



5 August 2013

Dear Shareholders,

UNAUDITED RESULTS FOR THE QUARTER ENDED 30 JUNE 2013

Highlights in Q2 2013

- Net profit after tax for the quarter was US\$4.45 million.
- Revenue for the quarter was US\$13.76 million, 58% higher than the preceding quarter, mainly due to higher sales of shareable production from the Tanjung Miring Timur operation which amounted to US\$7.83 million.
- Shareable production for the quarter increased to 191,895 barrels from 104,501 barrels in the previous quarter.
- Earnings before divestment gain, interest income, exchange difference, finance cost, tax, depreciation, amortisation, allowance and impairment (EBITDA) for the quarter was US\$8.60 million.
- Net cash outflow for the quarter was US\$0.90 million, mainly due to payment of drilling costs in Indonesia.
- Cash and cash equivalents (excluding restricted cash) were US\$10.35 million as at 30 June 2013.

Yours sincerely,

The Board of Directors
Interra Resources Limited

INTERRA RESOURCES LIMITED

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

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1(a)(i) PROFIT OR LOSS

Group	Note	Q2 2013 US\$'000	Q2 2012 US\$'000	Change %	6M 2013 US\$'000	6M 2012 US\$'000	Change %
Revenue	A1	13,758	7,105	↑ 94	22,476	15,347	↑ 46
Cost of production	A2	(6,905)	(4,817)	↑ 43	(12,519)	(9,627)	↑ 30
Gross profit		6,853	2,288	↑ 200	9,957	5,720	↑ 74
Other income	A3	79	83	↓ 5	545	295	↑ 85
Administrative expenses		(1,322)	(1,129)	↑ 17	(2,660)	(2,458)	↑ 8
Other operating expenses	A4	(228)	(220)	↑ 4	(454)	(440)	↑ 3
Impairment and allowances		-	42	NM	-	42	NM
Profit before income tax		5,382	1,064	↑ 406	7,388	3,159	↑ 134
Income tax expense		(931)	(556)	↑ 67	(1,572)	(1,157)	↑ 36
Profit for the financial period		4,451	508	↑ 776	5,816	2,002	↑ 191
Attributable to:							
Equity holders of the Company		4,451	508		5,816	2,002	
Earnings per share (US cents)							
- Basic		0.998	0.172		1.306	0.678	
- Fully diluted		0.987	0.172		1.291	0.678	

1(a)(i) STATEMENT OF COMPREHENSIVE INCOME

Group	Note	Q2 2013 US\$'000	Q2 2012 US\$'000	Change %	6M 2013 US\$'000	6M 2012 US\$'000	Change %
Profit for the financial period		4,451	508	↑ 776	5,816	2,002	↑ 191
Other comprehensive income, net of tax:							
Items that may be reclassified subsequently to profit or loss:							
Currency translation differences arising from consolidation		(5)	(2)	↑ 150	(2)	-	NM
Total comprehensive income for the financial period		4,446	506	↑ 779	5,814	2,002	↑ 190
Attributable to:							
Equity holders of the Company		4,446	506		5,814	2,002	

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

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

Group	Q2 2013 barrels	Q2 2012 barrels	6M 2013 barrels	6M 2012 barrels
Group's share of shareable production	191,895	92,353	296,396	185,778
Group's sales of shareable oil	189,898	84,508	297,553	175,269

Group	Q2 2013 US\$'000	Q2 2012 US\$'000	6M 2013 US\$'000	6M 2012 US\$'000
A1 Revenue				
Sales of crude oil (see 8(iii) Production Profile)	13,758	7,105	22,476	15,347
A2 Cost of production				
Production expenses	4,649	3,898	9,040	7,842
Amortisation of oil and gas properties	2,255	917	3,476	1,781
Amortisation of intangible assets	1	2	3	4
	6,905	4,817	12,519	9,627
A3 Other income				
Interest income	25	20	49	35
Petroleum services fees	9	8	11	17
Management fees	106	61	261	189
Other income	-	-	6	4
Reimbursement of unrecovered costs from a joint venture partner	1	-	333	-
Foreign exchange (loss)/gain, net	(62)	(6)	(115)	50
	79	83	545	295
A4 Other operating expenses				
Depreciation of other property, plant and equipment	10	9	20	18
Amortisation of oil and gas properties	218	211	434	422
	228	220	454	440

1(b)(i) STATEMENT OF FINANCIAL POSITION

	Note	Group		Company	
		30-Jun-13 US\$'000	31-Dec-12 US\$'000	30-Jun-13 US\$'000	31-Dec-12 US\$'000
Assets					
Non-current assets					
Other property, plant and equipment		19	40	19	40
Producing oil and gas properties*	B1	54,103	47,241	-	-
Exploration and evaluation costs*	B2	6,320	6,306	-	-
Intangible assets*	B3	1,489	1,492	-	-
Investments in subsidiaries		-	-	47,529	42,382
Other receivables	B4	1,247	1,045	-	-
Restricted cash**		2,264	2,253	-	-
		65,442	58,377	47,548	42,422
Current assets					
Inventories	B5	7,440	6,732	-	-
Trade and other receivables	B4	11,336	5,793	-	196
Other current assets		559	1,101	231	73
Cash and cash equivalents	B6	10,351	16,736	5,706	11,566
		29,686	30,362	5,937	11,835
Total assets		95,128	88,739	53,485	54,257
Equity and Liabilities					
Equity					
Share capital		62,138	61,567	62,138	61,567
Retained profits/(Accumulated losses)		32,502	26,680	(9,521)	(8,521)
Other reserves		(17,874)	(17,774)	365	463
Total equity		76,766	70,473	52,982	53,509
Non-current liabilities					
Provision for environmental and restoration costs		2,549	2,410	-	-
Current liabilities					
Trade and other payables	B7	7,857	7,767	503	748
Current income tax liabilities		7,956	8,089	-	-
Total current liabilities		15,813	15,856	503	748
Total equity and liabilities		95,128	88,739	53,485	54,257

* The comparatives figures have been reclassified to better reflect the specific nature of the balances.

** Fund intended for environmental and restoration costs.

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

Group	30-Jun-13 US\$'000	31-Dec-12 US\$'000
B1 <u>Producing oil and gas properties</u>		
Property, plant and equipment	2,436	2,339
Completed assets	35,824	25,674
Cost recovery	1,456	1,707
Initial joint study cost	666	776
Contractual bonuses	253	294
Concession rights	109	123
Participating rights	3,052	3,444
Geological and geophysical costs	8,658	9,135
Assets under construction	1,649	3,749
	54,103	47,241
B2 <u>Exploration and evaluation costs</u>		
Exploration costs	77	77
Assets under construction*	6,243	6,229
	6,320	6,306
B3 <u>Intangible assets</u>		
Computer software	-	3
Goodwill on reverse acquisition	1,489	1,489
	1,489	1,492
B4 <u>Trade and other receivables</u>		
Non-current		
Other receivables - loan to a third party	1,247	1,045
Current		
Trade receivables - non-related parties	8,781	4,016
Other receivables	2,555	1,777
	11,336	5,793
	12,583	6,838
B5 <u>Inventories</u>		
Consumable inventories	6,507	5,651
Crude oil on hand**	933	1,081
	7,440	6,732
B6 <u>Cash and cash equivalents</u>		
Cash at bank and on hand	7,391	5,419
Short-term fixed deposits	2,960	11,317
	10,351	16,736
B7 <u>Trade and other payables</u>		
Trade payables	5,196	4,198
Other payables	1,972	2,667
Accruals	689	902
	7,857	7,767

* Costs relating to exploration well CDT 12.

** Based on the number of barrels of crude oil on hand and the Walio Mix crude oil price as at 30 Jun 2013, the approximate value was US\$0.93 mil. This relates to crude oil inventory of LS TAC which was not uplifted and was stored at stock points.

1(b)(ii) BORROWINGS AND DEBT SECURITIES

Group	30-Jun-13		31-Dec-12	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Amount repayable in one year or less, or on demand	-	-	-	-
Amount repayable after one year	-	-	-	-

1(c) STATEMENT OF CASH FLOWS

Group	Note	Q2 2013 US\$'000	Q2 2012 US\$'000	6M 2013 US\$'000	6M 2012 US\$'000
Cash Flows from Operating Activities					
Profit before income tax		5,383	1,064	7,388	3,159
Adjustments for non-cash items:					
Share option expense		-	-	57	-
Depreciation of other property, plant and equipment		10	9	20	18
Amortisation of oil and gas properties		2,473	1,128	3,910	2,203
Amortisation of intangible assets		1	2	3	4
Impairment of EED costs (Australia)		-	(42)	-	(42)
Interest income		(25)	(20)	(49)	(35)
Unrealised currency translation loss/(gain)		61	6	114	(49)
Oil and gas properties write off		-	-	-	28
Operating profit before working capital changes		7,903	2,147	11,443	5,286
Changes in working capital, net of effects from acquisition of subsidiary					
Inventories		(1,051)	(1,851)	(708)	(2,475)
Trade and other receivables and other current assets		(2,202)	2,043	(5,030)	2,962
Trade and other payables		(583)	624	69	72
Provision for environmental and restoration costs		97	37	139	75
Restricted cash		(5)	(4)	(10)	(9)
Cash generated from operations		4,159	2,996	5,903	5,911
Income tax paid		(861)	(86)	(1,705)	(1,367)
Net cash provided by operating activities		3,298	2,910	4,198	4,544
Cash Flows from Investing Activities					
Interest income received		9	8	20	18
Acquisition of subsidiary, net of cash acquired		-	-	-	(250)
Additions to oil and gas properties		(4,109)	(738)	(10,838)	(1,270)
Additions to exploration and evaluation assets		-	(515)	(14)	(677)
Net cash used in investing activities		(4,100)	(1,245)	(10,832)	(2,179)
Cash Flows from Financing Activities					
Proceeds from issuance of shares under share options		74	-	426	-
Share issue expenses		(2)	-	(3)	-
Loan to a third party		(174)	-	(174)	(1,000)
Net cash provided by/(used in) financing activities		(102)	-	249	(1,000)
Net (decrease)/ increase in cash and cash equivalents		(904)	1,665	(6,385)	1,365
Cash and cash equivalents at beginning of period		11,255	11,236	16,736	11,536
Cash and cash equivalents at end of period (see Note B6)		10,351	12,901	10,351	12,901

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

Group	Share Capital US\$'000	Foreign Currency Translation Reserve US\$'000	Special Reserve US\$'000	Share Option Reserve US\$'000	Retained Profits US\$'000	Total Equity US\$'000
Balance as at 1 Apr 2012	43,869	(1,696)	(16,545)	15	25,132	50,775
Total comprehensive income for Q2 2012	-	(2)	-	-	508	506
Balance as at 30 Jun 2012	43,869	(1,698)	(16,545)	15	25,640	51,281
Balance as at 1 Apr 2013	62,035	(1,689)	(16,545)	396	28,051	72,248
Issue of new ordinary shares pursuant to share options	74	-	-	-	-	74
Share issue expenses	(2)	-	-	-	-	(2)
Employee share option scheme - share options exercised	31	-	-	(31)	-	-
Total comprehensive income for Q2 2013	-	(5)	-	-	4,451	4,446
Balance as at 30 Jun 2013	62,138	(1,694)	(16,545)	365	32,502	76,766

Company	Share Capital US\$'000	Share Option Reserve US\$'000	Accumulated Losses US\$'000	Total Equity US\$'000
Balance as at 1 Apr 2012	43,869	15	(3,253)	40,631
Total comprehensive income for Q2 2012	-	-	(4,408)	(4,408)
Balance as at 30 Jun 2012	43,869	15	(7,661)	36,223
Balance as at 1 Apr 2013	62,035	396	(9,033)	53,398
Issue of new ordinary shares pursuant to share options	74	-	-	74
Share issue expenses	(2)	-	-	(2)
Employee share option scheme - share options exercised	31	(31)	-	-
Total comprehensive income for Q2 2013	-	-	(488)	(488)
Balance as at 30 Jun 2013	62,138	365	(9,521)	52,982

1(d)(ii) SHARE CAPITAL

On 3 Apr 2013, 15 Apr 2013 and 11 Jun 2013, an aggregate of 620,000 ordinary shares were issued at the exercise price of S\$0.148 per share pursuant to the exercise of options granted under the Interra Share Option Plan. 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 30 Jun 2013 was 7,260,000 (30 Jun 2012: 500,000).

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

Group and Company	30 Jun 2013	31 Dec 2012
Issued and fully paid		
Opening balance	443,130,357	295,420,238
Issue of new ordinary shares pursuant to share options	3,040,000	147,710,119
Closing balance	446,170,357	443,130,357

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

NA.

2 WHETHER THE FIGURES HAVE BEEN AUDITED OR REVIEWED, AND IN ACCORDANCE WITH WHICH AUDITING STANDARD OR PRACTICE

The figures have not been audited or reviewed by the 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 2012.

5 IF THERE ARE ANY CHANGES IN THE ACCOUNTING POLICIES AND METHODS OF COMPUTATION, INCLUDING ANY REQUIRED BY AN ACCOUNTING STANDARD, WHAT HAS CHANGED, AS WELL AS THE REASONS FOR, AND THE EFFECT OF, THE CHANGE

The Group has adopted all the new and revised Singapore Financial Reporting Standards (FRS) and Interpretations of FRS (INT FRS) that are relevant to its operations and effective for annual periods beginning on or after 1 Jan 2013. Consequential amendments have also been made to the various standards as a result of these new or revised standards.

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

- Amendments to FRS 1 - Presentation of Items of Other Comprehensive Income
- FRS 19 (Revised) - Employee Benefits
- FRS 113 (New) - Fair Value Measurements

The adoption of the new or revised FRS and INT FRS does not result in any changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current period or prior years.

6 EARNINGS PER SHARE

Group	Q2 2013	Q2 2012	6M 2013	6M 2012
Basic earnings per ordinary share (US cents)	0.998	0.17200	1.306	0.67781
Weighted average number of ordinary shares for the purpose of computing basic earnings per share	445,968,819	295,420,238	445,327,512	295,420,238
Fully diluted earnings per ordinary share (US cents)	0.987	0.17199	1.291	0.67776
Weighted average number of ordinary shares for the purpose of computing fully diluted earnings per share	450,980,800	295,441,579	450,339,493	295,441,579

In Q2 2013, an aggregate of 620,000 ordinary shares were issued at the exercise price of S\$0.148 per share pursuant to the exercise of options granted under the Interra Share Option Plan. These newly issued ordinary shares ranked pari passu in all respects with the existing ordinary shares.

The weighted average number of ordinary shares on issue has been adjusted as if all dilutive share options were exercised as at 30 Jun 2013. For the purpose of computing basic and fully diluted earnings per share for Q2 2013 and Q2 2012, the relevant periods are from 1 Apr 2013 to 30 Jun 2013 and from 1 Apr 2012 to 30 Jun 2012 respectively.

7 NET ASSET VALUE PER SHARE

	Group		Company	
	30 Jun 2013	31 Dec 2012	30 Jun 2013	31 Dec 2012
Net asset value per ordinary share based on total number of issued shares (excluding treasury shares) (US cents)	17.206	15.904	11.875	12.075
Total number of issued shares (excluding treasury shares)	446,170,357	443,130,357	446,170,357	443,130,357

8(i) PERFORMANCE REVIEW

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

Revenue & Production

Revenue increased by 94% (US\$6.65 mil) to US\$13.76 mil in Q2 2013 from US\$7.11 mil in Q2 2012. This was largely due to higher sales of shareable production, which increased to 189,899 barrels in Q2 2013 from 84,508 barrels in Q2 2012, although at lower transacted oil prices. The weighted average transacted oil prices for Q2 2013 was US\$98.54 per barrel (Q2 2012: US\$107.01 per barrel).

The Group's shareable production increased by 108% (99,542 barrels) to 191,895 barrels in Q2 2013 from 92,353 barrels in Q2 2012. The increase was mainly due to higher contributions from TMT TAC.

Cost of Production

The cost of production increased by 43% (US\$2.08 mil) to US\$6.90 mil in Q2 2013 from US\$4.82 mil in Q2 2012. The increase was largely attributable to higher production expenses of US\$0.75 mil as a result of higher production, and higher depreciation from additions of property, plant and equipment of US\$0.41 mil and amortisation charges arising from capitalisation of well drillings for TMT TAC and LS TAC of US\$4.32 mil and US\$2.13 mil respectively, which amounted to US\$1.34 mil.

Net Profit After Tax

The Group posted a higher net profit after tax of US\$4.45 mil in Q2 2013 as compared to US\$0.51 mil in Q2 2012. The increase was mainly due to the following:

- (1) Higher revenue of US\$13.76 mil (Q2 2012: US\$7.11 mil).

However, the increase in net profit after tax was partially offset by the following:

- (1) Higher cost of production of US\$6.90 mil (Q2 2012: US\$4.82 mil).
- (2) Higher income tax expenses of US\$0.93 mil due to higher taxable income (Q2 2012: US\$0.56 mil).

(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\$6.86 mil to US\$54.10 mil as at 30 Jun 2013 from US\$47.24 mil as at 31 Dec 2012. This was mainly due to additions of new well drillings of US\$10.84 mil.

Inventories increased by US\$0.71 mil to US\$7.44 mil as at 30 Jun 2013 from US\$6.73 mil as at 31 Dec 2012. This mainly due to the increase of US\$0.86 mil in consumable stocks, of which US\$1.07 mil was attributable to the Myanmar operations for the purpose of preparing for the drilling programme in the third quarter of 2013 and well servicing and reactivation work in the second half of 2013.

Trade and other receivables (current and non-current) increased by US\$5.74 mil to US\$12.58 mil as at 30 Jun 2013 from US\$6.84 mil as at 31 Dec 2012. This was mainly due to the increase in trade receivables of US\$4.76 mil from all operations. Total receipts for the quarter was US\$8.25 mil against total invoicing for the quarter of US\$13.11 mil. Other receivables increased by US\$0.78 mil from 31 Dec 2012, mainly due to the higher VAT reimbursements for TMT TAC and LS TAC of US\$0.76 mil and US\$0.16 mil respectively, arising from the higher drilling programme expenditure in Q2 2013.

Statement of Cash Flows

Cash and cash equivalents was a net decrease of US\$0.90 mil in Q2 2013 due to the following:

- (1) Net cash provided by operating activities of US\$3.30 mil, mainly due to increase in trade receivables of US\$2.11 mil as a result of higher invoicing than collection.
- (2) Net cash used in investing activities of US\$4.10 mil, mainly for drilling activities of the Myanmar operations of US\$1.23 mil, TMT TAC of US\$1.03 mil and LS TAC of US\$1.44 mil.

8(ii) SEGMENTED REVENUE AND RESULTS

Geographical Segment	Indonesia		Myanmar		Consolidated	
	Q2 2013	Q2 2012	Q2 2013	Q2 2012	Q2 2013	Q2 2012
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Results						
EBITDA	5,808	(32)	2,788	2,703	8,596	2,671
EBIT	4,291	(528)	1,832	2,069	6,123	1,541
Sales to external customers	9,093	2,619	4,665	4,486	13,758	7,105
Segment results	4,317	(640)	1,832	2,069	6,149	1,429
Unallocated corporate net operating results	-	-	(112)	(78)	(767)	(365)
Profit before income tax					5,382	1,064
Income tax expense	-	-	(427)	(411)	(931)	(556)
Net profit after income tax					4,451	508

Geographical Segment	Indonesia		Myanmar		Consolidated	
	6M 2013	6M 2012	6M 2013	6M 2012	6M 2013	6M 2012
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Results						
EBITDA	7,082	997	5,335	5,653	12,417	6,650
EBIT	4,948	(2)	3,558	4,444	8,506	4,442
Sales to external customers	13,292	6,190	9,184	9,157	22,476	15,347
Segment results	4,991	(1)	3,558	4,444	8,549	4,443
Unallocated corporate net operating results	-	-	102	(155)	(1,161)	(1,284)
Profit before income tax					7,388	3,159
Income tax expense	-	-	(840)	(838)	(1,572)	(1,157)
Net profit after income tax	4,991	(1)	2,820	3,451	5,816	2,002

Notes

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

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

8(iii) PRODUCTION PROFILE

Myanmar Production	Q2 2013 barrels	Q2 2012 barrels	6M 2013 barrels	6M 2012 barrels
Average gross production per day	2,380	2,243	2,308	2,236
Gross production	216,596	204,133	417,781	406,922
Non-shareable production	(110,214)	(114,892)	(220,354)	(230,987)
Production shareable with MOGE	106,382	89,241	197,427	175,935
Group's 60% share of shareable production	63,829	53,545	118,456	105,562
Group's average shareable production per day	701	588	654	580

Myanmar Revenue	Q2 2013	Q2 2012	6M 2013	6M 2012
Weighted average transacted oil price US\$	101.59	116.44	107.78	120.58
Revenue shareable with MOGE US\$'000	6,485	6,236	12,767	12,730
MOGE's share US\$'000	(1,820)	(1,750)	(3,583)	(3,573)
Group's net share of revenue US\$'000	4,665	4,486	9,184	9,157

Indonesia Production - TMT TAC	Q2 2013 barrels	Q2 2012 barrels	6M 2013 barrels	6M 2012 barrels
Average gross production per day	1,203	243	800	261
Gross production	109,489	22,138	144,810	47,519
Non-shareable production	(931)	(1,026)	(1,885)	(2,076)
Production shareable with Pertamina	108,558	21,112	142,925	45,443
Group's 100% share of shareable production	108,558	21,112	142,926	45,445
Group's average shareable production per day	1,193	232	790	250

Indonesia Revenue - TMT TAC	Q2 2013	Q2 2012	6M 2013	6M 2012
Weighted average transacted oil price US\$	97.01	116.89	99.31	121.28
Revenue shareable with Pertamina US\$'000	10,531	2,467	14,195	5,511
Pertamina's share US\$'000	(2,699)	(632)	(3,637)	(1,412)
Group's net share of revenue US\$'000	7,832	1,835	10,558	4,099

Indonesia Production - LS TAC	Q2 2013 barrels	Q2 2012 barrels	6M 2013 barrels	6M 2012 barrels
Average gross production per day	214	194	193	191
Gross production	19,508	17,696	35,014	34,774
Non-shareable production	-	-	-	-
Production shareable with Pertamina	19,508	17,696	35,014	34,774
Group's 100% share of sharable production	19,508	17,696	35,014	34,774
Group's average shareable production per day	214	194	193	191

8(iii) PRODUCTION PROFILE (CONT'D)

Indonesia Crude Oil on Hand - LS TAC		Q2 2013 barrels	Q2 2012 barrels	6M 2013 barrels	6M 2012 barrels
Opening balance		11,000	10,591	14,151	7,927
Production		19,508	17,696	35,014	34,774
Lifting		(17,512)	(9,851)	(36,169)	(24,265)
Closing balance		12,996	18,436	12,996	18,436

Indonesia Revenue - LS TAC		Q2 2013	Q2 2012	6M 2013	6M 2012
Weighted average transacted oil price	US\$	96.79	107.01	101.62	115.87
Revenue shareable with Pertamina	US\$'000	1,695	1,054	3,676	2,811
Pertamina's share	US\$'000	(434)	(270)	(942)	(720)
Group's net share of revenue	US\$'000	1,261	784	2,734	2,091

Group Production, Crude Oil on Hand and Revenue		Q2 2013	Q2 2012	6M 2013	6M 2012
Group's share of shareable production	barrels	191,895	92,353	296,396	185,778
Group's average shareable production per day	barrels	2,108	1,015	1,638	1,021
Group's sales of shareable oil	barrels	189,898	84,508	297,553	175,269
Group's total shareable oil revenue	US\$'000	13,758	7,105	22,476	15,347
Group's weighted average transacted oil price	US\$	98.54	107.01	104.72	119.64

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

Production of Tanjung Miring Timur (TMT TAC) improved considerably by 210% over the last quarter, attributable to the good results of the new wells completed in the first quarter of the year. With proper maintenance of the existing producing wells, TMT TAC is expected to continue to contribute significantly to the bottom line of the Group. TMT TAC is planning to drill another 4 wells in the second half of the year.

Production of Linda Sele TAC (LS TAC) improved by 26% over the last quarter due to contributions from the 2 new wells completed during the year. However, the results of these 2 wells are still below the Group's expectations, and more work will need to be done to maximise the potential of the wells.

In Myanmar, testing of CDT 12 will be conducted in the third quarter of the year. The smooth drilling operation at both fields, coupled with the addition of a newly purchased rig, has led to a total of 10 wells being drilled by the first half of the year. The results thus far this year have been encouraging, with 2 new wells yielding a combined production of more than 350 barrels per day in the month of July 2013. A total of 24 wells are targeted to be drilled before the end of the year.

In view of the complications arising from the transfer of the 49% participating interest pursuant to the acquisition of Kuala Pambuang Production Sharing Contract (KP PSC), the Group has incorporated a subsidiary, Mentari Pambuang Internasional Limited, to facilitate the transfer of interest in KP PSC. Preparation work for the 2D seismic programme has already begun pending the above transfer of interest.

Proceeds from the rights issue undertaken in 2012 have been fully utilised to fund the work programme of the Group from the last quarter of 2012 to the first half of 2013. Nevertheless, the Group has sufficient cash on hand to meet its operating costs for the near future. The Group will also evaluate and source funding when the need arises. The Group will continue to actively seek new concessions and assets to strengthen its presence in the region as well as to achieve growth sustainability.

11 DIVIDEND

(a) Any dividend recommended for the current financial period reported on
No.

(b) Any dividend declared for the corresponding period of the immediately preceding financial year
No.

(c) Whether the dividend is before tax, net of tax or tax exempt
NA.

(d) Date payable
NA.

(e) Books closure date
NA.

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

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

13 INTERESTED PERSON TRANSACTIONS

The Company has not obtained any general mandate 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 its knowledge that nothing has come to the attention of the Board of Directors which may render the interim financial statements for the quarter ended 30 Jun 2013 to be false or misleading in any material respect.

15 USE OF PROCEEDS

The use of proceeds from the rights issue completed on 1 Oct 2012 has been in line with the intended uses stated in the offer information statement dated 5 Sep 2012. The net proceeds of approximately S\$21,752,124 have been fully utilised as announced on 15 May 2013.

By Order of the Board of Directors of
INTERRA RESOURCES LIMITED
Marcel Tjia
Chief Executive Officer
5 Aug 2013

16 ABBREVIATIONS

Q2 2012	denotes	Second calendar quarter of the year 2012
Q2 2013	denotes	Second calendar quarter of the year 2013
6M 2012	denotes	Six months ended 30 June 2012
6M 2013	denotes	Six months ended 30 June 2013
FY 2012	denotes	Full year ended 31 December 2012
FY 2013	denotes	Full year ended 31 December 2013
bopd	denotes	barrels of oil per day
Company	denotes	Interra Resources Limited
DMO	denotes	Domestic Market Obligation
EED	denotes	Exploration, evaluation and development
FRS	denotes	Financial Reporting Standards
Goldpetrol	denotes	Goldpetrol Joint Operating Company Inc.
Goldwater	denotes	Goldwater Company Limited
Group	denotes	Interra Resources Limited and its subsidiary companies and joint ventures
GKP	denotes	Goldwater KP Pte. Ltd.
GLS	denotes	Goldwater LS Pte. Ltd.
GTMT	denotes	Goldwater TMT Pte. Ltd.
IBN	denotes	IBN Oil Holdico Ltd
IPRC	denotes	Improved Petroleum Recovery Contract
IRA	denotes	Interra Resources (Australia) Pte. Ltd.
IRT	denotes	Interra Resources (Thailand) Limited
k	denotes	thousand
KP	denotes	Kuala Pambuang block
LS	denotes	Linda Sele fields
mil	denotes	million
MOGE	denotes	Myanma Oil and Gas Enterprise
NA	denotes	Not applicable
NM	denotes	Not meaningful
Pertamina	denotes	Perusahaan Pertambangan Minyak Dan Gas Bumi Negara
PSC	denotes	Production Sharing Contract
TAC	denotes	Technical Assistance Contract
TMT	denotes	Tanjung Miring Timur field

This release may contain forward-looking statements that are subject to risk factors associated with oil and gas businesses. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions including but not limited to: oil and gas price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, general industry conditions, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals, 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. You are cautioned not to place undue reliance on these forward looking statements, which are based on the current view of management on future events.