

29 February 2016

Dear Shareholders,

UNAUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

Highlights in FY 2015

- Revenue from continuing operations for the financial year was US\$23.45 million, 58% lower than the previous financial year.
- Shareable oil production for the financial year decreased to 634,312 barrels from 787,906 barrels in the previous financial year.
- Total loss after tax for the financial year was US\$53.09 million, as compared to a net loss of US\$11.72 million in the previous financial year. This was largely due to impairment of producing oil and gas properties of US\$31.80 million for Indonesia and Myanmar operations in the financial year.
- Earnings before divestment gain, interest income, exchange difference, finance cost, tax, depreciation, amortisation, allowance and impairment (EBITDA) from the continuing operations for the financial year was US\$3.97 million.
- Net cash outflows for the financial year was US\$0.59 million, mainly due to net cash provided by operating activities of US\$8.59 million offset by the net cash used in investing activities of US\$7.85 million for new drillings for producing assets, seismic acquisition for exploration asset and investments in associated companies.
- Cash and cash equivalents (excluding restricted cash) were US\$17.83 million as at 31 December 2015.

Yours sincerely,

The Board of Directors
Interra Resources Limited

INTERRA RESOURCES LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 197300166Z)

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ENDED 31 DECEMBER 2015****TABLE OF CONTENTS**

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1(a)(i) PROFIT OR LOSS

Group	Note	Q4 2015 US\$'000	Q4 2014 US\$'000	Change %	FY 2015 US\$'000	FY 2014 US\$'000	Change %
Continuing operations							
Revenue	A1	4,417	12,214	↓ 64	23,452	55,796	↓ 58
Cost of production	A2	(8,559)	(12,733)	↓ 33	(34,073)	(44,641)	↓ 24
Gross (loss)/profit		(4,142)	(519)	↑ 698	(10,621)	11,155	↓ 195
Other (losses)/income, net	A3	(21)	275	↓ 108	674	609	↑ 11
Administrative expenses		(1,700)	(1,848)	↓ 8	(6,956)	(8,367)	↓ 17
Finance expenses		(26)	-	NM	(59)	(1)	↑ 5,800
Other expenses	A4	(239)	(244)	↓ 2	(974)	(960)	↑ 1
Impairment and allowances	A5	(28,017)	(10,433)	↑ 169	(33,317)	(10,433)	↑ 219
Share of losses of associated companies		(382)	-	NM	(626)	-	NM
Loss before income tax		(34,527)	(12,769)	↑ 170	(51,879)	(7,997)	↑ 549
Income tax expense	A6	(295)	(838)	↓ 65	(555)	(4,283)	↓ 87
Loss from continuing operations for the financial period/year		(34,822)	(13,607)	↑ 156	(52,434)	(12,280)	↑ 327
Discontinued operations							
(Loss)/Profit from discontinued operations for the financial period/year	A7	(1,734)	165		(655)	559	
Total loss		(36,556)	(13,442)	↑ 172	(53,089)	(11,721)	↑ 353
Attributable to:							
Equity holders of the company		(32,406)	(12,100)		(48,066)	(10,535)	
Non-controlling interests		(4,150)	(1,342)		(5,023)	(1,186)	
		(36,556)	(13,442)		(53,089)	(11,721)	
(Loss)/profit attributable to equity holders of the Company relates to:							
Loss from continuing operations		(31,604)	(12,176)		(47,763)	(10,793)	
(Loss)/Profit from discontinued operations		(802)	76		(303)	258	
		(32,406)	(12,100)		(48,066)	(10,535)	
(Losses)/Earnings per share for continuing and discontinued operations attributable to equity holders of the Company							
Basic (losses)/earnings per share US cents							
- From continuing operations		(6.240)	(2.729)		(9.928)	(2.419)	
- From discontinued operations		(0.158)	0.017		(0.063)	0.058	
Diluted (losses)/earnings per share US cents							
- From continuing operations		(6.240)	(2.729)		(9.928)	(2.419)	
- From discontinued operations		(0.158)	0.017		(0.063)	0.057	

1(a)(i) STATEMENT OF COMPREHENSIVE INCOME

Group	Note	Q4 2015 US\$'000	Q4 2014 US\$'000	Change %	FY 2015 US\$'000	FY 2014 US\$'000	Change %
Total loss for the financial period/year		(36,556)	(13,442)	↑ 172	(53,089)	(11,721)	↑ 353
Other comprehensive income, net of tax							
Items that may be reclassified subsequently to profit or loss:							
Share of foreign currency translation differences of associated companies		(114)	-	NM	(114)	-	NM
Currency translation differences arising from consolidation							
- Gain/(Losses)		640	(402)	↓ 259	(1,179)	(934)	↑ 26
- Reclassification arising from liquidated subsidiary		-	(1)	NM	-	-	NM
Items that may not be reclassified subsequently to profit or loss:							
Share of defined benefit obligation re-measurements of associated companies		3	-	NM	3	-	NM
Defined benefit obligation re-measurements		40	(22)	↓ 282	40	(22)	↓ 282
Total comprehensive loss for the financial period/year		(35,987)	(13,867)	↑ 160	(54,339)	(12,677)	↑ 329
Attributable to:							
Equity holders of the company		(32,158)	(12,298)		(48,730)	(11,011)	
Non-controlling interests		(3,829)	(1,569)		(5,609)	(1,666)	
		(35,987)	(13,867)		(54,339)	(12,677)	

↑ denotes increase
↓ denotes decrease
NM denotes not meaningful

1(a)(ii) EXPLANATORY NOTES TO PROFIT OR LOSS

Group	Q4 2015 barrels	Q4 2014 barrels	FY 2015 barrels	FY 2014 barrels
Group's share of shareable production	148,555	192,604	634,312	787,906
Group's sales of shareable oil	148,622	194,459	636,120	785,176
Group	Q4 2015 US\$'000	Q4 2014 US\$'000	FY 2015 US\$'000	FY 2014 US\$'000
A1 Revenue				
Sale of oil and petroleum products	4,417	12,214	23,452	55,796
A2 Cost of production				
Production expenses	3,155	5,494	16,871	22,706
Amortisation of producing oil and gas properties	5,401	7,238	17,192	21,934
Amortisation of intangible assets	3	1	10	1
	8,559	12,733	34,073	44,641
A3 Other (losses)/income, net				
Interest income	106	20	266	123
Petroleum services fees	43	31	173	84
Management fees	37	127	261	382
Other (loss)/income	(27)	28	(102)	57
Foreign exchange (loss)/gain, net	(278)	74	(17)	136
Loss on re-measurement of previously held non-controlling interests in subsidiary		-	-	(168)
Loss on disposal of property, plant and equipment	(12)	-	(17)	-
Loss on disposal of exploration and evaluation assets	-	(5)	-	(5)
Gain on revaluation of investment properties	110	-	110	-
	(21)	275	674	609
A4 Other expenses				
Depreciation of property, plant and equipment	9	10	49	24
Amortisation of producing oil and gas properties	230	234	925	936
	239	244	974	960
A5 Impairment and allowances				
Impairment of producing oil and gas properties	26,498	9,776	31,798	9,776
Impairment of goodwill on consolidation	-	657	-	657
Impairment of goodwill on reverse acquisition	1,489	-	1,489	-
Impairment of intangible assets	30	-	30	-
	28,017	10,433	33,317	10,433

1(a)(ii) EXPLANATORY NOTES TO PROFIT OR LOSS (CONT'D)

Group	Q4 2015 US\$'000	Q4 2014 US\$'000	FY 2015 US\$'000	FY 2014 US\$'000
A6 <u>Income tax expense</u>				
Current income tax	299	830	1,587	4,275
Prior year (over)/under provision of current income tax *	-	8	(1,028)	8
Deferred income tax	(4)	-	(4)	-
	295	838	555	4,283
* Being reduction of corporate tax rate by 5% (i.e. from 30% to 25%) from Myanmar tax authority for 3 Assessment years of which income tax has been paid. Upon finalisation of assessment, the overpayment was reversed to profit or loss.				
A7 <u>(Loss)/Profit from discontinued operations for the financial period/year</u>				
Revenue	1,852	3,534	8,936	6,114
Expenses	(1,565)	(3,313)	(7,393)	(5,356)
Profit before income tax from discontinued operations	287	221	1,543	758
Income tax	100	(56)	(77)	(199)
Profit after income tax from discontinued operations	387	165	1,466	559
Pre-tax loss recognised on the measurement to fair values				
less cost to sell on disposal group	(2,651)	-	(2,651)	-
Income tax	530	-	530	-
Loss after tax recognised on the measurement to fair value	(2,121)	-	(2,121)	-
less cost to sell on disposal group	(2,121)	-	(2,121)	-
Total (loss)/profit from discontinued operations	(1,734)	165	(655)	559

1(b)(i) STATEMENT OF FINANCIAL POSITION

	Note	Group		Company	
		31-Dec-15 US\$'000	31-Dec-14 US\$'000	31-Dec-15 US\$'000	31-Dec-14 US\$'000
Assets					
Non-current assets					
Property, plant and equipment		133	222	33	56
Producing oil and gas properties	B1	359	47,207	-	-
Mining properties	B2	-	6,660	-	-
Exploration and evaluation costs	B3	10,488	5,121	-	-
Intangible assets	B4	-	2,045	-	-
Investments in subsidiaries		-	-	37,673	39,226
Investments in associated companies	B5	7,621	-	-	-
Other receivables	B6	1,686	319	-	-
Restricted cash*		2,447	3,444	-	-
Retirement benefit obligations		57	154	-	-
Investment properties	B7	315	226	-	-
		23,106	65,398	37,706	39,282
Current assets					
Inventories	B8	6,804	9,430	-	-
Trade and other receivables	B6	12,800	11,952	331	198
Other current assets		777	1,318	73	256
Cash and cash equivalents	B9	17,828	18,737	516	3,596
		38,209	41,437	920	4,050
Assets of disposal group classified as held-for-sale	B10	4,453	-	-	-
		42,662	41,437	920	4,050
		65,768	106,835	38,626	43,332
Total assets					
Equity and Liabilities					
Equity					
Share capital		69,258	63,125	69,258	63,125
(Accumulated losses)/Retained profits		(21,620)	26,395	(34,385)	(20,866)
Other reserves		(18,597)	(17,882)	357	365
Equity attributable to owners of the Company		29,041	71,638	35,230	42,624
Non-controlling interests		4,661	8,932	-	-
Total equity		33,702	80,570	35,230	42,624
Non-current liabilities					
Provision for environmental and restoration costs		4,474	5,287	-	-
Deferred income tax liabilities		39	893	-	-
		4,513	6,180	-	-
Current liabilities					
Trade and other payables	B11	16,096	12,108	396	708
Bank loan		3,728	807	3,000	-
Finance lease payable		-	382	-	-
Current income tax liabilities		6,656	6,788	-	-
		26,480	20,085	3,396	708
Liabilities directly associated with disposal group classified as held-for-sale	B10	1,073	-	-	-
		27,553	20,085	3,396	708
		32,066	26,265	3,396	708
Total liabilities		32,066	26,265	3,396	708
Total equity and liabilities		65,768	106,835	38,626	43,332

* Fund intended for environmental and restoration costs.

Group		31-Dec-15 US\$'000	31-Dec-14 US\$'000
B1	<u>Producing oil and gas properties</u>		
	Development tangible assets	359	5,505
	Development and production assets	-	39,718
	Participating and concession rights	-	1,984
		359	47,207
B2	<u>Mining properties</u>		
	Deferred exploration expenditures	315	1,462
	Development tangible assets	2,341	5,198
		2,656	6,660
	Less: Assets of disposal group classified as held-for-sale	(2,656)	-
		-	6,660
B3	<u>Exploration and evaluation costs</u>		
	Exploration and evaluation assets	9,053	3,686
	Participating rights of exploration asset	1,435	1,435
		10,488	5,121
B4	<u>Intangible assets</u>		
	Goodwill on reverse acquisition	-	1,489
	Non-contractual customer relationships	413	516
	Computer software	-	40
		413	2,045
	Less: Assets of disposal group classified as held-for-sale	(413)	-
		-	2,045
B5	<u>Investments in associated companies</u>		
	Equity investment at costs	8,358	-
	Share of losses in associated companies	(626)	-
	Share of other comprehensive losses in associated companies	(111)	-
		7,621	-
B6	<u>Trade and other receivables</u>		
	Non-current		
	Other receivables - loan to third parties	1,686	319
	Current		
	Trade receivables - non-related parties	5,476	8,405
	Other receivables - loan to third parties	2,866	-
	Other receivables - non-related parties	4,458	3,547
		12,800	11,952
		14,486	12,271

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

Group		31-Dec-15 US\$'000	31-Dec-14 US\$'000
B7	<u>Investment properties</u>		
	Land and Building in Pacet	127	96
	Shophouse at Pasar Kemis, Tangerang	140	73
	Kiosk at ITC Kuningan	48	57
		315	226
B8	<u>Inventories</u>		
	Consumable inventories	5,951	6,836
	Mining sparts parts and others	550	1,041
	Granite rocks	605	970
	Crude oil inventory#	248	583
		7,354	9,430
	Less: Assets of disposal group classified as held-for-sale	(550)	-
		6,804	9,430
B9	<u>Cash and cash equivalents</u>		
	Cash and bank balances	8,819	15,737
	Short-term fixed deposits	9,009	3,000
	Cash and cash equivalents per statement of cash flows	17,828	18,737
B10	<u>Disposal group classified as held-for-sale</u>		
	Mining properties (tangible assets)	2,341	-
	Mining properties (Intangible assets)	315	-
	Intangible assets	413	-
	Restricted cash	834	-
	Inventories	550	-
	Asset of disposal group	4,453	-
	Retirement benefit obligations	(97)	-
	Provision for environmental and restoration costs	(833)	-
	Deferred tax liabilities	(143)	-
	Liabilities directly associated with disposal group	(1,073)	-
		3,380	-
B11	<u>Trade and other payables</u>		
	Trade payables	6,806	7,215
	Other payables	8,554	3,461
	Accruals	736	1,432
		16,096	12,108

This represents costs of crude oil inventory of Linda Sele TAC ("LS TAC") which was not uplifted and was stored at stock points as at 31 December 2015.

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

Group	31-Dec-15		31-Dec-14	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Amount repayable in one year or less, or on demand				
- Bank loan *	728	3,000	807	-
- Finance lease **	-	-	382	-
Amount repayable after one year	-	-	-	-

* (i) The secured bank loan represents back to back facility obtained from PT Sejahtera Bank Umum (liquidated bank), backed with the finance lease receivables from PT Intinusa Abadi Manufacturing by PT Mitra Investindo TBK ("MITI"). To-date, the liquidated team had been disbanded and all parties had not come forward to request for payment.

(ii) The Company obtained a bank loans of US\$3.00 mil from UOB to finance the 2D seismic acquisition in KP PSC. The interest rate is charged at 2.58% per annum for the tenor period of 3 months.

** The finance lease is secured by the financed vehicles and machineries. In Q3 2015, the finance lease is fully settled.

1(c) STATEMENT OF CASH FLOWS

Group	Note	Q4 2015 US\$'000	Q4 2014 US\$'000	FY 2015 US\$'000	FY 2014 US\$'000
Cash Flows from Operating Activities					
Total loss		(36,556)	(13,442)	(53,089)	(11,721)
Adjustments for non-cash items:					
Income tax (credit)/expense		(335)	894	102	4,482
Share of losses of associated companies		382	-	626	-
Share option expense		-	-	-	1
Depreciation of property, plant and equipment		14	26	69	42
Amortisation of producing oil and gas properties		5,631	7,472	18,117	22,870
Amortisation of mining properties		99	306	758	419
Amortisation of intangible assets		18	49	114	49
Impairment of producing oil and gas properties		26,498	9,776	31,798	9,776
Impairment of goodwill on consolidation		-	657	-	657
Impairment of goodwill on reverse acquisition		1,489	-	1,489	-
Impairment of intangible assets		30	-	30	-
Interest income		(106)	(20)	(266)	(123)
Loss on measurement to fair value on disposal group		2,651	-	2,651	-
Loss/(Gain) on curtailment		40	(22)	40	(22)
Unrealised currency translation gain		307	142	66	(240)
Loss on re-measurement of previously held non-controlling interests in subsidiary		-	-	-	168
Loss on disposal of property, plant and equipment		12	-	17	-
Loss on disposal of exploration and evaluation assets		-	5	-	5
Unwinding of discount on provision of site restoration		(46)	77	200	332
Gain on revaluation of investment properties		(110)	-	(110)	-
Interest expenses		25	15	67	15
Operating profit before working capital changes		43	5,935	2,679	26,710
Changes in working capital					
Inventories		735	1,146	2,076	(140)
Trade and other receivables and other current assets		(1,227)	6,816	3,336	2,019
Trade and other payables		1,766	(4,500)	1,421	(786)
Restricted cash		(41)	(139)	47	(159)
Cash generated from operations		1,276	9,258	9,559	27,644
Income tax paid		(111)	(1,887)	(970)	(4,993)
Net cash provided by operating activities		1,165	7,371	8,589	22,651

1(c) STATEMENT OF CASH FLOWS (CONT'D)

Group	Note	Q4 2015 US\$'000	Q4 2014 US\$'000	FY 2015 US\$'000	FY 2014 US\$'000
Cash Flows from Investing Activities					
Interest income received		17	20	79	48
Acquisition cost of subsidiary, net of cash acquired - MITI		-	1,046	-	(10,204)
Acquisition of subsidiary, net of cash acquired - SSR		-	(286)	-	(286)
Deposits received for proposed disposal of granite operations		(533)	-	2,774	-
Investments in associated companies		-	-	(2,226)	-
Net proceeds from disposal of property, plant and equipment		-	-	24	-
Net proceeds from marketable securities		-	-	-	26
Net proceeds from disposal of exploration and evaluation assets		-	67	-	67
Additions to intangible assets		-	(41)	-	(41)
Additions to property, plant and equipment		-	(40)	(65)	(94)
Additions to producing oil and gas properties		(249)	(4,035)	(3,068)	(17,416)
Additions to exploration and evaluation assets		(2)	(1,194)	(5,367)	(1,194)
Net cash used in investing activities		(767)	(4,463)	(7,849)	(29,094)
Cash Flows from Financing Activities					
Interest paid		(31)	(15)	(54)	(15)
Proceeds received for disposal of non-controlling interests in subsidiary		-	-	-	13,500
Acquisition of non-controlling interests		-	(294)	-	(294)
Proceeds from issuance of new ordinary shares pursuant to warrant issue		2	-	2	-
Share issue expenses		-	-	(1)	-
Proceeds from bank loans		-	-	3,000	-
Repayment of finance lease		-	(57)	(139)	(94)
Loan to non-related third parties		(282)	(156)	(4,134)	(319)
Net cash (used in)/provided by financing activities		(311)	(522)	(1,326)	12,778
Net increase/(decrease) in cash and cash equivalents					
Cash and cash equivalents at beginning of period/year		17,564	16,351	18,737	12,402
Effects of currency translation on cash and cash equivalents		177	-	(323)	-
Cash and cash equivalents at end of period/year	B9	17,828	18,737	17,828	18,737

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	Retained Profits US\$'000	Total US\$'000	Non- Controlling Interests US\$'000	Total Equity US\$'000
Balance as at 1 Jan 2014	62,138	(1,224)	(16,545)	365	33,891	78,625	-	78,625
Issue of new ordinary shares pursuant to remuneration shares	987	-	-	-	-	987	-	987
Acquisition of subsidiary with non-controlling interests	-	-	-	-	-	-	6,612	6,612
Effect of changes in ownership interests of the subsidiary	-	-	-	-	3,037	3,037	-	3,037
Changes in equity of a subsidiary	-	-	-	-	-	-	3,954	3,954
Acquisition of additional interests from non-controlling interests	-	-	-	-	-	-	(294)	(294)
Additional increase of non-controlling interests	-	-	-	-	-	-	326	326
Total transactions with owners, recognised directly in equity	63,125	(1,224)	(16,545)	365	36,928	82,649	10,598	93,247
Loss for the financial year	-	-	-	-	(10,535)	(10,535)	(1,186)	(11,721)
<u>Other comprehensive income</u>								
Foreign currency translation differences	-	(478)	-	-	-	(478)	(456)	(934)
Defined benefit obligation re-measurements	-	-	-	-	2	2	(24)	(22)
	-	(478)	-	-	2	(476)	(480)	(956)
Total comprehensive loss for FY 2014	-	(478)	-	-	(10,533)	(11,011)	(1,666)	(12,677)
Balance as at 31 Dec 2014	63,125	(1,702)	(16,545)	365	26,395	71,638	8,932	80,570

1(d)(i) STATEMENTS OF CHANGES IN EQUITY (CONT'D)

Group	Share Capital	Foreign Currency Translation Reserve	Special Reserve	Share Option Reserve	Retained Profits	Total	Non-Controlling Interests	Total Equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1 Jan 2015	63,125	(1,702)	(16,545)	365	26,395	71,638	8,932	80,570
Issue of new ordinary shares pursuant to purchase consideration shares/warrant issues	6,134	-	-	-	-	6,134	-	6,134
Share issue expenses	(1)	-	-	-	-	(1)	-	(1)
Employee share option - share options lapsed	-	-	-	(8)	8	-	-	-
Additional increase of non-controlling interests	-	-	-	-	-	-	1,338	1,338
Total transactions with owners, recognised directly in equity	69,258	(1,702)	(16,545)	357	26,403	77,771	10,270	88,041
Loss for the financial year	-	-	-	-	(48,066)	(48,066)	(5,023)	(53,089)
Other comprehensive income								
Foreign currency translation differences	-	(593)	-	-	-	(593)	(586)	(1,179)
Share of foreign currency translation differences of associated companies	-	(114)	-	-	-	(114)	-	(114)
Defined benefit obligation re-measurements	-	-	-	-	40	40	-	40
Share of defined benefit obligation re-measurements of associated companies	-	-	-	-	3	3	-	3
	-	(707)	-	-	43	(664)	(586)	(1,250)
Total comprehensive loss for FY 2015	-	(707)	-	-	(48,023)	(48,730)	(5,609)	(54,339)
Balance as at 31 Dec 2015	69,258	(2,409)	(16,545)	357	(21,620)	29,041	4,661	33,702

Company	Share Capital	Share Option Reserve	Accumulated	Total Equity
	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1 Jan 2014	62,138	365	(14,533)	47,970
Issue of new ordinary shares pursuant to remuneration shares	987	-	-	987
Total comprehensive loss for FY 2014	-	-	(6,333)	(6,333)
Balance as at 31 Dec 2014	63,125	365	(20,866)	42,624
Balance as at 1 Jan 2015	63,125	365	(20,866)	42,624
Issue of new ordinary shares pursuant to purchase consideration shares/warrant issues	6,134	-	-	6,134
Share issue expenses	(1)	-	-	(1)
Employee share option - share options lapsed	-	(8)	8	-
Total comprehensive loss for FY 2015	-	-	(13,527)	(13,527)
Balance as at 31 Dec 2015	69,258	357	(34,385)	35,230

1(d)(ii) SHARE CAPITAL

On 11 Jun 2015, an aggregate of 57,086,112 ordinary shares were issued at the issued price of S\$0.1492 per share for the remaining purchase consideration for the acquisition of 21.510812% equity interests in PT Benakat Oil of S\$8,517,247 (US\$6,131,928). These newly issued ordinary shares ranked pari passu in all respects with the existing ordinary shares.

On 8 Dec and 29 Dec 2015, 9,748 warrants were exercised at an exercise price of S\$0.235 per share at value of S\$2,291 (US\$1,628) and 540 piggyback warrants were issued at an exercise price at S\$0.175 per share at value of S\$95 (US\$67). The remaining warrants and piggyback warrants were not exercised and lapsed on 8 Dec 2015 and 29 Dec 2015 respectively. The newly issued ordinary shares ranked pari passu in all respects with the existing shares.

The number of ordinary shares comprised in the options granted and outstanding under the Interra Share Option Plan for Q4 2015 was 7,110,000 (Q4 2014: 7,260,000).

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

Group and Company	31 Dec 2015	31 Dec 2014
Issued and fully paid		
Opening balance	449,350,357	446,170,357
Issuance of new ordinary shares pursuant to purchase consideration shares/warrant issues/remuneration shares	57,096,400	3,180,000
Closing balance	506,446,757	449,350,357

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 Company's 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 2014.

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 2015.

The new or amended FRS that are relevant to the Group and the Company are as follows:

- FRS 102 Share-based Payment (effective for annual periods beginning on or after 1 July 2014)
- FRS 103 Business Combinations (effective for annual periods beginning on or after 1 July 2014)
- FRS 40 Investment Property (effective for annual periods beginning on or after 1 July 2014)
- FRS 108 Operating Segments (effective for annual periods beginning on or after 1 July 2014)
- FRS 16 Property, Plant and Equipment (effective for annual periods beginning on or after 1 July 2014)
- FRS 24 Related Party Disclosures (effective for annual periods beginning on or after 1 July 2014)
- FRS 113 Fair Value Measurement (effective for annual periods beginning on or after 1 July 2014)

The adoption of the 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	Q4 2015	Q4 2014	FY 2015	FY 2014
Basic (losses)/earnings per ordinary share (US cents)				
- From continuing operations	(6.240)	(2.729)	(9.928)	(2.419)
- From discontinued operations	(0.158)	0.017	(0.063)	0.058
Weighted average number of ordinary shares for the computing basic earnings per share	506,439,046	446,239,487	481,100,269	446,187,782
Fully diluted (losses)/earnings per ordinary share (US cents)				
- From continuing operations	(6.240)	(2.729)	(9.928)	(2.419)
- From discontinued operations	(0.158)	0.017	(0.063)	0.057
Weighted average number of ordinary shares for the computing fully diluted earnings per share	513,550,046	447,968,171	488,211,269	450,129,278

On 11 Jun 2015, an aggregate of 57,086,112 ordinary shares were issued at the issued price of S\$0.1492 per share for the remaining purchase consideration for the acquisition of 21.510812% equity interests in PT Benakat Oil of S\$8,517,247 (US\$6,131,928). These newly issued ordinary shares ranked pari passu in all respects with the existing ordinary shares.

On 8 Dec and 29 Dec 2015, 9,748 warrants were exercised at an exercise price of S\$0.235 per share at value of S\$2,291 (US\$1,628) and 540 piggyback warrants were issued at an exercise price at S\$0.175 per share at value of S\$95 (US\$67). The remaining warrants and piggyback warrants were not exercised and lapsed on 8 Dec 2015 and 29 Dec 2015 respectively. The newly issued ordinary shares ranked pari passu in all respects with the existing shares.

The weighted average number of ordinary shares on issue has been adjusted as if all dilutive share options and warrants are exercised in Q4 2015. For the purpose of computing basic and fully diluted (losses)/earnings per share, the relevant periods are from 1 Oct 2015 to 31 Dec 2015 and from 1 Jan 2015 to 31 Dec 2015. The impact to loss per share for Q4 2015 and FY 2015 are anti-dilutive as it resulted in lower loss per share, therefore diluted losses per share is same as basic losses per share.

7 NET ASSET VALUE PER SHARE

	Group		Company	
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
Net asset value per ordinary share based on total number of issued shares (excluding treasury shares) (US cents)	5.734	15.943	6.956	9.486
Total number of issued shares (excluding treasury shares)	506,446,757	449,350,357	506,446,757	449,350,357

SIGNIFICANT FACTORS THAT AFFECT THE TURNOVER, COSTS AND EARNINGS OF THE GROUP

Revenue & Production

Revenue decreased by 58% to US\$23.45 mil in FY 2015 from US\$55.80 mil in FY 2014. This was largely due to lower weighted average transacted oil prices for FY 2015 of US\$48.38 per barrel (FY 2014: US\$96.34 per barrel) and lower sales of shareable oil of 636,120 barrels in FY 2015 from 785,176 barrels in FY 2014 for oil and gas operations.

The Group's shareable oil production decreased by 19% to 634,312 barrels in FY 2015 from 787,906 barrels in FY 2014. The decrease was mainly due to lower contributions from Myanmar of 373,501 barrels in FY 2015 (FY 2014: 462,337 barrels), Tanjung Miring Timur ("TMT TAC") of 223,114 barrels in FY 2015 (FY 2014: 269,195 barrels) and LS TAC operations of 37,697 barrels in FY 2015 (FY 2014: 56,374 barrels).

Cost of Production

The decrease in cost of production to US\$34.07 mil in FY 2015 from US\$44.64 mil in FY 2014 was largely attributable due to the lower production expenses for producing oil and gas operations by US\$5.84 mil in FY 2015 in line with declining production. Amortisation charges of producing oil and gas properties decreased by US\$4.73 mil in FY 2015 as compared to FY 2014.

Net Loss After Tax

The Group posted a total loss after tax of US\$53.09 mil in FY 2015 as compared to a net loss of US\$11.72 mil in FY 2014. The increase was mainly due after taking the following into consideration:

- (1) Impairment of oil and gas properties of TMT TAC, LS TAC and Myanmar IPRC of US\$17.70 mil, US\$8.77 mil and US\$5.33 mil respectively after assessing the carrying value of its assets against the recoverable amount. The assessment of impairment is performed in accordance with the requirement of FRS 36, which requires the net book value of the assets to be impaired to its recoverable amount. In addition, the intangible assets and goodwill on reverse acquisition relating to the Myanmar operations have also been impaired by US\$1.52 mil accordingly.
- (2) Loss on the re-measurement of the disposal group of granite operation of US\$2.65 mil in FY 2015 as compared to FY 2014.
- (3) Lower cost of production of US\$34.07 mil in FY 2015 (FY 2014: US\$44.64 mil), due to lower production expenses and amortisation charges of producing oil and gas properties.
- (4) Higher other income of US\$0.67 mil in FY 2015 (FY 2014: US\$0.61 mil), mainly due to gain on revaluation of investment properties of US\$0.11 mil.
- (5) Lower administrative expenses by US\$1.41 mil in FY2015, mainly due to implementation of cost cutting measures.
- (6) Lower income tax expenses of US\$0.56 mil mainly due to overprovision of prior year tax of US\$1.03 mil and lower taxable income in FY 2015.

(B) MATERIAL FACTORS THAT AFFECT THE CASH FLOW, WORKING CAPITAL, ASSETS OR LIABILITIES OF THE GROUP

Statement of Financial Position

Producing oil and gas properties decreased by US\$46.85 mil to US\$0.36 mil in FY 2015 from US\$47.21 mil in FY 2014. This was mainly due to amortisation and impairment charges of US\$49.92 mil which were partially offset by capitalised drilling expenditure of US\$3.07 mil.

Mining properties decreased to US\$nil in FY 2015 from US\$6.66 mil in FY 2014 mainly due to the assets of disposal group being classified as held-for sale of US\$2.66 mil.

Exploration and evaluation costs increased by US\$5.37 mil to US\$10.49 mil in FY 2015 from US\$5.12 mil in FY 2014 mainly due to capitalisation of 2D seismic costs for KP PSC.

Intangible properties decreased to US\$nil in FY 2015 from US\$2.05 mil in FY 2014 mainly due to the impairment of goodwill on reverse acquisition and intangible assets of US\$1.52 mil from Myanmar operation.

Investments in associated companies increased by US\$7.62 mil following the completion of the acquisition of equity interests of 21.510812% in PT Benakat Oil at purchase consideration of US\$7.36 mil (consisting of cash consideration of US\$1.23 mil and share consideration of US\$6.13 mil) and equity interests of 33.33% in Mentari Garung Energy Ltd through its subsidiary, MITI, at purchase consideration of US\$1.00 mil in cash. The post-acquisition share of loss and other comprehensive loss of associated companies was US\$0.63 mil and US\$0.11 mil respectively.

Inventories decreased by US\$2.63 mil to US\$6.80 mil in FY 2015 from US\$9.43 mil in FY 2014. This was mainly due to the lower consumable inventories and classification of mining spare parts and others amounting to US\$0.55 mil to assets of disposal group classified as held-for-sale in FY 2015.

Trade and other receivables (current and non-current) increased by US\$2.22 mil to US\$14.49 mil in FY 2015 from US\$12.27 mil in FY 2014. This was mainly due to decrease in trade receivables of US\$2.93 mil due to lower sales invoicing offset by the increase in loan to third parties of US\$0.32 mil to US\$4.55 mil in FY 2015. The increase of loan to third parties (current) of US\$2.58 mil was pursuant to the loan agreement entered by MITI with the borrower, secured by the pledge of the marketable securities for the term period of 3 months at the market interest rate.

Trade and other payables increased by US\$3.99 mil to US\$16.10 mil in FY 2015 from US\$12.11 mil in FY 2014. This was mainly due to deposit received for the proposed disposal of granite operations of US\$2.77 mil and advance received from the buyer to finance the granite operation of US\$2.36 mil.

Statement of Cash Flows

Cash and cash equivalents showed a net decrease of US\$0.59 mil in FY 2015 due to the following:

- (1) Net cash provided by operating activities of US\$8.59 mil mainly due to cash generated from Myanmar oil and gas operations and granite operations of US\$4.64 mil.
- (2) Net cash used in investing activities of US\$7.85 mil mainly related to capital expenditure incurred for drilling activities at the Myanmar operations and TMT TAC of US\$3.07 mil and seismic acquisition of KP PSC of US\$5.37 mil offset by the deposit received for the proposed disposal of granite operations of US\$2.77 mil. In addition, the Group also increased investment in the associated companies of US\$2.23 mil.
- (3) Net cash used in financing activities of US\$1.33 mil, mainly due to loan to a third parties of US\$4.13 mil, of which US\$2.58 mil was secured by the pledge of the marketable securities for the term period of 3 months at the market interest rate. The cash outflow was offset by the proceeds from bank loans of US\$3.00 mil.

8(ii) SEGMENTED REVENUE AND RESULTS

Geographical Segment	Indonesia		Myanmar		Consolidated	
	Oil and Gas		Oil and Gas			
	Q4 2015	Q4 2014	Q4 2015	Q4 2014	Q4 2015	Q4 2014
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Results						
EBITDA	(358)	2,484	705	3,626	347	6,110
EBIT	(25,372)	(9,552)	(13,297)	(1,652)	(38,669)	(11,204)
Sales to external customers	2,026	6,126	2,391	6,088	4,417	12,214
Segment results	(25,540)	(9,429)	(13,297)	(1,652)	(38,837)	(11,081)
Unallocated corporate net operating results					4,310	(1,688)
Loss before income tax					(34,527)	(12,769)
Income tax expense					(295)	(838)
Net loss from continuing operations					(34,822)	(13,607)
(Loss)/Profit from discontinued operations for the financial period					(1,734)	165
Total loss					(36,556)	(13,442)

Geographical Segment	Indonesia		Myanmar		Consolidated	
	Oil and Gas		Oil and Gas			
	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Results						
EBITDA	(2,418)	12,019	6,384	22,022	3,966	34,041
EBIT	(41,038)	(5,869)	(11,806)	7,198	(52,844)	1,329
Sales to external customers	10,088	23,034	13,364	32,762	23,452	55,796
Segment results	(41,232)	(5,755)	(11,806)	7,198	(53,038)	1,443
Unallocated corporate net operating results					1,159	(9,440)
Loss before income tax					(51,879)	(7,997)
Income tax expense					(555)	(4,283)
Net loss from continuing operations					(52,434)	(12,280)
(Loss)/Profit from discontinued operations for the financial year					(655)	559
Total loss					(53,089)	(11,721)

8(ii) SEGMENTED REVENUE AND RESULTS (CONT'D)

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) REVENUE BREAKDOWN

Group	FY 2015 US\$'000	FY 2014 US\$'000	Increase / (Decrease) %
Revenue			
- First half	13,684	27,821	(51)
- Second half	9,768	27,975	(65)
	23,452	55,796	(58)
Operating (loss)/profit after tax before deducting non-controlling interests			
- First half	(10,768)	1,415	(861)
- Second half	(42,321)	(13,136)	222
	(53,089)	(11,721)	353

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

Tanjung Miring Timur TAC ("TMT TAC") shareable production decreased by 4% from last quarter of 57,180 barrels to 54,887 barrels for the quarter. This is after review of the economic contribution of all the producing wells, and the shut-in of uneconomic wells. The Company will continue to review its operations and produce from wells that contribute positively to the bottom line.

Shareable production at Linda Sele TAC ("LS TAC") increased slightly to 9,598 barrels from 9,460 barrels of oil in Q4 2015. Uplifting of oil at LS TAC was slightly lower by 6% during this quarter. Revenue for granite mining in Bintan decreased by 4% from US\$1.93 mil in Q3 2015 to US\$1.85 mil in Q4 2015.

Myanmar shareable production decreased by 6% over last quarter, from 89,001 barrels to 84,070 barrels in Q4 2015 as a result of a slowing down of new well drilling. During the quarter, only 1 well was drilled and was completed as oil producer at the end of the quarter.

For Kuala Pambuang Production Sharing Contract, the seismic acquisition and processing has been completed in January 2016. Evaluation and planning for the first exploration well to be drilled at the end of this year is currently underway, and any further development will be announced in the near future. No significant contribution is expected from this field in the near term.

Due to the falling oil prices, the Group has adopted an extremely cautious approach with its capital and operating expenditures. All significant capital expenditures have been suspended until the current oil price situation improves. In addition, all operational costs have been reviewed and controlled in view of the current oil price. Nevertheless barring any further decline in oil price, the Group has sufficient cash on hand to meet its work program commitments for the year 2016. The Group will evaluate and source funding when the need arises.

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 (A) IF NO DIVIDEND HAS BEEN DECLARED (RECOMMENDED), A STATEMENT TO THAT EFFECT

The Company has not declared a dividend for the current financial period reported on.

(B) A BREAKDOWN OF THE TOTAL ANNUAL DIVIDEND (IN DOLLAR VALUE) FOR THE ISSUER'S LATEST FULL YEAR AND ITS PREVIOUS FULL YEAR

NA.

13 INTERESTED PERSON TRANSACTIONS

The Company has not obtained any general mandate pursuant to Rule 920(1)(a)(ii) of the Listing Rules.

14 RULE 720(1)

The Company confirmed that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7).

15 RULE 704(13)

None of the persons occupying managerial positions in the Company and its principal subsidiaries is a relative of a director or chief executive officer or substantial shareholder of the Company during FY 2015.

By Order of the Board of Directors of
INTERRA RESOURCES LIMITED
Marcel Tjia
Chief Executive Officer
29-Feb-16

16 ABBREVIATIONS

Q4 2014	denotes	Fourth calendar quarter of the year 2014
Q4 2015	denotes	Fourth calendar quarter of the year 2015
Q3 2015	denotes	Third calendar quarter of the year 2015
FY 2014	denotes	Full year ended 31 December 2014
FY 2015	denotes	Full year ended 31 December 2015
bopd	denotes	barrels of oil per day
Company	denotes	Interra Resources Limited
DMO	denotes	Domestic Market Obligation
EED	denotes	Exploration, evaluation and development
FRS	denotes	Financial Reporting Standards
Goldpetrol	denotes	Goldpetrol Joint Operating Company Inc.
Goldwater	denotes	Goldwater Company Limited
Group	denotes	Interra Resources Limited and its subsidiary companies and joint ventures
GKP	denotes	Goldwater KP Pte. Ltd.
GLS	denotes	Goldwater LS Pte. Ltd.
GTMT	denotes	Goldwater TMT Pte. Ltd.
IBN	denotes	IBN Oil Holdico Ltd
IPRC	denotes	Improved Petroleum Recovery Contract
IRA	denotes	Interra Resources (Australia) Pte. Ltd.
IRT	denotes	Interra Resources (Thailand) Limited
k	denotes	thousand
KP	denotes	Kuala Pambuang block
LS	denotes	Linda Sele fields
mil	denotes	million
MITI	denotes	PT Mitra Investindo TBK
MOGE	denotes	Myanma Oil and Gas Enterprise
NA	denotes	Not applicable
NM	denotes	Not meaningful
Pertamina	denotes	Perusahaan Pertambangan Minyak Dan Gas Bumi Negara
PSC	denotes	Production Sharing Contract
TAC	denotes	Technical Assistance Contract
TMT	denotes	Tanjung Miring Timur field

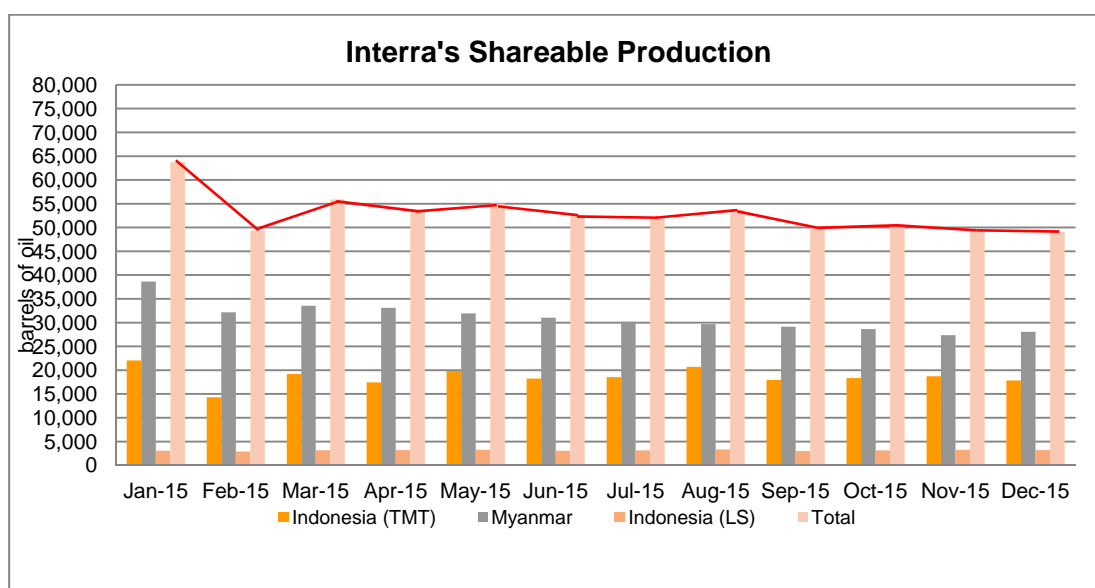
This release may contain forward-looking statements that are not statements of historical facts, and are subject to risk factors associated with the upstream petroleum and mining businesses. Actual future results, performance and outcomes may differ materially from those anticipated, expressed or implied in such forward-looking statements as a result of a number of risks, uncertainties and/or assumptions including but not limited to petroleum price fluctuations, actual petroleum demand, currency fluctuations, drilling and production results, reserve estimates, loss of contracts, industry competition, credit risks, environmental risks, geological risks, political risks, legislative, fiscal and regulatory developments, general industry conditions, economic and financial market conditions in various countries and regions, project delay or advancement, 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. Undue reliance must not be placed on these forward-looking statements, which are based on current developments, events or circumstances, and may not be updated or revised to reflect new information or events.

29 February 2016

PRODUCTION, DEVELOPMENT & EXPLORATION ACTIVITIES FOR THE QUARTER ENDED 31 DECEMBER 2015 (“Q4 2015”)

Production Profile

(barrels)	Myanmar		Indonesia (TMT)		Indonesia (LS)	
	Q3 2015	Q4 2015	Q3 2015	Q4 2015	Q3 2015	Q4 2015
Shareable production	148,336	140,117	57,180	54,887	16,205	16,441
Interra’s share of shareable production	89,001	84,070	57,180	54,887	9,460	9,598



Shareable production is defined as the petroleum produced in the contract area that is over and above the non-shareable production in accordance with the respective contractual terms. The chart above represents Interra’s share of the shareable production in the respective fields.

Reserves and Resources

As at the date hereof, there is no update to the reserves or resources.



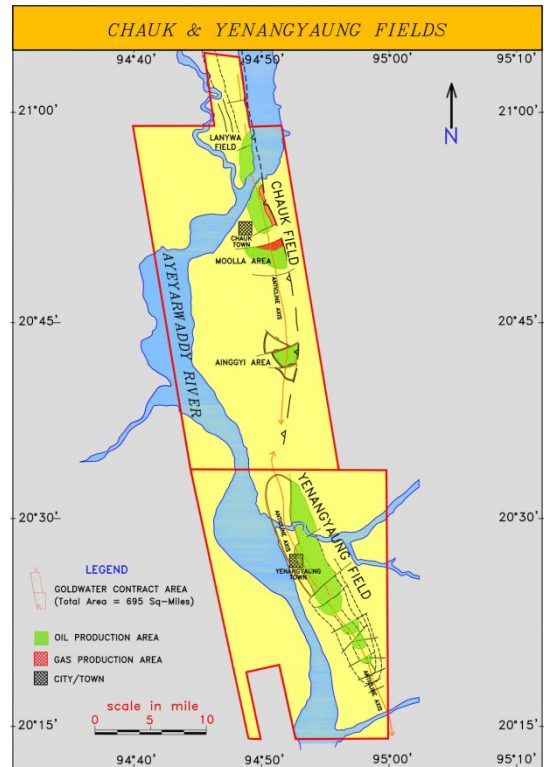
Development and Production Activities

Myanmar: Chauk and Yenangyaung IPRCs (Interra 60%)

In Q4 2015, the combined shareable production for both fields was 84,070 barrels of oil, a decrease of 6% over the preceding quarter of 89,001 barrels of oil.

Production and development expenditures for the period were US\$1,541,218 and US\$272,059 respectively.

During Q4 2015 the operator, Goldpetrol Joint Operating Company Inc. (“**Goldpetrol**”) (Interra 60%) drilled two development wells. One has been completed as an oil producer and is undergoing extended production testing and the second is temporarily shut-in awaiting formation stimulation. These were drilled using Goldpetrol's own rig capable of drilling intermediate depth wells and as such cost have been kept relatively low. The five development wells drilled in Myanmar in 2015 were a significant reduction of new wells drilled and are primarily due to the economic effects of the depressed oil price. This has directly led to the quarterly decreases in production. Goldpetrol and Interra continue to monitor the oil price and changes will be made to the work program as appropriate.



Goldpetrol will continue its efforts going forward with work aimed at improving production from existing producing wells. These production optimizations via surface and borehole enhancements combined with scheduled maintenance are expected to generate positive results with respect to current production. In conjunction with technical work done by an external research center, technical reservoir studies aimed at identifying additional opportunities with respect to increasing production in existing wells and possible future development wells continues.



Indonesia: Tanjung Miring Timur TAC (Interra 100%)

In Q4 2015, shareable production was 54,887 barrels of oil, a decrease of 4% as compared to the previous quarter of 57,180 barrels of oil.

Production and development expenditures for the period were US\$1,138,861 and US\$ nil respectively.

There were no new wells drilled at TMT field in Q4 2016. This has resulted in the reduction of field production. Works on existing wells aimed at arresting the field production decline continued. These included existing well work-over, surface and borehole improvements combined with scheduled maintenance, and the implementation of new casing perforations within prospective untested reservoirs.



Reservoir studies incorporating seismic, geology and reservoir engineering intended to gain a more complete understanding of the producing reservoirs and delineate optimum future drilling locations continued.

Indonesia: Linda Sele TAC (Interra 58.38%)

In Q4 2015, shareable production was 9,598 barrels of oil, a slight increase as compared to the previous quarter of 9,460 barrels of oil. There were three uplifting of approximately 9,665 barrels of oil during the quarter.

Production and development expenditures for the period were US\$475,032 and US\$ nil respectively.

The increase in production seen in Q4 2015 is a result of continued production optimisation and scheduled maintenance. These activities aimed at maintaining current production levels indicate very efficient field operations, especially considering that no new wells were drilled during Q4 2015 and the current economically challenging operating environment.



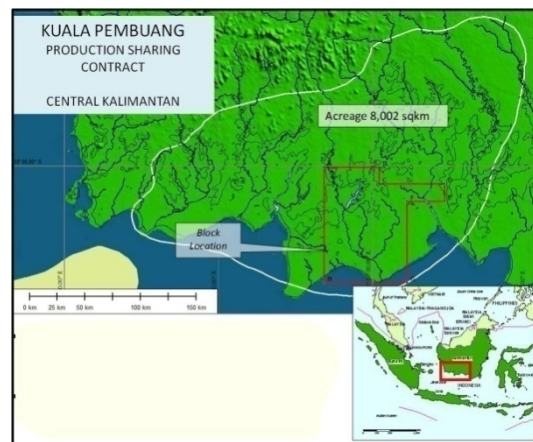


Exploration Activities

Indonesia: Kuala Pambuang PSC (Interra 67.5%)

Advanced seismic processing aimed at the possible determination of rock properties and reservoir fluid contents has been completed and the preliminary results are very positive. An integrated sub-surface interpretation and geologic model will now be generated combining all technical data with the ultimate objective of delineating possible drillable exploration prospects.

Exploration costs for the period was US\$1,901.



Granite Mining Activities

Indonesia: Bukit Piatu Quarry (Interra 53.76%)

The gross granite production at the quarry in Q4 2015 was 151,689 tonnes, an increase of 24% over the preceding quarter of 122,314 tonnes.

Production and development expenditures for the period were US\$1,410,645 and US\$ nil respectively.