

[Print this page](#)**Third Quarter Unaudited \* Financial Statement And Dividend Announcement**

\* Asterisks denote mandatory information


Name of Announcer *	INTERRA RESOURCES LIMITED
Company Registration No.	197300166Z
Announcement submitted on behalf of	INTERRA RESOURCES LIMITED
Announcement is submitted with respect to *	INTERRA RESOURCES LIMITED
Announcement is submitted by *	Attlee Hue
Designation *	Company Secretary
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**>> Announcement Details**

The details of the announcement start here ...

For the Financial Period Ended *	30-09-2004
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**Attachments:**

 [FY2004Q3Final131104.pdf](#)  
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12 November 2004

Dear Shareholders,

#### **UNAUDITED RESULTS FOR THE QUARTER ENDED 30 SEPTEMBER 2004**

The third quarter results for 2004 are attached hereto. The highlights are as follows:

#### **Financial Performance**

In summary, this quarter the Group recorded the following:

1. Revenue of **S\$4.5 mil** (3Q 2003: S\$0.9 mil)
2. Net loss after tax attributable to shareholders of **S\$92k** (3Q 2003: Net loss after tax of S\$301k)
3. Net cash outflow of **S\$1.7 mil** (3Q 2003: inflow of S\$1.3 mil)

The revenue was higher in 3Q 2004 due mainly to the consolidation of operating results of PT Retco Prima Energi ("Retco"), which the Group owns 70%, into the Group's operating results from 1 April 2004 onwards. The higher oil price also contributed to the increase in revenue.

Correspondingly, the consolidation of operating results of Retco into the Group's operating results also gave rise to the higher cost of production in 3Q 2004 (S\$3.374 mil) as compared with 3Q 2003 (S\$423k). However, on a year on year basis, the increase in revenue in the first nine months of 2004 (increase of 187% from S\$3.185 mil in 2003 to S\$9.151 mil in 2004) exceeded the increase in cost of production (increase of 162% from S\$2.607 mil in 2003 to S\$6.822 mil in 2004).

The net cash outflow was mainly to fund Retco's drilling activities in Tanjung Miring Timur, South Sumatra.

#### **Activities in 3Q 2004**

##### **Myanmar Concession**

Goldpetrol, which the Group owns 60%, produced 46,390 barrels of oil or 504 barrels of oil per day ("BOPD") and 42,551 barrels of oil or 463 BOPD in 3Q 2004 and 3Q 2003 respectively. The Group's share of revenue for the quarter was S\$1.4 million.

### Indonesia Concession

In 3Q 2004, the three-well drilling program in Tanjung Miring Timur was approved by Pertamina and drillings have commenced at the end of 3Q 2004. The drillings are expected to be completed in Q4 2004 and the results of the drillings will be announced upon completion. Retco contributed 57,321 barrels of oil or 623 BOPD (\$3.1 mil in revenue) to the Group's operating results in 3Q 2004.

Yours sincerely,

The Board of Directors  
Interra Resources Limited

### *About Interra Resources Limited*

*Interra Resources Limited is a company specializing in upstream petroleum business. Its core focus is petroleum production, field development and low-risk exploration. Currently, Interra has established interests and operations in Myanmar and Indonesia.*

*In Central Myanmar, Interra owns 60% of the rights to operate two of the largest onshore oil fields through its subsidiary, Goldwater Company Limited. The Myanmar project, which comprises the Yenangyaung and Chauk fields, covers a total area of approximately 1,800 square kilometres (almost three times the size of Singapore) and is located along the Ayeyarwady River, approximately 580 kilometres north of Yangon.*

*In Indonesia, Interra owns 70% of the rights to operate the Tanjung Miring Timur onshore oil field, located in South Sumatra, about 30 kilometres southeast of Prabumulih and approximately 120 kilometres southwest of Palembang.*

**INTERRA RESOURCES LIMITED**  
**UNAUDITED RESULTS FOR THE PERIOD**  
**ENDED 30 SEPTEMBER 2004**

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1(a)(i) **PROFIT AND LOSS STATEMENT**

Group	Note	3Q 2004 S\$'000	3Q 2003 S\$'000	Change %	9M 2004 S\$'000	9M 2003 S\$'000	Change %
Revenue		4,496	872	+ 416	9,151	3,185	+ 187
Cost of production	A	(3,374)	(423)	- 698	(6,822)	(2,607)	- 162
<b>Gross profit</b>		<b>1,122</b>	<b>449</b>	+ 150	<b>2,329</b>	<b>578</b>	+ 303
Operating income	B	243	188	+ 29	715	436	+ 64
Administrative expenses		(957)	(588)	- 63	(2,098)	(2,159)	+ 3
Depreciation and amortization	C	(214)	(233)	+ 8	(672)	(481)	- 40
Other operating expenses	D	(75)	(8)	- 838	(32)	(8)	- 300
<b>Profit/(Loss) from operations before exceptional items</b>		<b>119</b>	<b>(192)</b>	NM	<b>242</b>	<b>(1,634)</b>	NM
Exceptional items		-	-		-	-	
Gain from farm out		-	-	NM	-	5,925	NM
<b>Profit/(Loss) from operations</b>		<b>119</b>	<b>(192)</b>	NM	<b>242</b>	<b>4,291</b>	- 94
Finance costs		-	-	NM	-	-	NM
<b>Profit/(Loss) from ordinary activities before taxation</b>		<b>119</b>	<b>(192)</b>	NM	<b>242</b>	<b>4,291</b>	NM
Taxation		(127)	(109)	- 17	(306)	(319)	+ 4
<b>(Loss)/Profit from ordinary activities after taxation</b>		<b>(8)</b>	<b>(301)</b>	+ 97	<b>(64)</b>	<b>3,972</b>	NM
Minority interests		(84)	-	NM	(155)	-	NM
<b>(Loss)/Profit attributable to shareholders</b>		<b>(92)</b>	<b>(301)</b>	+ 69	<b>(219)</b>	<b>3,972</b>	NM

+ change in % means favourable change for the Group

- change in % means unfavourable change for the Group

1(a)(ii) **EXPLANATORY NOTES TO PROFIT AND LOSS STATEMENT**

Group	3Q 2004 S\$'000	3Q 2003 S\$'000	9M 2004 S\$'000	9M 2003 S\$'000
<b>A Cost of production</b>				
Production expenses	3,089	392	6,172	2,051
Depreciation of property, plant and equipment of oil operations	159	22	301	77
Amortization of exploration, evaluation and development cost	126	9	349	472
Write off of property, plant and equipment	-	-	-	7
	<b>3,374</b>	<b>423</b>	<b>6,822</b>	<b>2,607</b>
<b>B Operating income</b>				
Management fees	43	-	147	-
Interest income	18	2	24	2
Deferred income	182	186	544	434
Foreign exchange gain, net	-	-	-	-
	<b>243</b>	<b>188</b>	<b>715</b>	<b>436</b>
<b>C Depreciation and amortization</b>				
Property, plant and equipment	19	3	44	3
Concession rights	13	-	37	-
Goodwill on acquisition	-	44	47	44
Intangible benefits	182	186	544	434
	<b>214</b>	<b>233</b>	<b>672</b>	<b>481</b>
<b>D Other operating expenses</b>				
Foreign exchange loss, net	75	8	32	8
	<b>75</b>	<b>8</b>	<b>32</b>	<b>8</b>

1(b)(i) BALANCE SHEET

	Note	Group		Company	
		30 Sep 2004 S\$'000	31 Dec 2003 S\$'000	30 Sep 2004 S\$'000	31 Dec 2003 S\$'000
<b>Non-Current Assets</b>					
Property, plant and equipment		1,608	557	37	43
Exploration, evaluation and development cost		25,928	16,602	-	-
Intangibles		9,927	10,453	-	-
Interest in subsidiaries		-	-	40,794	31,219
Goodwill on consolidation		6,421	2,485	-	-
		<b>43,884</b>	<b>30,097</b>	<b>40,831</b>	<b>31,262</b>
<b>Current Assets</b>					
Inventories		1,927	1,373	-	-
Trade receivables		3,143	1,273	-	-
Deposit, other receivables and prepayment		328	2,878	111	57
Cash and bank balances		9,333	4,122	6,561	2,168
		<b>14,731</b>	<b>9,646</b>	<b>6,672</b>	<b>2,225</b>
<b>Current Liabilities</b>					
Trade payables		(1,336)	(640)	-	-
Amount due to related parties (trade)		(1,560)	(2,205)	-	-
Other payables and accruals		(2,433)	(936)	(70)	(101)
Provision for tax		(1,704)	(1,412)	-	-
Amount due to director (non-trade)		-	(12)	-	-
		<b>(7,033)</b>	<b>(5,205)</b>	<b>(70)</b>	<b>(101)</b>
<b>Net Current Assets</b>					
		<b>7,698</b>	<b>4,441</b>	<b>6,602</b>	<b>2,124</b>
<b>Non-Current Liabilities</b>					
Loan from related party (non-trade)		(2,362)	(2,381)	-	-
Loan from shareholders		(5,019)	(5,060)	-	-
Loan from shareholders of Retco		(1,433)	-	-	-
Deferred income		(9,302)	(9,795)	-	-
		<b>(18,116)</b>	<b>(17,236)</b>	<b>-</b>	<b>-</b>
<b>Net Assets</b>					
	E	<b>33,466</b>	<b>17,302</b>	<b>47,433</b>	<b>33,386</b>
<b>Shareholders' equity and minority interests</b>					
Share capital		48,132	44,132	48,132	44,132
Reserves	F	(15,798)	(26,830)	(699)	(10,746)
<b>Shareholders' equity</b>		<b>32,334</b>	<b>17,302</b>	<b>47,433</b>	<b>33,386</b>
Minority Interests	G	1,132	-	-	-
		<b>33,466</b>	<b>17,302</b>	<b>47,433</b>	<b>33,386</b>

Explanatory Notes to Balance Sheet**E** Net Assets

Increase in the Group's and the Company's Net Assets is due mainly to the additional 80 million shares issued in 2Q 2004.

Increase in all major categories of the balance sheet items is mainly due to the consolidation of Retco's financial position from 1 April 2004 onwards into the Group's financial statements.

**F** Reserves

Improvement in the Group's and Company's reserves is due to the additional 80 million shares issued in 2Q 2004 at a premium of S\$0.14332 per share.

**G** Minority Interests

Minority interests represents minority shareholders' share in the net assets of Retco.

1(b)(ii) BORROWINGS AND DEBT SECURITIES

Group	30 Sep 2004		31 Dec 2003	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	-	-	-	-
Amount repayable after one year	-	8,814	-	7,441

Details of Collateral

Not applicable

## 1(c)(i) CASH FLOW STATEMENT

Group	Note	3Q 2004 S\$'000	3Q 2003 S\$'000	9M 2004 S\$'000	9M 2003 S\$'000
<b>Cash Flows from Operating Activities</b>					
<b>Profit/(Loss) from ordinary activities before taxation and minority interests</b>		<b>119</b>	<b>(192)</b>	<b>242</b>	<b>4,291</b>
Adjustments for non cash items:					
Currency re-alignment and translation		(164)	(76)	(53)	(9)
Depreciation of property, plant and equipment		178	25	345	80
Write off of property, plant and equipment		-	-	-	7
Write off of contractual bonus and rights		-	-	-	1,025
Amortization of:					
Exploration, evaluation and development cost		126	9	349	472
Concession rights		13	-	37	-
Intangible benefits		182	186	544	434
Goodwill on consolidation		-	44	47	44
Interest income		(18)	(2)	(24)	(2)
Deferred income		(182)	(186)	(544)	(434)
Exchange difference - unrealized		75	8	32	8
<b>Operating profit before working capital changes</b>		<b>329</b>	<b>(184)</b>	<b>975</b>	<b>5,916</b>
Inventories		(133)	(1,892)	(98)	(1,602)
Trade and other receivables		(1,170)	214	(823)	120
Trade and other payables		565	(182)	845	602
Accrued operating expenses		47	(172)	(218)	77
Amount due to related parties (trade)		(55)	2,066	(645)	1,981
Amount due to directors		-	-	(11)	-
<b>Cash generated from operations</b>		<b>(746)</b>	<b>34</b>	<b>(950)</b>	<b>1,178</b>
Less cash arising from reverse acquisition of Interra Resources Limited		-	(2)	-	(2)
<b>Net cash (outflow) / inflow from operating activities</b>		<b>(417)</b>	<b>(152)</b>	<b>25</b>	<b>7,092</b>
<b>Cash Flows from Investing Activities</b>					
Interest income received		18	2	24	2
Cash arising from reverse acquisition of Interra Resources Limited		-	2	-	2
Acquisition of subsidiaries		-	-	(8,314)	-
Purchase of property, plant and equipment		(61)	(45)	(1,090)	(45)
Additional investments in production phase properties:					
Well drillings and improvements		(1,431)	(414)	(1,935)	(1,046)
Other expenditures capitalized		-	(239)	(1,195)	(355)
Deposit placed for possible acquisition		-	(2,594)	2,511	(2,594)
Disposal of fixed assets		87	-	87	196
<b>Net cash (outflow) from investing activities</b>		<b>(1,387)</b>	<b>(3,288)</b>	<b>(9,912)</b>	<b>(3,840)</b>
<b>Cash Flows from Financing Activities</b>					
Net proceeds from share placements		-	4,750	14,977	4,750
Loan from shareholders of Retco		121	-	121	-
Repayment of loan to related parties		-	-	-	(3,034)
<b>Net cash inflow from financing activities</b>		<b>121</b>	<b>4,750</b>	<b>15,098</b>	<b>1,716</b>
<b>Net (outflow) / inflow of cash and cash equivalents</b>		<b>(1,683)</b>	<b>1,310</b>	<b>5,211</b>	<b>4,968</b>
Cash and cash equivalents at beginning of period		11,016	4,014	4,122	356
<b>Cash and cash equivalents at end of period</b>		<b>9,333</b>	<b>5,324</b>	<b>9,333</b>	<b>5,324</b>



## 1(d)(i) STATEMENTS OF CHANGES IN EQUITY

Group	Share Capital S\$'000	Share Premium S\$'000	Currency Translation Reserves S\$'000	Special Reserves S\$'000	Unappropriated Profits S\$'000	Total S\$'000
<b>Balance as at 1 Jul 2004</b>	48,132	109,277	36	(135,457)	10,228	32,216
Issuance of new shares	-	-	-	-	-	-
Translation differences	-	-	210	-	-	210
(Loss) attributable to shareholders	-	-	-	-	(92)	(92)
<b>Balance as at 30 Sep 2004</b>	<b>48,132</b>	<b>109,277</b>	<b>246</b>	<b>(135,457)</b>	<b>10,136</b>	<b>32,334</b>
<b>Balance as at 1 Jul 2003</b>	322	-	(202)	-	5,269	5,389
Arising from reverse acquisition	39,060	98,300	-	(134,940)	-	2,420
Issuance of new shares for cash by placement	4,750	-	-	-	-	4,750
Translation differences	-	-	263	-	-	263
Profit attributable to shareholders	-	-	-	-	3,972	3,972
<b>Balance as at 30 Sep 2003</b>	<b>44,132</b>	<b>98,300</b>	<b>61</b>	<b>(134,940)</b>	<b>9,241</b>	<b>16,794</b>

Company	Share Capital S\$'000	Share Premium S\$'000	Accumulated Losses S\$'000	Total S\$'000
<b>Balance as at 1 Jul 2004</b>	48,132	174,175	(174,434)	47,873
(Loss) attributable to shareholders 3Q 2004	-	-	(440)	(440)
<b>Balance as at 30 Sep 2004</b>	<b>48,132</b>	<b>174,175</b>	<b>(174,874)</b>	<b>47,433</b>
<b>Balance as at 1 Jul 2003</b>	6,764	64,898	(175,960)	(104,298)
Reduction of par value from S\$1 to S\$0.50	(3,382)	-	3,382	-
Issuance of new shares to convert debt to equity	6,000	98,300	-	104,300
Issuance of new shares to acquire Goldwater	30,000	-	-	30,000
Issuance of new shares for cash by placement	4,750	-	-	4,750
(Loss) attributable to shareholders	-	-	(356)	(356)
<b>Balance as at 30 Sep 2003</b>	<b>44,132</b>	<b>163,198</b>	<b>(172,934)</b>	<b>34,396</b>

## 1(d)(ii) SHARE CAPITAL

No additional share capital was issued in 3Q 2004.

2 WHETHER THE FIGURES HAVE BEEN AUDITED OR REVIEWED, AND IN ACCORDANCE WITH WHICH STANDARD (EG. THE STANDARD ON AUDITING 910 (ENGAGEMENTS TO REVIEW FINANCIAL STATEMENTS), OR AN EQUIVALENT

The figures have not been audited or reviewed by our auditors.

3 WHERE THE FIGURES HAVE BEEN AUDITED OR REVIEWED, THE AUDITORS' REPORT (INCLUDING ANY QUALIFICATIONS OR EMPHASIS OF A 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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements for the year ended 31 December 2003 except as disclosed in the Item 5 below.

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

**Amortization of Goodwill on Consolidation**

The Group has opted for early adoption of FRS103 which deals with the treatment of goodwill arising from business combinations from 1 Apr 2004. Previously, the Group amortized goodwill from consolidation over the remaining life of IPR contract. However, with the adoption of new treatment according to FRS103, the Group is not required to amortize goodwill arising from consolidation. Instead, such goodwill shall be reviewed annually for its impairment. Since 1 Apr 2004, the management is of the view that no provision for impairment is necessary for 2Q 2004 and 3Q 2004.

Accordingly, amortisation of goodwill on consolidation amounting to S\$47,190 per quarter for Goldwater ceased on 1 Apr 2004. Likewise, goodwill on consolidation arising from the acquisition of Retco amounting to S\$78,615 per quarter had not been amortised since the acquisition date, 1 Apr 2004. If goodwill on consolidation for Goldwater and Retco had been made, the net loss after tax for the first nine months of 2004 would increase by S\$251,610.

6 EARNINGS PER SHARE

Group	3Q 2004	3Q 2003	9M 2004	9M 2003
(a) Earnings per ordinary share based on weighted average number of ordinary shares in issue (cents) #	- 0.010	- 0.035	- 0.024	+ 0.579
(b) Earnings per ordinary share on a fully diluted basis (cents)	- 0.010	- 0.035	- 0.024	+ 0.579
# Weighted average number of ordinary shares in issue	962,635,120	854,986,032	923,803,003	685,929,359

7 NET ASSET VALUE PER SHARE

	Group		Company	
	30 Sep 2004	31 Dec 2003	30 Sep 2004	31 Dec 2003
Net asset value per ordinary share based on issued share capital (cents) ^	3.476	1.960	4.927	3.783
^ Number of ordinary shares in issue	962,635,120	882,635,120	962,635,120	882,635,120

8(i) PERFORMANCE REVIEWFINANCIAL PERFORMANCERevenue Analysis

<b>Oil Prices</b>	<b>3Q 2004</b>	<b>3Q 2003</b>	<b>9M 2004</b>	<b>9M 2003</b>
Average oil price	US\$ 40.42	US\$ 27.18	US\$ 35.40	US\$ 28.73
<b>Production Profile</b>	<b>3Q 2004</b>	<b>3Q 2003</b>	<b>9M 2004</b>	<b>9M 2003</b>
	<b>Barrels</b>	<b>Barrels</b>	<b>Barrels</b>	<b>Barrels</b>
<b>Myanmar Concession</b>				
Gross production	207,761	211,070	613,610	631,744
Non shareable oil	(161,371)	(168,519)	(485,820)	(505,498)
<b>Net production shareable with Myama Oil and Gas Enterprise</b>	<b>46,390</b>	<b>42,551</b>	<b>127,790</b>	<b>126,246</b>
Average barrels of oil per day	504	463	466	462
<b>Group's net entitlement after joint venture partner's share</b>	<b>27,834</b>	<b>25,531</b>	<b>76,674</b>	<b>87,012</b>
<b>Indonesian Concession</b>				
Gross production (1 Apr 2004 to 30 Sep 2004)	66,178	NA	129,459	NA
Non shareable oil	(8,857)	NA	(18,411)	NA
<b>Net production shareable with Pertamina</b>	<b>57,321</b>	<b>NA</b>	<b>111,048</b>	<b>NA</b>
Average barrels of oil per day	623	NA	607	NA
<b>Group's net entitlement after minority interests</b>	<b>40,125</b>	<b>NA</b>	<b>77,734</b>	<b>NA</b>
<b>Group's total net entitlement</b>	<b>67,959</b>	<b>25,531</b>	<b>154,408</b>	<b>87,012</b>

Revenue increased by 416% in 3Q 2004 as compared with 3Q 2003 and 187% on a year on year basis mainly due to

(i) *Retco's contribution*

Retco's revenue was consolidated into Group's consolidated Profit and Loss account from 1 April 2004 onwards. On a year on year basis, the Group's entitlement to the crude oil produced increased by 77% from 87k barrels of oil to 154k barrels of oil.

(ii) *Higher oil price*

The higher oil price also contributed to the increase in revenue. The monthly average oil price in 3Q 2004 was 48% higher than in 3Q 2003, whereas on a year on year basis, the monthly average oil price appreciated by more than 23%.

Net Profit / (Loss) After Tax attributable to shareholders3Q 2004 vs 3Q 2003

Net loss after tax attributable to shareholders decreased from S\$301k to S\$92k as compared with 3Q 2003 due mainly to

- (i) profit contributions from Retco amounting to S\$195k
- (ii) higher oil price in 3Q 2004

9 months ending 30 Sep 2004 vs 9 months ending 30 Sep 2003

In the first nine months of 2004, the Group recorded a net loss of S\$219k as compared to a profit of S\$3.972 million in the first nine months of 2003. The profit recorded in 2003 was due to the gain from farming out of 40% interest of Myanmar concessions to Geopetrol amounting to \$5.925 million. Without this gain, the Group would have recorded a loss of S\$1.953 million in 2003.

The increase in revenue is offset by a relative higher cost of production in 3Q 2004 (S\$3.374 million) as compared with 3Q 2003 (S\$423k). However, on a year on year basis, the increase in revenue in the first nine months of 2004 (increase of 187% from S\$3.185 million in 2003 to S\$9.151 million in 2004) exceeded the increase in cost of production (increase of 162% from S\$2.607 million in 2003 to S\$6.822 million in 2004).

The Group's relatively better performance in 3Q 2004 as compared with 3Q 2003 was dragged down by an exchange loss of S\$75k due to the weakening of USD against SGD. This loss mainly arose from the revaluation of inter company loan in USD and USD cash maintained in the Company's books. Total USD exposure was approximately US\$3 million.

CASHFLOW

In 3Q 2004, there was a net cash outflow of S\$1.683 million. This outflow of cash was mainly utilized for the three well drilling program in Tanjung Miring Timur. The additional borrowing reflected Retco's minority shareholders' share of capital commitment to Retco's project in Tanjung Miring Timur.

FINANCIAL POSITION

There is no material change in the Group's financial position since our last unaudited results announcement for the quarter ended 30 June 2004.

## 8(ii) SEGMENTED REVENUE AND RESULTS

Geographical Segment	Revenue		Operating Profit before Interest and Tax (EBIT)		Operating Profit before Interest, Depreciation, Amortisation and Tax (EBITDA)	
	3Q 2004	3Q 2003	3Q 2004	3Q 2003	3Q 2004	3Q 2003
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Myanmar	1,386	872	311	217	552	247
Indonesia <sup>®</sup>	3,110	NA	191	NA	240	NA
<b>Group</b>	<b>4,496</b>	<b>872</b>	<b>502</b>	<b>217</b>	<b>792</b>	<b>247</b>

Geographical Segment	Revenue		Operating Profit before Interest and Tax (EBIT)		Operating Profit before Interest, Depreciation, Amortisation and Tax (EBITDA)	
	9M 2004	9M 2003	9M 2004	9M 2003	9M 2004	9M 2003
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Myanmar	3,540	3,185	971	(151)	1,589	367
Indonesia <sup>®</sup>	5,611	-	335	NA	402	NA
<b>Group</b>	<b>9,151</b>	<b>3,185</b>	<b>1,306</b>	<b>(151)</b>	<b>1,991</b>	<b>367</b>

<sup>®</sup> Indonesia operations was consolidated into the Group's financial statements from 1 April 2004 onwards

EBIT is the operating earnings before divestment gains, interest income, exchange difference, finance cost and tax. This is net of minority interests and joint venture partner's share.

EBITDA is the operating earnings before divestment gains, interest income, exchange difference, finance cost, tax, depreciation and amortisation. This is net of minority interests and joint venture partner's share.

9 WHERE A FORECAST, OR A PROSPECT STATEMENT, HAS BEEN PREVIOUSLY DISCLOSED TO SHAREHOLDERS, ANY VARIANCE BETWEEN IT AND THE ACTUAL RESULTS

No forecast was made in our last unaudited results announcement for the quarter ended 30 June 2004.

10 COMMENTARY ON PROSPECTS

Myanmar Concession

A detailed engineering study is underway for Myanmar project. Pending the results of this study, the Myanmar operation strategy in 2005 will focus on development drillings in the less developed areas. Barring any unforeseen circumstances, the Group expects to fund these drillings from its existing funds and internally generated funds.

Indonesia Concession

Drilling of the first well is underway in Tanjung Miring Timur, South Sumatra. It is anticipated that three wells will be drilled by the end of the year. If the drilling results are promising, up to five more wells may be drilled in 2005. Barring any unforeseen circumstance, the Group expects to fund these drillings from its existing funds and internally generated funds.

New Venture Opportunities

The Group continues to seek possible opportunities to further enhance its profile of assets and is constantly conducting discussions with various parties for strategic prospects.

11 DIVIDEND

No interim dividend for the period ended 30 September 2004 is recommended.

12 INTERESTED PERSON TRANSACTION

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)  9 months ending 30 Sep 2004 S\$	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)  9 months ending 30 Sep 2004 S\$
Mr Subianto Arpan Sumodikoro *	252,506	-

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

13 ABBREVIATIONS

2Q 2004	means	Second calendar quarter of year 2004
3Q 2003	means	Third calendar quarter of year 2003
3Q 2004	means	Third calendar quarter of year 2004
9M 2003	means	Nine months ended 30 September 2003
9M 2004	means	Nine months ended 30 September 2004
BOPD	means	Barrels of Oil Per Day
Contium	means	Contium Engineers Far East Pte Ltd
FRS	means	Financial Reporting Standards
Geopetrol	means	Geopetrol Sungu Inc
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 Petroluem Recovery
Multi-Co	means	Multi-Corporation (S) Pte Ltd
NA	means	Not applicable
NM	means	Not meaningful
Pertamina	means	Perusahaan Pertambangan Minyak Dan Gas Bumi Negara
Retco	means	PT Retco Prima Energi

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, oil price, foreign exchange rates, availability of real estate properties, competition from other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.