

12 August 2010

**RESULTS FOR ANNOUNCEMENT TO THE MARKET
FOR THE HALF YEAR ENDED 30 JUNE 2010**

Group	6M 2010 (US\$'000)	6M 2009 (US\$'000)	Change (%)
Revenue	7,660	5,506	39%
Profit / (Loss) from ordinary activities after income tax	498	(554)	190%
Net profit / (loss) attributable to shareholders	498	(554)	190%
Net tangible assets per ordinary share (USD cents)	13.886	12.980	7%

Group	Amount per security (SGD cents)	Franked Amount per security (SGD cents)
Dividend per share - Final and interim*	Nil	Nil

Note:

* No dividend was declared for the half year ended 30 June 2010 and 30 June 2009.

Commentary

The Group generated a net profit after tax of US\$0.17 million in the second quarter of 2010, against a net profit after tax of US\$0.33 million in the first quarter of 2010, resulting in a net profit after tax of US\$0.50 million for the six months ended 30 June 2010.

Important Notes:

This half year report should be read in conjunction with the audited annual report for the financial year ended 31 December 2009 and results announcements released during the six months ended 30 June 2010.

The figures presented in this announcement have been reviewed by the independent auditors in accordance with Singapore Standard on Review Engagements 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

12 August 2010

Dear Shareholders,

UNAUDITED RESULTS FOR THE QUARTER ENDED 30 JUNE 2010**Highlights in Q2 2010**

- Net profit after tax for the quarter of US\$0.17 million
- Quarterly revenue of US\$3.89 million was 3% higher than the previous quarter due to higher weighted average oil price transacted
- Impairment write-down of US\$0.50 million on Indonesia assets as a result of declining production
- Reversal of allowance for impairment of Myanmar assets of US\$0.35 million due to improvement of trade receivables

The Board of Directors of Interra Resources Limited (the “Company” or “Interra”) wishes to announce that for the second quarter (“Q2”) of 2010, the Group generated a net profit after tax of US\$0.17 million.

Q2 2010 vs Q2 2009 Review

Revenue increased by 24% to US\$3.89 million in Q2 2010 from US\$3.13 million in Q2 2009 due to higher oil prices although shareable production was lower. The weighted average oil price transacted in Q2 2010 was US\$82.76 per barrel as compared to US\$62.35 per barrel in Q2 2009. The Group's share of shareable production decreased by 6% (3,999 barrels) from 68,617 barrels in Q2 2009 to 64,618 barrels in Q2 2010.

Cost of production in Q2 2010 increased by US\$0.09 million as compared to Q2 2009. This was largely due to higher amortisation charges for exploration, evaluation and development costs in Q2 2010 from the capitalised 2D seismic costs and well capitalization costs of US\$0.55 million and US\$0.11 million respectively in Myanmar as compared to Q2 2009 of US\$0.04 million.

Foreign exchange loss of US\$0.05 million was recorded in Q2 2010 as compared to foreign exchange gain of US\$0.21 million in Q2 2009, due to the strengthening of US dollar against Thai Baht.

During Q2 2010, 4 payments were received in respect of Myanmar trade receivables. As at the date of this report, a total of 9 payments have been received from the Myanma Oil and Gas Enterprise (“MOGE”) (FY2009: 13 payments). The outstanding number of invoices has decreased and production has increased. As a result, the Company has decided to write-back an allowance for impairment of US\$0.35 million in this quarter.

Based upon the assessment of the current production level, the Company is of the opinion that it is only prudent to recognise a write-down of the carrying value of the Indonesia asset. The amount of the impairment of exploration, evaluation and development costs is US\$0.50 million.

6M 2010 vs 6M 2009 Review

Gross profit for the first six months ("6M") of 2010 was US\$2.72 million as compared to gross profit of US\$0.57 million for 6M 2009. The year-on-year increase was due to higher oil prices although shareable production decreased. Shareable production for 6M 2010 of 130,682 barrels was lower as compared to 139,211 barrels in 6M 2009 (a decrease of 6%). The weighted average oil price transacted for 6M 2010 of US\$80.63 per barrel was significantly higher than that of the corresponding period of 2009 of US\$54.45 per barrel. Cost of production remained stable for both periods.

The net profit after tax recorded in 6M 2010 of US\$0.50 million as compared to net loss after tax in 6M 2009 of US\$0.55 million was due largely to higher oil prices, which gave rise to an increase in revenue of US\$2.15 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 ("Sponsor"), Collins Stewart Pte. Limited, for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("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.

The contact person for the Sponsor is Mr Alex Tan, CEO of Collins Stewart Pte. Limited, address 77 Robinson Road #21-02 Singapore 068896, telephone (65) 6854 6160.



**INTERRA RESOURCES LIMITED
UNAUDITED RESULTS FOR THE QUARTER
ENDED 30 JUNE 2010**

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1(a)(i) PROFIT AND LOSS STATEMENT

Group	Note	Q2 2010 US\$'000	Q2 2009 US\$'000	Change %	6M 2010 US\$'000	6M 2009 US\$'000	Change %
Revenue	A1	3,888	3,129	↑ 24	7,660	5,506	↑ 39
Cost of production	A2	(2,480)	(2,391)	↑ 4	(4,937)	(4,933)	-
Gross profit		1,408	738	↑ 91	2,723	573	↑ 375
Other income	A3	354	411	↓ 14	618	804	↓ 23
Administrative expenses		(720)	(811)	↓ 11	(1,463)	(1,557)	↓ 6
Other operating expenses	A4	(65)	(67)	↓ 3	(129)	(128)	↑ 1
Impairment and allowances	A5	(500)	-	NM	(642)	-	NM
Profit / (Loss) before income tax		477	271	↑ 76	1,107	(308)	NM
Income tax expense		(311)	(65)	↑ 378	(609)	(246)	↑ 148
Profit / (Loss) for the period		166	206	↓ 19	498	(554)	NM
Attributable to:							
Equity holders of the Company		166	206		498	(554)	
Earnings per share (USD cents)							
- Basic		0.064	0.080		0.194	(0.216)	
- Fully diluted		0.064	0.080		0.194	(0.216)	

1(a)(ii) STATEMENT OF COMPREHENSIVE INCOME

Group	Note	Q2 2010 US\$'000	Q2 2009 US\$'000	Change %	6M 2010 US\$'000	6M 2009 US\$'000	Change %
Profit / (Loss) for the period		166	206	↓ 19	498	(554)	NM
Exchange differences on translating foreign operations		16	(81)	NM	(135)	(102)	↑ 32
Total comprehensive income for the period		182	125	↑ 46	363	(656)	NM

↑ means increase

↓ means decrease

NM = not meaningful

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

Group		Q2 2010 US\$'000	Q2 2009 US\$'000	6M 2010 US\$'000	6M 2009 US\$'000
Group's share of shareable production		64,618	68,617	130,682	139,211
		barrels			
A1	Revenue				
	Sales of crude oil (see 8(iii) for production profile)	<u>3,888</u>	<u>3,129</u>	<u>7,660</u>	<u>5,506</u>
A2	Cost of production				
	Production expenses	1,887	1,924	3,683	4,015
	Depreciation of property, plant and equipment	150	203	367	392
	Amortisation of exploration, evaluation and development costs ("EED")	434	255	870	509
	Amortisation of computer software	9	9	17	17
		<u>2,480</u>	<u>2,391</u>	<u>4,937</u>	<u>4,933</u>
A3	Other income				
	Interest income from deposits	13	19	20	45
	Petroleum services fees	22	36	51	81
	Gain on disposal of financial assets, available-for-sale	-	26	-	90
	Reversal of allowance for impairment of trade receivables	350	-	350	-
	Fair value gain on financial assets, at fair value through profit or loss	5	122	100	395
	Other income	14	-	30	-
	Foreign exchange (loss) / gain, net*	(50)	208	67	193
		<u>354</u>	<u>411</u>	<u>618</u>	<u>804</u>
A4	Other operating expenses				
	Depreciation of property, plant and equipment	19	21	37	37
	Depreciation of computer software	2	2	3	2
	Amortisation of concession rights	2	2	4	4
	Amortisation of participation rights	42	42	85	85
		<u>65</u>	<u>67</u>	<u>129</u>	<u>128</u>
A5	Impairment and allowances				
	Impairment of EED costs	500	-	642	-
		<u>500</u>	<u>-</u>	<u>642</u>	<u>-</u>

* 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	
		30-Jun-10 US\$'000	31-Dec-09 US\$'000	30-Jun-10 US\$'000	31-Dec-09 US\$'000
ASSETS					
Non-Current Assets					
Property, plant and equipment		1,368	1,701	27	39
Exploration, evaluation and development costs	B1	12,969	12,651	-	-
Intangible assets	B2	6,018	6,124	3	4
Interest in subsidiary companies		-	-	22,350	20,240
		20,355	20,476	22,380	20,283
Current Assets					
Financial assets, at fair value through profit or loss	B3	651	551	-	-
Inventories		1,836	1,976	-	-
Trade receivables (net)	B4	6,015	4,457	-	-
Other receivables, deposits and prepayments		921	449	147	77
Cash and bank balances	B5	15,505	17,341	9,259	12,143
		24,928	24,774	9,406	12,220
Total assets		45,283	45,250	31,786	32,503
EQUITY AND LIABILITIES					
Equity					
Share capital		40,109	40,109	40,109	40,109
Reserves		(4,432)	(4,796)	(8,688)	(8,128)
Total equity		35,677	35,313	31,421	31,981
Non-Current Liabilities					
Provision for environmental and restoration costs		755	684	-	-
Total non-current liabilities		755	684	-	-
Current Liabilities					
Trade payables		1,018	1,393	-	-
Other payables and accruals		2,509	3,157	364	533
Provision for taxation		5,324	4,703	1	(11)
Total current liabilities		8,851	9,253	365	522
Total equity and liabilities		45,283	45,250	31,786	32,503

Explanatory Notes to Statement of Financial Position

B1 Details on exploration, evaluation and development costs are as follows:

	Group	
	30-Jun-10 US\$'000	31-Dec-09 US\$'000
Initial joint study cost	479	540
Contractual bonus	46	45
Exploration, geological and geophysical cost	3,219	1,719
Asset under construction	121	292
Completed assets	8,699	9,591
Cost recovery	405	464
	<u>12,969</u>	<u>12,651</u>

B2 Details on intangible assets are as follows:

	Group	
	30-Jun-10 US\$'000	31-Dec-09 US\$'000
Computer software	60	79
Goodwill on reverse acquisition	1,489	1,489
Participating and concession rights	1,141	1,230
Participating rights in Thailand	2,176	2,182
Participating rights in Australia	1,152	1,144
	<u>6,018</u>	<u>6,124</u>

B3 Details on investments are as follows:

	Group	
	30-Jun-10 US\$'000	31-Dec-09 US\$'000
Financial assets, at fair value through profit or loss		
Opening balance	551	436
Addition	-	-
Fair value gain recognised in profit and loss	100	597
Proceeds from disposal	-	(572)
Net gain recognised in the statement of comprehensive income upon disposal	-	90
Closing balance	<u>651</u>	<u>551</u>

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

	Group	
	30-Jun-10 US\$'000	31-Dec-09 US\$'000
Trade receivables	7,663	6,455
Allowance for impairment of trade receivables	(1,648)	(1,998)
	<u>6,015</u>	<u>4,457</u>

Explanatory Notes to Statement of Financial Position

B5 Details on cash and cash equivalents are as follows:

	Group	
	30-Jun-10 US\$'000	31-Dec-09 US\$'000
Cash at bank and on hand	2,904	3,613
Fixed deposits	12,601	13,728
Cash and bank balances (as per Balance Sheet)	15,505	17,341
Less: Fixed deposit held as collateral for banker's guarantees	(750)	(2,810)
Cash and cash equivalents (as per Statement of Cash Flow)	14,755	14,531

The outstanding banker's guarantees are US\$0.67 mil in favour of the Thailand Department of Custom and US\$0.08 mil in favour of the Thailand Ministry of Energy for Block L9/48 and L3/48. As at the date of this report, the banker's guarantees of US\$0.08 mil in favour of the Thailand Ministry of Energy for Block L9/48 and L3/48 are discharged.

1(b)(ii) BORROWINGS AND DEBT SECURITIES

Group	30-Jun-10		31-Dec-09	
	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

The outstanding banker's guarantees are US\$0.67 mil in favour of the Thailand Department of Custom and US\$0.08 mil in favour of the Thailand Ministry of Energy for Block L9/48 and L3/48. As at the date of this report, the banker's guarantees of US\$0.08 mil in favour of the Thailand Ministry of Energy for Block L9/48 and L3/48 are discharged.

1(c) STATEMENT OF CASH FLOW

Group	Q2 2010 US\$'000	Q2 2009 US\$'000	6M 2010 US\$'000	6M 2009 US\$'000
Cash Flows from Operating Activities				
Profit / (loss) before income tax	477	271	1,107	(308)
Adjustments for non-cash items:				
Depreciation of property, plant and equipment	169	224	404	429
Amortisation of:				
EED costs	434	255	870	509
Concession rights	2	2	4	4
Computer software	11	11	21	19
Participating rights	42	42	85	85
Impairment of EED costs (Indonesia)	500	-	500	-
Impairment of EED costs (Thailand)	-	-	142	-
Interest income	(13)	(19)	(20)	(45)
Financial assets, at fair value through profit or loss - fair value gain	(5)	(122)	(100)	(395)
Net gain on disposal of financial assets, at fair value through profit or loss	-	(26)	-	(90)
Exchange loss / (gain)	20	(102)	(202)	(69)
Reversal of allowance for impairment of trade receivables	(350)	-	(350)	-
Fixed assets written off	1	-	1	-
Dividend income	(14)	-	(14)	-
Operating profit before working capital changes	1,274	536	2,448	139
Changes in working capital:				
Inventories	175	(21)	140	(434)
Trade and other receivables	(258)	937	(1,316)	2,659
Trade and other payables	32	(1,574)	(1,293)	(1,644)
Accrued operating expenses	(469)	(188)	(85)	(143)
Provision for environmental and restoration costs	34	45	71	95
Cash generated from operations	788	(265)	(35)	672
Income tax (paid) / refund	-	(109)	12	(325)
Net cash provided by / (used in) operating activities	788	(374)	(23)	347
Cash Flows from Investing Activities				
Interest income received	10	15	18	48
Net proceeds from disposal of financial assets, at fair value through profit or loss	-	253	-	572
Fixed deposit released as collateral for banker's guarantee (net)	-	-	2,060	820
Acquisition cost for exploration concession in Australia	-	-	(8)	-
Capital expenditure:				
Purchase of property, plant and equipment	(59)	(43)	(72)	(531)
Well drillings and improvements	(105)	(61)	(251)	(729)
Geological and geophysical studies (including seismic)	(605)	(310)	(1,537)	(367)
Net cash (used in) / provided by investing activities	(759)	(146)	210	(187)
Cash Flows from Financing Activities				
Dividend received	14	-	14	-
Net cash provided by financing activities	14	-	14	-
Net increase / (decrease) in cash and cash equivalents	43	(520)	201	160
Cash and cash equivalents at beginning of period	14,712	14,971	14,531	14,297
Effects of currency translation on cash and cash equivalents	-	6	23	-
Cash and cash equivalents at end of period (see Note B5)	14,755	14,457	14,755	14,457

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	US\$'000
Balance as at 1 Apr 2009	40,109	(1,149)	(16,545)	19	10,800	33,234
Employee share option scheme - value of employee services	-	-	-	(9)	-	(9)
Total comprehensive income for Q2 2009	-	(81)	-	-	206	125
Balance as at 30 Jun 2009	40,109	(1,230)	(16,545)	10	11,006	33,350
Balance as at 1 Apr 2010	40,109	(1,454)	(16,545)	15	13,370	35,495
Total comprehensive income for Q2 2010	-	16	-	-	166	182
Balance as at 30 Jun 2010	40,109	(1,438)	(16,545)	15	13,536	35,677

Company	Share Capital	Other Reserves	Accumulated Losses	Total Equity
	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1 Apr 2009	40,109	19	(9,951)	30,177
Employee share option scheme - value of employee services	-	(9)	-	(9)
Total comprehensive income for Q2 2009	-	-	(199)	(199)
Balance as at 30 Jun 2009	40,109	10	(10,150)	29,969
Balance as at 1 Apr 2010	40,109	15	(8,453)	31,671
Total comprehensive income for Q2 2010	-	-	(250)	(250)
Balance as at 30 Jun 2010	40,109	15	(8,703)	31,421

1(d)(ii) SHARE CAPITAL

Share Options Outstanding

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

	No. of unissued ordinary shares under option	Exercise Price	Exercise Period
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

The number of unissued ordinary shares under option was 250,000 ordinary shares at an exercise price of S\$0.45 per share and 250,000 ordinary shares at an exercise price of S\$0.55 per share ("2008 Options"). The 2008 Options are exercisable from 4 Mar 2010 and will expire on 2 Mar 2013. 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 Q2 2010.

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

Group and Company	Q2 2010	Q2 2009
<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

NA

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 but have been reviewed by the independent auditor, Nexia TS Public Accounting Corporation.

3 WHERE THE FIGURES HAVE BEEN AUDITED OR REVIEWED, THE AUDITORS' REPORT (INCLUDING ANY QUALIFICATIONS OR EMPHASIS OF A MATTER)

NA

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 2009.

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 2010. 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 27 (revised) - Consolidated and Separate Financial Statements
FRS 103 (revised) - Business Combinations

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	Q2 2010	Q2 2009	6M 2010	6M 2009
Basic earnings / (loss) per share (USD cents)	0.064	0.080	0.194	(0.216)
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
Fully diluted earnings / (loss) per share (USD cents)	0.064	0.080	0.194	(0.216)
Weighted average number of shares for the purpose of computing fully diluted earnings / (loss) per share	256,920,238	256,920,238	256,920,238	256,920,238

Basic and fully diluted earnings per share for Q2 2010 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-Jun-10	31-Dec-09	30-Jun-10	31-Dec-09
Net asset value per ordinary share based on issued share capital (excluding treasury shares) (USD cents)	13.886	13.744	12.230	12.448
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

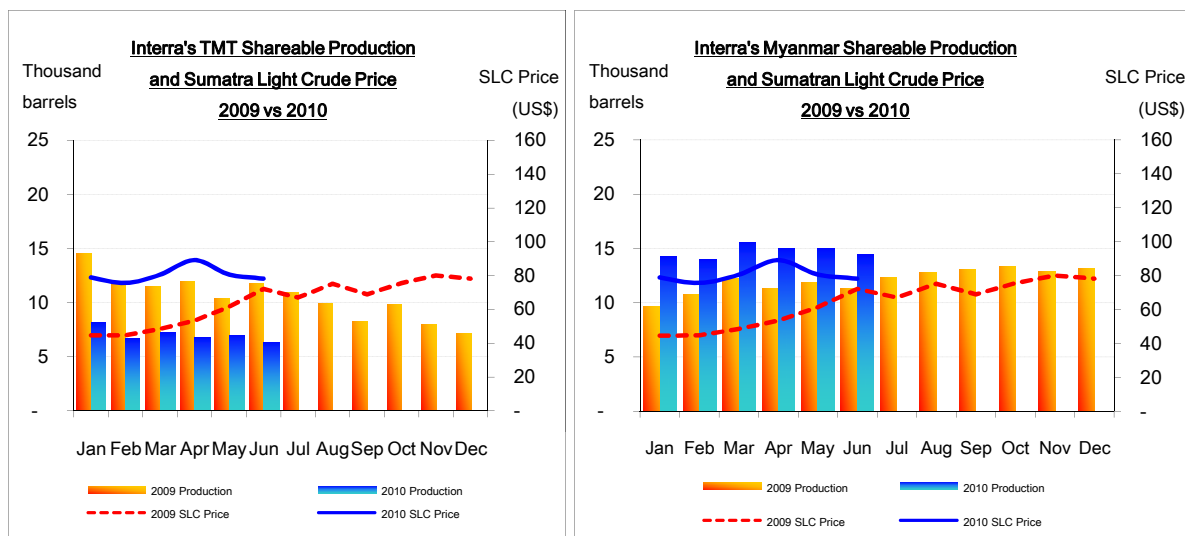
Q2 2010 vs Q2 2009 Review

Production & Revenue

Revenue increased by 24% to US\$3.89 mil in Q2 2010 from US\$3.13 mil in Q2 2009 due to higher oil prices, although shareable production was lower. The weighted average oil price transacted in Q2 2010 was US\$82.76 per barrel as compared to US\$62.35 per barrel in Q2 2009. The Group's share of shareable production decreased by 6% (3,999 barrels) from 68,617 barrels in Q2 2009 to 64,618 barrels in Q2 2010.

The shareable production contributed by TMT decreased by 41% from 34,131 barrels in Q2 2009 (6M 2009: 72,058 barrels) to 20,100 barrels in Q2 2010 (6M 2010: 42,277 barrels). However, the shareable production from Myanmar increased by 29% from 34,486 barrels in Q2 2009 (6M 2009: 67,153 barrels) to 44,518 barrels in Q2 2010 (6M 2010: 88,405 barrels) due to good contribution from the successful development wells (YNG-3234 and YNG-3238).

On a year-on-year basis, the Group's share of shareable production decreased by 6% (8,529 barrels) to 130,682 barrels for 6M 2010 from 139,211 barrels for 6M 2009.



Cost of Production

Cost of production in Q2 2010 increased by US\$0.09 mil as compared to Q2 2009. This was largely due to higher amortisation charges for EED costs in Q2 2010 from the capitalised 2D seismic costs and well capitalization costs of US\$0.55 mil and US\$0.11 mil respectively in Myanmar as compared to Q2 2009 of US\$0.04 mil.

On a year-on-year basis, the cost of production in 6M 2010 increased slightly, due to higher amortisation charges of US\$0.36 mil but this was offset by lower production expenses of US\$0.33 mil. The higher amortisation charges were due to the higher EED costs capitalised from Myanmar operation.

Net Profit / (Loss) After Tax

The Group posted a lower net profit after tax of US\$0.17 mil in Q2 2010 as compared to a net profit after tax of US\$0.21 mil in Q2 2009. The decrease in net profit was due to the following:

- (1) Based upon the assessment of the current production level, the Company is of the opinion that it is only prudent to recognise a write-down of the carrying value of the Indonesia asset. The amount of the impairment of EED costs is US\$0.50 mil.
- (2) Foreign exchange loss of US\$0.05 mil was recorded in Q2 2010 as compared to foreign exchange gain of US\$0.21 mil in Q2 2009, due to the strengthening of US dollar against Thai Baht.
- (3) No one-off adjustment for over-provision of Myanmar income tax in Q2 2010 as compared to Q2 2009 of US\$0.17 mil adjusted upon the finalisation by the tax authority.

8(i) PERFORMANCE REVIEW (CONT'D)

However, a write-back of allowance of impairment on Myanmar asset of US\$0.35 mil contributed to an overall net profit in Q2 2010. This was attributed to the decrease in number of outstanding invoices and increase in production.

The Group posted a net profit after tax of US\$0.50 mil in 6M 2010 as compared to a net loss after tax of US\$0.55 mil in 6M 2009. The swing from net loss to net profit was due mainly to the higher weighted average oil price transacted of US\$80.63 per barrel (6M 2009: US\$54.45 per barrel), which gave rise to an increase in revenue of US\$2.15 mil.

Group (Q2 2010)	Profit / (Loss) Before Tax US\$'000	Taxation US\$'000	Net Contribution to Group US\$'000	Net Contribution to Group %
TMT	(406)	(69)	(475)	-73%
Myanmar	1,444	(242)	1,202	184%
Thailand	(50)	-	(50)	-8%
Australia	(24)	-	(24)	-4%
Profit / (loss) from operations	964	(311)	653	100%
Head office expenses and income			(487)	
Income tax expense			-	
Net profit after tax			166	

Group (6M 2010)	Profit / (Loss) Before Tax US\$'000	Taxation US\$'000	Net Contribution to Group US\$'000	Net Contribution to Group US\$'000
TMT	(403)	(141)	(544)	-38%
Myanmar	2,500	(468)	2,032	140%
Thailand	4	-	4	0%
Australia	(45)	-	(45)	-3%
Profit / (loss) from operations	2,056	(609)	1,447	100%
Head office expenses and income			(949)	
Income tax expense			-	
Net profit after tax			498	

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

Balance Sheet

- (1) Trade receivables increased during the current period, due to higher amount invoiced in Q2 2010 against the invoice payment received even though the number of invoice payments received was higher. In addition, there was a write-back of allowance for impairment on Myanmar's trade receivables of US\$0.35 mil in Q2 2010. This resulted in higher outstanding balance of US\$0.54 mil as compared to the last quarter.
- (2) Trade payables increased by US\$0.18 mil due to the accrual for 2D seismic costs in Myanmar at the end of the quarter, but this was subsequently paid in the following month.
- (3) Other payables and accruals decreased by US\$0.62 mil, due to payment of director fees for FY2009 of US\$0.24 mil and US\$0.30 mil of exploration costs incurred in Australia.

Cash Flow Statement

Cash and cash equivalents increased by US\$0.04 mil for the quarter due to the following:

- (1) Net cash generated from operation of US\$1.27 mil was partially offset by the payment for accrued operating expenses incurred in previous quarter but paid in current quarter of US\$0.47 mil.
- (2) Capital expenditure incurred during the quarter amounted to US\$0.77 mil, mainly for 2D seismic costs, well drillings and improvement in Myanmar, and 3D seismic costs in Australia.
- (3) Net cash inflow for financing activities was contributed by the dividends received from investment in marketable securities, PT Adaro.

8(ii) SEGMENTED REVENUE AND RESULTS

Geographical Segment	Indonesia		Myanmar		Consolidated	
	Q2 2010	Q2 2009	Q2 2010	Q2 2009	Q2 2010	Q2 2009
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Results						
EBITDA	347	249	1,483	681	1,830	930
EBIT	(411)	(82)	1,445	493	1,034	411
Sales to external customers	1,238	1,582	2,650	1,547	3,888	3,129
Segment results	(417)	(104)	1,444	493	1,027	389
Unallocated corporate net operating results					(550)	(118)
Profit before income tax					477	271
Income tax expense					(311)	(65)
Net profit after income tax					166	206

Geographical Segment	Indonesia		Myanmar		Consolidated	
	6M 2010	6M 2009	6M 2010	6M 2009	6M 2010	6M 2009
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Results						
EBITDA	700	167	2,917	850	3,617	1,017
EBIT	(393)	(489)	2,500	483	2,107	(6)
Sales to external customers	2,532	2,875	5,128	2,631	7,660	5,506
Segment results	(428)	(486)	2,500	483	2,072	(3)
Unallocated corporate net operating results					(965)	(305)
Profit / (loss) before income tax					1,107	(308)
Income tax expense					(609)	(246)
Net profit / (loss) after income tax					498	(554)

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		Q2 2010	Q2 2009	6M 2010	6M 2009
		barrels	barrels	barrels	barrels
Average gross production per day		2,188	2,063	2,194	2,058
Gross production		199,115	187,771	397,110	372,451
Non-shareable production		(124,919)	(130,295)	(249,771)	(260,527)
Production shareable with MOGE		74,196	57,476	147,339	111,924
Group's 60% share of production		44,518	34,486	88,405	67,153
Group's average shareable production per day		489	379	488	371
Myanmar Revenue		Q2 2010	Q2 2009	6M 2010	6M 2009
Weighted average transacted oil price	US\$	82.75	62.35	80.63	54.45
Revenue shareable with MOGE	US\$'000	3,684	2,150	7,128	3,656
MOGE's share	US\$'000	(1,034)	(603)	(2,000)	(1,026)
Group's net share of revenue	US\$'000	2,650	1,547	5,128	2,630
Indonesia Production		Q2 2010	Q2 2009	6M 2010	6M 2009
		barrels	barrels	barrels	barrels
Average gross production per day		341	564	359	600
Gross production		30,990	51,353	65,023	108,523
Non-shareable production		(2,275)	(2,593)	(4,626)	(5,581)
Production shareable with Pertamina		28,715	48,760	60,397	102,942
Group's 70% share of production		20,100	34,131	42,277	72,058
Group's average shareable production per day		221	375	234	398
Indonesia Revenue		Q2 2010	Q2 2009	6M 2010	6M 2009
Weighted average transacted oil price	US\$	82.76	62.32	80.51	53.65
Revenue shareable with Pertamina	US\$'000	1,664	2,127	3,404	3,866
Pertamina's share *	US\$'000	(426)	(545)	(872)	(990)
Group's net share of revenue	US\$'000	1,238	1,582	2,532	2,876
Group Production and Revenue		Q2 2010	Q2 2009	6M 2010	6M 2009
Group's share of shareable production	barrels	64,618	68,617	130,682	139,211
Group's average shareable production per day	barrels	710	754	723	769
Group's total revenue	US\$'000	3,888	3,129	7,660	5,506

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.

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

NA

10 COMMENTARY ON PROSPECTS

Although the weighted average oil price transacted in Q2 2010 increased over the last quarter, shareable production has decreased. The lower shareable production was attributable to the decreasing production in the Indonesia oil field, in which we are not the operator. As a result, the Group made an impairment loss of US\$0.50 mil on the carrying cost of this asset, and will continue to assess the situation to determine whether further impairment is required.

In Thailand, the Group will continue to seek available options to enforce its rights in regard to the participating interest in Block L17/48. In Australia, acquisition of the 3D seismic program was completed in Q2 2010, and the data are currently being processed. The Group does not foresee any significant contributions from these assets 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 period under review.

13 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(1)(a)) Q2 2010 US\$	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920(1)(a) (excluding transactions less than \$100,000) Q2 2010 US\$
Nil	Nil	Nil

14 CONFIRMATION BY THE BOARD OF DIRECTORS PURSUANT TO RULE 705(5)

The Board of Directors of the Company hereby confirms to the best of their knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the quarter ended 30 Jun 2010 to be false or misleading in any material respect.

By Order of the Board of Directors of
INTERRA RESOURCES LIMITED
Marcel Tjia
Executive Director

12 Aug 2010

15 ABBREVIATIONS

bopd	means	barrels of oil per day
BAS	means	Bass Strait Oil Company Ltd
DMO	means	Domestic Market Obligation
EED	means	Exploration, evaluation and development
FRS	means	Financial Reporting Standards
Q2 2009	means	Second calendar quarter of year 2009
Q2 2010	means	Second calendar quarter of year 2010
6M 2009	means	For the period ended 30 June 2009
6M 2010	means	For the period ended 30 June 2010
FY 2009	means	Full year ended 31 December 2009
FY 2010	means	Full year ended 31 December 2010
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
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
PEP	means	Petroleum Exploration Permit
Pertamina	means	Perusahaan Pertambangan Minyak Dan Gas Bumi Negara
PSC	means	Production Sharing Contract
Retco	means	PT Retco Prima Energi
PT Adaro	means	PT Adaro Energy TBK
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.

DIRECTORS' REPORT

For the half year ended 30 June 2010

The Directors of Interra Resources Limited (the "Company") present their report together with the consolidated financial report of the Company and its subsidiaries (the "Group") for the half year ended 30 June 2010 and the audit review report thereon.

DIRECTORS

The directors of the Company during the half year up to the date of this report are:

Edwin Soeryadjaya	(Non-Executive Chairman)
Sandiaga Salahuddin Uno	(Non-Executive Deputy Chairman)
Marcel Han Liong Tjia	(Executive Director & Chief Executive Officer)
Subianto Arpan Sumodikoro	(Non-Executive Director)
Allan Charles Buckler	(Independent Director)
Ng Soon Kai	(Independent Director)
Crescento Hermawan	(Alternate Director to Subianto Arpan Sumodikoro)

RESULTS OF OPERATIONS

The net profit after tax of the Group for the six months ended 30 June 2010 amounted to US\$0.50 million (half year ended 30 June 2009 net loss after tax of US\$0.55 million).

REVIEW OF OPERATIONS

6M 2010 vs 6M 2009

Gross profit for the first six months ("6M") of 2010 was US\$2.72 million as compared to gross profit of US\$0.57 million for 6M 2009. The year-on-year increase was due to higher oil prices although shareable production decreased. Shareable production for 6M 2010 of 130,682 barrels was lower as compared to 139,211 barrels in 6M 2009 (a decrease of 6%). The weighted average oil price transacted for 6M 2010 of US\$80.63 per barrel was significantly higher than that of the corresponding period of 2009 of US\$54.45 per barrel. Cost of production remained stable in 6M 2010 for both periods.

The net profit after tax recorded in 6M 2010 of US\$0.50 million as compared to net loss after tax in 6M 2009 of US\$0.55 million was due largely to higher oil prices, which gave rise to an increase in revenue of US\$2.15 million.

On behalf of the Board of Directors of
INTERRA RESOURCES LIMITED



Marcel Han Liong Tjia
Executive Director & Chief Executive Officer

Singapore
12 August 2010

Sitoh Yih Pin
Chairman

Henry Tan
Managing Director

Kristin Kim
Director

Chin Chee Choon
Director

Jojo Alviedo
Principal

Sarah Koh
Tax Director

Chan Yee Hong
Financial Advisory
Director

Eliza Mar
Finance & Operation
Director

Lam Fong Kiew
Tax Director

Loh Ji Kin
Principal

The Board of Directors
Interra Resources Limited
1 Grange Road
#05-04 Orchard Building
Singapore 239693

Dear Sirs,

**INTERRA RESOURCES LIMITED AND ITS SUBSIDIARIES
REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION AS OF AND FOR THE
HALF YEAR ENDED 30 JUNE 2010**

Introduction

We have reviewed the accompanying statements of financial position of Interra Resources Limited ("Interra" or the "Company") as of 30 June 2010 and statement of changes in equity of the Company for the half year then ended, the statement of financial position of Interra Resources Limited and its subsidiaries (the "Group") as of 30 June 2010 and the related consolidated statements of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement of the Group for the half-year then ended, selected notes and other explanatory notes ("interim financial information").

The Management of Interra is responsible for the preparation and fair presentation of this interim financial information in accordance with Financial Reporting Standards 34 *Interim Financial Reporting* ("FRS 34"). Such interim financial information has been prepared by Management of Interra for announcement on the Singapore Exchange Securities Trading Limited and the Australian Securities Exchange Limited. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material aspects, in accordance with FRS 34.



**Nexia TS Public Accounting Corporation
Public Accountants and Certified Public Accountants**

Singapore

11 August 2010

Associated With
Smith & Williamson

Nexia TS Public Accounting Corporation

UEN: 200507237N

Incorporated with limited liability

Nexia TS is a member of Nexia International, an international network of independent accounting and consulting firms.