

11 November 2008

Dear Shareholders

**UNAUDITED RESULTS FOR THE QUARTER ENDED 30 SEPTEMBER 2008**

**Highlights**

- Net profit after tax for the quarter was US\$0.65 million
- Improving payment frequency of accounts receivable in Myanmar

The Board of Directors of Interra Resources Limited (the “Company” or “Interra”) wishes to announce that for the third quarter (“Q3”) of 2008, the Group generated a net profit after tax of US\$0.65 million compared to US\$0.49 million in Q2 2008.

Revenue of US\$4.75 million in Q3 2008 was consistent with the preceding quarter, however, the cost of production increased by almost 12% due to increases in the rental cost of a workover rig, higher fuel costs and spare parts. Administration expenses decreased almost 20% compared to the previous quarter. A foreign exchange loss of US\$0.14 million was incurred which arose due to the weakening of the Thai Baht, Singapore Dollar and Australian Dollar compared to the United States Dollar (“USD”). The Group’s accounts are maintained in USD except for one subsidiary, Interra Resources (Thailand) Limited, which must maintain its accounts in Thai Baht.

There was a net cash outflow for the quarter of approximately US\$1.90 million due mainly to the expenditure related to the planned drilling of new wells in Myanmar and Indonesia. The Group is pleased to report a continued improvement in the payment frequency of its accounts receivable in Myanmar. As at the date of this report, the Group had received payment of 12 months of outstanding invoices during 2008. During 2007, 10 payments were received.

The Group’s financial position remains sound with no debt outstanding. Cash on hand as at 30 September 2008 was US\$18.88 million. The final quarter of the year will be capital intensive due to planned drilling activities and production equipment upgrades in Myanmar and Indonesia. On 28 September 2008, the bank guarantee in favour of the Thailand Ministry of Energy for block L17/48 in Thailand was reduced from US\$3.29 million to US\$2.06 million.

Yours sincerely

The Board of Directors  
Interra Resources Limited



**INTERRA RESOURCES LIMITED  
UNAUDITED RESULTS FOR THE QUARTER  
ENDED 30 SEPTEMBER 2008**

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1(a)(i) PROFIT AND LOSS STATEMENT

Group	Note	Q3 2008 US\$'000	Q3 2007 US\$'000	Change %	9M 2008 US\$'000	9M 2007 US\$'000	Change %
Revenue	A1	4,745	4,035	↑ 18	13,890	10,306	↑ 35
Cost of production	A2	(2,780)	(2,173)	↑ 28	(7,742)	(6,490)	↑ 19
<b>Gross profit</b>		<b>1,965</b>	<b>1,862</b>	<b>↑ 6</b>	<b>6,148</b>	<b>3,816</b>	<b>↑ 61</b>
Other income	A3	11	366	↓ 97	631	977	↓ 35
Administrative expenses		(776)	(780)	↓ 1	(2,937)	(2,175)	↑ 35
Impairment and allowances	A4	-	(174)	NM	-	(403)	NM
Other operating expenses	A5	(57)	(59)	↓ 3	(164)	(169)	↓ 3
Finance costs	A6	-	(63)	NM	(89)	(189)	↓ 53
<b>Profit before income tax</b>		<b>1,143</b>	<b>1,152</b>	<b>↓ 1</b>	<b>3,589</b>	<b>1,857</b>	<b>↑ 93</b>
Income tax expense		(498)	(336)	↑ 48	(1,555)	(750)	↑ 107
<b>Profit after income tax</b>		<b>645</b>	<b>816</b>	<b>↓ 21</b>	<b>2,034</b>	<b>1,107</b>	<b>↑ 84</b>

↑ means increase

↓ means decrease

NM = not meaningful

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

Group	Q3 2008 US\$'000	Q3 2007 US\$'000	9M 2008 US\$'000	9M 2007 US\$'000
<b>A1 Revenue</b>				
Sales of crude oil (see 8(iii) for production profile)	<b>4,745</b>	<b>4,035</b>	<b>13,890</b>	<b>10,306</b>
<b>A2 Cost of production</b>				
Production expenses	2,441	1,777	6,681	5,487
Depreciation of property, plant and equipment	111	126	352	327
Amortisation of exploration, evaluation and development costs	226	268	703	670
Amortisation of computer software	2	2	6	6
	<b>2,780</b>	<b>2,173</b>	<b>7,742</b>	<b>6,490</b>
<b>A3 Other income</b>				
Interest income from deposits	104	301	415	855
Petroleum services fees	47	37	151	107
Gain on disposal of marketable securities	-	-	210	-
Other income	-	-	-	6
Foreign exchange (loss) / gain, net*	(140)	28	(145)	9
	<b>11</b>	<b>366</b>	<b>631</b>	<b>977</b>
<b>A4 Impairment and allowances</b>				
Write off on EED costs (Indonesia)	-	174	-	174
Impairment of EED costs (Myanmar)	-	-	-	229
	<b>-</b>	<b>174</b>	<b>-</b>	<b>403</b>
<b>A5 Other operating expenses</b>				
Depreciation of property, plant and equipment	13	15	30	36
Depreciation of computer software	-	-	1	-
Amortisation of concession rights	2	2	6	6
Amortisation of participation rights	42	42	127	127
	<b>57</b>	<b>59</b>	<b>164</b>	<b>169</b>
<b>A6 Finance costs</b>				
Deemed interest expense on interest free loans	-	63	89	189
	<b>-</b>	<b>63</b>	<b>89</b>	<b>189</b>
* It is the Group's policy to minimise the quantum of intercompany balances, in order to reduce reported foreign exchange gains or losses.				

## 1(b)(i) BALANCE SHEET

	Note	Group		Company	
		30-Sep-08 US\$'000	31-Dec-07 US\$'000	30-Sep-08 US\$'000	31-Dec-07 US\$'000
<b>Non-Current Assets</b>					
Property, plant and equipment		1,073	1,029	72	69
Exploration, evaluation and development costs		8,681	7,495	-	-
Intangible assets	B1	5,383	5,539	7	8
Interest in subsidiary companies		-	-	17,299	13,107
Investments	B2	4	1,034	4	4
		<b>15,141</b>	<b>15,097</b>	<b>17,382</b>	<b>13,188</b>
<b>Current Assets</b>					
Inventories		2,221	1,075	-	-
Trade receivables (net)	B3	6,176	4,640	-	-
Other receivables, deposits and prepayments		1,136	628	165	134
Cash and bank balances	B4	18,878	24,993	13,765	19,979
		<b>28,411</b>	<b>31,336</b>	<b>13,930</b>	<b>20,113</b>
<b>Total Assets</b>		<b>43,552</b>	<b>46,433</b>	<b>31,312</b>	<b>33,301</b>
<b>Current Liabilities</b>					
Trade payables		(1,377)	(933)	-	-
Other payables and accruals		(3,193)	(3,826)	(617)	(660)
Provision for taxation		(4,267)	(3,850)	(23)	(146)
Loan from a director	B5	-	(1,374)	-	-
Loan from a substantial shareholder	B5	-	(1,459)	-	-
Loan from a third party	B5	-	(1,459)	-	-
		<b>(8,837)</b>	<b>(12,901)</b>	<b>(640)</b>	<b>(806)</b>
<b>Non-Current Liabilities</b>					
Provision for environmental and restoration costs		(422)	(294)	-	-
		<b>(422)</b>	<b>(294)</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities</b>		<b>(9,259)</b>	<b>(13,195)</b>	<b>(640)</b>	<b>(806)</b>
<b>Net Assets</b>		<b>34,293</b>	<b>33,238</b>	<b>30,672</b>	<b>32,495</b>
<b>Representing:</b>					
Share capital		40,109	40,109	40,109	40,109
Reserves		(5,816)	(6,871)	(9,437)	(7,614)
		<b>34,293</b>	<b>33,238</b>	<b>30,672</b>	<b>32,495</b>

## Explanatory Notes to Balance Sheet

**B1** Details on intangible assets are as follows:-

	Group	
	30-Sep-08 US\$'000	31-Dec-07 US\$'000
Computer software	17	23
Goodwill on reverse acquisition	1,489	1,489
Participating and concession rights	1,451	1,584
Participating rights in Thailand	2,426	2,443
	<b>5,383</b>	<b>5,539</b>

**B2** Details on investments are as follows:-

	Group	
	30-Sep-08 US\$'000	31-Dec-07 US\$'000
(a) Financial assets, available-for-sale *		
Quoted equity at cost		
Salamander Energy plc		
- 205,181 ordinary shares of 10p each	-	1,000
Fair value gain recognised in equity	-	30
Market value	-	1,030
(b) Other investments		
Club membership	4	4
	<b>4</b>	<b>1,034</b>

On 29 February 2008, the Company disposed of all its investment in Salamander Energy Plc for a cash consideration of US\$1.21 mil. Gains in respect of this asset were recognised in the profit and loss statement at the point of disposal.

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

	Group	
	30-Sep-08 US\$'000	31-Dec-07 US\$'000
Trade receivables	9,093	7,557
Allowance for impairment of trade receivables	(2,917)	(2,917)
	<b>6,176</b>	<b>4,640</b>

## Explanatory Notes to Balance Sheet

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

	Group	
	30-Sep-08 US\$'000	31-Dec-07 US\$'000
Cash at bank and on hand	3,178	1,804
Fixed deposits	15,700	23,189
<b>Cash and bank balances (as per Balance Sheet)</b>	<b>18,878</b>	<b>24,993</b>
Less: Fixed deposit held as collateral for banker's guarantees	(2,960)	(4,187)
<b>Cash and cash equivalents (as per Cash Flow Statement)</b>	<b>15,918</b>	<b>20,806</b>

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. On 29 Sep 2008, the bank guarantees were reduced by US\$1.227 million as approved by the Ministry of Energy.

**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 was less than 12 months away (ie 30 Apr 2008).

	Group	
	30-Sep-08 US\$'000	31-Dec-07 US\$'000
Loans from a director, a substantial shareholder and a third party	-	4,381
Less: Unamortised deemed interest expense	-	(89)
	<b>-</b>	<b>4,292</b>

The above loans were repaid in full on 30 April 2008.

### 1(b)(ii) BORROWINGS AND DEBT SECURITIES

Group	30-Sep-08		31-Dec-07	
	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	-	-	-	-

#### Details of Collateral

Fixed deposits of US\$2.96 mil (reduced from US\$4.187 mil with effect from 29 Sep 08) 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	Q3 2008 US\$'000	Q3 2007 US\$'000	9M 2008 US\$'000	9M 2007 US\$'000
<b>Cash Flows from Operating Activities</b>				
Profit before income tax	1,143	1,152	3,589	1,857
<b>Adjustments for non-cash items:</b>				
Foreign currency translation	(104)	3	(80)	4
Depreciation of property, plant and equipment	124	141	383	363
Amortisation of:	-	-	-	-
EED costs	226	268	703	670
Concession rights	2	2	6	6
Computer software	2	2	6	6
Participating rights	42	42	126	127
Impairment of EED costs (Myanmar)	-	-	-	229
Write off on EED costs (Indonesia)	-	174	-	174
Interest income	(104)	(301)	(415)	(855)
Interest expense	-	63	89	189
Exchange loss	140	-	145	-
Gain on disposal of marketable securities	-	-	(210)	-
<b>Operating profit before working capital changes</b>	<b>1,471</b>	<b>1,546</b>	<b>4,342</b>	<b>2,770</b>
<b>Changes in working capital:</b>				
Inventories	(591)	390	(1,145)	486
Trade and other receivables	(1,517)	33	(2,077)	(564)
Trade and other payables	660	(1)	(181)	252
Accrued operating expenses	(8)	(23)	10	(2)
Work in progress	-	-	-	61
Provision for environmental and restoration costs	38	55	127	158
Tax (paid) / refund	(518)	-	(1,143)	11
<b>Net cash (outflows) / inflows from operating activities</b>	<b>(465)</b>	<b>2,000</b>	<b>(67)</b>	<b>3,172</b>
<b>Cash Flows from Investing Activities</b>				
Interest income received	103	302	448	859
Net proceeds from disposal of marketable securities	-	-	1,210	-
Acquisition costs for exploration concessions in Thailand	-	-	-	(229)
Fixed deposit released / (held) as collateral for banker's guarantee	1,227	-	1,227	(4,187)
Capital expenditure:	-	-	-	-
Purchase of property, plant and equipment	(230)	(464)	(427)	(754)
Purchase of computer software	(1)	-	(1)	-
Well drillings and improvements	(1,116)	(704)	(1,270)	(1,851)
Geological and geophysical studies	(141)	-	(683)	-
<b>Net cash (outflows) / inflows from investing activities</b>	<b>(158)</b>	<b>(866)</b>	<b>504</b>	<b>(6,162)</b>
<b>Cash Flows from Financing Activities</b>				
Repayment of loan from a related party	-	-	(4,381)	-
Dividend	-	-	(944)	-
<b>Net cash (outflows) from financing activities</b>	<b>-</b>	<b>-</b>	<b>(5,325)</b>	<b>-</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(623)</b>	<b>1,134</b>	<b>(4,888)</b>	<b>(2,990)</b>
Cash and cash equivalents at beginning of period	16,541	20,105	20,806	24,229
<b>Cash and cash equivalents at end of period (see Note B4)</b>	<b>15,918</b>	<b>21,239</b>	<b>15,918</b>	<b>21,239</b>



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

Group	Share Capital	Foreign Currency Translation Reserve	Special Reserves	Other Reserves	Retained Earnings	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Balance as at 1 Jul 2007</b>	40,109	(1,224)	(16,545)	(178)	8,836	30,998
Fair value gain on financial assets, available-for-	-	-	-	140	-	140
Net profit after tax for Q3 2007	-	-	-	-	816	816
<b>Balance as at 30 Sep 2007</b>	<b>40,109</b>	<b>(1,224)</b>	<b>(16,545)</b>	<b>(38)</b>	<b>9,652</b>	<b>31,954</b>
<b>Balance as at 1 Jul 2008</b>	40,109	(1,183)	(16,545)	2	11,254	33,637
Employee share option scheme - value of employee services	-	-	-	2	-	2
Translation differences	-	9	-	-	-	9
Net profit after tax for Q3 2008	-	-	-	-	645	645
<b>Balance as at 30 Sep 2008</b>	<b>40,109</b>	<b>(1,174)</b>	<b>(16,545)</b>	<b>4</b>	<b>11,899</b>	<b>34,293</b>

Company	Share Capital	Other Reserves	Retained (Losses)	Total
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Balance as at 1 Jul 2007</b>	40,109	-	(9,173)	30,936
Net loss after tax for Q3 2007	-	-	(100)	(100)
<b>Balance as at 30 Sep 2007</b>	<b>40,109</b>	<b>-</b>	<b>(9,273)</b>	<b>30,836</b>
<b>Balance as at 1 Jul 2008</b>	40,109	2	(9,131)	30,980
Employee share option scheme - value of employee services	-	2	-	2
Net loss after tax for Q3 2008	-	-	(310)	(310)
<b>Balance as at 30 Sep 2008</b>	<b>40,109</b>	<b>4</b>	<b>(9,441)</b>	<b>30,672</b>

1(d)(ii) SHARE CAPITAL

**Share Options Outstanding**

The number of unissued ordinary shares of the Company under option in relation to the Share Option Plan outstanding was as follows

	No. of unissued ordinary shares under option	Exercise Price	Exercise Period
Luke Christopher Targett	350,000	S\$0.45	4 March 2010 to 2 March 2013
	350,000	S\$0.55	4 March 2010 to 2 March 2013
Frank Hollinger	250,000	S\$0.45	4 March 2010 to 2 March 2013
	250,000	S\$0.55	4 March 2010 to 2 March 2013

On 3 March 2008, the Company granted options to subscribe for 600,000 ordinary shares at an exercise price of S\$0.45 per share and 600,000 ordinary shares at an exercise price of S\$0.55 per share ("2008 Options"). The 2008 Options are exercisable from 4 March 2010 and expire on 2 March 2013. The total fair value of the 2008 Options granted over the vesting period was estimated to be S\$11,930 (US\$8,765) using the Binomial Option Pricing Model.

On 19 May 2008, the Company successfully quoted all the Company's current issued ordinary shares on the Australian Securities Exchange ("ASX"). Upon admission to the official list of the ASX, the Company is now dual listed on both the Catalist in Singapore being the primary exchange and the ASX in Australia being the secondary exchange on which the Company's shares will be traded.

No additional share capital was issued in Q3 2008.

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

Group and Company	Q3 2008	Q3 2007
<u>Issued and fully paid</u>		
Opening balance and closing balance	256,920,238	256,920,238
	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 2007.

**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	Q3 2008	Q3 2007	9M 2008	9M 2007
<b>Basic earnings per share (USD cents)</b>	0.251	0.318	0.792	0.431
Weighted average number of shares for the purpose of computing basic earnings per share	256,920,238	256,920,238	256,920,238	256,920,238
<b>Fully diluted earnings per share (USD cents)</b>	0.251	0.318	0.792	0.431
Weighted average number of shares for the purpose of computing fully diluted earnings per share	256,920,238	256,920,238	256,920,238	256,920,238

Basic and fully diluted earnings per share for Q3 2008 and 9M 2008 are based on the weighted average number of 256,920,238 shares. There were no new shares issued.

**7 NET ASSET VALUE PER SHARE**

	Group		Company	
	30-Sep-08	31-Dec-07	30-Sep-08	31-Dec-07
Net asset value per ordinary share based on issued share capital (excluding treasury shares) (USD cents)	13.348	12.937	11.938	12.648
Number of ordinary shares in issue	256,920,238	256,920,238	256,920,238	256,920,238

## 8(i) PERFORMANCE REVIEW

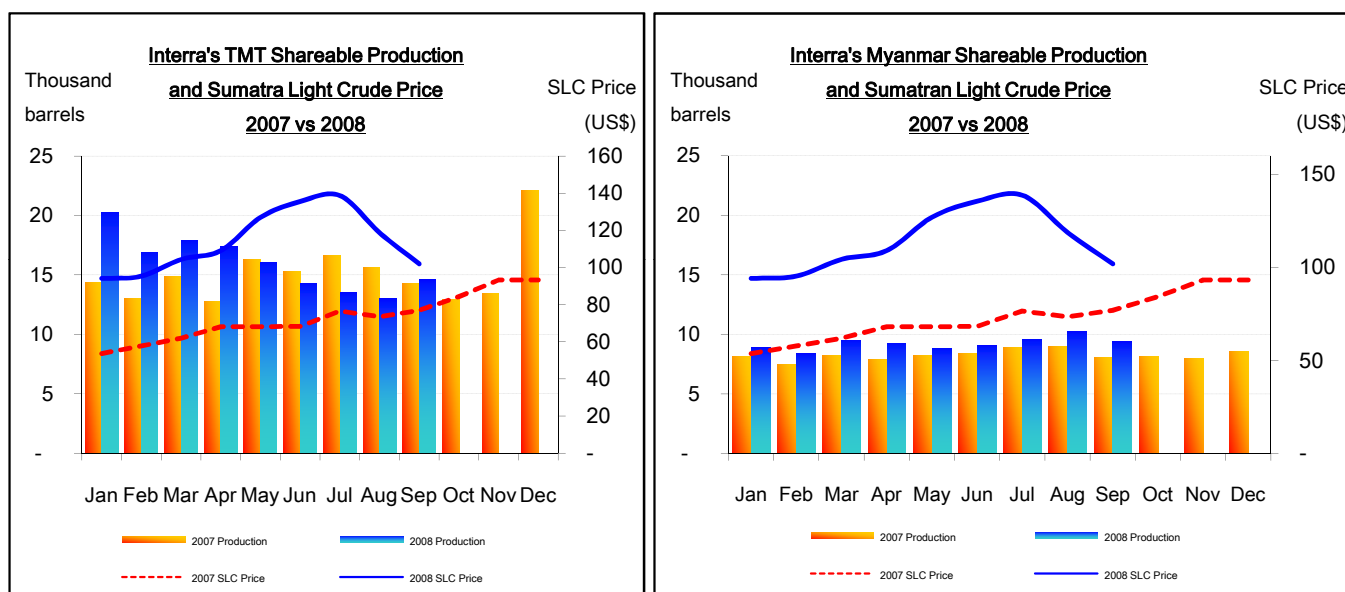
### Significant factors affecting the turnover, costs and earnings of the Group

#### Production & Revenue

Revenue increased by 18% to US\$4.75 mil in Q3 2008 from US\$4.04 mil in Q3 2007 due to higher oil prices although the shareable production decreased. The weighted average oil price transacted during Q3 2008 was US\$119.34 per barrel whereas during Q3 2007 it was US\$75.55 per barrel. Shareable production for Q3 2008 decreased by 3.2% to 70,311 barrels (764 bopd) from 72,666 barrels (790 bopd) for Q3 2007.

The shareable production contributed by TMT decreased from 46,578 barrels in Q3 2007 (9M 2007: 133,254 barrels) to 41,085 barrels in Q3 2008 (9M 2008: 143,946 barrels) due to the decrease in contribution from well TMT-48. Production from well TMT-48 which was drilled in 2007 contributed 20% in Q3 2007 as compared to 16% in Q3 2008 of the total production. However, the shareable production from Myanmar increased from 26,088 barrels in Q3 2007 (9M 2007: 74,641 barrels) to 29,226 barrels in Q3 2008 (9M 2008: 83,253 barrels).

On a year on year basis, the Group's share of shareable production increased by 9% (19,304 barrels) to 227,199 barrels for 9M 2008 from 207,895 barrels during 9M 2007.



#### Cost of Production

The cost of production in Q3 2008 increased by 28% (US\$0.61 mil) as compared to Q3 2007. Direct production expenses in Q3 2008 were higher than Q3 2007.

On the year on year basis, cost of production in 9M 2008 increased by 19% (US\$1.25 mil) as compared to Q3 2007 due to higher operating expenses at TMT of US\$1.64 mil.

#### Net Profit After Tax

The Group posted net profit after tax of US\$0.65 mil in Q3 2008 compared to US\$0.82 mil in Q3 2007. The decrease was partly due to a reduction in interest income earned and a foreign exchange loss of US\$0.14 mil. The foreign exchange loss arose due to the weakening of the Thai Baht, Singapore dollar and Australian dollar compared to the US dollar. The Group's accounts are maintained in US dollars except for one subsidiary, Interra Resources (Thailand) Limited, whose books must be maintained in Thai Baht.

## 8(i) PERFORMANCE REVIEW (CONT'D)

### Net Profit After Tax (Cont'd)

The Group posted a higher net profit after tax of US\$2.03 mil in 9M 2008 as compared to US\$1.11 mil in 9M 2007. The increased net profit was due mainly to higher shareable production, oil prices and a one-off gain on disposal of marketable securities of US\$0.21 mil.

Group (Q3 2008)	Profit / (Loss) Before Tax US\$'000	Taxation US\$'000	Net Contribution to Group US\$'000	Net Contribution to Group %
TMT	384	(259)	125	11%
Myanmar	1,315	(234)	1,081	94%
Thailand	(55)	-	(55)	-5%
<b>Profit / (Loss) from operations</b>	<b>1,644</b>	<b>(493)</b>	<b>1,151</b>	<b>100%</b>
Head office expenses and income			(503)	
Deemed interest expense (FRS 39)			-	
Income tax expense			(3)	
<b>Net profit after tax</b>			<b>645</b>	

Group (9M 2008)	Profit / (Loss) Before Tax US\$'000	Taxation US\$'000	Net Contribution to Group US\$'000	Net Contribution to Group US\$'000
TMT	1,631	(915)	716	21%
Myanmar	3,495	(629)	2,866	84%
Thailand	(181)	-	(181)	-5%
<b>Profit / (Loss) from operations</b>	<b>4,945</b>	<b>(1,544)</b>	<b>3,401</b>	<b>100%</b>
Head office expenses and income			(1,268)	
Deemed interest expense (FRS 39)			(89)	
Income tax expense			(10)	
<b>Net profit after tax</b>			<b>2,034</b>	

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

- (1) The Group generated a net cash inflow at TMT from operating activities of US\$0.2 mil in Q3 2008.
- (2) On 28 September 2008, the bank guarantees were reduced by US\$1.227 million as approved by the Thailand Ministry of Energy.
- (3) During the third quarter of 2008, the Group received 3 payments in respect of outstanding trade receivables in Myanmar. The Group incurred a net cash outflow from operating activities of US\$0.85 mil from Myanmar operations in Q3 2008.
- (4) Inventory was higher due to the purchase of materials for planned drilling activities.

**8(ii) SEGMENTED REVENUE AND RESULTS**

Geographical Segment	Indonesia		Myanmar		Consolidated	
	Q3 2008	Q3 2007	Q3 2008	Q3 2007	Q3 2008	Q3 2007
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Results</b>						
EBITDA	571	1,108	2,569	1,049	3,140	2,157
EBIT	356	807	1,317	694	1,673	1,501
<b>Sales to external customers</b>	2,241	2,618	2,504	1,417	4,745	4,035
<b>Segment results</b>	387	677	1,317	694	1,704	1,371
Finance costs					-	(63)
Unallocated corporate net operating results					(561)	(156)
<b>Profit before income tax</b>					1,143	1,152
Income tax expense					(498)	(336)
<b>Net profit after income tax</b>					645	816

Geographical Segment	Indonesia		Myanmar		Consolidated	
	9M 2008	9M 2007	9M 2008	9M 2007	9M 2008	9M 2007
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Results</b>						
EBITDA	2,248	2,428	4,009	1,495	6,257	3,923
EBIT	1,566	1,697	3,501	1,095	5,067	2,792
<b>Sales to external customers</b>	7,072	6,686	6,818	3,619	13,890	10,305
<b>Segment results</b>	1,652	1,628	3,501	1,095	5,153	2,723
Finance costs					(89)	(189)
Unallocated corporate net operating results					(1,475)	(677)
<b>Profit before income tax</b>					3,589	1,857
Income tax expense					(1,555)	(750)
<b>Net profit after income tax</b>					2,034	1,107

**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**

<b>Myanmar Production</b>		<b>Q3 2008 barrels</b>	<b>Q3 2007 barrels</b>	<b>9M 2008 barrels</b>	<b>9M 2007 barrels</b>
Average gross production per day		2,007	2,015	2,000	2,015
Gross production		184,688	185,375	548,040	550,027
Non-shareable production		(135,979)	(141,896)	(409,286)	(425,628)
Production shareable with MOGE		48,709	43,479	138,754	124,399
Group's 60% share of production		29,226	26,088	83,253	74,641
Group's average shareable production per day		318	284	304	273
<b>Myanmar Revenue</b>		<b>Q3 2008</b>	<b>Q3 2007</b>	<b>9M 2008</b>	<b>9M 2007</b>
Weighted average transacted oil price	US\$	119.92	75.52	114.13	67.40
Revenue shareable with MOGE	US\$'000	3,505	1,970	9,502	5,031
MOGE's share	US\$'000	(1,001)	(553)	(2,684)	(1,412)
Group's net share of revenue	US\$'000	2,504	1,417	6,818	3,619
<b>Indonesia Production</b>		<b>Q3 2008 barrels</b>	<b>Q3 2007 barrels</b>	<b>9M 2008 barrels</b>	<b>9M 2007 barrels</b>
Average gross production per day		675	766	789	742
Gross production		62,064	70,440	216,130	202,653
Non-shareable production		(3,371)	(3,900)	(10,491)	(12,292)
Production shareable with Pertamina		58,693	66,540	205,639	190,361
Group's 70% share of production		41,085	46,578	143,946	133,254
Group's average shareable production per day		447	506	525	488
<b>Indonesia Revenue</b>		<b>Q3 2008</b>	<b>Q3 2007</b>	<b>9M 2008</b>	<b>9M 2007</b>
Weighted average transacted oil price	US\$	119.34	75.55	112.31	67.46
Revenue shareable with Pertamina	US\$'000	4,903	3,520	16,167	8,990
Pertamina's share *	US\$'000	(2,662)	(902)	(9,095)	(2,303)
Group's net share of revenue	US\$'000	2,241	2,618	7,072	6,687
<b>Group Production and Revenue</b>		<b>Q3 2008</b>	<b>Q3 2007</b>	<b>9M 2008</b>	<b>9M 2007</b>
Group's share of shareable production	barrels	70,311	72,666	227,199	207,895
Group's average shareable production per day	barrels	764	790	829	762
Group's total revenue	US\$'000	4,745	4,035	13,890	10,306

Note: \* Under the 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. As a result, Pertamina's share of revenue, which includes Domestic Market Obligation ("DMO") increased.

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

N.A

**10 COMMENTARY ON PROSPECTS**

The Group will be affected by the significantly reduced oil price, however, the cost recovery mechanism which applies in both Indonesia and Myanmar helps to minimize the impact of the lower oil price. In the current economic environment, the Group will continue to reduce costs where possible.

In Thailand, there is no production or revenue generated by the 3 blocks as they are exploration in nature.

Apart from the existing business operations, the Group continues to actively seek new concessions and acquisitions.

**11 DIVIDEND**

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

No.

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

No.

c) Date Payable

NA

d) Books closure date

NA

**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)  Q3 2008 US\$	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)  Q3 2008 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 Sep 2008 to be false or misleading in any material respect.

Submitted by  
Luke Christopher Targett  
Executive Director

11 Nov 2008

## 14 ABBREVIATIONS

bopd	means	barrels of oil per day
EED	means	Exploration, evaluation and development
FRS	means	Financial Reporting Standards
Q3 2007	means	Third calendar quarter of year 2007
Q3 2008	means	Third calendar quarter of year 2008
9M 2007	means	For the period ended 30 September 2007
9M 2008	means	For the period ended 30 September 2008
FY 2007	means	Full year ended 31 December 2007
FY 2008	means	Full year ended 31 December 2008
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
DMO	means	Domestic Market Obligation
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.