

25 February 2010

Dear Shareholders

**UNAUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009****Highlights in Q4 2009**

- Net profit after tax for the quarter of US\$1.82 million
- Impairment write back for EED costs and provision for doubtful debts for Myanmar assets of US\$3 million
- Provision for exploration well (MS-1) and relinquishment of Block L3 total exploration costs for Thailand assets of US\$2.04 million
- Quarterly revenue of US\$3.64 million, 5% higher than the previous quarter due to higher transacted oil price for the quarter of US\$78 per barrel although the shareable production decreased slightly by 5% against previous quarter
- Net cash outflow for the quarter of US\$0.08 million

The Board of Directors of Interra Resources Limited (the “Company” or “Interra”) wishes to announce that for the fourth quarter (“Q4”) of 2009, the Group generated a net profit after tax of US\$1.82 million compared to a net loss after tax of US\$0.34 million in Q4 2008.

**Q4 2009 Review**

Revenue increased by 5% to US\$3.64 million in Q4 2009 from US\$3.47 million in Q3 2009 due to higher weighted average oil prices although shareable production was lower than the preceding quarter. The weighted average oil price transacted during Q4 2009 was US\$77.86 per barrel whereas during Q3 2009 it was US\$70.42 per barrel. Shareable production for Q4 2009 decreased by 5% to 64,372 barrels (700 bopd) from 67,479 barrels (733 bopd) for Q3 2009.

In Q4 2009, the Group’s cost of production decreased by 15% (US\$0.34 million) as compared to previous quarter Q3 2009. The decrease was due to lower production expenses (mainly lower equipment rental and fuel charges) at TMT by US\$0.34 million as compared to Q3 2009.

During Q4 2009, 4 payments were received in respect of Myanmar trade receivables. Due to consistent payment from Myanma Oil and Gas Enterprise (“MOGE”), the Company has reversed the impairment of exploration, evaluation and developments costs and provision of doubtful debts of US\$3 million. The Group received a total of 13 monthly payments in 2009 and 2 payments in 2010 from MOGE.

Further to the cessation of drilling of exploration well (MS-1) in Thailand, the Group made a provision to write off the dry hole of US\$1.57 million (share of 50% cost). In addition, the Group is likely to relinquish Block L3 in Thailand in April 2010, hence a provision of total exploration costs of US\$0.47 million relating this Block was provided for during the quarter.



**FY 2009 Review**

Revenue for 2009 was US\$12.62 million compared to US\$17.48 million the previous year. The 28% decrease was a result of a combination of lower oil prices and decreased production (mainly in Indonesia oil fields) during the year. Shareable production in 2009 of 270,953 barrels was lower as compared to 302,450 barrels in 2008. The weighted average oil price in 2009 of US\$65 per barrel was significantly lower than of the corresponding period of 2008 of US\$100 per barrel. The cost of production in 2009 of US\$9.18 million was lower compared to US\$10.71 million in 2008. As a result, gross profit in 2009 was US\$3.44 million as compared to gross profit of US\$6.77 million in 2008.

Other income for 2009 was significantly higher than 2008, due largely to the reversal of impairment and provision made against the Myanmar assets of US\$3 million, partly offset by a decrease of interest income from US\$0.51 million in 2008 to US\$0.10 million in 2009 as a result of lower interest rate in 2009. The increase was partly offset by a provision made for the write off of the exploration well (MS-1) and pending relinquishment of Block L3 in Thailand of US\$1.57 million and US\$0.47 million respectively.

As a result, the net profit after tax for 2009 was US\$1.48 million. This represented a slight decrease of 13% from 2008 of US\$1.70 million.

Yours sincerely,

The Board of Directors  
Interra Resources Limited

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Collins Stewart Pte. Limited, for compliance with the relevant rules of the SGX-ST. It has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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**INTERRA RESOURCES LIMITED  
UNAUDITED RESULTS FOR THE YEAR  
ENDED 31 DECEMBER 2009**

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**INTERRA RESOURCES LIMITED AND SUBSIDIARY COMPANIES**

**RESULTS FOR ANNOUNCEMENT TO THE MARKET (APPENDIX 4E)**

For the financial year ended 31 December 2009

Group	Year Ended 31 December		Percentage Change
	2009 US\$'000	2008 US\$'000	

Revenue from ordinary activities	12,617	17,479	↓ 28
Profit from ordinary activities after taxation attributable to shareholders	1,478	1,696	↓ 13
Net Profit attributable to shareholders	1,478	1,696	↓ 13
Net tangible assets per ordinary share (USD cents)	11.361	11.130	↑ 2

Group	Amount per security (SGD cents)	Franked amount per security (SGD cents)
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<b>Dividend per share</b>		
- final	NA	NA
- interim	NA	NA

Record date for determining entitlements to dividends

NA

The results for the financial year ended 31 December 2009 presented in this announcement are extracted from the financial statements for the year that have not been audited or reviewed.

The financial statements are prepared and presented in accordance with the provisions of the Singapore Companies Act, Cap. 50 and Singapore Financial Reporting Standards.

1(a)(i) PROFIT AND LOSS STATEMENT

Group	Note	Q4 2009 US\$'000	Q4 2008 US\$'000	Change %	FY 2009 US\$'000	FY 2008 US\$'000	Change %
Revenue	A1	3,644	3,590	↑ 2	12,617	17,479	↓ 28
Cost of production	A2	(1,954)	(2,966)	↓ 34	(9,181)	(10,708)	↓ 14
<b>Gross profit</b>		<b>1,690</b>	<b>624</b>	<b>↑ 171</b>	<b>3,436</b>	<b>6,771</b>	<b>↓ 49</b>
Other income	A3	3,217	(55)	NM	4,263	576	↑ 640
Administrative expenses		(716)	(735)	↓ 3	(3,157)	(3,672)	↓ 14
Other operating expenses	A4	(63)	(64)	↓ 2	(245)	(228)	↑ 7
Impairment and allowances	A5	(2,041)	-	NM	(2,041)	-	NM
Finance costs	A6	-	-	NM	-	(89)	NM
<b>Profit / (Loss) before income tax</b>		<b>2,087</b>	<b>(230)</b>	<b>NM</b>	<b>2,256</b>	<b>3,358</b>	<b>↓ 33</b>
Income tax expense		(270)	(108)	↑ 150	(778)	(1,662)	↓ 53
<b>Profit / (Loss) for the period</b>		<b>1,817</b>	<b>(338)</b>	<b>NM</b>	<b>1,478</b>	<b>1,696</b>	<b>↓ 13</b>

1(a)(ii) STATEMENT OF COMPREHENSIVE INCOME

Group	Note	Q4 2009 US\$'000	Q4 2008 US\$'000	Change %	FY 2009 US\$'000	FY 2008 US\$'000	Change %
<b>Profit / (Loss) for the period</b>		<b>1,817</b>	<b>(338)</b>	<b>NM</b>	<b>1,478</b>	<b>1,696</b>	<b>↓ 13</b>
Exchange differences on translating foreign operations		(34)	46	NM	(175)	35	NM
Financial assets, available-for-sale - Transfer to income statement on disposal		-	-	NM	-	(29)	NM
<b>Total comprehensive income for the period</b>		<b>1,783</b>	<b>(292)</b>	<b>NM</b>	<b>1,303</b>	<b>1,702</b>	<b>↓ 23</b>

↑ means increase  
↓ means decrease  
NM = not meaningful

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

Group	Q4 2009 US\$'000	Q4 2008 US\$'000	FY 2009 US\$'000	FY 2008 US\$'000
<b>Group's share of shareable production</b>	<b>64,372</b>	<b>75,251</b>	<b>270,953</b>	<b>302,450</b>
<b>A1 Revenue</b>				
Sales of crude oil (see 8(iii) for production profile)	<b>3,644</b>	<b>3,590</b>	<b>12,617</b>	<b>17,479</b>
<b>A2 Cost of production</b>				
Production expenses	1,494	2,392	7,303	9,073
Depreciation of property, plant and equipment	200	141	809	494
Amortisation of exploration, evaluation and development costs	248	428	1,031	1,131
Amortisation of computer software	12	5	38	10
	<b>1,954</b>	<b>2,966</b>	<b>9,181</b>	<b>10,708</b>
<b>A3 Other income</b>				
Interest income from deposits	12	98	96	513
Petroleum services fees	31	40	146	191
Financial assets, available-for-sale - transfer from equity on disposal	-	-	-	29
Gain on disposal of financial assets, available-for-sale	-	-	-	181
Reversal of allowance for doubtful debt	919	-	919	-
Impairment of EED costs write back	2,081	-	2,081	-
Gain / (loss) from adjustment in fair value of financial assets, at fair value through profit or loss	111	(102)	597	(102)
Gain on disposal of financial assets, at fair value through profit or loss	-	-	90	-
Gain on disposal of fixed assets	-	-	1	-
Other income	5	-	3	-
Foreign exchange gain / (loss), net*	58	(91)	330	(236)
	<b>3,217</b>	<b>(55)</b>	<b>4,263</b>	<b>576</b>
<b>A4 Other operating expenses</b>				
Depreciation of property, plant and equipment	18	20	62	50
Depreciation of computer software	1	-	6	1
Amortisation of concession rights	2	2	8	8
Amortisation of participation rights	42	42	169	169
	<b>63</b>	<b>64</b>	<b>245</b>	<b>228</b>
<b>A5 Impairment and allowances</b>				
Impairment of EED costs	1,799	-	1,799	-
Impairment of concession rights	242	-	242	-
	<b>2,041</b>	<b>-</b>	<b>2,041</b>	<b>-</b>
<b>A6 Finance costs</b>				
Deemed interest expense on interest free loans	-	-	-	89
	<b>-</b>	<b>-</b>	<b>-</b>	<b>89</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) STATEMENT OF FINANCIAL POSITION

	Note	Group		Company	
		31-Dec-09 US\$'000	31-Dec-08 US\$'000	31-Dec-09 US\$'000	31-Dec-08 US\$'000
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Property, plant and equipment		1,701	1,790	39	77
Exploration, evaluation and development costs		12,651	10,540	-	-
Intangible assets	B1	6,124	5,414	4	7
Interest in subsidiary companies		-	-	20,240	18,615
Investments	B2	-	4	-	4
		<b>20,476</b>	<b>17,748</b>	<b>20,283</b>	<b>18,703</b>
<b>Current Assets</b>					
Financial assets, at fair value through profit or loss	B2	551	436	-	-
Inventories		1,976	1,747	-	-
Trade receivables (net)	B3	4,457	5,700	-	-
Other receivables, deposits and prepayments		449	1,028	77	134
Cash and bank balances	B4	17,341	17,257	12,143	12,213
		<b>24,774</b>	<b>26,168</b>	<b>12,220</b>	<b>12,347</b>
<b>Total Assets</b>		<b>45,250</b>	<b>43,916</b>	<b>32,503</b>	<b>31,050</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital		40,109	40,109	40,109	40,109
Reserves		(4,796)	(6,098)	(8,128)	(9,628)
<b>Total equity</b>		<b>35,313</b>	<b>34,011</b>	<b>31,981</b>	<b>30,481</b>
<b>Non-Current Liabilities</b>					
Provision for environmental and restoration costs		684	518	-	-
<b>Total non-current liabilities</b>		<b>684</b>	<b>518</b>	<b>-</b>	<b>-</b>
<b>Current Liabilities</b>					
Trade payables		1,393	2,473	-	-
Other payables and accruals		3,157	2,656	533	529
Provision for taxation		4,703	4,258	(11)	40
<b>Total current liabilities</b>		<b>9,253</b>	<b>9,387</b>	<b>522</b>	<b>569</b>
<b>Total equity and liabilities</b>		<b>45,250</b>	<b>43,916</b>	<b>32,503</b>	<b>31,050</b>

## Explanatory Notes to Statement of Financial Position

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

	Group	
	31-Dec-09 US\$'000	31-Dec-08 US\$'000
Computer software	79	92
Goodwill on reverse acquisition	1,489	1,489
Participating and concession rights	1,230	1,407
Participating rights in Thailand	2,182	2,426
Participating rights in Australia	1,144	-
	<b>6,124</b>	<b>5,414</b>

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

	Group	
	31-Dec-09 US\$'000	31-Dec-08 US\$'000
(a) Other investments		
Club membership	-	<b>4</b>
(b) Financial assets, at fair value through profit or loss		
<b>Opening balance</b>	<b>436</b>	-
Addition	-	538
Disposal	(482)	-
Fair value gain / (loss) recognised in profit and loss	597	(102)
<b>Closing balance</b>	<b>551</b>	<b>436</b>

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

	Group	
	31-Dec-09 US\$'000	31-Dec-08 US\$'000
Trade receivables	6,455	8,617
Allowance for impairment of trade receivables	(1,998)	(2,917)
	<b>4,457</b>	<b>5,700</b>



## Explanatory Notes to Statement of Financial Position

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

	Group	
	31-Dec-09 US\$'000	31-Dec-08 US\$'000
Cash at bank and on hand	3,613	3,079
Fixed deposits	13,728	14,178
<b>Cash and bank balances (as per Balance Sheet)</b>	<b>17,341</b>	<b>17,257</b>
Less: Fixed deposit held as collateral for banker's guarantees	(2,810)	(2,960)
<b>Cash and cash equivalents (as per Cash Flow Statement)</b>	<b>14,531</b>	<b>14,297</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 16 Mar 2009, the bank guarantees were reduced by US\$0.82 mil as approved by Ministry of Energy. On 1 Aug 2009, a further fixed deposit of US\$0.67 mil were held as collateral for banker's guarantees in favour of Department of Custom, Thailand for importation of goods into Thailand. As at 31 Dec 2009, the outstanding bank guarantees were US\$2.81 mil.

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

Group	31-Dec-09		31-Dec-08	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Amount repayable in one year or less, or on demand	-	-	-	-
Amount repayable after one year	-	-	-	-

#### Details of Collateral

Fixed deposits of US\$2.14 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.

A further fixed deposit of US\$0.67 mil were held as collateral for banker's guarantee in favour of Department of Custom, Thailand for importation of goods into Thailand with effect from 1 Aug 2009.

1(c) STATEMENT OF CASH FLOW

Group	Q4 2009 US\$'000	Q4 2008 US\$'000	FY 2009 US\$'000	FY 2008 US\$'000
<b>Cash Flows from Operating Activities</b>				
Profit / (loss) before income tax	2,087	(230)	2,256	3,358
<b>Adjustments for non-cash items:</b>				
Depreciation of property, plant and equipment	218	161	871	544
Amortisation of:				
EED costs	248	428	1,031	1,131
Concession rights	2	2	8	8
Computer software	13	5	44	11
Participating rights	42	42	169	169
Impairment of EED costs (Thailand)	1,799	-	1,799	-
Impairment of concession rights	242	-	242	-
Interest income	(12)	(98)	(96)	(513)
Interest expense	-	-	-	89
Financial assets, at fair value through profit or loss - fair value loss	(111)	102	(597)	102
Gain on disposal of financial assets, at fair value through profit or loss	-	-	(90)	-
Gain on disposal of fixed assets	-	-	(1)	-
Exchange (gain) / loss	(58)	91	(330)	235
Financial assets, available-for-sale - transfer from equity on disposal	-	-	-	(29)
Net gain on disposal of financial assets, available-for-sale	-	-	-	(181)
Reversal of allowance for doubtful debt	(919)	-	(919)	-
Impairment of EED costs write back	(2,081)	-	(2,081)	-
<b>Operating profit before working capital changes</b>	<b>1,470</b>	<b>503</b>	<b>2,306</b>	<b>4,924</b>
<b>Changes in working capital:</b>				
Inventories	(29)	474	(230)	(671)
Trade and other receivables	(563)	564	2,740	(1,513)
Trade and other payables	504	679	(1,326)	417
Accrued operating expenses	49	(119)	47	(109)
Provision for environmental and restoration costs	33	96	166	223
<b>Cash generated from operations</b>	<b>1,464</b>	<b>2,197</b>	<b>3,703</b>	<b>3,271</b>
Tax paid	-	(112)	(332)	(1,255)
<b>Net cash provided by operating activities</b>	<b>1,464</b>	<b>2,085</b>	<b>3,371</b>	<b>2,016</b>
<b>Cash Flows from Investing Activities</b>				
Interest income received	19	109	105	557
Net proceeds from disposal of financial assets	-	-	572	1,210
Net proceeds from disposal of club membership	-	-	5	-
Net proceeds from disposal of property, plant and equipment	-	-	1	-
Investment in marketable securities	-	(538)	-	(538)
Fixed deposit released as collateral for banker's guarantee (net)	-	-	150	1,227
Acquisition cost for exploration concession in Australia	(342)	-	(342)	-
Capital expenditure:				
Purchase of property, plant and equipment	162	(880)	(412)	(1,307)
Purchase of computer software	(26)	(80)	(26)	(81)
Well drillings and improvements	(169)	(2,267)	(1,442)	(3,537)
Geological and geophysical studies (including seismic)	(1,190)	(47)	(1,751)	(730)
<b>Net cash used in investing activities</b>	<b>(1,546)</b>	<b>(3,703)</b>	<b>(3,140)</b>	<b>(3,199)</b>
<b>Cash Flows from Financing Activities</b>				
Repayment of loan from a related party	-	-	-	(4,381)
Dividend paid	-	-	-	(944)
<b>Net cash used in financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,325)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(82)</b>	<b>(1,618)</b>	<b>231</b>	<b>(6,508)</b>
Cash and cash equivalents at beginning of period	14,613	15,918	14,297	20,806
Effects of currency translation on cash and cash equivalents	-	(3)	3	(1)
<b>Cash and cash equivalents at end of period (see Note B4)</b>	<b>14,531</b>	<b>14,297</b>	<b>14,531</b>	<b>14,297</b>

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

Group	Share Capital	Foreign Currency Translation Reserve	Special Reserves	Other Reserves	Retained Earnings	Total Equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	
<b>Balance as at 1 Jan 2008</b>	40,109	(1,163)	(16,545)	29	10,808	33,238
Employee share option scheme - value of employee services	-	-	-	15	-	15
Dividends relating to 2007 paid	-	-	-	-	(944)	(944)
Total comprehensive income for FY 2008	-	35	-	(29)	1,696	1,702
<b>Balance as at 31 Dec 2008</b>	40,109	(1,128)	(16,545)	15	11,560	34,011
Employee share option scheme - value of employee services	-	-	-	(1)	-	(1)
Total comprehensive income for FY 2009	-	(175)	-	-	1,478	1,303
<b>Balance as at 31 Dec 2009</b>	40,109	(1,303)	(16,545)	14	13,038	35,313

Company	Share Capital	Other Reserves	Accumulated Losses	Total Equity
	US\$'000	US\$'000	US\$'000	
<b>Balance as at 1 Jan 2008</b>	40,109	-	(7,614)	32,495
Employee share option scheme - value of employee services	-	15	-	15
Dividends relating to 2007 paid	-	-	(944)	(944)
Total comprehensive income for FY 2008	-	-	(1,085)	(1,085)
<b>Balance as at 31 Dec 2008</b>	40,109	15	(9,643)	30,481
Employee share option scheme - value of employee services	-	(1)	-	(1)
Total comprehensive income for FY 2009	-	-	1,501	1,501
<b>Balance as at 31 Dec 2009</b>	40,109	14	(8,142)	31,981

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	No. of unissued ordinary shares forfeited	Exercise Price	Exercise Period
Luke Christopher Targett	350,000	350,000	S\$0.45	4 March 2010 to 2 March 2013
	350,000	350,000	S\$0.55	4 March 2010 to 2 March 2013
Frank Overall 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 Mar 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 Mar 2010 and expire on 2 Mar 2013. The total fair value of the 2008 Options granted over the vesting period was estimated to be S\$49,448 (US\$35,461) using the Binomial Option Pricing Model.

On 19 Jun 2009, Chief Executive Officer and Executive Director, Luke Christopher Targett has resigned after the expiry of the term of service contract and 2008 Options granted is lapsed on the same date. Consequently, the share option expenses recognised previously will be reversed from share option reserve to profit and loss statement. As at 30 Jun 2009, the total fair value of the 2008 Options granted and still valid was estimated to be S\$20,603 (US\$14,776).

No additional share capital was issued in Q4 2009.

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

Group and Company	Q4 2009	Q4 2008
<u>Issued and fully paid</u>		
Opening balance and closing balance	256,920,238	256,920,238
	<b>256,920,238</b>	<b>256,920,238</b>

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 auditor.

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 2008.

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

The Group has adopted all the new and revised Singapore Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 Jan 2009. Consequential amendments were also made to various standards as a result of these new or revised standards.

The following new or amended FRS are relevant to the Group and the Company:

FRS 1(R) - Presentation of Financial Statements  
 Revised FRS 23 - Borrowing Costs  
 FRS 108 - Operating Segments

The adoption of these new or revised FRS and INT FRS does not result in changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current period or prior years.

**6 EARNINGS PER SHARE**

Group	Q4 2009	Q4 2008	FY 2009	FY 2008
<b>Basic earnings / (loss) per share (USD cents)</b>	0.707	(0.132)	0.575	0.660
Weighted average number of shares for the purpose of computing basic earnings / (loss) per share	256,920,238	256,920,238	256,920,238	256,920,238
<b>Fully diluted earnings / (loss) per share (USD cents)</b>	0.707	(0.132)	0.575	0.660
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 Q4 2009 and FY 2009 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	
	31-Dec-09	31-Dec-08	31-Dec-09	31-Dec-08
Net asset value per ordinary share based on issued share capital (excluding treasury shares) (USD cents)	13.744	13.238	12.448	11.864
Number of ordinary shares in issue	256,920,238	256,920,238	256,920,238	256,920,238

## 8(i) PERFORMANCE REVIEW

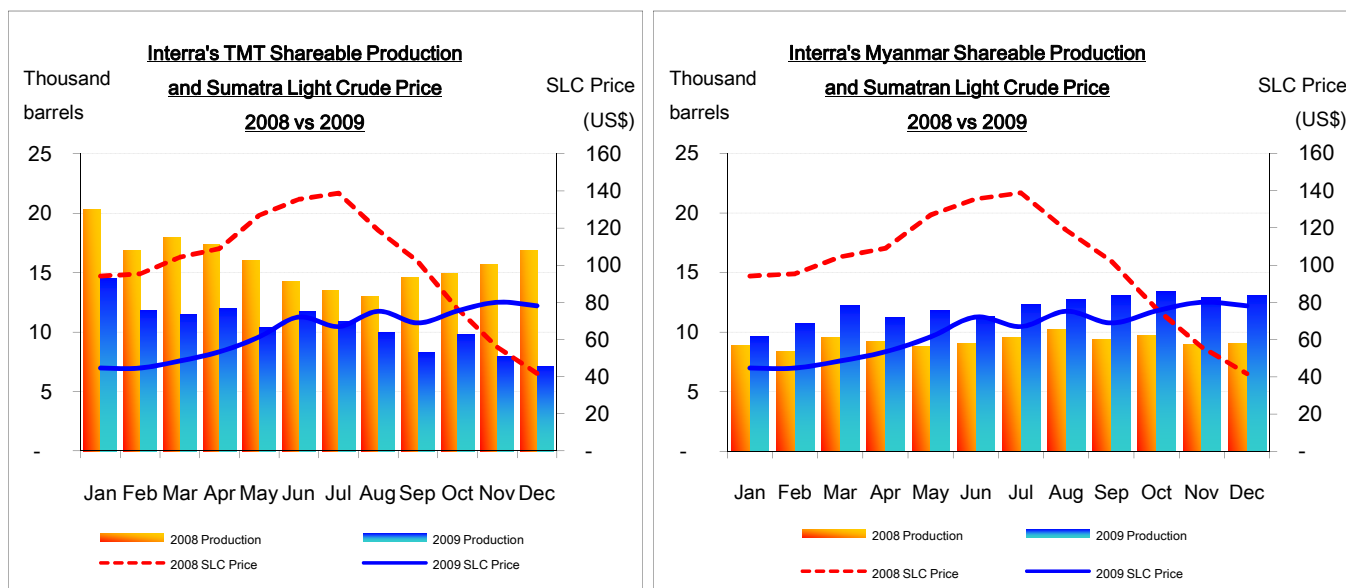
### Significant factors affecting the turnover, costs and earnings of the Group

#### FY 2009 Review

#### Production & Revenue

Revenue decreased by 28% to US\$12.62 mil in FY 2009 from US\$17.48 mil in FY 2008 due to lower oil prices and shareable production. The weighted average oil price transacted in FY 2009 was US\$65.03 per barrel whereas in FY 2008 it was US\$100.21 per barrel. The Group's share of shareable production decreased by 10% (31,497 barrels) to 270,953 barrels in FY 2009 from 302,450 barrels in FY 2008.

The shareable production contributed by TMT decreased by 34% from 191,443 barrels in FY 2008 to 126,186 barrels in FY 2009. However, the shareable production from Myanmar increased by 30% from 111,007 barrels in FY 2008 to 144,767 barrels in FY 2009 due to good contribution from the re-opening of an old well in FY 2009.



#### Cost of Production

On a year-on-year basis, cost of production in FY 2009 decreased by US\$1.53 mil as compared to FY 2008. This was largely due to lower direct operating cost, as a result of cost control measures and scale back on work programs, which was initiated since the beginning of the year.

#### Net Profit After Tax

The Group posted a net profit after tax of US\$1.48 mil in FY 2009 as compared to a net profit after tax of US\$1.70 mil in FY 2008. The decrease in net profit was due to the following:

(a) lower sharable production and weighted average oil price transacted during FY 2009 as compared to FY 2008, resulting in lower revenue of US\$4.86 mil.

(b) Impairment and allowances in FY 2009 in relation to provision made for the write off of the exploration well (MS-1) that was plugged and abandoned in Dec 2009 and pending relinquishment of Block L3 of US\$1.57 mil and US\$0.47 mil respectively.

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

### Net Profit After Tax

However, the net profit in FY 2009 was offset by an increase of the following:

(a) Write back of impairment of EED costs and provision for doubtful debts for Myanmar assets of US\$3.0 mil in FY 2009 as compared to FY 2008.

(b) Gain from adjustment in fair value of financial assets of US\$0.60 mil in FY 2009 as compared to loss from adjustment in fair value of financial assets of US\$0.10 mil in FY 2008.

(c) Foreign exchange gain of US\$0.33 mil in FY 2009 as compared to foreign exchange loss of US\$0.24 mil in FY 2008.

Group (Q4 2009)	Profit / (Loss) Before Tax US\$'000	Taxation US\$'000	Net Contribution to Group US\$'000	Net Contribution to Group %
TMT	435	(79)	356	(43%)
Myanmar	1,043	(203)	840	-102%
Thailand	(2,023)	-	(2,023)	245%
<b>Loss from operations</b>	<b>(545)</b>	<b>(282)</b>	<b>(827)</b>	<b>100%</b>
Head office expenses and income			2,632	
Income tax expense			12	
<b>Net profit after tax</b>			<b>1,817</b>	
Group (FY 2009)	Profit / (Loss) Before Tax US\$'000	Taxation US\$'000	Net Contribution to Group US\$'000	Net Contribution to Group US\$'000
TMT	33	(324)	(291)	101%
Myanmar	2,318	(411)	1,907	(662%)
Thailand	(1,904)	-	(1,904)	661%
<b>Profit / (loss) from operations</b>	<b>447</b>	<b>(735)</b>	<b>(288)</b>	<b>100%</b>
Head office expenses and income			1,809	
Income tax expense			(43)	
<b>Net profit after tax</b>			<b>1,478</b>	

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

- (1) Capital expenditure of US\$3.19 mil was made in FY 2009 mainly in respect of drilling costs in Thailand of US\$1.52 mil, shallow well costs in Myanmar of US\$0.38 mil and drilling costs in Indonesia of US\$1.06 mil.
- (2) During FY 2009, the Group received 13 payments in respect of outstanding trade receivables in Myanmar. The Group generated a net cash inflow from operating activities of US\$2.82 mil from Myanmar operations in FY 2009. Net accounts receivable declined due to lower invoice amount as a result of lower oil prices and 1 less outstanding invoice as compared to last year.
- (3) During FY 2009, the Group acquired the exploration concession in Australia (PEP 167) at a cost US\$0.34 mil.
- (4) The Group disposed of 7 mil of PT Adaro shares with a net proceeds of US\$0.57 mil.
- (5) The Group's cash position remained stable with a net cash inflow of US\$0.23 mil in FY 2009.

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

Geographical Segment	Indonesia		Myanmar		Consolidated	
	Q4 2009	Q4 2008	Q4 2009	Q4 2008	Q4 2009	Q4 2008
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Results</b>						
EBITDA	719	646	1,934	1,764	2,653	2,410
EBIT	417	240	4,042	106	4,459	346
<b>Sales to external customers</b>	1,442	2,438	2,202	1,152	3,644	3,590
<b>Segment results</b>	413	296	4,042	106	4,455	402
Finance costs					-	-
Unallocated corporate net operating results					(2,368)	(632)
<b>Profit / (loss) before income tax</b>					2,087	(230)
Income tax expense					(270)	(108)
<b>Net profit / (loss) after income tax</b>					1,817	(338)

Geographical Segment	Indonesia		Myanmar		Consolidated	
	FY 2009	FY 2008	FY 2009	FY 2008	FY 2009	FY 2008
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Results</b>						
EBITDA	1,241	2,894	3,109	4,333	4,350	7,227
EBIT	(47)	1,805	5,318	3,601	5,271	5,406
<b>Sales to external customers</b>	5,844	9,509	6,773	7,970	12,617	17,479
<b>Segment results</b>	(25)	1,948	5,318	3,601	5,293	5,549
Finance costs					-	(89)
Unallocated corporate net operating results					(3,037)	(2,102)
<b>Profit before income tax</b>					2,256	3,358
Income tax expense					(778)	(1,662)
<b>Net profit after income tax</b>					1,478	1,696

**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>Q4 2009 barrels</b>	<b>Q4 2008 barrels</b>	<b>FY 2009 barrels</b>	<b>FY 2008 barrels</b>
Average gross production per day		2,116	1,965	2,084	1,991
Gross production		194,685	180,797	760,791	728,837
Non-shareable production		(128,978)	(134,541)	(519,512)	(543,827)
Production shareable with MOGE		65,707	46,256	241,279	185,010
Group's 60% share of production		39,423	27,754	144,767	111,007
Group's average shareable production per day		429	302	397	303
<b>Myanmar Revenue</b>		<b>Q4 2009</b>	<b>Q4 2008</b>	<b>FY 2009</b>	<b>FY 2008</b>
Weighted average transacted oil price	US\$	77.86	58.44	65.03	100.21
Revenue shareable with MOGE	US\$'000	3,069	1,622	9,415	11,124
MOGE's share	US\$'000	(867)	(470)	(2,642)	(3,154)
Group's net share of revenue	US\$'000	2,202	1,152	6,773	7,970
<b>Indonesia Production</b>		<b>Q4 2009 barrels</b>	<b>Q4 2008 barrels</b>	<b>FY 2009 barrels</b>	<b>FY 2008 barrels</b>
Average gross production per day		414	773	523	785
Gross production		38,068	71,105	190,784	287,235
Non-shareable production		(2,427)	(3,252)	(10,518)	(13,743)
Production shareable with Pertamina		35,641	67,853	180,266	273,492
Group's 70% share of production		24,949	47,497	126,186	191,443
Group's average shareable production per day		271	516	346	523
<b>Indonesia Revenue</b>		<b>Q4 2009</b>	<b>Q4 2008</b>	<b>FY 2009</b>	<b>FY 2008</b>
Weighted average transacted oil price	US\$	77.69	57.31	62.26	98.67
Revenue shareable with Pertamina	US\$'000	1,939	2,722	7,857	18,889
Pertamina's share *	US\$'000	(497)	(284)	(2,013)	(9,380)
Group's net share of revenue	US\$'000	1,442	2,438	5,844	9,509
<b>Group Production and Revenue</b>		<b>Q4 2009</b>	<b>Q4 2008</b>	<b>FY 2009</b>	<b>FY 2008</b>
Group's share of shareable production	barrels	64,372	75,251	270,953	302,450
Group's average shareable production per day	barrels	700	818	743	826
Group's total revenue	US\$'000	3,644	3,590	12,617	17,479

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. Pertamina's share of revenue in FY 2008 includes Domestic Market Obligation ("DMO").

**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**

Although the oil price has stabilized in 2009, the profitability of the Group for 2010 will largely be dependent on the volatility of the oil price. Focus will be on improving the productivity of the fields that are under the operatorship of the Group. This will include investing in work programs and capital commitments that are aimed at achieving higher yield to the Group.

In Thailand, the Group is committed to continue with its obligation for Blocks L17 and L9, while L3 will be relinquished in 2010. In Australia, a 3D seismic program is scheduled in early 2010, but the Group does not foresee any significant contribution from this asset in 2010.

The Group is in a sound financial position with no debts, and has sufficient cash on hand to meet its operating costs for the foreseeable future. The Group will continue to actively seek new concessions and assets, in order to strengthen our presence in the region.

**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** If no dividend has been declared (recommended), a statement to that effect

The Company has not declared a dividend for the year under review.

**13** A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

	Latest Full Year	Previous Full Year
	US\$'000	US\$'000
Ordinary	-	-
Preference	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

14 OTHERS

JOINT VENTURE COMPANIES OF THE GROUP

Name of Company/Entity	Country of Operation	Percentage of effective equity held by the Group as at	
		31-Dec-09	31-Dec-08
Goldpetrol Joint Operating Company Inc.	Myanmar	60	60
TAC Pertamina - Retco Prima Energi	Indonesia	70	70

Note: Refer to Note 8(i) for contribution by the above joint venture.

15 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 2009 US\$	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) Q4 2009 US\$
Nil	Nil	Nil

Submitted by  
 Marcel Tjia  
 Executive Director  
 25 Feb 2010

## 16 ABBREVIATIONS

bopd	means	barrels of oil per day
EED	means	Exploration, evaluation and development
FRS	means	Financial Reporting Standards
Q4 2008	means	Fourth calendar quarter of year 2008
Q4 2009	means	Fourth calendar quarter of year 2009
FY 2008	means	Full year ended 31 December 2008
FY 2009	means	Full year ended 31 December 2009
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
IRA	means	Interra Resources (Australia) Pte. Ltd.
JSXT	means	JSX Energy (Thailand) Limited
BAS	means	Bass Strait Oil Company Ltd
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.