,306)	+ 60.0%
Depreciation of fixed assets		(10)	-	NM
Amortization on goodwill	Note 2	(94)	-	NM
Amortization of intangibles	Note 3	(669)	(87)	
Exchange loss		(23)	-	NM
Fixed assets written off		(7)	-	NM
<b>Total Operating Expenses</b>		<u>(2,893)</u>	<u>(1,393)</u>	
<b>(Loss) / Profit from operation before exceptional items</b>		<u>(586)</u>	<u>2,250</u>	
<b>Exceptional Items</b>				
Gain arising from Farm-out	Note 3	5,924	-	NM
<b>Profit from operation</b>		<u>5,338</u>	<u>2,250</u>	
Finance cost		(78)	(198)	-60.6%
<b>Net profit before tax</b>		<u>5,260</u>	<u>2,052</u>	+ 156.3%
Income tax		(377)	(488)	-22.7%
<b>Net profit after tax</b>		<u>4,883</u>	<u>1,564</u>	+ 212.2%

**Note:**

NM - Not Meaningful

## PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

### ADDITIONAL INFORMATION

The financial statements are prepared in accordance to FRS22 as a reverse acquisition. For further details, please refer to item 4.

All figures are in S\$'000

	1 Jan 2003 to 31 Dec 2003	1 Jan 2002 to 31 Dec 2002 (Restated)	Percentage Change ( + / -)
<b>Note 1, Included in Cost of production are:</b>			
1) Depreciation of fixed assets relating to oil operations	104	236	-55.9%
2) Amortization of Exploration, Evaluation and Development cost	548	888	-38.3%

### **Note 1, Included in Cost of production are:**

- 1) Depreciation of fixed assets relating to oil operations
- 2) Amortization of Exploration, Evaluation and Development cost

### **Note 2, Amortization on goodwill on acquisition**

The goodwill computed under the reverse acquisition method arose from the acquisition of Interra Resources Limited which was previously disclosed in the circular to shareholders dated 6 June 2003 ("6 June 03 Circular"). The deemed cost of acquisition is amortized over the remaining period of the IPR contracts.

### **Note 3, Amortization of Intangibles, Deferred Income and Gain arising from Farm-out**

As disclosed in the 6 June 03 Circular, Goldwater Company Limited ("Goldwater") has completed its farm-out of 40% of the participating interest in the IPR contracts to Geopetrol Singu Inc ("Geopetrol"). The total consideration received is US\$10 million of which US\$4 million is received in cash and US\$6 million is the value ascribed by the parties for services to be provided by Geopetrol.

Gain arising from Farm-out is S\$5.9 million after deducting certain intangibles and Exploration, Evaluation and Development cost from the US\$4 million cash proceeds received from Geopetrol.

The remainder consideration of US\$6 million is treated as intangible benefits and deferred income. Both Intangibles and Deferred income are recognized in the Income statement by way of amortization and spreading out, respectively on a straight line basis over 14 years being the approximate remaining period of the IPR contracts.

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

**1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year**

All figures are in S\$'000

	Group		Company	
	31 Dec 2003	31 Dec 2002 (Restated)	31 Dec 2003	30 Sep 2002
<b><u>NON CURRENT ASSETS</u></b>				
Fixed assets	557	524	43	-
Exploration, Evaluation and Development cost	16,602	13,092	-	-
Intangibles	Note 1	10,453	1,169	-
Goodwill on acquisition		2,485	-	-
Interest in subsidiary companies		-	31,219	12,297
<b><u>CURRENT ASSETS</u></b>				
Inventories	1,374	616	-	-
Trade receivables	1,273	2,438	-	-
Deposit, other receivables and prepayment	Note 2	2,879	385	57
Bank and cash	4,122	357	2,168	4,398
<b>Total Current Assets</b>	<b>9,648</b>	<b>3,796</b>	<b>2,225</b>	<b>4,398</b>
<b><u>CURRENT LIABILITIES</u></b>				
Trade payables	640	340	-	98
Amount due to related parties (trade)	2,205	86	-	-
Other payables and accruals	937	708	101	2,990
Loan from related party (non trade)	2,381	3,034	-	-
Amount due to directors (non trade)	12	153	-	-
Bank overdrafts and term loan			-	119,811
Provision for tax	1,413	1,068	-	7,359
<b>Total Current Liabilities</b>	<b>7,588</b>	<b>5,389</b>	<b>101</b>	<b>130,258</b>
<b><u>NET CURRENT ASSETS / (LIABILITIES)</u></b>	<b>2,060</b>	<b>(1,593)</b>	<b>2,124</b>	<b>(125,860)</b>
<b><u>NON CURRENT LIABILITIES</u></b>				
Loan from related party (non trade)		2,432	-	-
Loan from shareholders	5,060	5,169	-	-
Deferred income	Note 3	9,795	-	-
<b>Total Non Current Liabilities</b>	<b>14,855</b>	<b>7,601</b>	<b>-</b>	<b>-</b>
<b><u>NET ASSETS / (LIABILITIES)</u></b>	<b>17,302</b>	<b>5,591</b>	<b>33,386</b>	<b>(113,563)</b>
<b><u>CAPITAL AND RESERVES</u></b>				
Share capital	44,132	322	44,132	6,764
Reserves	(26,830)	5,269	(10,746)	(120,327)
<b>SHAREHOLDERS' EQUITY</b>	<b>17,302</b>	<b>5,591</b>	<b>33,386</b>	<b>(113,563)</b>

**Comparative figures**

During the year, the Company changed its year end from 30 September to 31 December. Accordingly, the comparative figures for the Company's Balance Sheet is presented as at 30 September 2002.

**Note 1 - Included in Intangibles are:**

	Group	
	31 Dec 2003	31 Dec 2002 (Restated)
Concession Rights	658	1,169
Intangible benefits	9,795	-
	<b>10,453</b>	<b>1,169</b>

Intangible benefits refers to the US\$6 million technical services that Goldwater will benefit pursuant to the Farm-out. As disclosed in 6 June 03 Circular this item is to be treated as an intangible benefit and amortized over the remaining period of the IPR contracts.

**Note 2 - Deposit, other receivables and prepayment**

Deposit, other receivables and prepayments include a refundable deposit (S\$2.6 million) placed under a memorandum of understanding, the terms of which are confidential. The parties have by mutual agreement terminated the memorandum of understanding and the deposit has been recalled.

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

**Note 3 - Deferred income**

The deferred income arose from the Farm-out to Geopetrol. As disclosed in the 6 June 03 Circular, Goldwater's farm-out of 40% of the participating interest in the IPR contracts to Geopetrol was for a total consideration of US\$10 million of which US\$4 million is receivable in cash and US\$6 million is the value ascribed by the parties for services to be provided by Geopetrol. Deferred income is recognized in the Income statement by way of spreading it out on a straight line basis over the remaining period of the IPR contracts, which is approximately 14 years.

**1(b)(ii) Aggregate amount of group's borrowings and debt securities**

	31 Dec 2003		31 Dec 2002 (Restated)	
	Secured	Unsecured	Secured	Unsecured
<b>Amount repayable in one year or less, or on demand</b>	Nil	2,381,170	Nil	3,034,386
<b>Amount repayable after one year</b>	Nil	5,059,988	Nil	7,601,055

**Details of any collateral**

Not applicable

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated Cash Flow Statement (All figures are in S\$'000)	Notes	01 Jan 2003 to 31 Dec 2003	01 Jan 2002 to 31 Dec 2002 (Restated)
<b>Cash Flow From Operating Activities</b>			
Net profit /(loss) before tax		5,260	2,052
<b>Adjustment for:</b>			
Currency re-alignment and translation		(85)	(179)
Contractual bonus written off		562	-
Concession rights written off		472	-
Fixed assets written off		7	-
Depreciation of fixed assets		115	236
<b>Amortization of :</b>			
Contractual bonus		10	30
Exploration, Evaluation and Development cost		486	778
Intangibles		669	87
Recoverable cost		52	80
Goodwill on acquisition		94	-
Interest income		(3)	-
Interest expense		78	-
Deferred income		(618)	-
Exchange loss / (gain)		23	-
<b>Operating profit before working capital changes</b>		<b>7,122</b>	<b>3,084</b>
<b><u>(Increase) / Decrease in working capital</u></b>			
Inventories		(758)	948
Trade and other receivables		1,220	(1,228)
Trade and other payables		738	49
Accruals		(887)	212
Amount due to related parties (trade)		2,119	(3,156)
Amount due to director		(141)	(38)
<b>Net change in working capital</b>		<b>2,291</b>	<b>(3,213)</b>
<b>Net cash flow generated from / (used in) operating activities</b>		<b>9,413</b>	<b>(129)</b>
<b>Cash Flow From Investing Activities</b>			
Interest received		3	-
Cash arising from reverse acquisition of Interra Resources Ltd	Note 1	2	-
Purchase of fixed assets		(351)	(179)
Proceeds arising from fixed assets transferred to joint venture entity		197	-
<b><u>Additional Investments In Production Phase Properties</u></b>			
Well drillings & improvements		(2,933)	(3,987)
Other expenditures capitalized		(1,656)	(679)
Deposit placed for possible acquisition of new concession		(2,548)	-
<b>Net cash flow used in investing activities</b>		<b>(7,286)</b>	<b>(4,845)</b>
<b>Cash Flow From Financing Activities</b>			
Interest paid		(78)	-
Proceeds from loan from related party		-	3,034
Repayment of loan to related parties		(3,034)	-
Proceeds from placement shares		4,750	-
<b>Net cash flow generated from financing activities</b>		<b>1,638</b>	<b>3,034</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>3,765</b>	<b>(1,940)</b>
Cash and cash equivalents at beginning of period		357	2,297
<b>Cash and cash equivalents at end of the period</b>		<b>4,122</b>	<b>357</b>

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

**Note (1) Details of Assets and Liabilities acquired by Group from reverse acquisition of Interra Resources Limited**

On the day of acquisition, the following assets and liabilities of Interra Resources Limited were injected into the Group:

Bank and cash	1,865
Other payables	(679,081)
<b>Net Liabilities</b>	<b>(677,216)</b>

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year**

All figures are in S\$'000

	Group	
	01 Jan 2003 to 31 Dec 2003	01 Jan 2002 to 31 Dec 2002 (Restated)
<b>Share Capital</b>		
Balance as at beginning of period	322	322
Arising from reverse acquisition	39,060	-
Issue of share capital	4,750	-
<b>Balance As At End of Period</b>	<b>44,132</b>	<b>322</b>
<b>Share Premium</b>		
Balance as at beginning of period	-	-
Arising from reverse acquisition	98,300	-
<b>Balance As At End of Period</b>	<b>98,300</b>	<b>-</b>
<b>Currency Translation Reserve</b>		
Balance as at beginning of period	(202)	(585)
Arising from reverse acquisition	-	-
Movements during the period	175	383
<b>Balance As At End of Period</b>	<b>(27)</b>	<b>(202)</b>
<b>Special Reserves</b>		
Balance as at beginning of period	-	-
Arising from reverse acquisition	(135,457)	-
<b>Balance As At End of Period</b>	<b>(135,457)</b>	<b>-</b>
<b>Retained Earnings</b>		
Balance as at beginning of period	5,471	3,907
Net profit after tax for the period	4,883	1,564
<b>Balance As At End of Period</b>	<b>10,354</b>	<b>5,471</b>
<b>Total Equity</b>	<b>17,302</b>	<b>5,591</b>

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

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	<b>Company</b>
	<b>1 Oct 2001</b>
	<b>to</b>
	<b>31 Dec 2003</b>
<b>Share Capital</b>	
Balance as at 1 Oct 2001	6,764
Reduction of par value from S\$1.00 to \$0.50 per share	(3,382)
Issuance of new shares to convert debt to equity	6,000
Issuance of new shares to acquire Goldwater Company Ltd	30,000
Issuance of new shares for additional capital	4,750
<b>Balance As At End of Period</b>	<b>44,132</b>
<b>Share Premium</b>	
Balance as at 1 Oct 2001	64,898
Issuance of new shares to convert debt to equity	98,300
<b>Balance As At End of Period</b>	<b>163,198</b>
<b>Retained Earnings</b>	
Balance as at 1 Oct 2001	(288,515)
Profit for the year ended 30 Sep 2002	103,290
Profit for the period 1 Oct 2002 to 9 Jul 2003	8,586
Reduction of par value from S\$1.00 to \$0.50 per share	3,382
Loss for the period 10 Jul 2003 to 31 Dec 2003	(687)
<b>Balance As At End of Period</b>	<b>(173,944)</b>
<b>Total Equity</b>	<b>33,386</b>

**Note:**

During the year, the Company changed its year end from 30 September to 31 December. For clarity, the Company's Statement of Changes in Equity for the period 1 October 2001 to 31 December 2003 is presented here in chronological order.



**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

**Issued Share Capital**

During the period, the Company completed its restructuring process with the following:

	<b>No of shares after each event</b>	<b>Par Value</b>
1) Balance as at 1 October 2002	6,763,512	S\$1.00
2) Reduction of par value of each ordinary shares from S\$1.00 to S\$0.50	6,763,512	S\$0.50
3) Share split of one S\$0.50 share into ten S\$0.05 shares	67,635,120	S\$0.05
4) Debt conversion to Shantex Holdings Pte Ltd - issuance of 120,000,000 new S\$0.05 shares at S\$0.8692 per share	187,635,120	S\$0.05
5) Reverse takeover by Goldwater Company Ltd - issuance of 600,000,000 new S\$0.05 shares at par value	787,635,120	S\$0.05
6) Placement shares for additional capital - issuance of 95,000,000 new S\$0.05 shares at par value	882,635,120	S\$0.05

**Authorized Share Capital**

For the purposes of the restructuring and to accommodate further increases in issued share capital, the Company's authorized share capital was increased to S\$100 million comprising 2,000,000,000 shares of S\$0.05 each.

2 Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have not been audited or reviewed.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Upon completion of the acquisition of Goldwater as mentioned in the announcement dated 12 July 2003, the Company became the holding company of all the shares in Goldwater in a share swap transaction. Due to the substantially higher value of Goldwater, the former shareholders of Goldwater became majority shareholders of the Company holding 76.18% of the enlarged share capital of the Company before the placement exercise. As such, this acquisition was effectively a reverse acquisition of Interra Resources Limited by Goldwater. As a result, the consolidated financial statements for the period ended 31 December 2003 were prepared in accordance to FRS22 as a reverse acquisition and thus representing the continuation of the financial statements of the legal subsidiary. The consolidated financial statements for the period ended 31 December 2003 encompasses the results of Goldwater from 1 January 2003 to 31 December 2003 and the post acquisition results of Interra Resources Limited from 10 July 2003 to 31 December 2003. Accordingly, the comparatives figures in the consolidated financial statements were restated to reflect the financial positions and results of Goldwater.

These figures have been prepared in accordance to the same accounting policies disclosed in the 6 June 03 Circular.

The financial year end for Interra Resources Limited has also been changed from 30 September to 31 December.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

None

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

**6 Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

<u>Group</u>	<u>1 Jan 2003 to 31 Dec 2003</u>	<u>1 Jan 2002 to 31 Dec 2002 (Restated)</u>
Weighted average number of shares	735,509,989	600,000,000
Earnings/(loss) per ordinary share for the period based on 1(a) above after deducting any provision for preference dividends(if any):-		
(i) Based on weighted average number of ordinary shares in issue (cents per share)	+ 0.664	+ 0.261
(ii) On a fully diluted basis (cents per share)	+ 0.664	+ 0.261

Earnings per share is the net profit attributable to shareholders divided by the weighted average number of shares. Earnings per share for the period 1 January 2003 to 31 December 2003 is calculated based on 735,509,989 shares. This average is made up of 600,000,000 shares which is the average number of shares issued to Goldwater's shareholders for the acquisition of Goldwater and 135,509,989 shares which is the average number of shares issued for the debt conversion, shares issued for placement and actual number of shares outstanding from 10 July 2003 to 31 December 2003.

For comparative purposes, earnings per share for year 2002 is calculated based on 600,000,000 shares which is the actual number of shares issued for the acquisition of Goldwater.

**7 Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year**

<u>The Group</u>	<u>31 Dec 2003</u>	<u>31 Dec 2002 (Restated)</u>
Number of shares outstanding	882,635,120	600,000,000
Group net assets (liabilities) value per share (cents)	+ 1.960	+ 0.932

For comparative purposes, Net Asset Value per share is based on 600,000,000 shares which is the actual number of shares issued to the previous shareholders of Goldwater prior to the reverse acquisition.

<u>The Company</u>	<u>31 Dec 2003</u>	<u>30 Sep 2002</u>
Number of shares outstanding	882,635,120	67,635,120
Company net assets (liabilities) value per share (cents)	+ 3.782	- 167.905

For comparative purposes, Net Asset Value per share is based on 67,635,120 shares which is the actual number of shares outstanding as at 30 September 2002 and after adjusting for capital reduction and share split as though it has taken place on 30 September 2002.

## PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

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- 8 [A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including \(where applicable\) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.](#)

During the period, the Group completed the acquisition of the Goldwater and all the restructuring procedures stated in the 6 June 03 Circular. Hence, the results for the period encompasses the results of Goldwater from 1 January 2003 and the post acquisition results of Interra Resources Limited.

In the preparation of the consolidated financial statements, the Group adopted FRS22 which pertains to a reverse takeover for the corporate exercise that was completed on 10 July 2003.

### **FINANCIAL PERFORMANCE**

#### ***Net Profit Before Tax***

Net profit before tax grew 156% due mainly to the gain from the Farm-out of 40% share of the IPR contract in Myanmar to Geopetrol. As mentioned in the 6 June 03 Circular, Goldwater received US\$4 million (S\$7.0 million) in cash and US\$6 million in technical expertise in exchange of the Farm-out to Geopetrol.

#### ***Revenue***

Revenue declined by 36% due to the following factors:

- 1) Production has decreased by 13% over the previous year as some wells were closed for enhancement work.
- 2) The farm-out reduced Goldwater's share of production to 60% since March 2003.

#### ***Cost of Production***

Production costs increased marginally due to certain transition expenses incurred prior to the Farm-out which was recognized as expense of Goldwater in accordance to the Farm-in Farm-out Agreement. However, this increase is offset by the corresponding decrease in share of production revenue.

#### ***Administrative Expenses***

Administrative expenses were higher due mainly to non-recurring listing expenses incurred for the reverse takeover and additional operating expenses as a listed entity.

#### ***Finance Costs***

Finance costs were 60% lower as a result of the repayment of a related party loan in March 2003.

### **FINANCIAL POSITION**

Major assets as at 31 December 2003 included Exploration, Evaluation and Development Cost and Intangibles with a net book value of S\$27 million. The Group's net assets increased by S\$11.7 million due mainly to the proceeds from placement shares for additional capital issued (S\$4.75 million) and cash proceeds (S\$7.0 million) from the Farm-out to Geopetrol.

### **CASH FLOW**

The Group had a net cash inflow of S\$3.8 million for year 2003 as compared to an outflow of S\$1.9 million for year 2002.

Cash inflow is due mainly to the US\$4 million (S\$7.0 million) Farm-out proceeds and proceeds raised from additional capital issued in July 2003 amounting to S\$4.75 million. S\$4.6 million was utilized for continued development activities to enhance the oil production, particularly in Yenangyaung area. Before the reverse acquisition took place, part of the farm-out proceeds amounting to S\$3.0 million was used for repayment of loan from related party.

- 9 [Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results](#)

No forecast has been made previously.

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

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**10 A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

The Group's performance in the next 12 months will largely depend on the outcome of the drilling of new wells in the Yenangyaung and Chauk area. Shortly after the listing of Interra Resources Limited, the Group's joint venture vehicle, Goldpetrol Joint Operating Company ("Goldpetrol"), drilled two new wells in Yenangyaung with Geopetrol, its new joint venture partner. New layers of hydrocarbon were discovered from the drilling of these two wells. Additional geological and engineering studies are being conducted to optimize the production of these new layers of hydrocarbon as well as exploit the existing known layers. An enhanced drilling program is anticipated upon completion of the studies.

Apart from the outcome of these development activities, the Group's operating results will also be subject to the volatility of crude oil prices and the fluctuation of the exchange rate between the United States Dollar against the Singapore Dollar.

The Board does not intend to rely solely on the concession in Myanmar and is constantly seeking lucrative oil and gas properties and concessions around the region.

**11 Dividend**

***(a) Current Financial Period Reported On***

**Any dividend declared for the current financial period reported on?**

None

***(b) Corresponding Period of the Immediately Preceding Financial Year***

**Any dividend declared for the corresponding period of the immediately preceding financial year?**

None

***(c) Date payable***

Not applicable

***(d) Books closure date***

Not applicable

**12 If no dividend has been declared/recommendeded, a statement to that effect**

No dividend has been declared / recommended during the financial period.

PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

- 13 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Not applicable.

- 14 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Not applicable.

- 15 A breakdown of sales as follows:-

All figures are in S\$'000

	Latest Financial Year \$'000	Previous Financial Year \$'000 Restated	% increase/ (decrease)
	Group	Group	Group
(a) Sales reported for first half year	2,313	2,937	-21.3%
(b) Operating profit/loss after tax before deducting minority interests reported for first half year	4,304	534	+ 706.0%
(c) Sales reported for second half year	1,803	3,500	-48.5%
(d) Operating profit/loss after tax before deducting minority interests reported for second half year	580	1,030	-43.7%

Note: The new Interra Resources Limited Group was formed on 10 July 2003. As such, the above figures have never been previously reported.

- 16 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-

(a) Ordinary	-	-	N/M
(b) Preference	-	-	N/M
(c) Total	-	-	N/M

Note:

N/M - Not Meaningful