

25 February 2021

Dear Shareholders,

UNAUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (“FY 2020”)

Highlights in FY 2020

- Revenue for financial year 2020 was US\$10.80 million, 31% lower than the previous financial year. The decrease was due mainly to lower weighted average transacted oil prices of US\$41.73 per barrel for financial year as compared to previous financial year of US\$63.13 per barrel despite higher sales of shareable oil of 327,708 barrels for FY 2020 (FY 2019: 314,467 barrels).
- Net loss for the financial year was US\$1.25 million, as compared to net loss for previous financial year of US\$0.58 million.
- Earnings before divestment gain, interest income, exchange difference, finance cost, tax, depreciation, amortisation, allowance and impairment (EBITDA) for the financial year was US\$3.46 million.
- Net cash inflow for the financial year was US\$1.44 million, due mainly to net cash provided by operating activities of US\$1.88 million and net proceeds from issuance of new ordinary shares of US\$2.02 million through placement exercise offset by net cash used for total capital expenditure of US\$2.35 million.
- Cash and cash equivalents were US\$4.22 million as at 31 December 2020.

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 2020****TABLE OF CONTENTS**

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1(a)(i) PROFIT OR LOSS

Group	Note	2H 2020 US\$'000	2H 2019 US\$'000	Change %	FY 2020 US\$'000	FY 2019 US\$'000	Change %
Revenue	A1	5,369	7,581	↓ 29	10,796	15,675	↓ 31
Cost of production	A2	(4,501)	(5,138)	↓ 12	(9,307)	(9,967)	↓ 7
Gross profit		868	2,443	↓ 64	1,489	5,708	↓ 74
Other income, net	A3	299	402	↓ 26	673	683	↓ 1
Administrative expenses		(1,314)	(1,333)	↓ 1	(2,657)	(3,031)	↓ 12
Finance expenses	A4	(62)	(42)	↑ 48	(127)	(89)	↑ 43
Other expenses	A5	(93)	(100)	↓ 7	(193)	(201)	↓ 4
Impairment and allowances	A6	-	-	NA	-	(624)	↓ 100
Share of losses of associated companies		-	-	NA	-	(2,417)	↓ 100
(Loss)/Profit before income tax		(302)	1,370	↑ 122	(815)	29	↑ 2,910
Income tax expense	A7	(129)	(407)	↓ 68	(434)	(606)	↓ 28
Net (Loss)/Profit for the financial period/year		(431)	963	↑ 145	(1,249)	(577)	↑ 116
Attributable to:							
Equity holders of the Company		(382)	1,014		(1,165)	(478)	
Non-controlling interests		(49)	(51)		(84)	(99)	
		(431)	963		(1,249)	(577)	
(Losses)/Earnings per share attributable to equity holders of the Company							
Basic (losses)/earnings per share (US cents)		(0.058)	0.173		(0.186)	(0.082)	
Diluted (losses)/earnings per share (US cents)		(0.058)	0.173		(0.186)	(0.082)	

1(a)(i) STATEMENT OF COMPREHENSIVE INCOME

Group	Note	2H 2020 US\$'000	2H 2019 US\$'000	Change %	FY 2020 US\$'000	FY 2019 US\$'000	Change %
Net (loss)/profit for the financial period/year		(431)	963	↑ 145	(1,249)	(577)	↑ 116
Other comprehensive (loss)/income net of tax							
Items that will not reclassified subsequently to profit or loss:							
Share of currency translation differences of associated companies		-	-	NA	-	33	↓ 100
Currency translation differences arising from consolidation		37	(27)	↑ 237	(3)	(28)	↓ 89
Items that will not reclassified subsequently to profit or loss:							
Share of defined benefit obligation re-measurements of associated companies		-	-	NA	-	2	↓ 100
		<u>37</u>	<u>(27)</u>		<u>(3)</u>	<u>7</u>	
Total comprehensive (loss)/income for the financial period/year		<u>(394)</u>	<u>936</u>	↑ 142	<u>(1,252)</u>	<u>(570)</u>	↑ 120
Attributable to:							
Equity holders of the Company		(345)	987		(1,168)	(471)	
Non-controlling interests		(49)	(51)		(84)	(99)	
		<u>(394)</u>	<u>936</u>		<u>(1,252)</u>	<u>(570)</u>	

↑ denotes increase
↓ denotes decrease
NM denotes not meaningful
NA denotes not applicable

Group	2H 2020 barrels	2H 2019 barrels	FY 2020 barrels	FY 2019 barrels
Group's share of shareable oil production	159,344	154,673	327,708	314,467
Group's sales of shareable oil	159,344	154,673	327,708	314,467
Group	2H 2020 US\$'000	2H 2019 US\$'000	FY 2020 US\$'000	FY 2019 US\$'000
A1 Revenue				
Sale of oil and petroleum products	5,369	7,581	10,796	15,675
A2 Cost of production				
Production expenses	3,155	4,080	6,740	8,091
Amortisation of producing oil and gas properties	1,138	750	2,119	1,397
Amortisation of intangible assets	171	172	343	343
Depreciation of right-of-use assets	37	136	105	136
	4,501	5,138	9,307	9,967
A3 Other income, net				
Interest income	145	149	288	297
Petroleum services fees	68	93	205	226
Management fees	7	7	15	15
Government grant	72	-	125	-
Currency translation (losses)/gains, net	(58)	17	(25)	9
Amortised cost adjustment for interest-free non-current payables	65	136	65	136
	299	402	673	683
A4 Finance expenses				
Interest on borrowings	19	17	40	52
Interest on lease liabilities	11	25	22	37
Unwinding of interest-free non-current payables	32	-	65	-
	62	42	127	89
A5 Other expenses				
Depreciation of property, plant and equipment	4	5	9	11
Depreciation of right-of-use assets	89	95	184	190
	93	100	193	201
A6 Impairment and allowances				
Loss allowances	-	-	-	624
	-	-	-	624
A7 Income tax expense				
Current income tax expense	305	407	589	831
Over provision of prior year income tax	(176)	-	(155)	(225)
	129	407	434	606

1(b)(i) STATEMENT OF FINANCIAL POSITION

	Note	Group		Company	
		31-Dec-20 US\$'000	31-Dec-19 US\$'000	31-Dec-20 US\$'000	31-Dec-19 US\$'000
Assets					
Non-current assets					
Property, plant and equipment		1	10	1	10
Right-of-use assets	B1	260	409	72	204
Producing oil and gas properties	B2	10,037	10,041	-	-
Exploration and evaluation costs	B3	13,734	13,498	-	-
Intangible assets	B4	2,447	2,791	-	-
Investments in subsidiary corporations		-	-	19,062	19,062
Investments in associated companies	B5	-	-	-	-
Other receivables	B7	4,511	4,060	11,657	11,215
		30,990	30,809	30,792	30,491
Current assets					
Inventories	B6	3,413	4,069	-	-
Trade and other receivables	B7	2,446	2,460	46	36
Other current assets		138	209	47	81
Cash and cash equivalents	B8	4,218	2,777	1,422	377
		10,215	9,515	1,515	494
Total assets		41,205	40,324	32,307	30,985
Liabilities					
Non-current liabilities					
Other payables	B9	1,294	1,295	-	-
Lease liabilities	B10	66	117	6	77
		1,360	1,412	6	77
Current liabilities					
Trade and other payables	B9	3,704	3,642	11,310	11,136
Lease liabilities	B10	241	306	73	135
Borrowings		1,000	1,000	1,000	1,000
Current income tax liabilities		4,084	4,290	25	-
		9,029	9,238	12,408	12,271
Total liabilities		10,389	10,650	12,414	12,348
Net assets		30,816	29,674	19,893	18,637
Equity					
Share capital		75,157	72,873	75,157	72,873
Accumulated losses		(31,144)	(29,979)	(55,477)	(54,507)
Other reserves		(16,225)	(16,164)	213	271
Equity attributable to equity holders of the Company		27,788	26,730	19,893	18,637
Non-controlling interests		3,028	2,944	-	-
Total equity		30,816	29,674	19,893	18,637

Group		31-Dec-20 US\$'000	31-Dec-19 US\$'000
B1	<u>Right-of-use assets</u>		
	Property	98	267
	Motor vehicles	11	22
	Office equipment	7	10
	Heavy equipment and machinery	144	110
		260	409
B2	<u>Producing oil and gas properties</u>		
	Development tangible assets	856	809
	Development intangible assets	9,181	9,232
		10,037	10,041
B3	<u>Exploration and evaluation costs</u>		
	Exploration and evaluation assets	12,299	12,063
	Participating rights of exploration assets	1,435	1,435
		13,734	13,498
B4	<u>Intangible assets</u>		
	Patent rights	2,441	2,778
	Computer software	6	13
		2,447	2,791
B5	<u>Investments in associated companies</u>		
	Equity investment at costs	12,191	12,191
	Share of losses in associated companies	(10,149)	(10,149)
	Share of other comprehensive income in associated companies	96	96
	Allowance for impairment of investment in associated company	(2,138)	(2,138)
		-	-
	Following the extraordinary meeting on 30 Oct 20 by MITI on its stock consolidation for 1-for-5 reverse stock split, the existing number of shares held in MITI reduced from 689,870,383 to 275,948,154 which proportionally increased in nominal value per share from 5 to become 2 (i.e. existing share of IDR20 per share increased to IDR50 per share), total share value remained unchanged.		
B6	<u>Inventories</u>		
	Consumable inventories	3,413	4,069
B7	<u>Trade and other receivables</u>		
	Non-current		
	Loan to non-related parties	4,511	4,060
	Current		
	Trade receivables - non-related parties	2,268	2,286
	Other receivables - non-related parties	137	143
	Loan to associated companies	665	655
		3,070	3,084
	Less: Loss allowances	(624)	(624)
		2,446	2,460
		6,957	6,520

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

Group		31-Dec-20 US\$'000	31-Dec-19 US\$'000
B8	<u>Cash and cash equivalents</u>		
	Cash at bank and on hand	1,716	1,777
	Short-term fixed deposits	2,502	1,000
		4,218	2,777
B9	<u>Trade and other payables</u>		
	Non-current		
	Other payables - non-related party	904	905
	Other payables - related party	390	390
		1,294	1,295
	Current		
	Trade payables - non-related parties	967	1,271
	Trade payables - related parties	378	333
	Other payables - non-related parties	1,811	1,664
	Accruals	548	374
		3,704	3,642
		4,998	4,937
B10	<u>Lease liabilities</u>		
	Non-current	66	117
	Current	241	306
		307	423

1(b)(ii) BORROWINGS AND DEBT SECURITIES

Group	31-Dec-20		31-Dec-19	
	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	-

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 is charged at 3.63% per annum for a tenor period of 1 month.

1(c) STATEMENT OF CASH FLOWS

Group	Note	2H 2020 US\$'000	2H 2019 US\$'000	FY 2020 US\$'000	FY 2019 US\$'000
Cash Flows from Operating Activities					
Net (loss)/profit		(431)	963	(1,249)	(577)
Adjustments for non-cash items:					
Income tax expense		129	407	434	606
Share of losses of associated companies		-	-	-	2,417
Depreciation of property, plant and equipment		4	5	9	11
Depreciation of right-of-use assets		126	231	289	326
Amortisation of producing oil and gas properties		1,138	750	2,119	1,397
Amortisation of intangible assets		171	172	343	343
Interest income		(145)	(149)	(288)	(297)
Loss allowances		-	-	-	624
Interest on borrowings		19	17	40	52
Interest on lease liabilities		11	25	22	37
Unwinding of interest-free non-current payables		32	-	65	-
Amortised cost adjustment for interest-free non-current payables		(65)	(136)	(65)	(136)
Unrealised currency translation losses/(gains)		29	(37)	(5)	(44)
Operating profit before working capital changes		1,018	2,248	1,714	4,759
Changes in working capital					
Inventories		329	(275)	656	(690)
Trade and other receivables and other current assets		(987)	297	86	(97)
Trade and other payables		191	(2,179)	59	(37)
Cash generated from operations		551	91	2,515	3,935
Income tax paid		(340)	(384)	(640)	(824)
Net cash provided by/(used in) operating activities		211	(293)	1,875	3,111
Cash Flows from Investing Activities					
Interest received		3	42	5	78
Additions to property, plant and equipment		-	(2)	-	(2)
Additions to producing oil and gas properties		(912)	(1,370)	(2,115)	(3,889)
Additions to exploration and evaluation assets		(48)	(2,717)	(237)	(2,857)
Net cash used in investing activities		(957)	(4,047)	(2,347)	(6,670)
Cash Flows from Financing Activities					
Interest paid		(27)	(46)	(59)	(93)
Proceeds from issuance of new ordinary shares pursuant to share option plan, net of issuance costs		-	105	206	105
Proceeds from issuance of new ordinary shares pursuant to private placement, net of issuance costs		-	-	2,020	-
Principal elements of lease payments		(90)	(223)	(254)	(314)
Net cash (used in)/provided by financing activities		(117)	(164)	1,913	(302)
Net (decrease)/increase in cash and cash equivalents		(863)	(4,504)	1,441	(3,861)
Cash and cash equivalents at beginning of financial period/year		5,081	7,281	2,777	6,638
Cash and cash equivalents at end of financial period/year		4,218	2,777	4,218	2,777

1(d)(i) STATEMENT 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 Jan 2020	72,873	110	(16,545)	271	(29,979)	26,730	2,944	29,674
Net loss for FY 2020	-	-	-	-	(1,165)	(1,165)	(84)	(1,249)
<u>Other comprehensive loss</u>								
Currency translation differences	-	(3)	-	-	-	(3)	-	(3)
Total comprehensive loss for FY 2020	-	(3)	-	-	(1,165)	(1,168)	(84)	(1,252)
Additional increase of non-controlling interests in subsidiary corporation	-	-	-	-	-	-	168	168
Issuance of new ordinary shares pursuant to share option plan	264	-	-	(58)	-	206	-	206
Issuance of new ordinary shares pursuant to private placement	2,024	-	-	-	-	2,024	-	2,024
Share issue expenses	(4)	-	-	-	-	(4)	-	(4)
Total transactions with owners, recognised directly in equity	2,284	-	-	(58)	-	2,226	168	2,394
Balance as at 31 Dec 2020	75,157	107	(16,545)	213	(31,144)	27,788	3,028	30,816

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 2019	72,738	105	(16,545)	301	(29,503)	27,096	2,061	29,157
Net loss for FY 2019	-	-	-	-	(478)	(478)	(99)	(577)
<u>Other comprehensive income/(loss)</u>								
Currency translation differences	-	(28)	-	-	-	(28)	-	(28)
Share of currency translation differences of associated companies	-	33	-	-	-	33	-	33
Share of defined benefit obligation re-measurements of associated companies	-	-	-	-	2	2	-	2
Total comprehensive income/(loss) for FY 2019	-	5	-	-	(476)	(471)	(99)	(570)
Additional increase of non-controlling interests in subsidiary corporation	-	-	-	-	-	-	982	982
Issuance of new ordinary shares pursuant to share option plan	135	-	-	(30)	-	105	-	105
Share issue expenses	*	-	-	-	-	*	-	*
Total transactions with owners, recognised directly in equity	135	-	-	(30)	-	105	982	1,087
Balance as at 31 Dec 2019	72,873	110	(16,545)	271	(29,979)	26,730	2,944	29,674

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

1(d)(i) STATEMENT 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 2020	72,873	271	(54,507)	18,637
Total comprehensive loss for FY 2020	-	-	(970)	(970)
Issuance of new ordinary shares pursuant to share option plan	264	(58)	-	206
Issuance of new ordinary shares pursuant to private placement	2,024	-	-	2,024
Share issue expenses	(4)	-	-	(4)
Balance as at 31 Dec 2020	75,157	213	(55,477)	19,893
Balance as at 1 Jan 2019	72,738	301	(42,935)	30,104
Total comprehensive loss for FY 2019	-	-	(11,572)	(11,572)
Issuance of new ordinary shares pursuant to share option plan	135	(30)	-	105
Share issue expenses	-*	-	-	-*
Balance as at 31 Dec 2019	72,873	271	(54,507)	18,637

1(d)(ii) SHARE CAPITAL

On 10 Jan 2020, an aggregate of 4,630,000 ordinary shares were issued at the exercise price of S\$0.060 per share pursuant to 2017 Options granted under the Share Option Plan. These newly issued ordinary shares ranked pari passu in all respects with the existing ordinary shares.

On 9 Jun 2020, an aggregate of 62,500,000 new ordinary shares were issued by a way of a private placement at an issue price of S\$0.045 per subscription price with aggregate subscription price of S\$2.81 mil (equivalent to US\$2.02 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 2020 was 16,975,000 (31 Dec 2019: 21,605,000).

The Company does not have any treasury shares or subsidiary holdings as at 31 Dec 2020 and 31 Dec 2019.

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

Group and Company	31 Dec 2020	31 Dec 2019
Issued and fully paid		
Opening balance	588,368,604	585,973,604
Issuance of new ordinary shares pursuant to share option plan	4,630,000	2,395,000
Issuance of new ordinary shares pursuant to private placement	62,500,000	-
Closing balance	655,498,604	588,368,604

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 2019.

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 2020, 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 2020. 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 relevant to the Group are as follows:

- Amendments to SFRS(I) 3 Business Combination
- Amendments to SFRS(I) 16 Covid-19 Related Rent Concessions

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.

6 EARNINGS PER SHARE

Group	2H 2020	2H 2019	FY 2020	FY 2019
Basic (losses)/earnings per ordinary share (US cents)	(0.058)	0.173	(0.186)	(0.082)
Weighted average number of ordinary shares for the purpose of computing basic (losses)/earnings per share	655,498,604	585,986,620	627,878,932	585,980,166
Fully diluted (losses)/earnings per ordinary share (US cents)	(0.058)	0.173	(0.186)	(0.082)
Weighted average number of ordinary shares for the purpose of computing fully diluted (losses)/earnings per share	655,498,604	585,986,620	627,878,932	585,980,166

On 10 Jan 2020, an aggregate of 4,630,000 ordinary shares were issued at the exercise price of S\$0.060 per share pursuant to 2017 Options granted under the Share Option Plan.

On 9 Jun 2020, an aggregate of 62,500,000 new ordinary shares were issued by a way of a private placement at an issue price of S\$0.045 per subscription price with aggregate subscription price of S\$2.81 mil (equivalent to US\$2.02 mil).

For the purpose of computing basic and fully diluted losses per share, the relevant periods were from 1 Jul 2020 to 31 Dec 2020 and 1 Jan 2020 to 31 Dec 2020 respectively. The weighted average number of ordinary shares on issue has not been adjusted as the share options were anti-dilutive in 2H 2020 and 2H 2019 and FY 2020 and FY 2019 respectively. The impact on losses per share for 2H 2020 and 2H 2019 and FY 2020 and FY 2019 were 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	
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
Net asset value per ordinary share based on total number of issued shares (excluding treasury shares) (US cents)	4.239	4.543	3.035	3.167
Total number of issued shares (excluding treasury shares)	655,498,604	588,368,604	655,498,604	588,368,604

8(i) PERFORMANCE REVIEW

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

Revenue & Production

Revenue decreased by US\$4.88 mil to US\$10.80 mil in FY 2020 from US\$15.68 mil in FY 2019. This was largely due to lower weighted average transacted oil prices in FY 2020 of US\$41.73 per barrel (FY 2019: US\$63.13 per barrel) despite higher sales of shareable oil by 4% to 327,708 barrels in FY 2020 (FY 2019: 314,467 barrels) from Myanmar operations.

Cost of Production

The decrease in cost of production to US\$9.31 mil in FY 2020 from US\$9.97 mil in FY 2019 was largely attributable to lower production expenses by US\$1.35 mil offset by higher amortisation charges by US\$0.72 mil in FY 2020 as compared to FY 2019. Myanmar operations incurred additional capital expenditure of US\$2.12 mil in FY 2020 which resulted in higher amortisation charges of producing oil and gas properties.

Net Loss

The Group posted a higher loss net loss of US\$1.25 mil in FY 2020 as compared to a net loss of US\$0.58 mil in FY 2019. The higher net loss was mainly due to the following:

- (1) Lower revenue of US\$10.80 mil in FY 2020 (FY 2019: US\$15.68 mil) was due to lower oil prices despite higher sales of shareable oil.
- (2) Lower cost of production of US\$9.31 mil in FY 2020 (FY 2019: US\$9.97 mil) was due to lower production expenses offset by higher amortisation charges of producing oil and gas properties.
- (3) Other income of US\$0.67 mil in FY 2020 (FY 2019: US\$0.68 mil) was mainly due to government grant received from Job Support Scheme and property tax rebate of US\$0.13 mil in FY 2020 (FY 2019: nil) offset by foreign exchange loss of US\$0.03 mil in FY 2020 (FY 2019: foreign exchange gain of US\$0.01 mil).
- (4) Lower administrative expenses of US\$2.66 mil in FY 2020 (FY 2019: US\$3.03 mil) was mainly due to lower corporate expenses by US\$0.29 mil from cost-cutting measures and lower administrative expenses from Myanmar operations by US\$0.14 mil in FY 2020 as compared to FY 2019.
- (5) Lower other expenses of US\$0.19 mil for FY 2020 (FY 2019: US\$0.20 mil) was due to lower depreciation charges of right-of-use assets and property plant and equipment.
- (6) No impairment and allowances recognised in FY 2020 as compared to FY 2019 of US\$0.62 mil from loss allowance on loan to an associated company, PT Indelberg Indonesia ("IOI"), of US\$0.53 mil and balance due from IOI's subsidiary corporations of US\$0.09 mil.
- (7) No share of losses of associated companies in FY 2020 (FY 2019: US\$2.42 mil).
- (8) Lower income tax expense of US\$0.43 mil in FY 2020 (FY 2019: US\$0.61 mil) was due mainly to reversal of over provision of prior year income tax of US\$0.16 mil against the current income tax expense of US\$0.59 mil provided for taxable income in FY 2020.

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

Statement of Financial Position

Right-of-use assets decreased to US\$0.26 mil as at 31 Dec 2020 from US\$0.41 mil as at 31 Dec 2019 due to addition of new leases of US\$0.14 mil offset by amortisation charges of US\$0.29 mil.

Producing oil and gas properties remained at US\$10.04 mil as at 31 Dec 2020 from US\$10.04 mil as at 31 Dec 2019 due to capitalisation of drilling expenditure of US\$2.12 mil offset by amortisation charges of US\$2.12 mil for the financial year.

Exploration and evaluation costs increased to US\$13.73 mil as at 31 Dec 20 from US\$13.50 mil as at 31 Dec 2019 mainly due to capitalisation of exploration well costs of US\$0.23 mil. As announced, further analysis of the data is still ongoing and the classification of exploration and evaluation costs remained unchanged until commercial viability is determined.

Intangible assets decreased to US\$2.45 mil as at 31 Dec 20 from US\$2.79 mil as at 31 Dec 2019 as a result of amortisation charges of US\$0.34 mil for the financial year.

Inventories decreased by US\$0.66 mil to US\$3.41 mil as at 31 Dec 2020 from US\$4.07 mil as at 31 Dec 2019 due to usage of consumable inventories for Myanmar drilling activities.

Trade and other receivables - non-related parties (non-current) increased to US\$4.51 mil as at 31 Dec 2020 from US\$4.06 mil as at 31 Dec 2019 mainly due to increase of loan to non-related parties for the exploration activities in Kuala Pambuang PSC Indonesia. Trade and other receivables - non-related parties (current) decreased to US\$2.41 mil as at 31 Dec 2020 from US\$2.43 mil as at 31 Dec 2019 as a result of lower amounts billed of US\$9.08 mil as compared to the amounts collected of US\$9.10 mil.

Trade and other payables (non-current and current) increased by US\$0.06 mil to US\$5.00 mil as at 31 Dec 2020 from US\$4.94 mil as at 31 Dec 2019, were mainly from lower trade payables (non-related parties and related parties) by US\$0.26 mil offset by higher other payables (non-related parties and related parties) by US\$0.14 mil. In addition, the accruals amount from US\$0.37 mil as at 31 Dec 2019 to US\$0.55 mil as at 31 Dec 2020 also contributed to the increase.

Lease liabilities (non-current and current) decreased by US\$0.11 mil to US\$0.31 mil as at 31 Dec 2020 from US\$0.42 mil as at 31 Dec 2019 due to repayment of the principal elements of lease payments of US\$0.25 mil offset by new leases of US\$0.14 mil during the financial year.

Statement of Cash Flows

Cash and cash equivalents showed a net increase of US\$1.44 mil in FY 2020 due to the following:

- (1) Net cash provided by operating activities of US\$1.88 mil was mainly due to net cash inflows contributed from oil and gas operations in Myanmar operations of US\$1.23 mil.
- (2) Net cash used in investing activities of US\$2.35 mil was mainly due to addition of exploration and evaluation assets of US\$0.24 mil and capital expenditure for Myanmar operations of US\$2.12 mil.
- (3) Net cash provided by financing activities of US\$1.91 mil was mainly due to net proceeds of issuance of new ordinary shares pursuant to private placement of US\$2.02 mil and exercise of share option of US\$0.21 mil respectively which offset with the lease payments of US\$0.25 mil and interest payments of US\$0.06 mil.

8(ii) USE OF PROCEEDS

The placement was completed on 9 Jun 2020 (the "Placement") and the net proceeds (after deducting expenses incurred in connection with the Placement) was S\$2,807,800 (US\$2,020,352). The utilisation of the proceeds from the placement is in line with the intended uses stated in the announcement of the Placement dated 20 Apr 2020. The net proceeds was fully utilised as announced on 20 Nov 2020. The breakdown of the use of proceeds was as follows:

Purpose	To-date US\$'000
Net proceeds (after deducting actual expenses incurred in connection with the Placement)	2,020
Payment of work activities relating to the work programme of the Chauk and Yenangyaung fields in Myanmar for FY 2020	(2,020)
	-
	-

8(iii) SEGMENTED REVENUE AND RESULTS

Geographical Segment	Indonesia		Myanmar		Consolidated	
	Oil and Gas		Oil and Gas			
	2H 2020 US\$'000	2H 2019 US\$'000	2H 2020 US\$'000	2H 2019 US\$'000	2H 2020 US\$'000	2H 2019 US\$'000
Results						
EBITDA	(110)	(41)	2,017	3,237	1,907	3,196
EBIT	(110)	(41)	647	2,150	537	2,109
Sales to external customers	-	-	5,369	7,581	5,369	7,581
Segment results	(185)	(15)	647	2,150	462	2,135
Unallocated corporate net operating results					(764)	(765)
(Loss)/Profit before income tax					(302)	1,370
Income tax expense					(129)	(407)
Net (loss)/profit					(431)	963

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

Geographical Segment	Indonesia		Myanmar		Consolidated	
	Oil and Gas		Oil and Gas			
	FY 2020 US\$'000	FY 2019 US\$'000	FY 2020 US\$'000	FY 2019 US\$'000	FY 2020 US\$'000	FY 2019 US\$'000
Results						
EBITDA	(161)	(97)	3,616	7,004	3,455	6,907
EBIT	(161)	(193)	997	5,070	836	4,877
Sales to external customers	-	-	10,796	15,675	10,796	15,675
Segment results	(309)	(292)	997	5,070	688	4,778
Unallocated corporate net operating results					(1,503)	(4,749)
(Loss)/Profit before income tax					(815)	29
Income tax expense					(434)	(606)
Net loss					(1,249)	(577)

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 2020 US\$'000	FY 2019 US\$'000	Increase / (Decrease) %
Revenue			
- First half	5,427	8,094	(33)
- Second half	5,369	7,581	(29)
	10,796	15,675	(31)
Operating (loss)/profit after tax before deducting non-controlling interests			
- First half	(818)	(1,540)	(47)
- Second half	(431)	963	(145)
	(1,249)	(577)	116

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 5% to 159,344 barrels in 2H 2020 from 168,364 barrels in 1H 2020. The shareable production decrease is largely the result of no drilling in 2H 2020. Due to slight recovery of oil prices in late 2020, Myanmar operations drilled one new well drilling in Dec 2020 which was completed in Jan 2021 as an oil producer. Nevertheless, the shareable production has increased from 314,467 barrels in FY 2019 to 327,708 barrels in FY 2020, an increase of 4%. Monitoring and optimizing in both fields of the nine current water flood projects continue to show positive incremental oil production gains, which offset the loss of contribution from new well drilling.

For Kuala Pambuang PSC, the exploration well KP-1 was completed in FY 2019 after reaching a total depth of 3,771 feet. The drilling and testing results were positive, and casing was successfully installed and cemented in Dec 2019. Production testing was planned to be performed in early 2020 which due to the current pandemic has been delayed to FY 2021. Further analysis of all technical data is ongoing and will be incorporated into well completion plans as well as the overall sub-surface interpretation of the Exploration Block. The Company will announce any noteworthy results of data analysis and expected perforation testing. No significant contribution is expected from this field in the near term.

As announced on 9 Feb 2021, the Company has suspended its field operations at the Chauk and Yenanyaung fields. It is still too early to ascertain the longer term impact on the Company. The Company is closely monitoring the situation in Myanmar. At present, the Company has sufficient cash resources. We will make the necessary and appropriate announcement in 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.

(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 2020 is as follows:-

Name	Marissa Soeryadjaya
Age	33
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

On 31 Dec 2020, she resigned from the Company.

By Order of the Board of Directors of
INTERRA RESOURCES LIMITED
Marcel Tjia
Chief Executive Officer
25-Feb-21

16 ABBREVIATIONS

1H 2020	denotes	First half-year ended 30 June 2020
2H 2019	denotes	Second half-year ended 31 December 2019
2H 2020	denotes	Second half-year ended 31 December 2020
FY 2019	denotes	Financial year ended 31 December 2019
FY 2020	denotes	Financial year ended 31 December 2020
FY 2021	denotes	Financial year ended 31 December 2021
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.
IPRC	denotes	Improved Petroleum Recovery Contract
k	denotes	thousand
KP	denotes	Kuala Pambuang block
KSO	denotes	Cooperation Agreement
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

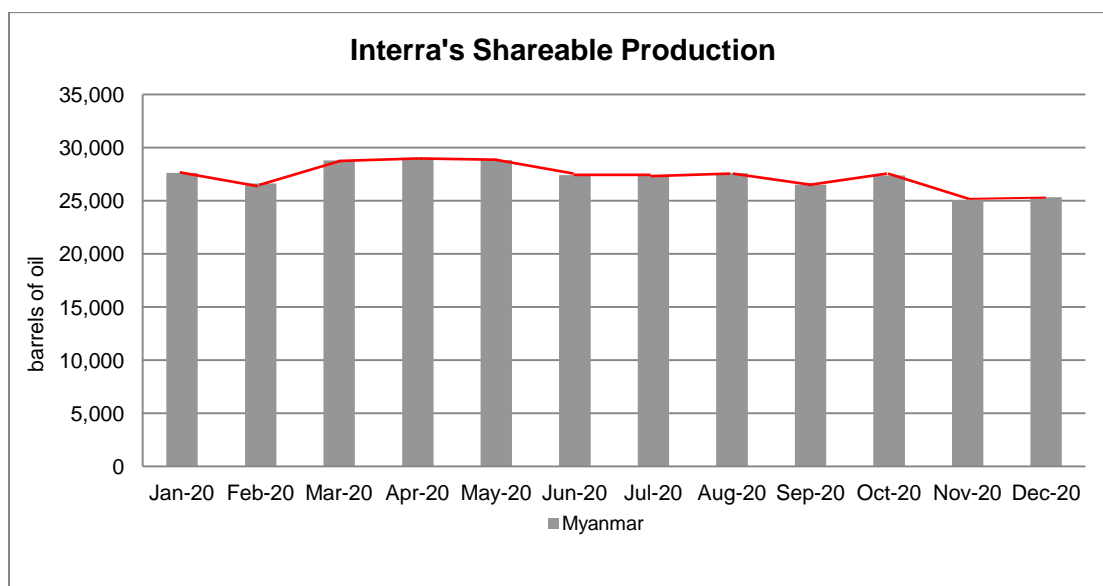
This release may contain forward-looking statements that are not statements of historical facts, and are subject to risk factors associated with the upstream petroleum and mining businesses. Actual future results, performance and outcomes may differ materially from those anticipated, expressed or implied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

25 February 2021

PRODUCTION, DEVELOPMENT & EXPLORATION ACTIVITIES FOR THE SECOND HALF-YEAR ENDED 31 DECEMBER 2020 (“2H 2020”)

Production Profile

(Barrels)	Myanmar	
	First Half-Year Ended 30 June 2020 (“1H 2020”)	Second Half-Year Ended 31 December 2020 (“2H 2020”)
Shareable production	280,606	265,574
Interra’s share of shareable production	168,364	159,344



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%)

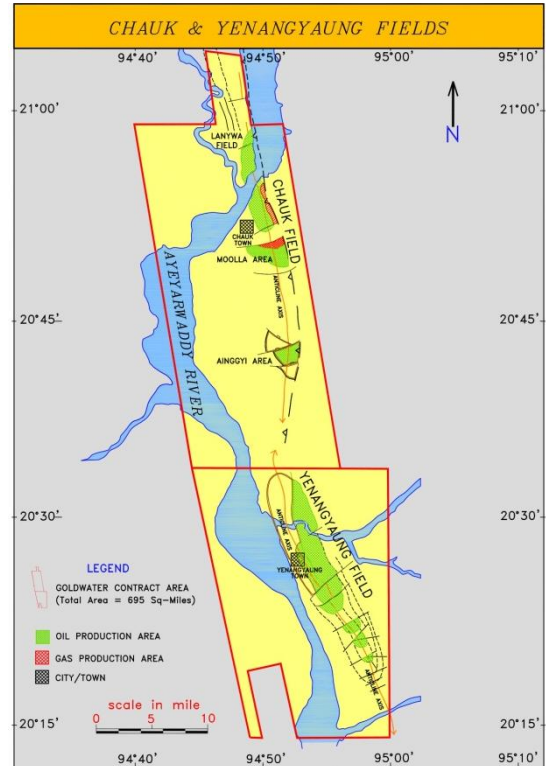
In 2H 2020, the combined shareable production for both fields was 159,344 barrels of oil, a decrease of 5% over the 1H 2020 of 168,364 barrels of oil.

Production and development expenditures for the 2H 2020 were US\$3,154,397 and US\$912,247 respectively.

The operator, Goldpetrol Joint Operating Company Inc. (“**Goldpetrol**”) (Interra 60%) did not drill and complete any new wells in Myanmar in 2H 2020 which resulted in the reported decrease realized in shareable production. New well drilling operations in Myanmar were suspended in April 2020 as a result of the negative economic conditions and uncertainties affecting the petroleum industry.

Goldpetrol did commence one Chauk field development well in December 2020 which was completed in January 2021 as an oil producer. The well is a part of the approved 2021 budget but was drilled early due to ideal weather conditions and rig availability, and concerns regarding economic uncertainties had somewhat stabilized.

As announced on 9 February 2021, the Company has suspended its field operations at the Chauk and Yenanyang fields. It is still too early to ascertain the longer term impact on the Company. The Company is closely monitoring the situation in Myanmar.





Exploration Activities

Indonesia: Kuala Pambuang PSC (Interra 67.5%)

As announced on 13 August 2020 in the 1H 2020 “Production, Development & Exploration Activities”, the KP-1 exploration well completed drilling with several oil shows and borehole casing was installed. Detailed well log analysis has been accomplished by both Interra’s technical team and highly qualified external experts. Concurrent extensive formation sample analysis by a specialized laboratory group has been completed. From the detailed results of the analyses and with input from these “experts”, a completion plan was formulated.

The primary completion operation to test the petroleum producibility will be the stimulation of the selected reservoirs. This is to be accomplished via casing perforation through which hydraulic fracturing will be performed, with further stimulation enhancement via acid injection if deemed necessary. This will be followed by production testing designed to determine reservoir deliverability and well productivity. Details of critical reservoir properties such as pressure, permeability, heterogeneity, etc. will be investigated through testing.

As a part of ongoing technical subsurface work for the remainder of the Kuala Pambuang Block, Interra commissioned an advanced reservoir characterization and imaging company which specializes in the advanced processing of seismic data to estimate rock formation properties. This has been performed on Interra’s 2D seismic data over the entire project area and results will be incorporated into the revised subsurface interpretation.

Interra is currently in the final stages of discussions with completion contractors to determine optimum stimulation parameters. Other potential sourcing for consumables and equipment, as well as operational support necessary to successfully accomplish the completion is underway. The Company will announce any noteworthy results of the proposed production testing or other relevant activities.

Exploration costs for the 2H 2020 were US\$47,640.

