

28 February 2017

Dear Shareholders,

**UNAUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

**Highlights in FY 2016**

- Revenue from continuing operations for the financial year was US\$15.17 million, 35% lower than the previous financial year. The decrease was due mainly to lower weighted average transacted oil prices of US\$39.03 per barrel as compared to the previous financial year of US\$48.38 per barrel.
- Shareable oil production for the financial year decreased to 504,979 barrels from 634,312 barrels in the previous financial year.
- Total loss after tax for the financial year was US\$8.86 million, as compared to total loss after tax of US\$53.44 million in the previous financial year.
- Earnings before divestment gain, interest income, exchange difference, finance cost, tax, depreciation, amortisation, allowance and impairment (EBITDA) from the continuing operations for the financial year was US\$4.26 million.
- Net cash outflows for the financial year was US\$8.05 million, due mainly to net cash used in operating activities of US\$1.30 million and net cash used in financing activities of US\$6.66 million.
- Cash and cash equivalents (excluding restricted cash and deposits pledged) were US\$9.87 million as at 31 December 2016.

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 2016****TABLE OF CONTENTS**

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## 1(a)(i) PROFIT OR LOSS

Group	Note	Q4 2016 US\$'000	Q4 2015 US\$'000	Change %	FY 2016 US\$'000	FY 2015 US\$'000	Change %
<b>Continuing operations</b>							
Revenue	A1	3,976	4,417	↓ 10	15,173	23,452	↓ 35
Cost of production	A2	(2,533)	(8,559)	↓ 70	(9,610)	(34,073)	↓ 72
<b>Gross profit/(loss)</b>		<b>1,443</b>	<b>(4,142)</b>	↓ 135	<b>5,563</b>	<b>(10,621)</b>	↓ 152
Other income/(loss), net	A3	(89)	(371)	↓ 76	63	324	↓ 81
Administrative expenses		(1,217)	(1,700)	↓ 28	(5,129)	(6,956)	↓ 26
Finance expenses		(23)	(26)	↓ 12	(82)	(59)	↑ 39
Other expenses	A4	(17)	(239)	↓ 93	(72)	(974)	↓ 93
Impairment and allowances	A5	(852)	(28,017)	↓ 97	(1,374)	(33,317)	↓ 96
Share of losses of associated companies		(5,579)	(382)	↑ 1,360	(6,755)	(626)	↑ 979
<b>Loss before income tax</b>		<b>(6,334)</b>	<b>(34,877)</b>	↓ 82	<b>(7,786)</b>	<b>(52,229)</b>	↓ 85
Income tax expense	A6	(271)	(295)	↓ 8	(1,031)	(555)	↑ 86
<b>Loss from continuing operations for the financial period/year</b>		<b>(6,605)</b>	<b>(35,172)</b>	↓ 81	<b>(8,817)</b>	<b>(52,784)</b>	↓ 83
<b>Discontinued operations</b>							
Profit/(Loss) from discontinued operations for the financial period/year	A7	63	(1,734)	↓ 104	(39)	(655)	↓ 94
<b>Total loss</b>		<b>(6,542)</b>	<b>(36,906)</b>	↓ 82	<b>(8,856)</b>	<b>(53,439)</b>	↓ 83
<b>Attributable to:</b>							
Equity holders of the company		(6,426)	(32,059)		(8,062)	(47,720)	
Non-controlling interests		(116)	(4,847)		(794)	(5,719)	
		<b>(6,542)</b>	<b>(36,906)</b>		<b>(8,856)</b>	<b>(53,439)</b>	
<b>Profit/(Loss) attributable to equity holders of the Company relates to:</b>							
Loss from continuing operations		(6,460)	(31,127)		(8,041)	(47,368)	
Profit/(Loss) from discontinued operations		34	(932)		(21)	(352)	
		<b>(6,426)</b>	<b>(32,059)</b>		<b>(8,062)</b>	<b>(47,720)</b>	
<b>Earnings/(Losses) per share for continuing and discontinued operations attributable to equity holders of the Company</b>							
<b>Basic earnings/(losses) per share (US cents)</b>							
- From continuing operations		(1.276)	(6.146)		(1.588)	(9.846)	
- From discontinued operations		0.007	(0.184)		(0.004)	(0.073)	
<b>Diluted earnings/(losses) per share (US cents)</b>							
- From continuing operations		(1.276)	(6.146)		(1.588)	(9.846)	
- From discontinued operations		0.007	(0.184)		(0.004)	(0.073)	

1(a)(i) STATEMENT OF COMPREHENSIVE INCOME

Group	Note	Q4 2016 US\$'000	Q4 2015 US\$'000	Change %	FY 2016 US\$'000	FY 2015 US\$'000	Change %
<b>Total loss for the financial period/year</b>		(6,542)	(36,906)	↓ 82	(8,856)	(53,439)	↓ 83
<b>Other comprehensive income, net of tax</b>							
<b>Items that may be reclassified</b>							
<b>subsequently to profit or loss:</b>							
Share of currency translation differences of associated companies		(45)	(114)	↓ 61	132	(114)	↓ 216
Currency translation differences arising from consolidation - (losses)/gains		(284)	640	↓ 144	138	(1,179)	↓ 112
<b>Items that may not be</b>							
<b>reclassified subsequently to profit or loss:</b>							
Share of defined benefit obligation re-measurements of associated companies		5	3	NM	(13)	3	NM
Defined benefit obligation re-measurements		(41)	40	↓ 203	(41)	40	↓ 203
<b>Total comprehensive loss for the financial period/year</b>		<b>(6,907)</b>	<b>(36,337)</b>	↓ 81	<b>(8,640)</b>	<b>(54,689)</b>	↓ 84
<b>Attributable to:</b>							
Equity holders of the Company		(6,627)	(31,809)		(7,898)	(48,381)	
Non-controlling interests		(280)	(4,528)		(742)	(6,308)	
		<b>(6,907)</b>	<b>(36,337)</b>		<b>(8,640)</b>	<b>(54,689)</b>	

↑ denotes increase  
↓ denotes decrease  
NM denotes not meaningful

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

Group	Q4 2016 barrels	Q4 2015 barrels	FY 2016 barrels	FY 2015 barrels
Group's share of shareable oil production	108,980	148,556	504,979	634,312
Group's sales of shareable oil	110,287	148,623	506,236	636,120
Group	Q4 2016 US\$'000	Q4 2015 US\$'000	FY 2016 US\$'000	FY 2015 US\$'000
<b>A1 Revenue</b>				
Sale of oil and petroleum products	3,976	4,417	15,173	23,452
<b>A2 Cost of production</b>				
Production expenses	2,397	3,155	9,251	16,871
Amortisation of producing oil and gas properties	136	5,401	359	17,192
Amortisation of intangible assets	-	3	-	10
	<b>2,533</b>	<b>8,559</b>	<b>9,610</b>	<b>34,073</b>
<b>A3 Other income/(loss), net</b>				
Interest income	59	106	233	266
Petroleum services fees	40	43	195	173
Management fees	8	37	62	261
Currency translation gain/(loss), net	13	(628)	(202)	(367)
Loss on disposal of property, plant and equipment	-	(12)	-	(17)
Fair value (loss)/gain on investment properties	(166)	110	(166)	110
Other loss	(43)	(27)	(59)	(102)
	<b>(89)</b>	<b>(371)</b>	<b>63</b>	<b>324</b>
<b>A4 Other expenses</b>				
Depreciation of property, plant and equipment	10	9	43	49
Amortisation of producing oil and gas properties	7	230	29	925
	<b>17</b>	<b>239</b>	<b>72</b>	<b>974</b>
<b>A5 Impairment and allowances</b>				
Impairment of producing oil and gas properties	-	26,498	-	31,798
Write-down of consumable inventories	852	-	1,374	-
Impairment of intangible assets (including goodwill on reverse acquisition)	-	1,519	-	1,519
	<b>852</b>	<b>28,017</b>	<b>1,374</b>	<b>33,317</b>

## 1(a)(ii) EXPLANATORY NOTES TO PROFIT OR LOSS (CONT'D)

Group	Q4 2016 US\$'000	Q4 2015 US\$'000	FY 2016 US\$'000	FY 2015 US\$'000
<b>A6</b> <u>Income tax expense</u>				
Current income tax	279	299	1,039	1,587
Over-provision of current income tax in prior financial period/year*	-	-	-	(1,028)
Deferred income tax	(8)	(4)	(8)	(4)
	<b>271</b>	<b>295</b>	<b>1,031</b>	<b>555</b>
* Being reduction of corporate tax rate by 5% (i.e. from 30% to 25%) from Myanmar tax authority for 3 Assessment years of which income tax has been paid. Upon finalisation of assessment, the overpayment was reversed to profit or loss.				
<b>A7</b> <u>Profit/(Loss) from discontinued operations for the financial period/year</u>				
Revenue	1,023	1,852	3,950	8,936
Expenses	(1,023)	(1,565)	(3,932)	(7,393)
Profit before income tax from discontinued operations	-	287	18	1,543
Income tax (expense)/credit	(33)	100	(84)	(77)
(Loss)/Profit after income tax from discontinued operations	(33)	387	(66)	1,466
Pre-tax gain/(loss) recognised on the measurement to fair values				
less cost to sell on disposal group	120	(2,651)	34	(2,651)
Income tax (expense)/credit	(24)	530	(7)	530
Profit/(Loss) after tax recognised on the measurement to fair value	96	(2,121)	27	(2,121)
less cost to sell on disposal group				
<b>Total profit/(loss) from discontinued operations</b>	<b>63</b>	<b>(1,734)</b>	<b>(39)</b>	<b>(655)</b>

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

	Note	Group		Company	
		31-Dec-16 US\$'000	31-Dec-15 US\$'000	31-Dec-16 US\$'000	31-Dec-15 US\$'000
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment		92	133	12	33
Producing oil and gas properties	B1	206	359	-	-
Mining properties	B2	-	-	-	-
Exploration and evaluation costs	B3	10,584	10,488	-	-
Intangible assets	B4	-	-	-	-
Investments in subsidiary corporations		-	-	31,100	37,673
Investments in associated companies	B5	1,091	7,621	-	-
Other receivables	B6	2,430	1,686	-	-
Restricted cash*		225	2,447	-	-
Retirement benefit obligations		-	57	-	-
Investment properties	B7	153	315	-	-
		<b>14,781</b>	<b>23,106</b>	<b>31,112</b>	<b>37,706</b>
<b>Current assets</b>					
Inventories	B8	4,880	6,804	-	-
Trade and other receivables	B6	13,379	12,450	49	331
Other current assets		377	777	61	73
Restricted cash*		2,221	-	-	-
Cash and cash equivalents	B9	11,865	17,828	2,610	516
		<b>32,722</b>	<b>37,859</b>	<b>2,720</b>	<b>920</b>
Assets of disposal group classified as held-for-sale	B10	4,599	4,453	-	-
		<b>37,321</b>	<b>42,312</b>	<b>2,720</b>	<b>920</b>
		<b>52,102</b>	<b>65,418</b>	<b>33,832</b>	<b>38,626</b>
<b>Total assets</b>					
<b>Equity and Liabilities</b>					
<b>Equity</b>					
Share capital		69,258	69,258	69,258	69,258
Accumulated losses		(29,369)	(21,271)	(39,315)	(34,385)
Other reserves		(18,397)	(18,597)	357	357
<b>Equity attributable to owners of the Company</b>		<b>21,492</b>	<b>29,390</b>	<b>30,300</b>	<b>35,230</b>
Non-controlling interests		3,846	3,961	-	-
<b>Total equity</b>		<b>25,338</b>	<b>33,351</b>	<b>30,300</b>	<b>35,230</b>
<b>Non-current liabilities</b>					
Retirement benefit obligations		8	-	-	-
Provision for environmental and restoration costs		1,565	4,474	-	-
Deferred income tax liabilities		44	39	-	-
		<b>1,617</b>	<b>4,513</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>					
Trade and other payables	B11	9,499	16,096	532	396
Bank loan		3,739	3,728	3,000	3,000
Provision for environmental and restoration costs		3,300	-	-	-
Current income tax liabilities		7,327	6,657	-	-
		<b>23,865</b>	<b>26,481</b>	<b>3,532</b>	<b>3,396</b>
Liabilities directly associated with disposal group classified as held-for-sale	B10	1,282	1,073	-	-
		<b>25,147</b>	<b>27,554</b>	<b>3,532</b>	<b>3,396</b>
		<b>26,764</b>	<b>32,067</b>	<b>3,532</b>	<b>3,396</b>
<b>Total liabilities</b>					
<b>Total equity and liabilities</b>					
		<b>52,102</b>	<b>65,418</b>	<b>33,832</b>	<b>38,626</b>

\* Fund intended for environmental and restoration costs.

Group		31-Dec-16 US\$'000	31-Dec-15 US\$'000
<b>B1</b>	<b><u>Producing oil and gas properties</u></b>		
	Development tangible assets	206	359
<b>B2</b>	<b><u>Mining properties</u></b>		
	Deferred exploration expenditures	353	315
	Development tangible assets	2,337	2,302
		2,690	2,617
	Less: Assets of disposal group classified as held-for-sale	(2,690)	(2,617)
		-	-
<b>B3</b>	<b><u>Exploration and evaluation costs</u></b>		
	Exploration and evaluation assets	9,149	9,053
	Participating rights of exploration asset	1,435	1,435
		<b>10,584</b>	<b>10,488</b>
<b>B4</b>	<b><u>Intangible assets</u></b>		
	Non-contractual customer relationships	413	413
	Less: Assets of disposal group classified as held-for-sale	(413)	(413)
		-	-
<b>B5</b>	<b><u>Investments in associated companies</u></b>		
	Equity investment at costs	8,358	8,358
	Share of losses in associated companies	(7,381)	(626)
	Share of other comprehensive income/(losses) in associated companies	8	(111)
	Loan to associated companies (non-trade)	106	-
		<b>1,091</b>	<b>7,621</b>
<b>B6</b>	<b><u>Trade and other receivables</u></b>		
	<b>Non-current</b>		
	Other receivables - loan to non-related parties	2,430	1,686
	<b>Current</b>		
	Trade receivables - non-related parties	5,039	5,476
	Other receivables - loan to non-related parties	7,195	2,866
	Other receivables - non-related parties	1,145	4,108
		13,379	12,450
		<b>15,809</b>	<b>14,136</b>



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

Group		31-Dec-16 US\$'000	31-Dec-15 US\$'000
<b>B7</b>	<b><u>Investment properties</u></b>		
	Land and Building in Pacet	141	127
	Shophouse at Pasar Kemis, Tangerang	-	140
	Kiosk at ITC Kuningan	12	48
		<b>153</b>	<b>315</b>
<b>B8</b>	<b><u>Inventories</u></b>		
	Consumable inventories	5,477	5,951
	Mining sparts parts and others	538	550
	Granite rocks	672	605
	Crude oil inventory#	105	248
		6,792	7,354
	Less: Assets of disposal group classified as held-for-sale	(538)	(550)
	Less: Write-down of consumable inventories	(1,374)	-
		<b>4,880</b>	<b>6,804</b>
<b>B9</b>	<b><u>Cash and cash equivalents</u></b>		
	Cash at bank and on hand	2,997	8,819
	Short-term fixed deposits	8,868	9,009
	<b>Cash and bank balances</b>	<b>11,865</b>	<b>17,828</b>
	Less: Bank deposits pledged	(2,000)	-
	<b>Cash and cash equivalents per statement of cash flows</b>	<b>9,865</b>	<b>17,828</b>
<b>B10</b>	<b><u>Disposal group classified as held-for-sale</u></b>		
	Property, plant and equipment	40	39
	Mining properties (tangible assets)	2,337	2,302
	Mining properties (intangible assets)	353	315
	Intangible assets	413	413
	Restricted cash	918	834
	Inventories	538	550
	<b>Assets of disposal group</b>	<b>4,599</b>	<b>4,453</b>
	Retirement benefit obligations	(158)	(96)
	Provision for environmental and restoration costs	(918)	(834)
	Deferred income tax liabilities	(206)	(143)
	<b>Liabilities directly associated with disposal group</b>	<b>(1,282)</b>	<b>(1,073)</b>
		<b>3,317</b>	<b>3,380</b>
<b>B11</b>	<b><u>Trade and other payables</u></b>		
	Trade payables - non-related parties	1,536	6,806
	Other payables - non-related parties	7,151	8,554
	Accruals	812	736
		<b>9,499</b>	<b>16,096</b>

# This represents costs of crude oil inventory of Linda Sele TAC ("LS TAC") which was not uplifted and was stored at stock points as at 31 Dec 2016 and 31 Dec 2015.

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

Group	31-Dec-16		31-Dec-15	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Amount repayable in one year or less, or on demand - Bank loan *	3,739	-	728	3,000
Amount repayable after one year	-	-	-	-

\* (i) The secured bank loan represents back-to-back facility obtained from PT Sejahtera Bank Umum (liquidated bank), backed with the finance lease receivables from PT Intinusa Abadi Manufacturing by PT Mitra Investindo TBK ("MITI"). To-date, the liquidated team had been disbanded and none of the parties have come forward to claim for payment.

(ii) The secured bank loan represents a bank loan of US\$3.00 mil from United Overseas Bank Limited ("UOB") to finance the Company's working capital. The interest rate is charged at 3.00% per annum for a tenor period of 3 months. The fixed deposit of US\$2.00 mil is placed with UOB to secure the bank loan and restrict to withdraw until the bank loan have been fully discharged.

## 1(c) STATEMENT OF CASH FLOWS

Group	Note	Q4 2016 US\$'000	Q4 2015 US\$'000	FY 2016 US\$'000	FY 2015 US\$'000
<b>Cash Flows from Operating Activities</b>					
Total loss		(6,542)	(36,906)	(8,856)	(53,439)
<b>Adjustments for non-cash items:</b>					
Income tax (credit)/expense		328	(335)	1,122	102
Share of losses of associated companies		5,579	382	6,755	626
Depreciation of property, plant and equipment		10	14	43	69
Amortisation of producing oil and gas properties		143	5,631	388	18,117
Amortisation of mining properties		-	99	-	758
Amortisation of intangible assets		-	18	-	114
Impairment of producing oil and gas properties		-	26,498	-	31,798
Impairment of intangible assets		-	1,519	-	1,519
Interest income		(59)	(106)	(233)	(265)
(Gain)/Loss on measurement to fair value on disposal group		(120)	2,651	(34)	2,651
(Gain)/Loss on curtailment		(41)	40	(41)	40
Loss on disposal of property, plant and equipment		-	1	-	6
Unwinding of discount on provision of site restoration		9	(46)	399	200
Fair value loss/(gain) on investment properties		166	(110)	166	(110)
Interest expenses		23	25	82	67
Unrealised currency translation gain		289	318	82	76
<b>Operating (loss)/profit before working capital changes</b>		<b>(215)</b>	<b>(307)</b>	<b>(127)</b>	<b>2,329</b>
<b>Changes in working capital</b>					
Inventories		1,177	735	1,935	2,076
Trade and other receivables and other current assets		(1,135)	(877)	3,792	3,686
Trade and other payables		(1,155)	1,766	(6,456)	1,421
Restricted cash		28	(41)	(70)	47
<b>Cash (used in)/generated from operations</b>		<b>(1,300)</b>	<b>1,276</b>	<b>(926)</b>	<b>9,559</b>
Income tax paid		(153)	(111)	(372)	(970)
<b>Net cash (used in)/provided by operating activities</b>		<b>(1,453)</b>	<b>1,165</b>	<b>(1,298)</b>	<b>8,589</b>

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

Group	Note	Q4 2016 US\$'000	Q4 2015 US\$'000	FY 2016 US\$'000	FY 2015 US\$'000
<b>Cash Flows from Investing Activities</b>					
Interest received		30	17	245	79
Deposits received for proposed disposal of granite operations		-	(533)	-	2,774
Investments in associated companies		-	-	-	(2,226)
Net proceeds from disposal of property, plant and equipment		-	-	-	24
Additions to property, plant and equipment		-	-	-	(65)
Additions to producing oil and gas properties		(6)	(249)	(236)	(3,068)
Additions to exploration and evaluation assets		(5)	(2)	(95)	(5,367)
<b>Net cash provided by/(used in) investing activities</b>		<b>19</b>	<b>(767)</b>	<b>(86)</b>	<b>(7,849)</b>
<b>Cash Flows from Financing Activities</b>					
Interest paid		(15)	(31)	(80)	(54)
Proceeds from issuance of new ordinary shares pursuant to warrant issue		-	2	-	2
Share issue expenses		-	-	-	(1)
Proceeds from bank loans		-	-	-	3,000
Repayment of finance lease		-	-	-	(139)
Deposits pledged		(2,000)	-	(2,000)	-
Loan to non-related parties		(1,251)	(282)	(4,582)	(4,134)
<b>Net cash used in financing activities</b>		<b>(3,266)</b>	<b>(311)</b>	<b>(6,662)</b>	<b>(1,326)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(4,700)</b>	<b>87</b>	<b>(8,046)</b>	<b>(586)</b>
Cash and cash equivalents at beginning of financial period/year		14,784	17,564	17,828	18,737
Effects of currency translation on cash and cash equivalents		(219)	177	83	(323)
<b>Cash and cash equivalents at end of financial period/year</b>	B9	<b>9,865</b>	<b>17,828</b>	<b>9,865</b>	<b>17,828</b>

## 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
<b>Balance as at 1 Jan 2016</b>	69,258	(2,409)	(16,545)	357	(21,271)	29,390	3,961	33,351
Additional increase of non-controlling interests	-	-	-	-	-	-	627	627
Total transactions with owners, recognised directly in equity	69,258	(2,409)	(16,545)	357	(21,271)	29,390	4,588	33,978
Loss for the financial year	-	-	-	-	(8,062)	(8,062)	(794)	(8,856)
Other comprehensive income								
Foreign currency translation differences	-	68	-	-	-	68	70	138
Share of currency translation differences of associated companies	-	132	-	-	-	132	-	132
Defined benefit obligation re-measurements	-	-	-	-	(23)	(23)	(18)	(41)
Share of defined benefit obligation re-measurements of associated companies	-	-	-	-	(13)	(13)	-	(13)
Total comprehensive income/ (loss) for FY 2016	-	200	-	-	(8,098)	(7,898)	(742)	(8,640)
<b>Balance as at 31 Dec 2016</b>	<b>69,258</b>	<b>(2,209)</b>	<b>(16,545)</b>	<b>357</b>	<b>(29,369)</b>	<b>21,492</b>	<b>3,846</b>	<b>25,338</b>

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
<b>Balance as at 1 Jan 2015</b>	63,125	(1,702)	(16,545)	365	26,395	71,638	8,932	80,570
Issue of new ordinary shares pursuant to purchase consideration shares and warrant issues	6,134	-	-	-	-	6,134	-	6,134
Share issue expenses	(1)	-	-	-	-	(1)	-	(1)
Employee share option - share option lapsed	-	-	-	(8)	8	-	-	-
Additional increase of non-controlling interests	-	-	-	-	-	-	1,337	1,337
Total transactions with owners, recognised directly in equity	69,258	(1,702)	(16,545)	357	26,403	77,771	10,269	88,040
Loss for the financial year	-	-	-	-	(47,720)	(47,720)	(5,719)	(53,439)
Other comprehensive income								
Foreign currency translation differences	-	(593)	-	-	-	(593)	(586)	(1,179)
Share of currency translation differences of associated companies	-	(114)	-	-	-	(114)	-	(114)
Defined benefit obligation re-measurements	-	-	-	-	43	43	(3)	40
Share of defined benefit obligation re-measurements of associated companies	-	-	-	-	3	3	-	3
Total comprehensive loss for FY 2015	-	(707)	-	-	(47,674)	(48,381)	(6,308)	(54,689)
<b>Balance as at 31 Dec 2015</b>	<b>69,258</b>	<b>(2,409)</b>	<b>(16,545)</b>	<b>357</b>	<b>(21,271)</b>	<b>29,390</b>	<b>3,961</b>	<b>33,351</b>

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
<b>Balance as at 1 Jan 2016</b>	69,258	357	(34,385)	35,230
Total comprehensive loss for FY 2016	-	-	(4,930)	(4,930)
<b>Balance as at 31 Dec 2016</b>	<b>69,258</b>	<b>357</b>	<b>(39,315)</b>	<b>30,300</b>
<b>Balance as at 1 Jan 2015</b>	63,125	365	(20,866)	42,624
Issue of new ordinary shares pursuant to purchase consideration shares and warrant issues	6,134	-	-	6,134
Share issue expenses	(1)	-	-	(1)
Employee share option - share option lapsed	-	(8)	8	-
Total comprehensive loss for FY 2015	-	-	(13,527)	(13,527)
<b>Balance as at 31 Dec 2015</b>	<b>69,258</b>	<b>357</b>	<b>(34,385)</b>	<b>35,230</b>

1(d)(ii) SHARE CAPITAL

No new ordinary shares were issued in FY 2016.

The number of ordinary shares comprised in the options granted and outstanding under the Interra Share Option Plan as at 31 Dec 2016 was 7,110,000 (31 Dec 2015: 7,110,000).

The Company does not hold any treasury shares.

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

Group and Company	31 Dec 2016	31 Dec 2015
<b>Issued and fully paid</b>		
<b>Opening balance</b>	506,446,757	449,350,357
Issuance of new ordinary shares pursuant to purchase consideration shares and warrant issues	-	57,096,400
<b>Closing balance</b>	<b>506,446,757</b>	<b>506,446,757</b>

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 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 2015.

**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 2016.

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

- FRS 16 Property, Plant and Equipment and FRS 38 Intangible Assets (effective for annual periods beginning on or after 1 Jan 2016)
- FRS 111 Joint Arrangements (effective for annual periods beginning on or after 1 Jan 2016)
- FRS 110 Consolidated Financial Statements and FRS 28 Investments in Associates and Joint Ventures (effective for annual periods beginning on or after 1 Jan 2016)
- FRS 1 Presentation of Financial Statements (effective for annual periods beginning on or after 1 Jan 2016)
- FRS 115 Revenue from Contracts with Customers (effective for annual periods beginning on or after 1 Jan 2018)
- FRS 109 Financial Instruments (effective for annual periods beginning on or after 1 Jan 2018)

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	Q4 2016	Q4 2015	FY 2016	FY 2015
<b>Basic earnings/(losses) per ordinary share (US cents)</b>				
- From continuing operations	(1.276)	(6.146)	(1.588)	(9.846)
- From discontinued operations	0.007	(0.184)	(0.004)	(0.073)
Weighted average number of ordinary shares for the computing basic earnings/(losses) per share	506,446,757	506,436,469	506,446,757	481,100,269
<b>Fully diluted earnings/(losses) per ordinary share (US cents)</b>				
- From continuing operations	(1.276)	(6.146)	(1.588)	(9.846)
- From discontinued operations	0.007	(0.184)	(0.004)	(0.073)
Weighted average number of ordinary shares for the computing fully diluted earnings/(losses) per share	513,556,757	513,550,046	513,556,757	488,210,269

No new ordinary shares were issued in Q4 2016.

The weighted average number of ordinary shares on issue has been adjusted as if all dilutive share options are exercised in Q4 2016. For the purpose of computing basic and fully diluted earnings/(losses) per share, the relevant periods are from 1 Oct 2016 to 31 Dec 2016 and from 1 Jan 2016 to 31 Dec 2016. The impact on losses per share for Q4 2016 and FY 2016 are anti-dilutive as it resulted in lower losses per share. Therefore diluted losses per share is same as basic losses per share.

7 NET ASSET VALUE PER SHARE

	Group		Company	
	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
Net asset value per ordinary share based on total number of issued shares (excluding treasury shares) (US cents)	4.244	5.803	5.983	6.956
Total number of issued shares (excluding treasury shares)	506,446,757	506,446,757	506,446,757	506,446,757



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

**Revenue & Production**

Revenue decreased by 35% to US\$15.17 mil in FY 2016 from US\$23.45 mil in FY 2015. This was largely due to lower weighted average transacted oil prices for FY 2016 of US\$39.03 per barrel (FY 2015: US\$48.38 per barrel) and lower sales of shareable oil of 506,236 barrels in FY 2016 from 636,120 barrels in FY 2015 for oil and gas operations.

The Group's shareable oil production decreased by 20% to 504,979 barrels in FY 2016 from 634,312 barrels in FY 2015. The decrease was mainly due to lower contributions from TMT TAC of 157,313 barrels in FY 2016 (FY 2015: 223,114 barrels), Myanmar of 310,859 barrels in FY 2016 (FY 2015: 373,501 barrels) and LS TAC of 36,807 barrels in FY 2016 (FY 2015: 37,697 barrels).

**Cost of Production**

The decrease in cost of production to US\$9.61 mil in FY 2016 from US\$34.07 mil in FY 2015 was largely attributable to lower amortisation charges of producing oil and gas properties by US\$16.83 mil in FY 2016 as compared to FY 2015. In addition, lower production expenses for producing oil and gas operations by US\$7.62 mil in FY 2016 also contributed to decrease of cost of production. Lower production expenses from TMT TAC operation by US\$4.96 mil was due to reduction of workover and well services in 2016. Myanmar and LS TAC operations incurred lower production expenses by US\$2.66 mil in line with declining production and cost-cutting measures.

**Net Loss After Tax**

The Group posted a total loss after tax of US\$8.86 mil in FY 2016 as compared to a total loss of US\$53.44 mil in FY 2015. The decrease was mainly due after taking the following into consideration:

- (1) Lower revenue of US\$15.17 mil in FY 2016 (FY 2015: US\$23.45 mil) due to lower oil prices and sales of shareable oil.
- (2) Lower cost of production of US\$9.61 mil in FY 2016 (FY 2015: US\$34.07 mil), due to lower production expenses and amortisation charges of producing oil and gas properties.
- (3) Lower other income of US\$0.06 mil in FY 2016 (FY 2015: US\$0.32 mil), due to fair value loss on investment properties of US\$0.17 mil as compared to fair value gain of US\$0.11 mil in FY 2015.
- (4) Lower administrative expenses of US\$5.13 mil in FY 2016 (FY 2015: US\$6.96 mil), mainly due to implementation of cost cutting measures.
- (5) Write-down of consumable inventories of TMT TAC and LS TAC of US\$1.37 mil. In FY 2015, there was an impairment of producing oil and gas operations and intangible assets of US\$33.32 mil.
- (6) Higher share of losses of associated companies of US\$6.76 mil in FY 2016 as compared to US\$0.63 mil in FY 2015 due to impairment of the producing oil and gas properties from operation unit.
- (7) Current income tax expenses of US\$1.03 mil are in line with the taxable income in FY 2016. In FY 2015, the income tax expenses were significantly lower due to overprovision of prior year tax of US\$1.03 mil as compared to FY 2016.
- (8) Loss from discontinued operations of US\$0.04 mil in FY 2016 (FY 2015: US\$0.66 mil). To-date, the disposal of granite operations is still pending completion.

**(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 decreased by US\$0.15 mil to US\$0.21 mil in FY 2016 from US\$0.36 mil in FY 2015, due to amortisation charges of US\$0.40 mil and offset by capitalised drilling expenditure of US\$0.24 mil.

Exploration and evaluation costs increased by US\$0.09 mil to US\$10.58 mil in FY 2016 from US\$10.49 mil in FY 2015 mainly due to capitalisation of 2D seismic costs for KP PSC.

Investments in associated companies decreased by US\$6.53 mil to US\$1.09 mil in FY 2016 from US\$7.62 mil in FY2015. This is mainly due to higher post-acquisition share of losses and other comprehensive income of associated companies of US\$7.38 mil and US\$0.01 mil respectively.

Inventories decreased by US\$1.92 mil to US\$4.88 mil in FY 2016 from US\$6.80 mil in FY 2015. This was mainly due to the lower consumable inventories by US\$1.85 mil as a result of write-down of consumable inventories of US\$1.37 mil during the financial year.

Trade and other receivables (current and non-current) increased by US\$1.67 mil to US\$15.81mil in FY 2016 from US\$14.14 mil in FY 2015. This was mainly due to decrease in other receivables - non-related parties (current) by US\$2.96 mil resulted from the VAT reimbursement of US\$2.97 mil from TMT TAC and LS TAC operations in 2016. The decrease in MITI's trade receivables of US\$0.71 mil in FY 2016 offset by the loan to a non-related party (current) increased to US\$7.20 mil in FY 2016 from US\$2.87 mil in FY 2015 which was between MITI with PT Pratama Media Abadi as per the loan agreement on 28 Aug 2015. The loan agreement was revised on 26 Aug 2016 with repayment terms extended by another 12 months. The loan remained as unsecured and interest-free.

Trade and other payables decreased by US\$6.60 mil to US\$9.50 mil in FY 2016 from US\$16.10 mil in FY 2015. This was mainly due to settlement of vendors of US\$4.80 mil mainly for TMT TAC and KP PSC operations.

**Statement of Cash Flows**

Cash and cash equivalents showed a net decrease of US\$8.05 mil in FY 2016 due to the following:

- (1) Net cash used in operating activities of US\$1.30 mil mainly due to cash generated from oil and gas operations of US\$2.28 mil offset against the settlement of exploration and evaluation costs of US\$1.98 mil and corporate expenses.
- (2) Net cash used in investing activities of US\$0.09 mil mainly due to interest received of US\$0.25 mil offset capital expenditure incurred at the Myanmar operations of US\$0.24 mil.
- (3) Net cash used in financing activities of US\$6.66 mil, mainly due to loan to non-related parties of US\$4.58 mil, deposits pledged to secure the bank loan of US\$2.00 mil and bank loan interest payment of US\$0.08 mil.

## 8(ii) SEGMENTED REVENUE AND RESULTS

Geographical Segment	Indonesia Oil and Gas		Myanmar Oil and Gas		Consolidated	
	Q4 2016	Q4 2015	Q4 2016	Q4 2015	Q4 2016	Q4 2015
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Results</b>						
<b>EBITDA</b>	(50)	(478)	1,154	705	1,104	227
<b>EBIT</b>	(953)	(25,492)	1,062	(13,297)	109	(38,789)
<b>Sales to external customers</b>	1,414	2,026	2,562	2,391	3,976	4,417
<b>Segment results</b>	(997)	(26,096)	1,062	(13,297)	65	(39,393)
Unallocated corporate net operating results					(6,399)	4,516
<b>Loss before income tax</b>					(6,334)	(34,877)
Income tax expense					(271)	(295)
<b>Net loss from continuing operations</b>					(6,605)	(35,172)
<b>Profit/(Loss) from discontinued operations for the financial period</b>					63	(1,734)
<b>Total loss</b>					(6,542)	(36,906)

Geographical Segment	Indonesia Oil and Gas		Myanmar Oil and Gas		Consolidated	
	FY 2016	FY 2015	FY 2016	FY 2015	FY 2016	FY 2015
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Results</b>						
<b>EBITDA</b>	323	(2,418)	3,938	6,384	4,261	3,966
<b>EBIT</b>	(1,269)	(41,038)	3,767	(11,806)	2,498	(52,844)
<b>Sales to external customers</b>	6,061	10,088	9,112	13,364	15,173	23,452
<b>Segment results</b>	(1,390)	(41,583)	3,767	(11,806)	2,377	(53,389)
Unallocated corporate net operating results					(10,163)	1,160
<b>Loss before income tax</b>					(7,786)	(52,229)
Income tax expense					(1,031)	(555)
<b>Net loss from continuing operations</b>					(8,817)	(52,784)
<b>Loss from discontinued operations for the financial year</b>					(39)	(655)
<b>Total loss</b>					(8,856)	(53,439)

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

**Notes**

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

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

8(iii) REVENUE BREAKDOWN

Group	FY 2016 US\$'000	FY 2015 US\$'000	Increase / (Decrease) %
<b>Revenue</b>			
- First half	7,258	13,684	(47)
- Second half	7,915	9,768	(19)
	<b>15,173</b>	<b>23,452</b>	(35)
<b>Operating loss after tax before deducting non-controlling interests</b>			
- First half	(1,246)	(10,768)	(88)
- Second half	(7,610)	(42,671)	(82)
	<b>(8,856)</b>	<b>(53,439)</b>	(83)

**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**

Tanjung Miring Timur TAC ("TMT TAC") shareable production decreased by 36% from 40,462 barrels in Q3 2016 to 26,058 barrels in Q4 2016 as a result of scaled down production activities in light of the contract expiry. Further to our announcement dated 16 Dec 2016 regarding contract expiry, the Company is continuing with its effort to discuss with the relevant authority on alternative contract arrangements.

Shareable production at Linda Sele TAC ("LS TAC") decreased by 4% to 9,082 barrels in Q4 2016 from 9,495 barrels in Q3 2016. Uplifting of oil at LS TAC has been regular this quarter.

Myanmar shareable production decreased by 5%, from 77,410 barrels in Q3 2016 to 73,840 barrels in Q4 2016 in the absence of new well drilling in the final quarter. A new well was spudded at the end of Jan 2017 and was completed as an oil producer in Feb 2017. The existing contract is expiring in Apr 2017, and contract extension negotiations are on-going. The Company will make the necessary announcement at a later stage.

For Kuala Pambuang Production Sharing Contract, the initial 3 year exploration programme has been completed. Preparations for the drilling of an exploration well are underway. Barring any unforeseen circumstances, the well will be drilled at the end of 2017. No significant contribution is expected from this field in the near term.

Due to the low oil prices during the year, the Group has adopted an extremely cautious approach with its capital and operating expenditures. In the case of Myanmar assets, all significant capital expenditures have been suspended until the outcome of the contract extension is clearer. In addition, all operational costs have been reviewed and controlled in view of the current oil price and pending contract extension. Despite the low oil price in 2016, which resulted in lower revenue, the Company has managed to maintain a reasonable level of cashflow during the year. Nevertheless barring any sudden decline in oil price in 2017 or change of events, the Group has sufficient cash on hand to meet its existing work commitments for the year. The Group will evaluate and source funding when the need arises.

**11 DIVIDEND**

**(a) Any dividend recommended for the current financial period reported on**

No.

**(b) Any dividend declared for the corresponding period of the immediately preceding financial year**

No.

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

NA.

**(d) Date payable**

NA.

**(e) Books closure date**

NA.

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

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

**(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 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)**

None of the persons occupying managerial positions in the Company and its principal subsidiaries is a relative of a director or chief executive officer or substantial shareholder of the Company during FY 2016.

By Order of the Board of Directors of  
INTERRA RESOURCES LIMITED  
Marcel Tjia  
Chief Executive Officer  
28-Feb-17

## 16 ABBREVIATIONS

Q4 2015	denotes	Fourth calendar quarter of the year 2015
Q3 2016	denotes	Third calendar quarter of the year 2016
Q4 2016	denotes	Fourth calendar quarter of the year 2016
FY 2015	denotes	Full year ended 31 December 2015
FY 2016	denotes	Full year ended 31 December 2016
bopd	denotes	barrels of oil per day
Company	denotes	Interra Resources Limited
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 corporations and interests in joint operations and associated companies
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.
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
TMT	denotes	Tanjung Miring Timur field

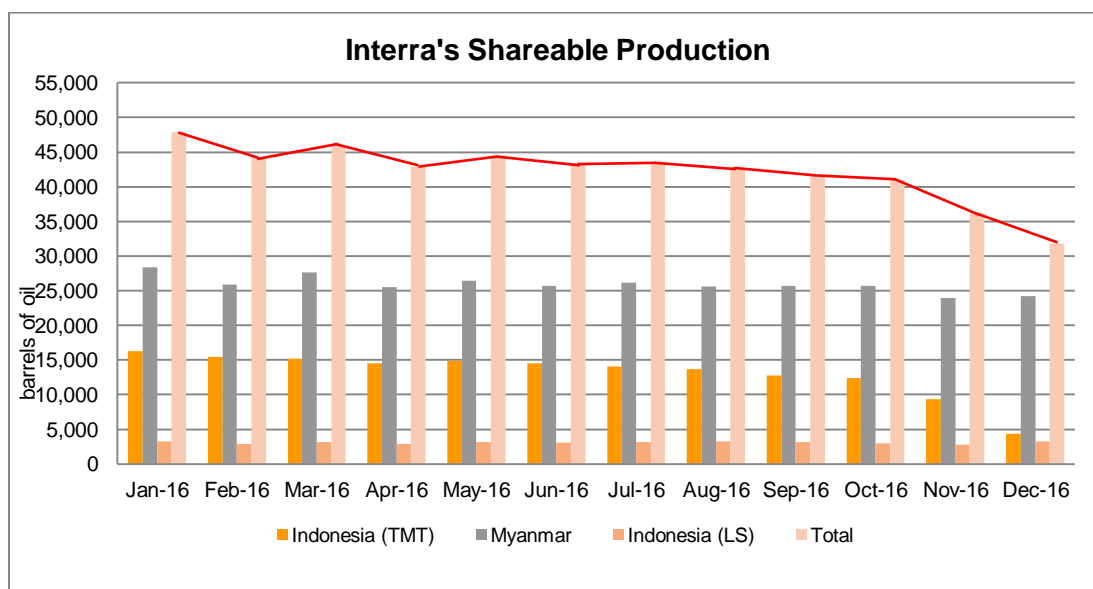
This release may contain forward-looking statements that are not statements of historical facts, and are subject to risk factors associated with the upstream petroleum and mining businesses. Actual future results, performance and outcomes may differ materially from those anticipated, expressed or implied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

28 February 2017

## PRODUCTION, DEVELOPMENT & EXPLORATION ACTIVITIES FOR THE QUARTER ENDED 31 DECEMBER 2016 (“Q4 2016”)

### Production Profile

(Barrels)	Myanmar		Indonesia (TMT)		Indonesia (LS)	
	Q3 2016	Q4 2016	Q3 2016	Q4 2016	Q3 2016	Q4 2016
Shareable production	129,016	123,066	40,462	26,058	16,264	15,556
Interra’s share of shareable production	77,410	73,840	40,462	26,058	9,495	9,082



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.

### Reserves and Resources

As at the date hereof, there is no update to the reserves or resources.





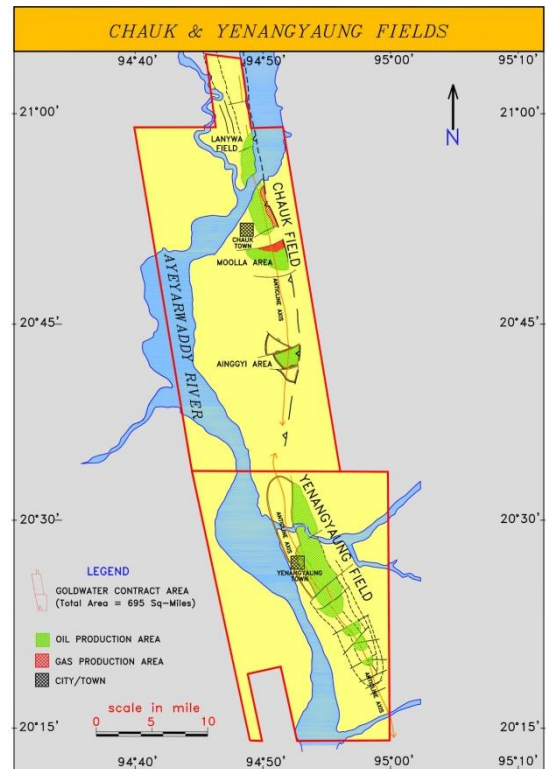
**Development and Production Activities**

**Myanmar: Chauk and Yenangyaung IPRCs (Interra 60%)**

In Q4 2016, the combined shareable production for both fields was 73,840 barrels of oil, a decrease of 5% over the preceding quarter of 77,410 barrels of oil.

Production and development expenditures for the period were US\$1,268,427 and US\$5,711 respectively.

During Q4 2016, the operator, Goldpetrol Joint Operating Company Inc. (“**Goldpetrol**”) (Interra 60%) continued with efforts to optimise production via surface and borehole enhancements combined with scheduled maintenance with the objective of reducing production declines in existing wells. Technical reservoir studies were ongoing by an external research centre aimed at identifying additional opportunities with respect to increasing production in existing wells and identifying new development locations for future drilling



As previously reported, Goldpetrol received government approval for a second development well (the first of which was completed as an oil producer in Q3 2016), and a location in Chauk Field was delineated for January 2017 drilling. The well was completed as an oil producer in February 2017.

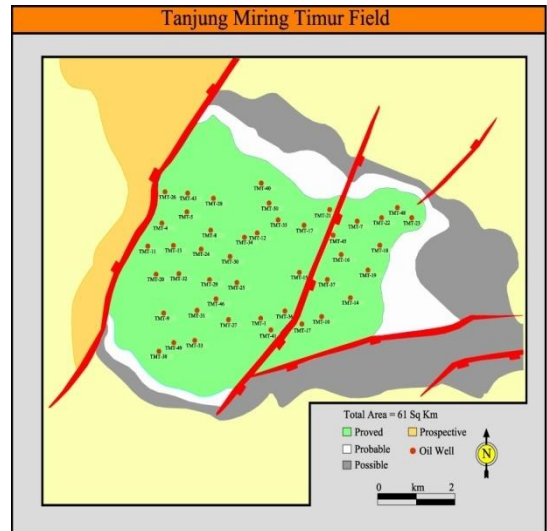


**Indonesia: Tanjung Miring Timur TAC (Interra 100%)**

In Q4 2016, shareable production was 26,058 barrels of oil, a decrease of 36% as compared to the previous quarter of 40,462 barrels of oil.

Production and development expenditures for the period were US\$744,000 and nil respectively.

The Tanjung Miring Timur Technical Assistance Contract expired on 16 December 2016. Interra has been negotiating with and has submitted a proposal to PT Pertamina EP seeking a twelve month temporary extension while negotiations proceed to arrive at a more permanent solution.



No new wells were drilled in Q4 2016 reflecting industry economic conditions and contract uncertainties. General and scheduled maintenance aimed at optimizing current field production was on-going. Cost reduction management with respect to operations and production facilities continued at the TMT field.

**Indonesia: Linda Sele TAC (Interra 58.38%)**

In Q4 2016, shareable production was 9,082 barrels of oil, a decrease of 4% as compared to the previous quarter of 9,495 barrels of oil. There were two upliftings of approximately 10,389 barrels of oil during the quarter.

Production and development expenditures for the period were US\$384,161 and nil respectively.

No new wells were drilled in Q4 2016, reflecting the current economically challenging operating environment due to the low oil price. Field operations with respect to production optimisation and scheduled maintenance aimed at maximizing efficient production continued. Geological, geophysical and reservoir studies continued with respect to evaluating future potential for new wells, new perforations in existing wells, etc. pending favourable future economic conditions.





**Exploration Activities**

**Indonesia: Kuala Pambuang PSC (Interra 67.5%)**

All technical data acquisitions and interpretations have been completed and integrated into a comprehensive sub-surface model consistent with a carbonate platform with areas of reefal growth. From this model, Interra has delineated several very high quality drillable exploration prospects in Berai Limestone reefs.

Exploration costs for the period was US\$4,385.



**Granite Mining Activities**

**Indonesia: Bukit Piatu Quarry (Interra 53.76%)**

The gross granite production at the quarry in Q4 2016 was 210,723 tonnes, an increase of 17% over the preceding quarter of 179,675 tonnes.

Production and development expenditures for the period were US\$962,504 and nil respectively.