

13 August 2024

Dear Shareholders,

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST HALF-YEAR ENDED 30 JUNE 2024 ("1H 2024")

Highlights in 1H 2024

- Revenue for 1H 2024 was US\$9.15 million, 4% lower than second half-year ended 31 December 2023 ("2H 2023"). The decrease was due mainly to lower weighted average transacted oil prices of US\$82.84 per barrel for 1H 2024 (2H 2023: US\$84.86 per barrel) and lower sales of shareable oil of 160,091 barrels in 1H 2024 (2H 2023: 162,669 barrels).
- Net profit for 1H 2024 was US\$2.36 million, as compared to net profit for 2H 2023 of US\$1.93 million, mainly due to lower cost of production of US\$1.26 million offset by lower revenue of US\$0.34 million and higher income tax expense of US\$0.39 million.
- Earnings before divestment gain, interest income, exchange difference, finance cost, tax, depreciation, amortisation, allowance and impairment (EBITDA) for 1H 2024 was US\$3.56 million.
- Net cash inflow for 1H 2024 was US\$1.46 million, due mainly to net cash provided by operating activities of US\$1.52 million and net cash provided by investing activities of US\$0.05 million offset by net cash outflow used in financing activities of US\$0.11 million.
- Cash and cash equivalents were US\$18.72 million as at 30 June 2024.

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 venturing into renewable energy and we have recently announced an agreement to jointly develop a wood pellet manufacturing plant in Indonesia where we will hold a 40% interest and another agreement to jointly develop a 2-MW solar farm in Sabah. We have also been included by PT PLN Nusantara Power in their Long List for Strategic Partner for partnership in developing power plant projects in Indonesia from 18 March 2024 to 18 March 2026.

INTERRA RESOURCES LIMITED

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

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

Group	Note	1H 2024 US\$'000	1H 2023 US\$'000	Change %
Revenue	4	9,154	9,631	↓ 5
Cost of production		(5,026)	(5,661)	↓ 11
Gross profit		4,128	3,970	↑ 4
Other income, net		972	2,305	↓ 58
Administrative expenses		(1,738)	(1,474)	↑ 18
Finance expenses		(53)	(68)	↓ 22
Other expenses		(68)	(72)	↓ 6
Impairment and allowances*		-	(4,884)	↓ 100
Share of losses of joint venture after tax		(4)	-	NM
Profit/(Loss) before income tax		3,237	(223)	NM
Income tax expense	7	(876)	(581)	↑ 51
Profit/(Loss) for the financial period		2,361	(804)	NM
Attributable to:				
Equity holders of the Company		2,396	558	
Non-controlling interests		(35)	(1,362)	
		2,361	(804)	
Earnings per share attributable to equity holders of the Company				
Basic earnings per share (US cents)		0.366	0.085	
Diluted earnings per share (US cents)		0.366	0.085	
Other comprehensive (loss)/income, net of tax items that may be reclassified subsequently to profit or loss:				
Currency translation differences arising from consolidation		(72)	41	NM
Total comprehensive income/(loss) for the financial period		2,289	(763)	NM
Attributable to:				
Equity holders of the Company		2,324	599	
Non-controlling interests		(35)	(1,362)	
		2,289	(763)	

↑ 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.

	Note	Group		Company	
		30-Jun-24 US\$'000	31-Dec-23 US\$'000	30-Jun-24 US\$'000	31-Dec-23 US\$'000
Assets					
Non-current assets					
Property, plant and equipment	10	1	9	1	9
Right-of-use assets	11	185	245	165	206
Producing oil and gas properties	12	10,130	10,507	-	-
Exploration and evaluation assets	13	10,465	10,453	-	-
Intangible assets	14	-	-	-	-
Investments in subsidiary corporations		-	-	19,062	19,062
Investments in associated company	15	-	-	-	-
Investments in joint venture	16	280	284	287	287
Financial assets, at fair value through profit or loss ("FVPL")	17	1,094	1,124	1,094	1,124
Trade and other receivables	5	6,293	5,993	3,132	3,735
		28,448	28,615	23,741	24,423
Current assets					
Inventories		3,362	3,351	-	-
Trade and other receivables	5	2,533	2,722	82	94
Other current assets		422	159	84	62
Cash and cash equivalents	5	18,721	17,258	1,382	264
		25,038	23,490	1,548	420
Total assets		53,486	52,105	25,289	24,843
Liabilities					
Non-current liabilities					
Trade and other payables	5	888	842	-	-
Lease liabilities	5	81	123	81	123
		969	965	81	123
Current liabilities					
Trade and other payables	5	2,941	3,740	12,143	11,335
Lease liabilities	5	101	125	81	85
Current income tax liabilities		2,941	3,036	152	172
		5,983	6,901	12,376	11,592
Total liabilities		6,952	7,866	12,457	11,715
Net assets		46,534	44,239	12,832	13,128
Equity					
Share capital	20	75,157	75,157	75,157	75,157
Treasury shares	21	(35)	-	(35)	-
Accumulated losses		(13,438)	(15,834)	(62,321)	(62,032)
Other reserves		(16,657)	(16,613)	31	3
Equity attributable to equity holders of the Company		45,027	42,710	12,832	13,128
Non-controlling interests		1,507	1,529	-	-
Total equity		46,534	44,239	12,832	13,128

Group	Share Capital US\$'000	Treasury Shares US\$'000	Currency Translation Reserve US\$'000	Special Reserve US\$'000	Share Option Reserve US\$'000	Accumulated Losses US\$'000	Total US\$'000	Non-Controlling Interests US\$'000	Total Equity US\$'000
Balance as at 1 Jan 2024	75,157	-	(72)	(16,544)	3	(15,834)	42,710	1,529	44,239
Net profit/(loss) for 1H 2024	-	-	-	-	-	2,396	2,396	(35)	2,361
<u>Other comprehensive loss</u>									
Currency translation differences	-	-	(72)	-	-	-	(72)	-	(72)
Total comprehensive (loss)/income for 1H 2024	-	-	(72)	-	-	2,396	2,324	(35)	2,289
Purchase of treasury shares	-	(35)	-	-	-	-	(35)	-	(35)
Employee share option plan - value of employee services	-	-	-	-	28	-	28	-	28
Additional increase of non-controlling interests in subsidiary corporation	-	-	-	-	-	-	-	13	13
Total transactions with owners, recognised directly in equity	-	(35)	-	-	28	-	(7)	13	6
Balance as at 30 June 2024	75,157	(35)	(144)	(16,544)	31	(13,438)	45,027	1,507	46,534
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)
<u>Other comprehensive income</u>									
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 June 2023	75,157	-	(47)	(16,545)	-	(17,796)	40,769	1,516	42,285

Company	Share Capital US\$'000	Treasury Shares US\$'000	Share Option Reserve US\$'000	Accumulated Losses US\$'000	Total Equity US\$'000
Balance as at 1 Jan 2024	75,157	-	3	(62,032)	13,128
Total comprehensive loss for 1H 2024	-	-	-	(289)	(289)
Purchase of treasury shares	-	(35)	-	-	(35)
Employee share option plan - value of employee services	-	-	28	-	28
Balance as at 30 June 2024	75,157	(35)	31	(62,321)	12,832
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 June 2023	75,157	-	-	(61,829)	13,328

Group	Note	1H 2024 US\$'000	1H 2023 US\$'000
Cash Flows from Operating Activities			
Net profit/(loss)		2,361	(804)
Adjustments for non-cash items:			
Income tax expense		876	581
Share of losses of joint venture after tax		4	-
Share option expenses		28	-
Depreciation of property, plant and equipment		8	12
Depreciation of right-of-use assets		60	60
Amortisation of producing oil and gas properties		957	1,334
Interest income		(756)	(478)
Impairment loss on exploration and evaluation assets		-	4,884
Interest on lease liabilities		7	5
Unwinding of interest-free from non-current payables		46	63
Gain on disposal of intangible assets		-	(1,712)
Unrealised currency translation (gains)/losses		(10)	26
Operating profit before working capital changes		3,581	3,971
Changes in working capital			
Inventories		(10)	261
Trade and other receivables and other current assets		(277)	1,141
Trade and other payables		(800)	241
Cash generated from operations		2,494	5,614
Income tax paid		(975)	(580)
Net cash provided by operating activities		1,519	5,034
Cash Flows from Investing Activities			
Interest received		646	308
Additions to property, plant and equipment		-	(1)
Additions to producing oil and gas properties		(580)	(1,849)
Additions to exploration and evaluation assets		(12)	(1,404)
Net cash provided by/(used in) investing activities		54	(2,946)
Cash Flows from Financing Activities			
Interest paid		(7)	(5)
Purchase of treasury shares		(35)	-
Principal payment of lease liabilities		(68)	(83)
Net cash used in financing activities		(110)	(88)
Net increase in cash and cash equivalents		1,463	2,000
Cash and cash equivalents at beginning of financial period		17,258	14,138
Cash and cash equivalents at end of financial period		18,721	16,138

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 June 2024 comprise the Company and its subsidiary corporations (collectively, the "Group") and the Group's interests in joint operations, associated company and joint venture. The principal activity 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 2024 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 2023.

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 2024, the Group reported a net cash provided by operating activities of US\$1.52 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\$46.53 mil and US\$19.06 mil respectively; and
- (b) The Group has sufficient cash to fund the operations of the Group, with free cash and cash equivalents of US\$18.72 mil as at 30 Jun 2024.

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 2024. 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:

- SFRS(I) 1-1: Presentation of Financial Statements
- SFRS(I) 1-7: Statement of Cash Flows and SFRS(I) 7 Financial Statements: Disclosures
- SFRS(I) 16: Leases

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 2023.

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 is 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.

Other services within Singapore include investment holding and the provision of management services, but these are not included within the reportable segments, as they are not included in the segment reports provided to the BOD. The results of these operations are included under "All Other Segments".

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	
	1H 2024	1H 2023	1H 2024	1H 2023	1H 2024	1H 2023	1H 2024	1H 2023
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Sales to external customers	-	-	9,154	9,631	-	-	9,154	9,631
EBITDA	(50)	(43)	4,734	4,931	(1,122)	770	3,562	5,658
EBIT	(50)	(4,927)	3,758	3,577	(1,150)	(894)	2,558	(2,244)
Amortisation, depreciation and impairment losses	-	(4,884)	(977)	(1,354)	(48)	(52)	(1,025)	(6,290)
Finance expenses	(46)	(63)	(1)	(1)	(6)	(4)	(53)	(68)
Segment results	(1)	(5,150)	3,758	3,577	(516)	1,350	3,241	(223)
Share of losses of joint venture after tax							(4)	-
Profit before income tax							3,237	(223)
Income tax expense							(876)	(581)
Total profit							2,361	(804)
Segment assets	16,925	16,204	33,474	34,870	3,087	709	53,486	51,783
Total assets as per statement of financial position							53,486	51,783
Total assets include:								
- Capital expenditures (Tangible and intangible assets)	12	1,404	580	1,849	-	1	592	3,254
Segment liabilities	1,257	1,420	2,307	4,114	447	539	4,011	6,073
Current income tax liabilities							2,941	3,425
Total liabilities as per statement of financial position							6,952	9,498

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.

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 2024 and 31 Dec 2023:

	Note	Group		Company	
		30-Jun-24 US\$'000	31-Dec-23 US\$'000	30-Jun-24 US\$'000	31-Dec-23 US\$'000
Financial Assets					
Trade and other receivables (amortised cost)					
- current		2,533	2,722	82	94
- non-current		6,293	5,993	3,132	3,735
Cash and bank balances		18,721	17,258	1,382	264
		27,547	25,973	4,596	4,093
Financial Liabilities					
Trade and other payables (amortised cost)					
- current		2,941	3,740	12,143	11,335
- non-current		888	842	-	-
Lease liabilities					
- current		101	125	81	85
- non-current		81	123	81	123
		4,011	4,830	12,305	11,543

5 FINANCIAL ASSETS AND LIABILITIES (CONT'D)

5.1 Breakdown on trade and other receivables

Trade and other receivables	Note	Group		Company	
		30-Jun-24 US\$'000	31-Dec-23 US\$'000	30-Jun-24 US\$'000	31-Dec-23 US\$'000
Current					
Trade receivables - non-related parties		2,265	2,389	-	-
Loan to subsidiary corporations		-	-	10,140	10,135
Less: Loss allowances		-	-	(10,135)	(10,135)
Loan to subsidiary corporations, net		-	-	5	-
Other receivables - non-related parties		268	333	77	94
Loan to associated companies		528	528	-	-
		796	861	77	94
Less: Loss allowances		(528)	(528)	-	-
		268	333	77	94
		2,533	2,722	82	94
Non-current					
Loan to subsidiary corporations		-	-	15,932	16,535
Less: Loss allowance		-	-	(12,800)	(12,800)
Loan to subsidiary corporations, net		-	-	3,132	3,735
Loan to non-related parties		6,293	5,993	-	-
		6,293	5,993	3,132	3,735

5.2 Breakdown on trade and other payables

Trade and other payables	Note	Group		Company	
		30-Jun-24 US\$'000	31-Dec-23 US\$'000	30-Jun-24 US\$'000	31-Dec-23 US\$'000
Current					
Trade payables - non-related parties		781	1,030	-	-
Trade payables - related parties		-	270	-	-
Accrued expenses		372	655	272	367
Other payables - non-related parties		1,788	1,785	14	29
Loan from subsidiary corporations		-	-	11,857	10,939
		2,941	3,740	12,143	11,335
Non-current					
Other payable - non-related party		888	842	-	-
		888	842	-	-

6 PROFIT BEFORE TAXATION

6.1 Significant items

Group	1H 2024 US\$'000	1H 2023 US\$'000
Income		
Interest income from bank deposits	393	295
Interest income from loan to non-related parties	315	183
Interest income from financial assets, at FVPL	48	-
Petroleum services fees	145	134
Foreign exchange gain/(loss), net	71	(19)
Gain on disposal of intangible assets	-	1,712
Expenses		
Interest on lease liabilities	7	5
Unwinding of interest-free from non-current payables	46	63
Production expenses	4,070	4,326
Depreciation of property, plant and equipment	8	12
Depreciation of right-of-use assets	60	60
Amortisation of producing oil and gas properties	957	1,334
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 2024 US\$'000	1H 2023 US\$'000
Current income tax expense	876	581

8 EARNINGS PER SHARE

Group	1H 2024 US\$'000	1H 2023 US\$'000
Basic earnings per ordinary share (US cents)	0.366	0.085
Weighted average number of ordinary shares for the purpose of computing earnings per share	655,443,138	655,498,604
Fully diluted earnings per ordinary share (US cents)	0.366	0.085
Weighted average number of ordinary shares for the purpose of computing fully diluted earnings per share	655,443,138	655,498,604

The weighted average number of ordinary shares on issue has been adjusted as if all dilutive share options are exercised in 1H 2024. There were no share options exercisable in 1H 2024 and 1H 2023 respectively. For the purpose of computing basic and fully diluted earnings per share, the relevant periods for 1H 2024 and 1H 2023 were from 1 Jan 2024 to 30 Jun 2024 and 1 Jan 2023 to 30 Jun 2023 respectively. The weighted average number of ordinary shares on issue had not been adjusted for the share options as the share options were anti-dilutive in 1H 2024.

9 NET ASSET VALUE PER SHARE

	Group		Company	
	30-Jun-24 US\$'000	31-Dec-23 US\$'000	30-Jun-24 US\$'000	31-Dec-23 US\$'000
Net asset value per ordinary share based on total number of issued shares (excluding treasury shares) (US cents)	6.881	6.516	1.961	2.003
Total number of issued shares (excluding treasury shares)	654,326,904	655,498,604	654,326,904	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
FY2023				
Cost	122	7	109	238
Accumulated depreciation	(122)	(7)	(100)	(229)
Net book value	-	-	9	9
1H 2024				
Opening net book value	-	-	9	9
Depreciation charge	-	-	(8)	(8)
Closing net book value	-	-	1	1

11 RIGHT-OF-USE ASSETS

Group	Property US\$'000	Office Equipment US\$'000	Heavy Equipment and Machinery US\$'000	Total US\$'000
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FY2023				
Cost	399	14	260	673
Accumulated depreciation	(163)	(5)	(260)	(428)
Net book value	236	9	-	245
1H 2024				
Opening net book value	236	9	-	245
Depreciation charge	(59)	(1)	-	(60)
Closing net book value	177	8	-	185

Company	Property US\$'000	Office Equipment US\$'000	Total US\$'000
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FY2023			
Cost	282	14	296
Accumulated depreciation	(85)	(5)	(90)
Net book value	197	9	206
1H 2024			
Opening net book value	197	9	206
Depreciation charge	(40)	(1)	(41)
Closing net book value	157	8	165

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
FY2023				
Cost	56,755	6,645	600	64,000
Accumulated amortisation and impairment losses	(46,692)	(6,201)	(600)	(53,493)
Net book value	10,063	444	-	10,507
1H 2024				
Opening net book value	10,063	444	-	10,507
Additions	489	91	-	580
Amortisation charge	(853)	(104)	-	(957)
Closing net book value	9,699	431	-	10,130

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 2024 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 21% per annum (2023: 21% 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 37% per annum (2023: 37% per annum).

Based on the impairment test of the Myanmar CGU, no impairment charge was recognised for producing oil and gas properties for 1H 2024. The estimated recoverable amount of the Myanmar CGU was higher than its carrying amount.

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

Group	Exploration and Evaluation Assets US\$'000	Participating Rights US\$'000	Total US\$'000
FY2023			
Cost	20,145	1,435	21,580
Accumulated impairment losses	(11,127)	-	(11,127)
Net book value	9,018	1,435	10,453
1H 2024			
Opening net book value	9,018	1,435	10,453
Additions	12	-	12
Closing net book value	9,030	1,435	10,465

In 1H 2024, the second exploration well KP-2 is at preliminary planning stage. Management has assessed that there is no impairment indicator for impairment loss to be made in 1H 2024. The Group's E&E assets continue to reflect at its net recoverable amount as at 30 Jun 2024. 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	Total US\$'000
FY2023			
Cost	1,489	26	1,515
Accumulated amortisation and impairment losses	(1,489)	(26)	(1,515)
Net book value	-	-	-
1H 2024			
Opening and Closing net book value	-	-	-

15 INVESTMENTS IN ASSOCIATED COMPANY

Group and Company	30-Jun-24 US\$'000	31-Dec-23 US\$'000
Equity investment at costs	7,358	7,358
Share of losses in associated company	(7,358)	(7,358)
	-	-

16 INVESTMENTS IN JOINT VENTURE

	Group		Company	
	30-Jun-24 US\$'000	31-Dec-23 US\$'000	30-Jun-24 US\$'000	31-Dec-23 US\$'000
Equity investment at costs	287	287	287	287
Share of losses in joint venture	(7)	(3)	-	-
	<u>280</u>	<u>284</u>	<u>287</u>	<u>287</u>

17 FINANCIAL ASSETS, AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVPL")

Group and Company	30-Jun-24 US\$'000	31-Dec-23 US\$'000
At costs	1,123	1,123
Fair value loss on convertible bond through profit or loss	(13)	(13)
Revaluation (loss)/gain	(16)	14
	<u>1,094</u>	<u>1,124</u>

The Company purchased a convertible bond issued by VibroPower Corporation Limited, a company listed on SGX-ST Mainboard at a principal amount of S\$1.50 mil (equivalent US\$1.12 mil) at a coupon rate of 8.5% per annum. In 1H 2024, the Company re-assessed the fair value of the convertible bond under SFRS(I) 9 Financial Instruments that resulted in an insignificant fair value gain, hence no adjustment is made.

18 BORROWINGS AND DEBT SECURITIES

Group	30-Jun-24		31-Dec-23	
	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	-	-	-	-

19 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 expenditures as at 30 Jun 2024 and 31 Dec 2023 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-24 US\$'000	31-Dec-23 US\$'000
Not later than one year	1,839	2,489

20 SHARE CAPITAL

Group and Company	30-Jun-24	31-Dec-23	30-Jun-24	31-Dec-23
	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

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

No additional shares were issued in 1H 2024.

On 24 May 2024, the Company granted share options to the Executive Chairman to subscribe for 5,000,000 shares at an exercise price of S\$0.038 per share and to other Directors to subscribe for a total of 20,000,000 shares at an exercise price of S\$0.036 per share ("2024 Options"). The 2024 Options are exercisable from 25 May 2025 and expire on 24 May 2029. The total fair value of the 2024 Options granted was estimated to be S\$207,900 (US\$153,949) using the Binomial Option Pricing Model.

The number of ordinary shares comprised in the options granted and outstanding under the Interra Share Option Plan as at 30 Jun 2024 was 27,900,000 (31 Dec 2023: 2,900,000).

The Company does not have any subsidiary holdings as at 30 Jun 2024 and 31 Dec 2023 respectively.

21 TREASURY SHARES

Group and Company	30-Jun-24	31-Dec-23	30-Jun-24	31-Dec-23
	Number of Shares		US\$'000	US\$'000
Opening balance	-	-	-	-
Purchase of treasury shares	1,171,700	-	35	-
Closing balance	1,171,700	-	35	-

Treasury shares relate to ordinary shares of the Company that is held by the Company.

In 1H 2024, the Company acquired 1,171,700 shares of the Company by way of market acquisition and all shares acquired are held as treasury shares. Following the purchase, the Company has 1,171,700 treasury shares, representing 0.179% (31 Dec 2023: nil) of the total number of shares outstanding as at 30 Jun 2024.

There were no sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

1 REVIEW

The condensed consolidated statement of financial position of Interra Resources Limited and its subsidiary corporations as at 30 Jun 2024 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 2024 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

Despite higher weighted average transacted oil price in 1H2024 of US\$82.84 per barrel (1H2023: US\$77.45 per barrel) and higher sales of shareable oil by 2% to 160,091 barrels in 1H2024 (1H2023: 157,239 barrels), revenue decreased by US\$0.48 mil to US\$9.15 mil in 1H2024 from US\$9.63 mil in 1H2023. This was due to lower cost recovery rate for one of the oil fields in Myanmar which resulted in lower oil revenue derived.

Cost of Production

The decrease in cost of production to US\$5.03 mil in 1H 2024 from US\$5.66 mil in 1H 2023 was mainly attributable to lower amortisation charges and depreciation charges in 1H 2024 of US\$0.96 mil (1H 2023: US\$1.33 mil) and lower production expenses of US\$4.01 mil in 1H 2024 as compared to 1H 2023 of US\$4.33 mil. Myanmar operations incurred capital expenditures of US\$0.58 mil in 1H 2024 (1H 2023: US\$1.85 mil) which resulted in lower amortisation and depreciation charges of producing oil and gas properties.

Net Profit

The Group posted a higher net profit of US\$2.36 mil in 1H 2024 as compared to a net loss of US\$0.80 mil in 1H 2023. The higher net profit was mainly due to the following:

- (1) No impairment loss on E&E assets in 1H 2024 as compared to impairment loss of US\$4.88 mil in 1H 2023.
- (2) Lower cost of production of US\$5.03 mil (1H 2023: US\$5.66 mil) as abovementioned under Cost of Production.
- (3) Lower revenue of US\$9.15 mil in 1H 2024 (1H 2023: US\$9.63 mil) as abovementioned under Revenue & Production.
- (4) Lower other income of US\$0.97 mil in 1H 2024 (1H 2023: US\$2.31 mil) was mainly due to gain on disposal of patent rights of US\$1.71 mil in 1H 2023 as compared to no such gain in 1H 2024.
- (5) Higher administrative expenses of US\$1.74 mil in 1H 2024 (1H 2023: US\$1.47 mil) were mainly due to higher corporate expenses and expenses from operations in Myanmar.
- (6) Higher income tax expenses in 1H 2024 of US\$0.88 mil (1H 2023: US\$0.58 mil).

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

Statement of Financial Position

Right-of-use assets decreased to US\$0.19 mil as at 30 Jun 24 from US\$0.25 mil as at 31 Dec 2023 due to amortisation charges of US\$0.06 mil during the financial period.

Producing oil and gas properties decreased by US\$0.38 mil to US\$10.13 mil as at 30 Jun 2024 from US\$10.51 mil as at 31 Dec 2023 due to capitalisation of drilling expenditures of US\$0.58 mil offset by amortisation charges of US\$0.96 mil during the financial period.

Exploration and evaluation assets increased to US\$10.46 mil as at 30 Jun 2024 from US\$10.45 mil as at 31 Dec 2023 mainly due to capitalisation of exploration and evaluation costs of US\$0.01 mil during the financial period.

Trade and other receivables (non-current) increased to US\$6.29 mil as at 30 Jun 2024 from US\$5.99 mil as at 31 Dec 2023 mainly due to accrued interest income of US\$0.30 mil from PT Mentari Abdi Nusa ("MAN") and PT Energy Alam Mandiri ("EAM") during the financial period. The loan due from MAN and EAM amounted to US\$4.46 mil and US\$1.83 mil as at 30 Jun 2024 respectively. The loan to MAN is secured by pledge of its shares in PT Mentari Pambuang Investindo ("MPI"). Trade and other receivables (current) decreased to US\$2.53 mil as at 30 Jun 2024 from US\$2.72 mil as at 31 Dec 2023 mainly due to lower revenue in the last two months of the financial period.

Trade and other payables (non-current) increased by US\$0.05 mil from US\$0.84 mil as at 31 Dec 2023 to US\$0.89 mil as at 30 Jun 2024 due to unwinding of interest-free from non-current payables of US\$0.05 mil during the financial period. Trade and other payables (current) decreased by US\$0.80 mil from US\$3.74 mil as at 31 Dec 2023 to US\$2.94 mil as at 30 Jun 2024, mainly due to less purchases made as well as payment made to vendors during the financial period.

Lease liabilities (non-current and current) decreased by US\$0.07 mil to US\$0.18 mil as at 30 Jun 2024 from US\$0.25 mil as at 31 Dec 2023 due to repayment of lease liabilities and interest of US\$0.07 mil during the financial period.

Statement of Cash Flows

Cash and cash equivalents showed a net increase of US\$1.46 mil in 1H 2024 due to the following:

- (1) Net cash provided by operating activities of US\$1.52 mil was mainly due to net cash inflow from oil and gas operations in Myanmar of US\$2.38 mil offset by corporate expenses of US\$0.86 mil.
- (2) Net cash provided by investing activities of US\$0.05 mil was mainly due to higher interest received of US\$0.64 mil which was partly offset by capital expenditures for Myanmar operations of US\$0.58 mil.
- (3) Net cash used in financing activities of US\$0.11 mil was mainly due to repayment of lease liabilities and interest of US\$0.07 mil and purchase of treasury shares of US\$0.04 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 162,669 barrels in 2H 2023 to 160,091 barrels in 1H 2024. During 1H 2024, the Company drilled 2 new wells, all located in Chauk Field, for a total gain of 178 bopd. The situation in Myanmar remains challenging and the Company will continue to monitor developments closely.

For Kuala Pambuang PSC, the second exploration well KP-2 is at preliminary planning stage. The KP-2 well site and access road surveys were completed in May 2024. Currently, discussions and negotiations with the local government authority and landowners regarding the well site and access road for land clearance are ongoing. No significant contribution is expected from this field in the near term.

For our joint venture to build and operate a wood pallet plant in Sumatra, we are considering deferring the construction because we are assessing an existing plant. We are considering acquiring it and further developing on it with our planned new plant so as to obtain synergies in our operations. We will provide further updates after we have made our assessment on the existing plant as part of our due diligence.

On the joint venture with VibroPower Corporation Limited ("VCL") to build a 2-megawatt solar farm, we were informed by VCL that there will be administrative delays as the authority to approve our solar farm project will need to review proposals for Power System Study ("PSS") first, and the application and processing of our solar farm project will have to take a back seat. As the submission of proposal for PSS has a closing deadline on 23 Sep 2024, the application of our solar farm project will likely be on hold until further notice.

The Group will continue to explore business opportunities to diversify its income stream and to create value to shareholders. The Company will make the necessary announcements when appropriate on such business opportunities as and when they arise.

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

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.

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/year 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 2024 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).

G ABBREVIATIONS

1H 2023	denotes	First half-year ended 30 June 2023
2H 2023	denotes	Second half-year ended 31 December 2023
1H 2024	denotes	First half-year ended 30 June 2024
FY 2023	denotes	Financial year ended 31 December 2023
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, associated company and joint venture
GKP	denotes	Goldwater KP Pte. Ltd.
IPRC	denotes	Improved Petroleum Recovery Contract
k	denotes	thousand
KP	denotes	Kuala Pambuang block
MBI	denotes	PT Mitra Biomass Internasional
mil	denotes	million
MOGE	denotes	Myanma Oil and Gas Enterprise
NA	denotes	Not applicable
NM	denotes	Not meaningful
PSC	denotes	Production Sharing Contract

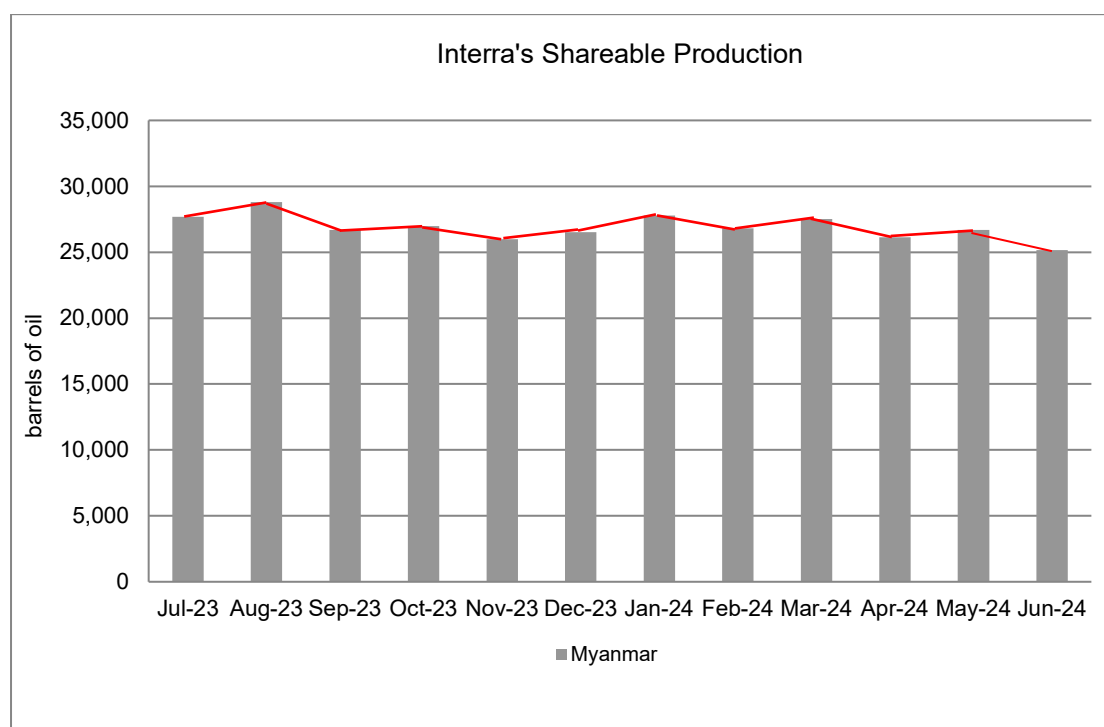
This release may contain forward-looking statements that are not statements of historical facts, and are subject to risk factors associated with the upstream petroleum and mining businesses. Actual future results, performance and outcomes may differ materially from those anticipated, expressed or implied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

13 August 2024

PRODUCTION, DEVELOPMENT & EXPLORATION ACTIVITIES FOR THE FIRST HALF-YEAR ENDED 30 JUNE 2024 ("1H 2024")

Production Profile

(Barrels)	Myanmar	
	Second Half-Year Ended 31 December 2023 ("2H 2023")	First Half-Year Ended 30 June 2024 ("1H 2024")
Shareable production	271,115	266,819
Interra's share of shareable production	162,669	160,091



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 2024, the combined shareable production for both fields was 160,091 barrels of oil, a decrease of 2% over 2H 2023 of 162,669 barrels of oil.

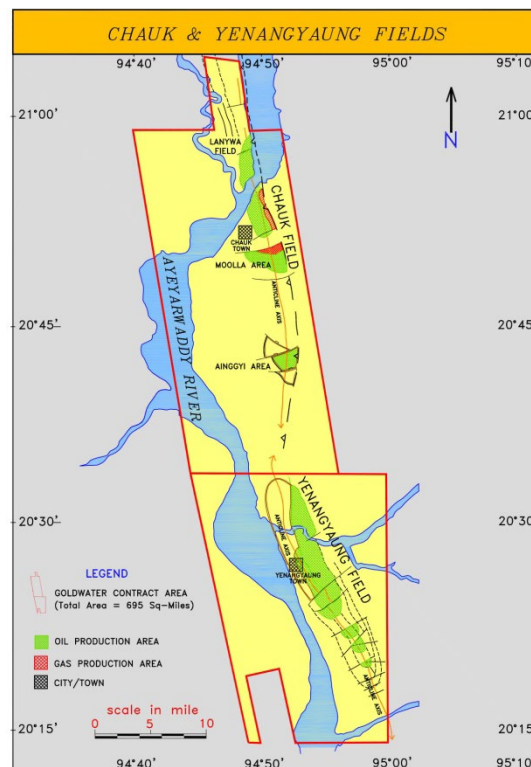
Production and development expenditures for 1H 2024 were US\$4,069,559 and US\$579,799 respectively.

In 1H 2024, the operator, Goldpetrol Joint Operating Company Inc. ("Goldpetrol") (Interra 60%) drilled and completed 2 new wells at the Chauk Field for a total gain of 178 bopd.

The average wellhead production gain since the commencement of the waterflood project is approximately 317 bopd from all the producing wells in ten waterflood areas. The latest wells drilled are performing as expected and providing reservoir pressure support from waterflood and contributing to enhancing overall oil recovery in that area of the field.

Normal field operations and improvements have been ongoing with respect to boreholes and surface infrastructure, together 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%)

As per the announcement on 2 October 2023, the Company received the third extension letter from Satuan Kerja Khusus Pelaksana Kegiatan Usaha Hulu Minyak Dan Gas Bumi (“SKKMIGAS”) dated 29 September 2023 approving the extension of the exploration period from 25 July 2023 to 14 March 2025, with the main obligation to drill an additional exploration well KP-2.

The proposed KP-2 location is in a different closure of well KP-1 and has been approved by SKKMIGAS. The work programme and budget for KP-2 well site and drilling preparation has also been approved by SKKMIGAS. The well site and access road surveys have been completed in May 2024. Currently, discussions and negotiations with the local government authority and landowners regarding the well site and access road for land clearance are ongoing.

Exploration costs for 1H 2024 was US\$11,757.

