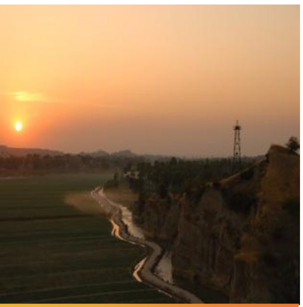
INTERRA RESOURCES LIMITED
Company Registration No. 197300166Z

SGX ANNOUNCEMENT
Counter Name: Interra Res (Code: 5GI)



10 November 2017

Dear Shareholders,

UNAUDITED RESULTS FOR THE QUARTER ENDED 30 SEPTEMBER 2017

Highlights in Q3 2017

- Revenue from continuing operations for the quarter was US$2.49 million, 3% higher than the previous quarter. The increase was due mainly to higher sales of shareable oil of 59,636 barrels during the quarter as compared to the previous quarter of 58,855 barrels and higher weighted average transacted oil prices of US$49.14 per barrel for the quarter as compared to the previous quarter of US$47.07 per barrel.

- Shareable oil production for the quarter increased to 61,567 barrels from 59,489 barrels in the previous quarter.

- Total loss after tax for the quarter was US$0.23 million, as compared to total loss after tax of US$0.28 million in the previous quarter.

- Earnings before divestment gain, interest income, exchange difference, finance cost, tax, depreciation, amortisation, allowance and impairment (EBITDA) from the continuing operations for the quarter was US$0.80 million.

- Net cash inflow for the quarter was US$0.51 million, due mainly to net cash provided by operating activities and financing activities of US$0.32 million and US$0.37 million respectively, offset by net cash used in investing activities of US$0.18 million.

- Cash and cash equivalents (excluding restricted cash and deposits pledged) were US$11.68 million as at 30 September 2017.

Yours sincerely,

The Board of Directors
Interra Resources Limited

About Interra

Interra Resources Limited, a Singapore-incorporated company listed on SGX Mainboard, is engaged in the business of petroleum exploration and production (E&P). Our E&P activities include petroleum production, field development and exploration. We are positioning ourselves to become a leading regional independent producer of petroleum.

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INTERRA RESOURCES LIMITED

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

UNAUDITED RESULTS FOR THE QUARTER ENDED 30 SEPTEMBER 2017

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1(a)(i) PROFIT OR LOSS

Group	Note	Q3 2017 US$'000	Q3 2016 US$'000	Change %	9M 2017 US$'000	9M 2016 US$'000	Change %
Continuing operations							
Revenue	A1	2,488	3,939	↓ 37	8,165	11,197	↓ 27
Cost of production	A2	(1,517)	(2,258)	↓ 33	(4,467)	(7,077)	↓ 37
Gross profit		**971**	**1,681**	↓ 42	**3,698**	**4,120**	↓ 10
Other income, net	A3	81	103	↓ 21	372	152	↑ 145
Administrative expenses		(1,177)	(1,316)	↓ 11	(3,455)	(3,911)	↓ 12
Finance expenses		(34)	(22)	↑ 55	(96)	(60)	↑ 60
Other expenses	A4	(7)	(18)	↓ 61	(31)	(54)	↓ 43
Impairment and allowances	A5	-	(522)	↓ 100	-	(522)	↓ 100
Share of losses of associated companies		(1)	(874)	↓ 100	(4)	(1,177)	↓ 100
(Loss)/Profit before income tax		**(167)**	**(968)**	↓ 83	**484**	**(1,452)**	↑ 133
Income tax expense	A6	(135)	(267)	↓ 49	(503)	(760)	↓ 34
Loss from continuing operations for the financial period		**(302)**	**(1,235)**	↓ 76	**(19)**	**(2,212)**	↓ 99
Discontinued operations							
Profit/(loss) from discontinued operations for the financial period	A7	73	168	↓ 57	(68)	(102)	↓ 33
Total loss		**(229)**	**(1,067)**	↓ 79	**(87)**	**(2,314)**	↓ 96
Attributable to:							
Equity holders of the company		(147)	(984)		214	(1,635)	
Non-controlling interests		(82)	(83)		(301)	(679)	
		(229)	**(1,067)**		**(87)**	**(2,314)**	
(Loss)/Profit attributable to equity holders of the Company relates to:							
(Loss)/Profit from continuing operations		(184)	(1,074)		247	(1,580)	
Profit/(Loss) from discontinued operations		37	90		(33)	(55)	
		(147)	**(984)**		**214**	**(1,635)**	
(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		(0.364)	(0.212)		0.049	(0.312)	
- From discontinued operations		0.007	0.018		(0.007)	(0.011)	
Diluted (losses)/earnings per share (US cents)							
- From continuing operations		(0.364)	(0.212)		0.049	(0.312)	
- From discontinued operations		0.007	0.018		(0.007)	(0.011)	

1(a)(i) STATEMENT OF COMPREHENSIVE INCOME

Group	Note	Q3 2017 US$'000	Q3 2016 US$'000	Change %	9M 2017 US$'000	9M 2016 US$'000	Change %
Total loss for the financial period		(229)	(1,067)	↓ 79	(87)	(2,314)	↓ 96
Other comprehensive income, net of tax							
Items that may be reclassified subsequently to profit or loss:							
Share of currency translation differences of associated companies		-	56	NM	-	177	NM
Currency translation differences arising consolidation - (losses)/gains		(225)	79	↓ 385	(124)	422	↓ 129
Items that will not reclassified subsequently to profit or loss:							
Share of defined benefit obligation re-measurements of associated companies		-	(1)	NM	-	(19)	NM
Defined benefit obligation re-measurements		(4)	-	NM	(11)	-	NM
Total comprehensive loss for the financial period		**(458)**	**(933)**	↓ 51	**(222)**	**(1,734)**	↓ 87
Attributable to:							
Equity holders of the Company		(245)	(890)		162	(1,272)	
Non-controlling interests		(213)	(43)		(384)	(462)	
		(458)	**(933)**		**(222)**	**(1,734)**	

↑ denotes increase
↓ denotes decrease
NM denotes not meaningful

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

Group		Q3 2017 barrels	Q3 2016 barrels	9M 2017 barrels	9M 2016 barrels
Group's share of shareable oil production		61,567	127,367	201,171	396,001
Group's sales of shareable oil		59,636	126,647	198,359	395,949

Group			Q3 2017 US$'000	Q3 2016 US$'000	9M 2017 US$'000	9M 2016 US$'000
A1	**Revenue**					
	Sale of oil and petroleum products		**2,488**	**3,939**	**8,165**	**11,197**
A2	**Cost of production**					
	Production expenses		1,441	2,139	4,318	6,854
	Amortisation of producing oil and gas properties		76	119	149	223
			1,517	**2,258**	**4,467**	**7,077**
A3	**Other income, net**					
	Interest income		65	55	196	174
	Petroleum services fees		36	42	148	155
	Management fees		8	8	24	54
	Currency translation (loss)/gain, net		(26)	(3)	2	(215)
	Other (loss)/income		(2)	1	2	(16)
			81	**103**	**372**	**152**
A4	**Other expenses**					
	Depreciation of property, plant and equipment		7	11	25	32
	Amortisation of producing oil and gas properties		-	7	6	22
			7	**18**	**31**	**54**
A5	**Impairment and allowances**					
	Write-down of consumable inventories		**-**	**522**	**-**	**522**
A6	**Income tax expense**					
	Current income tax		134	267	498	760
	Deferred income tax		1	-	5	-
			135	**267**	**503**	**760**
A7	**Profit/(Loss) from discontinued operations for the financial period**					
	Revenue		516	1,321	1,179	2,927
	Expenses		(515)	(1,228)	(1,226)	(2,909)
	Profit/(Loss) before income tax from discontinued operations		1	93	(47)	18
	Income tax expenses		(18)	(12)	(21)	(51)
	(Loss)/Profit after income tax from discontinued operations	A	(17)	81	(68)	(33)
	Pre-tax profit/(loss) recognised on the measurement to fair values less cost to sell on disposal group		112	109	-	(86)
	Income tax (expense)/credit		(22)	(22)	-	17
	Profit/(Loss) after tax recognised on the measurement to fair value less cost to sell on disposal group	B	90	87	-	(69)
	Total profit/(loss) from discontinued operations	[A+B]	**73**	**168**	**(68)**	**(102)**

1(b)(i) STATEMENT OF FINANCIAL POSITION

	Note	Group 30-Sep-17 US$'000	Group 31-Dec-16 US$'000	Company 30-Sep-17 US$'000	Company 31-Dec-16 US$'000
Assets					
Non-current assets					
Property, plant and equipment		77	92	11	12
Producing oil and gas properties	B1	1,459	206	-	-
Mining properties	B2	-	-	-	-
Exploration and evaluation costs	B3	10,612	10,584	-	-
Intangible assets	B4	-	-	-	-
Investments in subsidiary corporations		-	-	29,232	31,100
Investments in associated companies	B5	1,212	1,091	-	-
Other receivables	B6	2,574	2,430	-	-
Restricted cash*		234	225	-	-
Investment properties	B7	150	153	-	-
		16,318	**14,781**	**29,243**	**31,112**
Current assets					
Inventories	B8	5,167	4,880	-	-
Trade and other receivables	B6	11,851	13,379	21	49
Other current assets		285	377	106	61
Restricted cash*		-	2,221	-	-
Cash and bank balances	B9	13,677	11,865	2,523	2,610
		30,980	**32,722**	**2,650**	**2,720**
Assets of disposal group classified as held-for-sale	B10	4,506	4,599	-	-
		35,486	**37,321**	**2,650**	**2,720**
Total assets		**51,804**	**52,102**	**31,893**	**33,832**
Equity and Liabilities					
Equity					
Share capital		69,258	69,258	69,258	69,258
Accumulated losses		(29,269)	(29,369)	(40,835)	(39,315)
Other reserves		(18,801)	(18,397)	-	357
Equity attributable to owners of the Company		**21,188**	**21,492**	**28,423**	**30,300**
Non-controlling interests		5,305	3,846	-	-
Total equity		**26,493**	**25,338**	**28,423**	**30,300**
Non-current liabilities					
Retirement benefit obligations		18	8	-	-
Provision for environmental and restoration costs		1,681	1,565	-	-
Deferred income tax liabilities		71	44	-	-
		1,770	**1,617**	**-**	**-**
Current liabilities					
Trade and other payables	B11	9,968	9,499	470	532
Borrowings		3,727	3,739	3,000	3,000
Provision for environmental and restoration costs		1,079	3,300	-	-
Current income tax liabilities		7,452	7,327	-	-
		22,226	**23,865**	**3,470**	**3,532**
Liabilities directly associated with disposal group classified as held-for-sale	B10	1,315	1,282	-	-
		23,541	**25,147**	**3,470**	**3,532**
Total liabilities		**25,311**	**26,764**	**3,470**	**3,532**
Total equity and liabilities		**51,804**	**52,102**	**31,893**	**33,832**

* Fund intended for environmental and restoration costs.

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

Group	30-Sep-17 US$'000	31-Dec-16 US$'000
B1 Producing oil and gas properties		
Development tangible assets	**1,459**	**206**
B2 Mining properties		
Deferred exploration expenditures	361	353
Development tangible assets	2,300	2,337
	2,661	2,690
Less: Assets of disposal group classified as held-for-sale	(2,661)	(2,690)
	-	**-**
B3 Exploration and evaluation costs		
Exploration and evaluation assets	9,177	9,149
Participating rights of exploration assets	1,435	1,435
	10,612	**10,584**
B4 Intangible assets		
Non-contractual customer relationships	413	413
Less: Assets of disposal group classified as held-for-sale	(413)	(413)
	-	**-**
B5 Investments in associated companies		
Equity investment at costs	8,358	8,358
Share of losses in associated companies	(7,385)	(7,381)
Share of other comprehensive income in associated companies	8	8
Loan to associated companies (non-trade)	231	106
	1,212	**1,091**
B6 Trade and other receivables		
Non-current		
Other receivables - loan to non-related parties	2,574	2,430
Current		
Trade receivables - non-related parties	2,843	5,039
Other receivables - loan to non-related parties	8,662	7,195
Other receivables - non-related parties	346	1,145
	11,851	13,379
	14,425	**15,809**

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

Group		30-Sep-17 US$'000	31-Dec-16 US$'000
B7	**Investment properties**		
	Land and Building in Pacet	138	141
	Kiosk at ITC Kuningan	12	12
		150	**153**
B8	**Inventories**		
	Consumable inventories	3,860	4,103
	Mining sparts parts and others	466	538
	Granite inventory	1,061	672
	Crude oil inventory#	246	105
		5,633	5,418
	Less: Assets of disposal group classified as held-for-sale	(466)	(538)
		5,167	**4,880**
B9	**Cash and cash equivalents**		
	Cash at bank and on hand	3,592	2,997
	Short-term fixed deposits	10,085	8,868
	Cash and bank balances	**13,677**	**11,865**
	Less: Bank deposits pledged	(2,000)	(2,000)
	Cash and cash equivalents per statement of cash flows	**11,677**	**9,865**
B10	**Disposal group classified as held-for-sale**		
	Property, plant and equipment	39	40
	Mining properties (tangible assets)	2,300	2,337
	Mining properties (intangible assets)	361	353
	Intangible assets	413	413
	Restricted cash	927	918
	Inventories	466	538
	Assets of disposal group	**4,506**	**4,599**
	Retirement benefit obligations	(182)	(158)
	Provision for environmental and restoration costs	(927)	(918)
	Deferred income tax liabilities	(206)	(206)
	Liabilities directly associated with disposal group	**(1,315)**	**(1,282)**
		3,191	**3,317**
B11	**Trade and other payables**		
	Trade payables - non-related parties	1,102	1,536
	Other payables - non-related parties	6,829	7,151
	Accruals	2,037	812
		9,968	**9,499**

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 30 Sep 2017 and 31 Dec 2016.

1(b)(ii) BORROWINGS AND DEBT SECURITIES

Group	30-Sep-17		31-Dec-16	
	Secured US$'000	Unsecured US$'000	Secured US$'000	Unsecured US$'000
Amount repayable in one year or less, or on demand				
- Bank loan *	3,727	-	3,739	-
Amount repayable after one year	-	-	-	-

* (i) The secured bank loan of US$0.75 mil 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 none of the parties have come forward to claim for payment.

(ii) The secured bank loan of US$3.00 mil represents a bank loan from United Overseas Bank Limited ("UOB") to finance the Company's working capital. The interest rate is charged at 4.38% per annum for a tenor period of 3 months. The fixed deposit of US$2.00 mil is placed with UOB to secure the bank loan and restrict to withdraw until the bank loan has been fully discharged.

1(c) STATEMENT OF CASH FLOWS

Group	Q3 2017 US$'000	Q3 2016 US$'000	9M 2017 US$'000	9M 2016 US$'000
Cash Flows from Operating Activities				
Total loss	(229)	(1,067)	(87)	(2,314)
Adjustments for non-cash items:				
Income tax expense	175	301	524	794
Share of losses of associated companies	1	874	4	1,177
Depreciation of property, plant and equipment	7	11	25	32
Amortisation of producing oil and gas properties	76	126	155	245
Interest income	(65)	(55)	(196)	(174)
Reversal on measurement to fair value on disposal group	(112)	(109)	-	86
Defined benefit obligation re-measurements	(4)	-	(12)	-
Unwinding of discount on provision of site restoration	36	95	108	335
Interest expense	34	22	96	60
Unrealised currency translation losses/(gains)	136	18	90	(237)
Operating profit before working capital changes	**55**	**216**	**707**	**4**
Changes in working capital				
Inventories	(77)	855	(215)	758
Trade and other receivables and other current assets	456	(54)	3,096	4,973
Trade and other payables	(90)	(1,050)	(416)	(5,282)
Restricted cash	3	(42)	(1)	(79)
Cash generated from/(used in) operations	**347**	**(75)**	**3,171**	**374**
Income tax paid	(26)	(197)	(376)	(219)
Net cash provided by/(used in) operating activities	**321**	**(272)**	**2,795**	**155**
Cash Flows from Investing Activities				
Interest received	19	25	73	215
Loans to an associated company	-	-	(121)	-
Additions to property, plant and equipment	(9)	-	(11)	-
Additions to producing oil and gas properties	(179)	(154)	(506)	(230)
Additions to exploration and evaluation assets	(7)	(1)	(28)	(90)
Net cash used in investing activities	**(176)**	**(130)**	**(593)**	**(105)**
Cash Flows from Financing Activities				
Interest paid	(32)	(22)	(78)	(65)
Proceeds received from dilution of interests in a subsidiary corporation without loss of control	-	-	1,299	-
Repayment of loan from/(Loan to) non-related parties	397	(1,045)	(1,620)	(3,331)
Net cash provided by/(used in) financing activities	**365**	**(1,067)**	**(399)**	**(3,396)**
Net increase/(decrease) in cash and cash equivalents	**510**	**(1,469)**	**1,803**	**(3,346)**
Cash and cash equivalents at beginning of financial period	11,166	16,192	9,865	17,828
Effects of currency translation on cash and cash equivalents	1	61	9	302
Cash and cash equivalents at end of financial period	**11,677**	**14,784**	**11,677**	**14,784**

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

Group	Share Capital US$'000	Currency Translation Reserve US$'000	Special Reserve US$'000	Share Option Reserve US$'000	Accumulated Losses US$'000	Total US$'000	Non-Controlling Interests US$'000	Total Equity US$'000
Balance as at 1 Jul 2017	**69,258**	**(2,160)**	**(16,545)**	**-**	**(29,120)**	**21,433**	**5,508**	**26,941**
Additional increase of non-controlling interests	-	-	-	-	-	-	10	10
Total transactions with owners, recognised directly in equity	69,258	(2,160)	(16,545)	-	(29,120)	21,433	5,518	26,951
Loss for Q3 2017	-	-	-	-	(147)	(147)	(82)	(229)
Other comprehensive income								
Currency translation differences	-	(96)	-	-	-	(96)	(129)	(225)
Defined benefit obligation re-measurements	-	-	-	-	(2)	(2)	(2)	(4)
Total comprehensive loss for Q3 2017	-	(96)	-	-	(149)	(245)	(213)	(458)
Balance as at 30 Sep 2017	**69,258**	**(2,256)**	**(16,545)**	**-**	**(29,269)**	**21,188**	**5,305**	**26,493**

Group	Share Capital US$'000	Currency Translation Reserve US$'000	Special Reserve US$'000	Share Option Reserve US$'000	Accumlated Losses US$'000	Total US$'000	Non-Controlling Interests US$'000	Total Equity US$'000
Balance as at 1 Jul 2016	**69,258**	**(2,121)**	**(16,545)**	**357**	**(21,940)**	**29,009**	**3,799**	**32,808**
Additional increase of non-controlling interests	-	-	-	-	-	-	114	114
Total transactions with owners, recognised directly in equity	69,258	(2,121)	(16,545)	357	(21,940)	29,009	3,913	32,922
Loss for Q3 2016	-	-	-	-	(984)	(984)	(83)	(1,067)
Other comprehensive income								
Currency translation differences	-	38	-	-	-	38	41	79
Share of currency translation differences of associated companies	-	56	-	-	-	56	-	56
Share of defined benefit obligation re-measurements of associated companies	-	-	-	-	(1)	(1)	-	(1)
Total comprehensive income/ (loss) for Q3 2016	-	94	-	-	(985)	(891)	(42)	(933)
Balance as at 30 Sep 2016	**69,258**	**(2,027)**	**(16,545)**	**357**	**(22,925)**	**28,118**	**3,871**	**31,989**

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

Company	Share Capital US$'000	Share Option Reserve US$'000	Accumulated Losses US$'000	Total Equity US$'000
Balance as at 1 Jul 2017	**69,258**	**-**	**(40,318)**	**28,940**
Total comprehensive loss for Q3 2017	-	-	(517)	(517)
Balance as at 30 Sep 2017	**69,258**	**-**	**(40,835)**	**28,423**
Balance as at 1 Jul 2016	**69,258**	**357**	**(35,044)**	**34,571**
Total comprehensive loss for Q3 2016	-	-	(2,912)	(2,912)
Balance as at 30 Sep 2016	**69,258**	**357**	**(37,956)**	**31,659**

1(d)(ii) SHARE CAPITAL

No new ordinary shares were issued in Q3 2017.

The Interra Share Option Plan adopted on 30 Apr 2007 expired on 29 Apr 2017. A new share option plan named the "Interra Share Option Plan 2017" was adopted at an extraordinary general meeting held on 28 Apr 2017. No options have been granted under the Interra Share Option Plan 2017 as at 30 Sep 2017. On 20 Jan 2017, all the outstanding share options of 7,110,000 granted under the Interra Share Option Plan had lapsed and became null and void.

The Company does not hold any treasury shares or subsidiary holdings as at 30 Sep 2017.

1(d)(iii) ORDINARY SHARES (EXCLUDING TREASURY SHARES AND SUBSIDIARY HOLDINGS)

Group and Company	30 Sep 2017	31 Dec 2016
Issued and fully paid		
Opening and closing balance	**506,446,757**	**506,446,757**

1(d)(iv) A STATEMENT SHOWING ALL SALES, TRANSFERS, CANCELLATION AND/OR USE OF TREASURY SHARES AS AT THE END OF THE CURRENT FINANCIAL PERIOD REPORTED ON

NA.

1(d)(v) A STATEMENT SHOWING ALL SALES, TRANSFERS, CANCELLATION AND/OR USE OF SUBSIDIARY HOLDINGS 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 2016.

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 2017.

The new or amended FRS that are relevant to the Group and the Company are as follows:
- Amendments to FRS 7 - Disclosure Initiative
- Amendments to FRS 12 - Recognition of Deferred Tax Assets for Unrealised Losses

Effective for annual periods beginning on or after 1 Jan 2018
- FRS 109 - Financial Instruments
- FRS 115 - Revenue from Contracts with Customers
- INT FRS 122 Foreign Currency Transactions and Advance Consideration
- Amendments to FRS 40 - Transfer of Investment Property
- Amendments to FRS 102 - Classification and Measurement of Share-based Payment Transactions
- Improvements to FRSs (Dec 2016)
    - Amendments to FRS 28 - Investments in Associates and Joint Ventures
    - Amendments to FRS 101 - First-Time Adoption of Financial Reporting Standards
    - Amendments to FRS 112 - Disclosure of Interests in Other Entities

Effective for annual periods beginning on or after 1 Jan 2019
- FRS 116 - Leases
- INT FRS 123 Uncertainty over Income Tax Treatment

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	Q3 2017	Q3 2016	9M 2017	9M 2016
Basic (losses)/earnings per ordinary share (US cents)				
- From continuing operations	**(0.364)**	**(0.212)**	**0.049**	**(0.312)**
- From discontinued operations	**0.007**	**0.018**	**(0.007)**	**(0.011)**
Weighted average number of ordinary shares for the computing basic (losses)/earnings per share	506,446,757	506,446,757	506,446,757	506,446,757
Fully diluted (losses)/earnings per ordinary share (US cents)				
- From continuing operations	**(0.364)**	**(0.212)**	**0.049**	**(0.312)**
- From discontinued operations	**0.007**	**0.018**	**(0.007)**	**(0.011)**
Weighted average number of ordinary shares for the computing fully diluted (losses)/earnings per share	506,446,757	513,556,757	506,446,757	513,556,757

No new ordinary shares were issued in Q3 2017.

For the purpose of computing basic and fully diluted (losses)/earnings per share, the relevant periods are from 1 Jul 2017 to 30 Sep 2017 and 1 Jan 2017 to 30 Sep 2017 respectively.

7 NET ASSET VALUE PER SHARE

	Group		Company	
	30 Sep 2017	31 Dec 2016	30 Sep 2017	31 Dec 2016
Net asset value per ordinary share based on total number of issued shares (excluding treasury shares) (US cents)	4.184	4.244	5.612	5.983
Total number of issued shares (excluding treasury shares)	506,446,757	506,446,757	506,446,757	506,446,757

8(i) PERFORMANCE REVIEW

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

Revenue & Production

Revenue decreased by 37% to US$2.49 mil in Q3 2017 from US$3.94 mil in Q3 2016. This was largely due to lower sales of shareable oil of 59,636 barrels in Q3 2017 (Q3 2016: 126,647 barrels) although at higher weighted average transacted oil prices in Q3 2017 of US$49.14 per barrel (Q3 2016: US$40.65 per barrel).

The Group's shareable oil production decreased by 52% to 61,567 barrels in Q3 2017 from 127,367 barrels in Q3 2016. The decrease was mainly due to no contribution from TMT TAC after the expiry of the contract in Dec 2016 (Q3 2016: 40,462 barrels) and lower shareable production from Myanmar of 54,197 barrels in Q3 2017 (Q3 2016: 77,410 barrels) due to higher non-shareable oil in Q3 2017. In addition, the decrease of shareable production from LS TAC of 7,370 barrels in Q3 2017 (Q3 2016: 9,495 barrels) also contributed to lower production.

Cost of Production

The decrease in cost of production to US$1.52 mil in Q3 2017 from US$2.26 mil in Q3 2016 was largely attributable to lower production expenses of US$0.70 mil in Q3 2017, in line with the decrease of shareable production. Production expenses from TMT TAC operation decreased by US$0.71 mil in Q3 2017, due to expiry of TMT TAC in Dec 2016. LS TAC operations incurred lower production expenses by US$0.14 mil due to cost-cutting measures. The decrease of production expenses in Indonesia's operations was offset by higher production expenses of US$0.16 mil in Myanmar operations.

Net Loss After Tax

The Group posted a total loss after tax of US$0.23 mil in Q3 2017 as compared to a total loss of US$1.07 mil in Q3 2016. The lower loss was mainly due to the following:

(1) Lower revenue of US$2.49 mil in Q3 2017 (Q3 2016: US$3.94 mil) due to lower sales of shareable oil although at higher oil prices.

(2) Lower cost of production of US$1.52 mil in Q3 2017 (Q3 2016: US$2.26 mil), due to lower production expenses and amortisation charges of producing oil and gas properties.

(3) Lower other income of US$0.08 mil in Q3 2017 (Q3 2016: US$0.10 mil), due to higher foreign exchange loss of US$0.03 mil in Q3 2017 as compared to lower foreign exchange loss in Q3 2016.

(4) Lower administrative expenses of US$1.18 mil in Q3 2017 (Q3 2016: US$1.32 mil), mainly due to expiry of TMT TAC operations, resulted in lower expenses in Q3 2017 by US$0.15 mil.

(5) Write-down of consumable inventories of US$0.52 mil in Q3 2016 as compared in Q3 2017.

(6) Current income tax expense of US$.014 mil was in line with lower taxable income (Q3 2016: US$0.27 mil).

(7) Profit from discontinued operations of US$0.07 mil in Q3 2017 (Q3 2016: profit from discontinued operations of US$0.17 mil). To-date, the disposal of granite operations is still pending completion.

(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 increased by US$1.25 mil to US$1.46 mil in Q3 2017 from US$0.21 mil in FY 2016, due to capitalisation of drilling expenditure of US$0.51 mil, signature bonus of US$0.90 mil and offset by amortisation charges of US$0.16 mil.

Exploration and evaluation costs increased to US$10.61 mil in Q3 2017 from US$10.58 mil in FY 2016 mainly due to capitalisation of 2D seismic costs for KP PSC.

Investments in associated companies increased by US$0.12 mil to US$1.21 mil in Q3 2017 from US$1.09 mil in FY2016. This was mainly due to additional loan to associated companies during the period to finance their operations.

Inventories increased by US$0.29 mil to US$5.17 mil in Q3 2017 from US$4.88 mil in FY 2016. This was mainly due to the higher granite inventories on hand by US$0.39 mil in Q3 2017 as compared in FY 2016.

Trade and other receivables (current and non-current) decreased by US$1.38 mil to US$14.43 mil in Q3 2017 from US$15.81 mil in FY 2016. This was mainly due to decrease of trade receivables by US$2.20 mil to US$2.84 mil in Q3 2017 from US$5.04 mil in FY2016. However, the loan to non-related parties (current) increased to US$8.66 mil in Q3 2017 from US$7.20 mil in FY 2016. The loan was between MITI with PT Pratama Media Abadi as per the revised loan agreement with validity date extended to 27 Aug 2018, the outstanding loan in Q3 2017 was US$8.66 mil. The loan was unsecured and interest-free. Other receivables - non-related parties decreased by US$0.80 mil to US$0.35 mil in Q3 2017 from US$1.15 mil in FY 2016, mainly due to refund of value added tax of US$0.86 mil relating to Indonesia's operations.

Trade and other payables increased by US$0.47 mil to US$9.97 mil in Q3 2017 from US$9.50 mil in FY 2016. This was mainly due to accrual of signature bonus for the 11-year extension of supplemental agreements with MOGE.

Statement of Cash Flows

Cash and cash equivalents showed a net increase of US$0.51 mil in Q3 2017 due to the following:

(1) Net cash provided by operating activities of US$0.32 mil was mainly due to cash generated from oil and gas operations of US$0.81 mil offset against the settlement of exploration and evaluation costs and corporate expenses.

(2) Net cash used in investing activities of US$0.18 mil related mainly to capital expenditure incurred for Myanmar operations of US$0.18 mil.

(3) Net cash provided by financing activities of US$0.37 mil was mainly due to repayment of loan from non-related parties of US$0.40 mil.

8(ii) SEGMENTED REVENUE AND RESULTS

Geographical Segment	Indonesia Oil and Gas		Myanmar Oil and Gas		Consolidated	
	Q3 2017	Q3 2016	Q3 2017	Q3 2016	Q3 2017	Q3 2016
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Results						
EBITDA	**(5)**	264	**800**	1,130	**795**	1,394
EBIT	**(23)**	(308)	**742**	1,055	**719**	747
Sales to external customers	**353**	1,608	**2,135**	2,331	**2,488**	3,939
Segment results	**(70)**	(318)	**742**	1,055	**672**	737
Unallocated corporate net operating results					**(839)**	(1,705)
Loss before income tax					**(167)**	(968)
Income tax expense					**(135)**	(267)
Net loss from continuing operations					**(302)**	(1,235)
Profit from discontinued operations for the financial period					**73**	168
Total loss					**(229)**	(1,067)

Geographical Segment	Indonesia Oil and Gas		Myanmar Oil and Gas		Consolidated	
	9M 2017	9M 2016	9M 2017	9M 2016	9M 2017	9M 2016
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Results						
EBITDA	**213**	372	**2,807**	2,783	**3,020**	3,155
EBIT	**126**	(317)	**2,739**	2,705	**2,865**	2,388
Sales to external customers	**1,548**	4,647	**6,616**	6,550	**8,164**	11,197
Segment results	**67**	(393)	**2,739**	2,705	**2,806**	2,312
Unallocated corporate net operating results					**(2,322)**	(3,764)
Profit/(Loss) before income tax					**484**	(1,452)
Income tax expense					**(503)**	(760)
Net loss from continuing operations					**(19)**	(2,212)
Loss from discontinued operations for the financial period					**(68)**	(102)
Total loss					**(87)**	(2,314)

Notes

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

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

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

Shareable production at Linda Sele TAC ("LS TAC") decreased by 23% to 7,370 barrels in Q3 2017 from 9,593 barrels in Q2 2017. This was due largely to the extreme weather condition in the field, which resulted in significant decrease in the production. Uplifting of oil at LS TAC has been regular this quarter.

As per our Announcement dated 15 Sep 2017, the Company announced that the local authority has approved the extension for the existing contracts for both fields for another 11 years with effect from Apr 2017. Myanmar shareable production increased by 9%, from 49,896 barrels in Q2 2017 to 54,197 barrels in Q3 2017. The increase was due largely to the resumption of work programs after the signing of contract extension during the quarter. At the same time the drilling program also resumed, and the total number of wells drilled during the year was 6. As part of our accelerated work program, more wells will be drilled during the the last quarter of the year.

For Kuala Pambuang Production Sharing Contract, the initial 3 years exploration programme has been completed. The preparations for the drilling of an exploration well are underway, which is expected to commence in next financial year. No significant contribution is expected from this field in the near term.

Due to the low oil prices during the financial period, the Group has adopted an extremely cautious approach with its capital and operating expenditures. However in view of the contract extension in Myanmar, the Company will embark on an aggressive work program in the near future in order to improve the production and revenue in those fields. The Company will evaluate its funding requirements, and will make the necessary announcement in the future. Despite the low oil price and shareable production in the nine months of 2017, which resulted in lower revenue, the Company has managed to maintain a reasonable level of cashflow during the year. Barring any further decline in oil price in 2017 or sudden change of events, the Group has sufficient cash on hand to meet its existing work commitments for the year.

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 current financial period reported on.

13 INTERESTED PERSON TRANSACTIONS

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

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 their attention which may render the interim financial statements for the quarter ended 30 Sep 2017 to be false or misleading in any material respect.

15 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).

By Order of the Board of Directors of
INTERRA RESOURCES LIMITED
Marcel Tjia
Chief Executive Officer
10-Nov-17

16 ABBREVIATIONS

Q2 2016	denotes	Second calendar quarter of the year 2016
Q3 2016	denotes	Third calendar quarter of the year 2016
Q2 2017	denotes	Second calendar quarter of the year 2017
Q3 2017	denotes	Third calendar quarter of the year 2017
9M 2016	denotes	Nine months ended 30 September 2016
9M 2017	denotes	Nine months ended 30 September 2017
FY 2016	denotes	Full year ended 31 December 2016
bopd	denotes	barrels of oil per day
Company	denotes	Interra Resources Limited
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 corporations and interests in joint operations and associated companies
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
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.

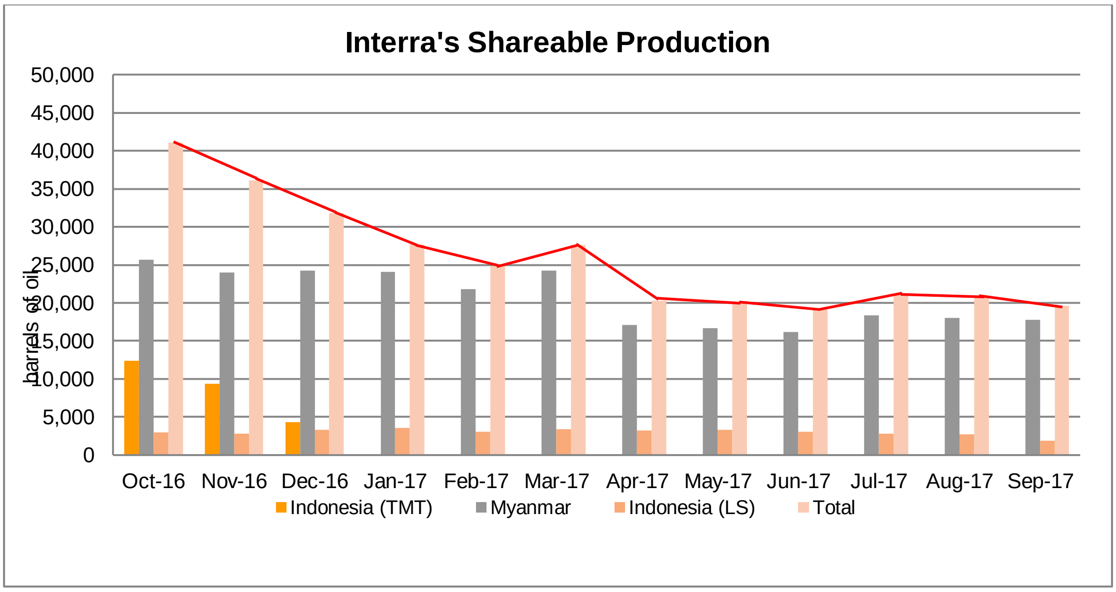
Appendix A

10 November 2017

PRODUCTION, DEVELOPMENT & EXPLORATION ACTIVITIES FOR THE QUARTER ENDED 30 SEPTEMBER 2017 ("Q3 2017")

Production Profile

(Barrels)	Myanmar		Indonesia (LS)	
	Q2 2017	**Q3 2017**	**Q2 2017**	**Q3 2017**
Shareable production	83,160	90,329	17,769	13,650
Interra's share of shareable production	49,896	54,197	9,593	7,370



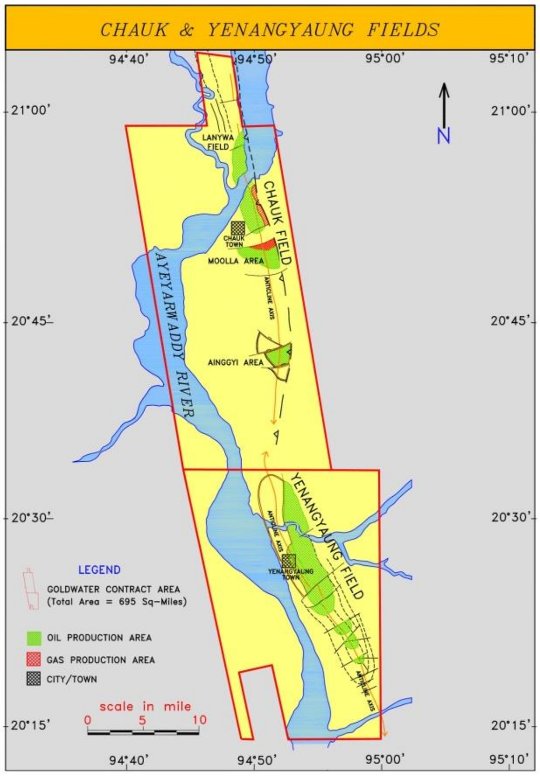
Shareable production is defined as the petroleum produced in the contract area that is over and above the non-shareable production in accordance with the respective contractual terms. The chart above represents Interra's share of the shareable production in the respective fields.

Reserves and Resources

With the extension of the Improved Petroleum Recovery Contracts in Myanmar as announced on 15 September 2017, the Company commissioned a reputable independent resources evaluation company, ERC Equipoise Pte Ltd ("**ERCE**"), to prepare an update of the Qualified Person's Reports ("**QPRs**"). This update from the previous QPRs for the financial year ended 31 December 2016 captures the substantial reserves gains realized with respect to the 11-year extension of the Myanmar petroleum concessions. Revised reserves which will include the addition of "new" reserves based on the new 11 year extension will be incorporated into the overall volumes that will be reported for the financial year ending 31 December 2017. For details on the volumes reported see "Summary of Oil Reserves and Resources Update as at 1 August 2017" included in the announcement on 2 October 2017.

Development and Production Activities

Myanmar: Chauk and Yenangyaung IPRCs (Interra 60%)



In Q3 2017, the combined shareable production for both fields was 54,197 barrels of oil, an increase of 9% over the preceding quarter of 49,896 barrels of oil.

Production and development expenditures for the period were US$1,200,319 and US$179,057 respectively.

During Q3 2017, the operator, Goldpetrol Joint Operating Company Inc. ("**Goldpetrol**") (Interra 60%) announced the completion of negotiations with, and the approval by the relevant Myanmar government entities of an extension of 11 years for the Improved Petroleum Recovery Contracts for the Chauk oil field and the Yenangyaung oil field.

The extension has had the immediate effect of the aggressive acceleration of all field activities including advanced technical planning with respect to operations going forward and incorporating work done by an external research center as well as Goldpetrol technical personnel.

During Q3 2017, Goldpetrol completed two intermediate depth developments well in Chauk field as oil producers, one of which commenced drilling in Q2 2017. These both have the primary objective of accelerating production from oil reservoirs in this portion of the field. Normal field operations have been ongoing with respect to surface and borehole improvements combined with scheduled maintenance in existing wells with the objective of minimizing production declines.

Indonesia: Linda Sele TAC (Interra 53.99%)

In Q3 2017, shareable production was 7,370 barrels of oil, a decrease of 23% as compared to the previous quarter of 9,593 barrels of oil. There were three upliftings of approximately 5,439 barrels of oil during the quarter.

Production and development expenditures for the period were US$242,668 and nil respectively.

No new wells were drilled in Q3 2017. Geological, geophysical and reservoir studies continued with respect to evaluating potential for possible future development wells, new perforations in existing wells, etc. Field operations with regard to production optimisation and scheduled maintenance aimed at maximizing efficient production were ongoing.

Exploration Activities

Indonesia: Kuala Pambuang PSC (Interra 67.5%)

The sub-surface interpretation generated from the comprehensive integration of geologic, geophysical and reservoir data has delineated several very high quality drillable exploration prospects. These have been interpreted as significant areas of Berai Formation carbonate reefs anchored on an extensive carbonate platform. Interra is currently seeking a partner to aid in evaluating via drilling these high quality exploration prospects.

Exploration costs for the period were US$7,298.

Granite Mining Activities

Indonesia: Bukit Piatu Quarry (Interra 48.87%)

The gross granite production at the quarry in Q3 2017 was 126,189 tonnes, an increase of 41% over the preceding quarter of 89,523 tonnes.

Production and development expenditures for the period were US$449,280 and nil respectively.