



INTERRA RESOURCES LIMITED

Singapore Company Registration No. 197300166Z
Australian Business No. 37 129 575275

SGX & ASX ANNOUNCEMENT

SGX Code: *Interra Res (5GI)*, ASX Code: *ITR*

13 May 2011

Dear Shareholders,

UNAUDITED RESULTS FOR THE QUARTER ENDED 31 MARCH 2011

Highlights in Q1 2011

- Net profit after tax for the quarter of US\$0.36 million
- Revenue for the quarter of US\$4.77 million, 26% higher than the previous quarter due to higher weighted average transacted oil price for the quarter of US\$106.33 per barrel and increased sales of shareable oil by 4% against the previous quarter
- Net cash outflow for the quarter of US\$2.29 million
- Acquisition of entire share capital of IBN Oil Holdico Ltd (“IBN”), which holds 100% participating interest in Linda Sele TAC, for US\$6.25 million

The Board of Directors of Interra Resources Limited (the “Company” or “Interra”) wishes to announce that for the first quarter (“Q1”) of 2011, the Group generated a net profit after tax of US\$0.36 million.

Q1 2011 VS Q4 2010 Review

Revenue increased by 26% to US\$4.77 million in Q1 2011 from US\$3.79 million in Q4 2010 due to higher weighted average oil prices and increased sales of shareable oil against the preceding quarter by 4%. The weighted average oil price transacted during Q1 2011 was US\$106.33 per barrel whereas it was US\$87.74 per barrel in Q4 2010. Shareable production for Q1 2011 increased by 13% to 67,390 barrels (772 barrels of oil per day “bopd”) from 59,547 barrels (647 bopd) for Q4 2010 due to higher production from Myanmar and contribution from the newly acquired of Linda Sele TAC. However, no revenue from Linda Sele TAC was recognised for this quarter as there was no uplifting of production.

The Group’s cost of production increased by 7% (US\$0.18 million) as compared to the previous quarter. The increase was mainly due to additional cost of US\$0.25 million from the Linda Sele TAC operations, partly offset by depreciation and amortisation of US\$0.06 million.

Administrative expenses increased from US\$0.94 million in Q4 2010 to US\$1.10 million in Q1 2011, mainly due to the transaction fee for acquiring Linda Sele TAC.

Net cash outflow in Q1 2011 was US\$2.29 million with cash and cash equivalents as at 31 March 2011 being US\$15.79 million. The total cash outflow incurred for the acquisition of Linda Sele TAC was US\$5.54 million (net of cash acquired) while the Myanmar operations generated a net cash inflow of US\$3.41 million.

During Q1 2011, 6 payments were received in respect of the Myanmar trade receivables. As at the date of this report, the Group received a total of 9 payments (FY2010: 16 payments). Total number of outstanding invoices as at the end of the quarter was 4.

Other Matter

On 8 March 2011, the Company signed a placement agreement with Collins Stewart Pte. Limited to procure the subscription of 38,500,000 new shares in the capital of the Company at S\$0.126 per share (the "Placement"). The Placement was completed with the listing and quotation of 38,500,000 Placement shares on 5 April 2011, with net proceeds of S\$4.78 million (US\$3.79 million) raised from the issuance of new shares.

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.

The contact person for the Sponsor is Mr Alex Tan, Managing Director, Corporate Finance, Collins Stewart Pte. Limited, at 77 Robinson Road #21-02 Singapore 068896, telephone (65) 6854 6160.

**INTERRA RESOURCES LIMITED
UNAUDITED RESULTS FOR THE QUARTER
ENDED 31 MARCH 2011**

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1(a)(i) PROFIT AND LOSS STATEMENT

Group	Note	Q1 2011 US\$'000	Q1 2010 US\$'000	Change %
Revenue	A1	4,767	3,772	↑ 26
Cost of production	A2	(2,802)	(2,457)	↑ 14
Gross profit		1,965	1,315	↑ 49
Other income	A3	51	264	↓ 81
Administrative expenses		(1,101)	(743)	↑ 48
Other operating expenses	A4	(98)	(64)	↑ 53
Impairment and allowances	A5	-	(142)	NM
Profit before income tax		817	630	↑ 30
Income tax expense		(456)	(298)	↑ 53
Profit for the financial period		361	332	↑ 9
Attributable to:				
Equity holders of the Company		361	332	
Earnings per share (US\$ cents)				
- Basic		0.140	0.129	
- Fully diluted		0.140	0.129	

1(a)(ii) STATEMENT OF COMPREHENSIVE INCOME

Group	Note	Q1 2011 US\$'000	Q1 2010 US\$'000	Change %
Profit for the financial period		361	332	↑ 9
Exchange differences on translating foreign operations		-	(151)	NM
Total comprehensive income for the financial period		361	181	↑ 99

↑ means increase
 ↓ means decrease
 NM means not meaningful
 NA means not applicable

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

Group		Q1 2011 US\$'000	Q1 2010 US\$'000
Group's share of shareable production	barrels	67,390	66,063
Group's sales of shareable oil	barrels	61,744	66,063
A1 Revenue			
Sales of crude oil (see 8(iii) Production Profile)		4,767	3,772
A2 Cost of production			
Production expenses		2,114	1,796
Depreciation of property, plant and equipment		204	216
Amortisation of exploration, evaluation and development costs		476	436
Amortisation of computer software		8	9
		2,802	2,457
A3 Other income			
Interest income from deposits		10	6
Petroleum services fees		16	28
Gain on disposal of financial assets, at fair value through profit or loss		-	95
Gain on disposal of property, plant and equipment		3	-
Other income		7	16
Foreign exchange gain, net		15	119
		51	264
A4 Other operating expenses			
Depreciation of property, plant and equipment		20	19
Amortisation of computer software		1	1
Amortisation of concession rights		2	2
Amortisation of participation rights		75	42
		98	64
A5 Impairment and allowances			
Impairment of exploration, evaluation and development costs		-	142
		-	142

1(b)(i) STATEMENT OF FINANCIAL POSITION

	Note	Group		Company	
		31-Mar-11	31-Dec-10	31-Mar-11	31-Dec-10
		US\$'000	US\$'000	US\$'000	US\$'000
Assets					
Non-Current Assets					
Property, plant and equipment		1,017	1,184	89	100
Exploration, evaluation and development costs	B1	22,934	14,871	-	-
Intangible assets	B2	4,685	3,736	1	2
Interest in subsidiary companies		-	-	26,369	20,220
		28,636	19,791	26,459	20,322
Current Assets					
Inventories	B3	3,011	1,663	-	-
Trade receivables (net)	B4	4,301	5,832	-	-
Other receivables, deposits and prepayments		834	494	105	77
Cash and cash equivalents	B5	15,787	18,748	5,445	12,056
		23,933	26,737	5,550	12,133
Total assets		52,569	46,528	32,009	32,455
Equity and Liabilities					
Equity					
Share capital		40,109	40,109	40,109	40,109
Retained earnings / (Accumulated losses)		15,109	14,748	(8,903)	(8,256)
Other reserves		(18,220)	(18,220)	15	15
Total equity		36,998	36,637	31,221	31,868
Non-Current Liability					
Provision for environmental and restoration costs		1,804	813	-	-
Total non-current liability		1,804	813	-	-
Current Liabilities					
Trade payables		2,325	721	-	-
Other payables and accruals		3,466	2,445	784	581
Deferred revenue	B3	1,189	-	-	-
Provision for taxation		6,787	5,912	4	6
Total current liabilities		13,767	9,078	788	587
Total equity and liabilities		52,569	46,528	32,009	32,455

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

Group	31-Mar-11	31-Dec-10
	US\$'000	US\$'000
B1 <u>Exploration, evaluation and development costs</u>		
Initial joint study cost	403	416
Contractual bonus	418	431
Exploration, geological and geophysical cost	4,175	2,806
Asset under construction	2	1
Completed assets	16,435	9,664
Cost recovery	1,501	1,553
	22,934	14,871
B2 <u>Intangible assets</u>		
Computer software	34	43
Goodwill on reverse acquisition	1,489	1,489
Participating and concession rights	1,008	1,052
Participating rights in Indonesia (Linda Sele TAC)	1,002	-
Participating rights in Australia	1,152	1,152
	4,685	3,736
B3 <u>Inventories</u>		
Consumable inventories	1,822	1,663
Crude oil on hand*	1,189	-
	3,011	1,663
B4 <u>Trade receivables (net)</u>		
Trade receivables	4,301	5,832
Opening balance	-	1,998
Write-back of impairment of trade receivables	-	(1,998)
Closing balance	-	-
Trade receivables, net after allowances for impairment of trade receivables	4,301	5,832
B5 <u>Cash and cash equivalents</u>		
Cash at bank and on hand	7,230	11,047
Restricted cash	1,487	1,484
Fixed deposits	7,070	6,217
Cash and cash equivalents (as per Statement of Financial Position)	15,787	18,748
Less: Fixed deposit held as collateral for banker's guarantee	-	(670)
Less: Restricted cash	(1,487)	(1,484)
Cash and cash equivalents (as per Cash Flow Statement)	14,300	16,594

* Based on the barrels of crude oil on hand and oil price as at 31 Mar 2011, the estimated deferred revenue was US\$1.19 mil.

1(b)(ii) BORROWINGS AND DEBT SECURITIES

Group	31-Mar-11		31-Dec-10	
	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

On 18 Feb 2011, the banker's guarantee of US\$0.67 mil issued in favour of the Thailand Department of Customs was fully redeemed.

1(c) CASH FLOW STATEMENT

Group	Q1 2011 US\$'000	Q1 2010 US\$'000
Cash Flows from Operating Activities		
Profit before income tax	817	630
Adjustments for non-cash items:		
Depreciation of property, plant and equipment	224	235
Amortisation of:		
EED costs	476	436
Concession rights	2	2
Computer software	9	10
Participating rights	75	42
Impairment of EED costs (Thailand)	-	142
Interest income	(10)	(6)
Financial assets, at fair value through profit or loss - fair value gain	-	(95)
Net gain on disposal of property, plant and equipment	(3)	-
Exchange difference	(15)	(134)
Operating profit before working capital changes	1,575	1,262
Changes in working capital:		
Inventories	(619)	(35)
Trade and other receivables	1,437	(1,058)
Trade and other payables	1,769	(1,406)
Accrued operating expenses	120	384
Provision for environmental and restoration costs	44	37
Restricted cash	(3)	-
Cash generated from operations	4,323	(816)
Income tax (paid) / refund	(151)	12
Net cash provided by / (used in) operating activities	4,172	(804)
Cash Flows from Investing Activities		
Interest income received	11	8
Net proceeds from disposal of property, plant and equipment	2	-
Fixed deposit released as collateral for banker's guarantee (net)	670	2,060
Acquisition of share capital of IBN	(5,539)	-
Acquisition cost for exploration concession in Australia	-	(8)
Capital expenditure:		
Purchase of property, plant and equipment	(1)	(13)
Well drillings and improvements	(156)	(146)
Geological and geophysical studies (including seismic)	(1,453)	(932)
Net cash (used in) / provided by investing activities	(6,466)	969
Net (decrease) / increase in cash and cash equivalents	(2,294)	165
Cash and cash equivalents at beginning of period	16,594	14,531
Effects of currency translation on cash and cash equivalents	-	16
Cash and cash equivalents at end of period (see Note B5)	14,300	14,712

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

Group	Share Capital US\$'000	Foreign Currency Translation Reserve US\$'000	Special Reserve US\$'000	Other Reserve US\$'000	Retained Earnings US\$'000	Total Equity US\$'000
Balance as at 1 Jan 2010	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 Q1 2010	-	(151)	-	-	332	181
Balance as at 31 Mar 2010	40,109	(1,454)	(16,545)	15	13,370	35,495
Balance as at 1 Jan 2011	40,109	(1,690)	(16,545)	15	14,748	36,637
Total comprehensive income for Q1 2011	-	-	-	-	361	361
Balance as at 31 Mar 2011	40,109	(1,690)	(16,545)	15	15,109	36,998

Company	Share Capital US\$'000	Other Reserve US\$'000	Accumulated Losses US\$'000	Total Equity US\$'000
Balance as at 1 Jan 2010	40,109	14	(8,142)	31,981
Employee share option scheme - value of employee services	-	1	-	1
Total comprehensive income for Q1 2010	-	-	(311)	(311)
Balance as at 31 Mar 2010	40,109	15	(8,453)	31,671
Balance as at 1 Jan 2011	40,109	15	(8,256)	31,868
Total comprehensive income for Q1 2011	-	-	(647)	(647)
Balance as at 31 Mar 2011	40,109	15	(8,903)	31,221

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 Q1 2011.

On 4 Apr 2011, the Company completed the issue and allotment of 38,500,000 placement shares at the issue price of S\$0.126 per placement share.

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

Group and Company	Q1 2011	Q1 2010
<u>Issued and fully paid</u>		
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 2010.

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 2011. 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:

- (1) Amendments to FRS 24 - Related Party Disclosures
- (2) Amendments to FRS 32 Financial Instruments: Presentation - Classification of Rights Issues
- (3) Amendments to INT FRS 114 - Prepayments of a Minimum Funding Requirement
- (4) INT FRS 119 Extinguishing Financial Liabilities with Equity Instruments

The adoption of these new or revised FRS and INT FRS does not result in any 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	Q1 2011	Q1 2010
Basic earnings per share (US\$ cents)	0.140	0.129
Weighted average number of shares for the purpose of computing basic earnings per share	256,920,238	256,920,238
Fully diluted earnings per share (US\$ cents)	0.140	0.129
Weighted average number of shares for the purpose of computing fully diluted earnings per share	256,920,238	256,920,238

There were no new shares issued during the quarter.

7 NET ASSET VALUE PER SHARE

	Group		Company	
	31-Mar-11	31-Dec-10	31-Mar-11	31-Dec-10
Net asset value per ordinary share based on issued share capital (excluding treasury shares) (US\$ cents)	14.400	14.260	12.152	12.404
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

Q1 2011 vs Q1 2010 Review

Production & Revenue

Revenue increased by 26% to US\$4.77 mil in Q1 2011 from US\$3.77 mil in Q1 2010, largely due to higher oil prices. The weighted average oil price transacted in Q1 2011 was US\$106.33 per barrel as compared to US\$78.48 per barrel in Q1 2010.

The Group's share of shareable production increased by 2% (1,327 barrels), due to the contribution of 5,646 barrels of oil from Linda Sele TAC and an increase of 1,392 barrels from the Myanmar operations, partly offset by a decrease of 5,711 barrels from TMT TAC. The Group's sales of shareable oil decreased by 7% (4,319 barrels) from 66,063 barrels in Q1 2010 to 61,744 barrels in Q1 2011. The Group did not recognise any revenue from Linda Sele TAC as there was no uplifting of production in Q1 2011.

The shareable production contributed by TMT TAC decreased by 26% (5,711 barrels) from 22,177 barrels in Q1 2010 to 16,466 barrels in Q1 2011. However, the shareable production from Myanmar increased by 3% (1,392 barrels) from 43,886 barrels in Q1 2010 to 45,278 barrels in Q1 2011, due to good contributions from the successful development wells drilled.

Cost of Production

Cost of production in Q1 2011 increased by US\$0.35 mil as compared to Q1 2010. This was largely due to additional cost from the Linda Sele TAC operations of US\$0.25 mil and the remaining was due to higher direct operating cost.

Net Profit After Tax

The Group posted a net profit after tax of US\$0.36 mil in Q1 2011 as compared to US\$0.33 mil in Q1 2010. The marginal increase in net profit was due to the following:

- (1) Higher revenue largely due to higher weighted average oil prices transacted in Q1 2011.
- (2) Net loss after tax of US\$0.39 mil incurred from the Linda Sele TAC operations as no revenue was generated in Q1 2011. There was no uplifting from the operations from 24 Jan 2011 to 31 Mar 2011. However, the crude oil on hand was 14,021 barrels and the estimated crude oil value was US\$1.19 mil (net entitlement) as at 31 Mar 2011.
- (3) Decreased foreign exchange gain in Q1 2011 of US\$0.02 mil from US\$0.12 mil in Q1 2010, due to the closure of Thailand office in Q1 2011, which resulted in minimal Thai baht denominated transactions as compared to Q1 2010.
- (4) Higher administrative expenses in Q1 2011 of US\$1.10 mil as compared to US\$0.74 mil in Q1 2010, mainly due to the transaction fee for acquiring Linda Sele TAC.

Group (Q1 2011)	Profit / (Loss) Before Tax US\$'000	Taxation US\$'000	Net Contribution to Group US\$'000	Net Contribution to Group %
Indonesia (TMT)	250	(72)	178	15%
Indonesia (LS)	(327)	(66)	(393)	(34%)
Myanmar	1,743	(317)	1,426	123%
Thailand	(12)	-	(12)	(1%)
Australia	(37)	-	(37)	(3%)
Profit from operations	1,617	(455)	1,162	100%
Head office expenses and income			(800)	
Income tax expense			(1)	
Net profit after tax			361	

8(i) PERFORMANCE REVIEW (CONT'D)

Material factors that affect the cash flow, working capital, assets or liabilities of the Group

Statement of Financial Position

- (1) In Q1 2011, the Group received 6 payments in respect of the Myanmar trade receivable and generated a net cash inflow from operating activities of US\$3.41 mil from the Myanmar operations.
- (2) Intangible assets and EED costs increased by US\$0.95 mil and US\$8.06 mil respectively. The increases of US\$1 mil and US\$6.88 mil respectively were due to the acquisition of the IBN Oil Holdico Ltd ("IBN"), which holds 100% participating interest in Linda Sele TAC. The increase in EED costs was also due to seismic costs for the TMT operations of US\$1.31 mil.
- (3) Inventories increased by US\$1.35 mil due to crude oil on hand of US\$1.19 mil from Linda Sele TAC, with the same increase in deferred revenue.
- (4) Trade payables increased by US\$1.60 mil, mainly owing to TMT TAC's suppliers of US\$1.36 mil relating to the 3D seismic program in 2011.
- (5) Other payables and accruals increased by US\$1.02 mil, due to the transaction fee for acquiring Linda Sele TAC. The acquisition of Linda Sele TAC added to the increase by US\$1.24 mil, of which US\$0.50 mil of the purchase consideration is still outstanding.

Cash Flow Statement

Cash and cash equivalents as at 31 Mar 2011 decreased by US\$2.29 mil from 31 Dec 2010 due to the following:

- (1) Net cash generated from operations of US\$4.20 mil, mainly due to higher number of invoice payments received from the trade receivables in Myanmar.
- (2) Capital expenditure of US\$1.61 mil incurred in Q1 2011, mainly due to seismic costs in the TMT and Myanmar operations.
- (3) Acquisition cost of US\$5.54 mil (net of cash acquired) for the entire share capital of IBN, which holds 100% participating interest in Linda Sele TAC.
- (4) Cash inflow of US\$0.67 mil due to the release of fixed deposits held as collateral for banker's guarantee issued in favour of the Thailand Department of Customs.

8(ii) SEGMENTED REVENUE AND RESULTS

Geographical Segment	Indonesia		Myanmar		Consolidated	
	Q1 2011	Q1 2010	Q1 2011	Q1 2010	Q1 2011	Q1 2010
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Results						
EBITDA	254	353	2,167	1,434	2,421	1,787
EBIT	(97)	18	1,744	1,055	1,647	1,073
Sales to external customers	1,302	1,295	3,465	2,477	4,767	3,772
Segment results	(97)	(12)	1,744	1,055	1,647	1,043
Unallocated corporate net operating results					(830)	(413)
Profit before income tax					817	630
Income tax expense					(456)	(298)
Net profit after income tax					361	332

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		Q1 2011 barrels	Q1 2010 barrels
Average gross production per day		2,169	2,200
Gross production		195,182	197,995
Non-shareable production		(119,719)	(124,852)
Production shareable with MOGE		75,463	73,143
Group's 60% share of production		45,278	43,886
Group's average shareable production per day		503	488
Myanmar Revenue		Q1 2011	Q1 2010
Weighted average transacted oil price US\$		106.33	78.47
Revenue shareable with MOGE US\$'000		4,815	3,444
MOGE's share US\$'000		(1,349)	(966)
Group's net share of revenue US\$'000		3,466	2,478
Indonesia Production (TMT)		Q1 2011 barrels	Q1 2010 barrels
Average gross production per day		283	378
Gross production		25,440	34,033
Non-shareable production		(1,917)	(2,351)
Production shareable with Pertamina		23,523	31,682
Group's 70% share of production		16,466	22,177
Group's average shareable production per day		183	246
Indonesia Revenue (TMT)		Q1 2011	Q1 2010
Weighted average transacted oil price US\$		106.20	78.48
Revenue shareable with Pertamina US\$'000		1,750	1,740
Pertamina's share* US\$'000		(611)	(609)
Group's net share of revenue US\$'000		1,139	1,131
Indonesia Production (LS)		Q1 2011 barrels	Q1 2010 barrels
Average gross production per day		111	-
Gross production		7,298	-
Non-shareable production		(1,652)	-
Production shareable with Pertamina		5,646	-
Group's 100% share of production		5,646	-
Group's average shareable production per day		86	-
Indonesia Crude Oil on Hand (LS)		Q1 2011 barrels	Q1 2010 barrels
<u>Shareable with Pertamina</u>			
Opening balance (as at 24 Jan 2011)		8,555	-
Oil produced		5,646	-
Closing balance		14,201	-
Group Production, Crude Oil on Hand and Revenue		Q1 2011	Q1 2010
Group's share of shareable production barrels		67,390	66,063
Group's average shareable production per day barrels		772	734
Group's sales of shareable oil barrels		61,744	66,063
Group's total shareable oil revenue US\$'000		4,605	3,609

* 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

Oil prices increased significantly during the quarter, resulting in higher revenue. The Group will endeavour to improve the production in the near term in order to capitalise on the higher oil prices. With the recent completion of the acquisition of the IBN Holdico Ltd, the Group will organise and improve the facility and manpower at Linda Sele TAC in the coming months so as to optimize the production from this asset, which will contribute towards the shareable production of the Group. Due to the forthcoming winter season in Australia, the drilling of an exploration well in Otway Basin, Victoria, has been postponed to Q4 2011. However, the Group does not expect any significant contribution from this asset in the near term.

With the recent share placement which raised net proceeds of US\$3.79 mil, the Group's financial position improved, with sufficient cash on hand and no debts to meet its operating costs for the foreseeable future. The Group will strive to improve the production of the concessions in which it holds operatorship and will work closely with its partners in other concessions to improve the performance. The Group will continue to actively seek new concessions and assets so as to strengthen its presence in the region as well as to achieve growth sustainability.

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 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)) Q1 2011 US\$	Aggregate value of interested person transactions conducted under shareholders' mandate pursuant to Rule 920(1)(a) (excluding transactions below \$100,000) Q1 2011 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 interim financial statements for the quarter ended 31 March 2011 to be false or misleading in any material respect.

Submitted by
Marcel Tjia
Executive Director
13 May 2011

15 ABBREVIATIONS

Q1 2010	means	First calendar quarter of year 2010
Q1 2011	means	First calendar quarter of year 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.