

28 February 2019

Dear Shareholders,

UNAUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

Highlights in FY 2018

- Revenue from continuing operations for the financial year was US\$14.89 million, 32% higher than the previous financial year. The increase was due mainly to higher sales of shareable oil of 266,531 barrels as compared to the previous financial year of 259,968 barrels and higher weighted average transacted oil prices of US\$67.95 per barrel as compared to the previous financial year of US\$51.38 per barrel.
- Total profit after income tax for the financial year was US\$0.73 million, as compared to total profit after income tax in previous financial year of US\$0.35 million.
- Earnings before divestment gain, interest income, exchange difference, finance cost, tax, depreciation, amortisation, allowance and impairment (EBITDA) from continuing operations for the financial year was US\$6.86 million.
- Net cash outflow for the financial year was US\$2.55 million, due mainly to net cash provided by operating activities and financing activities of US\$4.27 million and US\$3.27 million respectively offset by net cash used in investing activities of US\$10.09 million, mainly for capital expenditure of US\$8.48 million and derecognition of cash and bank balances of subsidiary corporations deconsolidated of US\$1.52 million.
- Cash and cash equivalents were US\$6.64 million as at 31 December 2018.

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.

INTERRA RESOURCES LIMITED

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

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ENDED 31 DECEMBER 2018****TABLE OF CONTENTS**

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1(a)(i) PROFIT OR LOSS

Group	Note	Q4 2018 US\$'000	Q4 2017 US\$'000	Change %	FY 2018 US\$'000	FY 2017 US\$'000	Change %
Continuing operations							
Revenue	A1	3,742	3,080	↑ 21	14,885	11,245	↑ 32
Cost of production	A2	(1,976)	(576)	↑ 243	(7,988)	(5,043)	↑ 58
Gross profit		1,766	2,504	↓ 29	6,897	6,202	↑ 11
Other income, net	A3	149	222	↓ 33	713	594	↑ 20
Administrative expenses		(851)	(591)	↑ 44	(4,464)	(4,045)	↑ 10
Finance expenses		(15)	(34)	↓ 56	(102)	(130)	↓ 22
Other expenses	A4	(3)	(1,161)	↓ 100	(17)	(1,192)	↓ 99
Impairment and allowances	A5	(2,138)	(31)	NM	(2,138)	(31)	NM
Share of loss of associated companies		(474)	(181)	↑ 162	(625)	(186)	↑ 236
(Loss)/Profit before income tax		(1,566)	728	↓ 315	264	1,212	↓ 78
Income tax credit/(expense)	A6	1,103	(310)	↓ 456	516	(813)	↓ 163
(Loss)/Profit from continuing operations for the financial period/year		(463)	418	↓ 211	780	399	↑ 95
Discontinued operations							
Profit/(Loss) from discontinued operations for the financial period/year	A7	-	21	↓ 100	(54)	(46)	↑ 17
Total (loss)/profit		(463)	439	↓ 205	726	353	↑ 106
Attributable to:							
Equity holders of the Company		(435)	1,084		848	1,298	
Non-controlling interests		(28)	(645)		(122)	(945)	
		(463)	439		726	353	
Profit/(Loss) attributable to equity holders of the Company relates to:							
(Loss)/Profit from continuing operations		(435)	1,073		874	1,320	
(Loss)/Profit from discontinued operations		-	11		(26)	(22)	
		(435)	1,084		848	1,298	
Earnings/(Losses) per share for continuing and discontinued operations attributable to equity holders of the Company							
Basic (losses)/earnings per share (US cents)							
- From continuing operations		(0.074)	0.212		0.151	0.261	
- From discontinued operations		-	0.002		(0.005)	(0.004)	
Diluted (losses)/earnings per share (US cents)							
- From continuing operations		(0.074)	0.211		0.145	0.260	
- From discontinued operations		-	0.002		(0.005)	(0.004)	

1(a)(i) STATEMENT OF COMPREHENSIVE INCOME

Group	Note	Q4 2018 US\$'000	Q4 2017 US\$'000	Change %	FY 2018 US\$'000	FY 2017 US\$'000	Change %
Total (loss)/profit for the financial period/year		(463)	439	↓ 205	726	353	↑ 106
Other comprehensive income, net of tax items that may be reclassified subsequently to profit or loss:							
Share of currency translation difference of associated companies		363	23	NM	(73)	23	NM
Currency translation difference arising from consolidation		(30)	97	↓ 131	(97)	(27)	↓ 259
Items that will not be reclassified subsequently to profit or loss:							
Share of defined benefit obligation re-measurements of associated companies		29	(2)	NM	27	(2)	NM
Defined benefit obligation re-measurements		-	33	↓ 100	(23)	22	↓ 205
		362	151		(166)	16	
Total comprehensive (loss)/income for the financial period/year		(101)	590	↓ 117	560	369	↑ 52
Attributable to:							
Equity holders of the Company		(73)	1,163		962	1,325	
Non-controlling interests		(28)	(573)		(402)	(956)	
		(101)	590		560	369	

↑ denotes increase

↓ denotes decrease

NM denotes not meaningful

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

Group	Q4 2018 barrels	Q4 2017 barrels	FY 2018 barrels	FY 2017 barrels
Group's share of shareable oil production	71,741	60,464	266,419	261,635
Group's sales of shareable oil	71,741	61,609	266,531	259,968
Group	Q4 2018 US\$'000	Q4 2017 US\$'000	FY 2018 US\$'000	FY 2017 US\$'000
A1 Revenue				
Sale of oil and petroleum products	3,742	3,080	14,885	11,245
A2 Cost of production				
Production expenses	1,673	518	7,023	4,837
Amortisation of producing oil and gas properties	217	57	622	205
Amortisation of intangible assets	86	1	343	1
	1,976	576	7,988	5,043
A3 Other income, net				
Interest income	67	90	354	286
Petroleum services fees	41	35	210	184
Management fees	-	8	14	31
Currency translation gain/(loss), net	26	14	(80)	16
Other income/(loss)	15	(8)	8	(6)
Gain on disposal of granite operations	-	-	217	-
Loss on disposal of property, plant and equipment	-	-	(5)	-
Fair value gain on investment properties	-	83	43	83
Loss on deconsolidation of subsidiary corporations	-	-	(48)	-
	149	222	713	594
A4 Other expenses				
Depreciation of property, plant and equipment	3	5	17	30
Amortisation of intangible assets	-	28	-	28
Amortisation of producing oil and gas properties	-	-	-	6
Amortised cost adjustment for interest-free non-current receivables	-	1,128	-	1,128
	3	1,161	17	1,192
A5 Impairment and allowances				
Allowance for impairment of other receivable	-	11	-	11
Allowance for impairment of investment in associated company	2,138	-	2,138	-
Write-down of consumable inventories	-	20	-	20
	2,138	31	2,138	31
A6 Income tax (credit)/expense				
Current income tax	(1,103)	168	(516)	666
Deferred income tax	-	142	-	147
	(1,103)	310	(516)	813
A7 Profit/(Loss) from discontinued operations				
Revenue	-	475	1,599	1,654
Expenses	-	(474)	(1,653)	(1,700)
Profit/(Loss) before income tax from discontinued operations	-	1	(54)	(46)
Income tax credit	-	20	-	-
Total profit/(loss) from discontinued operations	-	21	(54)	(46)

1(b)(i) STATEMENT OF FINANCIAL POSITION

	Note	Group		Company	
		31-Dec-18	31-Dec-17	31-Dec-18	31-Dec-17
		US\$'000	Restated** US\$'000	US\$'000	US\$'000
Assets					
Non-current assets					
Property, plant and equipment		19	95	19	31
Producing oil and gas properties	B1	7,549	3,152	-	-
Mining properties	B2	-	-	-	-
Exploration and evaluation costs	B3	10,641	10,616	-	-
Intangible assets	B4	3,134	3,477	-	-
Investments in subsidiary corporations		-	-	28,640	28,976
Investments in associated companies	B5	2,382	3,771	2,382	-
Other receivables	B6	2,820	3,828	-	-
Restricted cash*		-	139	-	-
Investment properties	B7	-	235	-	-
		26,545	25,313	31,041	29,007
Current assets					
Inventories	B8	3,379	5,202	-	-
Trade and other receivables	B6	2,784	8,295	41	15
Other current assets		414	353	68	77
Restricted cash*		-	99	-	-
Cash and cash equivalents	B9	6,638	9,192	227	812
Bank deposits pledged		-	2,000	-	2,000
		13,215	23,141	336	904
Assets of disposal group classified as held-for-sale	B10	-	4,497	-	-
		13,215	27,638	336	904
Total assets		39,760	52,951	31,377	29,911
Equity and Liabilities					
Equity					
Share capital		72,738	69,258	72,738	69,258
Accumulated losses		(29,503)	(30,378)	(42,935)	(40,897)
Other reserves		(16,139)	(16,504)	301	23
Equity attributable to owners of the Company		27,096	22,376	30,104	28,384
Non-controlling interests		2,061	4,746	-	-
Total equity		29,157	27,122	30,104	28,384
Non-current liabilities					
Retirement benefit obligations		-	20	-	-
Provision for environmental and restoration costs		-	139	-	-
Deferred income tax liabilities		-	4	-	-
		-	163	-	-
Current liabilities					
Trade and other payables	B11	5,095	13,234	273	527
Borrowings		1,000	3,736	1,000	3,000
Provision for environmental and restoration costs		-	1,581	-	-
Current income tax liabilities		4,508	7,604	-	-
		10,603	26,155	1,273	3,527
Liabilities directly associated with disposal group classified as held-for-sale	B10	-	1,511	-	-
		10,603	27,666	1,273	3,527
Total liabilities		10,603	27,829	1,273	3,527
Total equity and liabilities		39,760	54,951	31,377	31,911

* Fund intended for environmental and restoration costs.

** Comparative figures have been restated upon adoption of SFRS(I). Refer to Note 4 for details.

Group		31-Dec-18 US\$'000	31-Dec-17 US\$'000
B1	<u>Producing oil and gas properties</u>		
	Development tangible assets	562	203
	Development intangible assets	6,987	2,949
		7,549	3,152
B2	<u>Mining properties</u>		
	Deferred exploration expenditures	-	358
	Development tangible assets	-	2,328
		-	2,686
	Less: Assets of disposal group classified as held-for-sale	-	(2,686)
		-	-
B3	<u>Exploration and evaluation costs</u>		
	Exploration and evaluation assets	9,206	9,181
	Participating rights of exploration assets	1,435	1,435
		10,641	10,616
B4	<u>Intangible assets</u>		
	Non-contractual customer relationships	-	413
	Less: Assets of disposal group classified as held-for-sale	-	(413)
		-	-
	Patent rights	3,115	3,452
	Computer software	19	25
		3,134	3,477
B5	<u>Investments in associated companies</u>		
	Equity investment at costs	11,310	11,310
	Derecognise of subsidiary corporation with interests in associated companies	(3,952)	-
	Fair value of retained interests in subsidiary corporations deconsolidated, classified as associated companies	4,833	-
		12,191	11,310
	Share of losses in associated companies	(7,732)	(7,567)
	Share of other comprehensive income in associated companies	61	28
	Allowance for impairment of investment in associated company	(2,138)	-
		2,382	3,771
B6	<u>Trade and other receivables</u>		
	Non-current		
	Loan to non-related parties	2,820	2,631
	Loan to an associated company	-	1,197
		2,820	3,828
	Current		
	Trade receivables - non-related parties	2,022	4,209
	Other receivables - non-related parties	204	353
	Loan to non-related parties	-	1,240
	Loan to an associated company	558	2,493
		2,784	8,295
		5,604	12,123

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

Group		31-Dec-18 US\$'000	31-Dec-17 US\$'000
B7	<u>Investment properties</u>		
	Land and Building in Pacet	-	223
	Kiosk at ITC Kuningan	-	12
		-	235
B8	<u>Inventories</u>		
	Consumable inventories	3,379	3,866
	Mining sparts parts and others	-	380
	Granite inventory	-	1,133
	Crude oil inventory#	-	203
		3,379	5,582
	Less: Assets of disposal group classified as held-for-sale	-	(380)
		3,379	5,202
B9	<u>Cash and cash equivalents</u>		
	Cash at bank and on hand	2,613	3,081
	Short-term fixed deposits	4,025	6,111
		6,638	9,192
B10	<u>Disposal group classified as held-for-sale</u>		
	Property, plant and equipment	-	40
	Mining properties (tangible assets)	-	2,328
	Mining properties (intangible assets)	-	358
	Intangible assets	-	413
	Restricted cash	-	944
	Cash at bank	-	31
	Other receivables	-	3
	Inventories	-	380
	Assets of disposal group	-	4,497
	Retirement benefit obligations	-	(174)
	Provision for environmental and restoration costs	-	(944)
	Deferred income tax liabilities	-	(393)
	Liabilities directly associated with disposal group	-	(1,511)
B11	<u>Trade and other payables</u>		
	Trade payables - non-related parties	1,737	1,785
	Other payables - non-related parties	2,452	10,693
	Other payables - related parties	292	-
	Accruals	614	756
		5,095	13,234

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 Dec 2017.

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

Group	31-Dec-18		31-Dec-17	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Amount repayable in one year or less, or on demand				
- Bank loan*	-	1,000	3,736	-
Amount repayable after one year	-	-	-	-

* (i) The secured bank loan of US\$0.73 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. As at 30 Jun 2018, MITI was deconsolidated as the Company lost its control over MITI.

(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 fixed deposit of US\$2.00 mil placed with UOB to secure the bank loan and restrict to withdraw until the bank loan has been fully discharged. On 3 Jul 2018, the Company repaid US\$2.00 mil bank loan and concurrently, the pledge of fixed deposit of US\$2.00 mil was discharged accordingly. As at to-date, the unsecured bank loans is US\$1.00 mil. The interest rate is charged at 5.40% per annum for a tenor period of 1 month.

1(c) STATEMENT OF CASH FLOWS

Group	Note	Q4 2018 US\$'000	Q4 2017 US\$'000	FY 2018 US\$'000	FY 2017 US\$'000
Cash Flows from Operating Activities					
Total (loss)/profit		(463)	439	726	353
Adjustments for non-cash items:					
Income tax (credit)/expense		(1,103)	290	(516)	813
Share of loss of associated companies		474	181	625	186
Share option expense		60	23	278	23
Depreciation of property, plant and equipment		3	5	17	30
Amortisation of producing oil and gas properties		217	57	622	211
Amortisation of intangible assets		86	28	343	28
Interest income		(67)	(90)	(354)	(286)
Allowance for impairment of investment in associated company		2,138	-	2,138	-
Gain on disposal of granite operation		-	-	(217)	-
Loss/(Gain) on curtailment		-	34	(45)	22
Unwinding of discount of provision for environmental and restoration costs		-	36	-	144
Fair value gain on investment properties		-	(83)	(43)	(83)
Interest expenses		15	34	102	130
Amortised cost adjustment of interest-free non-current receivables		-	1,128	-	1,128
Loss on disposal of property, plant and equipment		-	-	5	-
Loss on deconsolidation of subsidiary corporations		-	-	48	-
Unrealised currency translation (gains)/losses		(40)	(67)	(51)	23
Operating profit before working capital changes		1,320	2,015	3,678	2,722
Changes in working capital					
Inventories		(200)	51	114	(164)
Trade and other receivables and other current assets		348	(1,439)	595	1,657
Trade and other payables		536	(772)	453	(1,188)
Restricted cash		-	-	-	(1)
Cash generated from/(used in) operations		2,004	(145)	4,840	3,026
Income tax paid		(212)	(14)	(572)	(390)
Net cash provided by/(used in) operating activities		1,792	(159)	4,268	2,636
Cash Flows from Investing Activities					
Interest received		15	35	99	108
Net proceeds from disposal of granite operations	A1	-	356	185	356
Net proceeds from disposal of property, plant and equipment		-	-	4	-
Loans to an associated company (non-trade)		-	(2,264)	(378)	(2,385)
Cash and bank balances of subsidiary corporations deconsolidated	A2	-	-	(1,520)	-
Additions to property, plant and equipment		-	(22)	(1)	(33)
Additions to producing oil and gas properties		(1,380)	(2,651)	(5,038)	(3,157)
Additions to exploration and evaluation assets		(5)	(5)	(24)	(33)
Additions to intangible assets		-	(86)	(3,420)	(86)
Net cash used in investing activities		(1,370)	(4,637)	(10,093)	(5,230)

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

Group	Note	Q4 2018 US\$'000	Q4 2017 US\$'000	FY 2018 US\$'000	FY 2017 US\$'000
Cash Flows from Financing Activities					
Interest paid		(21)	(56)	(109)	(134)
Proceeds received from dilution of interests in a subsidiary corporation without loss of control		-	-	-	1,299
Proceeds from issuance of new ordinary shares pursuant to private placement of shares, net of issuance costs		-	-	3,380	-
Deposit received for private placement of shares		-	100	-	100
Repayment of bank loans		-	-	(2,000)	-
Deposits discharged		-	-	2,000	-
Loan to non-related parties		-	2,278	-	658
Net cash (used in)/provided by financing activities		(21)	2,322	3,271	1,923
Net increase/(decrease) in cash and cash equivalents					
Cash and cash equivalents at beginning of financial period/year		6,237	11,677	9,192	9,865
Effects of currency translation on cash and cash equivalents		-	(11)	-	(2)
Cash and cash equivalents at end of financial period/year		6,638	9,192	6,638	9,192

Group	FY 2018 US\$'000
A1 <u>Net proceeds from disposal of granite operations</u>	
Property, plant and equipment	40
Mining properties (tangible assets)	2,362
Mining properties (intangible assets)	338
Intangible assets	413
Restricted cash	959
Inventories	963
	5,075
Retirement benefit obligations	(187)
Provision for environmental and restoration costs	(959)
Deferred income tax liabilities	(393)
	(1,539)
Total net identifiable assets disposed	3,536
Total purchase consideration	3,753
Gain on disposal of granite operation	(217)
<u>Effects on cash flows of the Group</u>	
Total purchase consideration	3,753
Less: Deposit received for proposed disposal of granite operations in FY 2015 and FY 2017	(3,130)
Less: Cash inflow from disposal of granite operations	(185)
	438
Less: Foreign exchange loss	(224)
Balance of purchase consideration was settled in Q3 2018 (included in deconsolidation of subsidiary corporations)	214

Group	FY 2018 MITI US\$'000	FY 2018 GLS US\$'000	FY 2018 Total US\$'000
A2 <u>Deconsolidation of subsidiary corporations</u>			
Property, plant and equipment	39	-	39
Producing oil and gas properties	-	19	19
Investment properties	266	-	266
Investments in associated companies	6,780	-	6,780
Inventories	-	1,126	1,126
Trade and other receivables	1,964	858	2,822
Cash and bank balances	393	1,127	1,520
Restricted cash	133	98	231
Current income tax assets	.*	-	.*
	9,575	3,228	12,803
Trade and other payables	(1,002)	(464)	(1,466)
Retirement benefit obligations	(91)	61	(30)
Provision for environmental and restoration costs	(133)	(1,580)	(1,713)
Borrowings	(701)	-	(701)
Current income tax liabilities	-	(2,011)	(2,011)
Deferred income tax liabilities	(4)	-	(4)
	(1,931)	(3,994)	(5,925)
Total net identifiable assets/(liabilities) derecognised	7,644	(766)	6,878
Net (assets)/liabilities derecognised	(7,644)	766	(6,878)
Non-controlling interests derecognised	5,460	(3,178)	2,282
Fair value of retained interests classified as associated companies, represents fair value of deemed consideration	4,833	.*	4,833
Cumulative exchange differences in respect of the net assets of the subsidiary corporations reclassified due to loss of control of subsidiary corporations	(254)	-	(254)
Defined benefits obligation re-measurements - reclassification to profit or loss due to loss of control of subsidiary corporations	(30)	-	(30)
Gain/(Loss) on deconsolidation of subsidiary corporations	2,365	(2,412)	(47)
<u>Effects on cash flows of the Group</u>			
Cash and bank balances of subsidiary corporations deconsolidated	393	1,127	1,520

* Amount was less than US\$1,000.

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

Group	Share Capital	Currency Translation Reserve	Special Reserve	Share Option Reserve	Accumulated Losses	Total US\$'000	Non-Controlling Interests US\$'000	Total Equity US\$'000
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000			
Balance as at 1 Jan 2018	69,258	18	(16,545)	23	(30,378)	22,376	4,746	27,122
Additional increase of non-controlling interests in subsidiary corporations	-	-	-	-	-	-	35	35
Deconsolidation of subsidiary corporations with non-controlling interests due to loss of control	-	-	-	-	-	-	(2,282)	(2,282)
Disposal of subsidiary corporations with non-controlling interests	-	-	-	-	-	-	(36)	(36)
Issuance of new ordinary shares pursuant to private placement	3,480	-	-	-	-	3,480	-	3,480
Share issue expenses	-*	-	-	-	-	-*	-	-*
Employee share option plan - value of employee services	-	-	-	278	-	278	-	278
Total transactions with owners, recognised directly in equity	72,738	18	(16,545)	301	(30,378)	26,134	2,463	28,597
Profit/(Loss) for the financial year	-	-	-	-	848	848	(122)	726
<u>Other comprehensive income/(loss)</u>								
Currency translation differences	-	76	-	-	-	76	(173)	(97)
Share of currency translation difference of associated companies	-	11	-	-	-	11	(84)	(73)
Defined benefit obligations re-measurements	-	-	-	-	-	-	(23)	(23)
Share of defined benefit obligation re-measurements of associated companies	-	-	-	-	27	27	-	27
Total comprehensive income/ (loss) for FY 2018	-	87	-	-	875	962	(402)	560
Balance as at 31 Dec 2018	72,738	105	(16,545)	301	(29,503)	27,096	2,061	29,157

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

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 Jan 2017 as previously reported	69,258	(2,209)	(16,545)	357	(29,369)	21,492	3,846	25,338
Effects of adopting SFRS(l)	-	2,209	-	-	(2,209)	-	-	-
Balance as at 1 Jan 2017, restated	69,258	-	(16,545)	357	(31,578)	21,492	3,846	25,338
Additional increase of non-controlling interests in subsidiary corporations	-	-	-	-	-	-	55	55
Acquisition of a subsidiary corporations with non-controlling interests	-	-	-	-	-	-	38	38
Dilution of interests in subsidiary corporations without loss of control	-	-	-	-	(464)	(464)	1,763	1,299
Employee share option plan - value of employee services	-	-	-	23	-	23	-	23
- share options lapsed	-	-	-	(357)	357	-	-	-
Total transactions with owners, recognised directly in equity	69,258	-	(16,545)	23	(31,685)	21,051	5,702	26,753
Profit/(Loss) for the financial year	-	-	-	-	1,298	1,298	(945)	353
<u>Other comprehensive income/(loss)</u>								
Currency translation differences	-	(5)	-	-	-	(5)	(22)	(27)
Share of currency translation differences of associated companies	-	23	-	-	-	23	-	23
Defined benefit obligation re-measurements	-	-	-	-	11	11	11	22
Share of defined benefit obligation re-measurements of associated companies	-	-	-	-	(2)	(2)	-	(2)
Total comprehensive income/ (loss) for FY 2017	-	18	-	-	1,307	1,325	(956)	369
Balance as at 31 Dec 2017	69,258	18	(16,545)	23	(30,378)	22,376	4,746	27,122

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 Jan 2018	69,258	23	(40,897)	28,384
Issuance of new ordinary shares pursuant to private placement	3,480	-	-	3,480
Share issue expenses	-*	-	-	-*
Employee share option plan - value of employee services	-	278	-	278
Total comprehensive loss for FY 2018	-	-	(2,038)	(2,038)
Balance as at 31 Dec 2018	72,738	301	(42,935)	30,104
Balance as at 1 Jan 2017	69,258	357	(39,315)	30,300
Employee share option plan	-	(357)	357	-
- value of employee services	-	23	-	23
- share options lapsed	-	-	(1,939)	(1,939)
Total comprehensive loss for FY 2017	-	-	(1,939)	(1,939)
Balance as at 31 Dec 2017	69,258	23	(40,897)	28,384

* Amount was less than US\$1,000.

1(d)(ii) SHARE CAPITAL

On 30 Jan 2018, an aggregate of 79,526,847 new ordinary shares were issued by a way of a private placement at an issue price of S\$0.059 per subscription price with aggregate subscription price of US\$3.48 mil. These newly issued ordinary shares ranked pari passu in all respects with the existing ordinary shares.

The number of ordinary shares comprised in the options granted and outstanding under the Interra Share Option Plan as at 31 Dec 2018 was 24,000,000 (FY 2017: 24,000,000).

The Company does not have any treasury shares or subsidiary holdings as at 31 Dec 2018.

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

Group and Company	31 Dec 2018	31 Dec 2017
<u>Issued and fully paid</u>		
Opening balance	506,446,757	506,446,757
Issuance of new ordinary shares pursuant to private placement	79,526,847	-
Closing balance	585,973,604	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

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 2017 except the adoption of Singapore Financial Reporting Standards (International) ("SFRS(I)") and all the new and revised standards which are effective for annual financial periods beginning on or after 1 Jan 2018. The adoption of SFRS(I) have no significant impact on the Group's financial statements except as described below:

The Group elected the optional exemption in SFRS(I) to reset its cumulative currency translation reserves for all foreign operations to zero at the date of transition and reclassify the cumulative currency translation reserves of US\$2.21 mil as at 1 Jan 2017 to accumulated losses.

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

Refer to paragraph 4 above.

The Group has adopted all the new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") and Interpretations of SFRS(I) ("INT SFRS(I)") that are relevant to its operations and effective for annual periods beginning on or after 1 Jan 2018.

The adoption of the new or revised SFRS(I) and INT SFRS(I) 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 2018		Q4 2017		FY 2018		FY 2017	
Basic earnings/(losses) per ordinary share (US cents)								
- From continuing operations	(0.074)	0.212	0.151	0.261				
- From discontinued operations	-	0.002	(0.005)	(0.004)				
Weighted average number of ordinary shares for the purpose of computing basic earnings/(losses) per share	585,973,604	506,446,757	579,437,151	506,446,757				
Fully diluted earnings/(losses) per ordinary share (US cents)								
- From continuing operations	(0.074)	0.211	0.145	0.260				
- From discontinued operations	-	0.002	(0.005)	(0.004)				
Weighted average number of ordinary shares for the purpose of computing fully diluted earnings/(losses) per share	609,973,604	508,417,410	603,437,151	508,417,410				

No new ordinary shares were issued in Q4 2018.

On 30 Jan 2018, an aggregate of 79,526,847 new ordinary shares were issued by a way of a private placement at an issue price of S\$0.059 per subscription price with aggregate subscription price of US\$3.48 mil. These newly issued ordinary shares ranked pari passu in all respects with the existing ordinary shares.

For the purpose of computing basic and fully diluted earnings/(losses) per share, the relevant periods are from 1 Oct 2018 to 31 Dec 2018 and 1 Jan 2018 and 31 Dec 2018 respectively. The weighted average number of ordinary shares on issue has not been adjusted as the share options are anti-dilutive in Q4 2018 and FY 2018.

7 NET ASSET VALUE PER SHARE

Group	Group		Company	
	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
Net asset value per ordinary share based on total number of issued shares (excluding treasury shares) (US cents)	4.624	4.418	5.137	5.604
Total number of issued shares (excluding treasury shares)	585,973,604	506,446,757	585,973,604	506,446,757

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

Revenue & Production

Revenue increased by 32% to US\$14.89 mil in FY 2018 from US\$11.25 mil in FY 2017. This was largely due to higher weighted average transacted oil prices in FY 2018 of US\$67.95 per barrel (FY 2017: US\$51.38 per barrel) and higher sales of shareable oil of 266,531 barrels in FY 2018 (FY 2017: 259,968 barrels).

The Group's shareable oil production increased by 2% to 266,419 barrels in FY 2018 from 261,635 barrels in FY 2017. The increase was due to higher shareable production from Myanmar of 253,666 barrels in FY 2018 (FY 2017: 227,985 barrels). However, the increase was offset by the lower of shareable production from LS TAC in FY 2018 of 12,753 barrels (FY 2017: 33,620 barrels) due to the deconsolidation of MITI.

Cost of Production

The increase in cost of production to US\$7.99 mil in FY 2018 from US\$5.04 mil in FY 2017 was largely attributable to higher production expenses by US\$2.19 mil and higher amortisation charges by US\$0.76 mil in FY 2018 as compared to FY 2017. Myanmar operations incurred capital expenditure of US\$3.37 mil in FY 2018 which resulted in higher amortisation charges of producing oil and gas properties and intangible assets.

Net Profit After Tax

The Group posted a total profit after tax of US\$0.73 mil in FY 2018 as compared to a total profit after tax of US\$0.35 mil in FY 2017. The profit was mainly due to the following:

- (1) Higher revenue of US\$14.89 mil in FY 2018 (FY 2017: US\$11.25 mil) due to higher oil prices and sales of shareable oil.
- (2) Higher cost of production of US\$7.99 mil in FY 2018 (FY 2017: US\$5.04 mil), due to higher production expenses and higher amortisation charges of producing oil and gas properties and intangible assets.
- (3) Higher other income of US\$0.71 mil in FY2018 (FY 2017: US\$0.59 mil), mainly due to one-off gain on disposal of granite operations of US\$0.21 mil and offset by higher foreign exchange loss of US\$0.08 mil in FY 2018 (FY 2017: foreign exchange gain of US\$0.02 mil).
- (4) Higher administrative expenses of US\$4.46 mil in FY 2018 (FY 2017: US\$4.05 mil), mainly due to one-off reversal of withholding tax obligations of US\$0.48 mil from Indonesia operation in FY2017 and higher corporate expenses from share option expenses of US\$0.28 mil in FY 2018 (FY 2017: US\$0.02 mil) and offset by no administrative expenses from MITI and GLS in Q3 and Q4 2018 due to deconsolidation as compared to FY 2017 of US\$0.35 mil.
- (5) Higher impairment and allowances of US\$2.14 mil in FY 2018 due to allowance for impairment of investment in associated company, MITI to its fair value as compared to FY 2017.
- (6) Higher share of loss of associated companies of US\$0.62 mil in FY 2018 (FY 2017: share of loss of associated companies of US\$0.19 mil).
- (7) Current income tax credit of US\$0.52 mil (FY 2017: income tax expenses of US\$0.81 mil), mainly due to reversal of overprovision of prior year income tax of US\$1.30 mil from Indonesia operations in FY 2018 as compared to FY 2017.

(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\$4.40 mil to US\$7.55 mil in FY 2018 from US\$3.15 mil in FY 2017, due to capitalisation of drilling expenditure of US\$5.04 mil and offset by amortisation charges of US\$0.62 mil.

Slight increase in exploration and evaluation costs to US\$10.64 mil in FY 2018 from US\$10.62 mil in FY 2017 mainly due to capitalisation of 2D seismic costs for KP PSC of US\$0.02 mil.

Intangible assets decreased to US\$3.13 mil in FY 2018 from US\$3.48 mil in FY 2017, mainly due to amortisation charges of US\$0.35 mil.

Investments in associated companies decreased to US\$2.38 mil in FY 2018 from US\$3.77 mil in FY 2017. This was mainly due to recognition of investment in MITI and GLS as associated companies after the deconsolidation on 30 Jun 2018 at fair value on initial recognition of US\$4.83 mil. This was partially offset by derecognition of subsidiary corporation of US\$3.95 mil during the year. The decrease was also due to allowance for impairment of its carrying amount to fair value of US\$2.38 mil after its share of post-acquisition losses in MITI and its subsidiary corporation and associated companies of US\$0.38 mil and share of other comprehensive income of US\$0.06 mil in FY 2018.

Inventories decreased by US\$1.82 mil to US\$3.38 mil in FY 2018 from US\$5.20 mil in FY 2017, due to deconsolidation of GLS, a subsidiary corporation of MITI of US\$1.13 mil offset by higher consumable inventories maintained for Myanmar drilling activities of US\$0.44 mil.

The deconsolidation of MITI and GLS have also resulted in the decrease in:

- (1) Trade and other receivables - non-related parties (current) decreased to US\$2.23 mil in FY 2018 from US\$4.56 mil in FY 2017, mainly contributed from the decrease of trade receivables by US\$2.19 mil to US\$2.02 mil in FY 2018 from US\$4.21 mil in FY2017.
- (2) Loan to non-related parties (current) decreased by US\$1.24 mil in FY 2018 from FY 2017.
- (3) Loan to an associated company (current and non-current) decreased by US\$3.13 mil to US\$0.56 mil in FY 2018 from US\$3.69 mil in FY 2017.

Trade and other payables decreased by US\$8.13 mil to US\$5.10 mil in FY 2018 from US\$13.23 mil in FY 2017. This was mainly due to settlement of acquisition of patent rights for technology know-how of US\$3.42 mil and realisation of deposit received from the buyers of US\$3.75 mil for the disposal of granite operations completed in Q1 2018 and deconsolidation of MITI and GLS of US\$1.47 mil.

Statement of Cash Flows

Cash and cash equivalents showed a net decrease of US\$2.55 mil in FY 2018 due to the following:

- (1) Net cash provided by operating activities of US\$4.27 mil was mainly due to net cash generated from oil and gas operations of US\$4.65 mil and offset by corporate expenses of US\$2.12 mil.
- (2) Net cash used in investing activities of US\$10.09 mil due to addition of capital expenditure for Myanmar operations of US\$8.46 mil and deconsolidation of subsidiary corporations, MITI and GLS with total cash and bank balances of US\$1.52 mil due to loss of control.
- (3) Net cash provided by financing activities of US\$3.27 mil was mainly due to net proceeds from private placement of shares of US\$3.38 mil and offset payment of loan interest of US\$0.11 mil. In addition, there was a repayment of bank loans of US\$2.00 mil and concurrently, the pledge of fixed deposit of US\$2.00 mil was discharged.

8(ii) USE OF PROCEEDS

The utilisation of the proceeds from the placement completed on 30 Jan 2018 (the "Placement") was in line with the intended uses stated in the announcement of the Placement dated 15 Dec 2017. Further to the announcements dated 15 Feb 2018, 14 Mar 2018, 19 Jun 2018, 1 Aug 2018, 20 Aug 2018 and 14 Sep 2018, the net proceeds was fully utilised in FY 2018.

8(iii) SEGMENTED REVENUE AND RESULTS

Geographical Segment	Indonesia		Myanmar		Consolidated	
	Oil and Gas		Oil and Gas			
	Q4 2018	Q4 2017	Q4 2018	Q4 2017	Q4 2018	Q4 2017
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Results						
EBITDA	(61)	1,671	1,926	1,095	1,865	2,766
EBIT	(61)	1,638	1,624	1,026	1,563	2,664
Sales to external customers	-	594	3,742	2,486	3,742	3,080
Segment results	(74)	1,631	1,624	1,026	1,550	2,657
Unallocated corporate net operating results					(3,116)	(1,929)
(Loss)/Profit before income tax					(1,566)	728
Income tax credit/(expense)					1,103	(310)
Net (loss)/profit from continuing operations					(463)	418
Profit from discontinued operations for the financial period					-	21
Total (loss)/profit					(463)	439

Geographical Segment	Indonesia		Myanmar		Consolidated	
	Oil and Gas		Oil and Gas			
	FY 2018	FY 2017	FY 2018	FY 2017	FY 2018	FY 2017
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Results						
EBITDA	215	1,884	6,640	3,902	6,855	5,786
EBIT	192	1,764	5,698	3,766	5,890	5,530
Sales to external customers	1,162	2,142	13,723	9,103	14,885	11,245
Segment results	(33)	1,699	5,698	3,766	5,665	5,465
Unallocated corporate net operating results					(5,401)	(4,253)
Profit before income tax					264	1,212
Income tax credit/(expense)					516	(813)
Net profit from continuing operations					780	399
Loss from discontinued operations for the financial year					(54)	(46)
Total profit					726	353

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

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.

8(iv) REVENUE BREAKDOWN

Group	FY 2018 US\$'000	FY 2017 US\$'000	Increase / (Decrease) %
Revenue			
- First half	6,848	5,677	21
- Second half	8,037	5,568	44
	14,885	11,245	32
Operating (loss)/profit after tax before deducting non-controlling interests			
- First half	(102)	144	(171)
- Second half	828	209	296
	726	353	106

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

Myanmar's shareable production decreased by 4% to 71,741 barrels in Q4 2018 from 75,103 barrels in Q3 2018. As no new wells were drilled during the quarter, the decrease was due to natural decline although the decline was offset due to the success of Water Flooding project. A total of 3 new wells were drilled during Q4 2018 as part of 2019 drilling program. As a result, production in Q1 2019 is expected to improve. With the infrastructure for the Water Flooding project in place in 2018, contribution from this project is expected in 2019.

Shareable production at Linda Sele TAC ("LS TAC") decreased by 39% to 3,961 barrels in Q4 2018 from 6,460 barrels in Q3 2018 due to the contract expiry in Nov 2018. Discussion with local authority is still ongoing regarding the contract extension but no conclusion has been reached.

For Kuala Pambuang PSC, preparations for the drilling of an exploration well are in an advanced stage. The local authority has approved the well location, and preparations are underway towards spudding the exploration well later in the year. No significant contribution is expected from this field in the near term.

Due to the recent dip in the oil price, revenue for the last 2 months decreased. The good drilling result from the new wells in Myanmar together with the slight recovery of the oil price in the beginning of 2019, the revenue of the Group should recover somewhat in Q1 2019. Cost of drilling of the exploration well in Kuala Pambuang PSC will be funded internally. Barring any unforeseen circumstances, the Company has sufficient cash resources to fulfil the current year work program. The Company will explore and evaluate the various funding alternatives to fund the forthcoming projects and investment. We will make the necessary and appropriate announcement in the future.

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 AND THE REASON(S) FOR THE DECISION

The Company has not declared a dividend for the current financial period reported on. Currently, the Company does not have profits available to declare dividend.

(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 from shareholders pursuant to Rule 920(1)(a)(ii) of the Listing Rules.

14 CONFIRMATION PURSUANT TO 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)

Person occupying a managerial position in the Company and/or its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company during FY 2018 is as follows:-

Name	Marissa Soeryadjaya
Age	31
Family relationship with any Director and/or Substantial Shareholder	Daughter of Edwin Soeryadjaya, Non-Executive Chairman and substantial shareholder of the Company
Current position and duties, and the year the position was held	Business Development Manager (Indonesia) responsible for developing the Group's business in Indonesia since 13 Nov 2017
Details of changes in duties and position held, if any, during the year	No change

By Order of the Board of Directors of
INTERRA RESOURCES LIMITED
Marcel Tjia
Chief Executive Officer
28-Feb-19

16 ABBREVIATIONS

Q3 2017	denotes	Third calendar quarter of the year 2017
Q4 2017	denotes	Fourth calendar quarter of the year 2017
Q3 2018	denotes	Third calendar quarter of the year 2018
Q4 2018	denotes	Fourth calendar quarter of the year 2018
Q1 2019	denotes	First calendar quarter of the year 2019
FY 2016	denotes	Full year ended 31 December 2016
FY 2017	denotes	Full year ended 31 December 2017
bopd	denotes	barrels of oil per day
Company	denotes	Interra Resources Limited
SFRS(I)	denotes	Singapore Financial Reporting Standards (International)
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.
IBN	denotes	IBN Oil Holdico Ltd
IOI	denotes	PT Indelberg Oil Indonesia
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

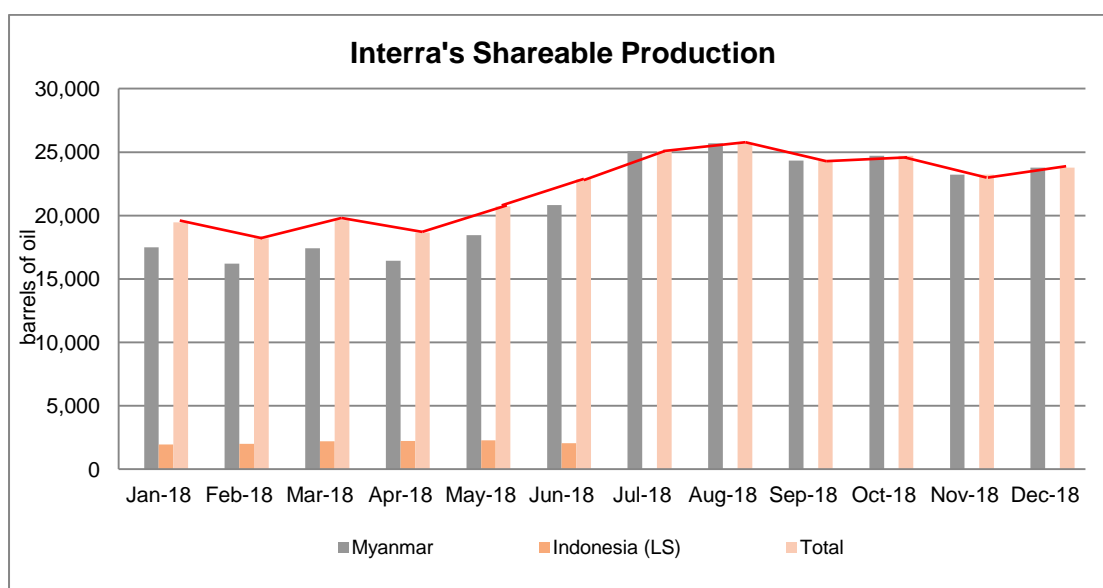
This release may contain forward-looking statements that are not statements of historical facts, and are subject to risk factors associated with the upstream petroleum and mining businesses. Actual future results, performance and outcomes may differ materially from those anticipated, expressed or implied 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.

28 February 2019

PRODUCTION, DEVELOPMENT & EXPLORATION ACTIVITIES FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018 (“Q4 2018”)

Production Profile

(Barrels)	Myanmar		Indonesia (LS)	
	Q3 2018	Q4 2018	Q3 2018	Q4 2018
Shareable production	125,172	119,568	11,965	7,337
Interra’s share of shareable production	75,103	71,741	-*	-*



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.

* Interra’s interest of 53.99% in Linda Sele TAC is not consolidated into Interra’s books with effect from 1 July 2018 instead it is recognised as indirect interest as an associated company, as part of the Interra’s interest in PT Mitra Investindo Tbk and its subsidiary corporations and associated companies.



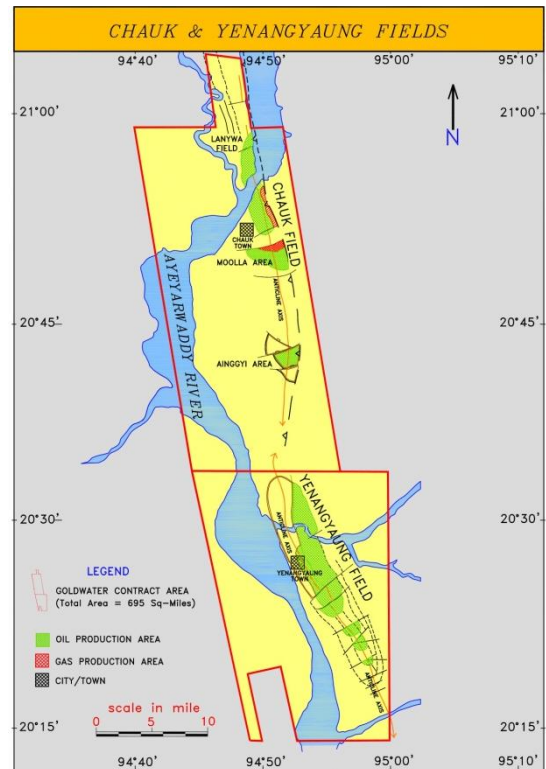
Development and Production Activities

Myanmar: Chauk and Yenangyaung IPRCs (Interra 60%)

In Q4 2018, the combined shareable production for both fields was 71,741 barrels of oil, a decrease of 4% over the preceding quarter of 75,103 barrels of oil.

Production and development expenditures for the period were US\$1,673,461 and US\$1,379,356 respectively.

The operator, Goldpetrol Joint Operating Company Inc. (“**Goldpetrol**”) (Interra 60%) drilled one west flank appraisal well in Q4 2018 in the Yenangyaung field which continues to undergo production testing. In total nine wells were drilled in 2018 in Myanmar with the eight true development wells completed as oil producers. Two additional wells covered under the 2019 work plan and budget (WP&B) commenced drilling in December 2018 due to rig availability and mild weather conditions



Ongoing field operations aimed at optimising production through surface and borehole enhancements combined with scheduled maintenance have been on-going. Of note, additional perforations in existing wells have been very successful in Q4 2018 and have supported field efforts to slow production decline.

The existing water flood (WF) programs continued to be researched and monitored with upgrades performed as warranted. As a part of the approved 2019 WP&B, planning and preliminary work on other prospective WF blocks began in Q4 2018.


Indonesia: Linda Sele TAC (Interra 53.99%*)

In Q4 2018, shareable production was 3,961 barrels of oil, a decrease of 39% as compared to the previous quarter of 6,460 barrels of oil due to TAC expired on 15 November 2018. There were two upliftings of approximately 4,251 barrels of oil during the quarter.

Production and development expenditures for the period were US\$518,346 and nil respectively.

Technical discussions and negotiations with the Indonesian government before the TAC expiration failed to secure an extension and hence direct involvement in field operations have ceased.

Operations prior to expiration and hand-over to government in Q4 2018 continued to be performed in an efficient and responsible manner.



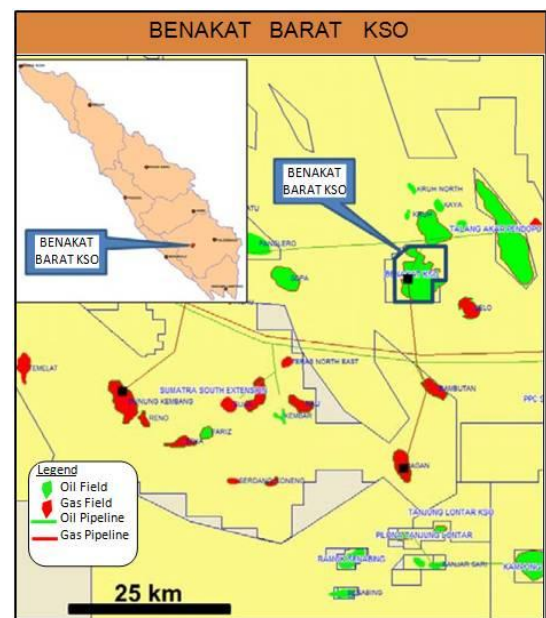
**Interra's interest of 53.99% in Linda Sele TAC is not consolidated into Interra's books with effect from 1 July 2018 instead it is recognised as indirect interest as an associated company, as part of the Interra's interest in PT Mitra Investindo Tbk and its subsidiary corporations and associated companies.*

Indonesia: Benakat Barat KSO (Interra 30.65%)**

General maintenance and improvements to field infrastructure aimed at maintaining efficient field operations with respect to petroleum production continued in Q4 2018. A work plan and budget for 2019 was prepared and will be submitted for government approval.

No new wells were drilled in Q4 2018.

***Indirect interest as an associate company of which the financial statements are not consolidated into Interra's books.*





Exploration Activities

Indonesia: Kuala Pambuang PSC (Interra 67.5%)

A final optimum location for a first exploration well drilling in the Block has been selected and received government technical approval. The well will target one of several seismic defined Berai Limestone reefs which are interpreted to be anchored on an extensive carbonate platform. Potential clastic sedimentary reservoirs above and below the carbonate zones will also be evaluated.

Operations and infrastructure planning including securing a drilling rig and site preparations are well underway. All permitting and relevant discussions related to the drilling are going forward.

Exploration costs for the period were US\$4,476.

