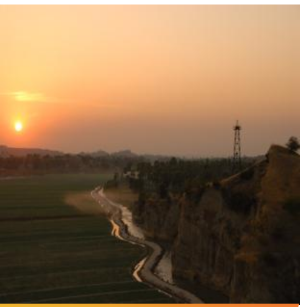
INTERRA RESOURCES LIMITED
Company Registration No. 197300166Z

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



13 May 2019

Dear Shareholders,

UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2019

Highlights in Q1 2019

- Revenue from continuing operations for the quarter was US$4.00 million, 7% higher than the previous financial quarter. The increase was due mainly to higher sales of shareable oil of 82,272 barrels as compared to the previous quarter of 71,741 barrels although lower weighted average transacted oil prices of US$61.59 per barrel as compared to the previous quarter of US$66.06 per barrel.

- Total profit after income tax for the quarter was US$0.59 million, as compared to total loss after income tax in previous quarter of US$0.46 million.

- 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$1.59 million.

- Net cash outflow for the quarter was US$2.64 million, due mainly to net cash used in investing activities for capital expenditure of US$2.20 million and operating activities of US$0.44 million.

- Cash and cash equivalents were US$4.00 million as at 31 March 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 FIRST QUARTER ENDED 31 MARCH 2019

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1(a)(i) PROFIT OR LOSS

Group	Note	Q1 2019 US$'000	Q1 2018 US$'000	Change %
Continuing operations				
Revenue	A1	4,001	2,937	↑ 36
Cost of production	A2	(2,573)	(2,157)	↑ 19
Gross profit		**1,428**	**780**	↑ 83
Other income, net	A3	170	394	↓ 57
Administrative expenses		(911)	(1,436)	↓ 37
Finance expenses		(23)	(35)	↓ 34
Other expenses	A4	(50)	(6)	NM
Share of losses of associated companies		(44)	(140)	↓ 69
Profit/(Loss) before income tax		**570**	**(443)**	↑ 229
Income tax credit/(expense)	A5	16	(155)	↓ 110
Profit/(Loss) from continuing operations for the financial period		**586**	**(598)**	↑ 198
Discontinued operations				
Loss from discontinued operations for the financial period	A6	-	(54)	NM
Total profit/(loss)		**586**	**(652)**	↑ 190
Attributable to:				
Equity holders of the Company		610	(564)	
Non-controlling interests		(24)	(88)	
		586	**(652)**	
Profit/(Loss) attributable to equity holders of the Company relates to:				
Profit/(Loss) from continuing operations		610	(538)	
Loss from discontinued operations		-	(26)	
		610	**(564)**	
Earnings/(Losses) per share for continuing and discontinued operations attributable to equity holders of the Company				
Basic earnings/(losses) per share (US cents)				
- From continuing operations		0.104	(0.096)	
- From discontinued operations		-	(0.005)	
Diluted earnings/(losses) per share (US cents)				
- From continuing operations		0.104	(0.096)	
- From discontinued operations		-	(0.005)	

1(a)(i) STATEMENT OF COMPREHENSIVE INCOME

Group	Note	Q1 2019 US$'000	Q1 2018 US$'000	Change %
Total profit/(loss) for the financial period		586	(652)	↑ 190
Other comprehensive income, net of tax				
Items that may be reclassified subsequently to profit or loss:				
Share of currency translation differences of associated companies		32	(13)	NM
Currency translation differences arising from consolidation		(19)	(178)	NM
Items that will not reclassified subsequently to profit or loss:				
Share of defined benefit obligation re-measurements of associated companies		2	(1)	NM
Defined benefit obligation re-measurements		-	(45)	NM
		15	(237)	
Total comprehensive income/(loss) for the financial period		**601**	**(889)**	↑ 168
Attributable to:				
Equity holders of the Company		625	(680)	
Non-controlling interests		(24)	(209)	
		601	**(889)**	

↑ denotes increase

↓ denotes decrease

NM denotes not meaningful

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

Group	Q1 2019 barrels	Q1 2018 barrels
Group's share of shareable oil production	82,272	57,315
Group's sales of shareable oil	82,272	55,592

Group	Q1 2019 US$'000	Q1 2018 US$'000
A1 Revenue		
Sale of oil and petroleum products	**4,001**	**2,937**
A2 Cost of production		
Production expenses	2,175	1,987
Amortisation of producing oil and gas properties	312	84
Amortisation of intangible assets	86	86
	2,573	**2,157**
A3 Other income, net		
Interest income	77	111
Petroleum services fees	80	84
Management fees	-	6
Currency translation gain/(loss), net	13	(23)
Other loss	-	(1)
Gain on disposal of granite operations	-	217
	170	**394**
A4 Other expenses		
Depreciation of property, plant and equipment	3	6
Depreciation of right-of-use assets	47	-
	50	**6**
A5 Income tax (credit)/expense		
Current income tax	209	155
Prior year overprovision of income tax	(225)	-
	(16)	**155**
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		Company	
		31-Mar-19	31-Dec-18	31-Mar-19	31-Dec-18
		US$'000	US$'000	US$'000	US$'000
Assets					
Non-current assets					
Property, plant and equipment		17	19	17	19
Right-of-use assets	B1	442	-	303	-
Producing oil and gas properties	B2	9,173	7,549	-	-
Exploration and evaluation costs	B3	10,664	10,640	-	-
Intangible assets	B4	3,048	3,134	-	-
Investments in subsidiary corporations		-	-	19,171	19,062
Investments in associated companies	B5	2,372	2,382	2,382	2,382
Other receivables	B6	2,905	2,820	18,571	18,367
		28,621	**26,544**	**40,444**	**39,830**
Current assets					
Inventories	B7	3,668	3,379	-	-
Trade and other receivables	B6	5,158	2,784	32	147
Other current assets		289	414	120	67
Cash and cash equivalents	B8	3,995	6,638	543	227
		13,110	**13,215**	**695**	**441**
Total assets		**41,731**	**39,759**	**41,139**	**40,271**
Liabilities					
Non-current liabilities					
Lease liabilities	B9	137	-	96	-
Current liabilities					
Trade and other payables	B10	6,194	5,095	10,122	9,167
Lease liabilities	B9	309	-	211	-
Borrowings		1,000	1,000	1,000	1,000
Current income tax liabilities		4,307	4,508	-	-
		11,810	**10,603**	**11,333**	**10,167**
Total liabilities		**11,947**	**10,603**	**11,429**	**10,167**
Net assets		**29,784**	**29,156**	**29,710**	**30,104**
Equity					
Share capital		72,738	72,738	72,738	72,738
Accumulated losses		(28,892)	(29,504)	(43,329)	(42,935)
Other reserves		(16,126)	(16,139)	301	301
Equity attributable to owners of the Company		**27,720**	**27,095**	**29,710**	**30,104**
Non-controlling interests		2,064	2,061	-	-
Total equity		**29,784**	**29,156**	**29,710**	**30,104**

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

Group		31-Mar-19 US$'000	31-Dec-18 US$'000
B1	**Right-of-use assets**		
	Property	398	-
	Motor vehicles	31	-
	Office equipment	13	-
		442	**-**
B2	**Producing oil and gas properties**		
	Development tangible assets	709	562
	Development intangible assets	8,464	6,987
		9,173	**7,549**
B3	**Exploration and evaluation costs**		
	Exploration and evaluation assets	9,229	9,205
	Participating rights of exploration assets	1,435	1,435
		10,664	**10,640**
B4	**Intangible assets**		
	Patent rights	3,031	3,115
	Computer software	17	19
		3,048	**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	(7,776)	(7,732)
	Share of other comprehensive income in associated companies	95	61
	Allowance for impairment of investment in associated company	(2,138)	(2,138)
		2,372	**2,382**
B6	**Trade and other receivables**		
	Non-current		
	Loan to non-related parties	2,905	2,820
	Current		
	Trade receivables - non-related parties	4,402	2,022
	Other receivables - non-related parties	206	204
	Loan to associated companies	550	558
		5,158	2,784
		8,063	**5,604**
B7	**Inventories**		
	Consumable inventories	**3,668**	**3,379**

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

Group		31-Mar-19 US$'000	31-Dec-18 US$'000
B8	**Cash and cash equivalents**		
	Cash at bank and on hand	1,466	2,613
	Short-term fixed deposits	2,529	4,025
		3,995	**6,638**
B9	**Lease liabilities**		
	Current	137	-
	Non-current	309	-
		446	-
B10	**Trade and other payables**		
	Trade payables - non-related parties	2,112	1,737
	Other payables - non-related parties	3,401	2,452
	Other payables - related parties	309	292
	Accruals	372	614
		6,194	**5,095**

1(b)(ii) BORROWINGS AND DEBT SECURITIES

Group	31-Mar-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 5.48% per annum for a tenor period of 1 month.

1(c) STATEMENT OF CASH FLOWS

Group	Note	Q1 2019 US$'000	Q1 2018 US$'000
Cash Flows from Operating Activities			
Total profit/(loss)		586	(652)
Adjustments for non-cash items:			
Income tax (credit)/expense		(16)	155
Share of loss of associated companies		44	140
Share option expense		-	68
Depreciation of property, plant and equipment		3	6
Depreciation of right-of-use assets		47	-
Amortisation of producing oil and gas properties		312	84
Amortisation of intangible assets		86	86
Interest income		(77)	(111)
Gain on disposal of granite operation		-	(217)
Gain on curtailment		-	(45)
Interest expenses		17	35
Interest on lease liabilities		6	-
Unrealised currency translation gains		(24)	(122)
Operating profit before working capital changes		**984**	**(573)**
Changes in working capital			
Inventories		(290)	248
Trade and other receivables and other current assets		(2,244)	1,570
Trade and other payables		1,338	(790)
Cash (used in)/generated from operations		**(212)**	**455**
Income tax paid		(185)	(123)
Interest paid		(6)	-
Net cash (used in)/provided by operating activities		**(403)**	**332**
Cash Flows from Investing Activities			
Interest received		20	30
Net proceeds from disposal of granite operations	A1	-	185
Loans to an associated company (non-trade)		-	(271)
Additions to producing oil and gas properties		(2,174)	(183)
Additions to exploration and evaluation assets		(23)	(8)
Additions to intangible assets		-	(3,420)
Net cash used in investing activities		**(2,177)**	**(3,667)**
Cash Flows from Financing Activities			
Interest paid		(17)	(34)
Proceeds from issuance of new ordinary shares pursuant to private placement of shares, net of issuance costs		-	3,380
Principal elements of lease payments		(46)	-
Net cash (used in)/provided by financing activities		**(63)**	**3,346**
Net (decrease)/increase in cash and cash equivalents		**(2,643)**	**11**
Cash and cash equivalents at beginning of financial period		6,638	9,192
Effects of currency translation on cash and cash equivalents		-	(6)
Cash and cash equivalents at end of financial period		**3,995**	**9,197**

1(c) EXPLANATORY NOTES TO STATEMENT OF CASH FLOWS

Group	Q1 2018 US$'000
A1 Net proceeds from disposal of granite operations	
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)**
Effects on cash flows of the Group	
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**

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 Jan 2019	**72,738**	**105**	**(16,545)**	**301**	**(29,504)**	**27,095**	**2,061**	**29,156**
Profit/(Loss) for Q1 2019	-	-	-	-	610	610	(24)	586
Other comprehensive income/(loss)								
Currency translation differences	-	(19)	-	-	-	(19)	-	(19)
Share of currency translation differences of associated companies	-	32	-	-	-	32	-	32
Share of defined benefit obligation re-measurements of associated companies	-	-	-	-	2	2	-	2
Total comprehensive income/(loss) for Q1 2019	-	13	-	-	612	625	(24)	601
Additional increase of non-controlling interests in subsidiary corporation	-	-	-	-	-	-	27	27
Total transactions with owners, recognised directly in equity	-	-	-	-	-	-	27	27
Balance as at 31 Mar 2019	**72,738**	**118**	**(16,545)**	**301**	**(28,892)**	**27,720**	**2,064**	**29,784**

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 2018	**69,258**	**18**	**(16,545)**	**23**	**(30,378)**	**22,376**	**4,746**	**27,122**
Loss for Q1 2018	-	-	-	-	(564)	(564)	(88)	(652)
Other comprehensive income/(loss)								
Currency translation differences	-	(80)	-	-	-	(80)	(98)	(178)
Share of currency translation differences of associated companies	-	(13)	-	-	-	(13)	-	(13)
Defined benefit obligations re-measurements	-	-	-	-	(22)	(22)	(23)	(45)
Share of defined benefit obligation re-measurements of associated companies	-	-	-	-	(1)	(1)	-	(1)
Total comprehensive loss for Q1 2018	-	(93)	-	-	(587)	(680)	(209)	(889)
Additional increase of non-controlling interests in subsidiary corporation	-	-	-	-	-	-	9	9
Disposal of subsidiary corporation with non-controlling interests	-	-	-	-	-	-	(36)	(36)
Issuance of new ordinary shares pursuant to private placement	3,480	-	-	-	-	3,480	-	3,480
Share issue expenses	-*	-	-	-	-	-*	-	-*
Employee share option plan - value of employee services	-	-	-	68	-	68	-	68
Total transactions with owners, recognised directly in equity	3,480	-	-	68	-	3,548	(27)	3,521
Balance as at 31 Mar 2018	**72,738**	**(75)**	**(16,545)**	**91**	**(30,965)**	**25,244**	**4,510**	**29,754**

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

Company	Share Capital US$'000	Share Option Reserve US$'000	Accumulated Losses US$'000	Total Equity US$'000
Balance as at 1 Jan 2019	**72,738**	**301**	**(42,935)**	**30,104**
Total comprehensive loss for Q1 2019	-	-	(394)	(394)
Balance as at 31 Mar 2019	**72,738**	**301**	**(43,329)**	**29,710**
Balance as at 1 Jan 2018	**69,258**	**23**	**(40,897)**	**28,384**
Total comprehensive loss for Q1 2018	-	-	(600)	(600)
Issuance of new ordinary shares pursuant to private placement	3,480	-	-	3,480
Share issue expenses	-*	-	-	-*
Employee share option plan - value of employee services	-	68	-	68
Balance as at 31 Mar 2018	**72,738**	**91**	**(41,497)**	**31,332**

* Amount was less than US$1,000.

1(d)(ii) SHARE CAPITAL

No new ordinary shares were issued in Q1 2019.

The number of ordinary shares comprised in the options granted and outstanding under the Interra Share Option Plan as at 31 Mar 2019 was 24,000,000 (FY 2018: 24,000,000).

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

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

Group and Company	31 Mar 2019	31 Dec 2018
<u>Issued and fully paid</u>		
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) 6 - Leases
- SFRS(I) INT 23 - Uncertainity 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	Q1 2019	Q1 2018
Basic earnings/(losses) per ordinary share (US cents)		
- From continuing operations	**0.104**	**(0.096)**
- From discontinued operations	**-**	**(0.005)**
Weighted average number of ordinary shares for the purpose of computing basic earnings/(losses) per share	585,973,604	559,464,655
Fully diluted earnings/(losses) per ordinary share (US cents)		
- From continuing operations	**0.104**	**(0.096)**
- 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	560,739,925

No new ordinary shares were issued in Q1 2019.

For the purpose of computing basic and fully diluted earnings/(losses) per share, the relevant periods were from 1 Jan 2019 to 31 Mar 2019 and 1 Jan 2018 to 31 Mar 2018 respectively. The weighted average number of ordinary shares on issue has not been adjusted as the share options were anti-dilutive in Q1 2019. The impact on losses per share from discontinued operations for Q1 2018 was anti-dilutive as it resulted in lower earnings per share. Therefore, diluted losses per share was same as basic losses per share.

7 NET ASSET VALUE PER SHARE

Group	Group		Company	
	31 Mar 2019	31 Dec 2018	31 Mar 2019	31 Dec 2018
Net asset value per ordinary share based on total number of issued shares (excluding treasury shares) (US cents)	4.731	4.624	5.070	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 36% to US$4.00 mil in Q1 2019 from US$2.94 mil in Q1 2018. This was largely due to higher sales of shareable oil of 82,272 barrels in Q1 2019 (Q1 2018: 55,592 barrels) although at lower weighted average transacted oil prices in Q1 2019 of US$61.59 per barrel (Q1 2018: US$63.12 per barrel).

The Group's shareable oil production increased by 44% to 82,272 barrels in Q1 2019 from 57,315 barrels in Q1 2018. The increase was due to higher shareable production from Myanmar of 82,272 barrels in Q1 2019 (Q1 2018: 51,131 barrels). However, the increase was offset by the absence of shareable production from LS TAC in Q1 2019 (Q1 2018: 6,184 barrels) due to the deconsolidation of MITI on 30 Jun 2018 and expiry of TAC.

Cost of Production

The increase in cost of production to US$2.57 mil in Q1 2019 from US$2.16 mil in Q1 2018 was largely attributable to higher production expenses by US$0.19 mil and higher amortisation charges by US$0.23 mil in Q1 2019 as compared to Q1 2018. Myanmar operations incurred capital expenditure of US$1.93 mil in Q1 2019 which resulted in higher amortisation charges of producing oil and gas properties and intangible assets.

Net Profit After Tax

The Group posted a total profit after tax of US$0.59 mil in Q1 2019 as compared to a total loss after tax of US$0.65 mil in Q1 2018. The profit was mainly due to the following:

(1) Higher revenue of US$4.00 mil in Q1 2019 (Q1 2018: US$2.94 mil) due to higher sales of shareable oil although at lower oil prices.

(2) Higher cost of production of US$2.57 mil in Q1 2019 (Q1 2018: US$2.16 mil), due to higher production expenses and higher amortisation charges of producing oil and gas properties and intangible assets.

(3) Lower other income of US$0.17 mil in Q1 2019 (Q1 2018: US$0.39 mil), mainly due to lack of one-off gain on disposal of granite operations of US$0.22 mil offset by foreign exchange gain of US$0.01 mil in Q1 2019 (Q1 2018: foreign exchange loss of US$0.02 mil).

(4) Lower administrative expenses of US$0.91 mil in Q1 2019 (Q1 2018: US$1.44 mil), mainly due to lack of MITI and its subsidiary corporations' administrative expenses in Q1 2019 (Q1 2018: US$0.25 mil) following the deconsolidation on 30 Jun 2018 and lower corporate expenses by US$0.18 mil due to cost-cutting measures.

(5) Higher other expenses of US$0.05 mil in Q1 2019 (Q1 2018: US$0.01 mil), mainly due to depreciation charge of right-of-use assets of US$0.05 mil effective from 1 Jan 2019 from the adoption of SFRS(I) 6 - Leases.

(6) Lower share of losses of associated companies of US$0.04 mil in Q1 2019 (Q1 2018: share of losses of associated companies of US$0.14 mil).

(7) Current income tax credit of US$0.02 mil (Q1 2018: income tax expenses of US$0.16 mil), mainly due to reversal of overprovision of prior year income tax of US$0.23 mil from Myanmar operations in Q1 2019 after the finalisation of tax assessment offset current period income tax expenses of US$0.21 mil.

(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$0.44 mil in Q1 2019 from nil in FY 2018, mainly due to adoption of SFRS(I) 6 - Leases effective from 1 Jan 2019, which required the recognition of the right-of-use assets of property, motor vehicle and office equipment leases of US$0.49 mil and amortised over the leased period, offset by amortisation charges of US$0.05 mil in Q1 2019.

Producing oil and gas properties increased by US$1.62 mil to US$9.17 mil in Q1 2019 from US$7.55 mil in FY 2018, due to capitalisation of drilling expenditure of US$1.93 mil offset by amortisation charges of US$0.31 mil.

Slight increase in exploration and evaluation costs to US$10.66 mil in Q1 2019 from US$10.64 mil in FY 2018 mainly due to capitalisation of 2D seismic costs for KP PSC of US$0.02 mil.

Intangible assets decreased to US$3.05 mil in Q1 2019 from US$3.13 mil in FY 2018, mainly due to amortisation charges of US$0.08 mil.

Investments in associated companies decreased to US$2.37 mil in Q1 2019 from US$2.38 mil in FY 2018. This was mainly due to share of losses of US$0.04 mil offset by share of other comprehensive income of US$0.03 mil in Q1 2019.

Inventories increased by US$0.29 mil to US$3.67 mil in Q1 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$4.61 mil in Q1 2019 from US$2.23 mil in FY 2018, mainly contributed from the increase of trade receivables by US$2.38 mil to US$4.40 mil in Q1 2019 from US$2.02 mil in FY 2018, caused by a delay in the receipts of Dec 18 and Jan 19 invoices in Q1 2019. The receipts were subsequently received in Apr 2019.

Loan to associated companies decreased by US$0.01 mil to US$0.55 mil in Q1 2019 from US$0.56 mil in FY 2018.

Trade and other payables increased by US$1.09 mil to US$6.19 mil in Q1 2019 from US$5.10 mil in FY 2018, due to delay in vendor's settlement in Q1 2019.

Lease liabilities (current and non-current) increased to US$0.45 mil in Q1 2019 due to the adoption of SFRS(I) 6 - Leases, the right-of-use assets are measured at the amount of lease lability of US$0.49 mil effective from 1 Jan 2019.

Statement of Cash Flows

Cash and cash equivalents showed a net decrease of US$2.64 mil in Q1 2019 due to the following:

(1) Net cash used in operating activities of US$0.40 mil was mainly due to net cash outflows from oil and gas operations of US$2.12 mil and corporate expenses of US$0.54 mil.

(2) Net cash used in investing activities of US$2.18 mil due to addition of capital expenditure for Myanmar operations of US$2.17 mil and exploration and evaluation assets 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$0.05 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	
	Q1 2019 US$'000	Q1 2018 US$'000	Q1 2019 US$'000	Q1 2018 US$'000	Q1 2019 US$'000	Q1 2018 US$'000
Results						
EBITDA	**(24)**	(19)	**1,616**	602	**1,592**	583
EBIT	**(24)**	(31)	**1,204**	444	**1,180**	413
Sales to external customers	**-**	366	**4,001**	2,571	**4,001**	2,937
Segment results	**(70)**	(82)	**1,204**	444	**1,134**	362
Unallocated corporate net operating results					**(564)**	(805)
Profit/(Loss) before income tax					**570**	(443)
Income tax credit/(expense)					**16**	(155)
Net profit/(loss) from continuing operations					**586**	(598)
Loss from discontinued operations for the financial period					**-**	(54)
Total profit/(loss)					**586**	(652)

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 increased by 15% to 82,272 barrels in Q1 2019 from 71,741 barrels in Q4 2018. This is largely due to the success of the new wells drilled at the beginning of this quarter. A total of 5 new drills were spudded-in during this quarter, and most of them have contributed positively to the improvement in overall production.

For Kuala Pambuang PSC, preparations for the drilling of an exploration well are in an advanced stage. The local authority has approved the well location and related expenditure, and preparations are underway towards spudding the exploration well later in the year. Announcements relating to the spud-in date and significant development relating to this exploration will be made when appropriate. No significant contribution is expected from this field in the near term.

Due to the recent surge in the oil price, coupled with relatively good production, revenue for this quarter has improved significantly. Cost of drilling of the exploration well in Kuala Pambuang PSC will be funded internally. Barring any unforeseen circumstances, the Company has sufficient cash resources to fulfil the current year work program. The Company will explore and evaluate the various funding alternatives to fund the forthcoming projects and investment. We will make the necessary and appropriate announcement in the future.

11 DIVIDEND

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

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

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

(d) Date payable
NA.

(e) Books closure date
NA.

12 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 first quarter ended 31 Mar 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
13-May-19

16 ABBREVIATIONS

Q1 2018	denotes	First calendar quarter of the year 2018
Q1 2019	denotes	First 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.
IBN	denotes	IBN Oil Holdico Ltd
IOI	denotes	PT Indelberg Oil Indonesia
IPRC	denotes	Improved Petroleum Recovery Contract
k	denotes	thousand
KP	denotes	Kuala Pambuang block
LS	denotes	Linda Sele fields
mil	denotes	million
MITI	denotes	PT Mitra Investindo TBK
MOGE	denotes	Myanma Oil and Gas Enterprise
NA	denotes	Not applicable
NM	denotes	Not meaningful
Pertamina	denotes	Perusahaan Pertambangan Minyak Dan Gas Bumi Negara
PSC	denotes	Production Sharing Contract
TAC	denotes	Technical Assistance Contract

This release may contain forward-looking statements that are not statements of historical facts, and are subject to risk factors associated with the upstream petroleum and mining businesses. Actual future results, performance and outcomes may differ materially from those anticipated, expressed or implied in such forward-looking statements as a result of a number of risks, uncertainties and/or assumptions including but not limited to petroleum price fluctuations, actual petroleum demand, currency fluctuations, drilling and production results, reserve estimates, loss of contracts, industry competition, credit risks, environmental risks, geological risks, political risks, legislative, fiscal and regulatory developments, general industry conditions, economic and financial market conditions in various countries and regions, project delay or advancement, cost estimates, changes in operating expenses, cost of capital and capital availability, interest rate trends and the continued availability of financing in the amounts and the terms necessary to support future business. Undue reliance must not be placed on these forward-looking statements, which are based on current developments, events or circumstances, and may not be updated or revised to reflect new information or events.

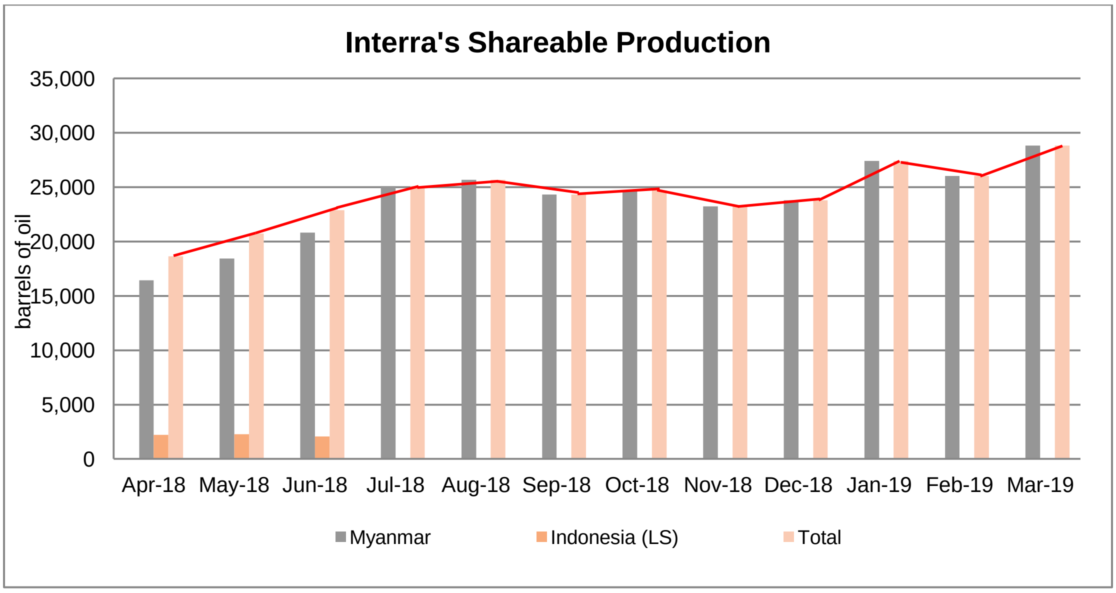
Appendix A

13 May 2019

PRODUCTION, DEVELOPMENT & EXPLORATION ACTIVITIES FOR THE FIRST QUARTER ENDED 31 MARCH 2019 ("Q1 2019")

Production Profile

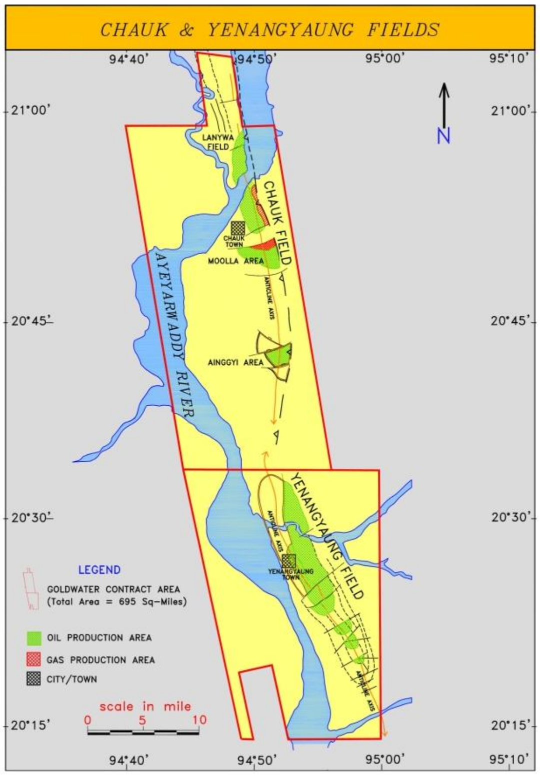
(Barrels)	Myanmar	
	Q4 2018	**Q1 2019**
Shareable production	119,568	137,119
Interra's share of shareable production	71,741	82,272



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

Development and Production Activities

Myanmar: Chauk and Yenangyaung IPRCs (Interra 60%)



In Q1 2019, the combined shareable production for both fields was 82,272 barrels of oil, an increase of 15% over the preceding quarter of 71,741 barrels of oil.

Production and development expenditures for the period were US$2,175,109 and US$1,935,622 respectively.

The operator, Goldpetrol Joint Operating Company Inc. ("**Goldpetrol**") (Interra 60%) completed five development wells in Myanmar as oil producers during Q1 2019, all in Chauk field. This recent drilling success is largely responsible for the increase in shareable production in Q1 2019.

A reduction in the natural production declines are the focus of ongoing field operations by optimising production through surface and borehole enhancements combined with scheduled maintenance. In addition, additional perforations of prospective reservoirs in existing wells and re-activation of shut-in wells continued in Q1 2019, and plans are in place to accelerate these lower cost operations (in comparison to drilling new wells) going forward.

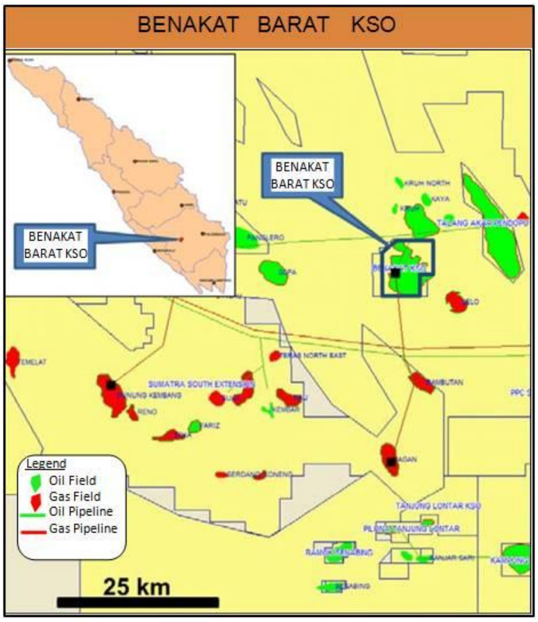
Monitoring of oil production in targeted response wells and modifying injection strategies based on the results are ongoing with respect to the initial water flood project commenced in Q1 2018 in the Chauk field. Two additional water flood projects - one each in Chauk and Yenangyaung - have been implemented in smaller fault blocks to determine the viability of "small compartment" injection in the fields. Other water flood projects are in the planning stage for both fields.

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

The 2019 work plan and budget was presented to the relative government agencies for approval. General maintenance and improvements to field infrastructure aimed at maintaining efficient field operations with respect to petroleum production continued in Q1 2019.

No new wells were drilled in Q1 2019.

***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%)

Planning and the tender processes are well underway with respect to site construction and drilling rig selection for the drilling of the Company's first exploration well in the Block. Interra has coordinated closely with the relative government agencies in acquiring necessary approvals and permits.

The 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.

Exploration costs for the period were US$23,442.