

[Print this page](#)**Full Year * 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 *	SUGIHARTO SOELEMEN
Designation *	DIRECTOR
Date & Time of Broadcast	28-Feb-2005 20:26:23
Announcement No.	00227

>> Announcement Details

The details of the announcement start here ...

For the Financial Period Ended *	31-12-2004
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**INTERRA RESOURCES LIMITED
UNAUDITED RESULTS FOR THE PERIOD
ENDED 31 DECEMBER 2004**

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1(a)(i) PROFIT AND LOSS STATEMENT

Group	Note	4Q 2004 S\$'000	4Q 2003 S\$'000	Change %	FY 2004 S\$'000	FY 2003 S\$'000	Change %
Revenue		3,408	931	+ 266	10,875	4,116	+ 164
Cost of production	A	(2,908)	(117)	- 2,385	(8,413)	(2,842)	- 196
Gross profit		500	814	- 39	2,462	1,274	+ 93
Operating income	B	237	988	- 76	952	1,034	- 8
Administrative expenses		(669)	(563)	- 19	(2,546)	(2,090)	- 22
Depreciation and amortization	C	(409)	(254)	- 61	(1,080)	(773)	- 40
Other operating expenses	D	(98)	(16)	- 513	(140)	(30)	- 367
(Loss)/Profit from operations before exceptional items		(439)	969	NM	(352)	(585)	NM
Exceptional items							
Gain from farm out		-	-	NM	-	5,924	NM
(Loss)/Profit from operations		(439)	969	NM	(352)	5,339	- 107
Finance costs		-	-	NM	-	(78)	NM
(Loss)/Profit from ordinary activities before taxation		(439)	969	NM	(352)	5,261	NM
Taxation		(115)	(58)	- 98	(421)	(377)	- 12
(Loss)/Profit from ordinary activities after taxation		(554)	911	NM	(773)	4,884	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	4Q 2004 S\$'000	4Q 2003 S\$'000	FY 2004 S\$'000	FY 2003 S\$'000
A Cost of production				
Production expenses	2,134	504	7,017	2,719
Depreciation of property, plant and equipment of oil operations	129	27	402	104
Amortization of exploration, evaluation and development cost	645	115	994	548
Write back of over provision of rig rental expenses	-	(529)	-	(529)
	2,908	117	8,413	2,842
B Operating income				
Management fees	40	125	188	365
Interest income	20	-	42	3
Deferred income	176	184	720	618
Other income	1	-	2	48
Reclassification of re-listing expenses	-	679	-	-
	237	988	952	1,034
C Depreciation and amortization				
Property, plant and equipment	16	7	58	10
Concession rights	12	13	50	51
Goodwill on acquisition	-	50	47	94
Participation rights	205	-	205	-
Intangible benefits	176	184	720	618
	409	254	1,080	773
D Other operating expenses				
Foreign exchange loss, net	98	16	140	23
Fixed assets written off	-	-	-	7
	98	16	140	30

1(b)(i) BALANCE SHEET

	Note	Group		Company	
		31 Dec 2004 S\$'000	31 Dec 2003 S\$'000	31 Dec 2004 S\$'000	31 Dec 2003 S\$'000
Non-Current Assets					
Property, plant and equipment		1,597	557	35	43
Exploration, evaluation and development cost		24,142	16,602	-	-
Intangibles		9,135	10,453	-	-
Interest in subsidiaries		-	-	41,031	31,219
Goodwill on consolidation		2,438	2,485	-	-
Participation rights		3,302	-	-	-
		40,614	30,097	41,066	31,262
Current Assets					
Inventories		1,881	1,373	-	-
Trade receivables		2,281	1,273	-	-
Deposit, other receivables and prepayment		255	2,878	255	56
Cash and bank balances		7,775	4,122	5,931	2,168
		12,192	9,646	6,186	2,224
Current Liabilities					
Trade payables		(1,296)	(640)	-	-
Amount due to related parties (trade)		(1,753)	(2,205)	-	-
Other payables and accruals		(1,880)	(937)	(206)	(101)
Provision for tax		(1,770)	(1,412)	-	-
Amount due to director (non-trade)		-	(12)	-	-
		(6,699)	(5,206)	(206)	(101)
Net Current Assets		5,493	4,440	5,980	2,123
Non-Current Liabilities					
Loan from related party (non-trade)		(4,878)	(2,381)	-	-
Loan from shareholders		(2,296)	(5,060)	-	-
Deferred income		(8,546)	(9,794)	-	-
		(15,720)	(17,235)	-	-
Net Assets	E	30,387	17,302	47,046	33,385
Capital & Reserves					
Share capital		48,132	44,132	48,132	44,132
Reserves	F	(17,745)	(26,830)	(1,086)	(10,747)
Shareholders' Equity		30,387	17,302	47,046	33,385

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 proportionate consolidation of TAC TMT 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.

1(b)(ii) BORROWINGS AND DEBT SECURITIES

Group	31 Dec 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	-	7,174	-	7,441

Details of Collateral

Not applicable

1(c)(i) CASH FLOW STATEMENT

Group	Note	4Q 2004 S\$'000	4Q 2003 S\$'000	FY 2004 S\$'000	FY 2003 S\$'000
Cash Flows from Operating Activities					
(Loss)/Profit from ordinary activities before taxation		(439)	969	(352)	5,261
Adjustments for non-cash items:					
Currency re-alignment and translation		(112)	(56)	(330)	(83)
Depreciation of property, plant and equipment		145	34	460	114
Write off of property, plant and equipment		-	-	-	7
Write off of contractual bonus and rights		-	-	-	1,034
Amortization of:					
Exploration, evaluation and development cost		645	115	994	548
Concession rights		12	13	50	51
Intangible benefits		176	184	720	618
Goodwill on consolidation		-	50	47	94
Participation rights		205	-	205	-
Interest income		(20)	-	(42)	(3)
Interest expense		-	-	-	78
Deferred income		(176)	(184)	(720)	(618)
Exchange difference		98	16	140	23
Operating profit before working capital changes		534	1,141	1,172	7,124
Inventories		(83)	845	(827)	(758)
Trade and other receivables		345	1,148	(1,701)	1,220
Trade and other payables		93	(692)	2,878	738
Accrued operating expenses		128	(290)	(3)	(887)
Amount due to related parties (trade)		194	138	(451)	2,119
Amount due to directors		-	12	(12)	(141)
Net cash inflow from operating activities		1,211	2,302	1,056	9,415
Cash Flows from Investing Activities					
Interest income received		20	-	42	3
Cash arising from reverse acquisition of Interra Resources Limited		-	-	-	2
Net amount paid for the participation of interest in TAC TMT		(18)	-	(8,614)	-
Additional investments in production phase properties:					
Purchase of property, plant and equipment		(304)	(317)	(1,313)	(351)
Well drillings and improvements		(1,874)	(3,188)	(4,877)	(4,590)
Geological and geophysical studies		(129)	-	(129)	-
Refund of deposit placed for possible acquisition		-	-	2,511	(2,548)
Disposal of fixed assets		-	-	-	197
Net cash (outflow) from investing activities		(2,305)	(3,505)	(12,380)	(7,287)
Cash Flows from Financing Activities					
Interest paid		-	-	-	(78)
Net proceeds from share placements		-	-	14,977	4,750
Loan from shareholders of Retco		-	-	-	-
Repayment of loan to related parties		-	-	-	(3,034)
Net cash inflow/(outflow) from financing activities		-	-	14,977	1,638
Net inflow/(outflow) of cash and cash equivalents		(1,094)	(1,203)	3,653	3,766
Cash and cash equivalents at beginning of period		8,869	5,325	4,122	356
Cash and cash equivalents at end of period		7,775	4,122	7,775	4,122

Additional Notes to Cash Flow Statement

Net Cash Flow Effect from Acquisition of 70% Interest in TAC TMT		S\$'000
Amount paid for acquisition		9,272
Less cash acquired from the participation of interest		(658)
Net amount paid for the participation of interest	(1)	8,614
Fair value of net assets acquired (excluding cash)		
Property, plant and equipment		257
Exploration, evaluation and development cost		4,580
Current assets		998
Current liabilities		(1,029)
Fair value of net assets acquired (excluding cash)	(2)	4,806
Participation rights	(1) - (2)	3,808

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	Accumulated Profit / (Loss) S\$'000	Total S\$'000
Balance as at 1 Jan 2003	322	-	(202)	-	5,471	5,591
Arising from reverse acquisition	39,060	98,300	-	(135,458)	-	1,902
Issuance of new shares for cash by placement	4,750	-	-	-	-	4,750
Translation differences	-	-	175	-	-	175
Net profit for the year	-	-	-	-	4,884	4,884
						-
Balance as at 31 Dec 2003	44,132	98,300	(27)	(135,458)	10,355	17,302
Issuance of new shares	4,000	10,977	-	-	-	14,977
Translation differences	-	-	(1,119)	-	-	(1,119)
Net loss for the year	-	-	-	-	(773)	(773)
Balance as at 31 Dec 2004	48,132	109,277	(1,146)	(135,458)	9,582	30,387

Company	Share Capital S\$'000	Share Premium S\$'000	Accumulated Losses S\$'000	Total S\$'000
Balance as at 1 Jan 2003	6,764	64,898	(185,225)	(113,563)
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
Net profit for the year	-	-	7,898	7,898
				-
Balance as at 31 Dec 2003	44,132	163,198	(173,945)	33,385
Issuance of new shares	4,000	10,977	-	14,977
Net loss for the period	-	-	(1,316)	(1,316)
Balance as at 31 Dec 2004	48,132	174,175	(175,261)	47,046

1(d)(ii) SHARE CAPITAL

In 2Q 2004, the Company issued additional 80 million shares at a premium of S\$0.14332 per share.

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 STANDARD)

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, FRS36 and FRS38 which deals with the treatment of goodwill arising from business combinations from 1 April 2004. Previously, the Group amortized goodwill from consolidation over the remaining life of IPR contract. However, with the adoption of new treatment according to the above FRS, the Group is not required to amortize goodwill arising from consolidation. Instead, such goodwill shall be reviewed annually for its impairment. As at 31 December 2004, the management is of the view that no provision for impairment is necessary for FY 2004.

Accordingly, amortisation of goodwill on consolidation amounting to S\$47,190 per quarter for Goldwater ceased on 1 April 2004. If amortisation of goodwill on consolidation for Goldwater had been made for the whole year, the net loss after tax for FY 2004 would increase by S\$141,570.

6 EARNINGS PER SHARE

Group	4Q 2004	4Q 2003	FY 2004	FY 2003
Earnings per ordinary share based on weighted average number of ordinary shares in issue (cents) #	- 0.058	+ 0.103	- 0.083	+ 0.664
Earnings per ordinary share on a fully diluted basis (cents)	- 0.058	+ 0.103	- 0.083	+ 0.664
# Weighted average number of ordinary shares in issue	962,635,120	882,635,120	933,564,082	735,509,989

7 NET ASSET VALUE PER SHARE

	Group		Company	
	31 Dec 2004	31 Dec 2003	31 Dec 2004	31 Dec 2003
Net asset value per ordinary share based on issued share capital (cents) ^	3.157	1.960	4.887	3.783
^ Number of ordinary shares in issue	962,635,120	882,635,120	962,635,120	882,635,120

8(i) FINANCIAL PERFORMANCE

Revenue and Gross Profit

Revenue increased by S\$2.5 million in 4Q 2004 compared with 4Q 2003 from S\$0.9 million to S\$3.4 million. Revenue for FY 2004 increased by S\$6.8 million compared with FY 2003 from S\$4.1 million to S\$10.9 million. This was due mainly to

(1) *TAC TMT 's contribution*

The Group's share of revenue arising from the 70% interest in TAC TMT was consolidated into Group's consolidated profit and loss account from 1 April 2004 onwards. TAC TMT contributed an additional S\$2.2 million and S\$6.1 million of revenue in 4Q 2004 and FY2004 respectively.

(2) *Higher oil price*

The higher oil price also contributed to the increase in revenue. The monthly average oil price in 4Q 2004 (US\$40.13) was 34% higher than in 4Q 2003 (US\$29.97), whereas on a year on year basis, the monthly average oil price appreciated by 26% from US\$29.04 in FY 2003 to US\$36.58 in FY 2004.

Corresponding with the inclusion of TAC TMT operations into the Group's results, the Group recorded a 93% increase in gross profit (S\$2.4 million) in FY 2004 compared with FY 2003 (S\$1.3 million). TAC TMT operations contributed S\$1.5 million whereas Myanmar operations contributed S\$0.9 million.

On a quarter to quarter basis, the Group registered lower gross profit in 4Q 2004 (S\$500k) compared with 4Q 2003 (S\$814k). The higher gross profit in 4Q 2003 was due mainly to the reversal of an over provision of rig rental made in 2003 amounting to S\$529k.

In 4Q 2004, TAC TMT registered an EBITDA of S\$817k whereas Myanmar chalked up a negative EBITDA of S\$36k. The negative EBITDA registered from Myanmar operations was due mainly to the write off of S\$554k of unrecoverable expenses, which mainly arose from unsuccessful workover jobs.

Depreciation and Amortisation Expenses

Depreciation and amortisation expenses are the main expenses in the Group's profit and loss account. These are broadly classified into the following categories:

- (1) Depreciation of property, plant and equipment, which are depreciated over 3 to 5 years on a straight line basis;
- (2) Exploration, evaluation and development expenses, which are amortised based on units of production over the estimated recoverable oil reserves; and
- (3) Concession and participation rights, which are amortised based on a straight line basis to end of contract tenure.

In FY 2004, the above depreciation and amortisation expenses increased by S\$1.0 million from S\$0.8 million in FY 2003 to S\$1.8 million.

Depreciation of property, plant and equipment increased by S\$346k due mainly to

- (1) consolidation of TAC TMT operations into the Group's results; and
- (2) the workover rig purchased for Myanmar operations in May 2004.

Exploration, evaluation and development expenses increased by S\$0.4 million due mainly to the consolidation of TAC TMT operations into the Group's results. Upon acquisition of the 70% interest in TAC TMT, the Group recognized S\$4.5 million of past development cost into the balance sheet. Since 1 April 2004, the Group has invested an S\$0.7 million to further enhance and develop the existing wells. In FY 2004, the Group amortised approximately S\$0.5 million of these expenses to the profit and loss account as cost of production.

During the acquisition of the 70% interest in TAC TMT, the Group also recognised participation rights amount of approximately US\$2.1 million (S\$3.8 million). The amount recognized as participation rights is the excess of the fair value of the identifiable assets acquired over the cost of acquisition. This participation rights cost is amortised on a straight line basis over the remaining life of TAC TMT contract of approximately 12.75 years. In FY 2004, US\$125k (S\$205k) of this cost was amortised.

Net Loss After Tax

In FY 2004, the Group registered net loss after tax of S\$773k compared with net profit after tax of S\$4.9 million in FY 2003. The gain in the previous year arised from the farm out (S\$5.9 million) of the Group's 40% interest in Myanmar concession to Geopetrol. Without this farm in-farm out gain, the Group would have registered a loss after tax from operations but before exceptional items S\$1.0 million in FY 2003.

8(ii) SEGMENTED REVENUE AND RESULTS

Geographical Segment	Revenue		Operating Profit before Interest, Depreciation, Amortisation and Tax (EBITDA)		Operating Profit before Interest and Tax (EBIT)	
	4Q 2004	4Q 2003	4Q 2004	4Q 2003	4Q 2004	4Q 2003
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Myanmar	1,254	931	(36)	967	(264)	810
Indonesia @	2,154	NA	817	NA	495	NA
Group	3,408	931	781	967	231	810

Geographical Segment	Revenue		Operating Profit before Interest, Depreciation, Amortisation and Tax (EBITDA)		Operating Profit before Interest and Tax (EBIT)	
	12M 2004	12M 2003	12M 2004	12M 2003	12M 2004	12M 2003
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Myanmar	4,794	4,116	1,553	1,621	707	908
Indonesia @	6,081	NA	1,098	NA	730	NA
Group	10,875	4,116	2,651	1,621	1,437	908

@ 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 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 joint venture partner's share.

8(iii) PRODUCTION PROFILE

Oil Price	4Q 2004 US\$	4Q 2003 US\$	FY 2004 US\$	FY 2003 US\$
Average oil price per barrel	40.13	29.97	36.58	29.04
Myanmar Concessions	4Q 2004 barrels	4Q 2003 barrels	FY 2004 barrels	FY 2003 barrels
Gross average production per day	2,208	2,266	2,232	2,302
Gross production	203,139	208,465	816,749	840,209
Non-shareable oil	(159,632)	(166,692)	(645,452)	(672,190)
Net production shareable with Myama Oil and Gas Enterprise	43,507	41,773	171,297	168,019
Group's 60% net entitlement after joint venture partner's share	26,104	25,064	102,778	^^ 112,076
Group's average entitlement per day	284	272	281	307
^^ For FY 2003, before the 40% farm out to Geopetrol in Mar 03, the Group's entitlement in Jan 03 and Feb 03 was 100% and after the farm out, Mar 03 to Dec 03, the Group's entitlement was 60%.				
Indonesia Concession	4Q 2004 barrels	4Q 2003 barrels	FY 2004 barrels	FY 2003 barrels
Gross average production per day	729	-	715	-
Gross production (1 Apr 2004 to 31 Dec 2004)	67,082	NA	196,541	NA
Non-shareable oil	(8,350)	NA	(26,761)	NA
Net production shareable with Pertamina	58,732	-	169,781	-
Group's 70% net entitlement after joint venture partner's share	41,112	-	118,847	-
Group's average entitlement per day	447	-	325	-
Total	4Q 2004 barrels	4Q 2003 barrels	FY 2004 barrels	FY 2003 barrels
Group's total net entitlement	67,216	25,064	221,625	112,076
Group's total average entitlement per day	731	272	606	307

9 WHERE A FORECAST, OR A PROSPECT STATEMENT, HAS BEEN PREVIOUSLY DISCLOSED TO

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

10 COMMENTARY ON PROSPECTS**Myanmar Concessions**

Following the new discovery in the lower horizons, Goldpetrol, the operator of the project has appointed Schlumberger to conduct a detailed geophysical, geological, and engineering studies. One of the goals of this study is to solve the underperformance of production in 2004, including the best method to produce from the discovered lower horizons. This study is expected to be completed in the second quarter of 2005.

Indonesia Concession

While awaiting results of the detailed geophysical, geological, and engineering studies of the Myanmar operations, the Group shifts its focus to the Tanjung Miring Timur field in South Sumatra Indonesia. In the last quarter of year 2004, Retco, the operator of the field completed the three-well drilling program which commenced late third quarter of 2004 with a cost of approximately US\$2.29 million. One of the wells is currently producing about 80 barrels of oil per day whereas the other two wells are still being monitored and awaiting production lifting equipment.

New Venture Opportunities

On 22 December 2004, the Group formed a consortium with Citigroup Financial Products Inc., and signed a conditional sale and purchase Agreement to acquire Mitsubishi Corporation's 5% non-operating working interests in the SES PSC and ONWJ PSC. As this is a major acquisition exercise for the Group, an Extraordinary General Meeting will be held in March 2005 to obtain the approval of shareholders.

11 DIVIDEND

No dividend for the year ended 31 December 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 FY 2004 S\$	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) FY 2004 S\$
Subianto Arpan Sumodikoro *	398,598	-

* Mr Subianto Arpan Sumodikoro, appointed as a director of the Company on 14 December 2004, is a deemed substantial shareholder of Interra through Canyon Gate Investments Ltd. He is also a director and shareholder of Multi-Co which owns all the shares in Contium. The above transactions are in relation to rig rental services provided by Contium to Goldpetrol.

13 RESTATEMENT OF RESULTS FOR PERIOD ENDED 30 SEPTEMBER 2004

As announced on 28 February 2005, the Group's 70% interest in TAC Tanjung Miring Timur ("TMT") in South Sumatra Indonesia has been reorganized on a farm in-farm out basis. Previously, the Group's interest in TAC TMT was held through a wholly owned subsidiary, PT Central Infinity Utama ("CIU") which owned 70% of PT Retco Prima Energi ("Retco"), which in turn owned 100% of the interest in TAC TMT. Thus, 100% of TAC TMT financial statements was **fully consolidated** into the Group's financial statements.

After the reorganization, the Group now owns 70% of the interest in TAC TMT through a wholly owned subsidiary, Goldwater TMT Pte. Ltd. ("GMT"), a Singapore incorporated company. Retco owns the remaining 30% of the interest in TAC TMT and CIU and Retco are no longer subsidiaries of Group. As a result, TAC TMT financial statements are now **proportionately consolidated** into the Group's financial statements whereby only 70% of the assets, liabilities, revenue and expenses of TAC TMT is being consolidated. This change has no impact on the Group's profit attributable to shareholders.

The effect of the change in consolidation method on the Group's financial statements for the period ended 30 September 2004 which was announced previously is set out below.

Group Profit and Loss Account	9M 2004		9M 2004
	Previously Reported	Restatement Adjustments	(Restated)
	S\$'000		S\$'000
Revenue	9,151	(1,683)	7,468
Cost of production	(6,821)	1,316	(5,505)
Gross profit	2,330	(367)	1,963
Operating income	715	(1)	714
Administrative expenses	(2,099)	222	(1,877)
Depreciation and amortization	(672)	2	(670)
Other operating expenses	(32)	(11)	(43)
Profit/(Loss) from operations before exceptional items	242	(155)	87
Exceptional items			
Gain from farm out	-	-	-
Profit/(Loss) from operations	242	(155)	87
Finance costs	-	-	-
Profit/(Loss) from ordinary activities before taxation	242	(155)	87
Taxation	(306)	-	(306)
(Loss)/Profit from ordinary activities after taxation	(64)	(155)	(219)
Minority interests	(155)	155	-
(Loss)/Profit attributable to shareholders	(219)	-	(219)

Group Consolidated Balance Sheet	30 Sep 2004 Previously Reported S\$'000	Restatement Adjustments	30 Sep 2004 (Restated) S\$'000
Non-Current Assets			
Property, plant & equipment	1,608	(103)	1,505
Exploration, evaluation and development cost	25,928	(2,271)	23,657
Intangibles	9,927	(66)	9,861
Interest in subsidiaries	-	-	-
Goodwill on consolidation	6,421	(3,983)	2,438
Participation Rights	-	3,983	3,983
	43,884	(2,440)	41,444
Current Assets			
Inventories	1,927	(129)	1,798
Trade receivables	3,143	(692)	2,451
Deposit, other receivables and prepayment	328	227	555
Cash and bank balances	9,333	(463)	8,870
	14,731	(1,057)	13,674
Current Liabilities			
Trade payables	(1,336)	278	(1,058)
Amount due to related parties (trade)	(1,560)	-	(1,560)
Other payables and accruals	(2,433)	411	(2,022)
Provision for tax	(1,704)	-	(1,704)
	(7,033)	689	(6,344)
Net Current Assets	7,698	(368)	7,330
Non-Current Liabilities			
Loan from shareholders	(5,019)	-	(5,019)
Loan from related party (non-trade)	(2,362)	-	(2,362)
Loan from shareholders of Retco	(1,433)	1,433	-
Deferred income	(9,302)	62	(9,240)
	(18,116)	1,495	(16,621)
Net Assets	33,466	(1,313)	32,153
Shareholders' equity and minority interests			
Share capital	48,132	-	48,132
Reserves	(15,798)	(181)	(15,979)
Shareholders' equity	32,334	(181)	32,153
Minority interests	1,132	(1,132)	-
	33,466	(1,313)	32,153

14 ABBREVIATIONS

4Q 2003	means	Fourth calendar quarter of year 2003
4Q 2004	means	Fourth calendar quarter of year 2004
BOPD	means	Barrels of Oil Per Day
CIU	means	PT Central Infinity Utama
Contium	means	Contium Engineers Far East Pte Ltd
FRS	means	Financial Reporting Standards
FY 2003	means	Full year ended 31 December 2003
FY 2004	means	Full year ended 31 December 2004
Geopetrol	means	Geopetrol Singu 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
GTMT	means	Goldwater TMT Pte. Ltd.
Interra	means	Interra Resources Limited
IPR	means	Improved Petroleum Recovery
Multi-Co	means	Multi-Corporation (S) Pte Ltd
NA	means	Not applicable
NM	means	Not meaningful
ONWJ	means	Offshore North West Java
Pertamina	means	Perusahaan Pertambangan Minyak Dan Gas Bumi Negara
PSC	means	Production Sharing Contract
Retco	means	PT Retco Prima Energi
Schlumberger	means	Schlumberger Logelco Inc.
SES	means	South East Sumatra
TAC	means	Technical Assistance Contract
TMT	means	Tanjung Miring Timur

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.