

[Print this page](#)**First Quarter * Financial Statement And Dividend Announcement**

* Asterisks denote mandatory information


Name of Announcer *	INTERRA RESOURCES LIMITED
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Announcement submitted on behalf of	INTERRA RESOURCES LIMITED
Announcement is submitted with respect to *	INTERRA RESOURCES LIMITED
Announcement is submitted by *	SUGIHARTO SOELEMEN
Designation *	EXECUTIVE DIRECTOR
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For the Financial Period Ended *	31-12-2004
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**INTERRA RESOURCES LIMITED
UNAUDITED RESULTS FOR THE PERIOD
ENDED 31 MARCH 2005**

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1(a)(i) PROFIT AND LOSS STATEMENT

Group	Note	1Q 2005 S\$'000	1Q 2004 S\$'000	Change %
Revenue		3,684	1,091	+ 238
Cost of production	A	(1,983)	(653)	- 204
Gross profit		1,701	438	+ 288
Operating income	B	256	238	+ 8
Administrative expenses		(694)	(370)	- 88
Depreciation and amortization	C	(275)	(252)	- 9
Other operating expenses	D	-	(38)	+ 100
Profit from operations		988	16	+ 6,075
Finance costs		-	-	NM
Profit before taxation		988	16	+ 6,075
Taxation		(125)	(82)	- 52
Profit/(Loss) after tax		863	(66)	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	1Q 2005 S\$'000	1Q 2004 S\$'000
A Cost of production		
Production expenses	1,470	502
Depreciation of property, plant and equipment of oil operations	134	49
Amortization of exploration, evaluation and development cost	379	102
	1,983	653
B Operating income		
Management fees	-	58
Interest income	24	-
Deferred income	174	180
Foreign exchange gain, net	58	-
	256	238
C Depreciation and amortization		
Property, plant and equipment	20	12
Concession rights	12	13
Goodwill on reverse acquisition	-	47
Participation rights	69	-
Intangible benefits	174	180
	275	252
D Other operating expenses		
Foreign exchange loss, net	-	38
	-	38

1(b)(i) BALANCE SHEET

	Group		Company	
	31-Mar-05 S\$'000	31-Dec-04 S\$'000	31-Mar-05 S\$'000	31-Dec-04 S\$'000
Non-Current Assets				
Property, plant and equipment	2,041	1,597	34	35
Exploration, evaluation and development cost	24,413	24,142	-	-
Intangibles	9,027	9,135	-	-
Interest in subsidiaries	-	-	41,639	41,031
Interest in associates	887	-	887	-
Goodwill on reverse acquisition	2,438	2,438	-	-
Participation rights	3,261	3,302	-	-
	42,067	40,614	42,560	41,066
Current Assets				
Inventories	1,624	1,881	-	-
Trade receivables	3,140	2,282	-	-
Deposit, other receivables and prepayment	265	413	84	255
Cash and bank balances	5,918	7,775	4,871	5,930
Amount due from joint venture partners	9	-	-	-
	10,956	12,351	4,955	6,185
Current Liabilities				
Trade payables	(1,154)	(1,296)	-	-
Amount due to related parties (trade)	(776)	(1,753)	-	-
Other payables and accruals	(2,065)	(2,039)	(697)	(204)
Provision for tax	(1,911)	(1,770)	-	-
	(5,906)	(6,858)	(697)	(204)
Net Current Assets	5,050	5,493	4,258	5,981
Non-Current Liabilities				
Loan from a director	(2,315)	(2,296)	-	-
Loan from a substantial shareholder	(2,461)	(2,439)	-	-
Loan from a related party	(2,461)	(2,439)	-	-
Deferred income	(8,446)	(8,546)	-	-
	(15,683)	(15,720)	-	-
Net Assets	31,434	30,387	46,818	47,047
Capital and Reserves				
Share capital	48,132	48,132	48,132	48,132
Reserves	(16,698)	(17,745)	(1,314)	(1,085)
Shareholders' Equity	31,434	30,387	46,818	47,047

1(b)(ii) BORROWINGS AND DEBT SECURITIES

Group	31-Mar-05		31-Dec-04	
	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	-	7,237	-	7,174

Details of Collateral

Not applicable

1(c) CASH FLOW STATEMENT

Group	1Q 2005 S\$'000	1Q 2004 S\$'000
Cash Flows from Operating Activities		
Profit from ordinary activities before taxation	988	16
Adjustments for non-cash items:		
Currency re-alignment and translation	60	(17)
Depreciation of property, plant and equipment	154	61
Amortization of:		
Exploration, evaluation and development cost	379	102
Concession rights	12	13
Intangible benefits	174	180
Goodwill on reverse acquisition	-	47
Participation rights	69	-
Interest income	(24)	-
Deferred income	(174)	(180)
Exchange difference	(58)	33
Operating profit before working capital changes	1,580	255
Inventories	258	400
Trade and other receivables	(743)	(27)
Trade and other payables	(161)	27
Accrued operating expenses	70	(105)
Amount due to related parties (trade)	(978)	(1,034)
Amount due to directors	-	(3)
Net cash inflow/ (outflow) from operating activities	26	(487)
Cash Flows from Investing Activities		
Interest income received	24	-
Investment in associate companies	(887)	-
Additional investments in production phase properties:		
Purchase of property, plant and equipment	(185)	(320)
Well drillings and improvements	(771)	(1,155)
Geological and geophysical studies	(64)	-
Refund of deposit placed for possible acquisition	-	2,511
Net cash (outflow)/inflow from investing activities	(1,883)	1,036
Cash Flows from Financing Activities		
None for the quarter	-	-
Net cash inflow/(outflow) from financing activities	-	-
Net (outflow)/inflow of cash and cash equivalents	(1,857)	549
Cash and cash equivalents at beginning of period	7,775	4,122
Cash and cash equivalents at end of period	5,918	4,671

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 2004	44,132	98,300	(27)	(135,458)	10,355	17,302
Translation differences	-	-	108	-	-	108
Net loss after tax for 1Q 2004	-	-	-	-	(66)	(66)
Balance as at 31 Mar 2004	44,132	98,300	81	(135,458)	10,289	17,344
Balance as at 1 Jan 2005	48,132	109,277	(1,146)	(135,458)	9,582	30,387
Translation differences	-	-	184	-	-	184
Net profit after tax for 1Q 2005	-	-	-	-	863	863
Balance as at 31 Mar 2005	48,132	109,277	(962)	(135,458)	10,445	31,434

Company	Share Capital S\$'000	Share Premium S\$'000	Accumulated Losses S\$'000	Total S\$'000
Balance as at 1 Jan 2004	44,132	163,198	(173,945)	33,385
Net loss after tax for 1Q 2004	-	-	(238)	(238)
Balance as at 31 Mar 2004	44,132	163,198	(174,183)	33,147
Balance as at 1 Jan 2005	48,132	174,175	(175,260)	47,047
Net loss after tax for 1Q 2005	-	-	(229)	(229)
Balance as at 31 Mar 2005	48,132	174,175	(175,489)	46,818

1(d)(ii) SHARE CAPITAL

No additional share capital was issued in 1Q 2005.

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 2004.

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

Not applicable.

6 EARNINGS PER SHARE

Group	1Q 2005	1Q 2004
Earnings per ordinary share based on weighted average number of ordinary shares in issue (cents) #	+ 0.090	- 0.007
Earnings per ordinary share on a fully diluted basis (cents)	+ 0.090	- 0.007
# Weighted average number of ordinary shares in issue	962,635,120	882,635,120

See footnote (E) below

7 NET ASSET VALUE PER SHARE

	Group		Company	
	31-Mar-05	31-Dec-04	31-Mar-05	31-Dec-04
Net asset value per ordinary share based on issued share capital (cents) ^	3.265	3.157	4.864	4.887
^ Number of ordinary shares in issue	962,635,120	962,635,120	962,635,120	962,635,120

See footnote (E) below

Note E

On 27 April 2005, the Company's shares were consolidated from five ordinary shares of S\$0.05 each to one ordinary share of S\$0.25 each. Assuming that shares were consolidated at the beginning of 1Q 2005, the effects on the earnings per share for 1Q 2005 and net asset value per share as at end of 1Q 2005 are as follows:

Earnings per share after share consolidation	1Q 2005
Earnings per ordinary share based on weighted average number of ordinary shares #	+ 0.450
Earnings per ordinary share on a fully diluted basis (cents)	+ 0.450
# Weighted average number of ordinary shares of S\$0.25 each	192,527,024

Net asset value per share after share consolidation	31-Mar-05	
	Group	Company
Net asset value per ordinary share based on issued share capital (cents) ^	16.325	24.320
^ Number of ordinary shares of S\$0.25 each	192,527,024	192,527,024

8(i) **PERFORMANCE REVIEW****Significant factors affecting the turnover, costs and earnings of the Group**

Revenue increased by S\$2.6 mil (238%) in 1Q 2005 compared with 1Q 2004 from S\$1.1 mil to S\$3.7 mil. This was due mainly to

(1) *TAC Tanjung Miring Timur ("TAC TMT") 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 S\$2.3 mil for this quarter.

(2) *Higher oil price*

The higher oil price also contributed to the increase in revenue. The weighted average oil price in 1Q 2005 of approximately US\$46.50 was 52% higher than in 1Q 2004 of approximately US\$30.60.

Corresponding with the inclusion of TAC TMT operations into the Group's results, cost of production increased by S\$1.3 mil (204%) from S\$0.7 mil in 1Q 2004 to S\$2.0 mil. Overall, the gross profit increased by S\$1.3 mil (288%) in 1Q 2005 compared with 1Q 2004.

The Group's Earnings before interest, tax, depreciation and amortisation ("EBITDA") and Earnings before interest and tax ("EBIT") also improved in 1Q 2005 compared with 1Q 2004. In 1Q 2005, the Group posted an EBITDA of S\$2.0 mil (EBITDA margin of 53%) compared with S\$0.6 mil in 1Q 2004. This increase was due to the additional contribution from TAC TMT operations. EBITDA contribution from Myanmar operations remained unchanged at S\$0.6 mil in 1Q 2005 compared with 1Q 2004.

However in terms of EBIT, Myanmar operations registered a lower gain of S\$0.3 mil (EBIT margin of 22%) compared with S\$0.4 mil (EBIT margin of 39%) for the same quarter last year. The lower EBIT was due mainly to higher amortisation expenses for Myanmar operations this year as the Group began amortising wells and drilling cost which was put into commercial production. The increase in amortisation expense was also due to a revision in the amortisation rates of Exploration, evaluation and development cost of Myanmar operations to better reflect the current level of production.

All in all, the Group posted a net profit after tax of S\$863k in 1Q 2005 compared with a net loss after tax of S\$66k in 1Q 2004.

Material factors affecting the cash flow, working capital, assets or liabilities of the Group during the current financial period

Despite having a net profit after tax for the quarter, the cash flow from operating activities remained flat. This was due to timing difference between the actual sales and sales proceeds received. The Group also made large payments to trade creditors this quarter for expenses which were incurred in FY 2004.

Net cash outflow from investing activities of S\$1.9 mil was mainly due to

- (1) additional capital expenditure (S\$0.5 mil) to complete the 2004 three well drilling program in TAC TMT
- (2) additional capital expenditure (S\$0.3 mil) for workover activities in TAC TMT and Myanmar operations
- (3) acquisition cost incurred to date (S\$0.9 mil) to acquire the Group's 50% stake in the 5% interests in South East Sumatra PSC and Offshore North West Java PSC.

8(ii) SEGMENTED REVENUE AND RESULTS

Geographical Segment	Revenue		Earnings before Interest, Depreciation, Amortisation and Tax (EBITDA)		Earnings before Interest and Tax (EBIT)	
	1Q 2005 S\$'000	1Q 2004 S\$'000	1Q 2005 S\$'000	1Q 2004 S\$'000	1Q 2005 S\$'000	1Q 2004 S\$'000
Myanmar	1,365	1,091	595	595	297	425
Indonesia @	2,319	NA	1,374	NA	1,063	NA
Group	3,684	1,091	1,969	595	1,360	425

@ 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

Myanmar Concessions Production	1Q 2005 barrels	1Q 2004 barrels
Average gross production per day	2,178	2,258
Gross production	195,990	203,182
Non-shareable production	(154,485)	(163,103)
Production shareable with Myama Oil and Gas Enterprise	41,505	40,079
Group's 60% production shareable with MOGE	24,903	24,047
Group's average production per day	277	264

Myanmar Concessions Revenue	1Q 2005	1Q 2004
Weighted average oil price transacted US\$	46.512	30.637
Revenue shareable with MOGE US\$'000	1,158	737
MOGE's share US\$'000	(325)	(93)
Group's net share of revenue in US\$ US\$'000	833	644
Group's net share of revenue in S\$ S\$'000	1,365	1,091

Indonesia Concession Production	1Q 2005 barrels	1Q 2004 barrels
Average gross production per day	718	NA
Gross production	64,664	NA
Non-shareable production	(8,010)	NA
Production shareable with Pertamina	56,654	NA
Group's 70% production shareable with Pertamina	39,658	NA
Group's average production per day	441	NA

Indonesia Concession Revenue	1Q 2005	1Q 2004
Weighted average oil price transacted US\$	46.854	NA
Revenue shareable with Pertamina US\$'000	1,858	NA
Pertamina's share US\$'000	(442)	NA
Group's net share of revenue in US\$ US\$'000	1,416	NA
Group's net share of revenue in S\$ S\$'000	2,319	NA

Group Production and Revenue	1Q 2005	1Q 2004
Group's shareable production barrels	64,561	24,047
Group's average production per day barrels	717	264
Group's total revenue in S\$ S\$'000	3,684	1,091

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 and financial year ended 31 December 2004.

10 COMMENTARY ON PROSPECTS

Barring any unforeseen circumstances, the Group expects positive contributions from the completion of the acquisition of 50% stake in MC Oil & Gas Java BV and MC Oil & Gas Sumatra BV, which own 5% interests in ONWJ PSC and SES PSC respectively. This is dependent on the share of profits from these two PSCs and the financing costs. Whilst the crude oil price is expected to remain strong, there is no certainty that such oil price could be sustained.

11 DIVIDEND

No dividend for the period ended 31 March 2005 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 1Q 2005 S\$	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) 1Q 2005 S\$
Subianto Arpan Sumodikoro *	Nil	Nil

* Mr Subianto Arpan Sumodikoro is a director of the Company and is a deemed substantial shareholder of the Company through Canyon Gate Investments Ltd. He is also a director and shareholder of Multi-Co.

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

13 ABBREVIATIONS

1Q 2005	means	First calendar quarter of year 2004
1Q 2004	means	First calendar quarter of year 2005
BOPD	means	Barrels of Oil Per Day
FRS	means	Financial Reporting Standards
FY 2005	means	Full year ended 31 December 2005
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
MOGE	means	Myanmar Oil and Gas Enterprise
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
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.