



INTERRA RESOURCES LIMITED

Singapore Company Registration No. 197300166Z
Australian Business No. 37 129 575275

SGX & ASX ANNOUNCEMENT

SGX Code: Interra Res (5GI), ASX Code: ITR

2 November 2010

Dear Shareholders,

UNAUDITED RESULTS FOR THE QUARTER ENDED 30 SEPTEMBER 2010

Highlights in Q3 2010

- Net profit after tax for the quarter of US\$0.18 million
- Quarterly revenue of US\$3.41 million was 12% lower than the previous quarter due to lower weighted average transacted oil price and shareable production
- Foreign exchange gain of US\$0.45 million mainly due to the weakening of US dollar against Thai Baht

The Board of Directors of Interra Resources Limited (the “Company” or “Interra”) wishes to announce that for the third quarter (“Q3”) of 2010, the Group generated a net profit after tax of US\$0.18 million.

Q3 2010 vs Q3 2009 Review

Revenue decreased by 2% to US\$3.41 million in Q3 2010 from US\$3.47 million in Q3 2009 due to lower shareable production but was partially mitigated by higher oil price. The weighted average oil price transacted in Q3 2010 was US\$77.18 per barrel as compared to US\$70.40 per barrel in Q3 2009. The Group's share of shareable production decreased by 10% (6,620 barrels) from 67,370 barrels in Q3 2009 to 60,750 barrels in Q3 2010.

Cost of production in Q3 2010 increased by US\$0.29 million as compared to Q3 2009. This was largely due to higher amortisation charges for exploration, evaluation and development costs in Q3 2010 from the capitalised 2D seismic costs and well capitalization costs of US\$0.62 million and US\$0.15 million respectively in Myanmar as compared to Q3 2009 of US\$0.09 million.

Foreign exchange gain of US\$0.45 million in Q3 2010 as compared of US\$0.08 million in Q3 2009 was mainly due to the weakening of US dollar against Thai Baht, which resulted in the unrealised exchange gain in the intercompany balance.

During Q3 2010, 4 payments were received in respect of the Myanmar trade receivables. As at the date of this report, a total of 13 payments have been received from the Myanmar Oil and Gas Enterprise (FY2009: 13 payments) and the number of outstanding invoices has decreased to 7.

9M 2010 vs 9M 2009 Review

Gross profit for the first nine months (“9M”) of 2010 was US\$3.55 million as compared to US\$1.75 million for 9M 2009. The year-on-year increase was due to higher oil prices although shareable production decreased. Shareable production for 9M 2010 of 191,431 barrels was lower as compared to 206,580 barrels in 9M 2009 (a decrease of 7%). The weighted average oil price transacted for 9M 2010 of US\$79.52 per barrel was significantly higher than that of the corresponding period of 2009 of US\$60.24 per barrel. Cost of production increased slightly by 4% against the corresponding period due to higher amortisation charges but this was offset by lower production expenses.

The net profit after tax recorded in 9M 2010 of US\$0.68 million as compared to net loss after tax in 9M 2009 of US\$0.34 million was due largely to higher oil prices, which gave rise to an increase in revenue of US\$2.09 million.

Yours sincerely,

The Board of Directors
Interra Resources Limited

This announcement has been prepared by the Company and its contents have been reviewed by the Company’s sponsor (“Sponsor”), Collins Stewart Pte. Limited, for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (“SGX-ST”). Collins Stewart has not independently verified the contents of this announcement. This announcement has not been examined or reviewed by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Alex Tan, Managing Director, Corporate Finance, Collins Stewart Pte. Limited, at 77 Robinson Road #21-02 Singapore 068896, telephone (65) 6854 6160.

**INTERRA RESOURCES LIMITED
UNAUDITED RESULTS FOR THE
QUARTER ENDED 30 SEPTEMBER 2010**

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1(a)(i) PROFIT AND LOSS STATEMENT

Group	Note	Q3 2010 US\$'000	Q3 2009 US\$'000	Change %	9M 2010 US\$'000	9M 2009 US\$'000	Change %
Revenue	A1	3,406	3,467	↓ 2	11,065	8,973	↑ 23
Cost of production	A2	(2,580)	(2,294)	↑ 12	(7,517)	(7,228)	↑ 4
Gross profit		826	1,173	↓ 30	3,548	1,745	↑ 103
Other income	A3	496	242	↑ 105	1,115	1,046	↑ 7
Administrative expenses		(801)	(885)	↓ 9	(2,265)	(2,441)	↓ 7
Other operating expenses	A4	(68)	(53)	↑ 28	(196)	(181)	↑ 8
Impairment and allowances	A5	-	-	NA	(642)	-	NM
Profit before income tax		453	477	↓ 5	1,560	169	↑ 823
Income tax expense		(275)	(262)	↑ 5	(884)	(508)	↑ 74
Profit / (Loss) for the period		178	215	↓ 17	676	(339)	NM
Attributable to:							
Equity holders of the Company		178	215		676	(339)	
Earnings / (Loss) per share (USD cents)							
- Basic		0.069	0.084		0.263	(0.132)	
- Fully diluted		0.069	0.084		0.263	(0.132)	

1(a)(ii) STATEMENT OF COMPREHENSIVE INCOME

Group	Note	Q3 2010 US\$'000	Q3 2009 US\$'000	Change %	9M 2010 US\$'000	9M 2009 US\$'000	Change %
Profit / (Loss) for the period		178	215	↓ 17	676	(339)	NM
Exchange differences on translating foreign operations		(318)	(39)	NM	(453)	(141)	↑ 221
Total comprehensive income for the period		(140)	176	NM	223	(480)	NM

↑ means increase

↓ means decrease

NM means not meaningful

NA means not applicable

1(a)(iii) EXPLANATORY NOTES TO PROFIT AND LOSS STATEMENT

Group	Q3 2010 US\$'000	Q3 2009 US\$'000	9M 2010 US\$'000	9M 2009 US\$'000
Group's share of shareable production barrels	60,750	67,370	191,431	206,580
A1 Revenue				
Sales of crude oil (see 8(iii) Production Profile)	<u>3,406</u>	<u>3,467</u>	<u>11,065</u>	<u>8,973</u>
A2 Cost of production				
Production expenses	1,926	1,794	5,609	5,810
Depreciation of property, plant and equipment	200	217	566	609
Amortisation of exploration, evaluation and development costs ("EED")	446	274	1,316	783
Amortisation of computer software	8	9	26	26
	<u>2,580</u>	<u>2,294</u>	<u>7,517</u>	<u>7,228</u>
A3 Other income				
Interest income from deposits	12	39	32	84
Petroleum services fees	19	33	70	114
Gain on disposal of financial assets, available-for-sale	-	-	-	90
Reversal of allowance for impairment of trade receivables	-	-	350	-
Fair value gain on financial assets, at fair value through profit or loss	17	90	117	485
Other income	-	-	30	-
Foreign exchange gain, net*	448	80	516	273
	<u>496</u>	<u>242</u>	<u>1,115</u>	<u>1,046</u>
A4 Other operating expenses				
Depreciation of property, plant and equipment	22	7	59	44
Depreciation of computer software	2	2	4	4
Amortisation of concession rights	2	2	6	6
Amortisation of participation rights	42	42	127	127
	<u>68</u>	<u>53</u>	<u>196</u>	<u>181</u>
A5 Impairment and allowances				
Impairment of EED costs	-	-	642	-
	<u>-</u>	<u>-</u>	<u>642</u>	<u>-</u>

* 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) STATEMENT OF FINANCIAL POSITION

	Note	Group		Company	
		30-Sep-10 US\$'000	31-Dec-09 US\$'000	30-Sep-10 US\$'000	31-Dec-09 US\$'000
Assets					
Non-Current Assets					
Property, plant and equipment		1,328	1,701	104	39
Exploration, evaluation and development costs	B1	13,433	12,651	-	-
Intangible assets	B2	5,949	6,124	2	4
Interest in subsidiary companies		-	-	21,380	20,240
		20,710	20,476	21,486	20,283
Current Assets					
Financial assets, at fair value through profit or loss	B3	668	551	-	-
Inventories		1,761	1,976	-	-
Trade receivables (net)	B4	5,490	4,457	-	-
Other receivables, deposits and prepayments		957	449	106	77
Cash and bank balances	B5	16,198	17,341	10,041	12,143
		25,074	24,774	10,147	12,220
Total assets		45,784	45,250	31,633	32,503
Equity and Liabilities					
Equity					
Share capital		40,109	40,109	40,109	40,109
Reserves		(4,572)	(4,796)	(9,015)	(8,128)
Total equity		35,537	35,313	31,094	31,981
Non-Current Liabilities					
Provision for environmental and restoration costs		785	684	-	-
Total non-current liabilities		785	684	-	-
Current Liabilities					
Trade payables		969	1,393	-	-
Other payables and accruals		2,894	3,157	538	533
Provision for taxation		5,599	4,703	1	(11)
Total current liabilities		9,462	9,253	539	522
Total equity and liabilities		45,784	45,250	31,633	32,503

1(b)(i) EXPLANATORY NOTES TO STATEMENT OF FINANCIAL POSITION

Group	30-Sep-10 US\$'000	31-Dec-09 US\$'000
B1 Details on exploration, evaluation and development costs		
Initial joint study cost	447	540
Contractual bonus	49	45
Exploration, geological and geophysical cost	3,925	1,719
Asset under construction	119	292
Completed assets	8,516	9,591
Cost recovery	377	464
	13,433	12,651
B2 Details on intangible assets		
Computer software	51	79
Goodwill on reverse acquisition	1,489	1,489
Participating and concession rights	1,097	1,230
Participating rights in Thailand	2,160	2,182
Participating rights in Australia	1,152	1,144
	5,949	6,124
B3 Details on investments		
Financial assets, at fair value through profit or loss		
Opening balance	551	436
Addition	-	-
Fair value gain recognised in profit and loss	117	597
Proceeds from disposal	-	(572)
Net gain recognised in the statement of comprehensive income upon disposal	-	90
Closing balance	668	551
B4 Details on trade receivables (net)		
Trade receivables	7,138	6,455
Allowance for impairment of trade receivables	(1,648)	(1,998)
	5,490	4,457
B5 Details on cash and cash equivalents		
Cash at bank and on hand	5,392	3,613
Fixed deposits	10,806	13,728
Cash and bank balances (as per Statement of Financial Position)	16,198	17,341
Less: Fixed deposit held as collateral for banker's guarantees*	(670)	(2,810)
Cash and cash equivalents (as per Statement of Cash Flow)	15,528	14,531

* The outstanding banker's guarantee is US\$0.67 mil, in favour of the Thailand Department of Custom. During the quarter, the banker's guarantees of US\$0.08 mil in favour of the Thailand Ministry of Energy for Block L9/48 and L3/48 were discharged.

1(b)(ii) BORROWINGS AND DEBT SECURITIES

Group	30-Sep-10		31-Dec-09	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Amount repayable in one year or less, or on demand	-	-	-	-
Amount repayable after one year	-	-	-	-

Details of Collateral

The outstanding banker's guarantee is US\$0.67 mil, in favour of the Thailand Department of Custom. During the quarter, the banker's guarantees of US\$0.08 mil in favour of the Thailand Ministry of Energy for Block L9/48 and L3/48 were discharged.

1(c) STATEMENT OF CASH FLOW

Group	Q3 2010 US\$'000	Q3 2009 US\$'000	9M 2010 US\$'000	9M 2009 US\$'000
Cash Flows from Operating Activities				
Profit before income tax	453	477	1,560	169
Adjustments for non-cash items:				
Depreciation of property, plant and equipment	222	224	625	653
Amortisation of:				
EED costs	446	274	1,316	783
Concession rights	2	2	6	6
Computer software	10	11	30	30
Participating rights	42	42	127	127
Impairment of EED costs (Indonesia)	-	-	500	-
Impairment of EED costs (Thailand)	-	-	142	-
Interest income	(12)	(39)	(32)	(84)
Financial assets, at fair value through profit or loss - fair value gain	(17)	(90)	(117)	(485)
Net gain on disposal of financial assets, at fair value through profit or loss	-	-	-	(90)
Exchange gain	(429)	(62)	(679)	(128)
Reversal of allowance for impairment of trade receivables	-	-	(350)	-
Fixed assets written off	-	-	1	-
Dividend income	-	-	(14)	-
Operating profit before working capital changes	717	839	3,115	981
Changes in working capital:				
Inventories	76	233	216	(201)
Trade and other receivables	519	644	(797)	3,303
Trade and other payables	174	(330)	(1,119)	(1,974)
Accrued operating expenses	149	141	64	(2)
Provision for environmental and restoration costs	30	38	101	133
Cash generated from operations	1,665	1,565	1,580	2,240
Income tax (paid) / refund	-	(7)	12	(332)
Net cash provided by operating activities	1,665	1,558	1,592	1,908
Cash Flows from Investing Activities				
Interest income received	11	38	29	86
Net proceeds from disposal of financial assets, at fair value through profit or loss	-	-	-	572
Net proceeds from disposal of club membership	-	5	-	5
Net proceeds from disposal of property, plant and equipment	-	1	-	1
Fixed deposit released as collateral for banker's guarantee (net)	80	(670)	2,140	150
Acquisition cost for exploration concession in Australia	-	-	(8)	-
Capital expenditure:				
Purchase of property, plant and equipment	(183)	(43)	(255)	(574)
Well drillings and improvements	(150)	(544)	(401)	(1,273)
Geological and geophysical studies (including seismic)	(654)	(194)	(2,191)	(561)
Net cash used in investing activities	(896)	(1,407)	(686)	(1,594)
Cash Flows from Financing Activities				
Dividend received	-	-	14	-
Net cash provided by financing activities	-	-	14	-
Net increase in cash and cash equivalents	769	151	920	314
Cash and cash equivalents at beginning of period	14,755	14,457	14,531	14,297
Effects of currency translation on cash and cash equivalents	4	5	77	2
Cash and cash equivalents at end of period (see Note B5)	15,528	14,613	15,528	14,613

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

Group	Share Capital US\$'000	Foreign Currency Translation Reserve US\$'000	Special Reserves US\$'000	Other Reserves US\$'000	Retained Earnings US\$'000	Total Equity US\$'000
Balance as at 1 Jul 2009	40,109	(1,230)	(16,545)	10	11,006	33,350
Employee share option scheme - value of employee services	-	-	-	2	-	2
Total comprehensive income for Q3 2009	-	(39)	-	-	215	176
Balance as at 30 Sep 2009	40,109	(1,269)	(16,545)	12	11,221	33,528
Balance as at 1 Jul 2010	40,109	(1,438)	(16,545)	15	13,536	35,677
Total comprehensive income for Q3 2010	-	(318)	-	-	178	(140)
Balance as at 30 Sep 2010	40,109	(1,756)	(16,545)	15	13,714	35,537

Company	Share Capital US\$'000	Other Reserves US\$'000	Accumulated Losses US\$'000	Total Equity US\$'000
Balance as at 1 Jul 2009	40,109	10	(10,150)	29,969
Employee share option scheme - value of employee services	-	2	-	2
Total comprehensive income for Q3 2009	-	-	(251)	(251)
Balance as at 30 Sep 2009	40,109	12	(10,401)	29,720
Balance as at 1 Jul 2010	40,109	15	(8,703)	31,421
Total comprehensive income for Q3 2010	-	-	(327)	(327)
Balance as at 30 Sep 2010	40,109	15	(9,030)	31,094

1(d)(ii) SHARE CAPITAL

Share Options Outstanding

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

	No. of Unissued Ordinary Shares Under Option	Exercise Price	Exercise Period
Frank Overall 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

The number of unissued ordinary shares under option was 250,000 ordinary shares at an exercise price of S\$0.45 per share and 250,000 ordinary shares at an exercise price of S\$0.55 per share ("2008 Options"). The 2008 Options are exercisable from 4 Mar 2010 and will expire on 2 Mar 2013. The total fair value of the 2008 Options granted and still valid was estimated to be S\$20,603 (US\$14,776).

No additional share capital was issued in Q3 2010.

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

Group and Company	Q3 2010	Q3 2009
Issued and fully paid		
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**

NA.

2 **WHETHER THE FIGURES HAVE BEEN AUDITED OR REVIEWED, AND IN ACCORDANCE WITH WHICH AUDITING STANDARD OR PRACTICE**

The figures have not been audited or reviewed by the independent auditor, Nexia TS Public Accounting Corporation.

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

NA.

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

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 2009.

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

The adoption of these new or revised FRS and INT FRS does not result in changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current period or prior years.

6 EARNINGS PER SHARE

Group	Q3 2010	Q3 2009	9M 2010	9M 2009
Basic earnings / (loss) per share (USD cents)	0.069	0.084	0.263	(0.132)
Weighted average number of shares for the purpose of computing basic earnings / (loss) per share	256,920,238	256,920,238	256,920,238	256,920,238
Fully diluted earnings / (loss) per share (USD cents)	0.069	0.084	0.263	(0.132)
Weighted average number of shares for the purpose of computing fully diluted earnings / (loss) per share	256,920,238	256,920,238	256,920,238	256,920,238

Basic and fully diluted earnings per share for Q3 2010 are based on the weighted average number of 256,920,238 shares. There were no new shares issued.

7 NET ASSET VALUE PER SHARE

	Group		Company	
	30-Sep-10	31-Dec-09	30-Sep-10	31-Dec-09
Net asset value per ordinary share based on issued share capital (excluding treasury shares) (USD cents)	13.832	13.744	12.102	12.448
Number of ordinary shares in issue	256,920,238	256,920,238	256,920,238	256,920,238

8(i) PERFORMANCE REVIEW

Significant factors that affect the turnover, costs and earnings of the Group

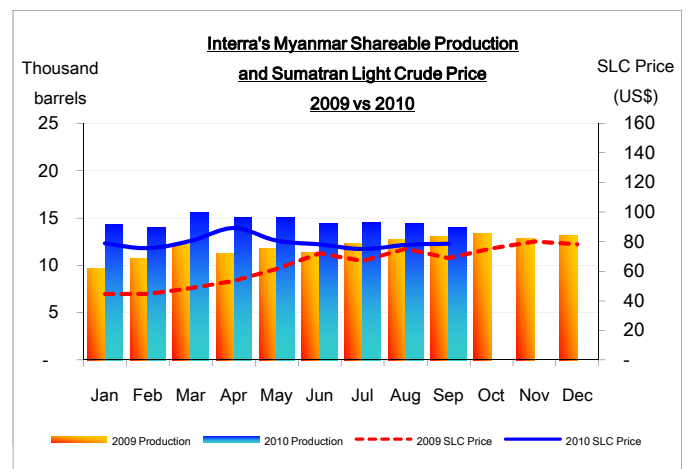
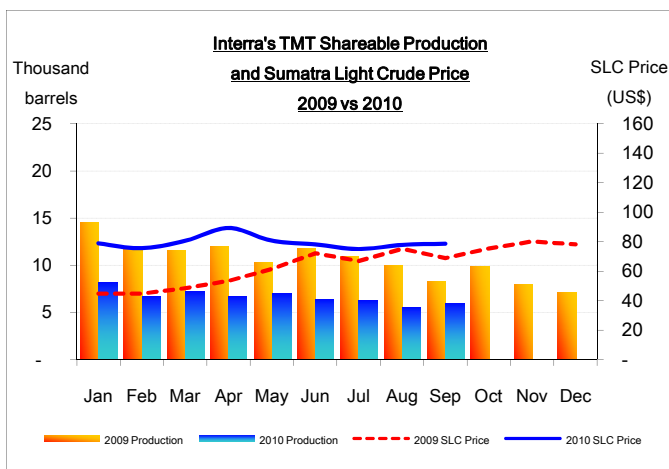
Q3 2010 vs Q3 2009 Review

Production & Revenue

Revenue decreased by 2% to US\$3.41 mil in Q3 2010 from US\$3.47 mil in Q3 2009 due to lower shareable production but was partially mitigated by higher oil prices. The weighted average oil price transacted in Q3 2010 was US\$77.18 per barrel as compared to US\$70.40 per barrel in Q3 2009. The Group's share of shareable production decreased by 10% (6,620 barrels) from 67,370 barrels in Q3 2009 to 60,750 barrels in Q3 2010.

The shareable production contributed by TMT decreased by 39% from 29,180 barrels in Q3 2009 (9M 2009: 101,238 barrels) to 17,791 barrels in Q3 2010 (9M 2010: 60,068 barrels). However, the shareable production from Myanmar increased by 12% from 38,190 barrels in Q3 2009 (9M 2009: 105,342 barrels) to 42,959 barrels in Q3 2010 (9M 2010: 131,363 barrels), due to good contribution from the successful development wells drilled during the year.

On a year-on-year basis, the Group's share of shareable production decreased by 7% (15,149 barrels) to 191,431 barrels for 9M 2010 from 206,580 barrels for 9M 2009.



Cost of Production

Cost of production in Q3 2010 increased by US\$0.29 mil as compared to Q3 2009. This was largely due to higher amortisation charges for EED costs in Q3 2010 from the capitalised 2D seismic costs and well capitalization costs of US\$0.62 mil and US\$0.15 mil respectively in Myanmar as compared to Q3 2009 of US\$0.09 mil.

On a year-on-year basis, the cost of production in 9M 2010 increased by 4%, due to an increase in amortisation charges of US\$0.53 mil but this was offset by a decrease in production expenses of US\$0.20 mil. The higher amortisation charges was due to the higher EED costs capitalised from Myanmar operation.

Net Profit / (Loss) After Tax

The Group posted a lower net profit after tax of US\$0.18 mil in Q3 2010 as compared to a net profit after tax of US\$0.22 mil in Q3 2009. The decrease in net profit was due to the following:

- (1) Lower revenue due to decrease in shareable production.
- (2) Increase in cost of production of US\$0.29 mil due to higher amortisation charges for EED costs and production expenses.
- (3) Decrease in gain from adjustment in fair value of financial assets from US\$0.09 mil in Q3 2009 to US\$0.02 mil in Q3 2010.

However, the decrease in revenue and increase in cost of production in Q3 2010 was partially mitigated by a higher foreign exchange gain of US\$0.45 mil in Q3 2010 as compared to US\$0.08 mil in Q3 2009. This was mainly due to the weakening of US dollar against Thai Baht, which gave rise to an unrealised exchange gain in the intercompany balance.

8(i) PERFORMANCE REVIEW (CONT'D)

The Group posted a net profit after tax of US\$0.68 mil in 9M 2010 as compared to a net loss after tax of US\$0.34 mil in 9M 2009. The swing from net loss to net profit was due mainly to the higher weighted average oil price transacted of US\$79.52 per barrel (9M 2009: US\$60.24 per barrel), which gave rise to an increase in revenue of US\$2.09 mil.

Group (Q3 2010)	Profit / (Loss) Before Tax US\$'000	Taxation US\$'000	Net Contribution to Group US\$'000	Net Contribution to Group %
TMT	(227)	(56)	(283)	-39%
Myanmar	867	(219)	648	89%
Thailand	384	-	384	53%
Australia	(21)	-	(21)	-3%
Profit from operations	1,003	(275)	728	100%
Head office expenses and income			(550)	
Income tax expense			-	
Net profit after tax			178	

Group (9M 2010)	Profit / (Loss) Before Tax US\$'000	Taxation US\$'000	Net Contribution to Group US\$'000	Net Contribution to Group US\$'000
TMT	(630)	(197)	(827)	-38%
Myanmar	3,367	(687)	2,680	123%
Thailand	388	-	388	18%
Australia	(66)	-	(66)	-3%
Profit from operations	3,059	(884)	2,175	100%
Head office expenses and income			(1,499)	
Income tax expense			-	
Net profit after tax			676	

Material factors that affect the cash flow, working capital, assets or liabilities of the Group

Statement of Financial Position

- Trade receivables decreased in Q3 2010 due to higher receipt against lower amount invoiced and no write-back of allowance for impairment on Myanmar's trade receivables of US\$0.35 mil during the period. This resulted in lower outstanding balance of US\$0.53 mil as compared to the last quarter.
- Inventories decreased by US\$0.08 mil due to the utilisation of more consumable for well drillings and daily operating activities.
- Trade payables decreased by US\$0.05 mil because the 2D seismic project was completed in Oct 2010 and hence the remaining contract amount will only be invoiced next quarter.
- Other payables and accruals increased by US\$0.39 mil, due to the accrual of additional professional fees incurred for new acquisition, staff costs and other operating costs.

Cash Flow Statement

Cash and cash equivalents increased by US\$0.77 mil for the quarter due to the following:

- Net cash generated from operation of US\$1.67 mil was mainly due to invoice payment received from the trade receivables.
- Capital expenditure incurred during the quarter amounted to US\$0.99 mil, mainly due to 2D seismic costs, well drillings and improvement in Myanmar, and 3D seismic costs in Australia.

8(ii) SEGMENTED REVENUE AND RESULTS

Geographical Segment	Indonesia		Myanmar		Consolidated	
	Q3 2010	Q3 2009	Q3 2010	Q3 2009	Q3 2010	Q3 2009
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Results						
EBITDA	33	355	2,717	1,175	2,750	1,530
EBIT	(257)	25	866	792	609	817
Sales to external customers	1,021	1,527	2,385	1,940	3,406	3,467
Segment results	(234)	47	865	792	631	839
Unallocated corporate net operating results					(178)	(362)
Profit before income tax					453	477
Income tax expense					(275)	(262)
Net profit after income tax					178	215

Geographical Segment	Indonesia		Myanmar		Consolidated	
	9M 2010	9M 2009	9M 2010	9M 2009	9M 2010	9M 2009
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Results						
EBITDA	733	522	4,199	1,856	4,932	2,378
EBIT	(650)	(464)	3,366	1,276	2,716	812
Sales to external customers	3,553	4,403	7,512	4,570	11,065	8,973
Segment results	(662)	(439)	3,366	1,276	2,704	837
Unallocated corporate net operating results					(1,144)	(668)
Profit before income tax					1,560	169
Income tax expense					(884)	(508)
Net profit / (loss) after income tax					676	(339)

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		Q3 2010 barrels	Q3 2009 barrels	9M 2010 barrels	9M 2009 barrels
Average gross production per day		2,137	2,105	2,175	2,074
Gross production		196,574	193,655	593,684	566,106
Non-shareable production		(124,977)	(130,007)	(374,748)	(390,534)
Production shareable with MOGE		71,597	63,648	218,936	175,572
Group's 60% share of production		42,959	38,190	131,363	105,342
Group's average shareable production per day		467	415	481	386
Myanmar Revenue		Q3 2010	Q3 2009	9M 2010	9M 2009
Weighted average transacted oil price		US\$ 77.18	70.40	79.50	60.24
Revenue shareable with MOGE		US\$'000 3,315	2,689	10,443	6,344
MOGE's share		US\$'000 (930)	(749)	(2,931)	(1,775)
Group's net share of revenue		US\$'000 2,385	1,940	7,512	4,569
Indonesia Production		Q3 2010 barrels	Q3 2009 barrels	9M 2010 barrels	9M 2009 barrels
Average gross production per day		300	480	339	559
Gross production		27,620	44,193	92,643	152,716
Non-shareable production		(2,202)	(2,509)	(6,828)	(8,090)
Production shareable with Pertamina		25,418	41,684	85,815	144,626
Group's 70% share of production		17,791	29,180	60,068	101,238
Group's average shareable production per day		193	317	220	371
Indonesia Revenue		Q3 2010	Q3 2009	9M 2010	9M 2009
Weighted average transacted oil price		US\$ 77.15	70.35	79.52	58.46
Revenue shareable with Pertamina		US\$'000 1,373	2,053	4,776	5,919
Pertamina's share*		US\$'000 (352)	(526)	(1,223)	(1,516)
Group's net share of revenue		US\$'000 1,021	1,527	3,553	4,403
Group Production and Revenue		Q3 2010	Q3 2009	9M 2010	9M 2009
Group's share of shareable production		barrels 60,750	67,370	191,431	206,580
Group's average shareable production per day		barrels 660	732	702	757
Group's total revenue		US\$'000 3,406	3,467	11,065	8,972

* 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.

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

NA.

10 COMMENTARY

Although oil price has stabilised during the quarter, the Group's result was affected by declining production, especially from its Indonesia oil field. In Thailand, the Group continues to actively seek resolution to enforce its rights in regards to the participating interest in Block L17/48, and decision on the exploration activities of this Block will be made before the end of this year. In Australia, interpretation of the 3D seismic data is expected to be completed in early 4th quarter, and the plan for drilling of an exploration well in 2nd quarter of 2011 will be firmed up before the end of the year. The Group does not foresee any significant contributions from these assets for FY2010.

Further to our announcement on 31 Aug 2010, with regards to the acquisition of the entire shareholding of IBN Holdico Limited, the Group is currently performing its due diligence, and an announcement will be made as soon as the decision on the acquisition is made.

The Group is in a sound financial position with no debt, and has sufficient cash on hand to meet its operating costs for the foreseeable future, including the abovementioned acquisition. The Group will continue to actively seek new concessions and assets, in order to strengthen our presence in the region.

11 DIVIDEND

- (a) Any dividend recommended for the current financial period reported on?
No.
- (b) Any dividend declared for the corresponding period of the immediately preceding financial year?
No.
- (c) Date payable
NA.
- (d) Books closure date
NA.

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

The Company has not declared a dividend for the period under review.

13 INTERESTED PERSON TRANSACTIONS

Name of Interested Person	Aggregate value of interested person transactions entered into during the financial year under review (excluding transactions below \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920(1)(a)) Q3 2010 US\$	Aggregate value of interested person transactions conducted under shareholders' mandate pursuant to Rule 920(1)(a) (excluding transactions below \$100,000) Q3 2010 US\$
Nil	Nil	Nil

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

The Board of Directors of the Company hereby confirms to the best of its knowledge that nothing has come to the attention of the Board of Directors which may render the financial statements for the quarter ended 30 Sep 2010 to be false or misleading in any material respect.

By Order of the Board of Directors of
 INTERRA RESOURCES LIMITED
 Marcel Tjia
 Executive Director
 2 Nov 2010

15 ABBREVIATIONS

Q3 2009	means	Third calendar quarter of year 2009
Q3 2010	means	Third calendar quarter of year 2010
9M 2009	means	Nine months ended 30 September 2009
9M 2010	means	Nine months ended 30 September 2010
FY 2009	means	Full year ended 31 December 2009
FY 2010	means	Full year ended 31 December 2010
bopd	means	barrels of oil per day
BAS	means	Bass Strait Oil Company Ltd
DMO	means	Domestic Market Obligation
EED	means	Exploration, evaluation and development
FRS	means	Financial Reporting Standards
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
IRA	means	Interra Resources (Australia) Pte. Ltd.
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
NA	means	Not applicable
NM	means	Not meaningful
PCA	means	Petroleum Concession Agreement
PEP	means	Petroleum Exploration Permit
Pertamina	means	Perusahaan Pertambangan Minyak Dan Gas Bumi Negara
PSC	means	Production Sharing Contract
PT Adaro	means	PT Adaro Energy Tbk
Retco	means	PT Retco Prima Energi
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.