

16 November 2009



**THAILAND UPDATE: DRILLING COMMENCEMENT OF
BLOCK L17/48 EXPLORATION WELL MS-1**

Interra Resources Limited (“Interra”) wishes to inform shareholders that it has commenced drilling of exploration well MS-1 in the Mae Sot Basin of Block L17/48 in western Thailand through its wholly owned subsidiary Interra Resources (Thailand) Limited (“IRT”).

IRT has a 50% interest in the exploration Block L17/48 and is the operator of record with the Thailand Department of Mineral Fuels (“DMF”). JSX Energy (Thailand) Limited (“JSXT”) holds the other 50% and the two partners are governed by a Joint Operating Agreement (“JOA”). The well will be drilled using an external drilling contractor and IRT’s share of the cost of drilling will be funded from existing funds on hand. The drilling of this well, and the exploration evaluation work preceding it, will satisfy all commitments to DMF for the three-year First Obligation Period (December 2006 through December 2009).

The primary objective of MS-1 is to test the tertiary lake basin sediments which produce in other basins with similar depositional environments. The closest analogous production is approximately 60 kilometres to the east at the prolific Sirikit field in the Phitsanulok Basin, which is currently producing in excess of 20,000 barrels of oil per day and a considerable volume of gas. Exploration well MS-1 is intended to be drilled to a total measured depth of 6,500 feet.

Secondary targets are possible volcanic sands within the tertiary section, and limestones and sandstones of Mesozoic and/or Paleozoic age which are expected near the lower portion of the borehole.



Data acquired and intensive research during the First Obligation Period has shown the overall basin to be very prospective, and hence IRT has already informed the DMF that it intends to go forward into the Second Obligation Period with a measured program regardless of the results of MS-1. Block L17/48 is only one of the three exploration blocks totalling in excess of 9,900 square kilometres that is operated by IRT. The other two blocks – Blocks L3/48 and L9/48 – are covered by a separate JOA with JSXT and are currently in the final stages of technical evaluation to determine any possible work commitments going forward.

The Company wishes to advise that investors should exercise due care and caution when trading Interra's shares. The exploration drilling discussed above is by its nature of high risk that commercially recoverable hydrocarbons or profitable production will be established.

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 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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