INTERRA RESOURCES LIMITED
Company Registration No. 197300166Z

7 August 2007

Dear Shareholders

UNAUDITED RESULTS FOR THE QUARTER ENDED 30 JUNE 2007

Main Events

- Higher net profit for the quarter of US$0.28 million as compared with the first quarter of 2007
- Completion of drilling wells TMT-48 and TMT-49 and commencement of drilling well TMT-50 at Tanjung Miring Timur in Indonesia

The Board of Directors of Interra Resources Limited (the "Company" or "Interra") wishes to announce that for the second quarter ("Q2") of 2007, the Group earned a net profit after tax of US$0.28 million compared to US$0.01 million in Q1 2007.

Q2 2007 vs Q1 2007

Revenue increased almost 23% to US$3.46 million during Q2 2007 compared to US$2.82 million in Q1 2007. The increase is due to a combination of:

1. increased shareable production for the quarter of 68,960 barrels of oil compared to 66,269 barrels of oil in the previous quarter. This was an increase of 2,691 barrels of oil (a 4.1% increase). The newly drilled well at Tanjung Miring Timur ("TMT"), TMT-48, commenced production on 10 May 2007; and

2. higher weighted average oil price which increased from US$57.81 per barrel in Q1 2007 to US$68.16 per barrel in Q2 2007.

The cost of production in Q2 2007 reduced to 67.6% of revenue compared to 70.3% during Q1 2007. However, net profit for Q2 2007 of US$0.28 million was lower than would otherwise have been expected due to a one time write off of a Value Added Tax ("VAT") receivable of US$0.14 million arising from uncertainty surrounding the treatment of VAT for all Technical Assistant Contracts ("TACs") in Indonesia. Under the TMT TAC, VAT incurred should be reimbursed directly instead of being charged as operating cost. Pending clarification from BP Migas (the governing body of the upstream oil and gas industry in Indonesia), Pertamina has advised all affected TACs to charge VAT as operating cost so that it can be cost recovered from oil entitlements under the contracts.

Payments in respect of Myanmar trade receivables continued to be irregular. The Board has prudently decided to increase impairment and allowances by US$0.09 million in Q2 2007 as compared to an increase in impairment and allowances of US$0.14 million in Q1 2007. As at the date of this report, the Group has received a total of 6 payments in 2007 from the Myanma Oil and Gas Enterprise ("MOGE"). During 2006, the Group received 7 payments. Pending settlement of the issue of outstanding accounts receivable, the Group has reduced operating costs where possible and does not intend to undertake any significant additional capital expenditure in Myanmar.

6M 2007 vs 6M 2006

Gross profit for the first 6 months ("6M") of 2007 was US$1.96 million compared to US$2.58 million for 6M 2006. The year on year decrease was due to lower shareable production in 6M 2007 of 135,229 barrels of oil compared to 138,782 barrels of oil in 6M 2006 (a decrease of 2.6%). The weighted average oil price for 6M 2007 of US$63.11 per barrel was lower than that of the corresponding period in 2006 of US$64.97 per barrel. The cost of production in 6M 2007 of US$4.32 million was higher compared to US$4.03 million for 6M 2006 (an increase of 7.1%). The net profit after tax recorded in 6M 2007 of US$0.29 million was lower than the net profit after tax in 6M 2006 of US$0.88 million due to the absence of the Group's 2.5% net working interest in SES and ONWJ which was divested in August 2006.

Other Events

As previously announced, at TMT in Indonesia, the operator completed drilling an infill well, TMT-48, as a producing well. This well is currently producing approximately 140 barrels of oil per day on a self flowing basis. The drilling of well TMT-49 has also been completed and it is currently undergoing testing for hydrocarbons. The operator has also commenced drilling a third well, TMT-50. These wells are part of a 3-well infill development program which is anticipated to be completed in mid to late 2007. The total cost of the 3 wells as completed producers is estimated to be US$3.70 million. The Group's share of this cost is about US$2.60 million. Subject to Pertamina approval and drilling rig availability, the Group is also expected to expend a further US$0.35 million for deepening drilling of well TMT-44 in late 2007.

Ongoing work is being conducted with respect to the 3 onshore exploration blocks in Thailand which the Group has conditionally farmed into on 29 Apr 2007. These activities include working with the Thai Ministry of Energy to obtain government ratification of the farmin and also obtaining approval for the proposed work plans for the blocks.

Yours sincerely,

The Board of Directors
Interra Resources Limited

INTERRA RESOURCES LIMITED
UNAUDITED RESULTS FOR THE QUARTER ENDED 30 JUNE 2007

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From 1 Sep 2006 onwards, the Company's functional currency and the Group's reporting currency changed from SGD to USD. The figures for the respective periods in FY 2006 have been translated into USD for comparison purposes.

1(a)(i) PROFIT AND LOSS STATEMENT

Group	Note	Q2 2007 US$'000	Q2 2006 Restated US$'000	Change %	6M 2007 US$'000	6M 2006 Restated US$'000	Change %
Revenue	A1	3,455	3,533	↓ 2	6,271	6,613	↓ 5
Cost of production	A2	(2,336)	(2,311)	↑ 1	(4,316)	(4,031)	↑ 7
Gross profit		**1,119**	**1,222**	↓ 8	**1,955**	**2,582**	↓ 24
Other income	A3	315	237	↑ 33	630	482	↑ 31
Administrative expenses		(692)	(593)	↑ 17	(1,395)	(1,125)	↑ 24
Impairment and allowances	A4	(93)	(402)	↓ 77	(229)	(1,098)	↓ 79
Other operating expenses	A5	(71)	(118)	↓ 40	(129)	(209)	↓ 38
Finance costs	A6	(63)	(370)	↓ 83	(126)	(776)	↓ 84
Share of profit after tax of associates		-	886	NM	-	1,575	NM
Loss from bond redemption	A7	-	(81)	NM	-	(81)	NM
Profit before tax		**515**	**781**	↓ 34	**706**	**1,350**	↓ 48
Income tax expense		(235)	(253)	↓ 7	(415)	(470)	↓ 12
Profit after tax		**280**	**528**	↓ 47	**291**	**880**	↓ 67

↑ means increase
↓ means decrease
NM = not meaningful

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

Group	Q2 2007 US$'000	Q2 2006 Restated US$'000	6M 2007 US$'000	6M 2006 Restated US$'000
A1 Revenue				
Sales of crude oil (see 8(iii) for production profile)	3,455	3,533	6,271	6,613
A2 Cost of production				
Production expenses	2,022	1,873	3,709	3,168
Depreciation of property, plant and equipment	104	109	200	216
Amortisation of exploration, evaluation and development costs	208	327	403	643
Amortisation of computer software	2	2	4	4
	2,336	2,311	4,316	4,031
A3 Other income				
Interest income from deposits	274	38	554	75
Interest income from associates	-	57	-	110
Deferred income	-	107	-	213
Petroleum services fees	35	32	70	64
Other income	6	3	6	20
	315	237	630	482
A4 Impairment and allowances				
Allowance for doubtful debts	-	402	-	1,098
Impairment of exploration, evaluation and development costs	93	-	229	-
	93	402	229	1,098
A5 Other operating expenses				
Depreciation of property, plant and equipment	11	8	22	15
Amortisation of concession rights	2	7	4	14
Amortisation of participation rights	42	42	84	85
Amortisation of intangible benefits	-	107	-	213
Foreign exchange loss/(gain), net	16	(46)	19	(118)
	71	118	129	209
A6 Finance costs				
Interest expense amortisation for bonds issued	-	289	-	613
Interest expense on loan from a related party	-	22	-	45
Deemed interest expense on interest free loans	63	59	126	118
	63	370	126	776
A7 Loss from bond redemption				
Loss from bond redemption is an one-off accounting write-off between the carrying value of the bond as at the date of redemption and the deemed proceeds arising from the warrant exercise.				

1(b)(i) BALANCE SHEET

	Note	Group 30-Jun-07 US$'000	Group 31-Dec-06 US$'000	Company 30-Jun-07 US$'000	Company 31-Dec-06 US$'000
Non-Current Assets					
Property, plant and equipment		809	742	38	24
Exploration, evaluation and development costs	B1	6,671	6,155	-	-
Intangible assets	B2	3,418	3,282	8	8
Interest in subsidiary companies	B1	-	-	10,503	10,616
Investments	B3	826	1,041	4	4
		11,724	11,220	10,553	10,652
Current Assets					
Inventories		1,446	1,542	-	-
Work in progress		-	61	-	-
Trade receivables (net)	B4	3,457	2,610	-	-
Other receivables, deposits and prepayments		419	676	139	87
Cash and bank balances	B5	24,292	24,229	20,570	20,736
		29,614	29,118	20,709	20,823
Total Assets		41,338	40,338	31,262	31,475
Current Liabilities					
Trade payables		(523)	(516)	-	-
Other payables and accruals		(2,337)	(2,074)	(323)	(403)
Provision for taxation		(3,132)	(2,706)	(3)	(3)
Loan from a director (current)	B6	(1,336)	-	-	-
Loan from a substantial shareholder (current)	B6	(1,415)	-	-	-
Loan from a third party (current)	B6	(1,415)	-	-	-
		(10,158)	(5,296)	(326)	(406)
Non-Current Liabilities					
Loan from a director	B6	-	(1,293)	-	-
Loan from a substantial shareholder	B6	-	(1,374)	-	-
Loan from a third party	B6	-	(1,374)	-	-
Provision for enviromental and restoration costs		(182)	(79)	-	-
		(182)	(4,120)	-	-
Total Liabilities		(10,340)	(9,416)	(326)	(406)
Net Assets		30,998	30,922	30,936	31,069
Representing:					
Share capital		40,109	40,109	40,109	40,109
Reserves		(9,111)	(9,187)	(9,173)	(9,040)
		30,998	30,922	30,936	31,069

Explanatory Notes to Balance Sheet

B1 In view of the circumstances in Myanmar, the Group performs quarterly assessment of the carrying value of the assets relating to Myanmar projects. These assets comprise exploration, evaluation and development costs, concession rights and trade receivables. It was assessed that a further impairment of exploration, evaluation and development costs of US$0.09 mil was required for Q2 2007 and a total of US$0.23 mil for 6M 2007.

B2 Details on intangible assets are as follows:-

	Group	
	30-Jun-07 US$'000	31-Dec-06 US$'000
Computer software	27	31
Goodwill on reverse acquisition	1,489	1,489
Participating and concession rights	1,673	1,762
Acquisition costs for exploration concessions in Thailand	229	-
	3,418	3,282

B3 Details on investments are as follows:-

	Group	
	30-Jun-07 US$'000	31-Dec-06 US$'000
(a) Financial assets, available-for-sale *		
Quoted equity at cost		
Salamander Energy plc		
- 205,181 ordinary shares of 10p each	1,000	1,000
Fair value (loss) / gain recognised in equity	(178)	37
Market value	822	1,037
(b) Other investments		
Club membership	4	4
	826	1,041

* Under FRS 39 - Financial Instruments: Recognition and Measurement ("FRS 39"), financial assets held as “available-for-sale” are initially recognised at their fair value and subsequently re-measured at fair value. Any changes in fair value is taken into equity directly. This means that any gain or loss arising from the change in fair value is not taken into the Profit and Loss Statement but to the equity section of the Balance Sheet as fair value reserves. Gains or losses will only be taken into the Profit and Loss Statement when the investments are sold.

B4 Details on trade receivables (net) are as follows:-

	Group	
	30-Jun-07 US$'000	31-Dec-06 US$'000
Trade receivables	6,374	5,527
Allowance for doubtful debts	(2,917)	(2,917)
	3,457	2,610

Explanatory Notes to Balance Sheet

B5 Details on cash and cash equivalents are as follows:-

	Group 30-Jun-07 US$'000	Group 31-Dec-06 US$'000
Cash at bank and on hand	546	1,725
Fixed deposits	23,746	22,504
Cash and bank balances (as per Balance Sheet)	**24,292**	**24,229**
Less: Cash collateral	(4,187)	-
Cash and cash equivalents (as per Cash Flow Statement)	**20,105**	**24,229**

Cash collateral represents fixed deposits of the Company pledged as security for issuance of the bank guarantees in favour of the Thai Ministry of Energy for a period of up to 3 years.

B6 These are unsecured and interest free loans from a director, a substantial shareholder and a third party which are stated at amortised cost in accordance with FRS 39. The difference between the loan amount and present value of the loan is amortised as deemed interest expense over 37 months from Apr 2005 to Apr 2008. As at 30 Apr 2007, all these loans were reclassified from non-current liabilities to current liabilities as the undertaking not to demand repayment from the Group is now less than 12 months away (ie 30 Apr 2008).

	Group 30-Jun-07 US$'000	Group 31-Dec-06 US$'000
Loans from a director, a substantial shareholder and a third party	4,381	4,381
Less: Unamortised deemed interest expense	(215)	(340)
	4,166	4,041

1(b)(ii) BORROWINGS AND DEBT SECURITIES

Group	30-Jun-07 Secured US$'000	30-Jun-07 Unsecured US$'000	31-Dec-06 Secured US$'000	31-Dec-06 Unsecured US$'000
Amount repayable in one year or less, or on demand	-	4,166	-	-
Amount repayable after one year	-	-	-	4,041

Details of Collateral

Not applicable.

1(c) CASH FLOW STATEMENT

Group	Q2 2007 US$'000	Q2 2006 Restated US$'000	6M 2007 US$'000	6M 2006 Restated US$'000
Cash Flows from Operating Activities				
Profit before tax	515	781	706	1,350
Adjustments for non-cash items:				
Foreign currency translation	-	(8)	-	2
Share of profit after tax of associates	-	(886)	-	(1,575)
Depreciation of property, plant and equipment	115	117	222	231
Amortisation of:			-	
Exploration, evaluation and development costs	208	327	403	643
Concession rights	2	7	4	14
Intangible benefits	-	107	-	213
Computer software	2	2	4	4
Participating rights	42	42	84	85
Impairment of exploration, evaluation and development costs	93	-	229	-
Allowance for doubtful debts	-	402	-	1,098
Interest income	(274)	(95)	(554)	(185)
Interest expense	63	370	126	776
Deferred income	-	(107)	-	(213)
Exchange difference	-	(46)	-	(118)
Loss from bond redemption	-	81	-	81
Operating profit before working capital changes	**766**	**1,094**	**1,224**	**2,406**
Changes in working capital:				
Inventories	226	4	96	14
Trade and other receivables	(249)	(378)	(597)	(1,551)
Trade and other payables	248	11	253	(275)
Accrued operating expenses	(41)	137	21	194
Amount due to related parties (trade)	-	(12)	-	(48)
Work in progress	63	10	61	38
Provision for enviromental and restoration costs	53	-	103	-
Tax paid	(1)	(2)	11	(2)
Net cash inflows from operating activities	**1,065**	**864**	**1,172**	**776**
Cash Flows from Investing Activities				
Interest income received	277	38	557	76
Acquisition costs for exploration concessions in Thailand	(229)	-	(229)	-
Investment in associates	-	-	-	(352)
Cash pledged for cash backed bank guarantees	(4,187)	-	(4,187)	-
Capital expenditure:				
Purchase of property, plant and equipment	(249)	(3)	(290)	(34)
Purchase of computer software	-	-	-	(8)
Well drillings and improvements	(903)	-	(1,147)	(30)
Net cash (outflows) / inflows from investing activities	**(5,291)**	**35**	**(5,296)**	**(348)**
Cash Flows from Financing Activities				
Interest paid	-	(607)	-	(629)
Net cash (outflows) from financing activities	**-**	**(607)**	**-**	**(629)**
Net (decrease) / increase in cash and cash equivalents	**(4,226)**	**292**	**(4,124)**	**(201)**
Cash and cash equivalents at beginning of period	24,331	4,337	24,229	4,830
Cash and cash equivalents at end of period (see Note B5)	**20,105**	**4,629**	**20,105**	**4,629**

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

Group	Share Capital US$'000	Warrant Premium Reserves US$'000	Foreign Currency Translation Reserve US$'000	Special Reserves US$'000	Fair Value Reserves US$'000	Retained Earnings US$'000	Total US$'000
Balance as at 1 April 2006	**135,752**	**546**	**(322)**	**(122,344)**	**-**	**7,973**	**21,605**
Issue of new shares	11,562	(546)	-	-	-	-	**11,016**
Effect of change in functional currency	-	-	(72)	-	-	-	**(72)**
Net profit after tax for Q2 2006	-	-	-	-	-	528	**528**
Balance as at 30 June 2006	**147,314**	**-**	**(394)**	**(122,344)**	**-**	**8,501**	**33,077**
Balance as at 1 April 2007	**40,109**	**-**	**(1,224)**	**(16,545)**	**188**	**8,556**	**31,084**
Fair value (loss) on available-for-sale financial assets	-	-	-	-	(366)	-	**(366)**
Net profit after tax for Q2 2007	-	-	-	-	-	280	**280**
Balance as at 30 June 2007	**40,109**	**-**	**(1,224)**	**(16,545)**	**(178)**	**8,836**	**30,998**

Company	Share Capital US$'000	Warrant Premium Reserves US$'000	Foreign Currency Translation Reserve US$'000	Retained (Losses) US$'000	Total US$'000
Balance as at 1 April 2006	**135,752**	**546**	**(322)**	**(108,809)**	**27,167**
Issue of new shares	11,562	(546)	-	-	**11,016**
Effect of change in functional currency	**-**	-	(71)	**-**	**(71)**
Net loss after tax for Q2 2006	-	-	-	(468)	**(468)**
Balance as at 30 June 2006	**147,314**	**-**	**(393)**	**(109,277)**	**37,644**
Balance as at 1 April 2007	**40,109**	**-**	**-**	**(9,168)**	**30,941**
Net loss after tax for Q2 2007	-	**-**	**-**	(5)	**(5)**
Balance as at 30 June 2007	**40,109**	**-**	**-**	**(9,173)**	**30,936**

1(d)(ii) SHARE CAPITAL

No additional share capital was issued in Q2 2007.

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 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 Dec 2006.

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

See 4 above.

6 EARNINGS PER SHARE

Group	Q2 2007	Q2 2006 Restated	6M 2007	6M 2006 Restated
Basic earnings per share (USD cents)	+ 0.109	+ 0.264	+ 0.113	+ 0.448
Weighted average number of shares for the purpose of computing basic earnings per share	256,920,238	200,310,819	256,920,238	196,440,424
Fully diluted earnings per share (USD cents)	+ 0.109	+ 0.237	+ 0.113	+ 0.426
Weighted average number of shares for the purpose of computing fully diluted earnings per share	256,920,238	222,707,832	256,920,238	206,568,056

Basic and fully diluted earnings per share for Q2 2007 and 6M 2007 are based on the weighted average number of 256,920,238 shares. There were no new shares issued in 2007.

In accordance with FRS 33 - Earnings per share ("EPS"), potential shares arising from the conversion of warrant instruments whose subscription price is higher than the average share price of the Company for the relevant period is considered to be anti-dilutive and should be disregarded from the computation of fully diluted earnings per share. As the warrant instrument was converted into shares on 19 Jun 2006, for the purpose of computing fully diluted earnings per share for Q2 2006 and 6M 2006, the relevant period is from 1 Apr 2006 to 18 Jun 2006 and 1 Jan 2006 to 18 Jun 2006 respectively. During this period, the average share price of the Company was S$0.429 and S$0.332 respectively and hence considered to be dilutive.

7 NET ASSET VALUE PER SHARE

	Group		Company	
	30-Jun-07	31-Dec-06	30-Jun-07	31-Dec-06
Net asset value per ordinary share based on issued share capital (USD cents)	12.065	12.035	12.041	12.093
Number of ordinary shares in issue	256,920,238	256,920,238	256,920,238	256,920,238

8(i) PERFORMANCE REVIEW

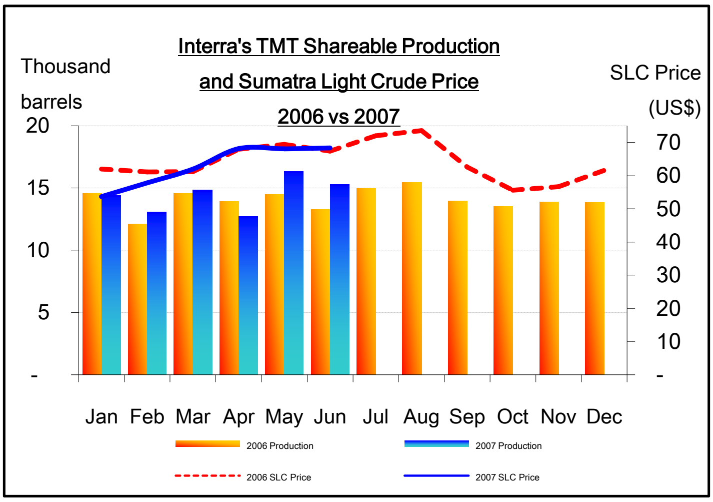
Significant factors affecting the turnover, costs and earnings of the Group

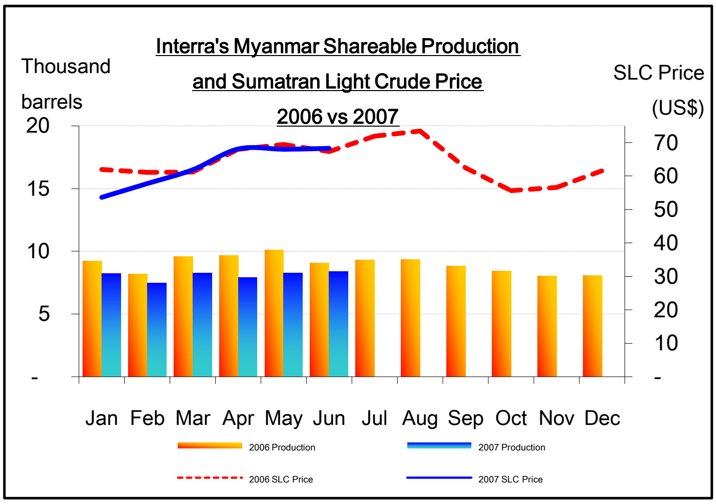
Production & Revenue

Revenue decreased by 2% to US$3.46 mil in Q2 2007 from US$3.53 mil in Q2 2006 due to lower oil price and shareable production. The weighted average oil price transacted during Q2 2007 was US$68.16 per barrel whereas during Q2 2006 it was US$68.28 per barrel. Shareable production for Q2 2007 decreased to 68,960 barrels (758 bopd) from 70,494 barrels (775 bopd) for Q2 2006.

On a year on year basis, the Group's share of shareable production decreased by 3% (3,533 barrels) to 135,229 barrels for 6M 2007 from 138,782 barrels during 6M 2006.

Due to the successful completion of TMT-48 at Tanjung Miring Timur in Indonesia, the shareable production contributed by TMT increased from 41,691 barrels in Q2 2006 (6M 2007: 86,676 barrels) to 44,363 barrels in Q2 2007 (6M 2006: 82,969 barrels). However, shareable production from Myanmar decreased from 28,803 barrels in Q2 2006 (6M 2006: 55,813 barrels) to 24,597 barrels in Q2 2007 (6M 2007: 48,553 barrels). This decrease is not unexpected due to the reduced capital expenditure in Myanmar operations.





Cost of Production

The cost of production in Q2 2007 increased by 1% (US$0.03 mil) as compared to Q2 2006, thus contributing to the decrease in gross profit amounting to 8% (US$0.1 mil). The cost of production would have been lower if not for the one time write off of a Value Added Tax ("VAT") receivable of US$0.14 mil arising from uncertainty surrounding the treatment of VAT for all Technical Assistance Contract ("TAC") in Indonesia. Under the TMT TAC, VAT incurred should be reimbursed directly instead of being charged as operating cost. Pending clarification from BP Migas (the governing body of the upstream oil and gas industry in Indonesia), Pertamina has advised all affected TACs to charge VAT as operating cost so that it can be cost recovered from oil entitlements under the contracts.

On a year on year basis, cost of production in 6M 2007 increased by 7% (US$0.29 mil) from US$4.03 mil in 6M 2006 due mainly to:

(a) drilling expenditure of US$0.11 mil in Myanmar which was expensed off instead of being capitalised due to the prevailing circumstances; and

(b) higher operating expenses at TMT of US$0.13 mil due to higher workover rig rental cost.

Net Profit After Tax

The Group posted a lower net profit after tax of US$0.28 mil in Q2 2007 compared to US$0.53 mil in Q2 2006. Similarly, the Group posted a lower net profit after tax of US$0.29 mil in 6M 2007 as compared to US$0.88 mil in 6M 2006. The higher net profit after tax in Q2 2006 and 6M 2006 was due mainly to contributions from the Group's 2.5% net working interest in ONWJ and SES which was divested in Aug 2006.

Group (Q2 2007)	Profit Before Tax US$'000	Taxation US$'000	Financing Cost US$'000	Net Contribution to Group US$'000	Net Contribution to Group %
TMT	481	(125)	-	356	64%
Myanmar	310	(110)	-	200	36%
Profit / (Loss) from operations	**791**	**(235)**	**-**	**556**	**100%**
Head office expenses and income				(213)	
Deemed interest expense (FRS 39)				(63)	
Income tax (expense) / refund				-	
Net profit after tax				**280**	

Group (6M 2007)	Profit Before Tax US$'000	Taxation US$'000	Financing Cost US$'000	Net Contribution to Group US$'000	Net Contribution to Group %
TMT	908	(226)	-	682	78%
Myanmar	397	(201)	-	196	22%
Profit / (Loss) from operations	**1,305**	**(427)**	**-**	**878**	**100%**
Head office expenses and income				(473)	
Deemed interest expense (FRS 39)				(126)	
Income tax refund				12	
Net profit after tax				**291**	

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

(1) Payment of the Group's trade receivables in respect of Myanmar operations continued to be irregular. In Q2 2007, the Group received only 2 payments from MOGE. Notwithstanding this, the Group generated a net cash inflow from operating activities of US$0.17 mil for Myanmar operations in 6M 2007.

(2) As at 30 Jun 2007, the drilling expenditure incurred on new wells, TMT-48 and TMT-49, amounted to US$0.90 mil. The Group is expected to expend US$2.94 mil in capital expenditure in FY2007 which includes US$0.35 mil for deepening drilling of well TMT-44.

8(ii) SEGMENTED REVENUE AND RESULTS

Geographical Segment	Indonesia		Myanmar		Consolidated	
	Q2 2007	Q2 2006 Restated	Q2 2007	Q2 2006 Restated	Q2 2007	Q2 2006 Restated
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Results						
EBITDA	**694**	875	**445**	206	**1,139**	1,081
EBIT	**472**	640	**312**	(50)	**784**	590
Sales to external customers	**2,249**	2,118	**1,206**	1,415	**3,455**	3,533
Segment results	**504**	660	**312**	(50)	**816**	610
Finance costs					**(63)**	(370)
Share of profit after tax from associates					**-**	886
Unallocated corporate net operating results					**(238)**	(345)
Profit before tax					**515**	781
Income tax expense					**(235)**	(253)
Net profit after tax					**280**	528

Geographical Segment	Indonesia		Myanmar		Consolidated	
	6M 2007	6M 2006 Restated	6M 2007	6M 2006 Restated	6M 2007	6M 2006 Restated
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Results						
EBITDA	**1,320**	1,896	**663**	124	**1,983**	2,020
EBIT	**890**	1,420	**401**	(369)	**1,291**	1,051
Sales to external customers	**4,069**	4,004	**2,202**	2,609	**6,271**	6,613
Segment results	**951**	1,433	**401**	(369)	**1,352**	1,064
Finance costs					**(126)**	(776)
Share of profit after tax from associates					**-**	1,575
Unallocated corporate net operating results					**(520)**	(513)
Profit before tax					**706**	1,350
Taxation					**(415)**	(470)
Net profit after tax					**291**	880

Notes

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

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

8(iii) PRODUCTION PROFILE

Myanmar Production		Q2 2007 barrels	Q2 2006 barrels	6M 2007 barrels	6M 2006 barrels
Average gross production per day		2,010	2,154	2,015	2,149
Gross production		182,870	196,035	364,652	389,032
Non-shareable production		(141,874)	(148,030)	(283,732)	(296,010)
Production shareable with Myanma Oil and Gas Enterprise		40,996	48,005	80,920	93,022
Group's 60% share of production		24,597	28,803	48,553	55,813
Group's average shareable production per day		270	317	268	308

Myanmar Revenue		Q2 2007	Q2 2006	6M 2007	6M 2006
Weighted average transacted oil price	US$	68.16	68.29	63.04	64.97
Revenue shareable with MOGE	US$'000	1,676	1,967	3,061	3,626
MOGE's share	US$'000	(470)	(552)	(859)	(1,017)
Group's net share of revenue	US$'000	1,206	1,415	2,202	2,609

Indonesia Production		Q2 2007 barrels	Q2 2006 barrels	6M 2007 barrels	6M 2006 barrels
Average gross production per day		741	717	730	720
Gross production		67,420	65,277	132,213	130,348
Non-shareable production		(4,045)	(5,719)	(8,392)	(11,823)
Production shareable with Pertamina		63,375	59,558	123,821	118,525
Group's 70% share of production		44,363	41,691	86,676	82,969
Group's average shareable production per day		488	458	479	458

Indonesia Revenue		Q2 2007	Q2 2006	6M 2007	6M 2006
Weighted average transacted oil price	US$	68.16	68.28	63.11	64.88
Revenue shareable with Pertamina	US$'000	3,024	2,847	5,470	5,383
Pertamina's share	US$'000	(775)	(729)	(1,401)	(1,379)
Group's net share of revenue	US$'000	2,249	2,118	4,069	4,004

Group Production and Revenue		Q2 2007	Q2 2006	6M 2007	6M 2006
Group's share of shareable production	**barrels**	**68,960**	**70,494**	**135,229**	**138,782**
Group's average shareable production per day	**barrels**	**758**	**775**	**747**	**767**
Group's total revenue	**US$'000**	**3,455**	**3,533**	**6,271**	**6,613**

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 the last unaudited results announcement for the period ended 31 Mar 2007.

10 COMMENTARY ON PROSPECTS

Barring any unforseen circumstances, the Group expects to continue to earn positive contributions from its working interest in TMT at the current oil price level. As previously announced, at TMT in Indonesia, the operator completed drilling an infill well, TMT-48, as a producing well. This well is currently producing approximately 140 bopd on a self flowing basis. The drilling of well TMT-49 has also been completed and it is currently undergoing testing for hydrocarbons. The operator has also commenced drilling a third well, TMT-50. These wells are part of a 3-well infill development program which is anticipated to be completed in mid to late 2007. The total cost of the 3 wells as completed producers is estimated to be US$3.70 million. The Group's share of this cost is about US$2.59 million. Subject to Pertamina approval and drilling rig availability, the Group is also expected to expend a further US$0.35 million for deepening drilling of well TMT-44 in late 2007. The success or otherwise of these activities will affect the financial performance of TMT.

In Myanmar, the Group continues to receive payment of outstanding invoices from MOGE on an irregular basis. The Group will continue to assess the carrying value of the Group's Myanmar assets and take steps to try to ensure that payments are received in a more timely manner. In the meantime, the Group has reduced operating costs where possible and it does not intend to undertake significant additional capital expenditure until the issue of the outstanding accounts receivable is settled. The actual frequency of future payments by MOGE is a major determining factor of whether the Myanmar operations will be profitable or loss making in the future.

The 3 onshore blocks in Thailand which the Group conditionally farmed into are exploration blocks. Due to the preliminary stage of this project, it is not expected to have any impact on the Group's earnings for FY 2007.

Apart from the existing business operations, the Group continues to actively seek new concessions and acquisitions. There is intense competition for new acreage and existing producing fields. As such, profitable contributions from any new concessions depend on the Group's ability to secure such properties at commercially realistic prices.

11 DIVIDEND

No dividend for the period ended 30 Jun 2007 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) Q2 2007 US$	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) Q2 2007 US$
Nil	Nil	Nil

13 CONFIRMATION BY THE BOARD OF DIRECTORS PURSUANT TO RULE 705(4) OF THE SGX LISTING MANUAL

The Board of Directors of the Company hereby confirms to the best of their knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the quarter ended 30 Jun 2007 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Submitted by
Luke Christopher Targett
Executive Director

7 Aug 2007

14 ABBREVIATIONS

bbl(s)	means	barrel(s) of oil
bopd	means	barrels of oil per day
FRS	means	Financial Reporting Standards
Q2 2006	means	Second calendar quarter of year 2006
Q2 2007	means	Second calendar quarter of year 2007
6M 2007	means	For the period ended 30 June 2007
6M 2006	means	For the period ended 30 June 2006
FY 2006	means	Full year ended 31 December 2006
FY 2007	means	Full year ended 31 December 2007
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 joint ventures
GTMT	means	Goldwater TMT Pte. Ltd.
Interra	means	Interra Resources Limited
IPR	means	Improved Petroleum Recovery
JSXT	means	JSX Energy (Thailand) Limited
k	means	thousand
mil	means	million
MOGE	means	Myanma Oil and Gas Enterprise
NA	means	Not applicable
NM	means	Not meaningful
ONWJ	means	Offshore North West Java PSC
Orchard	means	Orchard Energy Holding Java & Sumatra B.V.
Pertamina	means	Perusahaan Pertambangan Minyak Dan Gas Bumi Negara
PSC	means	Production Sharing Contract
Retco	means	PT Retco Prima Energi
Salamander	means	Salamander Energy plc
SES	means	South East Sumatra PSC
TAC	means	Technical Assistance Contract
TMT	means	Tanjung Miring Timur

This release may contain forward-looking statements that are subject to risk factors associated with oil and gas businesses. 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 including but not limited to: oil and gas price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, general industry conditions, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals, cost estimates, changes in operating expenses, cost of capital and capital availability, interest rate trends 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.