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Announcement No. 195

INTERRA RESOURCES LIMITED

**UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS FOR THE PERIOD
ENDED 31 MARCH 2004**

Attached is the first quarter financial statements for the period ended 31 March 2004. These figures have not been audited.



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By Order of the Board

Attlee Hue
Company Secretary
30 April 2004

Submitted by Attlee Hue, Company Secretary on 30/04/2004 to the SGX



Dear Shareholders

UNAUDITED RESULTS FOR THE QUARTER ENDED 31 MARCH 2004

The first quarter results for 2004 of the Interra Group are attached hereto.

The highlights are as follows:

Financial Performance

In summary, the Group recorded the following in the first quarter:

1. Net Profit Before Tax of S\$16k (Net Loss After Tax of S\$66k);
2. Cash Flow increased by S\$549k; and
3. Revenue increased by 17% to S\$1.09 million.

The Group recorded a lower net profit before tax in Q1 2004 as compared with Q4 2003 because of the following adjustments made in the last quarter of 2003:

1. a reversal of over provision of rig rental provision made in 2003 amounting to S\$529k; and
2. a reclassification of re-listing expenses incurred by the former Van der Horst group from the Group's Profit and Loss Account to pre-acquisition reserves amounting to S\$679k.

Activities in Q1 2004

There was no additional drilling in the first quarter of 2004. Activities were concentrated on testing works on the two wells drilled in 2003 as well as stimulation activities on other producing wells. The total oil produced by Goldpetrol in Q1 2004 and Q4 2003 was 40,079 barrels of oil (440 BOPD) and 41,773 barrels of oil (454 BOPD) respectively.

Development in Q2 2004

1. Myanmar Concession
The dual completion tools required to optimise production from the two new wells from both the upper and lower zones have just arrived at Myanmar.
2. Indonesian Concession
As announced on 26 April 2004, the Group has entered into a Sale and Purchase Agreement to acquire a 70% stake in PT Retco Prima Energi ("Retco"). Retco operates the Tanjung Miring Timur Oil Field in South Sumatra, Indonesia. The Tanjung Miring Oil Field is an oil producing field and it is currently producing about 800 barrels of oil per day with potential of increasing its oil production. The Group intends to finance this purchase partly from its own funds and partly from the proceeds of a proposed placement of new shares.

By Order of the Board

Attlee Hue
Company Secretary
30 April 2004



**INTERRA RESOURCES LIMITED
UNAUDITED RESULTS FOR THE QUARTER
ENDED 31 MARCH 2004**

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1(a)(i) CONSOLIDATED PROFIT AND LOSS ACCOUNT

	Note (if any)	GROUP 3 months ended		Variance + / - %
		31 March 2004 \$'000	31 December 2003 \$'000	
Revenue		1,091	931	+ 17%
Cost of production	1	(653)	(117)	+ 458%
Gross profit		438	814	
Operating income	2	238	988	- 76%
Administrative expenses		(370)	(563)	- 34%
Depreciation and amortization	3	(252)	(254)	- 1%
Other operating expenses	4	(38)	(16)	+ 138%
Profit from operations		16	969	
Finance cost		-	-	
Net profit from ordinary activities before taxation		16	969	
Income tax		(82)	(58)	+ 41%
Net (loss) / profit after tax		(66)	911	N / M

Comparative figures

As the Group was formed in July 2003, the preceding quarter results are used as comparative figures.

1(a)(ii) EXPLANATORY NOTES TO INCOME STATEMENT

	GROUP		Variance + / - %
	31 March 2004 \$'000	31 December 2003 \$'000	

Note 1 Cost of production

Production expenses	502	504	- 0%
Depreciation of property, plant and equipment relating to oil operat	49	27	+ 81%
Amortization of exploration, evaluation and development cost	102	115	- 11%
Write back of over provision of rig rental expenses	-	(529)	N / M
	653	117	+ 458%

Cost of production in Q1 2004 was 458% higher than Q4 2003 mainly due to a write back of over provision of rig rental expenses amounting to \$529k in 2003.

Note 2 Operating income

Management fees	58	125	- 54%
Interest income	-	-	-
Deferred income	180	184	- 2%
Reclassification of re-listing expenses	-	679	N / M
	238	988	- 76%

Management fees declined by 54% mainly due to lower expenditure incurred in Q1 2004 as compared with Q4 2003. Under the IPR contracts with MOGE, Goldwater is allowed to charge 4% of its total expenditure as cost recovery to defray its head office expenses.

Reclassification of re-listing expenses is in relation to expenses incurred by the former Van der Horst Limited group, which were included in the Profit and Loss Account for the period ended 30 September 2003. These pre-acquisition expenses were re-classified to Special Reserves to comply with FRS22 in Q4 2003.

Note 3 Depreciation and amortization

Property, plant and equipment	12	7	+ 71%
Concession rights	13	13	+ 0%
Goodwill on acquisition	47	50	- 6%
Intangible benefits	180	184	- 2%
	252	254	- 1%

Note 4 Other operating expenses

Foreign exchange loss, net	38	16	+ 138%
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1(b)(i) CONSOLIDATED BALANCE SHEETS AND COMPANY BALANCE SHEET

	Note (if any)	GROUP As at		COMPANY As at	
		31 March 2004 \$'000	31 December 2003 \$'000	31 March 2004 \$'000	31 December 2003 \$'000
Non-Current Assets					
Property, plant and equipment		821	557	44	42
Exploration, evaluation and development cost		17,651	16,602	-	-
Intangibles		10,256	10,453	-	-
Interest in subsidiary		-	-	32,056	31,219
Goodwill on acquisition		2,438	2,486	-	-
Total Non-Current Assets		31,166	30,098	32,100	31,261
Current Assets					
Inventories		973	1,373	-	-
Trade receivables		1,009	1,273	-	-
Deposit, other receivables and prepayment	1	621	2,878	44	57
Cash and bank		4,671	4,122	1,079	2,168
		7,274	9,646	1,123	2,225
Current Liabilities					
Trade payables		(667)	(640)	-	-
Amount due to related parties (trade)		(1,171)	(2,204)	-	-
Other payables and accruals		(832)	(937)	(76)	(101)
Provision for tax		(1,474)	(1,413)	-	-
Amount due to director (non-trade)		(8)	(12)	-	-
		(4,152)	(5,206)	(76)	(101)
Net Current Assets / (Liabilities)		3,122	4,440	1,047	2,124
Non-Current Liabilities					
Loan from related party (non-trade)		(2,347)	(2,381)	-	-
Loan from shareholders		(4,987)	(5,060)	-	-
Deferred income		(9,610)	(9,795)	-	-
Total Non-Current Liabilities		(16,944)	(17,236)	-	-
Net Assets		17,344	17,302	33,147	33,385
Capital and Reserves					
Share capital		44,132	44,132	44,132	44,132
Reserves		(26,788)	(26,830)	(10,985)	(10,747)
Total Shareholders' Equity		17,344	17,302	33,147	33,385

Explanatory Notes to Balance Sheets

Note 1 Decreased in **Deposit, other receivables and prepayment** is mainly due to the refund of Deposit placed for possible acquisition amounting to S\$2.51 million.

1(b)(ii) GROUP'S BORROWINGS

	31 March 2004		31 December 2003	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000

Amount repayable in one year or less, or on demand

- - - -

Amount repayable after one year

- 7,334 - 7,441

Details of any collateral

Not applicable

1(c) CONSOLIDATED CASH FLOW STATEMENTS

	Note	GROUP 3 months ended	
		31 March 2004 \$'000	31 December 2003 \$'000
Cash Flows From Operating Activities			
Profit from ordinary activities before taxation		16	969
Adjustments for:			
Currency re-alignment and translation		(17)	(55)
Depreciation of property, plant and equipment		61	34
Amortization of:			
Exploration, evaluation and development costs		102	115
Concession rights		13	13
Intangible benefits		180	184
Goodwill on acquisition		47	50
Interest income	2A	-	-
Deferred income		(180)	(184)
Exchange difference - unrealized		33	15
Operating profit before working capital changes		255	1,141
Inventories		400	845
Trade and other receivables		(27)	1,148
Trade and other payables		27	(692)
Accrued operating expenses		(105)	(290)
Amount due to related parties (trade)		(1,034)	138
Amount due to directors		(3)	12
Net cash (outflow) / inflow generated from operating activities	1	(487)	2,302
Cash Flow From Investing Activities			
Interest income received	2A	-	-
Purchase of property, plant and equipment		(320)	(317)
Additional investments in production phase properties			
Well drillings and improvements		(150)	(1,886)
Other expenditures capitalized		(1,005)	(1,302)
Refund of deposit placed for possible acquisition		2,511	-
Net cash inflow / (outflow) generated from investing activities	2	1,036	(3,505)
Cash Flow From Financing Activities			
No cash movements in this classification		-	-
Net cash inflow in financing activities		-	-
Net change in cash and cash equivalents		549	(1,203)
Cash and cash equivalents at the beginning of period		4,122	5,325
Cash and cash equivalents at the end of period		4,671	4,122

Explanatory Notes to Consolidated Cash Flow Statements

Note 1 The **Net cash outflow from operating activities** was mainly attributable to payment to trade creditors and amount due to related parties (trade) amounting to S\$1.1 million.

Note 2 The **Net cash inflow from investing activities** mainly arose from the refund of Deposit placed for possible acquisition amounting to S\$2.51 million. However, this was offset by continued development activities amounting to S\$1.16 million.

Note 2A As interest income received was less than S\$500, the figure was rounded down to S\$0.

1(d)(i) STATEMENT OF CHANGES IN EQUITY FOR GROUP AND COMPANY

GROUP	Share Capital	Share Premium	Currency Translation Reserves	Special Reserves	Unappropriated Profits	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 30 September 2003	44,132	98,304	(145)	(134,940)	9,443	16,794
Adjustments to pre-acquisition reserves	-	(4)	-	(517)	-	(521)
Movements in translation differences	-	-	118	-	-	118
Net profit after tax for the quarter	-	-	-	-	911	911
Balance as at 31 December 2003	44,132	98,300	(27)	(135,457)	10,354	17,302
Movements in translation differences	-	-	108	-	-	108
Net loss after tax for the quarter	-	-	-	-	(66)	(66)
Balance as at 31 March 2004	44,132	98,300	81	(135,457)	10,288	17,344
COMPANY	Share Capital	Share Premium	Accumulated Losses	Total		
	\$'000	\$'000	\$'000	\$'000		
Balance as at 30 September 2003	44,132	163,198	(172,934)	34,396		
Net loss after tax for the quarter	-	-	(1,011)	(1,011)		
Balance as at 31 December 2003	44,132	163,198	(173,945)	33,385		
Net loss after tax for the quarter	-	-	(238)	(238)		
Balance as at 31 March 2004	44,132	163,198	(174,183)	33,147		

1(d)(ii) SHARE CAPITAL

There was no change in the Company's share capital for the three months ended 31 March 2004.

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

These figures have been prepared in accordance to the same accounting policies as the audited financial statements as at 31 December 2003.

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.

6 NET EARNINGS PER ORDINARY SHARE OF THE GROUP FOR THE CURRENT PERIOD REPORTED

	GROUP 3 months ended	
	31 March 2004	31 December 2003
Weighted average number of ordinary shares in issue	882,635,120	882,635,120
(i) Based on weighted average number of ordinary shares in issue (cents per share)	- 0.007	+ 0.103
(ii) On a fully diluted basis (cents per share)	- 0.007	+ 0.103

7 NET ASSET VALUE PER ORDINARY SHARE AT THE END OF CURRENT PERIOD

	GROUP 3 months ended	
	31 March 2004	31 December 2003
Number of ordinary shares in issue	882,635,120	882,635,120
Group net asset value per share (cents)	+ 1.965	+ 1.960

8 GROUP PERFORMANCE REVIEW

Financial Performance

Net Profit Before Tax

In Q1 2004, the Group recorded a lower NPBT of S\$16k as compared with S\$969k in the previous quarter mainly due to:

- **Reversal of over provision of rig rental expenses**

In Q4 2003, **Cost of production** was lower than Q1 2004 because of the reversal of an over accrual of rig rental expenses amounting to S\$529k incurred in 2003. Without this reversal, the Cost of production would have been S\$646k instead of S\$117k.

In Q1 2004, Cost of production is S\$653k.

- **Reclassification of re-listing expenses**

As explained in 1(a)(ii) Note 2 above, re-listing expenses of S\$679k incurred by the former Van der Horst Limited were reversed from the new Group's Profit and Loss Account to pre-acquisition reserves in accordance with FRS22.

Revenue

Revenue increased by 17% due mainly to cost recovery income having exceeded the expenditure in Chauk field. The increase in oil price in Q1 2004 had also contributed to the higher revenue. The weighted average oil price transacted for Q1 2004 and Q4 2003 was USD 30.64 and USD 29.97 respectively. Total oil produced by Goldpetrol in Q1 2004 and Q4 2003 was 40,079 barrels of oil (440 BOPD) and 41,773 barrels of oil (454 BOPD) respectively.

Financial Position

In Q1 2004, the Group's net assets increased marginally mainly due to the weakening of USD against SGD from 1.6986 to 1.6742. This resulted in lower translation of the Group's USD borrowing from shareholders and related party into SGD.

9 PROFIT FORECAST

No forecast has been made.

10 PROSPECT FOR NEXT 12 MONTHS

Myanmar Concession

As announced previously, the Group is now embarking on more detailed geological and engineering studies to optimize the production of the new layers as well as to exploit the existing known layers of hydrocarbons. An enhanced drilling program is anticipated upon completion of the studies.

Indonesia Concession

As announced on 26 April 2004, the Group has entered into a Sale and Purchase Agreement to acquire a 70% stake in Retco. Retco is the assignee of all the rights, title and interest under a TAC dated 17 December 1996 entered into between Nusantara and Pertamina to operate the Tanjung Miring Timur Oil Field in South Sumatra, Indonesia. The TAC is valid until year 2016. The Tanjung Miring Oil Field is an oil producing field. It has a current production of about 800 barrels of oil per day with potential of increasing its oil production. The Group intends to finance this purchase partly from its own funds and partly from the proceeds of a proposed placement of new shares.

11 DIVIDEND

No interim dividend for the quarter ended 31 March 2004 is recommended.

12 INTERESTED PERSON TRANSACTIONS

In respect of the period ended 31 March 2004, the Company declares the aggregate value of interested person transaction conducted as follows:-

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Mr Subianto Arpan Sumodikoro*	Nil	Nil

* Through Canyon Gate Investments Ltd, Mr Subianto Arpan Sumodikoro is a deemed substantial shareholder of Interra. He is also a director and shareholder of Multi-Co. Multi-Co owns all the shares in Contium. The above transactions are in relation to rig rental services provided by Contium to Goldpetrol.

13 ABBREVIATIONS

BOPD	means	Barrels of Oil Per Day
Contium	means	Contium Engineers Far East Pte Ltd
Farm-out	means	Farm out of 40% rights by Goldwater to Geopetrol Singu Inc.
FRS	means	Financial Reporting Standards
Goldpetrol	means	Goldpetrol Joint Operating Company Inc.
Goldwater	means	Goldwater Company Limited
Group	means	Interra Resources Limited, its subsidiary companies and jointly controlled entities
Interra	means	Interra Resources Limited
IPR	means	Improved Petroleum Recovery
Multi Co	means	Multi-Corporation (S) Pte Ltd
N / M	means	Not meaningful
NPBT	means	Net Profit Before Tax
Nusantara	means	PT Western Nusantara Energy
Pertamina	means	Perusahaan Pertambangan Minyak Dan Gas Bumi Negara
Q1 2004	means	First calendar quarter of year 2004
Q4 2003	means	Fourth calendar quarter of year 2003
Retco	means	PT Retco Prima Energi
SGD	means	Singapore Dollars
TAC	means	Technical Assistance Contract
USD	means	United States Dollars