



11 August 2023

Dear Shareholders,

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST HALF-YEAR ENDED 30 JUNE 2023 (“1H 2023”)

Highlights in 1H 2023

- Revenue for 1H 2023 was US\$9.63 million, 20% lower than second half-year ended 31 December 2022 (“2H 2022”). The decrease was due mainly to lower sales of shareable oil of 157,239 barrels in 1H 2023 (2H 2022: 161,197 barrels) and lower weighted average transacted oil prices of US\$77.45 per barrel for 1H 2023 (2H 2022: US\$94.08 per barrel).
- Net loss for 1H 2023 was US\$0.80 million, as compared to net profit for 2H 2022 of US\$4.63 million.
- Earnings before divestment gain, interest income, exchange difference, finance cost, tax, depreciation, amortisation, allowance and impairment (EBITDA) for 1H 2023 was US\$4.89 million.
- Net cash inflow for 1H 2023 was US\$2.00 million, due mainly to net cash provided by operating activities of US\$5.03 million offset by net cash used for total capital expenditure of US\$3.25 million and financing activities of US\$0.09 million.
- Cash and cash equivalents were US\$16.14 million as at 30 June 2023.

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 FIRST HALF-YEAR ENDED 30 JUNE 2023

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A **CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

Group	Note	1H 2023 US\$'000	1H 2022 US\$'000	Change %
Revenue	4	9,631	12,515	↓ 23
Cost of production		(5,661)	(6,035)	↓ 6
Gross profit		3,970	6,480	↓ 39
Other income, net		2,305	275	↑ 738
Administrative expenses		(1,474)	(1,162)	↑ 27
Finance expenses		(68)	(59)	↑ 15
Other expenses		(72)	(78)	↓ 8
Impairment and allowances*		(4,884)	-	NM
(Loss)/Profit before income tax		(223)	5,456	↓ 104
Income tax expense	7	(581)	(569)	↑ 2
(Loss)/Profit for the financial period		(804)	4,887	↓ 116
Attributable to:				
Equity holders of the Company		558	4,915	
Non-controlling interests		(1,362)	(28)	
		(804)	4,887	
Earnings per share attributable to equity holders of the Company				
Basic earnings per share (US cents)		0.085	0.750	
Diluted earnings per share (US cents)		0.085	0.750	
Other comprehensive income, net of tax items that may be reclassified subsequently to profit or loss:				
Currency translation differences arising from consolidation		41	(53)	↑ 177
Total comprehensive (loss)/income for the financial period		(763)	4,834	↓ 116
Attributable to:				
Equity holders of the Company		599	4,862	
Non-controlling interests		(1,362)	(28)	
		(763)	4,834	

↑ denotes increase

↓ denotes decrease

NM denotes not meaningful

NA denotes not applicable

* Refer to the impairment loss on exploration and evaluation assets, see Note 13 Exploration and evaluation assets for further explanation.

B CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	Group		Company	
		30-Jun-23	31-Dec-22	30-Jun-23	31-Dec-22
		US\$'000	US\$'000	US\$'000	US\$'000
Assets					
Non-current assets					
Property, plant and equipment	10	21	32	21	32
Right-of-use assets	11	306	366	247	288
Producing oil and gas properties	12	11,596	11,081	-	-
Exploration and evaluation assets	13	10,435	13,915	-	-
Intangible assets	14	-	1,768	-	-
Investments in subsidiary corporations		-	-	19,062	19,062
Investments in associated companies	15	-	-	-	-
Trade and other receivables	5	5,574	5,227	5,141	10,209
		27,932	32,389	24,471	29,591
Current assets					
Inventories		3,558	3,819	-	-
Trade and other receivables	5	3,947	4,900	51	56
Other current assets		208	408	79	38
Cash and cash equivalents	5	16,138	14,138	317	361
		23,851	23,265	447	455
Total assets		51,783	55,654	24,918	30,046
Liabilities					
Non-current liabilities					
Trade and other payables	5	905	4,322	-	-
Lease liabilities	5	197	263	163	206
		1,102	4,585	163	206
Current liabilities					
Trade and other payables	5	4,807	4,566	11,252	11,323
Lease liabilities	5	164	182	83	85
Current income tax liabilities		3,425	3,423	92	30
		8,396	8,171	11,427	11,438
Total liabilities		9,498	12,756	11,590	11,644
Net assets		42,285	42,898	13,328	18,402
Equity					
Share capital	18	75,157	75,157	75,157	75,157
Accumulated losses		(17,796)	(18,354)	(61,829)	(56,755)
Other reserves		(16,592)	(16,633)	-	-
Equity attributable to equity holders of the Company		40,769	40,170	13,328	18,402
Non-controlling interests		1,516	2,728	-	-
Total equity		42,285	42,898	13,328	18,402

C CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

Group	Share Capital	Currency Translation Reserve	Special Reserve	Share Option Reserve	Accumulated Losses	Total	Non-Controlling Interests	Total Equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1 Jan 2023	75,157	(88)	(16,545)	-	(18,354)	40,170	2,728	42,898
Net profit/(loss) for 1H 2023	-	-	-	-	558	558	(1,362)	(804)
Other comprehensive income/(loss)								
Currency translation differences	-	41	-	-	-	41	-	41
Total comprehensive income/(loss) for 1H 2023	-	41	-	-	558	599	(1,362)	(763)
Additional increase of non-controlling interests in subsidiary corporation	-	-	-	-	-	-	150	150
Total transactions with owners, recognised directly in equity	-	-	-	-	-	-	150	150
Balance as at 30 Jun 2023	75,157	(47)	(16,545)	-	(17,796)	40,769	1,516	42,285
Balance as at 1 Jan 2022	75,157	14	(16,545)	177	(28,559)	30,244	3,013	33,257
Net profit/(loss) for 1H 2022	-	-	-	-	4,915	4,915	(28)	4,887
Other comprehensive loss								
Currency translation differences	-	(53)	-	-	-	(53)	-	(53)
Total comprehensive (loss)/income for 1H 2022	-	(53)	-	-	4,915	4,862	(28)	4,834
Employee share option - share option lapsed	-	-	-	(36)	36	-	-	-
Additional increase of non-controlling interests in subsidiary corporation	-	-	-	-	-	-	37	37
Total transactions with owners, recognised directly in equity	-	-	-	(36)	36	-	37	37
Balance as at 30 Jun 2022	75,157	(39)	(16,545)	141	(23,608)	35,106	3,022	38,128

Company	Share Capital	Share Option Reserve	Accumulated Losses	Total Equity
	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1 Jan 2023	75,157	-	(56,755)	18,402
Total comprehensive loss for 1H 2023	-	-	(5,074)	(5,074)
Balance as at 30 Jun 2023	75,157	-	(61,829)	13,328
Balance as at 1 Jan 2022	75,157	177	(55,967)	19,367
Total comprehensive loss for 1H 2022	-	-	(447)	(447)
Employee share option - share option lapsed	-	(36)	36	-
Balance as at 30 Jun 2022	75,157	141	(56,378)	18,920

D CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

Group	Note	1H 2023 US\$'000	1H 2022 US\$'000
Cash Flows from Operating Activities			
Net (loss)/profit		(804)	4,887
Adjustments for non-cash items:			
Income tax expense		581	569
Depreciation of property, plant and equipment		12	13
Depreciation of right-of-use assets		60	103
Amortisation of producing oil and gas properties		1,334	995
Amortisation of intangible assets		-	169
Interest income		(478)	(133)
Impairment loss on exploration and evaluation assets		4,884	-
Interest on borrowings		-	20
Interest on lease liabilities		5	6
Gain on derecognised of lease liability		-	(3)
Unwinding of interest-free from non-current payables		63	32
Gain on disposal of intangible assets		(1,712)	-
Unrealised currency translation losses/(gains)		26	(38)
Operating profit before working capital changes		3,971	6,620
Changes in working capital			
Inventories		261	137
Trade and other receivables and other current assets		1,141	(1,745)
Trade and other payables		241	1,070
Cash generated from operations		5,614	6,082
Income tax paid		(580)	(531)
Net cash provided by operating activities		5,034	5,551
Cash Flows from Investing Activities			
Interest received		308	5
Additions to property, plant and equipment		(1)	(1)
Additions to producing oil and gas properties		(1,849)	(1,600)
Additions to exploration and evaluation assets		(1,404)	(37)
Net cash used in investing activities		(2,946)	(1,633)
Cash Flows from Financing Activities			
Interest paid		(5)	(22)
Principal elements of lease payments		(83)	(92)
Net cash used in financing activities		(88)	(114)
Net increase in cash and cash equivalents		2,000	3,804
Cash and cash equivalents at beginning of financial period		14,138	5,488
Cash and cash equivalents at end of financial period		16,138	9,292

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 first-half year ended 30 Jun 2023 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 first-half year ended 30 Jun 2023 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 Interim Financial Reporting issued by the Accounting Standards Committee. 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 annual financial statements for the year ended 31 Dec 2022.

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 1H 2023, the Group reported a net cash provided by operating activities of US\$5.03 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\$42.29 mil and US\$15.46 mil respectively; and
- (b) The Group has sufficient cash to fund the operations of the Group, with free cash and cash equivalents of US\$16.14 mil as at 30 Jun 2023.

2.1 New and Amended Standards Adopted by the Group

The Group adopted the new/revised SFRS(I)s that are applicable to the Group with effective for annual periods beginning on or after 1 Jan 2023. 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.

- SFRS(I) 17: Insurance Contracts (including Amendments to SFRS(I) 17 issued in November 2020 and Amendment to SFRS(I) 17: Initial Application of SFRS(I) 17 and SFRS(I) 9 – Comparative Information issued in December 2021)
- Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies
- Amendments to SFRS(I) 1-8: Definition of Accounting Estimates
- Amendments to SFRS(I) 1-12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a single Transaction

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 2022.

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 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 12 and 13 - Impairment test of producing oil and gas properties and exploration and evaluation 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 segment, 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		Consolidated	
	1H 2023	1H 2022	1H 2023	1H 2022	1H 2023	1H 2022
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Sales to external customers	-	-	9,631	12,515	9,631	12,515
EBITDA	(43)	(39)	4,931	7,449	4,888	7,410
EBIT	(4,927)	(39)	3,577	6,228	(1,350)	6,189
Amortisation, depreciation and impairment losses	(4,884)	-	(1,354)	(1,220)	(6,238)	(1,220)
Finance expenses	(222)	(32)	(1)	(3)	(223)	(35)
Segment results	(5,150)	(74)	3,577	6,228	(1,573)	6,154
Unallocated corporate net operating results					1,350	(698)
(Loss)/Profit before income tax					(223)	5,456
Income tax expense					(581)	(569)
Total (loss)/profit					(804)	4,887
Segment assets	16,204	19,019	34,870	31,254	51,074	50,273
Other segment assets					709	695
Total assets as per statement of financial position					51,783	50,968
Total assets include:						
- Capital expenditures (Tangible and Intangible assets)	1,404	37	1,849	1,600	3,253	1,637
Segment liabilities	1,420	1,328	4,114	6,455	5,534	7,783
Current income tax liabilities					3,425	3,703
Other segment liabilities					539	1,354
Total liabilities as per statement of financial position					9,498	12,840

E NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

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.

5 FINANCIAL ASSETS AND LIABILITIES

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 Jun 2023 and 31 Dec 2022:

	Note	Group		Company	
		30-Jun-23	31-Dec-22	30-Jun-23	31-Dec-22
		US\$'000	US\$'000	US\$'000	US\$'000
Financial Assets					
Trade and other receivables (amortised cost)					
- current		3,947	4,900	51	56
- non-current		5,574	5,227	5,141	10,209
Cash and bank balances		16,138	14,138	317	361
		25,659	24,265	5,509	10,626
Financial Liabilities					
Trade and other payables (amortised cost)					
- current		4,807	4,566	11,252	11,323
- non-current		905	4,322	-	-
Lease liabilities					
- current		164	182	83	85
- non-current		197	263	163	206
		6,073	9,333	11,498	11,614

5 FINANCIAL ASSETS AND LIABILITIES (CONT'D)

5.1 Breakdown on trade and other receivables

Trade and other receivables	Note	Group		Company	
		30-Jun-23 US\$'000	31-Dec-22 US\$'000	30-Jun-23 US\$'000	31-Dec-22 US\$'000
Current					
Trade receivables - non-related parties		3,719	4,536	-	-
Loan to subsidiary corporations		-	-	10,134	10,126
Less: Loss allowances		-	-	(10,126)	(10,126)
Loan to subsidiary corporations, net		-	-	8	-
Other receivables - non-related parties		228	364	43	56
Loan to associated companies		528	528	-	-
		756	892	43	56
Less: Loss allowances		(528)	(528)	-	-
		228	364	43	56
		3,947	4,900	51	56
Non-current					
Loan to subsidiary corporations		-	-	17,941	18,105
Less: Loss allowance		-	-	(12,800)	(7,896)
Loan to subsidiary corporations, net		-	-	5,141	10,209
Loan to non-related parties		5,574	5,227	-	-
		5,574	5,227	5,141	10,209

5.2 Breakdown on trade and other payables

Trade and other payables	Note	Group		Company	
		30-Jun-23 US\$'000	31-Dec-22 US\$'000	30-Jun-23 US\$'000	31-Dec-22 US\$'000
Current					
Trade payables - non-related parties		2,218	1,695	-	-
Trade payables - related parties		150	192	-	-
Accrued expenses		531	593	287	307
Other payables - non-related parties		1,908	2,086	5	44
Loan from subsidiary corporations		-	-	10,960	10,972
		4,807	4,566	11,252	11,323
Non-current					
Other payable - non-related party		905	842	-	-
Other payable - related party		-	3,480	-	-
		905	4,322	-	-

6 PROFIT BEFORE TAXATION

6.1 Significant items

Group	1H 2023 US\$'000	1H 2022 US\$'000
Income		
Interest income	478	133
Petroleum services fees	134	93
Foreign exchange (loss)/gain, net	(19)	46
Gain on disposal of intangible assets	1,712	-
Expenses		
Interest on borrowings	-	20
Interest on lease liabilities	5	6
Unwinding of interest-free from non-current payables	63	32
Production expenses	4,326	4,834
Depreciation of property, plant and equipment	12	13
Depreciation of right-of-use assets	60	103
Amortisation of producing oil and gas properties	1,334	995
Amortisation of intangible assets	-	169
Impairment loss on exploration and evaluation assets	4,884	-

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	1H 2023 US\$'000	1H 2022 US\$'000
Current income tax expense	581	584
Prior year over provision of current income tax	-	(15)
	581	569

8 EARNINGS PER SHARE

Group	1H 2023 US\$'000	1H 2022 US\$'000
Basic earnings per ordinary share (US cents)	0.085	0.750
Weighted average number of ordinary shares for the purpose of computing earnings per share	655,498,604	655,498,604
Fully diluted earnings per ordinary share (US cents)	0.085	0.750
Weighted average number of ordinary shares for the purpose of computing fully diluted earnings per share	655,498,604	655,498,604

For the purpose of computing basic and fully diluted earnings per share, the relevant periods were from 1 Jan 2023 to 30 Jun 2023 (1 Jan 2022 to 30 Jun 2022) respectively. The weighted average number of ordinary shares on issue had not been adjusted as the share options were anti-dilutive in 1H 2022.

9 NET ASSET VALUE PER SHARE

	Group		Company	
	30-Jun-23 US\$'000	31-Dec-22 US\$'000	30-Jun-23 US\$'000	31-Dec-22 US\$'000
Net asset value per ordinary share based on total number of issued shares (excluding treasury shares) (US cents)	6.219	6.128	2.033	2.807
Total number of issued shares (excluding treasury shares)	655,498,604	655,498,604	655,498,604	655,498,604

10 PROPERTY, PLANT AND EQUIPMENT

Group and Company	Computers US\$'000	Office Equipment US\$'000	Renovations, Furniture and Fittings US\$'000	Total US\$'000
FY 2022				
Cost	122	7	107	236
Accumulated depreciation	(114)	(7)	(83)	(204)
Net book value	8	-	24	32
1H 2023				
Opening net book value	8	-	24	32
Additions	-	-	1	1
Depreciation charge	(3)	-	(9)	(12)
Closing net book value	5	-	16	21

11 RIGHT-OF-USE ASSETS

Group	Property US\$'000	Office Equipment US\$'000	Heavy Equipment and Machinery US\$'000	Total US\$'000
FY 2022				
Cost	399	14	260	673
Accumulated depreciation	(45)	(2)	(260)	(307)
Net book value	354	12	-	366
1H 2023				
Opening net book value	354	12	-	366
Additions	-	-	-	-
Depreciation charge	(59)	(1)	-	(60)
Closing net book value	295	11	-	306

11 RIGHT-OF-USE ASSETS (CONT'D)

Company	Property US\$'000	Office Equipment US\$'000	Total US\$'000
FY 2022			
Cost	282	14	296
Accumulated depreciation	(6)	(2)	(8)
Net book value	276	12	288
1H 2023			
Opening net book value	276	12	288
Additions	-	-	-
Depreciation charge	(40)	(1)	(41)
Closing net book value	236	11	247

12 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
FY 2022				
Cost	54,401	6,380	600	61,381
Accumulated amortisation and impairment losses	(43,753)	(5,947)	(600)	(50,300)
Net book value	10,648	433	-	11,081
1H 2023				
Opening net book value	10,648	433	-	11,081
Additions	1,765	84	-	1,849
Amortisation charge	(1,200)	(134)	-	(1,334)
Closing net book value	11,213	383	-	11,596

12 PRODUCING OIL AND GAS PROPERTIES (CONT'D)

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 used the 2023 revised budgets reviewed by the respective owner committees and also past experiences as a guide. The period beyond 2024 until the contracts expire assumes some drilling activities undertaken to further develop the existing fields. Future cash flows are discounted using discount rates of 20% per annum (2022: 18% 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 36% per annum (2022: 30% per annum).

Based on the impairment test of the Myanmar CGU, no impairment charge was recognised for producing oil and gas properties for 1H 2023. The estimated recoverable amount of the Myanmar CGU was higher than its carrying amount.

13 EXPLORATION AND EVALUATION ("E&E") ASSETS

Group	Exploration and	Participating	Total
	Evaluation Assets US\$'000	Rights US\$'000	US\$'000
FY 2022			
Cost	18,723	1,435	20,158
Accumulated impairment losses	(6,243)	-	(6,243)
Net book value	12,480	1,435	13,915
1H 2023			
Opening net book value	12,480	1,435	13,915
Additions	1,404	-	1,404
Impairment losses	(4,884)	-	(4,884)
Closing net book value	9,000	1,435	10,435

In 1H 2023, following the independent review on the testing of Kuala Pambuang exploration well KP-1, management assessed that the Group's E&E assets need to impair to its net recoverable amount of US\$9.00 mil, accordingly, an impairment loss on E&E assets of US\$4.88 mil was recognised in 1H 2023. The test results were inconclusive and below the pre-drill expectation. The well was temporarily suspended to allow for the recovered oil samples to be analysed and interpretation to be carried out. The Group continues to have ability and intention to explore the assets which are believed to have commercial viability.

14 INTANGIBLE ASSETS

Group	Goodwill on Reverse Acquisition US\$'000	Computer Software US\$'000	Patent Rights US\$'000	Total US\$'000
At FY 2022				
Cost	1,489	26	3,480	4,995
Accumulated amortisation and impairment losses	(1,489)	(26)	(1,712)	(3,227)
Net book value	-	-	1,768	1,768
1H 2023				
Opening net book value	-	-	1,768	1,768
Disposals	-	-	(1,768)	(1,768)
Closing net book value	-	-	-	-

In 1H 2023, the Group disposed the patent rights at US\$3.48 mil following the cancellation of the loan under the loan agreement with joint venture and joint venture partner. The transfer of patent rights was completed in Jun 2023, resulted to a gain on disposal of patent rights of US\$1.71 mil.

15 INVESTMENTS IN ASSOCIATED COMPANIES

Group and Company	30-Jun-23 US\$'000	31-Dec-22 US\$'000
Equity investment at costs	7,358	7,358
Share of losses in associated companies	(7,358)	(7,358)
	-	-

16 BORROWINGS AND DEBT SECURITIES

Group	30-Jun-23		31-Dec-22	
	Secured	Unsecured	Secured	Unsecured
	US\$'000	US\$'000	US\$'000	US\$'000
Amount repayable in one year or less, or on demand	-	-	-	-
Amount repayable after one year	-	-	-	-

17 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 30 Jun 2023 and 31 Dec 2022 are based on the work programmes and budgets approved by the respective local authorities. These include development and well drillings in Myanmar.

Group	30-Jun-23	31-Dec-22
	US\$'000	US\$'000
Not later than one year	1,445	3,333

18 SHARE CAPITAL

Group and Company	30-Jun-23	31-Dec-22	30-Jun-23	31-Dec-22
	Number of Shares		US\$'000	US\$'000
<u>Issued and fully paid</u>				
Opening and Closing balance	655,498,604	655,498,604	75,157	75,157

No additional shares were issued in 1H 2023.

The Company does not have any treasury shares or subsidiary holdings as at 30 Jun 2023 and 31 Dec 2022 respectively.

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 30 Jun 2023 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 first-half year then ended 30 Jun 2023 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 decreased by US\$2.89 mil to US\$9.63 mil in 1H 2023 from US\$12.52 mil in 1H 2022. This was largely due to lower weighted average transacted oil price in 1H 2023 of US\$77.45 per barrel (1H 2022: US\$104.89 per barrel) despite higher sales of shareable oil by 4% to 157,239 barrels in 1H 2023 (1H 2022: 151,126 barrels).

Cost of Production

The decrease in cost of production to US\$5.66 mil in 1H 2023 from US\$6.04 mil in 1H 2022 was largely attributable to lower production expenses of US\$0.51 mil offset by higher amortisation charges and depreciation charges by US\$0.17 mil in 1H 2023 as compared to 1H 2022. Myanmar operations incurred capital expenditures of US\$1.85 mil in 1H 2023 which resulted in higher amortisation charges of producing oil and gas properties.

Net (Loss)/Profit

The Group posted a net loss of US\$0.80 mil in 1H 2023 as compared to a net profit of US\$4.87 mil in 1H 2022. The net loss was mainly due to the following:

- (1) Lower revenue of US\$9.63 mil in 1H 2023 (1H 2022: US\$12.52 mil) was due to lower oil prices although sales of shareable oil increased.
- (2) Lower cost of production of US\$5.66 mil in 1H 2023 (1H 2022: US\$6.04 mil) was due to lower production expenses although higher amortisation charges of producing oil and gas properties and depreciation charges were due to higher capital expenditures during the period.
- (3) Higher other income of US\$2.31 mil in 1H 2023 (1H 2022: US\$0.28 mil) was mainly due to gain on disposal of patent rights of US\$1.71 mil upon the completion of the transfer in 1H 2023 as compared to 1H 2022. Higher petroleum services fees of US\$0.13 mil (1H 2022: US\$0.09 mil) and higher interest income of US\$0.48 mil in 1H 2023 (1H 2022: US\$0.13 mil) were offset by foreign exchange loss, net of US\$0.02 mil (1H 2022: foreign exchange gain of US\$0.05 mil).
- (4) Higher administrative expenses of US\$1.47 mil in 1H 2023 (1H 2022: US\$1.16 mil) were mainly due to higher corporate expenses by US\$0.17 mil from higher staff costs and higher administrative expenses from Myanmar by US\$0.14 mil in 1H 2023 as compared to 1H 2022.
- (5) Other expenses of US\$0.07 mil in 1H 2023 (1H 2022: US\$0.08 mil) which comprises depreciation charges of right-of-use assets and property plant and equipment.
- (6) Impairment loss on E&E assets of US\$4.88 mil was incurred in 1H 2023 (1H 2022: nil) after the independent review of testing of KP exploration well KP-1, to its net recoverable amount of US\$9.00 mil against the net book value. The test results were inconclusive and below the pre-drill expectation. The well was temporarily suspended to allow for the recovered oil samples to be analysed and interpreted.
- (7) Higher current income tax expenses of US\$0.58 mil in 1H 2023 (1H 2022: US\$0.57 mil) were due to higher profit oil tax of 25% (1H 2022: 22% & 25%).

(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\$0.31 mil as at 30 Jun 2023 from US\$0.37 mil as at 31 Dec 2022 due to lower amortisation charges of US\$0.06 mil.

Producing oil and gas properties increased by US\$0.52 mil to US\$11.60 mil as at 30 Jun 2023 from US\$11.08 mil as at 31 Dec 2022 due to net capitalisation of drilling expenditures of US\$1.85 mil offset by amortisation charges of US\$1.33 mil for the financial period.

Exploration and evaluation assets decreased to US\$10.44 mil as at 30 Jun 2023 from US\$13.92 mil as at 31 Dec 2022 mainly due to capitalisation of production testing costs of US\$1.40 mil. As announced on 7 Jun 2023, the test results of KP exploration well KP-1 were inconclusive and below the pre-drill expectation. The well was temporarily suspended to allow for the recovered oil samples to be analysed and interpreted. Accordingly, an impairment loss on E&E assets of US\$4.88 mil was recognised during the financial period.

Intangible assets decreased to nil as at 30 Jun 2023 from US\$1.77 mil as at 31 Dec 2022 following the completion of the transfer of patent rights to joint venture partner, resulting in a gain on disposal of intangible assets of US\$1.71 mil during the financial period.

Inventories decreased by US\$0.26 mil to US\$3.56 mil as at 30 Jun 2023 from US\$3.82 mil as at 31 Dec 2022 due to utilisation of consumable inventories for Myanmar drilling activities and Indonesia production testing.

Trade and other receivables - non-related parties (non-current) increased to US\$5.57 mil as at 30 Jun 2023 from US\$5.23 mil as at 31 Dec 2022 mainly due to increase of loan to non-related parties for the exploration activities in Kuala Pambuang PSC Indonesia. The loan comprises amount to PT Mentari Abdi Nusa ("MAN") and PT Energy Alam Mandiri ("EAM") of US\$3.94 mil and US\$1.63 mil respectively. The loan to MAN is secured by pledging its shares in MPI. Trade and other receivables - non-related parties (current) decreased to US\$3.95 mil as at 30 Jun 2023 from US\$4.90 mil as at 31 Dec 2022 mainly from higher amounts collected of US\$8.61 mil as compared to the amounts billed of US\$7.89 mil.

Trade and other payables (non-current and current) decreased by US\$3.18 mil to US\$5.71 mil as at 30 Jun 2023 from US\$8.89 mil as at 31 Dec 2022. These were mainly from lower other payables (non-related parties and related parties) of US\$2.81 mil related to decrease of loan from the Group's joint venture partners to the joint venture entity of US\$3.48 mil followed the transfer of patent rights during the financial period. The lower other payables was offset by higher trade payables (non-related parties and related parties) of US\$0.48 mil during the financial period.

Lease liabilities (non-current and current) decreased by US\$0.09 mil to US\$0.36 mil as at 30 Jun 2023 from US\$0.45 mil as at 31 Dec 2022 due to repayment of the principal elements of lease payments and interest of US\$0.09 mil during the financial period.

Statement of Cash Flows

Cash and cash equivalents showed a net increase of US\$2.00 mil in 1H 2023 due to the following:

- (1) Net cash provided by operating activities of US\$5.03 mil was mainly due to net cash inflows from oil and gas operations in Myanmar of US\$3.91 mil and offset by corporate expenses.
- (2) Net cash used in investing activities of US\$2.95 mil was mainly due to addition of exploration and evaluation assets of US\$1.40 mil and capital expenditure for Myanmar operations of US\$1.85 mil.
- (3) Net cash used in financing activities of US\$0.09 mil was mainly due to repayment of lease payments of US\$0.08 mil and interest payments of US\$0.01 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 decreased by 2% from 161,197 barrels in 2H 2022 to 157,239 barrels in 1H 2023. During 1H 2023, the Company drilled 6 new wells, all located in Chauk Field, for a total gain of 249 bopd. The situation in Myanmar remains challenging, and the Company will continue to monitor developments closely.

For Kuala Pambuang PSC, Exploration well KP-1 is currently suspended following completion by production testing through casing perforation and hydraulic sand fracturing. The perforation and fracture stimulation were sub-optimal due to communication with an overlying aquifer zone and, as such, the test results were inconclusive and below our pre-drill expectation. The well has now been temporarily suspended to allow for the recovered oil samples to be analysed and interpretation to be carried out. No significant contribution is expected from this field in the near term.

Sub-surface interpretation and project enhancement work incorporating all available pre- and post-drilling data continues. In addition, discussions are underway, with the relevant authorities, on a further extension and revised work programme commitment from the last extension due on 25 Jul 2023. The Company will make the necessary announcement when appropriate.

The oil price has stabilized. The Company is currently exploring several investment opportunities, and will make the necessary announcements when appropriate. Barring any unforeseen circumstances, the Company has sufficient cash resources to fulfil the current year work program.

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 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.

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 first half-year ended 30 Jun 2023 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).

By Order of the Board of Directors of
INTERRA RESOURCES LIMITED
Marcel Tjia
Chief Executive Officer
11 Aug 2023

G ABBREVIATIONS

1H 2022	denotes	First half-year ended 30 June 2022
2H 2022	denotes	Second half-year ended 31 December 2022
1H 2023	denotes	First half-year ended 30 June 2023
FY 2022	denotes	Financial year ended 31 December 2022
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
mil	denotes	million
MOGE	denotes	Myanma Oil and Gas Enterprise
NA	denotes	Not applicable
NM	denotes	Not meaningful
PSC	denotes	Production Sharing Contract

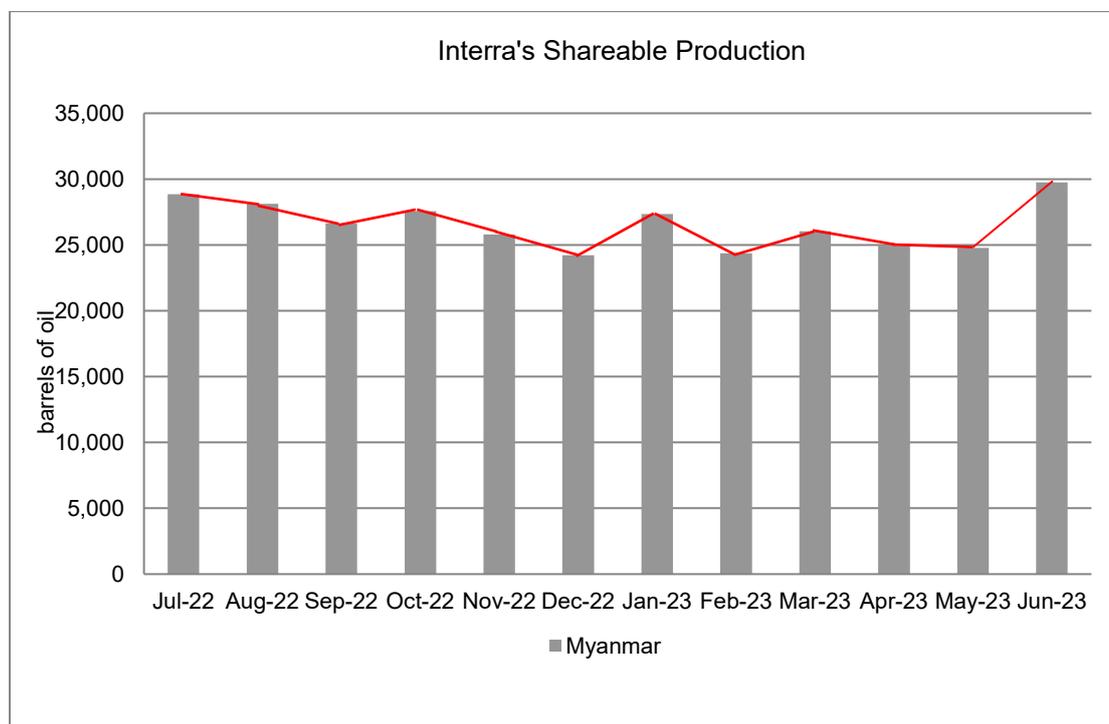
This release may contain forward-looking statements that are not statements of historical facts, and are subject to risk factors associated with the upstream petroleum and mining businesses. Actual future results, performance and outcomes may differ materially from those anticipated, expressed or implied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

11 August 2023

PRODUCTION, DEVELOPMENT & EXPLORATION ACTIVITIES FOR THE FIRST HALF-YEAR ENDED 30 JUNE 2023 (“1H 2023”)

Production Profile

(Barrels)	Myanmar	
	Second Half-Year Ended 31 December 2022 ("2H 2022")	First Half-Year Ended 30 June 2023 ("1H 2023")
Shareable production	268,661	262,065
Interra's share of shareable production	161,197	157,239



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 1H 2023, the combined shareable production for both fields was 157,239 barrels of oil, a decrease of 2% over the 2H 2022 of 161,197 barrels of oil. The decrease in shareable production is primarily the result of the revised Existing Petroleum Production percentage from November 2022 to May 2023.

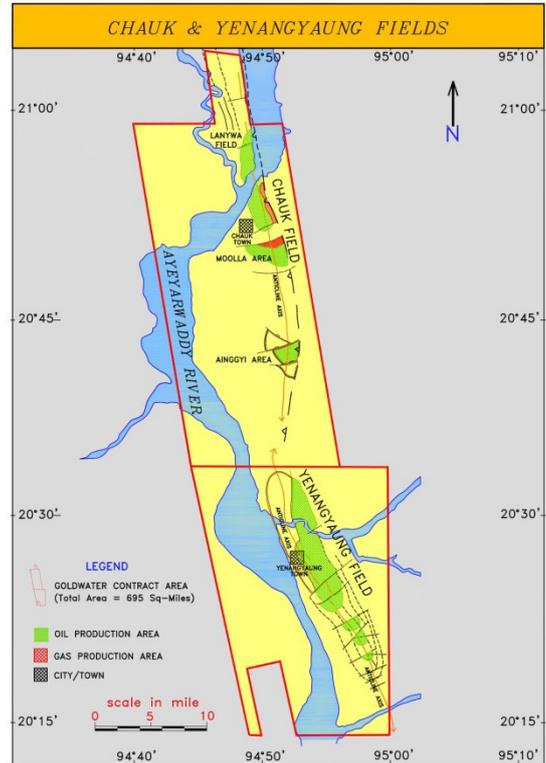
Production and development expenditures for the 1H 2023 were US \$4,326,486 and US\$1,848,333 respectively.

In 1H 2023, the operator, Goldpetrol Joint Operating Company Inc. (“**Goldpetrol**”) (Interra 60%) drilled and completed six new wells, all located in Chauk Field, for a total gain of 249 bopd.

The wellhead production gain since the waterflood start-up is currently averaging approximately 345 bopd, from all producing wells in the ten waterflood areas. Results from the latest well drilled in Q1 2023, down flank in the northwest part of Chauk Field, is performing as expected and providing reservoir pressure support and contributing to enhancing oil recovery in that area of the field.

Normal field operations and improvements have been ongoing with respect to boreholes and surface infrastructure, combined with scheduled maintenance in existing wells with the objective of minimizing production declines.

“bopd” denotes “barrels of oil per day”.





Exploration Activities

Indonesia: Kuala Pambuang PSC (Interra 72.75%)

Exploration well KP-1 is currently suspended following completion by production testing through casing perforation and hydraulic sand fracturing. The perforation and fracture stimulation were sub-optimal due to communication with an overlying aquifer zone and, as such, the test results are inconclusive and below our pre-drill expectation. The well has now been temporarily suspended to allow for the recovered oil samples to be analysed and interpretation to be carried out.

Sub-surface interpretation and project enhancement work incorporating all available pre- and post-drilling data continues. In addition, discussions are underway, with the relevant authorities, on a further extension and revised work programme commitment.

Exploration costs for the 1H 2023 were US\$1,403,940. Followed the announcement on 7 June 23, after the independent review of testing of KP exploration well KP-1, accordingly an impairment loss of US\$4,883,829 was expensed in 1H 2023.

