


26 November 2008



**MYANMAR DRILLING UPDATE: YENANGYAUNG DEVELOPMENT
WELLS 3232 AND 3233**

Interra Resources Limited (“**Interra**” or the “**Company**”) wishes to inform shareholders that its jointly controlled entity, Goldpetrol Joint Operating Company Inc. (“**Goldpetrol**”), has reached total depth in both development wells in the Yenangyaung oil field in Myanmar. Goldpetrol is currently evaluating each well and performing production tests on the shallow development well 3233.

Interra has a 60% interest in the Improved Petroleum Recovery Contract of the Yenangyaung field and also owns 60% of Goldpetrol which is the operator of the field.

Development Well 3233

Well 3233 was drilled using Goldpetrol’s Cooper LTO 350 rig in the central area of the field to a depth of 3,100 feet and did not encounter any significant operational problems. The primary objective was to test the 3000FT, 3100FT, and 3200FT sandstones with at least six additional zones of secondary interest. Wireline logs were run, casing was cemented in the borehole and a perforation program was designed based on hydrocarbon shows during drilling and the most prospective log characteristics.

Casing perforation was carried out over two of the lower objective sands, the 3000FT and 3100FT, after which the LTO was rigged down and moved off location and a pumping unit was installed for testing. Testing is ongoing and this well is expected to be completed as a producing oil well. Production figures will be announced at that time. The most prospective formation both from hydrocarbon shows during drilling and wireline log evaluation has not yet been perforated.

**Development Well 3232**

Well 3232 was drilled by an external drilling contractor to a vertical depth of 7,785 feet in a northern fault block of the Yenangyaung field which has 20 producing wells. Wireline logs were run after drilling to 7,150 feet in the 8½” hole which covered the primary objective 3500FT, 3700FT and 3900FT sandstones. Log evaluation has indicated hydrocarbons over several of these zones. After 7” casing was cemented to 7,108 feet, a 6” well bore was drilled to total depth to evaluate the 4700FT sandstone and wireline logs were run. Hydrocarbon shows were encountered during drilling and well evaluation logs verified the presence of oil. The current plan is to “rig down” and demobilize the contracted drilling rig, and then move in Goldpetrol’s Cooper LTO 350 rig to perform casing perforation, after which production testing will take place.

A further update will be announced once testing is finished and the wells are completed.

Interra wishes to advise that investors should exercise due care and caution when trading Interra’s shares. It is not certain that the development drilling mentioned above will ultimately yield commercially recoverable hydrocarbons or profitable production.

By Order of the Board

Submitted by
Luke Targett
Executive Director

26 November 2008

About Interra

Interra Resources Limited, listed on the SGX Catalist and the ASX, is a Singapore-incorporated company engaged in the business of upstream petroleum exploration and production (“E&P”). Our E&P activities include petroleum production, field development and low risk exploration through strategic alliances and partnerships. We are positioning ourselves to becoming a leading regional independent producer of oil and gas.



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