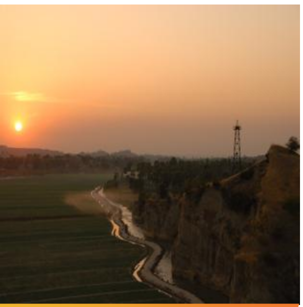
INTERRA RESOURCES LIMITED
Company Registration No. 197300166Z

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



8 August 2019

Dear Shareholders,

UNAUDITED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2019

Highlights in Q2 2019

- Revenue from continuing operations for the quarter was US$4.09 million, 2% higher than the previous financial quarter. The increase was due mainly to higher weighted average transacted oil prices of US$66.87 per barrel as compared to the previous quarter of US$61.59 per barrel although lower sales of shareable oil of 77,522 barrels as compared to the previous quarter of 82,272 barrels.

- Total loss after income tax for the quarter was US$2.13 million, as compared to total profit after income tax in previous quarter of US$0.59 million. The loss was due to share of losses of associated companies of US$2.37 million for the quarter as compared to previous quarter of US$0.04 million. Following which the Group recognised its share of losses up to the cost of its investment and the Group has no contractual obligations to recognise further losses of these associated companies.

- Earnings before divestment gain, interest income, exchange difference, finance cost, tax, depreciation, amortisation, allowance and impairment (EBITDA) from continuing operations for the quarter was US$2.12 million.

- Net cash inflow for the quarter was US$3.29 million, due mainly to net cash provided by operating activities of US$4.03 million offset by net cash used in investing activities for capital expenditure of US$0.70 million and financing activities of US$0.06 million.

- Cash and cash equivalents were US$7.28 million as at 30 June 2019.

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)

UNAUDITED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2019

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1(a)(i) PROFIT OR LOSS

Group	Note	Q2 2019 US$'000	Q2 2018 US$'000	Change %	6M 2019 US$'000	6M 2018 US$'000	Change %
Continuing operations							
Revenue	A1	4,093	3,911	↑ 5	8,094	6,848	↑ 18
Cost of production	A2	(2,255)	(1,850)	↑ 22	(4,828)	(4,006)	↑ 21
Gross profit		**1,838**	**2,061**	↓ 11	**3,266**	**2,842**	↑ 15
Other income, net	A3	110	107	↑ 3	281	501	↓ 44
Administrative expenses		(787)	(1,259)	↓ 37	(1,698)	(2,695)	↓ 37
Finance expenses		(24)	(38)	↓ 37	(47)	(72)	↓ 35
Other expenses	A4	(50)	(5)	NM	(100)	(11)	NM
Impairment and allowances		(624)	-	NM	(624)	-	NM
Share of losses of associated companies		(2,373)	(109)	↑ 2,077	(2,417)	(250)	↑ 867
(Loss)/Profit before income tax		**(1,910)**	**757**	↓ 352	**(1,339)**	**315**	↓ 525
Income tax expense	A5	(215)	(208)	↑ 3	(200)	(363)	↓ 45
(Loss)/Profit from continuing operations for the financial period		**(2,125)**	**549**	↑ 487	**(1,539)**	**(48)**	↑ 3,106
Discontinued operations							
Loss from discontinued operations for the financial period	A6	-	-	NM	-	(54)	NM
Total (loss)/profit		**(2,125)**	**549**	↑ 487	**(1,539)**	**(102)**	↑ 1,409
Attributable to:							
Equity holders of the Company		(2,101)	544		(1,491)	(19)	
Non-controlling interests		(24)	5		(48)	(83)	
		(2,125)	**549**		**(1,539)**	**(102)**	
(Loss)/Profit attributable to equity holders of the Company relates to:							
(Loss)/Profit from continuing operations		(2,101)	544		(1,491)	7	
Loss from discontinued operations			-		-	(26)	
		(2,101)	**544**		**(1,491)**	**(19)**	
(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		(0.359)	0.093		(0.255)	0.001	
- From discontinued operations		-	-		-	(0.005)	
Diluted (losses)/earnings per share (US cents)							
- From continuing operations		(0.359)	0.093		(0.255)	0.001	
- From discontinued operations		-	-		-	(0.005)	

1(a)(i) STATEMENT OF COMPREHENSIVE INCOME

Group	Note	Q2 2019 US$'000	Q2 2018 US$'000	Change %	6M 2019 US$'000	6M 2018 US$'000	Change %
Total (loss)/profit for the financial period		(2,125)	549	↑ **487**	(1,539)	(102)	↑ **1,409**
Other comprehensive income, net of tax							
Items that may be reclassified subsequently to profit or loss:							
Share of currency translation differences of associated companies		1	(94)	↓ **101**	33	(107)	↓ **131**
Currency translation differences arising from consolidation		18	65	↓ **72**	(1)	(113)	↓ **99**
Items that will not reclassified subsequently to profit or loss:							
Share of defined benefit obligation re-measurements of associated companies		-	1	**NM**	2	-	**NM**
Defined benefit obligation re-measurements		-	22	**NM**	-	(23)	**NM**
		19	(6)		34	(243)	
Total comprehensive (loss)/income for the financial period		**(2,106)**	**543**	↑ 488	**(1,505)**	**(345)**	↑ 336
Attributable to:							
Equity holders of the Company		(2,082)	697		(1,457)	18	
Non-controlling interests		(24)	(154)		(48)	(363)	
		(2,106)	**543**		**(1,505)**	**(345)**	

↑ denotes increase
↓ denotes decrease
NM denotes not meaningful

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

Group	Q2 2019 barrels	Q2 2018 barrels	6M 2019 barrels	6M 2018 barrels
Group's share of shareable oil production	77,522	62,260	159,794	119,575
Group's sales of shareable oil	77,522	64,095	159,794	119,687

Group	Q2 2019 US$'000	Q2 2018 US$'000	6M 2019 US$'000	6M 2018 US$'000
A1 Revenue				
Sale of oil and petroleum products	**4,093**	**3,911**	**8,094**	**6,848**
A2 Cost of production				
Production expenses	1,835	1,641	4,010	3,627
Amortisation of producing oil and gas properties	334	123	646	207
Amortisation of intangible assets	86	86	172	172
	2,255	**1,850**	**4,828**	**4,006**
A3 Other income, net				
Interest income	71	110	148	221
Petroleum services fees	52	48	133	132
Management fees	-	7	-	14
Currency translation loss, net	(21)	(42)	(8)	(65)
Other income/(loss)	8	(6)	8	(8)
Gain on disposal of granite operations	-	-	-	217
Loss on disposal of property, plant and equipment	-	(5)	-	(5)
Fair value gain on investment properties	-	43	-	43
Loss deconsolidation of subsidiary corporations	-	(48)	-	(48)
	110	**107**	**281**	**501**
A4 Other expenses				
Depreciation of property, plant and equipment	3	5	6	11
Depreciation of right-of-use assets	47	-	94	-
	50	**5**	**100**	**11**
A5 Income tax expense				
Current income tax	215	208	425	363
Prior year over-provision of income tax	-	-	(225)	-
	215	**208**	**200**	**363**
A6 Loss from discontinued operations				
Revenue	-	-	-	1,599
Expenses	-	-	-	(1,653)
Loss before income tax from discontinued operations	-	-	-	(54)
Income tax	-	-	-	-
Total loss from discontinued operations	**-**	**-**	**-**	**(54)**

1(b)(i) **STATEMENT OF FINANCIAL POSITION**

	Note	Group 30-Jun-19 US$'000	Group 31-Dec-18 US$'000	Company 30-Jun-19 US$'000	Company 31-Dec-18 US$'000
Assets					
Non-current assets					
Property, plant and equipment		14	19	14	19
Right-of-use assets	B1	395	-	270	-
Producing oil and gas properties	B2	9,421	7,549	-	-
Exploration and evaluation costs	B3	10,780	10,640	-	-
Intangible assets	B4	2,962	3,134	-	-
Investments in subsidiary corporations		-	-	19,062	19,062
Investments in associated companies	B5	-	2,382	-	2,382
Other receivables	B6	3,004	2,820	10,927	18,367
		26,576	**26,544**	**30,273**	**39,830**
Current assets					
Inventories	B7	3,793	3,379	-	-
Trade and other receivables	B6	2,621	2,784	157	147
Other current assets		354	414	125	67
Cash and cash equivalents	B8	7,281	6,638	251	227
		14,049	**13,215**	**533**	**441**
Total assets		**40,625**	**39,759**	**30,806**	**40,271**
Liabilities					
Non-current liabilities					
Lease liabilities	B9	290	-	211	-
Current liabilities					
Trade and other payables	B10	7,236	5,095	10,466	9,167
Lease liabilities	B9	111	-	64	-
Borrowings		1,000	1,000	1,000	1,000
Current income tax liabilities		4,268	4,508	-	-
		12,615	**10,603**	**11,530**	**10,167**
Total liabilities		**12,905**	**10,603**	**11,741**	**10,167**
Net assets		**27,720**	**29,156**	**19,065**	**30,104**
Equity					
Share capital		72,738	72,738	72,738	72,738
Accumulated losses		(30,993)	(29,504)	(53,974)	(42,935)
Other reserves		(16,107)	(16,139)	301	301
Equity attributable to owners of the Company		**25,638**	**27,095**	**19,065**	**30,104**
Non-controlling interests		2,082	2,061	-	-
Total equity		**27,720**	**29,156**	**19,065**	**30,104**

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

Group		30-Jun-19 US$'000	31-Dec-18 US$'000
B1	**Right-of-use assets**		
	Property	355	-
	Motor vehicles	28	-
	Office equipment	12	-
		395	**-**
B2	**Producing oil and gas properties**		
	Development tangible assets	786	562
	Development intangible assets	8,635	6,987
		9,421	**7,549**
B3	**Exploration and evaluation costs**		
	Exploration and evaluation assets	9,345	9,205
	Participating rights of exploration assets	1,435	1,435
		10,780	**10,640**
B4	**Intangible assets**		
	Patent rights	2,947	3,115
	Computer software	15	19
		2,962	**3,134**
B5	**Investments in associated companies**		
	Equity investment at costs	12,191	11,310
	Derecognition 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	12,191
	Share of losses in associated companies	(10,149)	(7,732)
	Share of other comprehensive income in associated companies	96	61
	Allowance for impairment of investment in associated company	(2,138)	(2,138)
		-	**2,382**
B6	**Trade and other receivables**		
	Non-current		
	Loan to non-related parties	3,004	2,820
	Current		
	Trade receivables - non-related parties	2,383	2,022
	Other receivables - non-related parties	208	204
	Loan to associated companies (non-trade)	558	558
		3,149	2,784
	Less: Loss allowance on loan to an associated company (non-trade)	(528)	-
		2,621	2,784
		5,625	**5,604**
B7	**Inventories**		
	Consumable inventories	**3,793**	**3,379**

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

Group		30-Jun-19 US$'000	31-Dec-18 US$'000
B8	**Cash and cash equivalents**		
	Cash at bank and on hand	4,236	2,613
	Short-term fixed deposits	3,045	4,025
		7,281	**6,638**
B9	**Lease liabilities**		
	Current	111	-
	Non-current	290	-
		401	-
B10	**Trade and other payables**		
	Trade payables - non-related parties	687	1,737
	Trade payables - related parties	78	402
	Other payables - non-related parties	2,365	2,104
	Other payables - related parties	3,640	238
	Accruals	466	614
		7,236	**5,095**

1(b)(ii) BORROWINGS AND DEBT SECURITIES

Group	30-Jun-19		31-Dec-18	
	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	-	1,000

The unsecured bank loan of US$1.00 mil represents a bank loan from United Overseas Bank Limited ("UOB") to finance the Company's working capital. The interest rate is charged at 5.42% per annum for a tenor period of 1 month.

1(c) STATEMENT OF CASH FLOWS

Group	Note	Q2 2019 US$'000	Q2 2018 US$'000	6M 2019 US$'000	6M 2018 US$'000
Cash Flows from Operating Activities					
Total (loss)/profit		(2,125)	549	(1,539)	(102)
Adjustments for non-cash items:					
Income tax expense		215	208	200	363
Share of loss of associated companies		2,373	109	2,417	250
Share option expense		-	75	-	143
Depreciation of property, plant and equipment		3	5	6	11
Depreciation of right-of-use assets		47	-	94	-
Amortisation of producing oil and gas properties		334	123	646	207
Amortisation of intangible assets		86	86	172	172
Interest income		(71)	(110)	(148)	(221)
Loss allowance on loan to an associated company (non-trade)		624	-	624	-
Gain on disposal of granite operation		-	-	-	(217)
Gain on curtailment		-	-	-	(45)
Fair value gain on investment properties		-	(43)	-	(43)
Interest on borrowings		18	38	35	72
Interest on lease liabilities		6	-	12	-
Loss on disposal of property, plant and equipment		-	5	-	5
Loss on deconsolidation of subsidiary corporations		-	48	-	48
Unrealised currency translation losses/(gains)		15	51	(10)	(72)
Operating profit before working capital changes		**1,525**	**1,144**	**2,509**	**571**
Changes in working capital					
Inventories		(125)	81	(415)	329
Trade and other receivables and other current assets		1,850	(1,538)	(394)	32
Trade and other payables		1,043	1,128	2,142	338
Cash generated from operations		**4,293**	**815**	**3,842**	**1,270**
Income tax paid		(255)	(13)	(440)	(136)
Interest paid		(6)	-	(12)	-
Net cash provided by operating activities		**4,032**	**802**	**3,390**	**1,134**
Cash Flows from Investing Activities					
Interest received		16	28	36	58
Net proceeds from disposal of granite operations	A1	-	-	-	185
Net proceeds from disposal of property, plant and equipment		-	4	-	4
Loans to an associated company (non-trade)		-	(107)	-	(378)
Cash and bank balances of subsidiary corporations deconsolidated	A2	-	(1,520)	-	(1,520)
Additions to property, plant and equipment		-	(1)	-	(1)
Additions to producing oil and gas properties		(583)	(2,045)	(2,518)	(2,228)
Additions to exploration and evaluation assets		(116)	(6)	(139)	(14)
Additions to intangible assets		-	-	-	(3,420)
Net cash used in investing activities		**(683)**	**(3,647)**	**(2,621)**	**(7,314)**

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

Group	Note	Q2 2019 US$'000	Q2 2018 US$'000	6M 2019 US$'000	6M 2018 US$'000
Cash Flows from Financing Activities					
Interest paid		(18)	(38)	(35)	(72)
Proceeds from issuance of new ordinary shares pursuant to private placement of shares, net of issuance costs		-	-	-	3,380
Principal elements of lease payments		(45)	-	(91)	-
Net cash (used in)/provided by financing activities		**(63)**	**(38)**	**(126)**	**3,308**
Net increase/(decrease) in cash and cash equivalents		**3,286**	**(2,883)**	**643**	**(2,872)**
Cash and cash equivalents at beginning of financial period		3,995	9,197	6,638	9,192
Effects of currency translation on cash and cash equivalents		-	6	-	-
Cash and cash equivalents at end of financial period		**7,281**	**6,320**	**7,281**	**6,320**

1(c) EXPLANATORY NOTES TO STATEMENT OF CASH FLOWS

Group	6M 2018 US$'000
<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 FY 2018 (included in deconsolidation of subsidiary corporations)	**214**

Group	Q2 2018 MITI US$'000	Q2 2018 GLS US$'000	Q2 2018 Total US$'000
A2 Deconsolidation of subsidiary corporations			
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)	(463)	(1,465)
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)	**(3,993)**	**(5,924)**
Total net identifiable assets/(liabilities) derecognised	**7,644**	**(765)**	**6,879**
Net (assets)/liabilities derecognised	(7,644)	765	(6,879)
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**	**(2,413)**	**(48)**
Effects on cash flows of the Group			
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 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 Apr 2019	**72,738**	**118**	**(16,545)**	**301**	**(28,892)**	**27,720**	**2,064**	**29,784**
Loss for Q2 2019	-	-	-	-	(2,101)	(2,101)	(24)	(2,125)
Other comprehensive income/(loss)								
Currency translation differences	-	18	-	-	-	18	-	18
Share of currency translation differences of associated companies	-	1	-	-	-	1	-	1
Total comprehensive income/(loss) for Q2 2019	-	19	-	-	(2,101)	(2,082)	(24)	(2,106)
Additional increase of non-controlling interests in subsidiary corporation	-	-	-	-	-	-	42	42
Total transactions with owners, recognised directly in equity	-	-	-	-	-	-	42	42
Balance as at 30 Jun 2019	**72,738**	**137**	**(16,545)**	**301**	**(30,993)**	**25,638**	**2,082**	**27,720**

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 Apr 2018	**72,738**	**(75)**	**(16,545)**	**91**	**(30,965)**	**25,244**	**4,510**	**29,754**
Profit for Q2 2018	-	-	-	-	544	544	5	549
Other comprehensive income/(loss)								
Currency translation differences	-	(34)	-	-	-	(34)	(75)	(109)
Share of currency translation differences of associated companies	-	(90)	-	-	-	(90)	(84)	(174)
Share of defined benefit obligation re-measurements of associated companies	-	-	-	-	(7)	(7)	-	(7)
Deconsolidation of subsidiary corporations								
- Currency translation differences	-	174	-	-	-	174	-	174
- Share of currency translation differences of associated companies	-	80	-	-	-	80	-	80
- Defined benefit obligation re-measurements	-	-	-	-	30	30	-	30
Total comprehensive income/(loss) for Q2 2018	-	130	-	-	567	697	(154)	543
Additional increase of non-controlling interests in subsidiary corporation	-	-	-	-	-	-	10	10
Deconsolidation of subsidiary corporations with non-controlling interests due to loss of control	-	-	-	-	-	-	(2,282)	(2,282)
Employee share option plan								
- value of employee services	-	-	-	75	-	75	-	75
Total transactions with owners, recognised directly in equity	-	-	-	75	-	75	(2,272)	(2,197)
Balance as at 30 Jun 2018	**72,738**	**55**	**(16,545)**	**166**	**(30,398)**	**26,016**	**2,084**	**28,100**

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 Apr 2019	**72,738**	**301**	**(43,329)**	**29,710**
Total comprehensive loss for Q2 2019	-	-	(10,645)	(10,645)
Balance as at 30 Jun 2019	**72,738**	**301**	**(53,974)**	**19,065**
Balance as at 1 Apr 2018	**72,738**	**91**	**(41,497)**	**31,332**
Total comprehensive income for Q2 2018	-	-	1,830	1,830
Employee share option plan - value of employee services	-	75	-	75
Balance as at 30 Jun 2018	**72,738**	**166**	**(39,667)**	**33,237**

1(d)(ii) **SHARE CAPITAL**

No new ordinary shares were issued in Q2 2019.

The number of ordinary shares comprised in the options granted and outstanding under the Interra Share Option Plan as at 30 Jun 2019 was 24,000,000 (FY 2018: 24,000,000).

The Company does not have any treasury shares or subsidiary holdings as at 30 Jun 2019.

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

Group and Company	30 Jun 2019	31 Dec 2018
Issued and fully paid		
Opening and Closing balance	**585,973,604**	**585,973,604**

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 2018.

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**

On 1 Jan 2019, the Group adopted the new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") and Interpretations of SFRS(I) ("INT SFRS(I)") that are effective for annual periods beginning on or after 1 Jan 2019. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I), INT SFRS(I) and amendments to SFRS(I).

The following SFRS(I), amendments to SFRS(I) and INT SFRS(I) that are relevent to the Group are as follows:

- SFRS(I) 16 - Leases
- SFRS(I) INT 23 - Uncertainty Over Income Tax Treatments
- Amendments to SFRS(I) 1 - 28 - Long-term Interests in Associates and Joint Ventures
- Annual Improvements to SFRS(I) 2015 - 2017 Cycle

Other than the adoption of SFRS(I) 16 - Leases, as disclosed below. The adoption of these new and revised SFRS(I), INT SFRS(I) and amendments to SFRS(I) did not result in substantial changes to the Group's and Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

The Group has adopted the SFRS(I) 16 - Leases, which took effect 1 Jan 2019, using the modified retrospective approach. SFRS(I) 16 - Leases introduces a single, on-balance sheet lease accounting model. It requires a lesee to recognise a right-of-use ("ROU") asset representing its use the underlying asset and a lease liability representing its obligation to make lease payments.

In compliance with SFRS(I) 16 - Leases, the Group and the Company has applied the practical expedient to recognise the amount of ROU assets equal to the lease liabilities as at 1 Jan 2019. Subsequent to initial recognition, the Group and the Company depreciate the ROU assets over the lease term, and recognise interest expenses on the lease liabilities.

The ROU assets as at 1 Jan 2019 were mainly related to leases of the property use rights, motor vehicle and office equipment occupied by the Group in various countries. Accordingly, there was a corresponding increase in lease liabilities of approximately US$0.49 mil as at 1 Jan 2019.

6 EARNINGS PER SHARE

Group	Q2 2019	Q2 2018	6M 2019	6M 2018
Basic (losses)/earnings per ordinary share (US cents)				
- From continuing operations	**(0.359)**	**0.093**	**(0.255)**	**0.001**
- From discontinued operations	**-**	**-**	**-**	**(0.005)**
Weighted average number of ordinary shares for the purpose of computing basic earnings/(losses) per share	585,973,604	585,973,604	585,973,604	572,792,359
Fully diluted (losses)/earnings per ordinary share (US cents)				
- From continuing operations	**(0.359)**	**0.093**	**(0.255)**	**0.001**
- From discontinued operations	**-**	**-**	**-**	**(0.005)**
Weighted average number of ordinary shares for the purpose of computing fully diluted earnings/(losses) per share	585,973,604	585,973,604	585,973,604	572,792,359

No new ordinary shares were issued in Q2 2019.

For the purpose of computing basic and fully diluted earnings/(losses) per share, the relevant periods were from 1 Apr 2019 to 30 Jun 2019 and 1 Jan 2019 to 30 Jun 2019 respectively. The weighted average number of ordinary shares on issue has not been adjusted as the share options were anti-dilutive in Q2 2019 and 6M 2019. The impact on losses per share from discontinued operations for 6M 2018 was anti-dilutive as it resulted in higher losses per share. Therefore, diluted losses per share was same as basic losses per share.

7 NET ASSET VALUE PER SHARE

Group	Group		Company	
	30 Jun 2019	31 Dec 2018	30 Jun 2019	31 Dec 2018
Net asset value per ordinary share based on total number of issued shares (excluding treasury shares) (US cents)	4.375	4.624	3.253	5.137
Total number of issued shares (excluding treasury shares)	585,973,604	585,973,604	585,973,604	585,973,604

8(i) PERFORMANCE REVIEW

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

Revenue & Production

Revenue increased by 5% to US$4.09 mil in Q2 2019 from US$3.91 mil in Q2 2018. This was largely due to higher sales of shareable oil of 77,522 barrels in Q2 2019 (Q2 2018: 64,095 barrels) although at lower weighted average transacted oil prices in Q2 2019 of US$66.87 per barrel (Q2 2018: US$70.39 per barrel).

The Group's shareable oil production increased by 25% to 77,522 barrels in Q2 2019 from 62,260 barrels in Q2 2018. The increase was due to higher shareable production from Myanmar of 77,522 barrels in Q2 2019 (Q2 2018: 55,691 barrels). However, the increase was offset by the absence of shareable production from LS TAC in Q2 2019 (Q2 2018: 6,569 barrels) due to the deconsolidation of MITI on 30 Jun 2018.

Cost of Production

The increase in cost of production to US$2.26 mil in Q2 2019 from US$1.85 mil in Q2 2018 was largely attributable to higher production expenses by US$0.19 mil and higher amortisation charges by US$0.21 mil in Q2 2019 as compared to Q2 2018. Myanmar operations incurred capital expenditure of US$0.58 mil in Q2 2019 which resulted in higher amortisation charges of producing oil and gas properties.

Net Profit After Tax

The Group posted a total loss after tax of US$2.13 mil in Q2 2019 as compared to a total profit after tax of US$0.55 mil in Q2 2018. The loss was mainly due to the following:

(1) Higher revenue of US$4.09 mil in Q2 2019 (Q2 2018: US$3.91 mil) due to higher sales of shareable oil although at lower oil prices.

(2) Higher cost of production of US$2.26 mil in Q2 2019 (Q2 2018: US$1.85 mil), due to higher production expenses and higher amortisation charges of producing oil and gas properties.

(3) Other income of US$0.11 mil in Q2 2019 (Q2 2018: US$0.11 mil) remained constant, mainly due to higher petroleum services fees of US$0.04 mil and lower foreign exchange loss of US$0.02 mil in Q2 2019 (Q2 2018: US$0.04 mil) offset by lower interest income of US$0.07 mil (Q2 2018: US$0.11 mil).

(4) Lower administrative expenses of US$0.79 mil in Q2 2019 (Q2 2018: US$1.26 mil), mainly due to absence of MITI and its subsidiary corporations' administrative expenses in Q2 2019 (Q2 2018: US$0.25 mil) following the deconsolidation on 30 Jun 2018 and lower corporate expenses by US$0.18 mil.

(5) Higher other expenses of US$0.05 mil in Q2 2019 as compared to Q2 2018, mainly due to depreciation charge of right-of-use assets of US$0.05 mil as a result of the adoption of SFRS(I) 16 - Leases from 1 Jan 2019.

(6) Following the announcement on 16 May 2019 on the update of Benakat Barat KSO, a loss allowance on loan to an associated company, PT Indelberg Oil Indonesia ("IOI") of US$0.53 mil was made. Accordingly, the balance due from PT IOI's subsidiary corporations of US$0.09 mil was also impaired in Q2 2019.

(7) Higher share of losses of associated companies of US$2.37 mil in Q2 2019 (Q2 2018: US$0.11 mil) due to loss allowance recognised by MITI in relation to investment in and receiveables from IOI.

(8) Higher current income tax expenses of US$0.22 mil (Q2 2018: US$0.21 mil), in line with higher taxable income.

8(i) PERFORMANCE REVIEW (CONT'D)

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

Statement of Financial Position

Right-of-use assets increased to US$0.40 mil in Q2 2019 from nil in FY 2018, mainly due to adoption of SFRS(I) 16 - Leases effective from 1 Jan 2019, which required the recognition of the right-of-use assets for leases of property, motor vehicle and office equipment of US$0.49 mil and amortised over the leased period, offset by amortisation charges of US$0.09 mil.

Producing oil and gas properties increased by US$1.87 mil to US$9.42 mil in Q2 2019 from US$7.55 mil in FY 2018, due to net capitalisation of drilling expenditure of US$2.52 mil offset by amortisation charges of US$0.65 mil.

Slight increase in exploration and evaluation costs to US$10.78 mil in Q2 2019 from US$10.64 mil in FY 2018 mainly due to capitalisation of 2D seismic costs for KP PSC of US$0.14 mil.

Intangible assets decreased to US$2.96 mil in Q2 2019 from US$3.13 mil in FY 2018, mainly due to amortisation charges of US$0.17 mil.

Investments in associated companies decreased to nil in Q2 2019 from US$2.38 mil in FY 2018. This was mainly due to share of losses of US$2.42 mil offset by share of other comprehensive income of US$0.04 mil.

Inventories increased by US$0.41 mil to US$3.79 mil in Q2 2019 from US$3.38 mil in FY 2018, due to higher consumable inventories maintained for Myanmar drilling activities.

Trade and other receivables - non-related parties (current) increased to US$2.62 mil in Q2 2019 from US$2.23 mil in FY 2018, mainly contributed from the increase of trade receivables by US$0.36 mil to US$2.38 mil in Q2 2019 from US$2.02 mil in FY 2018.

Loan to associated companies decreased to nil in Q2 2019 from US$0.56 mil in FY 2018, due to loss allowance provided following the termination of the Benakat Barat KSO by Pertamina as per announcement on 16 May 2019.

Trade and other payables increased by US$2.14 mil to US$7.24 mil in Q2 2019 from US$5.10 mil in FY 2018, mainly from amount due to joint operations for the outstanding cashcall in Q2 2019 of US$3.28 mil offset by vendor's settlement of US$1.05 mil.

Lease liabilities (current and non-current) increased to US$0.40 mil in Q2 2019 due to the adoption of SFRS(I) 16 - Leases. The right-of-use assets are measured at the amount of lease labilities of US$0.49 mil effective from 1 Jan 2019 which have reduced by repayment of the principal elements of lease payments of US$0.09 mil during the financial period.

Statement of Cash Flows

Cash and cash equivalents showed a net increase of US$3.29 mil in Q2 2019 due to the following:

(1) Net cash provided by operating activities of US$4.03 mil was mainly due to net cash inflows contributed from oil and gas operations in Myanmar of US$3.75 mil offset by the corporate expenses of US$0.48 mil.

(2) Net cash used in investing activities of US$0.68 mil mainly due to addition of capital expenditure for Myanmar operations of US$0.58 mil and exploration and evaluation assets of US$0.12 mil offset by the interest received of US$0.02 mil.

(3) Net cash used in financing activities of US$0.06 mil was mainly due to payment of lease payments of US$0.04 mil and loan interest of US$0.02 mil.

8(ii) SEGMENTED REVENUE AND RESULTS

Geographical Segment	Indonesia Oil and Gas		Myanmar Oil and Gas		Consolidated	
	Q2 2019	Q2 2018	Q2 2019	Q2 2018	Q2 2019	Q2 2018
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Results						
EBITDA	**(32)**	315	**2,150**	1,688	**2,118**	2,003
EBIT	**(127)**	304	**1,716**	1,490	**1,589**	1,794
Sales to external customers	**-**	796	**4,093**	3,115	**4,093**	3,911
Segment results	**(207)**	225	**1,716**	1,490	**1,509**	1,715
Unallocated corporate net operating results					**(3,419)**	(958)
(Loss)/Profit before income tax					**(1,910)**	757
Income tax expense					**(215)**	(208)
Total (loss)/profit					**(2,125)**	549

Geographical Segment	Indonesia Oil and Gas		Myanmar Oil and Gas		Consolidated	
	6M 2019	6M 2018	6M 2019	6M 2018	6M 2019	6M 2018
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Results						
EBITDA	**(56)**	297	**3,766**	2,289	**3,710**	2,586
EBIT	**(151)**	274	**2,919**	1,934	**2,768**	2,208
Sales to external customers	**-**	1,162	**8,094**	5,686	**8,094**	6,848
Segment results	**(277)**	143	**2,919**	1,934	**2,642**	2,077
Unallocated corporate net operating results					**(3,981)**	(1,762)
(Loss)/Profit before income tax					**(1,339)**	315
Income tax expense					**(200)**	(363)
Net loss from continuing operations					**(1,539)**	(48)
Loss from discontinued operations for the financial year					**-**	(54)
Total loss					**(1,539)**	(102)

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

Myanmar's shareable production decreased by 6% to 77,522 barrels in Q2 2019 from 82,272 barrels in Q1 2019. With only 1 new well spudded in Q2 2019, the decrease was due largely to the natural decline of the existing wells. Contribution from the water flooding project helps to arrest the decline in the absence of contribution from new wells. In the coming months, other work programs like workover and reactivation will be progressively implemented to improve the overall production level.

For Kuala Pambuang PSC, preparations for the drilling of an exploration well are in the final stage. Barring any unforeseen circumstances, the exploration well will be spudded before the end of Q3 2019. Announcements relating to the spud-in date and significant development relating to this exploration well will be made when appropriate. No significant contribution is expected from this field in the near term.

Despite the good operational performance from the Myanmar operations, the unexpected termination of Benakat Barat KSO (as per announcement on 16 May 2019) concession resulted in the impairment charges made during the quarter against the investments in an associated company. As a result, the Group suffered a net loss after tax in Q2 2019. Moving forward, depending on the result of the exploration well drilled in Kuala Pambuang PSC, the Group will assess and evaluate the appropriate fund raising options. Nevertheless, and barring any unforeseen circumstances, the Company has sufficient cash resources to fulfil the current year work program. 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 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.

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 second quarter ended 30 Jun 2019 to be false or misleading in any material respect.

15 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).

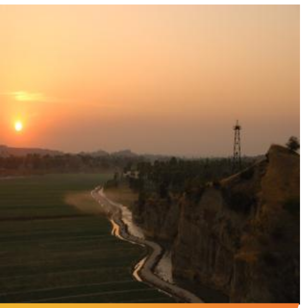
By Order of the Board of Directors of
INTERRA RESOURCES LIMITED
Marcel Tjia
Chief Executive Officer
8-Aug-19

16 ABBREVIATIONS

Q2 2018	denotes	Second calendar quarter of the year 2018
Q2 2019	denotes	Second calendar quarter of the year 2019
Q3 2019	denotes	Third calendar quarter of the year 2019
FY 2015	denotes	Full year ended 31 December 2015
FY 2017	denotes	Full year ended 31 December 2017
FY 2018	denotes	Full year ended 31 December 2018
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.
IOI	denotes	PT Indelberg Oil Indonesia
IPRC	denotes	Improved Petroleum Recovery Contract
k	denotes	thousand
KP	denotes	Kuala Pambuang block
KSO	denotes	Cooperation Agreement
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.

Appendix A

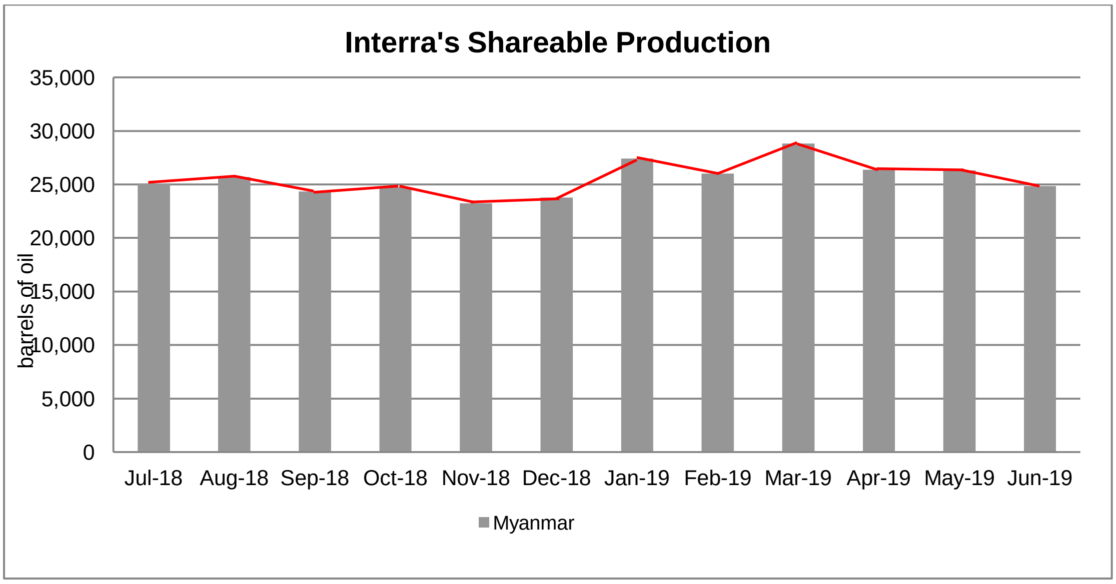


8 August 2019

PRODUCTION, DEVELOPMENT & EXPLORATION ACTIVITIES FOR THE SECOND QUARTER ENDED 30 JUNE 2019 ("Q2 2019")

Production Profile

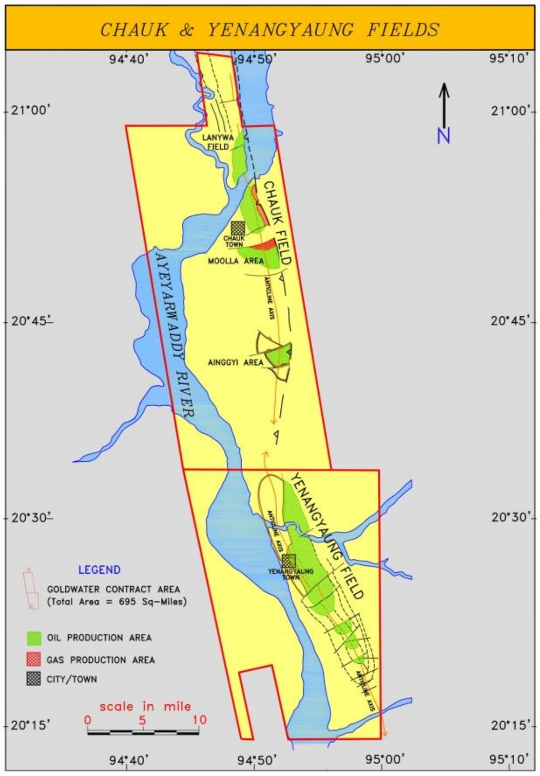
(Barrels)	Myanmar	
	Q1 2019	Q2 2019
Shareable production	137,119	129,203
Interra's share of shareable production	82,272	77,522



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 contractual terms. The chart above represents Interra's share of the shareable production in the fields.

Development and Production Activities

Myanmar: Chauk and Yenangyaung IPRCs (Interra 60%)



In Q2 2019, the combined shareable production for both fields was 77,522 barrels of oil, a decrease of 6% over the preceding quarter of 82,272 barrels of oil.

Production and development expenditures for the period were US$1,835,029 and US$582,862 respectively.

The operator, Goldpetrol Joint Operating Company Inc. ("**Goldpetrol**") (Interra 60%) completed three development wells in Myanmar as oil producers during Q2 2019, two in Chauk field and one in Yenangyaung field. The decrease in shareable oil production is the result of Q1 2019 gains from five successful well completions vs three in Q2 2019 and subsequent natural declines.

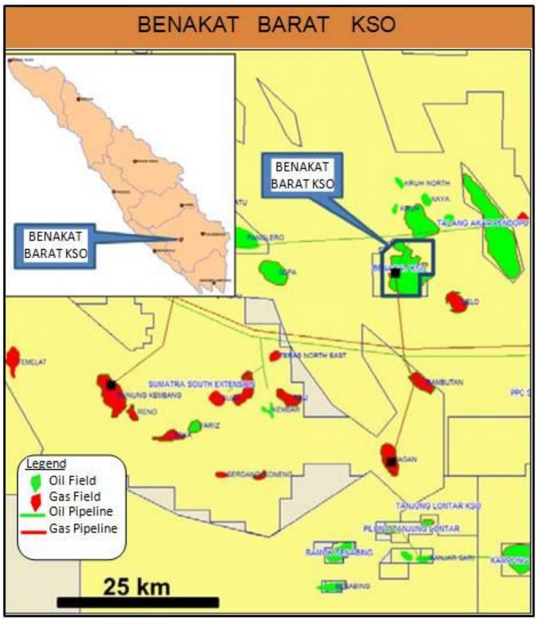
Considering potential positive results with respect to increasing production in existing wells, Goldpetrol is in the process of implementing several lower cost (relative to new well drilling) technical programs. Primary among these is the acceleration in both timing and number of reservoir intervals of new perforations in prospective reservoirs. Field operations aimed at optimising production through surface and facilities enhancements combined with scheduled maintenance are on-going.

Monitoring of existing waterflood projects continues with a focus on optimizing current water injection strategies for each project to maximize oil production. New waterflood projects have been planned and are in various states of implementation in both fields. Planning for future drilling including in-field development wells and "new" area appraisal wells is in progress.

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

In Q2 2019, the operator, PT Indelberg Makmur Petroleum PT Pertamina EP (formerly known as PT Benakat Barat Petroleum) ("IMP") received letter of termination from PT Pertamina EP ("Pertamina"). IMP had filed an appeal against the letter of termination. To-date, there is no further update.

***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%)

The proposed exploration well will target one of several seismically 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. This will be the first well drilled in the Kuala Pambuang block.

Drill-site access and rig pad construction are nearing completion, as well as tender processes and negotiations with contractors with respect to drilling rig, materials, etc. Interra continues to coordinate closely with the relative government agencies with respect to the implementation of the exploration project.

Exploration costs for the period were US$115,934.