

25 February 2009

Dear Shareholders

UNAUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

Highlights in Q4 2008

- Quarterly net loss after tax of US\$0.34 million
- The transacted oil price for the quarter decreased by 52% to US\$57 per barrel compared to the previous quarter
- Full year net profit after tax of US\$1.70 million compared to US\$2.26 million in 2007

The Board of Directors of Interra Resources Limited (the “Company” or “Interra”) wishes to announce that for the fourth quarter (“Q4”) of 2008, the Group incurred a net loss after tax of US\$0.34 million.

Q4 2008 Review

Revenue decreased by 27% to US\$3.59 million during Q4 2008 compared to the preceding quarter. The decrease is mainly due to a lower weighted average oil price which decreased from around US\$119 per barrel in Q3 2008 to US\$57 per barrel in Q4 2008. Total production for the quarter was 2% higher than the previous quarter.

Direct production expenses at US\$2.39 million for the quarter were consistent with Q3 2008, however, amortisation and depreciation charges increased due to a combination of a higher share of shareable production in Indonesia (the basis of amortisation) and the capitalisation of drilling costs mainly in Myanmar. Income tax expenses decreased significantly during the quarter particularly in respect of the Indonesian operations. A mark to market loss of US\$102k was recognised in the profit and loss statement with respect to the Company’s holding of marketable securities.

There was a net cash outflow in Q4 of US\$1.62 million due mainly to drilling costs in Myanmar and the acquisition of fixed assets in Indonesia including pumping units and gas engines. During Q4 2008, 4 payments were received in respect of Myanmar trade receivables, hence, no additional impairment provision was charged during the period. The Group received a total of 14 monthly payments in 2008 from the Myanma Oil and Gas Enterprise (“MOGE”). During 2007, the Group received 10 payments for the entire year. Cash on hand as at 31 December 2008 was US\$17.26 million although US\$2.96 million remains pledged to support bankers guarantees in respect of Thailand exploration activities.

FY 2008 Review

Revenue for 2008 was US\$17.48 million compared to US\$15.19 million the previous year. The 15% increase was driven by a combination of higher oil prices and increased production (mainly in the Myanmar oil fields). Despite this, gross profit increased only moderately to US\$6.77 million. Interest income in 2008 reduced to US\$0.51 million compared to US\$1.13 million in 2007. Higher income tax expense of US\$0.53 million also contributed to the lower net profit after tax of US\$1.70 million for the year.

In FY 2008, Interra's share of shareable production was 302,450 barrels of oil compared to 281,174 barrels of oil in FY 2007. Production costs increased year on year by US\$1.88 million to US\$10.71 million. The weighted average oil price for FY 2008 of approximately US\$99 per barrel was higher than FY 2007 (almost US\$74 per barrel). The Group had been on track to exceed the prior year's performance, however, the collapse of the oil price in late 2008 resulted in a poor performance in the fourth quarter of the year.

Yours sincerely,

The Board of Directors
Interra Resources Limited



**INTERRA RESOURCES LIMITED
UNAUDITED RESULTS FOR THE FINANCIAL YEAR
ENDED 31 DECEMBER 2008**

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INTERRA RESOURCES LIMITED AND SUBSIDIARY COMPANIES

RESULTS FOR ANNOUNCEMENT TO THE MARKET (APPENDIX 4E)
For the financial year ended 31 December 2008

Group	Year Ended 31 December		Percentage Change
	2008 US\$'000	2007 US\$'000	

Revenue from ordinary activities	17,479	15,192	↑ 15
Profit from ordinary activities after taxation attributable to shareholders	1,696	2,264	↓ 25
Net Profit attributable to shareholders	1,696	2,264	↓ 25
Net tangible assets per ordinary share (USD cents)	13.238	12.937	↑ 2

Group	Amount per security (SGD cents)	Franked amount per security (SGD cents)
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Dividend per share		
- final	NA	NA
- interim	NA	NA

Record date for determining entitlements to dividends

NA

The results for the financial year ended 31 December 2008 presented in this announcement are extracted from the financial statements for the year that have not been audited or reviewed.

The financial statements are prepared and presented in accordance with the provisions of the Singapore Companies Act, Cap. 50 and Singapore Financial Reporting Standards.

1(a)(i) PROFIT AND LOSS STATEMENT

Group	Note	Q4 2008 US\$'000	Q4 2007 US\$'000	Change %	FY 2008 US\$'000	FY 2007 US\$'000	Change %
Revenue	A1	3,590	4,886	↓ 27	17,479	15,192	↑ 15
Cost of production	A2	(2,966)	(2,336)	↑ 27	(10,708)	(8,826)	↑ 21
Gross profit		624	2,550	↓ 76	6,771	6,366	↑ 6
Other income	A3	(55)	250	NM	576	1,227	↓ 53
Administrative expenses		(735)	(1,111)	↓ 34	(3,672)	(3,286)	↑ 12
Impairment and allowances	A4	-	(25)	NM	-	(428)	NM
Other operating expenses	A5	(64)	(61)	↑ 5	(228)	(230)	↓ 1
Finance costs	A6	-	(63)	NM	(89)	(251)	↓ 65
(Loss) / Profit before income tax		(230)	1,540	NM	3,358	3,398	↓ 1
Income tax expense		(108)	(383)	↓ 72	(1,662)	(1,134)	↑ 47
(Loss) / Profit after income tax		(338)	1,157	↓ 129	1,696	2,264	↓ 25

↑ means increase

↓ means decrease

NM = not meaningful

EXPLANATORY NOTES TO PROFIT AND LOSS STATEMENT

Group	Q4 2008 US\$'000	Q4 2007 US\$'000	FY 2008 US\$'000	FY 2007 US\$'000
A1 Revenue				
Sales of crude oil (see 8(iii) for production profile)	3,590	4,886	17,479	15,192
A2 Cost of production				
Production expenses	2,392	1,917	9,073	7,404
Depreciation of property, plant and equipment	141	138	494	465
Amortisation of exploration, evaluation and development costs	428	279	1,131	950
Amortisation of computer software	5	2	10	7
	2,966	2,336	10,708	8,826
A3 Other income				
Interest income from deposits	98	276	513	1,131
Petroleum services fees	40	34	191	141
Gain on disposal of marketable securities	-	-	210	-
Other income	-	-	-	6
Loss from adjustment in fair value of financial assets	(102)	-	(102)	-
Foreign exchange (loss), net*	(91)	(60)	(236)	(51)
	(55)	250	576	1,227
A4 Impairment and allowances				
Write off on EED costs (Indonesia)	-	25	-	199
Impairment of EED costs (Myanmar)	-	-	-	229
	-	25	-	428
A5 Other operating expenses				
Depreciation of property, plant and equipment	20	17	50	53
Depreciation of computer software	-	-	1	-
Amortisation of concession rights	2	2	8	8
Amortisation of participation rights	42	42	169	169
	64	61	228	230
A6 Finance costs				
Deemed interest expense on interest free loans	-	63	89	251
	-	63	89	251
* It is the Group's policy to minimise the quantum of intercompany balances, in order to reduce reported foreign exchange gains or losses.				

1(b)(i) BALANCE SHEET

	Note	Group		Company	
		31-Dec-08 US\$'000	31-Dec-07 US\$'000	31-Dec-08 US\$'000	31-Dec-07 US\$'000
Non-Current Assets					
Property, plant and equipment		1,784	1,029	77	69
Exploration, evaluation and development costs		10,540	7,495	-	-
Intangible assets	B1	5,420	5,539	7	8
Interest in subsidiary companies		-	-	18,615	13,107
Investments	B2	4	1,034	4	4
		17,748	15,097	18,703	13,188
Current Assets					
Inventories		1,747	1,075	-	-
Investment in marketable securities	B2	436	-	-	-
Trade receivables (net)	B3	5,700	4,640	-	-
Other receivables, deposits and prepayments		1,028	628	134	134
Cash and bank balances	B4	17,257	24,993	12,213	19,979
		26,168	31,336	12,347	20,113
Total Assets		43,916	46,433	31,050	33,301
Current Liabilities					
Trade payables		(2,473)	(933)	-	-
Other payables and accruals		(2,656)	(3,826)	(529)	(660)
Provision for taxation		(4,258)	(3,850)	(40)	(146)
Loan from a director	B5	-	(1,374)	-	-
Loan from a substantial shareholder	B5	-	(1,459)	-	-
Loan from a third party	B5	-	(1,459)	-	-
		(9,387)	(12,901)	(569)	(806)
Non-Current Liabilities					
Provision for environmental and restoration costs		(518)	(294)	-	-
		(518)	(294)	-	-
Total Liabilities		(9,905)	(13,195)	(569)	(806)
Net Assets		34,011	33,238	30,481	32,495
Representing:					
Share capital		40,109	40,109	40,109	40,109
Reserves		(6,098)	(6,871)	(9,628)	(7,614)
		34,011	33,238	30,481	32,495

Explanatory Notes to Balance Sheet

B1 Details on intangible assets are as follows:-

	Group	
	31-Dec-08 US\$'000	31-Dec-07 US\$'000
Computer software	98	23
Goodwill on reverse acquisition	1,489	1,489
Participating and concession rights	1,407	1,584
Participating rights in Thailand	2,426	2,443
	5,420	5,539

B2 Details on investments are as follows:-

	Group	
	31-Dec-08 US\$'000	31-Dec-07 US\$'000
(a) Financial assets, available-for-sale		
Quoted equity at cost		
Salamander Energy plc		
- 205,181 ordinary shares of 10p each	-	1,000
Fair value gain recognised in equity	-	30
Market value	-	1,030
(b) Other investments		
Club membership	4	4
	4	1,034
(c) Financial assets, held for trading		
Quoted equity at cost		
PT Adaro Energy		
- 10,000,000 ordinary shares	538	-
Fair value gain / (loss) recognised in profit and loss	(102)	-
Market value	436	-

a) On 29 Feb 2008, the Company disposed of all its investment in Salamander Energy Plc for a cash consideration of US\$1.21 mil. Gains in respect of this asset were recognised in the profit and loss statement at the point of disposal.

b) In FY 2008, the Company acquired 10 mil shares in PT Adaro Energy TBK with an initial cost of US\$0.54 mil. The investment in PT Adaro Energy TBK is classified as held for trading as it is acquired principally for the purpose of selling in the short term. Gain / (loss) in respect of this asset is recognised in the profit and loss statement.

B3 Details on trade receivables (net) are as follows:-

	Group	
	31-Dec-08 US\$'000	31-Dec-07 US\$'000
Trade receivables	8,617	7,557
Allowance for impairment of trade receivables	(2,917)	(2,917)
	5,700	4,640

Explanatory Notes to Balance Sheet

B4 Details on cash and cash equivalents are as follows:-

	Group	
	31-Dec-08 US\$'000	31-Dec-07 US\$'000
Cash at bank and on hand	3,079	1,804
Fixed deposits	14,178	23,189
Cash and bank balances (as per Balance Sheet)	17,257	24,993
Less: Fixed deposit held as collateral for banker's guarantees	(2,960)	(4,187)
Cash and cash equivalents (as per Cash Flow Statement)	14,297	20,806

Cash collateral represents fixed deposits of the Company pledged as security for issuance of the bank guarantees in favour of the Thailand Ministry of Energy for a period of up to 3 years with effect from 19 Apr 2007. On 29 Sep 2008, the bank guarantees were reduced by US\$1.227 mil as approved by the Ministry of Energy.

B5 These are unsecured and interest free loans from a director, a substantial shareholder and a third party which are stated at amortised cost in accordance with FRS 39. The difference between the loan amount and present value of the loan is amortised as deemed interest expense over 37 months from Apr 2005 to Apr 2008. As at 30 Apr 2007, all these loans were reclassified from non-current liabilities to current liabilities as the undertaking not to demand repayment from the Group was less than 12 months away (ie 30 Apr 2008).

	Group	
	31-Dec-08 US\$'000	31-Dec-07 US\$'000
Loans from a director, a substantial shareholder and a third party	-	4,381
Less: Unamortised deemed interest expense	-	(89)
	-	4,292

The above loans were repaid in full on 30 Apr 2008.

1(b)(ii) BORROWINGS AND DEBT SECURITIES

Group	31-Dec-08		31-Dec-07	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Amount repayable in one year or less, or on demand	-	-	-	4,292
Amount repayable after one year	-	-	-	-

Details of Collateral

Fixed deposits of US\$2.96 mil (reduced from US\$4.187 mil with effect from 29 Sep 2008) were held as collateral for banker's guarantees in favour of the Thailand Ministry of Energy for a period of up to 3 years with effect from 19 Apr 2007.

1(c) CASH FLOW STATEMENT

Group	Q4 2008 US\$'000	Q4 2007 US\$'000	FY 2008 US\$'000	FY 2007 US\$'000
Cash Flows from Operating Activities				
(Loss) / Profit before income tax	(230)	1,540	3,358	3,398
Adjustments for non-cash items:				
Foreign currency translation	(92)	5	(172)	18
Depreciation of property, plant and equipment	161	155	544	518
Amortisation of:	-	-	-	-
EED costs	428	279	1,131	950
Concession rights	2	2	8	8
Computer software	5	2	10	7
Participating rights	42	42	169	169
Impairment of EED costs (Myanmar)	-	-	-	229
Write off on EED costs (Indonesia)	-	25	-	199
Interest income	(98)	(276)	(513)	(1,131)
Interest expense	-	63	89	251
Loss from adjustment in fair value of financial assets	102	-	102	-
Exchange loss	91	60	236	51
Gain on disposal of marketable securities	-	-	(210)	-
Operating profit before working capital changes	411	1,897	4,752	4,667
Changes in working capital:				
Inventories	474	(19)	(671)	467
Trade and other receivables	564	(1,434)	(1,513)	(2,113)
Trade and other payables	768	(323)	588	(71)
Accrued operating expenses	(119)	272	(109)	270
Work in progress	-	-	-	61
Provision for environmental and restoration costs	96	57	223	215
Tax (paid) / refund	(112)	(1)	(1,255)	10
Net cash inflows from operating activities	2,082	449	2,015	3,506
Cash Flows from Investing Activities				
Interest income received	109	243	557	1,102
Net proceeds from disposal of marketable securities	-	-	1,210	-
Acquisition costs for exploration concessions in Thailand	-	(79)	-	(193)
Investment in marketable securities	(538)	-	(538)	-
Fixed deposit released / (held) as collateral for banker's guarantee	-	-	1,227	(4,187)
Capital expenditure:	-	-	-	-
Purchase of property, plant and equipment	(880)	(52)	(1,307)	(806)
Purchase of computer software	(80)	-	(81)	-
Well drillings and improvements	(2,267)	-	(3,537)	(1,851)
Exploration fee in Thailand	-	(66)	-	(66)
Geological and geophysical studies (including seismic)	(47)	(928)	(730)	(928)
Net cash (outflows) from investing activities	(3,703)	(882)	(3,199)	(6,929)
Cash Flows from Financing Activities				
Repayment of loan from a related party	-	-	(4,381)	-
Dividend	-	-	(944)	-
Net cash (outflows) from financing activities	-	-	(5,325)	-
Net (decrease) in cash and cash equivalents	(1,621)	(433)	(6,509)	(3,423)
Cash and cash equivalents at beginning of period	15,918	21,239	20,806	24,229
Cash and cash equivalents at end of period (see Note B4)	14,297	20,806	14,297	20,806

1(d)(i) STATEMENTS OF CHANGES IN EQUITY

Group	Share Capital	Foreign Currency Translation Reserve	Special Reserves	Other Reserves	Retained Earnings	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1 Jan 2007	40,109	(1,224)	(16,545)	36	8,544	30,920
Fair value gain on financial assets, available-for-sale	-	-	-	(7)	-	(7)
Translation differences	-	61	-	-	-	61
Net profit after tax for FY 2007	-	-	-	-	2,264	2,264
Balance as at 31 Dec 2007	40,109	(1,163)	(16,545)	29	10,808	33,238
Financial assets, available-for-sale						
- Fair value gain	-	-	-	110	-	110
- Disposals	-	-	-	(139)	-	(139)
Employee share option scheme - value of employee services	-	-	-	15	-	15
Dividends relating to 2007 paid	-	-	-	-	(944)	(944)
Translation differences	-	35	-	-	-	35
Net profit after tax for FY 2008	-	-	-	-	1,696	1,696
Balance as at 31 Dec 2008	40,109	(1,128)	(16,545)	15	11,560	34,011

Company	Share Capital	Other Reserves	Retained Gain/(Losses)	Total
	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1 Jan 2007	40,109	-	(9,040)	31,069
Net profit after tax for FY 2007	-	-	1,426	1,426
Balance as at 31 Dec 2007	40,109	-	(7,614)	32,495
Employee share option scheme - value of employee services	-	15	-	15
Dividends relating to 2007 paid	-	-	(944)	(944)
Net loss after tax for FY 2008	-	-	(1,085)	(1,085)
Balance as at 31 Dec 2008	40,109	15	(9,643)	30,481

1(d)(ii) SHARE CAPITAL
Share Options Outstanding

The number of unissued ordinary shares of the Company under option in relation to the Share Option Plan outstanding was as follows

	No. of unissued ordinary shares under option	Exercise Price	Exercise Period
Luke Christopher Targett	350,000	S\$0.45	4 March 2010 to 2 March 2013
	350,000	S\$0.55	4 March 2010 to 2 March 2013
Frank Hollinger	250,000	S\$0.45	4 March 2010 to 2 March 2013
	250,000	S\$0.55	4 March 2010 to 2 March 2013

On 3 Mar 2008, the Company granted options to subscribe for 600,000 ordinary shares at an exercise price of S\$0.45 per share and 600,000 ordinary shares at an exercise price of S\$0.55 per share ("2008 Options"). The 2008 Options are exercisable from 4 Mar 2010 and expire on 2 Mar 2013. The total fair value of the 2008 Options granted over the vesting period was estimated to be S\$49,448 (US\$35,461) using the Binomial Option Pricing Model.

On 19 May 2008, the Company successfully quoted all the Company's current issued ordinary shares on the Australian Securities Exchange ("ASX"). Upon admission to the official list of the ASX, the Company is now dual listed on both the Catalist in Singapore being the primary exchange and the ASX in Australia being the secondary exchange on which the Company's shares will be traded.

No additional share capital was issued in Q4 2008.

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

Group and Company	Q4 2008	Q4 2007
<u>Issued and fully paid</u>		
Opening balance and closing balance	256,920,238	256,920,238
	256,920,238	256,920,238

1(d)(iv) A STATEMENT SHOWING ALL SALES, DISPOSAL, CANCELLATION AND/ OR USE OF TREASURY SHARES AS AT THE END OF THE CURRENT FINANCIAL PERIOD REPORTED ON

Not applicable.

2 WHETHER THE FIGURES HAVE BEEN AUDITED OR REVIEWED, AND IN ACCORDANCE WITH WHICH STANDARD (EG. THE STANDARD ON AUDITING 910 (ENGAGEMENTS TO REVIEW FINANCIAL STATEMENTS), OR AN EQUIVALENT STANDARD)

The figures have not been audited or reviewed by auditors.

3 WHERE THE FIGURES HAVE BEEN AUDITED OR REVIEWED, THE AUDITORS' REPORT (INCLUDING ANY QUALIFICATIONS OR EMPHASIS OF A MATTER)

Not applicable.

4 WHETHER THE SAME ACCOUNTING POLICIES AND METHODS OF COMPUTATION AS IN THE ISSUER'S MOST RECENTLY AUDITED ANNUAL FINANCIAL STATEMENTS HAVE BEEN APPLIED

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements for the year ended 31 Dec 2007.

5 IF THERE ARE ANY CHANGES IN THE ACCOUNTING POLICIES AND METHODS OF COMPUTATION, INCLUDING ANY REQUIRED BY AN ACCOUNTING STANDARD, WHAT HAS CHANGED, AS WELL AS THE REASONS FOR, AND THE EFFECT OF THE CHANGE

See 4 above.

6 EARNINGS PER SHARE

Group	Q4 2008	Q4 2007	FY 2008	FY 2007
Basic (loss) / earnings per share (USD cents)	(0.132)	0.450	0.660	0.881
Weighted average number of shares for the purpose of computing basic (loss) / earnings per share	256,920,238	256,920,238	256,920,238	256,920,238
Fully diluted (loss) / earnings per share (USD cents)	(0.132)	0.450	0.660	0.881
Weighted average number of shares for the purpose of computing fully diluted earnings per share	256,920,238	256,920,238	256,920,238	256,920,238

Basic and fully diluted earnings per share for Q4 2008 and FY 2008 are based on the weighted average number of 256,920,238 shares. There were no new shares issued during FY 2008.

7 NET ASSET VALUE PER SHARE

	Group		Company	
	31-Dec-08	31-Dec-07	31-Dec-08	31-Dec-07
Net asset value per ordinary share based on issued share capital (excluding treasury shares) (USD cents)	13.238	12.937	11.864	12.648
Number of ordinary shares in issue	256,920,238	256,920,238	256,920,238	256,920,238

8(i) PERFORMANCE REVIEW

Significant factors affecting the turnover, costs and earnings of the Group

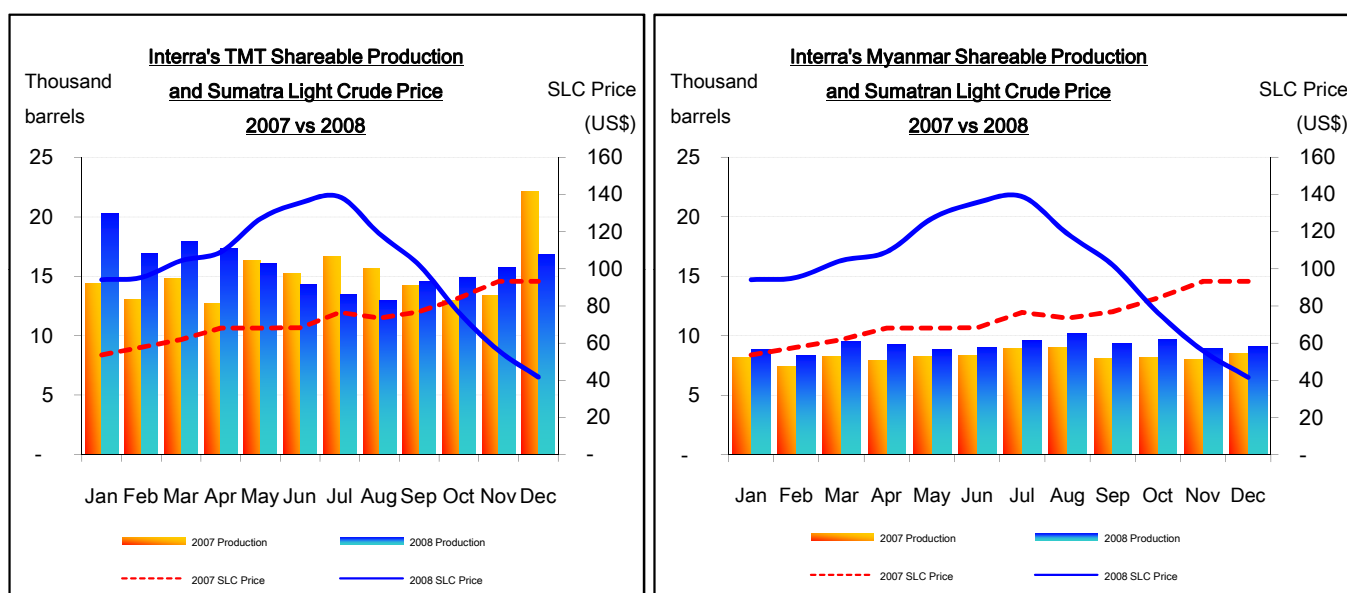
Q4 2008 and FY 2008 Review

Production & Revenue

Revenue decreased by 27% to US\$3.59 mil in Q4 2008 from US\$4.89 mil in Q4 2007. The weighted average oil price transacted during Q4 2008 was US\$57.31 per barrel whereas during Q4 2007 it was US\$90.84 per barrel. Shareable production for Q4 2008 increased by 3% to 75,251 barrels (818 bopd) from 73,279 barrels (797 bopd) for Q4 2007.

The shareable production contributed by TMT decreased from 48,500 barrels in Q4 2007 (FY 2007: 181,754 barrels) to 47,497 barrels in Q4 2008 (FY 2008: 191,443 barrels). The shareable production from Myanmar increased from 24,779 barrels in Q4 2007 (FY 2007: 99,420 barrels) to 27,754 barrels in Q4 2008 (FY 2008: 111,007 barrels).

On a year on year basis, the Group's share of shareable production increased by 8% (21,276 barrels) to 302,450 barrels for FY 2008 from 281,174 barrels during FY 2007. The weighted average oil price transacted in FY2008 was US\$98.67 whereas in FY2007 it was US\$73.70 per barrel.



Cost of Production

The cost of production in Q4 2008 increased by 27% (US\$0.63 mil) as compared to Q4 2007. Direct production expenses in Q4 2008 were higher than Q4 2007. The cost of production in FY 2008 increased by 21% (US\$1.88 mil) as compared to FY 2007.

Net Profit/ (Loss) After Tax

The Group posted a net loss after tax of US\$0.34 mil in Q4 2008 compared to net profit after tax of US\$1.16 mil in Q4 2007 mainly due to the significantly lower transacted oil price.

8(i) PERFORMANCE REVIEW (CONT'D)

Net Profit/ (Loss) After Tax (Cont'd)

The Group posted a lower net profit after tax of US\$1.70 mil in FY 2008 compared to US\$2.26 mil in FY 2007. The decrease in net profit was due mainly to an increase in income tax expense for the Indonesian operations from US\$0.52 mil to US\$0.95 mil in FY2008 and the reduction in interest income earned of US\$0.62 mil.

Group (Q4 2008)	Profit / (Loss) Before Tax US\$'000	Taxation US\$'000	Net Contribution to Group US\$'000	Net Contribution to Group %
TMT	313	(35)	278	136%
Myanmar	106	(50)	56	27%
Thailand	(129)	-	(129)	(63%)
Profit / (Loss) from operations	290	(85)	205	100%
Head office expenses and income			(531)	
Deemed interest expense (FRS 39)			-	
Income tax expense			(12)	
Net loss after tax			(338)	

Group (FY 2008)	Profit / (Loss) Before Tax US\$'000	Taxation US\$'000	Net Contribution to Group US\$'000	Net Contribution to Group US\$'000
TMT	1,944	(950)	994	28%
Myanmar	3,601	(679)	2,922	81%
Thailand	(310)	-	(310)	(9%)
Profit / (Loss) from operations	5,235	(1,629)	3,606	100%
Head office expenses and income			(1,799)	
Deemed interest expense (FRS 39)			(89)	
Income tax expense			(22)	
Net profit after tax			1,696	

Material factors affecting the cash flow, working capital, assets or liabilities of the Group during the current financial period

- (1) Net cash outflow of US\$1.62 mil during the quarter was due mainly to drilling costs in Myanmar and the purchase of fixed assets in Indonesia.
- (2) In Nov 2008, the Group expended US\$0.54 mil for the purchase of 10 mil shares in PT Adaro Energy TBK.
- (3) During Q4 2008, the Group received 4 payments in respect of outstanding trade receivables in Myanmar. The Group incurred a net cash outflow from operating activities of US\$0.11 mil from Myanmar operations in Q4 2008.
- (4) The increase in exploration, evaluation and development costs reflects the capitalisation of drilling costs incurred during the quarter.
- (5) Outstanding trade payables increased during the quarter as a result of various capital purchases.

8(ii) SEGMENTED REVENUE AND RESULTS

Geographical Segment	Indonesia		Myanmar		Consolidated	
	Q4 2008	Q4 2007	Q4 2008	Q4 2007	Q4 2008	Q4 2007
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Results						
EBITDA	646	1,656	1,764	1,455	2,410	3,111
EBIT	240	1,333	108	779	348	2,112
Sales to external customers	2,438	3,277	1,152	1,609	3,590	4,886
Segment results	296	1,347	108	779	404	2,126
Finance costs					-	(63)
Unallocated corporate net operating results					(634)	(523)
(Loss) / Profit before income tax					(230)	1,540
Income tax expense					(108)	(383)
Net (loss) / profit after income tax					(338)	1,157

Geographical Segment	Indonesia		Myanmar		Consolidated	
	FY 2008	FY 2007	FY 2008	FY 2007	FY 2008	FY 2007
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Results						
EBITDA	2,894	4,084	4,333	2,640	7,227	6,724
EBIT	1,805	3,030	3,609	1,874	5,414	4,904
Sales to external customers	9,509	9,964	7,970	5,228	17,479	15,192
Segment results	1,948	2,976	3,609	1,874	5,557	4,850
Finance costs					(89)	(251)
Unallocated corporate net operating results					(2,110)	(1,201)
Profit before income tax					3,358	3,398
Income tax expense					(1,662)	(1,134)
Net profit after income tax					1,696	2,264

Notes

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

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

8(iii) PRODUCTION PROFILE

Myanmar Production		Q4 2008 barrels	Q4 2007 barrels	FY 2008 barrels	FY 2007 barrels
Average gross production per day		1,965	1,972	1,991	2,004
Gross production		180,797	181,383	728,837	731,410
Non-shareable production		(134,541)	(140,085)	(543,827)	(565,713)
Production shareable with MOGE		46,256	41,298	185,010	165,697
Group's 60% share of production		27,754	24,779	111,007	99,420
Group's average shareable production per day		302	269	303	272
Myanmar Revenue		Q4 2008	Q4 2007	FY 2008	FY 2007
Weighted average transacted oil price	US\$	58.44	90.27	100.21	73.10
Revenue shareable with MOGE	US\$'000	1,622	2,237	11,124	7,268
MOGE's share	US\$'000	(470)	(628)	(3,154)	(2,040)
Group's net share of revenue	US\$'000	1,152	1,609	7,970	5,228
Indonesia Production		Q4 2008 barrels	Q4 2007 barrels	FY 2008 barrels	FY 2007 barrels
Average gross production per day		773	794	785	755
Gross production		71,105	73,044	287,235	275,697
Non-shareable production		(3,252)	(3,759)	(13,743)	(16,051)
Production shareable with Pertamina		67,853	69,285	273,492	259,646
Group's 70% share of production		47,497	48,500	191,443	181,754
Group's average shareable production per day		516	527	523	498
Indonesia Revenue		Q4 2008	Q4 2007	FY 2008	FY 2007
Weighted average transacted oil price	US\$	57.31	90.84	98.67	73.70
Revenue shareable with Pertamina	US\$'000	2,722	4,406	18,889	13,396
Pertamina's share *	US\$'000	(284)	(1,129)	(9,380)	(3,432)
Group's net share of revenue	US\$'000	2,438	3,277	9,509	9,964
Group Production and Revenue		Q4 2008	Q4 2007	FY 2008	FY 2007
Group's share of shareable production	barrels	75,251	73,279	302,450	281,174
Group's average shareable production per day	barrels	818	797	826	770
Group's total revenue	US\$'000	3,590	4,886	17,479	15,192

Note: * Under the TAC production sharing regime, once the unrecovered cost pool is exhausted, the net oil entitlement and the Group's share of revenue will also reduce. As a result, Pertamina's share of revenue, which includes Domestic Market Obligation ("DMO") increased.

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

N.A

10 COMMENTARY ON PROSPECTS

The Group will continue to be adversely affected by the low oil price. The Group has taken measures to reduce costs and to scale back work programs and capital commitments during 2009. The Company is in a sound financial position and has no debt. Interra has sufficient cash on hand to meet its operating costs for the foreseeable future.

In Thailand, there is no production or revenue generated by the 3 blocks as they are exploration in nature.

Apart from the existing business operations, the Group continues to actively seek new concessions and acquisitions.

11 DIVIDEND

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

No.

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

Yes.

c) Date Payable

NA

d) Books closure date

NA

12 OTHERS

JOINT VENTURE COMPANIES OF THE GROUP

Name of Company/Entity	Country of Operation	Percentage of effective equity held by the Group as at	
		31-Dec-08	31-Dec-07
Goldpetrol Joint Operating Company Inc.	Myanmar	60	60
TAC Pertamina - Retco Prima Energi	Indonesia	70	70

Note: Refer to Note 8(i) for contribution by the above joint venture.

13 INTERESTED PERSON TRANSACTION

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) Q4 2008 US\$	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) Q4 2008 US\$
Nil	Nil	Nil

Submitted by
 Luke Christopher Targett
 Executive Director
 25 Feb 2009

14 ABBREVIATIONS

bopd	means	barrels of oil per day
EED	means	Exploration, evaluation and development
FRS	means	Financial Reporting Standards
Q4 2007	means	Fourth calendar quarter of year 2007
Q4 2008	means	Fourth calendar quarter of year 2008
FY 2007	means	Full year ended 31 December 2007
FY 2008	means	Full year ended 31 December 2008
Geopetrol	means	Geopetrol Singu Inc.
Goldpetrol	means	Goldpetrol Joint Operating Company Inc.
Goldwater	means	Goldwater Company Limited
Group	means	Interra Resources Limited, its subsidiary companies and joint ventures
GTMT	means	Goldwater TMT Pte. Ltd.
Interra	means	Interra Resources Limited
IPR	means	Improved Petroleum Recovery
IRT	means	Interra Resources (Thailand) Limited
JSXT	means	JSX Energy (Thailand) Limited
k	means	thousand
mil	means	million
MOGE	means	Myanma Oil and Gas Enterprise
DMO	means	Domestic Market Obligation
NA	means	Not applicable
NM	means	Not meaningful
PCA	means	Petroleum Concession Agreement
Pertamina	means	Perusahaan Pertambangan Minyak Dan Gas Bumi Negara
PSC	means	Production Sharing Contract
Retco	means	PT Retco Prima Energi
Salamander	means	Salamander Energy plc
TAC	means	Technical Assistance Contract
TMT	means	Tanjung Miring Timur

This release may contain forward-looking statements that are subject to risk factors associated with oil and gas businesses. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions including but not limited to: oil and gas price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, general industry conditions, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals, 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. You are cautioned not to place undue reliance on these forward looking statements, which are based on the current view of management on future events.