


20 January 2009

DRILLING UPDATE: INDONESIA AND MYANMAR



Interra Resources Limited (“Interra” or the “Company”) wishes to inform shareholders of the current drilling and completion status of development wells in Indonesia and Myanmar.

Indonesia Drilling

Development well TMT-51 is being drilled by the operator of the Tanjung Miring Timur (“TMT”) oil field in Indonesia. Interra owns a 70% interest in the TMT Technical Assistance Contract. The TMT oil field is onshore and is located in South Sumatra. The owner of the remaining 30% and operator of the field is PT Retco Prima Energi.

As announced in November 2008, well TMT-51 is the first of three development wells originally scheduled to be drilled in 2008 by an external drilling contractor. Progress has been slower than anticipated due to significant mechanical problems with the drilling rig. It is anticipated that the results of this well will be available in approximately 3 weeks time. The remaining two wells will be drilled back to back after completion of well TMT-51.

Myanmar Drilling

As previously announced, Interra’s jointly controlled entity, Goldpetrol Joint Operating Company Inc (“Goldpetrol”), has reached total depth in the two development wells in the Yenangyaung oil field in Myanmar. Casing has been cemented to total depth and extended production tests are being performed in both wells. 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 3232**

Development well 3232 was drilled to a depth of 7785' to evaluate four primary objectives – the 3500FT, 3700FT, 3900FT and 4700 FT sandstones. The lower 4700 FT sandstone which is behind 4 1/2" liner was perforated and has been production testing at around 30 barrels of oil per day. The current completion operations are to test prospective oil bearing zones (as indicated from drilling shows and wireline logs) in the remaining three primary objectives via perforations in the 7" casing. Following these perforations, the four zones will be production tested simultaneously.

Development Well 3233

Well 3233's casing perforation was carried out over two objective sands, the 3000FT and 3100FT and production tests were undertaken. Small quantities of oil were produced. Subsequently, these two sands have been isolated via a bridge plug and the shallower 2500FT sand was perforated and is being tested separately. Following this testing, the bridge plug will be drilled out and all three zones will be production tested simultaneously.

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

By Order of the Board

Submitted by
Luke Targett
Executive Director

20 January 2009



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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