



INTERRA RESOURCES LIMITED

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

SGX ANNOUNCEMENT

SGX Code: Interra Res (5GI)

11 May 2012

Dear Shareholders

UNAUDITED RESULTS FOR THE QUARTER ENDED 31 MARCH 2012

Highlights in Q1 2012

- Net profit after tax for the quarter was US\$1.49 million
- Revenue for the quarter was US\$8.24 million, 15% higher than the previous quarter, as a result of increased sales of shareable oil of 4% and higher weighted average SLC transaction oil price of US\$125.11 per barrel (Q4 2011: US\$112.95 per barrel)
- Shareable production for the quarter increased by 15% (11,935 barrels) to 93,426 barrels from 81,491 barrels in the previous quarter, mainly contributed by TMT TAC and LS TAC operations
- Earnings before divestment gain, interest income, exchange difference, finance cost, tax, depreciation, amortisation, allowance and impairment ("EBITDA") for the quarter was US\$3.98 million
- Net cash outflow for the quarter was US\$0.30 million
- Cash and cash equivalents (excluding restricted cash) were US\$11.24 million as at 31 March 2012

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"), Canaccord Genuity Singapore Pte. Ltd. (formerly known as Collins Stewart Pte. Limited), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). Canaccord Genuity Singapore Pte. Ltd. has not independently verified the contents of this announcement. This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

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**INTERRA RESOURCES LIMITED
UNAUDITED RESULTS FOR THE QUARTER
ENDED 31 MARCH 2012**

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1(a)(i) INCOME STATEMENT

Group	Note	Q1 2012 US\$'000	Q1 2011 US\$'000	Change %
Revenue	A1	8,242	4,767	↑ 73
Cost of production	A2	(4,810)	(2,802)	↑ 72
Gross profit		3,432	1,965	↑ 75
Other income	A3	212	51	↑ 316
Administrative expenses		(1,329)	(1,101)	↑ 21
Other operating expenses	A4	(220)	(98)	↑ 124
Profit before income tax		2,095	817	↑ 156
Income tax expense		(601)	(456)	↑ 32
Profit for the financial period		1,494	361	↑ 314
Attributable to:				
Equity holders of the Company		1,494	361	
Earnings per share (US cents)				
- Basic		0.506	0.140	
- Fully diluted		0.506	0.140	

1(a)(ii) STATEMENT OF COMPREHENSIVE INCOME

Group	Note	Q1 2012 US\$'000	Q1 2011 US\$'000	Change %
Profit for the financial period		1,494	361	↑ 314
Exchange differences on translating foreign operations		2	-	NM
Total comprehensive income for the financial period		1,496	361	↑ 314

↑ means increase

↓ means decrease

NM means not meaningful

NA means not applicable

1(a)(iii) EXPLANATORY NOTES TO INCOME STATEMENT

Group		Q1 2012 US\$'000	Q1 2011 US\$'000
Group's share of shareable production	barrels	93,426	67,390
Group's sales of shareable oil	barrels	90,762	61,744
A1 Revenue			
Sales of crude oil (see 8(iii) Production Profile)		8,242	4,767
A2 Cost of production			
Production expenses		3,944	2,114
Depreciation of property, plant and equipment		139	204
Amortisation of EED costs		725	476
Amortisation of computer software		2	8
		4,810	2,802
A3 Other income			
Interest income		15	10
Petroleum services fees		10	16
Management fees		128	-
Other income		4	7
Gain on disposal of property, plant and equipment		-	3
Foreign exchange gain, net		55	15
		212	51
A4 Other operating expenses			
Depreciation of property, plant and equipment		23	20
Amortisation of computer software		-	1
Amortisation of concession rights		7	2
Amortisation of participation rights		190	75
		220	98

1(b)(i) STATEMENT OF FINANCIAL POSITION

	Note	Group		Company	
		31-Mar-12 US\$'000	31-Dec-11 US\$'000	31-Mar-12 US\$'000	31-Dec-11 US\$'000
Assets					
Non-Current Assets					
Property, plant and equipment		1,157	1,198	49	57
Exploration, evaluation and development costs	B1	34,179	34,359	-	-
Intangible assets	B2	5,655	5,853	-	-
Investments in subsidiaries		-	-	38,512	36,267
Other receivables	B3	1,006	-	-	-
		41,997	41,410	38,561	36,324
Current Assets					
Inventories	B4	3,752	3,127	-	-
Trade receivables and other receivables	B3	5,961	6,905	159	1
Other current assets		636	629	90	100
Cash and cash equivalents	B5	13,381	13,676	2,446	5,452
		23,730	24,337	2,695	5,553
Total assets		65,727	65,747	41,256	41,877
Equity and Liabilities					
Equity					
Share capital		43,869	43,869	43,869	43,869
Retained profits / (Accumulated losses)		25,132	23,638	(3,252)	(2,646)
Other reserves		(18,226)	(18,228)	15	15
Total equity		50,775	49,279	40,632	41,238
Non-Current Liabilities					
Provision for environmental and restoration costs		2,281	2,243	-	-
Total non-current liabilities		2,281	2,243	-	-
Current Liabilities					
Trade payables, other payables and accruals		4,406	5,623	624	639
Deferred revenue	B4	990	647	-	-
Current income tax liabilities		7,275	7,955	-	-
Total current liabilities		12,671	14,225	624	639
Total equity and liabilities		65,727	65,747	41,256	41,877

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

Group	31-Mar-12 US\$'000	31-Dec-11 US\$'000
B1 <u>Exploration, evaluation and development costs</u>		
Initial joint study cost	915	957
Contractual bonuses	345	361
Exploration, geological and geophysical costs	5,089	5,129
Assets under construction	33	-
Completed assets	25,758	25,773
Cost recovery	2,039	2,139
	34,179	34,359
B2 <u>Intangible assets</u>		
Computer software	8	9
Goodwill on reverse acquisition	1,489	1,489
Concession rights	145	152
Participating rights in Indonesia (TMT TAC)	2,583	2,719
Participating rights in Indonesia (LS TAC)	1,430	1,484
	5,655	5,853
B3 <u>Trade receivables and other receivables</u>		
Non-current		
Other receivable - Loan to a third party	1,006	-
Current		
Trade receivables - non-related parties	5,250	6,242
Other receivables	711	663
	5,961	6,905
	6,967	6,905
B4 <u>Inventories</u>		
Consumable inventories	2,762	2,480
Crude oil on hand*	990	647
	3,752	3,127
B5 <u>Cash and cash equivalents</u>		
Cash at bank and on hand	10,434	9,308
Restricted cash	2,145	2,140
Fixed deposits	802	2,228
Cash and cash equivalents (as per Statement of Financial Position)	13,381	13,676
Less: Restricted cash	(2,145)	(2,140)
Cash and cash equivalents (as per Statement of Cash Flows)	11,236	11,536

* Based on the number of barrels of crude oil on hand and the Walio Mix oil price as at 31 Mar 2012, the approximate deferred revenue was US\$0.99 mil. This relates to crude oil inventory of LS TAC which was not uplifted and was stored at stock points.

1(b)(ii) BORROWINGS AND DEBT SECURITIES

Group	31-Mar-12		31-Dec-11	
	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	-	-	-	-

1(c)(i) STATEMENT OF CASH FLOWS

Group	Note	Q1 2012 US\$'000	Q1 2011 US\$'000
Cash Flows from Operating Activities			
Profit before income tax		2,095	817
Adjustments for non-cash items:			
Depreciation of property, plant and equipment		162	224
Amortisation of:			
EED costs		725	476
Concession rights		7	2
Computer software		2	9
Participating rights		190	75
Interest income		(15)	(10)
Net gain on disposal of property, plant and equipment		-	(3)
Unrealised currency translation gain		(55)	(15)
Fixed assets written off		28	-
		3,139	1,575
Changes in working capital, net of effects from acquisition of subsidiary			
Inventories		(624)	(619)
Trade and other receivables and other current assets		930	1,437
Trade and other payables and deferred revenue		(563)	1,889
Provision for environmental and restoration costs		38	44
Restricted cash		(5)	(3)
		2,915	4,323
Income tax paid		(1,281)	(151)
		1,634	4,172
Cash Flows from Investing Activities			
Interest income received		10	11
Net proceeds from disposal of property, plant and equipment		-	2
Fixed deposit released as collateral for banker's guarantee (net)		-	670
Acquisition of subsidiary, net of cash acquired	C1	(250)	(5,539)
Additions to property, plant and equipment		(149)	(1)
Additions to well drillings and improvements		(469)	(156)
Additions to geological and geophysical studies (including seismic)		(76)	(1,453)
		(934)	(6,466)
Cash Flows from Financing Activities			
Loan to a third party		(1,000)	-
		(1,000)	-
Net decrease in cash and cash equivalents			
		(300)	(2,294)
Cash and cash equivalents at beginning of period		11,536	16,594
Cash and cash equivalents at end of period (see Note B4)		11,236	14,300

1(c)(ii) EXPLANATORY NOTES TO CASH FLOW STATEMENT

Group	Q1 2012 US\$'000	Q1 2011 US\$'000
C1 Net cash flow effect for acquisition of subsidiary (100% participating rights in LS TAC)		
Property, plant and equipment	-	56
Exploration, evaluation and development costs	-	6,263
Current assets	-	1,432
Current liabilities	-	(3,200)
Net assets acquired	-	4,551
Participating rights	-	1,699
Purchase consideration	-	6,250
Less: cash acquired	-	(211)
Net cash flow effect for acquisition of subsidiary (excluding cash acquired)	-	6,039
Balance of purchase consideration settled/(unpaid)	250	(500)
Cash outflow on acquisition of subsidiary	250	5,539

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

Group	Share Capital US\$'000	Foreign Currency Translation Reserve US\$'000	Special Reserve US\$'000	Share Option Reserve US\$'000	Profits Earnings US\$'000	Total Equity US\$'000
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
Balance as at 1 Jan 2012	43,869	(1,698)	(16,545)	15	23,638	49,279
Total comprehensive income for Q1 2012	-	2	-	-	1,494	1,496
Balance as at 31 Mar 2012	43,869	(1,696)	(16,545)	15	25,132	50,775

Company	Share Capital US\$'000	Share Option Reserve US\$'000	Accumulated Losses US\$'000	Total Equity US\$'000
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
Balance as at 1 Jan 2012	43,869	15	(2,646)	41,238
Total comprehensive income for Q1 2012	-	-	(607)	(607)
Balance as at 31 Mar 2012	43,869	15	(3,253)	40,631

1(d)(ii) SHARE CAPITAL

No additional shares were issued in Q1 2012.

The number of outstanding share options under the Interra Share Option Plan for Q1 2012 was 500,000 (Q1 2011: 500,000).

On 20 Jan 2012, the Company granted options to directors and employees to subscribe for 10,050,000 ordinary shares of the Company at an exercise price of S\$0.148 per share, exercisable from 21 Jan 2013 to 19 Jan 2017 (both dates inclusive).

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

Group and Company	31 Mar 2012	31 Mar 2011
Issued and fully paid		
Number of ordinary shares (excluding treasury shares)	295,420,238	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

Except as 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 2011.

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 2012. Consequential amendments has also been made to the various standards as a result of these new or revised standards.

The new or amended FRS that are relevant to the Group and the Company is Amendments to FRS 107 Disclosures - Transfers of Financial Assets.

The adoption of these new or revised FRS and INT FRS does not result in any changes to the Group's and the 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 2012	Q1 2011
Basic earnings per share (US cents)	0.506	0.140
Weighted average number of shares for the purpose of computing basic earnings per share	295,420,238	256,920,238
Fully diluted earnings per share (US cents)	0.506	0.140
Weighted average number of shares for the purpose of computing fully diluted earnings per share	295,420,238	256,920,238

No new shares were issued in Q1 2012.

7 NET ASSET VALUE PER SHARE

	Group		Company	
	31 Mar 2012	31 Dec 2011	31 Mar 2012	31 Dec 2011
Net asset value per ordinary share based on issued share capital (excluding treasury shares) (US cents)	17.187	16.681	13.754	13.959
Number of ordinary shares in issue	295,420,238	295,420,238	295,420,238	295,420,238

8(i) PERFORMANCE REVIEW

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

Q1 2012 vs Q1 2011 Review

Revenue & Production

Revenue increased by 73% (US\$3.47 mil) to US\$8.24 mil in Q1 2012 from US\$4.77 mil in Q1 2011, largely due to higher SLC oil prices and higher sales of shareable production. The weighted average SLC oil price transacted in Q1 2012 was US\$125.11 per barrel as compared to US\$106.33 per barrel in Q1 2011. The weighted average Walio Mix oil price transacted in Q1 2012 was US\$121.92 per barrel (Q1 2011: no uplifting transaction).

The Group's shareable production increased by 39% (26,036 barrels) from 67,390 barrels in Q1 2011 to 93,426 barrels in Q1 2012. The increase was mainly due to higher contribution from all operations. The Group's sales of shareable oil also increased by 47% (29,018 barrels) from 61,744 barrels in Q1 2011 to 90,762 barrels in Q1 2012, mainly due to uplifting of oil from LS operations which was acquired in Q1 2011.

Cost of Production

The cost of production increased by 72% (US\$2.01 mil) to US\$4.81 mil in Q1 2012 as compared to US\$2.80 mil in Q1 2011. This was in tandem with the increase in shareable production. The increase in cost of production was largely attributable to additional production expenses from the TMT TAC operations of US\$0.55 mil (after the additional 30% acquisition on 25 November 2011) and higher production expenses incurred from LS operations of US\$0.89 mil, due to reopening and workovers of existing well and continued repair of surface and down-hole equipment.

Net Profit After Tax

The Group posted higher net profit after tax of US\$1.49 mil in Q1 2012 as compared to US\$0.36 mil in Q1 2011. The increase was due mainly to the following:

- (1) Higher gross profit of US\$3.43 mil in Q1 2012 as compared to US\$1.97 mil in Q1 2011 due to increase in revenue, partially offset by an increase in cost of production in Q1 2012.
- (2) Higher other income of US\$0.21 mil in Q1 2012 as compared to US\$0.05 mil in Q1 2011, mainly due to management fees received from the Indonesia operations of US\$0.13 mil.

However, the increase in net profit after tax was partially offset by the following:

- (1) Higher administrative expenses in Q1 2012 of US\$1.33 mil as compared to US\$1.10 mil in Q1 2011, mainly due to higher administrative expenses of US\$0.07 mil from LS TAC and corporate expenses of US\$0.10 mil.
- (2) Higher other operating expenses of US\$0.22 mil in Q1 2012 as compared to US\$0.10 mil in Q1 2011, due largely to the higher amortisation of LS TAC and TMT TAC participating rights (after the additional 30% acquisition on 25 November 2011) of US\$0.12 mil.
- (3) Higher income tax expenses of US\$0.60 mil in Q1 2012 as compared to US\$0.46 mil in Q1 2011, due largely to the higher revenue from all operations.

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

Statement of Financial Position

- (1) EED costs decreased by US\$0.18 mil, from US\$34.36 mil in Q1 2011 to US\$34.18 mil in Q1 2012. This was mainly due to amortisation charges of US\$0.73 mil offset against the additions of well drillings and improvements and seismic data processing of US\$0.55 mil.
- (2) Inventories increased by US\$0.63 mil due to the higher crude oil inventory of LS TAC of US\$0.99 mil, which was not uplifted and was stored at stock points. Consumable stock increased by US\$0.28 mil in preparation of drilling program in Q2 2012.
- (3) Trade and other receivables (current and non-current) increased by US\$0.06 mil, mainly due to loan to a third party to pay for the signature bonus of US\$1.01 mil (include loan interest receivable) under the Kuala Pambuang PSC, partially offset by decrease in trade receivables as at 31 Mar 2012 by US\$0.99 mil.
- (4) Trade payables, other payables and accruals decreased by US\$1.22 mil, due largely from the settlement of accruals in Q1 2012 of US\$0.68 mil for Australia operations, which was accrued at the end of year 2011. In Q1 2012, there was final settlement of the remaining acquisition cost of US\$0.25 mil and net assets settlement of US\$0.26 mil relating to the acquisition of LS TAC.

8(i) PERFORMANCE REVIEW (CONT'D)

Statement of Cash Flows

Cash and cash equivalents decreased by US\$0.30 mil in Q1 2012 due to the following:

- (1) Net cash provided by operating activities of US\$1.63 mil, mainly due to net cash inflow of US\$1.99 mil from the Myanmar operations and US\$0.40 mil from the TMT TAC, which was partially offset by the net cash outflow from the LS TAC (US\$0.32 mil) and PEP167 operations (US\$0.64 mil).
- (2) Net cash used in investing activities of US\$0.93 mil, mainly for deep well drilling of US\$0.47 mil for Myanmar operations and seismic data processing in TMT TAC and LS TAC of US\$0.08 mil. In Q1 2012, there was final settlement of the remaining acquisition cost of US\$0.25 mil relating to the acquisition of LS TAC and office renovation for Indonesia operations of US\$0.08 mil due to relocation of office unit.
- (3) Net cash used in financing activities of US\$1 mil was in relation to loan to a third party to pay for the signature bonus under the Kuala Pambuang PSC.

8(ii) SEGMENTED REVENUE AND RESULTS

Geographical Segment	Indonesia		Myanmar		Consolidated	
	Q1 2012	Q1 2011	Q1 2012	Q1 2011	Q1 2012	Q1 2011
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Results						
EBITDA	1,028	254	2,950	2,167	3,978	2,421
EBIT	526	(97)	2,375	1,744	2,901	1,647
Sales to external customers	3,571	1,302	4,671	3,465	8,242	4,767
Segment results	639	(97)	2,375	1,744	3,014	1,647
Unallocated corporate net operating results					(919)	(830)
Profit before income tax					2,095	817
Income tax expense					(601)	(456)
Net profit after income tax					1,494	361

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 2012 barrels	Q1 2011 barrels
Average gross production per day		2,228	2,169
Gross production		202,789	195,182
Non-shareable production		(116,095)	(119,719)
Production shareable with MOGE		86,694	75,463
Group's 60% share of shareable production		52,017	45,278
Group's average shareable production per day		572	503
Myanmar Revenue		Q1 2012	Q1 2011
Weighted average transacted oil price	US\$	124.84	106.33
Revenue shareable with MOGE	US\$'000	6,494	4,815
MOGE's share	US\$'000	(1,823)	(1,350)
Group's net share of revenue	US\$'000	4,671	3,465
Indonesia Production (TMT TAC)		Q1 2012 barrels	Q1 2011 barrels
Average gross production per day		279	283
Gross production		25,381	25,440
Non-shareable production		(1,050)	(1,917)
Production shareable with Pertamina		24,331	23,523
Group's 100% (Q1 2011: 70%) share of shareable production		24,331	16,466
Group's average shareable production per day		267	183
Indonesia Revenue (TMT TAC)		Q1 2012	Q1 2011
Weighted average transacted oil price	US\$	125.11	106.20
Revenue shareable with Pertamina	US\$'000	3,044	1,749
Pertamina's share	US\$'000	(780)	(447)
Group's net share of revenue	US\$'000	2,264	1,302
Indonesia Production (LS TAC)		Q1 2012 barrels	Q1 2011 barrels
Average gross production per day		188	111
Gross production		17,078	7,298
Non-shareable production		-	(1,652)
Production shareable with Pertamina		17,078	5,646
Group's 100% share of sharable production		17,078	5,646
Group's average shareable production per day		188	86
Indonesia Crude Oil on Hand (LS TAC)		Q1 2012 barrels	Q1 2011 barrels
Opening balance		7,927	8,545
Production		17,078	5,646
Lifting		(14,414)	-
Closing balance		10,591	14,191

8(iv) PRODUCTION PROFILE (CONT'D)

Indonesia Revenue (LS)		Q1 2012	Q1 2011
Weighted average transacted oil price	US\$	121.92	-
Revenue shareable with Pertamina	US\$'000	1,757	-
Pertamina's share	US\$'000	(450)	-
Group's net share of revenue	US\$'000	1,307	-

Group Production, Crude Oil on Hand and Revenue		Q1 2012	Q1 2011
Group's share of shareable production	barrels	93,426	67,390
Group's average shareable production per day	barrels	1,027	772
Group's sales of shareable oil	barrels	90,762	61,744
Group's total shareable oil revenue	US\$'000	8,242	4,767

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

Since taking over the operatorship in TMT TAC in Q4 2011, the production level has been steadily improving. Preparation to drill a new well is under way, and is expected to commence in late Q2 2012.

Production in LS TAC has also been increasing since the beginning of the year. With the approval for the seismic acquisition granted by the local authority in this quarter, acquisition works are expected to commence in Q2 2012.

Drilling of intermediate wells in Myanmar has been yielding positive results so far this year, and the Group will continue to identify suitable candidates to drill more intermediate wells in the coming months. Preparation works for the deep well drilling are now at the advance stage, and is expected to spud in the later part of Q2 2012.

As announced on 28 Mar 2012, the Group has offered its 50% participating interest in PEP 167 to its joint venture partner, and they have subsequently agreed to accept the offer. Pending the approval from the local authority, the Group will have no further liability relating to this block in Australia. All costs relating to this Block have been impaired in the financial year ended 31 Dec 2011.

As announced on 3 Feb 2012, the Group acquired 49% of PT Mentari Pambuang Internasional in Indonesia, which owns 100% participating interest in Kuala Pambuang PSC. Up to the date of this report, the Group is still awaiting the relevant authority approval for the transfer of the 49% interest.

The Group 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 to strengthen its presence in the region as well as to achieve growth sustainability. In view of the future work plans for existing operations as well as future acquisitions, the Group intends to raise funds in 2012.

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) Whether the dividend is before tax, net of tax or tax exempt
NA.
- (d) Date payable
NA.
- (e) 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

The Company does not have any general mandate pursuant to Rule 920 of the Catalist Rules for the period under review.

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 2012 to be false or misleading in any material respect.

Submitted by
Marcel Tjia
Executive Director

11-May-12

15 ABBREVIATIONS

Q1 2011	means	First quarter of the financial year 2011
Q1 2012	means	First quarter of the financial year 2012
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
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.
GWKP	means	Goldwater KP 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
RPE	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.