



25 February 2022

Dear Shareholders,

**UNAUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (“FY 2021”)**

**Highlights in FY 2021**

- Revenue for financial year 2021 was US\$11.96 million, 11% higher than the previous financial year. The increase was due mainly to higher weighted average transacted oil prices of US\$70.72 per barrel for current financial year as compared to previous financial year of US\$41.73 per barrel despite lower sales of shareable oil of 214,184 barrels for FY 2021 (FY 2020: 327,708 barrels).
- Net profit for the financial year was US\$2.49 million, as compared to net loss for previous financial year of US\$1.25 million.
- Earnings before divestment gain, interest income, exchange difference, finance cost, tax, depreciation, amortisation, allowance and impairment (EBITDA) for the financial year was US\$5.81 million.
- Net cash inflow for the financial year was US\$1.27 million, due mainly to net cash provided by operating activities of US\$3.41 million offset by net cash used for total capital expenditure of US\$2.39 million and financing activities of US\$0.25 million.
- Cash and cash equivalents were US\$5.49 million as at 31 December 2021.

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 INTERIM FINANCIAL STATEMENTS FOR THE SECOND HALF-YEAR AND FULL YEAR ENDED 31 DECEMBER 2021

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Group	Note	2H 2021 US\$'000	2H 2020 US\$'000	Change %	FY 2021 US\$'000	FY 2020 US\$'000	Change %
Revenue	4	8,844	5,369	↑ 65	11,958	10,796	↑ 11
Cost of production		(4,959)	(4,501)	↑ 10	(7,537)	(9,307)	↓ 19
<b>Gross profit</b>		<b>3,885</b>	<b>868</b>	<b>↑ 348</b>	<b>4,421</b>	<b>1,489</b>	<b>↑ 197</b>
Other income, net		437	299	↑ 46	1,076	673	↑ 60
Administrative expenses		(1,240)	(1,314)	↓ 6	(2,431)	(2,657)	↓ 9
Finance expenses		(59)	(62)	↓ 5	(116)	(127)	↓ 9
Other expenses		(76)	(93)	↓ 18	(159)	(193)	↓ 18
<b>Profit/(Loss) before income tax</b>		<b>2,947</b>	<b>(302)</b>	<b>↑ 1,076</b>	<b>2,791</b>	<b>(815)</b>	<b>↑ 442</b>
Income tax expense	7	(130)	(129)	↓ 1	(304)	(434)	↓ 30
<b>Profit/(Loss) for the financial period/year</b>		<b>2,817</b>	<b>(431)</b>	<b>↑ 754</b>	<b>2,487</b>	<b>(1,249)</b>	<b>↑ 299</b>
<b>Attributable to:</b>							
Equity holders of the Company		2,850	(382)		2,549	(1,165)	
Non-controlling interests		(33)	(49)		(62)	(84)	
		<b>2,817</b>	<b>(431)</b>		<b>2,487</b>	<b>(1,249)</b>	
<b>Earnings/(Losses) per share attributable to equity holders of the Company</b>							
<b>Basic earnings/(losses) per share (US cents)</b>		<b>0.435</b>	<b>(0.058)</b>		<b>0.389</b>	<b>(0.186)</b>	
<b>Diluted earnings/(losses) per share (US cents)</b>		<b>0.435</b>	<b>(0.058)</b>		<b>0.389</b>	<b>(0.186)</b>	

Group	Note	2H 2021 US\$'000	2H 2020 US\$'000	Change %	FY 2021 US\$'000	FY 2020 US\$'000	Change %
Total profit/(loss) for the financial period/ year		2,817	(431)	↑ 754	2,487	(1,249)	↑ 299
Other comprehensive income/(loss), net of tax							
Items that may be reclassified subsequently to profit or loss:							
Currency translation differences arising from consolidation		23	37	↓ 38	(25)	(3)	↑ 733
Currency translation differences reclassified on disposal of foreign operation		(68)	-	NM	(68)	-	NM
<b>Total comprehensive income/(loss) for the financial period/year</b>		<b>2,772</b>	<b>(394)</b>	<b>↑ 804</b>	<b>2,394</b>	<b>(1,252)</b>	<b>↑ 291</b>
<b>Attributable to:</b>							
Equity holders of the Company		2,805	(345)		2,456	(1,168)	
Non-controlling interests		(33)	(49)		(62)	(84)	
		<b>2,772</b>	<b>(394)</b>		<b>2,394</b>	<b>(1,252)</b>	

↑ denotes increase

↓ denotes decrease

NM denotes not meaningful

NA denotes not applicable

B CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	Group		Company	
		31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
		US\$'000	US\$'000	US\$'000	US\$'000
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	11	56	1	56	1
Right-of-use assets	12	196	260	138	72
Producing oil and gas properties	13	10,757	10,037	-	-
Exploration and evaluation assets	14	13,777	13,734	-	-
Intangible assets	15	2,105	2,447	-	-
Investments in subsidiary corporations		-	-	19,062	19,062
Investments in associated companies	16	-	-	-	-
Other receivables	5	4,785	4,511	12,009	11,657
		<b>31,676</b>	<b>30,990</b>	<b>31,265</b>	<b>30,792</b>
<b>Current assets</b>					
Inventories		3,387	3,413	-	-
Financial assets at fair value through profit or loss ("FVPL")	10	-	-	-	-
Trade and other receivables	5	4,232	2,446	7	46
Other current assets		140	138	50	47
Cash and cash equivalents	5	5,488	4,218	467	1,422
		<b>13,247</b>	<b>10,215</b>	<b>524</b>	<b>1,515</b>
<b>Total assets</b>		<b>44,923</b>	<b>41,205</b>	<b>31,789</b>	<b>32,307</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Other payables	5	1,419	1,294	-	-
Lease liabilities	5	79	66	45	6
		<b>1,498</b>	<b>1,360</b>	<b>45</b>	<b>6</b>
<b>Current liabilities</b>					
Trade and other payables	5	5,323	3,704	11,261	11,310
Lease liabilities	5	179	241	86	73
Borrowings	5	1,000	1,000	1,000	1,000
Current income tax liabilities		3,666	4,084	30	25
		<b>10,168</b>	<b>9,029</b>	<b>12,377</b>	<b>12,408</b>
<b>Total liabilities</b>		<b>11,666</b>	<b>10,389</b>	<b>12,422</b>	<b>12,414</b>
<b>Net assets</b>		<b>33,257</b>	<b>30,816</b>	<b>19,367</b>	<b>19,893</b>
<b>Equity</b>					
Share capital	19	75,157	75,157	75,157	75,157
Accumulated losses		(28,595)	(31,144)	(56,003)	(55,477)
Other reserves		(16,318)	(16,225)	213	213
<b>Equity attributable to equity holders of the Company</b>		<b>30,244</b>	<b>27,788</b>	<b>19,367</b>	<b>19,893</b>
Non-controlling interests		3,013	3,028	-	-
<b>Total equity</b>		<b>33,257</b>	<b>30,816</b>	<b>19,367</b>	<b>19,893</b>

C CONDENSED INTERIM 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 2021</b>	75,157	107	(16,545)	213	(31,144)	27,788	3,028	30,816
Net profit for FY 2021	-	-	-	-	2,549	2,549	(62)	2,487
<u>Other comprehensive (loss)/income</u>								
Currency translation differences reclassified of disposal foreign operation	-	(68)	-	-	-	(68)	-	(68)
Currency translation differences	-	(25)	-	-	-	(25)	-	(25)
Total comprehensive (loss)/income for FY 2021	-	(93)	-	-	2,549	2,456	(62)	2,394
Additional increase of non-controlling interests in subsidiary corporation	-	-	-	-	-	-	47	47
Total transactions with owners, recognised directly in equity	-	-	-	-	-	-	47	47
<b>Balance as at 31 Dec 2021</b>	<b>75,157</b>	<b>14</b>	<b>(16,545)</b>	<b>213</b>	<b>(28,595)</b>	<b>30,244</b>	<b>3,013</b>	<b>33,257</b>
<b>Balance as at 1 Jan 2020</b>	<b>72,873</b>	<b>110</b>	<b>(16,545)</b>	<b>271</b>	<b>(29,979)</b>	<b>26,730</b>	<b>2,944</b>	<b>29,674</b>
Net loss for FY 2020	-	-	-	-	(1,165)	(1,165)	(84)	(1,249)
<u>Other comprehensive loss</u>								
Currency translation differences	-	(3)	-	-	-	(3)	-	(3)
Total comprehensive loss for FY 2020	-	(3)	-	-	(1,165)	(1,168)	(84)	(1,252)
Additional increase of non-controlling interests in subsidiary corporation	-	-	-	-	-	-	168	168
Issuance of new ordinary shares pursuant to share option plan	264	-	-	(58)	-	206	-	206
Issuance of new ordinary shares pursuant to private placement	2,024	-	-	-	-	2,024	-	2,024
Share issue expenses	(4)	-	-	-	-	(4)	-	(4)
Total transactions with owners, recognised directly in equity	2,284	-	-	(58)	-	2,226	168	2,394
<b>Balance as at 31 Dec 2020</b>	<b>75,157</b>	<b>107</b>	<b>(16,545)</b>	<b>213</b>	<b>(31,144)</b>	<b>27,788</b>	<b>3,028</b>	<b>30,816</b>

Company	Share Capital US\$'000	Share Option Reserve US\$'000	Accumulated Losses US\$'000	Total Equity US\$'000
<b>Balance as at 1 Jan 2021</b>	75,157	213	(55,477)	19,893
Total comprehensive loss for FY 2021	-	-	(526)	(526)
<b>Balance as at 31 Dec 2021</b>	<b>75,157</b>	<b>213</b>	<b>(56,003)</b>	<b>19,367</b>
<b>Balance as at 1 Jan 2020</b>	<b>72,873</b>	<b>271</b>	<b>(54,507)</b>	<b>18,637</b>
Total comprehensive loss for FY 2020	-	-	(970)	(970)
Issuance of new ordinary shares pursuant to share option plan	264	(58)	-	206
Issuance of new ordinary shares pursuant to private placement	2,024	-	-	2,024
Share issue expenses	(4)	-	-	(4)
<b>Balance as at 31 Dec 2020</b>	<b>75,157</b>	<b>213</b>	<b>(55,477)</b>	<b>19,893</b>

Group	Note	2H 2021 US\$'000	2H 2020 US\$'000	FY 2021 US\$'000	FY 2020 US\$'000
<b>Cash Flows from Operating Activities</b>					
Net profit/(loss)		2,817	(431)	2,487	(1,249)
<b>Adjustments for non-cash items:</b>					
Income tax expense		130	129	304	434
Depreciation of property, plant and equipment		12	4	17	9
Depreciation of right-of-use assets		115	126	228	289
Amortisation of producing oil and gas properties		1,062	1,138	1,556	2,119
Amortisation of intangible assets		171	171	342	343
Interest income		(121)	(145)	(240)	(288)
Fair value gain on FVPL		(60)	-	(445)	-
Interest on borrowings		19	19	37	40
Interest on lease liabilities		7	11	13	22
Gain on derecognition of lease liability		(1)	-	(2)	-
Unwinding of interest-free non-current payables		33	32	65	65
Amortised cost adjustment for interest-free non-current payables		(65)	(65)	(65)	(65)
Gain on disposal of FVPL		(49)	-	(49)	-
Unrealised currency translation (gains)/losses		(55)	29	(87)	(5)
<b>Operating profit before working capital changes</b>		<b>4,015</b>	<b>1,018</b>	<b>4,161</b>	<b>1,714</b>
<b>Changes in working capital</b>					
Inventories		79	329	26	656
Trade and other receivables and other current assets		(2,647)	(987)	(1,788)	86
Trade and other payables		1,249	191	1,734	59
<b>Cash generated from operations</b>		<b>2,696</b>	<b>551</b>	<b>4,133</b>	<b>2,515</b>
Income tax paid		(608)	(340)	(722)	(640)
<b>Net cash provided by operating activities</b>		<b>2,088</b>	<b>211</b>	<b>3,411</b>	<b>1,875</b>
<b>Cash Flows from Investing Activities</b>					
Interest received		2	3	3	5
Net proceeds from disposal of FVPL		495	-	495	-
Additions to property, plant and equipment		(8)	-	(72)	-
Additions to producing oil and gas properties		(2,126)	(912)	(2,276)	(2,115)
Additions to exploration and evaluation assets		(15)	(48)	(43)	(237)
<b>Net cash used in investing activities</b>		<b>(1,652)</b>	<b>(957)</b>	<b>(1,893)</b>	<b>(2,347)</b>
<b>Cash Flows from Financing Activities</b>					
Interest paid		(26)	(27)	(50)	(59)
Proceeds from issuance of new ordinary shares pursuant to share option plan, net of issuance costs		-	-	-	206
Proceeds from issuance of new ordinary shares pursuant to private placement, net of issuance costs		-	-	-	2,020
Principal elements of lease payments		(100)	(90)	(198)	(254)
<b>Net cash (used in)/provided by financing activities</b>		<b>(126)</b>	<b>(117)</b>	<b>(248)</b>	<b>1,913</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>310</b>	<b>(863)</b>	<b>1,270</b>	<b>1,441</b>
<b>Cash and cash equivalents at beginning of financial period/year</b>		<b>5,178</b>	<b>5,081</b>	<b>4,218</b>	<b>2,777</b>
<b>Cash and cash equivalents at end of financial period/year</b>		<b>5,488</b>	<b>4,218</b>	<b>5,488</b>	<b>4,218</b>

1 Corporate Information

Interra Resources Limited (the "Company") is a company incorporated in the Republic of Singapore and is publicly traded on the Singapore Exchange Securities Trading Limited ("SGX-ST") Mainboard. The address of its registered office is at 1 Grange Road #05-04 Orchard Building Singapore 239693. These condensed interim consolidated financial statements as at and for the second-half year ended 31 Dec 2021 comprise the Company and its subsidiary corporations (collectively, the "Group"). The primary activities of the Company is that of investment holding.

The principal activities of the Group are as follows:

- (a) Exploration and operation of oil fields for crude petroleum production; and
- (b) Investment holding.

2 Basis of Preparation

The condensed interim financial statements for the second-half year ended 31 Dec 2021 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last interim financial statements for the period ended 30 Jun 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in United States Dollar which is the Company's functional currency. All financial information has been rounded to the nearest thousand, unless otherwise stated.

During 2H 2021, the Group reported a net cash provided by operating activities of US\$2.09 mil. The Board of Directors ("BOD") has assessed that the going concern basis of preparation for this set of financial statements remain appropriate due to the following:

- (a) The Group's net assets and net current assets position of US\$33.26 mil and US\$3.08 mil respectively; and
- (b) The Group has sufficient cash to fund the operations of the Group, with free cash and cash equivalents of US\$5.49 mil as at 31 Dec 2021.

2.1 New and Amended Standards Adopted by the Group

The Group adopted the new/revised SFRS(I)s that are effective for annual periods beginning on or after 1 Jan 2021. The adoption of the new/revised SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I)s did not have any significant impact on the financial statements of the Group.

- Amendments to SRS(I) 16 Leases (Covid-19-Related Rent Concessions)
- Amendments to SFRS(I) 9 Financial Instruments, SFRS(I) 1-39 Financial Instruments: Recognition and Measurement, SFRS(I) 7 Financial Instruments: Disclosures, SFRS(I) 4 Insurance Contracts and SFRS(I) 16 Leases (Interest Rate Benchmark Reform – Phase 2)



**2 Basis of Preparation (Cont'd)**

**2.2. Use of Judgements and Estimates**

In preparing the condensed interim consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reporting amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 Dec 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in Note 10 - Classification of equity investments.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial period are included in the following notes:

Notes 13, 14 and 15 - Impairment test of producing oil and gas properties, exploration and evaluation assets and intangible assets: key assumptions underlying recoverable amounts.

**Measurement of fair values**

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

**3 Seasonal Operations**

The Group's business are not affected significantly by seasonal or cyclical factors during the financial period.

## 4 SEGMENTED REVENUE AND RESULTS

The Group operates primarily in two geographical areas, namely Indonesia and Myanmar. The Group has one reportable business segments, namely the exploration and operation of oil fields for crude petroleum production.

Management has determined the operating segments based on the reports reviewed by the BOD that are used to make strategic decisions, allocate resources, and assess performance.

## 4.1 Reportable Segments

Geographical Segment	Indonesia Oil and Gas		Myanmar Oil and Gas		All other segments	Consolidated
	2H 2021	2H 2020	2H 2021	2H 2020	2H 2021	2H 2020
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Sales to external customers</b>	-	-	<b>8,844</b>	5,369	<b>8,844</b>	5,369
<b>EBITDA</b>	<b>(47)</b>	(110)	<b>4,869</b>	2,017	<b>4,822</b>	1,907
<b>EBIT</b>	<b>(47)</b>	(110)	<b>3,567</b>	647	<b>3,520</b>	537
Amortisation and depreciation	-	-	<b>(1,302)</b>	(1,370)	<b>(1,302)</b>	(1,370)
Finance expenses	<b>(32)</b>	(32)	<b>(2)</b>	(6)	<b>(34)</b>	(38)
<b>Segment results</b>	<b>(88)</b>	(185)	<b>3,567</b>	647	<b>3,479</b>	462
Unallocated corporate net operating results					<b>(532)</b>	(764)
<b>Profit/(Loss) before income tax</b>					<b>2,947</b>	(302)
Income tax expense					<b>(130)</b>	(129)
<b>Total profit/(loss)</b>					<b>2,817</b>	(431)
<b>Segment assets</b>	<b>18,805</b>	18,498	<b>25,397</b>	21,116	<b>44,202</b>	39,614
Other segment assets					<b>721</b>	1,591
<b>Total assets as per statement of financial position</b>					<b>44,923</b>	41,205
<b>Total assets include:</b>						
- Capital expenditures (Tangible and Intangible assets)	<b>14</b>	48	<b>2,126</b>	912	<b>2,140</b>	960
<b>Segment liabilities</b>	<b>1,321</b>	1,357	<b>5,182</b>	3,500	<b>6,503</b>	4,857
Current income tax liabilities					<b>3,666</b>	4,084
Other segment liabilities					<b>1,497</b>	1,448
<b>Total liabilities as per statement of financial position</b>					<b>11,666</b>	10,389

## 4 SEGMENTED REVENUE AND RESULTS (CONT'D)

Geographical Segment	Indonesia		Myanmar		Consolidated	
	Oil and Gas		Oil and Gas			
	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Sales to external customers	-	-	11,958	10,796	11,958	10,796
EBITDA	(89)	(161)	5,902	3,616	5,813	3,455
EBIT	(89)	(161)	3,882	997	3,793	836
Amortisation and depreciation	-	-	(2,020)	(2,619)	(2,020)	(2,619)
Finance expenses	(65)	(65)	(6)	(12)	(71)	(77)
<b>Segment results</b>	<b>(169)</b>	<b>(309)</b>	<b>3,882</b>	<b>997</b>	<b>3,713</b>	<b>688</b>
Unallocated corporate net operating results					(922)	(1,503)
<b>Profit/(Loss) before income tax</b>					<b>2,791</b>	<b>(815)</b>
Income tax expense					(304)	(434)
<b>Total profit/(loss)</b>					<b>2,487</b>	<b>(1,249)</b>
<b>Segment assets</b>	<b>18,805</b>	<b>18,498</b>	<b>25,397</b>	<b>21,116</b>	<b>44,202</b>	<b>39,614</b>
Other segment assets					721	1,591
<b>Total assets as per statement of financial position</b>					<b>44,923</b>	<b>41,205</b>
<b>Total assets include:</b>						
- Capital expenditures (Tangible and Intangible assets)	42	237	2,276	2,115	2,318	2,352
<b>Segment liabilities</b>	<b>1,321</b>	<b>1,357</b>	<b>5,182</b>	<b>3,500</b>	<b>6,503</b>	<b>4,857</b>
Current income tax liabilities					3,666	4,084
Other segment liabilities					1,497	1,448
<b>Total liabilities as per statement of financial position</b>					<b>11,666</b>	<b>10,389</b>

**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.

## 4 SEGMENTED REVENUE AND RESULTS (CONT'D)

## 4.2 Disaggregation of Revenue

The Group is principally engaged in the business of petroleum exploration and production. Revenue from the sale of oil and petroleum products is recognised when control of goods is transferred to the customer being when the product is physically transferred into a vessel, pipe and by other delivery mechanism at an amount that reflects the consideration to which the Group expects to be entitled in exchange of those goods.

## 4.3 Revenue Breakdown

	Group		Increase / (Decrease) %
	31-Dec-21 US\$'000	31-Dec-20 US\$'000	
<b>Revenue</b>			
- First half	3,114	5,427	-43
- Second half	8,844	5,369	65
	<b>11,958</b>	<b>10,796</b>	11
<b>Operating profit/(loss) after tax before deducting non-controlling interests</b>			
- First half	(330)	(818)	-60
- Second half	2,817	(431)	754
	<b>2,487</b>	<b>(1,249)</b>	299

## 5 FINANCIAL ASSETS AND LIABILITIES

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 Dec 21 and 31 Dec 20:

	Note	Group		Company	
		31-Dec-21 US\$'000	31-Dec-20 US\$'000	31-Dec-21 US\$'000	31-Dec-20 US\$'000
<b>Financial Assets</b>					
Financial assets at fair value through profit or loss ("FVPL")		-	-	-	-
Trade and other receivables (amortised cost)					
- current		4,232	2,446	7	46
- non-current		4,785	4,511	12,009	11,657
Cash and bank balances		5,488	4,218	467	1,422
		<b>14,505</b>	<b>11,175</b>	<b>12,483</b>	<b>13,125</b>
<b>Financial Liabilities</b>					
Trade and other payables (amortised cost)					
- current		5,323	3,704	11,261	11,310
- non-current		1,419	1,294	-	-
Lease liabilities		258	307	131	79
Borrowings		1,000	1,000	1,000	1,000
		<b>8,000</b>	<b>6,305</b>	<b>12,392</b>	<b>12,389</b>

## 5 FINANCIAL ASSETS AND LIABILITIES (CONT'D)

## 5.1 Breakdown on trade and other receivables

Trade and other receivables	Note	Group		Company	
		31-Dec-21 US\$'000	31-Dec-20 US\$'000	31-Dec-21 US\$'000	31-Dec-20 US\$'000
<b>Current</b>					
Trade receivables - non-related parties		4,087	2,268	-	-
Loan to subsidiary corporations		-	-	10,153	10,145
Less: Loss allowances		-	-	(10,153)	(10,145)
Loan to subsidiary corporations, net		-	-	-	-
Other receivables - non-related parties		145	137	7	46
Loan to associated companies		528	665	-	-
		673	802	7	46
Less: Loss allowances		(528)	(624)	-	-
		145	178	7	46
		4,232	2,446	7	46
<b>Non-current</b>					
Loan to subsidiary corporations		-	-	19,905	19,553
Less: Loss allowance		-	-	(7,896)	(7,896)
Loan to subsidiary corporations, net		-	-	12,009	11,657
Loan to non-related parties		4,785	4,511	-	-
		4,785	4,511	12,009	11,657

## 5.2 Breakdown on trade and other payables

Trade and other payables	Note	Group		Company	
		31-Dec-21 US\$'000	31-Dec-20 US\$'000	31-Dec-21 US\$'000	31-Dec-20 US\$'000
<b>Current</b>					
Trade payables - non-related parties		2,347	967	-	-
Trade payables - related parties		150	378	-	-
Accrued expenses		559	548	314	324
Other payables - non-related parties		2,267	1,811	50	42
Loan from subsidiary corporations		-	-	10,897	10,944
		5,323	3,704	11,261	11,310
<b>Non-current</b>					
Other payable - non-related party		904	904	-	-
Other payable - related party		515	390	-	-
		1,419	1,294	-	-

## 6 PROFIT/(LOSS) BEFORE TAXATION

## 6.1 Significant items

Group	2H 2021 US\$'000	2H 2020 US\$'000	FY 2021 US\$'000	FY 2020 US\$'000
<b>Income</b>				
Interest income	121	145	240	288
Petroleum services fees	62	68	134	205
Grant income	-	72	21	105
Foreign exchange gain/(loss), net	72	(58)	105	(25)
Fair value gain on FVPL	60	-	445	-
Gain on disposal of FVPL	49	-	49	-
Gain on derecognised of lease liability	1	-	2	-
Amortised cost adjustment for interest-free non-current payables	65	65	65	65
<b>Expenses</b>				
Interest on borrowings	19	19	37	40
Interest on lease liabilities	7	11	13	22
Unwinding of interest free from non-current payables	33	32	65	65
Production expenses	3,675	3,155	5,552	6,740
Depreciation of property, plant and equipment	12	4	17	9
Depreciation of right-of-use assets	115	126	228	289
Amortisation of producing oil and gas properties	1,062	1,138	1,556	2,119
Amortisation of intangible assets	171	171	342	343

## 6.2 Related Party Transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

## 7 INCOME TAX EXPENSE

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

Group	2H 2021 US\$'000	2H 2020 US\$'000	FY 2021 US\$'000	FY 2020 US\$'000
Current income tax expense	451	305	625	589
Prior year over provision of current income tax	(321)	(176)	(321)	(155)
	<u>130</u>	<u>129</u>	<u>304</u>	<u>434</u>

## 8 EARNINGS PER SHARE

Group	2H 2021	2H 2020	FY 2021	FY 2020
	US\$'000	US\$'000	US\$'000	US\$'000
Basic earnings/(losses) per ordinary share (US cents)	0.435	(0.058)	0.389	(0.186)
Weighted average number of ordinary shares for the purpose of computing losses per share	655,498,604	655,498,604	655,498,604	627,878,932
Fully diluted earnings/(losses) per ordinary share (US cents)	0.435	(0.058)	0.389	(0.186)
Weighted average number of ordinary shares for the purpose of computing fully diluted losses per share	655,498,604	655,498,604	655,498,604	627,878,932

For the purpose of computing basic and fully diluted losses per share, the relevant periods were from 1 Jul 2021 to 31 Dec 2021 and 1 Jan 2021 to 31 Dec 2021 (1 Jul 2020 to 31 Dec 2020 and 1 Jan 2020 to 31 Dec 2020) respectively. The weighted average number of ordinary shares on issue has not been adjusted as the share options were anti-dilutive in 2H 2021 and FY 2021 (2H 2020 and FY 2020) respectively. The impact on losses per share for 2H 2020 and FY 2020 were anti-dilutive as it resulted in higher losses per share. Therefore, diluted losses per share was same as basic losses per share.

## 9 NET ASSET VALUE PER SHARE

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	US\$'000	US\$'000	US\$'000	US\$'000
Net asset value per ordinary share based on total number of issued shares (excluding treasury shares) (US cents)	4.614	4.239	2.955	3.035
Total number of issued shares (excluding treasury shares)	655,498,604	655,498,604	655,498,604	655,498,604

## 10 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVPL")

Financial assets at fair value through profit or loss comprise the following:

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	US\$'000	US\$'000	US\$'000	US\$'000
Foreign listed equity security - PT Mitra Investindo TBK ("MITI")	-	-	-	-

On 9 Feb 2021, the Company's shareholding in MITI was diluted from 48.87% to 11.30% after its right issue. Subsequent on 12 Apr 2021, the Company has no significant influence due to resignation from the Board of Commissioner and Board of Director, accordingly, the investment is reclassified to financial assets at fair value through profit or loss ("FVPL"). As at 12 Apr 2021, MITI continued to suspend to trade on Indonesia Stock Exchange ("IDX"), accordingly, there was no available market value to revalue the investment costs. On 29 Jun 21, IDX lifted the suspension and MITI has resumed trading. As at 30 Jun 2021, the Company has re-assessed the remaining investment in MITI considered that it will be held for trading purposes with no intention to hold further shareholding in future, therefore classified as FVPL, any fair value gain/(loss) will be recognised to profit or loss under SFRS(1) 9 Financial Instruments. As at 31 Dec 21, the Company had disposed all MITI shares at open market and recognised a fair value gain of FVPL of US\$0.45 mil and a realised gain on disposal of US\$0.05 mil to profit or loss.

## 11 PROPERTY, PLANT AND EQUIPMENT

Group and Company	Computers US\$'000	Office Equipment US\$'000	Renovations, Furniture and Fittings US\$'000	Total US\$'000
<b>At 30 Jun 2021</b>				
Cost	147	7	143	297
Accumulated depreciation	(129)	(7)	(101)	(237)
<b>Net book value</b>	<b>18</b>	<b>-</b>	<b>42</b>	<b>60</b>
<b>2H 2021</b>				
<b>Opening net book value</b>	<b>18</b>	<b>-</b>	<b>42</b>	<b>60</b>
Additions	-	-	8	8
Disposals	-	-	-*	-*
Depreciation charge	(3)	-	(9)	(12)
<b>Closing net book value</b>	<b>15</b>	<b>-</b>	<b>41</b>	<b>56</b>
<b>At 31 Dec 2021</b>				
Cost	147	7	107	261
Accumulated depreciation	(132)	(7)	(66)	(205)
<b>Net book value</b>	<b>15</b>	<b>-</b>	<b>41</b>	<b>56</b>

\* Property, plant and equipment of cost amount of US\$0.04 mil was fully depreciated and disposed during 2H 2021.

## 12 RIGHT-OF-USE ASSETS

Group	Property US\$'000	Office Equipment US\$'000	Motor Vehicles US\$'000	Heavy Equipment and Machinery US\$'000	Total US\$'000
<b>At 30 Jun 2021</b>					
Cost	298	13	-	385	696
Accumulated depreciation	(103)	(7)	-	(275)	(385)
<b>Net book value</b>	<b>195</b>	<b>6</b>	<b>-</b>	<b>110</b>	<b>311</b>
<b>2H 2021</b>					
<b>Opening net book value</b>	<b>195</b>	<b>6</b>	<b>-</b>	<b>110</b>	<b>311</b>
Disposals	-*	-	-	-*	-*
Depreciation charge	(61)	(2)	-	(52)	(115)
<b>Closing net book value</b>	<b>134</b>	<b>4</b>	<b>-</b>	<b>58</b>	<b>196</b>
<b>At 31 Dec 2021</b>					
Cost	179	13	-	260	452
Accumulated depreciation	(45)	(9)	-	(202)	(256)
<b>Net book value</b>	<b>134</b>	<b>4</b>	<b>-</b>	<b>58</b>	<b>196</b>

\* Property and Heavy equipment and machinery of cost amount of US\$0.12 mil and US\$0.13 mil respectively were fully depreciated and lapsed during 2H 2021.



## 12 RIGHT-OF-USE ASSETS (CONT'D)

Company	Property US\$'000	Office Equipment US\$'000	Total US\$'000
<b>At 30 Jun 2021</b>			
Cost	179	13	192
Accumulated depreciation	-	(7)	(7)
<b>Net book value</b>	<b>179</b>	<b>6</b>	<b>185</b>
<b>2H 2021</b>			
<b>Opening net book value</b>	<b>179</b>	<b>6</b>	<b>185</b>
Additions	-	-	-
Disposals	-	-	-
Depreciation charge	(45)	(2)	(47)
<b>Closing net book value</b>	<b>134</b>	<b>4</b>	<b>138</b>
<b>At 31 Dec 2021</b>			
Cost	179	13	192
Accumulated depreciation	(45)	(9)	(54)
<b>Net book value</b>	<b>134</b>	<b>4</b>	<b>138</b>

## 13 PRODUCING OIL AND GAS PROPERTIES

Group	Development and Production Assets US\$'000	Development Tangible Assets US\$'000	Participating and Concession Rights US\$'000	Total US\$'000
<b>At 30 Jun 2021</b>				
Cost	50,027	6,060	600	56,687
Accumulated amortisation and impairment losses	(41,002)	(5,392)	(600)	(46,994)
<b>Net book value</b>	<b>9,025</b>	<b>668</b>	<b>-</b>	<b>9,693</b>
<b>2H 2021</b>				
<b>Opening net book value</b>	<b>9,025</b>	<b>668</b>	<b>-</b>	<b>9,693</b>
Additions	1,945	181	-	2,126
Amortisation charge	(862)	(200)	-	(1,062)
<b>Closing net book value</b>	<b>10,108</b>	<b>649</b>	<b>-</b>	<b>10,757</b>
<b>At 31 Dec 2021</b>				
Cost	51,972	6,241	600	58,813
Accumulated amortisation and impairment losses	(41,864)	(5,592)	(600)	(48,056)
<b>Net book value</b>	<b>10,108</b>	<b>649</b>	<b>-</b>	<b>10,757</b>

## 13 PRODUCING OIL AND GAS PROPERTIES (CONT'D)

Following the resumption of Myanmar's operations in Apr 2021 and an unexpected significant decrease in production due to suspension of operation and instability in the country, management has recalculated the recoverable amount of Myanmar's cash generating unit ("CGU") as at 31 Dec 2021.

The Group performs assessment of the carrying value of its non-financial assets (other than goodwill) when there is indication of impairment. The recoverable amounts of CGU are determined based on value-in-use calculations and fair value less cost of sale. These calculations require the use of estimates and key assumptions, inter alia, petroleum recoverable reserves, future crude oil prices, operating costs, capital expenditure, decline rate and number of payment of invoices received by the Group in the financial period. Management has used the 2022 revised budgets reviewed by the respective owner committees and also past experiences as a guide. The period beyond 2023 until the contracts expire assumes some drilling activities undertaken to further develop the existing fields. Future cash flows are discounted using discount rates of 16% per annum (2020: 13% per annum) (a comparable rate used by other companies in the region and in the similar nature of business sector). The average pre-tax discount rate is estimated to be 24% per annum (2020: 19% per annum).

Based on the impairment test of the Myanmar CGU, no impairment charge was recognised for producing oil and gas properties and patent rights for 2H 2021 and FY 2021 respectively. The estimated recoverable amount of the Myanmar CGU was higher than its carrying amount.

## 14 EXPLORATION AND EVALUATION ("E&amp;E") ASSETS

Group	Exploration and Evaluation Assets US\$'000	Participating Rights US\$'000	Total US\$'000
<b>At 30 Jun 2021</b>			
Cost	18,570	1,435	20,005
Accumulated impairment losses	(6,243)	-	(6,243)
<b>Net book value</b>	<b>12,327</b>	<b>1,435</b>	<b>13,762</b>
<b>2H 2021</b>			
<b>Opening net book value</b>	<b>12,327</b>	<b>1,435</b>	<b>13,762</b>
Additions	15	-	15
<b>Closing net book value</b>	<b>12,342</b>	<b>1,435</b>	<b>13,777</b>
<b>At 31 Dec 2021</b>			
Cost	18,585	1,435	20,020
Accumulated impairment losses	(6,243)	-	(6,243)
<b>Net book value</b>	<b>12,342</b>	<b>1,435</b>	<b>13,777</b>

In 2H 2021 and FY 2021, management has assessed that there are no indicators that the Group's E&E assets would be impaired as the Group continues to have ability and intention to explore the assets which are believed to have commercial viability.

## 15 INTANGIBLE ASSETS

Group	Goodwill on Reverse Acquisition US\$'000	Computer Software US\$'000	Patent Rights US\$'000	Total US\$'000
<b>At 30 Jun 2021</b>				
Cost	1,489	26	3,480	4,995
Accumulated amortisation and impairment losses	(1,489)	(23)	(1,207)	(2,719)
<b>Net book value</b>	<b>-</b>	<b>3</b>	<b>2,273</b>	<b>2,276</b>
<b>2H 2021</b>				
<b>Opening net book value</b>	<b>-</b>	<b>3</b>	<b>2,273</b>	<b>2,276</b>
Amortisation charge	-	(3)	(168)	(171)
<b>Closing net book value</b>	<b>-</b>	<b>-</b>	<b>2,105</b>	<b>2,105</b>
<b>At 31 Dec 2021</b>				
Cost	1,489	26	3,480	4,995
Accumulated amortisation and impairment losses	(1,489)	(26)	(1,375)	(2,890)
<b>Net book value</b>	<b>-</b>	<b>-</b>	<b>2,105</b>	<b>2,105</b>

The Group performs impairment assessment of the carrying value of patent rights whenever there is an indication of impairment. The recoverable amounts of CGUs have been determined based on value-in-use calculations. These calculations require the use of estimates and key assumptions that are disclosed under Note 13.

## 16 INVESTMENTS IN ASSOCIATED COMPANIES

Group and Company	31-Dec-21 US\$'000	31-Dec-20 US\$'000
Equity investment at costs	7,358	12,191
Share of losses in associated companies	(7,358)	(10,149)
Share of other comprehensive income in associated companies	-	96
Allowance for impairment of investment in associated company	-	(2,138)
	<b>-</b>	<b>-</b>

On 9 Feb 2021, MITI issued 1,878,368,047 new ordinary shares by a way of right issue, as a result, the Company's shareholding in MITI was diluted from 48.87% to 11.30%. Despite the reduction in its shareholding in MITI to less than 20%, the Company continued to have significant influence over MITI through its representative on the Board of MITI, and accordingly, the Company continued to classify its interests in MITI of US\$4.83 mil as investments in associated company. As at 31 Dec 20, the investment costs was fully impaired.

As at 12 Apr 2021, the Company no longer had significant influence in MITI due to resignation from the Board of Commissioner and Board of Director. Accordingly, the investment in MITI is reclassified to financial assets at fair value through profit or loss. As at 31 Dec 2021, the Company had disposed of all its shares in MITI.

## 17 BORROWINGS AND DEBT SECURITIES

Group	31-Dec-21		31-Dec-20	
	Secured	Unsecured	Secured	Unsecured
	US\$'000	US\$'000	US\$'000	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 is charged at 3.77% per annum for a tenor period of 2 months.

## 18 CAPITAL COMMITMENTS

The Group's capital commitments are in respect of the investments in the IPRCs in Myanmar and PSC KP in Indonesia. The capital expenditure as at 31 Dec 2021 and 31 Dec 2020 are based on the work programmes and budgets approved by the respective local authorities. These include development and well drillings in Myanmar.

Group	31-Dec-21	31-Dec-20
	US\$'000	US\$'000
Not later than one year	3,200	2,616

## 19 SHARE CAPITAL

Group and Company	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	Number of Shares		US\$'000	US\$'000
<b>Issued and fully paid</b>				
Opening balance	655,498,604	588,368,604	75,157	72,873
Issuance of new ordinary shares pursuant to share option plan	-	4,630,000	-	264
Issuance of new ordinary shares pursuant to private placement	-	62,500,000	-	2,024
Share issue expenses	-	-	-	(4)
<b>Closing balance</b>	<b>655,498,604</b>	<b>655,498,604</b>	<b>75,157</b>	<b>75,157</b>

The number of ordinary shares comprised of the share options granted and outstanding under the Interra Share Option Plan as at 31 Dec 2021 was 16,975,000 (31 Dec 2020: 16,975,000).

The Company does not have any treasury shares or subsidiary holdings as at 31 Dec 2021 and 31 Dec 2020.

20 SUBSEQUENT EVENTS

Subsequent to FY 2021, the Group received approval letter from Satuan Kerja Khusus Pelaksana Kegiatan Usaha Hulu Minyak Dan Gas Bumi ("SKKMIGAS") that extended the exploration period of Kuala Pambuang ("KP") block ("Block") under the KP Production Sharing Contract ("PSC") with PT Mentari Pambuang Internasional ("MPI") to 25 Jan 2023. The Group has a 67.5% working interest in the Block through MPI.

## F OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

### 1 REVIEW

The condensed consolidated statement of financial position of Interra Resources Limited and its subsidiary corporations as at 31 Dec 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the second-half year then ended 31 Dec 2021 and certain explanatory notes have not been audited or reviewed.

### 2 PERFORMANCE REVIEW

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

##### Revenue & Production

Revenue increased by US\$1.16 mil to US\$11.96 mil in FY 2021 from US\$10.80 mil in FY 2020. This was largely due to higher weighted average transacted oil price in FY 2021 of US\$70.72 per barrel (FY 2020: US\$41.73 per barrel) despite lower sales of shareable oil by 35% to 214,184 barrels in FY 2021 (FY 2020: 327,708 barrels) due to disruption of operations as a result of political instability in Myanmar.

##### Cost of Production

The decrease in cost of production to US\$7.54 mil in FY 2021 from US\$9.31 mil in FY 2020 was largely attributable to lower production expenses of US\$1.19 mil and lower amortisation charges and depreciation charges of US\$0.56 mil in FY 2021 as compared to FY 2020 due to disruption of operations since Feb 2021. Myanmar operations incurred capital expenditures of US\$2.28 mil in FY 2021 which resulted in lower amortisation charges of producing oil and gas properties.

##### Net Profit/(Loss)

The Group posted a net profit of US\$2.49 mil in FY 2021 as compared to a net loss of US\$1.25 mil in FY 2020. The net profit was mainly due to the following:

- (1) Higher revenue of US\$11.96 mil in FY 2021 (FY 2020: US\$10.80 mil) was due to higher oil prices despite lower sales of shareable oil.
- (2) Lower cost of production of US\$7.54 mil in FY 2021 (FY 2020: US\$9.31 mil) was due to lower production expenses and lower amortisation charges of producing oil and gas properties and depreciation charges.
- (3) Higher other income of US\$1.08 mil in FY 2021 (FY 2020: US\$0.67 mil) was mainly due to fair value gain on FVPL of US\$0.45 mil and gain on disposal of FVPL of US\$0.05 mil offset by lower petroleum services fees of US\$0.13 mil (FY 2020: US\$0.21 mil) and lower government grant income received from Job Support Scheme of US\$0.02 mil in FY 2021 (FY 2020: US\$0.11 mil).
- (4) Lower administrative expenses of US\$2.43 mil in FY 2021 (FY 2020: US\$2.66 mil) were mainly due to lower corporate expenses by US\$0.22 mil from cost-cutting measures offset by higher administrative expenses from Myanmar operations by US\$0.06 mil in FY 2021 as compared to FY 2020.
- (5) Lower other expenses of US\$0.16 mil FY 2021 (FY 2020: US\$0.19 mil) due to lower depreciation charges of right-of-use assets and property plant and equipment.
- (6) Lower current income tax expenses of US\$0.30 mil in FY 2021 (FY 2020: US\$0.43 mil) were mainly due to current income tax expenses of US\$0.63 mil offset by prior year over provision of current income tax of US\$0.33 mil. Current income tax expenses were in line with taxable income in FY 2021.

2 PERFORMANCE REVIEW (CONT'D)

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

**Statement of Financial Position**

Right-of-use assets decreased to US\$0.20 mil as at 31 Dec 2021 from US\$0.26 mil as at 31 Dec 2020 due to addition of new office lease of US\$0.18 mil offset by early termination and adjustment of existing lease of US\$0.01 mil and amortisation charges of US\$0.23 mil.

Producing oil and gas properties increased by US\$0.72 mil to US\$10.76 mil as at 31 Dec 2021 from US\$10.04 mil as at 31 Dec 2020 due to net capitalisation of drilling expenditures of US\$2.28 mil offset by amortisation charges of US\$1.56 mil for the financial period.

Exploration and evaluation assets increased to US\$13.78 mil as at 31 Dec 21 from US\$13.73 mil as at 31 Dec 2020 mainly due to capitalisation of production testing costs of US\$0.05 mil. As announced, further analysis of the data is still ongoing and the classification of exploration and evaluation costs remained unchanged until commercial viability is determined.

Intangible assets decreased to US\$2.11 mil as at 31 Dec 21 from US\$2.45 mil as at 31 Dec 2020 as a result of amortisation charges of US\$0.34 mil.

Inventories decreased by US\$0.02 mil to US\$3.39 mil as at 31 Dec 2021 from US\$3.41 mil as at 31 Dec 2020 due to resumption of operations and purchase of consumable inventories for Myanmar drilling activities.

Trade and other receivables - non-related parties (non-current) increased to US\$4.79 mil as at 31 Dec 2021 from US\$4.51 mil as at 31 Dec 2020 mainly due to increase of loan to non-related parties for the exploration activities in Kuala Pambuang PSC Indonesia. Trade and other receivables - non-related parties (current) increased to US\$4.23 mil as at 31 Dec 2021 from US\$2.45 mil as at 31 Dec 2020 were mainly from higher amounts billed of US\$10.07 mil as compared to the amounts collected of US\$8.25 mil.

Trade and other payables (non-current and current) increased by US\$1.74 mil to US\$6.74 mil as at 31 Dec 2021 from US\$5.00 mil as at 31 Dec 2020, were mainly from higher trade payables (non-related parties and related parties) by US\$1.15 mil and higher other payables (non-related parties and related parties) by US\$0.58 mil.

Lease liabilities (non-current and current) decreased by US\$0.05 mil to US\$0.26 mil as at 31 Dec 2021 from US\$0.31 mil as at 31 Dec 2020 due to additions of new lease of US\$0.18 mil offset by early termination and adjustment of existing lease of US\$0.01 mil and repayment of the principal elements of lease payments and interest of US\$0.21 mil during the financial period.

**Statement of Cash Flows**

Cash and cash equivalents showed a net increase of US\$1.27 mil in FY 2021 due to the following:

- (1) Net cash provided by operating activities of US\$3.41 mil was mainly due to net cash inflows from oil and gas operations in Myanmar of US\$2.44 mil and repayment of loan from joint venture partner of US\$0.52 mil and offset by the corporate expenses.
- (2) Net cash used in investing activities of US\$1.89 mil was mainly due to addition of exploration and evaluation assets of US\$0.04 mil and capital expenditure for Myanmar operations of US\$2.28 mil.
- (3) Net cash used in financing activities of US\$0.25 mil was mainly due to lease payments of US\$0.20 mil and interest payments of US\$0.05 mil.

**F OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (CONT'D)**

**3 WHERE A FORECAST, OR A PROSPECT STATEMENT, HAS BEEN PREVIOUSLY DISCLOSED TO SHAREHOLDERS, ANY VARIANCE BETWEEN IT AND THE ACTUAL RESULTS**

NA.

**4 COMMENTARY**

Myanmar's shareable production increased by 132% from 64,450 barrels in 1H 2021 to 149,734 barrels in 2H 2021. The shareable production increase is largely the result of the resumption of operations at the Chauk and Yenanyaung fields as announced on 16 Jul 2021. During 2H 2021, the Company drilled seven new wells. Oil production on a well-by-well basis is being re-established, and related maintenance is in progress. It is expected that oil production well approach pre-suspension volumes will be achieved in the near term.

For Kuala Pambuang PSC, the exploration well KP-1 was completed in FY 2019 after reaching a total depth of 3,771 feet. The drilling and testing results were positive, and casing was successfully installed and cemented on Dec 2019. Production testing was planned to be performed in early 2020, however, due to the current pandemic, it will be delayed to FY 2022. Currently the production testing is scheduled to be completed before end of FY 2022. Further analysis of all technical data is ongoing and will be incorporated into well completion plans as well as the overall sub-surface interpretation of the Exploration Block. The Company will announce any noteworthy results of data analysis and expected perforation testing. No significant contribution is expected from this field in the near term.

As announced on 4 Dec 2021, the Group received approval letter from Satuan Kerja Khusus Pelaksana Kegiatan Usaha Hulu Minyak Dan Gas Bumi ("SKKMIGAS") that extended the exploration period of Kuala Pambuang ("KP") block ("Block") under the KP Production Sharing Contract ("PSC") with PT Mentari Pambuang Internasional ("MPI") to 25 Jan 2023.

Due to favourable oil prices towards the end of FY 2021, and the resumption of operation in Myanmar, the Company has done comparably well for the year. Barring any unforeseen circumstances, especially the political situation in Myanmar, the Company has sufficient cash resources to fulfil the current year work program. We will make the necessary and appropriate announcement in the future of any new development.

**5 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.



**F OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (CONT'D)**

**6 (A) IF NO DIVIDEND HAS BEEN DECLARED (RECOMMENDED), A STATEMENT TO THAT EFFECT AND THE REASON(S) FOR THE DECISION**

The Company has not declared a dividend for the current financial period reported on. Currently, the Company does not have profits available to declare dividend.

**(B) A BREAKDOWN OF THE TOTAL ANNUAL DIVIDEND (IN DOLLAR VALUE) FOR THE ISSUER'S LATEST FULL YEAR AND ITS PREVIOUS FULL YEAR**

NA.

**7 INTERESTED PERSON TRANSACTIONS**

The Company has not obtained any general mandate from shareholders pursuant to Rule 920(1)(a)(ii) of the Listing Rules.

**8 CONFIRMATION BY THE BOARD OF DIRECTORS PURSUANT TO RULE 705(5)**

The Board of Directors of the Company hereby confirms to the best of their knowledge that nothing has come to their attention which may render the interim financial statements for the second half-year ended 31 Dec 2021 to be false or misleading in any material respect.

**9 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).

**10 RULE 704(13)**

There are no person occupying a managerial position in the Company and/or its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company during FY 2021.

By Order of the Board of Directors of  
INTERRA RESOURCES LIMITED  
Marcel Tjia  
Chief Executive Officer  
25 Feb 2022

## G ABBREVIATIONS

2H 2020	denotes	Second half-year ended 31 December 2020
2H 2021	denotes	Second half-year ended 31 December 2021
FY 2019	denotes	Financial year ended 31 December 2019
FY 2020	denotes	Financial year ended 31 December 2020
FY 2021	denotes	Financial year ended 31 December 2021
bopd	denotes	barrels of oil per day
Company	denotes	Interra Resources Limited
SFRS(I)	denotes	Singapore Financial Reporting Standards (International)
Goldpetrol	denotes	Goldpetrol Joint Operating Company Inc.
Goldwater	denotes	Goldwater Company Limited
Group	denotes	Interra Resources Limited and its subsidiary corporations and interests in joint operations and associated companies
GKP	denotes	Goldwater KP Pte. Ltd.
IPRC	denotes	Improved Petroleum Recovery Contract
k	denotes	thousand
KP	denotes	Kuala Pambuang block
KSO	denotes	Cooperation Agreement
mil	denotes	million
MITI	denotes	PT Mitra Investindo TBK
MOGE	denotes	Myanma Oil and Gas Enterprise
NA	denotes	Not applicable
NM	denotes	Not meaningful
Pertamina	denotes	Perusahaan Pertambangan Minyak Dan Gas Bumi Negara
PSC	denotes	Production Sharing Contract
TAC	denotes	Technical Assistance Contract

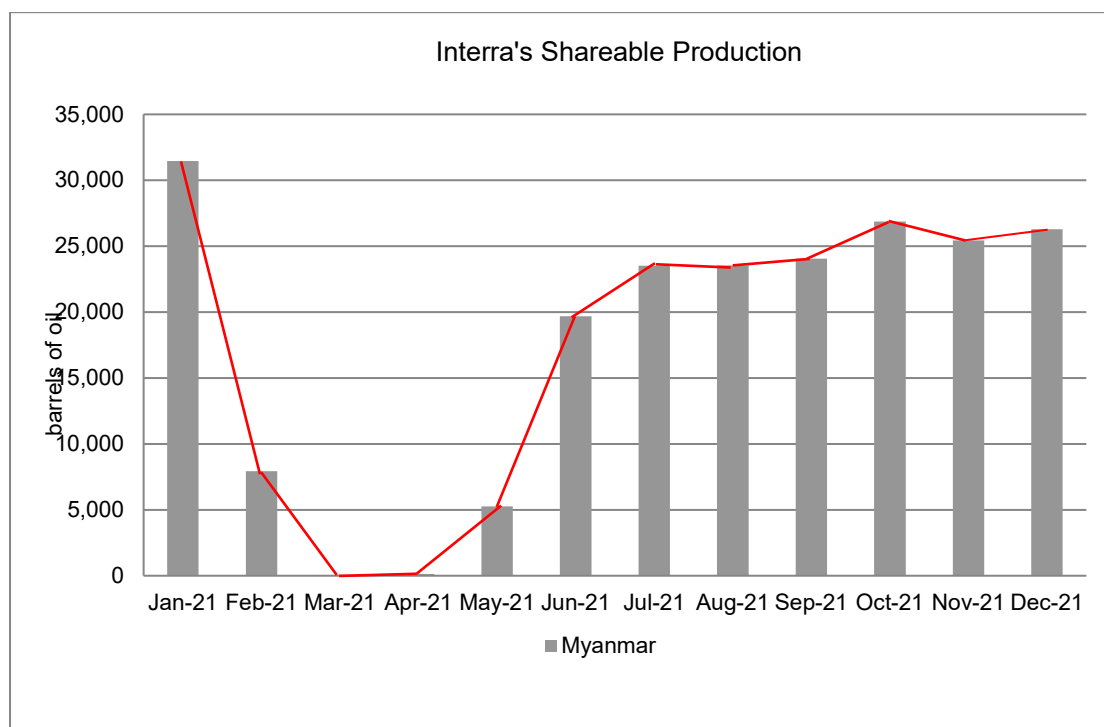
This release may contain forward-looking statements that are not statements of historical facts, and are subject to risk factors associated with the upstream petroleum and mining businesses. Actual future results, performance and outcomes may differ materially from those anticipated, expressed or implied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

25 February 2022

## PRODUCTION, DEVELOPMENT & EXPLORATION ACTIVITIES FOR THE SECOND HALF-YEAR ENDED 31 DECEMBER 2021 (“2H 2021”)

### Production Profile

(Barrels)	Myanmar	
	First Half-Year Ended 30 June 2021 (“1H 2021”)	Second Half-Year Ended 31 December 2021 (“2H 2021”)
Shareable production	107,416	249,556
Interra’s share of shareable production	64,450	149,734



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



**Development and Production Activities**

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

In 2H 2021, the combined shareable production for both fields was 149,734 barrels of oil, an increase of 132% over the 1H 2021 of 64,450 barrels of oil.

Production and development expenditures for the 2H 2021 were US\$3,674,544 and US\$2,125,480 respectively.

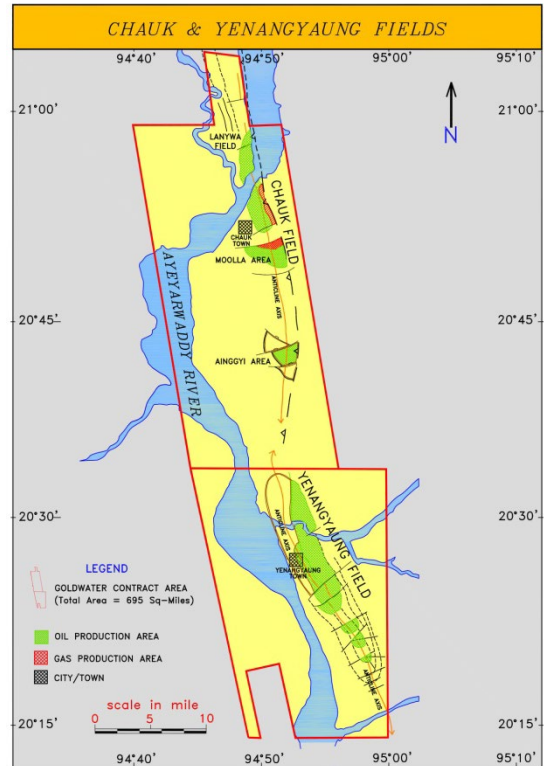
The significant increase in oil production in 2H 2021 was primarily the result of the resumption of field production operations at both Chauk and Yenangyaung following field suspensions in February, as well as the drilling of new wells.

The operator, Goldpetrol Joint Operating Company Inc. (“**Goldpetrol**”) (Interra 60%) drilled and completed five new wells as oil producers in Chauk field in 2H 2021, one of which was drilled in January 2021 and temporarily shut-in during the suspension with completion in August. Three additional wells commenced drilling in late 2H 2021 – two of which were drilled under 2022 budget - but were still in various stages of drilling and completion operations at year-end. In total six new wells were completed as oil producers in year 2021.

Through agreement with Myanma Oil and Gas Enterprise (“MOGE”), Goldpetrol resumed operations at the Chauk and Yenangyaung fields in early April. Since then and through 2H 2021, oil production is being restored well by well, albeit for some a slow process due to the complex nature and mechanics of re-establishing production from reservoirs that have been shut-in for a period of time.

Infrastructure repairs and upgrades were ongoing including related maintenance with respect to missing supplies and hardware replacement. Workovers and additional perforations in existing wells resumed to a similar level to that as prior to the suspension, totalling a gain of in excess of 350 barrels of oil per day. Operations at waterflood projects resumed and positive effects are beginning to be realized. Optimization of existing waterflood projects as well as several new are planned for 2022.

All these factors are focused on returning “base” production to pre-suspension volumes, and increasing total field production to higher volume.





## Exploration Activities

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

The optimum completion testing design has been prepared in which to evaluate the hydrocarbon productivity of exploration well KP-1. Though there are several reservoir intervals where oil shows were recorded while drilling, the two most prospective having somewhat differing properties have been selected to be tested by applying hydraulic sand fracturing combined with acid stimulation. This process should result in the most effective method to increase potential reservoir productivity. The interval selection and testing process is the result of extensive technical work accomplished by both Interra staff and contracted specialists. Details of critical reservoir properties such as oil quality and productivity, pressure, permeability, heterogeneity, etc. will be investigated, and can possibly lead to further development.



The relevant Indonesian agency (SKKMIGAS) has accepted technical and operational proposals and has recently granted an exploration period extension through 25 January 2023. Contractors to provide materials and services have been identified and implementation discussions are ongoing.

Sub-surface interpretation and project enhancement work incorporating all available pre- and post-drilling data continues with respect to the remaining project area, employing the same rigorous methodology that led to development of the KP-1 drilling prospect.

Exploration costs for the 2H 2021 were US\$14,917.