

25 February 2011

Dear Shareholders

UNAUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010**Highlights in Q4 2010**

- Net profit after tax for the quarter of US\$1.03 million
- Write-back of impairment of exploration, evaluation and development costs (“EED”) and write-back of impairment of trade receivables for Myanmar assets of US\$4.65 million
- Impairment of EED costs and participating rights for Blocks L17/48 and L9/48 in Thailand of US\$3.87 million following the relinquishment of the blocks
- Revenue for the quarter of US\$3.79 million, 11% higher than the previous quarter due to higher weighted average transacted oil price for the quarter of US\$87.74 per barrel although the shareable production decreased slightly by 2% against the previous quarter
- Net cash inflow for the quarter of US\$2.55 million

The Board of Directors of Interra Resources Limited (the “Company” or “Interra”) wishes to announce that for the fourth quarter (“Q4”) of 2010, the Group generated a net profit after tax of US\$1.03 million.

Q4 2010 Review

Revenue increased by 11% to US\$3.79 million in Q4 2010 from US\$3.41 million in Q3 2010 due to higher weighted average oil prices, although shareable production was lower than the preceding quarter. The weighted average oil price transacted during Q4 2010 was US\$87.74 per barrel whereas it was US\$77.18 per barrel during Q3 2010. Shareable production for Q4 2010 decreased by 2% to 59,547 barrels (647 barrels of oil per day “bopd”) from 60,750 barrels (660 bopd) for Q3 2010.

In Q4 2010, the Group’s cost of production increased by 2% (US\$0.05 million) as compared to the previous quarter. The increase was due to higher production expenses and amortisation charges for EED costs in Q4 2010 resulting from the capitalised seismic costs of US\$0.53 million and well capitalisation costs of US\$0.15 million for the Myanmar and Indonesia assets.

Foreign exchange gain of US\$0.05 million in Q4 2010 as compared to US\$0.45 million in Q3 2010 was mainly due to the weakening of US dollar against Thai Baht, which gave rise to an unrealised exchange gain in the intercompany balance.

During Q4 2010, 5 payments were received in respect of the Myanmar trade receivables. In addition, 4 payments were received from Myanma Oil and Gas Enterprise (“MOGE”) in the first two months of 2011. Due to the consistent payment from MOGE and the improved production, the Company decided to write-back both the impairment of EED costs and impairment of trade receivables totalling US\$4.65 million. The Group received a total of 16 monthly payments in 2010 (2009: 13 payments).

In December 2010, the Group made impairment on the carrying costs of Blocks L17/48 and L9/48 in Thailand, which included the impairment of EED costs and participating rights totalling US\$3.87 million during the quarter.

FY 2010 Review

Revenue for the full year of 2010 was US\$14.85 million compared to US\$12.62 million in the previous year. The 18% increase was a result of higher oil prices despite lower production (due to the Indonesia oil field) during the year. Shareable production in 2010 of 250,978 barrels was lower as compared to 270,953 barrels in 2009. The weighted average oil price transacted in 2010 of US\$81.49 per barrel was significantly higher than US\$65.03 per barrel in 2009. The cost of production in 2010 of US\$10.14 million was higher compared to US\$9.18 million in 2009 due to higher amortisation charges as a result of the capitalisation of seismic costs and well capitalisation costs during 2010.

Other income for 2010 was significantly higher than 2009, largely due to the write-back of impairment made against the Myanmar assets of US\$5 million. This gain was partly offset by the impairment provided for Blocks L17/48 and L9/48 in Thailand of US\$4.02 million following the relinquishment of the blocks.

As a result, the net profit after tax for 2010 was US\$1.71 million, an increase of 16% from US\$1.48 million for 2009.

Other Matter

On 18 February 2011, the Group obtained the confirmation from the bank that the banker’s guarantee of US\$0.67 million issued in favour of the Thailand Department of Customs was discharged.

Yours sincerely,

The Board of Directors
Interra Resources Limited

This document 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”). Collins Stewart Pte. Limited has not independently verified the contents of this document. This document has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this document including the correctness of any of the statements or opinions made or reports contained in this document.

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**INTERRA RESOURCES LIMITED
UNAUDITED RESULTS FOR THE FINANCIAL YEAR
ENDED 31 DECEMBER 2010**

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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 2010

Group	FY 2010 US\$'000	FY 2009 US\$'000	Change %
Revenue from ordinary activities	14,854	12,617	↑ 18
Profit from ordinary activities after taxation attributable to shareholders	1,710	1,478	↑ 16
Net Profit attributable to shareholders	1,710	1,478	↑ 16
Net tangible assets per ordinary share (USD cents)	12.806	11.361	↑ 13

Group	Amount (SGD cents)	Franked amount (SGD cents)
Dividend per share		
- Final	NA	NA
- Interim	NA	NA

Record date for determining entitlements to dividends

NA

The results for the financial year ended 31 December 2010 presented in this announcement are extracted from the financial statements for the financial 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, Chapter 50 and Singapore Financial Reporting Standards.

1(a)(i) PROFIT AND LOSS STATEMENT

Group	Note	Q4 2010 US\$'000	Q4 2009 US\$'000	Change %	FY 2010 US\$'000	FY 2009 US\$'000	Change %
Revenue	A1	3,789	3,644	↑ 4	14,854	12,617	↑ 18
Cost of production	A2	(2,625)	(1,954)	↑ 34	(10,142)	(9,181)	↑ 10
Gross profit		1,164	1,690	↓ 31	4,712	3,436	↑ 37
Other income	A3	5,112	3,217	↑ 59	6,226	4,263	↑ 46
Administrative expenses		(937)	(716)	↑ 31	(3,202)	(3,157)	↑ 1
Other operating expenses	A4	(118)	(63)	↑ 87	(314)	(245)	↑ 28
Impairment and allowances	A5	(3,874)	(2,041)	↑ 90	(4,515)	(2,041)	↑ 121
Profit before income tax		1,347	2,087	↓ 35	2,907	2,256	↑ 29
Income tax expense		(313)	(270)	↑ 16	(1,197)	(778)	↑ 54
Profit for the financial period / year		1,034	1,817	↓ 43	1,710	1,478	↑ 16
Attributable to:							
Equity holders of the Company		1,034	1,817		1,710	1,478	
Earnings per share (USD cents)							
- Basic		0.402	0.707		0.666	0.575	
- Fully diluted		0.402	0.707		0.666	0.575	

1(a)(ii) STATEMENT OF COMPREHENSIVE INCOME

Group	Note	Q4 2010 US\$'000	Q4 2009 US\$'000	Change %	FY 2010 US\$'000	FY 2009 US\$'000	Change %
Profit for the financial period / year		1,034	1,817	↓ 43	1,710	1,478	↑ 16
Exchange differences on translating foreign operations		66	(34)	NM	(387)	(175)	↑ 121
Total comprehensive income for the financial period / year		1,100	1,783	↓ 38	1,323	1,303	↑ 2

↑ means increase

↓ means decrease

NM means not meaningful

NA means not applicable

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

Group	Q4 2010 US\$'000	Q4 2009 US\$'000	FY 2010 US\$'000	FY 2009 US\$'000
Group's share of shareable production barrels	59,547	64,372	250,978	270,953
A1 Revenue				
Sales of crude oil (see 8(iii) Production Profile)	3,789	3,644	14,854	12,617
A2 Cost of production				
Production expenses	1,936	1,494	7,545	7,303
Depreciation of property, plant and equipment	204	200	770	809
Amortisation of exploration, evaluation and development costs ("EED")	477	248	1,793	1,031
Amortisation of computer software	8	12	34	38
	2,625	1,954	10,142	9,181
A3 Other income				
Interest income from deposits	4	12	36	96
Petroleum services fees	8	31	78	146
Write-back of impairment of trade receivables	1,648	919	1,998	919
Write-back of Impairment of EED costs	3,002	2,081	3,002	2,081
Fair value gain on financial assets, at fair value through profit or loss	40	111	157	597
Gain on disposal of financial assets, at fair value through profit or loss	29	-	29	90
Gain on disposal of property, plant and equipment	-	-	-	1
Other income	333	5	349	3
Foreign exchange gain, net*	48	58	563	330
Dividend income	-	-	14	-
	5,112	3,217	6,226	4,263
A4 Other operating expenses				
Depreciation of property, plant and equipment	22	18	81	62
Amortisation of computer software	2	1	6	6
Amortisation of concession rights	2	2	8	8
Amortisation of participation rights	42	42	169	169
Impairment of property, plant and equipment	9	-	9	-
Loss arises from the transfer of concession rights by partner	41	-	41	-
	118	63	314	245
A5 Impairment and allowances				
Impairment of EED costs	1,583	1,799	2,224	1,799
Impairment of concession rights	2,291	242	2,291	242
	3,874	2,041	4,515	2,041

* 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-10 US\$'000	31-Dec-09 US\$'000	31-Dec-10 US\$'000	31-Dec-09 US\$'000
Assets					
Non-Current Assets					
Property, plant and equipment		1,184	1,701	100	39
Exploration, evaluation and development costs	B1	14,871	12,651	-	-
Intangible assets	B2	3,736	6,124	2	4
Interest in subsidiary companies		-	-	20,220	20,240
		19,791	20,476	20,322	20,283
Current Assets					
Financial assets, at fair value through profit or loss	B3	-	551	-	-
Inventories		1,663	1,976	-	-
Trade receivables (net)	B4	5,832	4,457	-	-
Other receivables, deposits and prepayments		494	449	77	77
Cash and bank balances	B5	18,748	17,341	12,056	12,143
		26,737	24,774	12,133	12,220
Total assets		46,528	45,250	32,455	32,503
Equity and Liabilities					
Equity					
Share capital		40,109	40,109	40,109	40,109
Retained earnings / (Accumulated losses)		14,748	13,038	(8,256)	(8,142)
Other reserves		(18,220)	(17,834)	15	14
Total equity		36,637	35,313	31,868	31,981
Non-Current Liabilities					
Provision for environmental and restoration costs		813	684	-	-
Total non-current liabilities		813	684	-	-
Current Liabilities					
Trade payables		721	1,393	-	-
Other payables and accruals		2,445	3,157	581	533
Provision for taxation		5,912	4,703	6	(11)
Total current liabilities		9,078	9,253	587	522
Total equity and liabilities		46,528	45,250	32,455	32,503

1(b)(i) EXPLANATORY NOTES TO STATEMENT OF FINANCIAL POSITION

Group	31-Dec-10 US\$'000	31-Dec-09 US\$'000
B1 Details on exploration, evaluation and development costs		
Initial joint study cost	416	540
Contractual bonus	431	45
Exploration, geological and geophysical cost	2,806	1,719
Asset under construction	1	292
Completed assets	9,664	9,591
Cost recovery	1,553	464
	14,871	12,651
B2 Details on intangible assets		
Computer software	43	79
Goodwill on reverse acquisition	1,489	1,489
Participating and concession rights	1,052	1,230
Participating rights in Thailand	-	2,182
Participating rights in Australia	1,152	1,144
	3,736	6,124
B3 Details on investments		
Financial assets, at fair value through profit or loss		
Opening balance	551	436
Addition	-	-
Fair value gain recognised in profit and loss	157	597
Proceeds from disposal	(737)	(572)
Net gain recognised in the statement of comprehensive income upon disposal	29	90
Closing balance	-	551
B4 Details on trade receivables (net)		
Trade receivables	5,832	6,455
Opening balance	1,998	2,917
Write-back of impairment of trade receivables	(1,998)	(919)
Closing balance	-	1,998
Trade receivables, net after allowances for impairment of trade receivables	5,832	4,457
B5 Details on cash and cash equivalents		
Cash at bank and on hand	11,047	3,613
Restricted cash	1,484	-
Fixed deposits	6,217	13,728
Cash and bank balances (as per Statement of Financial Position)	18,748	17,341
Less: Fixed deposit held as collateral for banker's guarantee*	(670)	(2,810)
Cash and cash equivalents (as per Statement of Cash Flow)	18,078	14,531

* The outstanding banker's guarantee of US\$0.67 mil is issued in favour of the Thailand Department of Customs. On 18 Feb 2011, the Group obtained the confirmation from the bank that the banker's guarantee of US\$0.67 mil was discharged.

1(b)(ii) BORROWINGS AND DEBT SECURITIES

Group	31-Dec-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 guarantee of US\$0.67 mil is issued in favour of the Thailand Department of Customs. On 18 Feb 2011, the Group obtained the confirmation from the bank that the banker's guarantee of US\$0.67 mil was discharged.

1(c) STATEMENT OF CASH FLOW

Group	Q4 2010 US\$'000	Q4 2009 US\$'000	FY 2010 US\$'000	FY 2009 US\$'000
Cash Flows from Operating Activities				
Profit before income tax	1,347	2,087	2,907	2,256
Adjustments for non-cash items:				
Depreciation of property, plant and equipment	226	218	854	874
Amortisation of:				
EED costs	477	248	1,793	1,031
Concession rights	2	2	8	8
Computer software	10	13	37	41
Participating rights	42	42	169	169
Impairment of EED costs (Indonesia)	-	-	500	-
Impairment of EED costs (Thailand)	1,583	1,799	1,724	1,799
Impairment of concession rights	2,291	242	2,291	242
Impairment of property, plant and equipment	9	-	9	-
Interest income	(4)	(12)	(36)	(96)
Financial assets, at fair value through profit or loss - fair value gain	(40)	(111)	(157)	(597)
Net gain on disposal of financial assets, at fair value through profit or loss	(29)	-	(29)	(90)
Net gain on disposal of property, plant and equipment	-	-	-	(1)
Exchange difference	(51)	(62)	(618)	(330)
Write-back of impairment of trade receivables	(1,648)	(919)	(1,998)	(919)
Write-back of impairment of EED costs	(3,002)	(2,081)	(3,002)	(2,081)
Fixed assets written off	-	-	1	-
Dividend income	-	-	(14)	-
Loss arises from transfer of concession rights by partner	41	-	41	-
Operating profit before working capital changes	1,254	1,466	4,480	2,306
Changes in working capital:				
Inventories	98	(29)	314	(230)
Trade and other receivables	1,373	(563)	576	2,741
Trade and other payables	462	507	(744)	(1,328)
Accrued operating expenses	(722)	49	(658)	47
Provision for environmental and restoration costs	28	33	129	166
Cash generated from operations	2,493	1,463	4,097	3,702
Income tax refund / (paid)	-	-	12	(332)
Net cash provided by operating activities	2,493	1,463	4,109	3,370
Cash Flows from Investing Activities				
Interest income received	11	19	40	105
Net proceeds from disposal of financial assets, at fair value through profit or loss	737	-	737	572
Net proceeds from disposal of club membership	-	-	-	5
Net proceeds from disposal of property, plant and equipment	-	-	-	1
Fixed deposit released as collateral for banker's guarantees (net)	-	-	2,140	150
Acquisition cost for exploration concession in Australia	-	(342)	(8)	(342)
Capital expenditure:				
Purchase of property, plant and equipment	(92)	162	(347)	(409)
Purchase of computer software	-	(26)	-	(26)
Well drillings and improvements	(144)	(169)	(545)	(1,443)
Geological and geophysical studies (including seismic)	(456)	(1,190)	(2,647)	(1,752)
Dividend received	-	-	14	-
Net cash provided by / (used in) investing activities	56	(1,546)	(616)	(3,139)
Net increase / (decrease) in cash and cash equivalents	2,549	(83)	3,493	231
Cash and cash equivalents at beginning of period	15,529	14,613	14,531	14,297
Effects of currency translation on cash and cash equivalents	-	1	54	3
Cash and cash equivalents at end of period (see Note B5)	18,078	14,531	18,078	14,531

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

Group	Share Capital US\$'000	Foreign Currency Translation Reserve US\$'000	Special Reserves US\$'000	Other Reserves US\$'000	Retained Earnings US\$'000	Total Equity US\$'000
Balance as at 1 Jan 2009	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
Balance as at 31 Dec 2009	40,109	(1,303)	(16,545)	14	13,038	35,313
Employee share option scheme - value of employee services	-	-	-	1	-	1
Total comprehensive income for FY 2010	-	(387)	-	-	1,710	1,323
Balance as at 31 Dec 2010	40,109	(1,690)	(16,545)	15	14,748	36,637

Company	Share Capital US\$'000	Other Reserves US\$'000	Accumulated Losses US\$'000	Total Equity US\$'000
Balance as at 1 Jan 2009	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
Balance as at 31 Dec 2009	40,109	14	(8,142)	31,981
Employee share option scheme - value of employee services	-	1	-	1
Total comprehensive income for FY 2010	-	-	(114)	(114)
Balance as at 31 Dec 2010	40,109	15	(8,256)	31,868

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 Q4 2010.

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

Group and Company	Q4 2010	Q4 2009
Issued and fully paid		
Opening balance and closing balance	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 AUDITING STANDARD OR PRACTICE**

The figures have not been audited or 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**

Other than those disclosed in Note 5 below, 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 financial 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 103 (revised) - Business Combinations

FRS 27 (revised) - Consolidated and Separate Financial Statements

Amendment to FRS 7 - Cash Flow Statements

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 2010	Q4 2009	FY 2010	FY 2009
Basic earnings per share (USD cents)	0.402	0.707	0.666	0.575
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
Fully diluted earnings per share (USD cents)	0.402	0.707	0.666	0.575
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 2010 and FY 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	
	31-Dec-10	31-Dec-09	31-Dec-10	31-Dec-09
Net asset value per ordinary share based on issued share capital (excluding treasury shares) (USD cents)	14.260	13.744	12.404	12.448
Number of ordinary shares in issue	256,920,238	256,920,238	256,920,238	256,920,238

8(i) PERFORMANCE REVIEW

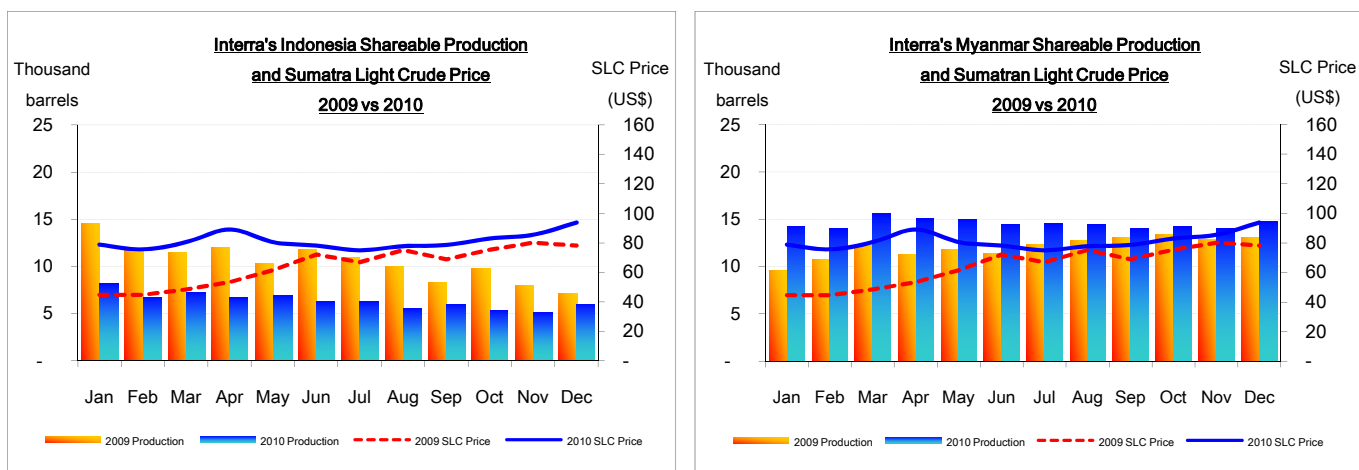
Significant factors that affect the turnover, costs and earnings of the Group

FY2010 Review

Production & Revenue

Revenue increased by 18% to US\$14.85 mil in FY 2010 from US\$12.62 mil in FY 2009, largely due to higher oil prices. The weighted average oil price transacted in FY 2010 was US\$81.49 per barrel as compared to US\$65.03 per barrel in FY 2009. The Group's share of shareable production decreased by 7% (19,975 barrels) from 270,953 barrels in FY 2009 to 250,978 barrels in FY 2010.

The shareable production contributed by Indonesia decreased by 39% from 126,186 barrels in FY 2009 to 76,606 barrels in FY 2010. However, the shareable production from Myanmar increased by 20% from 144,767 barrels in FY 2009 to 174,372 barrels in FY 2010, due to good contributions from the successful development wells drilled during the year.



Cost of Production

On a year-on-year basis, the cost of production in FY 2010 increased by 10%, due to an increase in amortisation charges of US\$0.76 mil and higher direct operating costs. The higher amortisation charges was due to the higher EED costs from the Myanmar operations which was essentially the write-back of impairment of EED costs of US\$3 mil.

Net Profit After Tax

The Group posted a higher net profit after tax of US\$1.71 mil in FY 2010 as compared of US\$1.48 mil in FY 2009. The increase in net profit was due to the following:

- (1) Higher weighted average oil prices transacted during FY 2010 as compared to FY 2009 which results in higher revenue of US\$2.24 mil.
- (2) Write-back of impairment of EED costs of US\$3 mil and write-back of impairment of trade receivables for Myanmar assets of US\$2 mil in FY 2010.
- (3) Foreign exchange gain of US\$0.56 mil in FY 2010 as compared to US\$0.33 mil in FY 2009, resulting from the weakening of US dollar against Thai Baht which gave rise to an unrealised exchange gain in the intercompany balance.
- (4) Other income received from joint venture partner for our Myanmar operations, in the form of cost recovery entitlement of US\$0.34 mil during the year.

However, the net profit in FY 2010 was partially offset by the following:

- (1) Impairment of EED costs and participating rights for Blocks L17/48 and L9/48 of US\$4.02 mil following the relinquishment of the blocks.
- (2) Decrease in gain from adjustment in fair value of financial assets of US\$0.16 mil in FY 2010 as compared to US\$0.60 mil in FY 2009 due to the disposal of the remaining PT Adaro shares during the year.

8(i) PERFORMANCE REVIEW (CONT'D)

Group (Q4 2010)	Profit / (Loss) Before Tax US\$'000	Taxation US\$'000	Net Contribution to Group US\$'000	Net Contribution to Group %
Indonesia	(72)	(60)	(132)	(8%)
Myanmar	6,016	(248)	5,768	354%
Thailand	(3,915)	-	(3,915)	(240%)
Australia	(91)	-	(91)	(6%)
Profit from operations	1,938	(308)	1,630	100%
Head office expenses and income			(591)	
Income tax expense			(5)	
Net profit after tax			1,034	

Group (FY 2010)	Profit / (Loss) Before Tax US\$'000	Taxation US\$'000	Net Contribution to Group US\$'000	Net Contribution to Group US\$'000
Indonesia	(701)	(257)	(958)	(25%)
Myanmar	9,383	(935)	8,448	222%
Thailand	(3,527)	-	(3,527)	(93%)
Australia	(157)	-	(157)	(4%)
Profit from operations	4,998	(1,192)	3,806	100%
Head office expenses and income			(2,091)	
Income tax expense			(5)	
Net profit after tax			1,710	

Material factors that affect the cash flow, working capital, assets or liabilities of the Group**Statement of Financial Position**

- During FY 2010, the Group received 16 payments in respect of the Myanmar outstanding trade receivables. The Group generated a net cash inflow from operating activities of US\$4.50 mil from the Myanmar operations in FY 2010. Net trade receivables increased due to the write-back of impairment on Myanmar's trade receivables of US\$2 mil during the year.
- Intangible assets decreased by US\$2.39 mil due to the impairment of participating rights in Thailand.
- Inventories decreased by US\$0.31 mil due to more consumables being utilised for well drillings and daily operating activities, and the disposal of unused casing during the year.
- Trade payables decreased by US\$0.67 mil, mainly due to the settlement to suppliers in Thailand of US\$0.93 mil relating to drilling activities in 2009.
- Other payables and accruals decreased by US\$0.71 mil, due to the reversal of accrued training levy costs of US\$0.16 mil and the utilisation of accruals against invoices received in FY 2010.

Cash Flow Statement

Cash and cash equivalents increased by US\$3.49 mil for FY 2010 due to the following:

- Net cash generated from operations of US\$4.11 mil, mainly due to invoice payment received from the trade receivables.
- Capital expenditure of US\$3.54 mil made in FY 2010, mainly in respect of seismic costs in Indonesia, Myanmar and Australia of US\$0.45 mil, US\$1.27 mil and US\$0.78 mil respectively.
- The Group disposed the remaining 3 mil PT Adaro shares for a net proceeds of US\$0.74 mil.

8(ii) SEGMENTED REVENUE AND RESULTS

Geographical Segment	Indonesia		Myanmar		Consolidated	
	Q4 2010	Q4 2009	Q4 2010	Q4 2009	Q4 2010	Q4 2009
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Results						
EBITDA	187	719	2,967	1,934	3,154	2,653
EBIT	(94)	417	5,673	4,042	5,579	4,459
Sales to external customers	1,080	1,442	2,709	2,202	3,789	3,644
Segment results	(106)	413	5,672	4,042	5,566	4,455
Unallocated corporate net operating results					(4,219)	(2,368)
Profit before income tax					1,347	2,087
Income tax expense					(313)	(270)
Net profit after income tax					1,034	1,817

Geographical Segment	Indonesia		Myanmar		Consolidated	
	FY 2010	FY 2009	FY 2010	FY 2009	FY 2010	FY 2009
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Results						
EBITDA	920	1,241	5,684	3,109	6,604	4,350
EBIT	(744)	(47)	9,038	5,318	8,294	5,271
Sales to external customers	4,632	5,844	10,222	6,773	14,854	12,617
Segment results	(768)	(25)	9,038	5,318	8,270	5,293
Unallocated corporate net operating results					(5,363)	(3,037)
Profit before income tax					2,907	2,256
Income tax expense					(1,197)	(778)
Net profit after income tax					1,710	1,478

Notes

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

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

8(iii) PRODUCTION PROFILE

Myanmar Production		Q4 2010 barrels	Q4 2009 barrels	FY 2010 barrels	FY 2009 barrels
Average gross production per day		2,122	2,116	2,161	2,084
Gross production		195,193	194,685	788,877	760,791
Non-shareable production		(123,511)	(128,978)	(498,259)	(519,512)
Production shareable with MOGE		71,682	65,707	290,618	241,279
Group's 60% share of production		43,009	39,423	174,372	144,767
Group's average shareable production per day		467	429	478	397
Myanmar Revenue		Q4 2010	Q4 2009	FY 2010	FY 2009
Weighted average transacted oil price		US\$ 87.56	77.86	81.49	65.03
Revenue shareable with MOGE		US\$'000 3,766	3,069	14,209	9,415
MOGE's share		US\$'000 (1,057)	(867)	(3,987)	(2,642)
Group's net share of revenue		US\$'000 2,709	2,202	10,222	6,773
Indonesia Production		Q4 2010 barrels	Q4 2009 barrels	FY 2010 barrels	FY 2009 barrels
Average gross production per day		280	414	324	523
Gross production		25,759	38,068	118,402	190,784
Non-shareable production		(2,133)	(2,427)	(8,961)	(10,518)
Production shareable with Pertamina		23,626	35,641	109,441	180,266
Group's 70% share of production		16,538	24,949	76,606	126,186
Group's average shareable production per day		180	271	210	346
Indonesia Revenue		Q4 2010	Q4 2009	FY 2010	FY 2009
Weighted average transacted oil price		US\$ 87.74	77.69	81.29	62.26
Revenue shareable with Pertamina		US\$'000 1,452	1,939	6,227	7,857
Pertamina's share*		US\$'000 (372)	(497)	(1,595)	(2,013)
Group's net share of revenue		US\$'000 1,080	1,442	4,632	5,844
Group Production and Revenue		Q4 2010	Q4 2009	FY 2010	FY 2009
Group's share of shareable production		barrels 59,547	64,372	250,978	270,953
Group's average shareable production per day		barrels 647	700	689	742
Group's total revenue		US\$'000 3,789	3,644	14,854	12,617

* 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

With the surge in oil price during Q4 2010, although shareable production decreased, total revenue has increased as compared to last year. In Thailand, we have relinquished all three blocks to the local authority and no longer hold any concession. In Indonesia, the 3D seismic program has commenced towards the end of 2010 and should be completed by Q2 2011. On 24 Jan 2011, we completed the acquisition of IBN Oil Holdico Ltd ("IBN"), which owns 100% participating interest in TAC Linda Sele. We are currently in the midst of organizing and taking over the operations. In Australia, barring any unforeseen circumstances, preparations are underway to drill a well in Apr/May 2011. However, the Group does not foresee any significant contributions from the Australian asset for FY 2011.

After the acquisition of IBN in early 2011, the Group is still in a sound financial position with no debt and has sufficient cash on hand to meet its operating costs for the foreseeable future. The Group will strive to improve the production of the concessions where it holds operatorship, and to work closely with our partners in other concessions to improve the performance. The Group will continue to actively seek new concessions and assets so as 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 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	-	-
Total	-	-

14 OTHERS

Joint Venture Companies of the Group

Name of Company/Entity	Country of Operation	Percentage of effective equity held by the Group as	
		31-Dec-10	31-Dec-09
Goldpetrol Joint Operating Company Inc.	Myanmar	60	60
TAC Pertamina - Retco Prima Energi	Indonesia	70	70

Note: Refer to Note 8(i) for contributions from the above joint venture companies.

15 INTERESTED PERSON TRANSACTIONS

Name of Interested Person	Aggregate value of interested person transactions entered into during the financial year under review (excluding transactions below \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920(1)(a)) Q4 2010 US\$	Aggregate value of interested person transactions conducted under shareholders' mandate pursuant to Rule 920(1)(a) (excluding transactions below \$100,000) Q4 2010 US\$
Nil	Nil	Nil

Submitted by
 Marcel Tjia
 Executive Director
 25 Feb 2011

16 ABBREVIATIONS

Q4 2009	means	Fourth calendar quarter of year 2009
Q4 2010	means	Fourth calendar quarter of year 2010
Q2 2011	means	Second calendar quarter of year 2011
FY 2009	means	Full year ended 31 December 2009
FY 2010	means	Full year ended 31 December 2010
FY 2011	means	Full year ended 31 December 2011
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
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
GLS	means	Goldwater LS Pte. Ltd
GTMT	means	Goldwater TMT Pte. Ltd.
IBN	means	IBN Oil Holdico Ltd
Interra	means	Interra Resources Limited
IPR	means	Improved Petroleum Recovery
IRA	means	Interra Resources (Australia) Pte. Ltd.
IRT	means	Interra Resources (Thailand) Limited
JSXT	means	JSX Energy (Thailand) Limited
k	means	thousand
LS	means	Linda Sele
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
PT Adaro	means	PT Adaro Energy Tbk
Retco	means	PT Retco Prima Energi
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.