



INTERRA RESOURCES LIMITED

Company Registration No. 197300166Z

27 February 2008

Dear Shareholders

UNAUDITED RESULTS FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2007

Highlights in Q4 2007

- Full year net profit after tax increased to US\$2.26 million
- Quarterly net profit after tax of US\$1.16 million compared to US\$0.82 million in the third quarter of 2007
- Significant increase in production at TMT due to production optimization of a newly drilled well
- Improved payment frequency in Myanmar
- Completion of acquisition of participating interest in 3 onshore exploration blocks in Thailand
- Commencement of 2D seismic acquisition program in Thailand

The Board of Directors of Interra Resources Limited (the "Company" or "Interra") wishes to announce that for the fourth quarter ("Q4") of 2007, the Group earned a net profit after tax of US\$1.16 million compared to US\$0.82 million in the third quarter ("Q3") of 2007.

Q4 2007 Review

Revenue increased by almost 21% to US\$4.89 million during Q4 2007 compared to US\$4.04 million in Q3 2007. The increase is mainly due to a higher weighted average oil price which increased from US\$75.55 per barrel in Q3 2007 to US\$90.84 per barrel in Q4 2007. Total production for the quarter was consistent with the previous period although the cost of production in Q4 2007 increased to US\$2.34 million as compared to US\$2.17 million during Q3 2007. Net profit for Q4 2007 of US\$1.16 million was significantly higher compared to the net profit of US\$0.82 million for Q3 2007.

Production at TMT during December 2007 was in excess of 1,000 barrels of oil per day ("bopd"), some 55% higher than the previous month. The significant increase is due to the introduction of an artificial lift mechanism on one of the wells which was drilled during the year. Production levels at this well continue to be strong but variable.

During Q4 2007, 3 payments were received in respect of Myanmar trade receivables, hence, no additional impairment provision was charged during the period. The Group received a total of 10 payments in 2007 from the Myanma Oil and Gas Enterprise ("MOGE"). During 2006, the Group received 7 payments for the entire year.



FY 2007 Review

Gross profit for FY 2007 was US\$6.37 million compared to US\$4.48 million for FY 2006. The year on year increase was due to higher oil prices and shareable production. In FY 2007, Interra's share of shareable production was 281,174 barrels of oil compared to 276,423 barrels of oil in FY 2006. The weighted average oil price for FY 2007 of US\$73.70 per barrel was higher than FY2006 of US\$64.41 per barrel. Due to tight control during the year, the cost of production in FY 2007 of US\$8.83 million was consistent with the previous year, although revenue increased significantly.

With the Group returning to profitability during 2007, the net profit after tax generated in FY 2007 was US\$2.26 million. This is significantly better than the net loss after tax incurred in FY 2006 of US\$1.74 million.

Other Matters

As previously announced, in November 2007, the Group completed the acquisition of a 50% interest in 3 onshore exploration blocks in Thailand. A 2D seismic survey of approximately 245 line kilometres covering the 3 blocks commenced during December 2007.

Yours sincerely,

The Board of Directors
Interra Resources Limited



**INTERRA RESOURCES LIMITED
UNAUDITED RESULTS FOR THE QUARTER AND YEAR
ENDED 31 DECEMBER 2007**

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1(a)(i) PROFIT AND LOSS STATEMENT

Group	Note	Q4 2007 US\$'000	Q4 2006 US\$'000	Change %	FY 2007 US\$'000	FY 2006 US\$'000	Change %
Revenue	A1	4,886	2,801	↑ 74	15,192	13,082	↑ 16
Cost of production	A2	(2,336)	(2,278)	↑ 3	(8,826)	(8,606)	↑ 3
Gross profit		2,550	523	↑ 388	6,366	4,476	↑ 42
Other income	A3	310	308	↑ 1	1,278	1,116	↑ 15
Administrative expenses		(1,111)	(679)	↑ 64	(3,286)	(2,772)	↑ 19
Impairment and allowances	A4	(25)	(104)	↓ 76	(428)	(10,013)	↓ 96
Other operating expenses	A5	(121)	(83)	↑ 46	(281)	(538)	↓ 48
Finance costs	A6	(63)	(59)	↑ 7	(251)	(908)	↓ 72
Share of profit after tax of associates		-	-	NM	-	2,042	NM
Loss from bond redemption	A7	-	-	NM	-	(80)	NM
Gain on disposal of associates	A8	-	32	NM	-	5,855	NM
Profit / (Loss) before tax		1,540	(62)	NM	3,398	(822)	NM
Income tax expense		(383)	(191)	↑ 101	(1,134)	(921)	↑ 23
Profit / (Loss) after tax		1,157	(253)	NM	2,264	(1,743)	NM

↑ means increase

↓ means decrease

NM = not meaningful

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

Group	Q4 2007 US\$'000	Q4 2006 US\$'000	FY 2007 US\$'000	FY 2006 US\$'000
A1 Revenue				
Sales of crude oil (see 8(iii) for production profile)	4,886	2,801	15,192	13,082
A2 Cost of production				
Production expenses	1,917	2,017	7,404	7,091
Depreciation of property, plant and equipment	138	97	465	411
Amortisation of exploration, evaluation and development ("EED") costs	279	162	950	1,098
Amortisation of computer software	2	2	7	6
	2,336	2,278	8,826	8,606
A3 Other income				
Interest income from deposits	276	287	1,131	515
Interest income from associates	-	-	-	135
Deferred income	-	-	-	320
Petroleum services fees	34	26	141	127
Other income	-	(5)	6	19
	310	308	1,278	1,116
A4 Impairment and allowances				
Allowance for doubtful debts	-	-	-	2,563
Write off on EED costs (Indonesia)	25	-	199	-
Impairment of EED costs (Myanmar)	-	104	229	7,228
Impairment of concession rights	-	-	-	222
Impairment of intangible benefits	-	-	-	4,473
Reversal of deferred income	-	-	-	(4,473)
	25	104	428	10,013
A5 Other operating expenses				
Depreciation of property, plant and equipment	17	6	53	25
Amortisation of concession rights	2	2	8	24
Amortisation of participation rights	42	42	169	169
Amortisation of intangible benefits	-	-	-	320
Foreign exchange loss, net	60	33	51	-
	121	83	281	538
A6 Finance costs				
Interest expense amortisation for bonds issued	-	-	-	613
Interest expense on loan from a related party	-	-	-	59
Deemed interest expense on interest free loans	63	59	251	236
	63	59	251	908
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.	-	-	-	80
A8 Gain on disposal of associates				
Net gain realised from disposal of associates	-	32	-	9,729
Cost incurred from disposal of associates	-	-	-	(121)
Share of profit from associates previously recognised	-	-	-	(3,753)
	-	32	-	5,855

1(b)(i) BALANCE SHEET

	Note	Group		Company	
		31-Dec-07 US\$'000	31-Dec-06 US\$'000	31-Dec-07 US\$'000	31-Dec-06 US\$'000
Non-Current Assets					
Property, plant and equipment		1,029	742	69	24
Exploration, evaluation and development ("EED") costs		7,495	6,155	-	-
Intangible assets	B1	5,539	3,282	8	8
Interest in subsidiary companies		-	-	13,107	10,616
Investments	B2	1,034	1,041	4	4
		15,097	11,220	13,188	10,652
Current Assets					
Inventories		1,075	1,542	-	-
Work in progress		-	61	-	-
Trade receivables (net)	B3	4,640	2,610	-	-
Other receivables, deposits and prepayments		628	676	134	87
Cash and bank balances	B4	24,993	24,229	19,979	20,736
		31,336	29,118	20,113	20,823
Total Assets					
		46,433	40,338	33,301	31,475
Current Liabilities					
Trade payables		(933)	(516)	-	-
Other payables and accruals		(3,826)	(2,074)	(660)	(403)
Provision for taxation		(3,850)	(2,706)	(146)	(3)
Loan from a director	B5	(1,374)	-	-	-
Loan from a substantial shareholder	B5	(1,459)	-	-	-
Loan from a third party	B5	(1,459)	-	-	-
		(12,901)	(5,296)	(806)	(406)
Non-Current Liabilities					
Loan from a director	B5	-	(1,293)	-	-
Loan from a substantial shareholder	B5	-	(1,374)	-	-
Loan from a third party	B5	-	(1,374)	-	-
Provision for environmental and restoration costs		(294)	(79)	-	-
		(294)	(4,120)	-	-
Total Liabilities					
		(13,195)	(9,416)	(806)	(406)
Net Assets					
		33,238	30,922	32,495	31,069
Representing:					
Share capital		40,109	40,109	40,109	40,109
Reserves		(6,871)	(9,187)	(7,614)	(9,040)
		33,238	30,922	32,495	31,069

Explanatory Notes to Balance Sheet

B1 Details on intangible assets are as follows:-

	Group	
	31-Dec-07 US\$'000	31-Dec-06 US\$'000
Computer software	23	31
Goodwill on reverse acquisition	1,489	1,489
Participating and concession rights	1,584	1,762
Participating rights in Thailand	2,443	-
	<u>5,539</u>	<u>3,282</u>

B2 Details on investments are as follows:-

	Group	
	31-Dec-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 gain recognised in equity	30	37
Market value	<u>1,030</u>	<u>1,037</u>
(b) Other investments		
Club membership	4	4
	<u>1,034</u>	<u>1,041</u>

* 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.

B3 Details on trade receivables (net) are as follows:-

	Group	
	31-Dec-07 US\$'000	31-Dec-06 US\$'000
Trade receivables	7,557	5,527
Allowance for doubtful debts	(2,917)	(2,917)
	<u>4,640</u>	<u>2,610</u>

Explanatory Notes to Balance Sheet

B4 Details on cash and cash equivalents are as follows:-

	Group	
	31-Dec-07 US\$'000	31-Dec-06 US\$'000
Cash at bank and on hand	10,670	1,725
Fixed deposits	14,323	22,504
Cash and bank balances (as per Balance Sheet)	24,993	24,229
Less: Fixed deposit held as collateral for banker's guarantee	(4,187)	-
Cash and cash equivalents (as per Cash Flow Statement)	20,806	24,229

Cash collateral represents fixed deposits of the Company pledged as security for issuance of the bank guarantees in favour of the Thailand Ministry of Energy for a period of up to 3 years with effect from 19 Apr 2007.

B5 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 (ie 30 Apr 2008).

	Group	
	31-Dec-07 US\$'000	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	(89)	(340)
	4,292	4,041

1(b)(ii) BORROWINGS AND DEBT SECURITIES

Group	31-Dec-07		31-Dec-06	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Amount repayable in one year or less, or on demand	-	4,292	-	-
Amount repayable after one year	-	-	-	4,041

Details of Collateral

Fixed deposits of US\$4.19 mil were held as collateral for banker's guarantees in favour of the Thailand Ministry of Energy for a period of up to 3 years with effect from 19 Apr 2007.

1(c) CASH FLOW STATEMENT

Group	Q4 2007 US\$'000	Q4 2006 US\$'000	FY 2007 US\$'000	FY 2006 US\$'000
Cash Flows from Operating Activities				
Profit / (Loss) before tax	1,540	(62)	3,398	(822)
Adjustments for non-cash items:				
Foreign currency translation	5	(13)	18	(40)
Share of profit after tax of associates	-	-	-	(2,042)
Depreciation of property, plant and equipment	155	103	518	436
Amortisation of:				
EED costs	279	162	950	1,098
Concession rights	2	2	8	24
Intangible benefits	-	-	-	320
Computer software	2	2	7	6
Participating rights	42	42	169	169
Impairment of EED costs (Myanmar)	-	104	229	7,228
Write off on EED costs (Indonesia)	25	-	199	-
Impairment of concession rights	-	-	-	222
Impairment of intangible benefits	-	-	-	4,473
Reversal of deferred income	-	-	-	(4,473)
Allowance for doubtful debts	-	-	-	2,563
Interest income	(276)	(287)	(1,131)	(650)
Interest expense	63	59	251	908
Deferred income	-	-	-	(320)
Exchange loss / (gain)	60	30	51	(1)
Loss from bond redemption	-	-	-	80
Gain on disposal of associates	-	(32)	-	(5,855)
Gain on disposal of property, plant and equipment	-	(2)	-	(2)
Operating profit before working capital changes	1,897	108	4,667	3,322
Changes in working capital:				
Inventories	(19)	(630)	467	(601)
Trade and other receivables	(1,434)	745	(2,113)	(2,297)
Trade and other payables	(323)	219	(71)	230
Accrued operating expenses	272	20	270	116
Amount due to related parties (trade)	-	(16)	-	(64)
Work in progress	-	(24)	61	33
Provision for environmental and restoration costs	57	46	215	79
Retirement benefit obligation	-	(56)	-	(56)
Tax (refund) / paid	(1)	-	10	(14)
Net cash inflows from operating activities	449	412	3,506	748
Cash Flows from Investing Activities				
Interest income received	243	282	1,102	622
Net proceeds from disposal of associates	-	31	-	20,284
Net proceeds from disposal of property, plant and equipment	-	2	-	2
Acquisition costs for exploration concessions in Thailand	(79)	-	(193)	-
Investment in associates	-	-	-	(453)
Fixed deposit held as collateral for banker's guarantee	-	-	(4,187)	-
Capital expenditure:				
Purchase of property, plant and equipment	(52)	(124)	(806)	(165)
Purchase of computer software	-	-	-	(10)
Well drillings and improvements	-	(219)	(1,851)	(219)
Exploration fee in Thailand	(66)	-	(66)	-
Geological and geophysical studies	(928)	-	(928)	-
Net cash (outflows) / inflows from investing activities	(882)	(28)	(6,929)	20,061
Cash Flows from Financing Activities				
Interest paid	-	-	-	(659)
Repayment of loan from a related party	-	-	-	(750)
Net cash (outflows) from financing activities	-	-	-	(1,409)
Net (decrease) / increase in cash and cash equivalents	(433)	384	(3,423)	19,400
Cash and cash equivalents at beginning of period	21,239	23,845	24,229	4,829
Cash and cash equivalents at end of period (see Note B4)	20,806	24,229	20,806	24,229

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

Group	Share Capital	Foreign Currency Translation Reserve	Special Reserves	Fair Value Reserves	Retained Earnings	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 30 Sep 2006	152,991	(1,224)	(122,344)	-	1,715	31,138
Reduction in share capital	(112,882)	-	105,799	-	7,083	-
Fair value gain on financial assets, available-for-sale	-	-	-	37	-	37
Net (loss) after tax for Q4 2006	-	-	-	-	(253)	(253)
Balance as at 31 Dec 2006	40,109	(1,224)	(16,545)	37	8,545	30,922
Balance as at 30 Sep 2007	40,109	(1,224)	(16,545)	(38)	9,652	31,954
Fair value gain on available-for-sale financial assets	-	-	-	68	-	68
Translation differences	-	59	-	-	-	59
Net profit after tax for Q4 2007	-	-	-	-	1,157	1,157
Balance as at 31 Dec 2007	40,109	(1,165)	(16,545)	30	10,809	33,238

Company	Share Capital	Retained (Losses)	Total
	US\$'000	US\$'000	US\$'000
Balance as at 30 Sep 2006	152,991	(122,000)	30,991
Reduction in share capital	(112,882)	112,882	-
Net profit after tax for Q4 2006	-	78	78
Balance as at 31 Dec 2006	40,109	(9,040)	31,069
Balance as at 30 Sep 2007	40,109	(9,173)	30,936
Net profit after tax for Q4 2007	-	1,559	1,559
Balance as at 31 Dec 2007	40,109	(7,614)	32,495

1(d)(ii) SHARE CAPITAL

No additional share capital was issued in Q4 2007.

At an Extraordinary General Meeting held on 30 Apr 2007, the Interra Share Option Plan (the "Plan") for key executives and other employees of the Group was approved by members of the Company.

The exercise price of the options is determined at the average of the closing prices of the Company's ordinary shares as quoted on the Singapore Exchange Securities Trading Limited ("SGX-ST") for five market days immediately preceding the date of the grant or a price which is set at a premium to the market price, the quantum of such premium is to be determined by the Remuneration Committee in its absolute discretion (amended and approved by SGX on 26 Dec 2007). The vesting of the options is conditional on the participants completing another two years of service to the Group. Once the options are vested, they are exercisable for a period of three years. The options may be exercised in full or in part in respect of 1,000 shares or a multiple thereof, on the payment of the aggregate exercise price. There will be no restriction on the eligibility of any participant to participate in any other share option plan or share incentive scheme implemented by any other companies within the Group. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

As at 31 Dec 2007, no options have been granted.

1(d)(iii) NUMBER OF ORDINARY SHARES (EXCLUDING TREASURY SHARES)

Group and Company	2007	2006
<u>Issued and fully paid</u>		
Balance as at 1 Jan	256,920,238	192,527,024
Issue of new shares arising from exercise of warrants	-	64,393,214
Balance as at 31 Dec	256,920,238	256,920,238

1(d)(iv) A STATEMENT SHOWING ALL SALES, DISPOSAL, CANCELLATION AND/ OR USE OF TREASURY SHARES AS AT THE END OF THE CURRENT FINANCIAL PERIOD REPORTED ON

Not applicable.

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	Q4 2007	Q4 2006	FY 2007	FY 2006
Basic earnings / (loss) per share (USD cents)	0.450	(0.099)	0.881	(0.768)
Weighted average number of shares for the purpose of computing basic earnings per share	256,920,238	256,920,238	256,920,238	226,928,878
Fully diluted earnings / (loss) per share (USD cents)	0.450	(0.099)	0.881	(0.735)
Weighted average number of shares for the purpose of computing fully diluted earnings per share	256,920,238	256,920,238	256,920,238	237,056,510

Basic and fully diluted earnings per share for Q4 2007 and FY 2007 are based on the weighted average number of 256,920,238 shares. There were no new shares issued during FY 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 9M 2006, the relevant period is from 1 Jan 2006 to 18 Jun 2006 respectively. During this period, the average share price of the Company was S\$0.332 and hence considered to be dilutive.

7 NET ASSET VALUE PER SHARE

	Group		Company	
	31-Dec-07	31-Dec-06	31-Dec-07	31-Dec-06
Net asset value per ordinary share based on issued share capital (excluding treasury shares) (USD cents)	12.937	12.035	12.648	12.093
Number of ordinary shares in issue	256,920,238	256,920,238	256,920,238	256,920,238

8(i) PERFORMANCE REVIEW

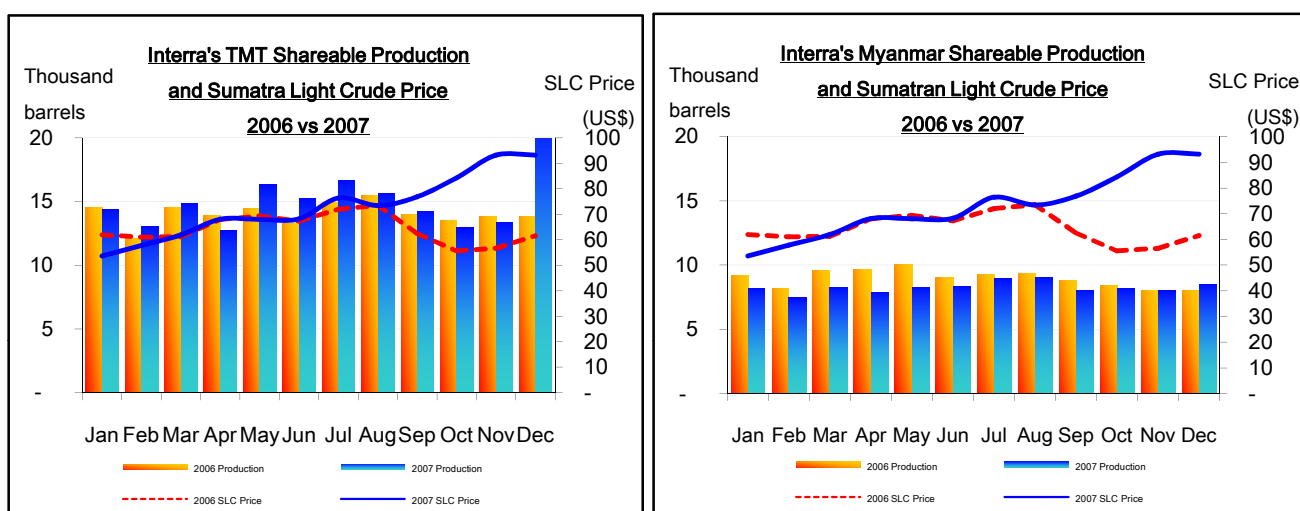
Significant factors affecting the turnover, costs and earnings of the Group

Q4 2007 Review

Production & Revenue

Revenue increased by 74% to US\$4.89 mil in Q4 2007 from US\$2.80 mil in Q4 2006 due to higher oil prices and shareable production. The weighted average oil price transacted during Q4 2007 was US\$90.84 per barrel whereas during Q4 2006 it was US\$57.97 per barrel. Shareable production for Q4 2007 increased by 11% to 73,279 barrels (797 bopd) from 65,774 barrels (715 bopd) for Q4 2006.

The shareable production contributed by TMT increased from 41,235 barrels in Q4 2006 to 48,500 barrels in Q4 2007 due to the contribution from 3 new wells drilled during 2007. Production in December 2007 at TMT was particularly strong due the significant increase in production of one of the new wells drilled during the year as a result of introducing an artificial lift mechanism. The shareable production from Myanmar increased slightly from 24,539 barrels in Q4 2006 to 24,779 barrels in Q4 2007.



Cost of Production

The cost of production in Q4 2007 increased by 3% (US\$0.58 mil) as compared to Q4 2006. Direct production expenses in Q4 2007 were lower than Q4 2006, although non cash costs of production including depreciation and amortisation in Q4 2007 were almost 61% higher than Q4 2006.

Net Profit After Tax

The Group posted a net profit after tax of US\$1.16 mil in Q4 2007 compared to a net loss after tax of US\$0.25 mil in Q4 2006. The improved performance in Q4 2007 was mainly attributable to higher shareable production and oil prices. In addition, there was no impairment and allowances or gain on disposal of associates in Q4 2007 as compared to Q4 2006.

Group (Q4 2007)	Profit Before Tax US\$'000	Taxation US\$'000	Net Contribution to Group US\$'000	Net Contribution to Group %
TMT	1,320	(182)	1,138	64%
Myanmar	777	(147)	630	36%
Profit / (Loss) from operations	2,097	(329)	1,768	100%
Head office expenses and income			(494)	
Deemed interest expense (FRS 39)			(63)	
Income tax expense			(54)	
Net profit after tax			1,157	

8(i) PERFORMANCE REVIEW (CONT'D)

Significant factors affecting the turnover, costs and earnings of the Group (Cont'd)

FY 2007 Review

Production & Revenue

Revenue increased by 16% to US\$15.19 mil in FY 2007 from US\$13.08 mil in FY 2006. The rise was mainly driven by higher oil prices and shareable production. The weighted average oil price transacted in FY 2007 was US\$73.70 per barrel whereas in FY 2006 it was US\$64.41 per barrel. Shareable production increased by 2% (4,749 barrels) to 281,174 barrels in FY 2007 from 276,423 barrels in FY 2006.

Cost of Production

Cost of production in FY 2007 increased by 3% (US\$0.22 mil) to US\$8.83 mil compared to FY 2006 mainly due to higher operating expenses at TMT of US\$0.60 mil. However, this increase was partially offset by a decrease in operating expenses in Myanmar, as a result of the reduced activity level.

Net Profit After Tax

The Group posted a net profit after tax of US\$2.26 mil for FY 2007 as compared to a net loss after tax of US\$1.74 mil in FY 2006. The higher contribution in FY 2007 was mainly attributable to higher shareable production and oil prices. During 2007 there was no meaningful impairment of the carrying value of the Myanmar assets nor was there any profit from the sale of share in associates.

Group (FY 2007)	Profit Before Tax US\$'000	Taxation US\$'000	Net Contribution to Group US\$'000	Net Contribution to Group %
TMT	2,883	(524)	2,359	63%
Myanmar	1,866	(478)	1,388	37%
Profit / (Loss) from operations	4,749	(1,002)	3,747	100%
Head office expenses and income			(1,100)	
Deemed interest expense (FRS 39)			(251)	
Income tax expense			(132)	
Net profit after tax			2,264	

8(i) PERFORMANCE REVIEW (CONT'D)

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

- (1) Acquisition of a 50% participating interest in the Petroleum Concession Agreements ("PCAs") for onshore exploration Blocks L17/48, L3/48 and L9/48 by Interra Resources (Thailand) Limited ("IRT"). As at 31 Dec 2007, the Group had spent approximately US\$1.46 mil in respect of acquiring the interest in the PCAs and also on exploration activities at the blocks.
- (2) During 2007, the drilling expenditure incurred on new wells in Indonesia, being TMT-48, TMT-49 and TMT-50, amounted to US\$2.58 mil. Nevertheless, the Group generated a net cash inflow at TMT from operating activities of US\$1.55 mil in FY 2007.
- (3) During 2007, the Group received 10 payments in respect of trade receivables in Myanmar. Notwithstanding this, the Group generated a net cash inflow from operating activities of US\$1.72 mil for Myanmar operations in FY 2007.
- (4) Overall, the Group generated a net cash inflow from operating activities of US\$3.51 mil as compared to US\$0.75 mil in FY 2006.
- (5) The increase in trade receivables as at year end was due to higher billing for the last 2 months of the year as compared to last year.
- (6) The increase in the Group's current liabilities from US\$5.30 mil as at 31 Dec 2006 to US\$12.90 mil as at 31 Dec 2007 is due to:
 - (a) the amount owing to the JSXT of US\$1.22 mil for the remaining balance of the purchase consideration for the acquisition of a 50% participating interest in the Thailand PCAs; and
 - (b) the reclassification from non-current liabilities to current liabilities of the loan from a director, a substantial shareholder and a third party (US\$4.29 mil) as the undertaking not to demand repayment from the Group is now less than 12 months away (ie 30 Apr 2008).

8(ii) SEGMENTED REVENUE AND RESULTS

Geographical Segment	Indonesia		Myanmar		Consolidated	
	Q4 2007	Q4 2006	Q4 2007	Q4 2006	Q4 2007	Q4 2006
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Results						
EBITDA	1,656	478	1,455	651	3,111	1,129
EBIT	1,333	302	779	(191)	2,112	111
Sales to external customers	3,277	1,778	1,609	1,023	4,886	2,801
Segment results	1,347	317	779	(191)	2,126	126
Finance costs					(63)	(59)
Gain on disposal of associates					-	32
Unallocated corporate net operating results					(523)	(161)
Profit / (Loss) before tax					1,540	(62)
Income tax expense					(383)	(191)
Net profit / (loss) after tax					1,157	(253)

Geographical Segment	Indonesia		Myanmar		Consolidated	
	FY 2007	FY 2006	FY 2007	FY 2006	FY 2007	FY 2006
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Results						
EBITDA	4,084	3,106	2,640	1,896	6,724	5,002
EBIT	3,030	2,241	1,874	(8,973)	4,904	(6,732)
Sales to external customers	9,964	8,078	5,228	5,004	15,192	13,082
Segment results	2,976	2,289	1,874	(8,973)	4,850	(6,684)
Finance costs					(251)	(908)
Share of profit after tax from associates					-	2,042
Gain on disposal of associates					-	5,855
Unallocated corporate net operating results					(1,201)	(1,127)
Profit / (Loss) before tax					3,398	(822)
Income tax expense					(1,134)	(921)
Net profit / (loss) after tax					2,264	(1,743)

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, amortisation, allowance and impairment. This is net of joint venture partner's share.

8(iii) PRODUCTION PROFILE

Myanmar Production		Q4 2007 barrels	Q4 2006 barrels	FY 2007 barrels	FY 2006 barrels
Average gross production per day		1,972	2,037	2,004	2,111
Gross production		181,383	187,439	731,410	770,402
Non-shareable production		(140,085)	(146,541)	(565,713)	(590,687)
Production shareable with Myanma Oil and Gas Enterprise		41,298	40,898	165,697	179,715
Group's 60% share of production		24,779	24,539	99,420	107,829
Group's average shareable production per day		269	267	272	295
Myanmar Revenue		Q4 2007	Q4 2006	FY 2007	FY 2006
Weighted average transacted oil price	US\$	90.27	57.92	73.10	64.51
Revenue shareable with MOGE	US\$'000	2,237	1,421	7,268	6,956
MOGE's share	US\$'000	(628)	(398)	(2,040)	(1,952)
Group's net share of revenue	US\$'000	1,609	1,023	5,228	5,004
Indonesia Production		Q4 2007 barrels	Q4 2006 barrels	FY 2007 barrels	FY 2006 barrels
Average gross production per day		794	698	755	722
Gross production		73,044	64,191	275,697	263,452
Non-shareable production		(3,759)	(5,284)	(16,051)	(22,604)
Production shareable with Pertamina		69,285	58,907	259,646	240,848
Group's 70% share of production		48,500	41,235	181,754	168,595
Group's average shareable production per day		527	448	498	462
Indonesia Revenue		Q4 2007	Q4 2006	FY 2007	FY 2006
Weighted average transacted oil price	US\$	90.84	57.97	73.70	64.41
Revenue shareable with Pertamina	US\$'000	4,406	2,390	13,396	10,860
Pertamina's share	US\$'000	(1,129)	(612)	(3,432)	(2,782)
Group's net share of revenue	US\$'000	3,277	1,778	9,964	8,078
Group Production and Revenue		Q4 2007	Q4 2006	FY 2007	FY 2006
Group's share of shareable production	barrels	73,279	65,774	281,174	276,423
Group's average shareable production per day	barrels	797	715	770	757
Group's total revenue	US\$'000	4,886	2,801	15,192	13,082

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 30 Sep 2007.

10 COMMENTARY ON PROSPECTS

The Group expects to continue to earn positive contributions from its working interest in TMT at the current oil price level. Due to the oil price increase and the increased level of production in the field, TMT's unrecovered cost pool has reduced rapidly. Under the Technical Assistance Contract ("TAC") production sharing regime, once the unrecovered cost pool is exhausted, the net oil entitlement and the Group's share of revenue will also reduce. This may result in lower reported profit in the future.

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. We note that the Group received more payments (10) during 2007 than it did during 2006 (7). The Group reduced operating costs during the year where possible. 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 Group has been recording additional seismic data in respect of its exploration blocks in Thailand. Currently, there is no production or revenue generated by these fields as they are exploration in nature. Analysis of the seismic data is required to determine optimal exploration drilling locations and further work steps.

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

a) Any dividend recommended for the current financial period reported on?

Yes.

Name of Dividend	First and Final
Dividend Type	Cash
Dividend Rate	0.5 Singapore cents per ordinary share (one-tier tax exempt)

b) Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

c) Date Payable

This will be announced at a later date.

d) Books closure date

This will be announced at a later date.

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) Q4 2007 US\$	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) Q4 2007 US\$
Nil	Nil	Nil

BY ORDER OF THE BOARD

Submitted by
 Luke Christopher Targett
 Executive Director
 27 Feb 2008

13 ABBREVIATIONS

bopd	means	barrels of oil per day
EED	means	Exploration, evaluation and development
FRS	means	Financial Reporting Standards
Q4 2006	means	Fourth calendar quarter of year 2006
Q4 2007	means	Fourth calendar quarter of year 2007
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
IRT	means	Interra Resources (Thailand) Limited
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
PCA	means	Petroleum Concession Agreement
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
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 the current view of management on future events.