

30 September 2009



**MYANMAR DRILLING UPDATE:
DEVELOPMENT WELL CHAUK 1160
COMPLETION AS AN OIL PRODUCER**

Interra Resources Limited ("Interra") wishes to inform shareholders that its jointly controlled entity, Goldpetrol Joint Operating Company Inc. ("Goldpetrol"), has completed infill development well Chauk 1160 in the Chauk oil field in Myanmar as an oil producer.

Interra has a 60% interest in the Improved Petroleum Recovery Contract of the Chauk field and also owns 60% of Goldpetrol which is the operator of the field. Chauk 1160 was drilled by Goldpetrol's Cooper LTO 350 rig and as such drilling costs have been minimized. Interra's share of the drilling costs was funded by internal resources. The well has averaged over 50 barrels of oil per day ("bopd") over ten days of production testing by pump with very low water cut and high borehole fluid levels.

The objective of Chauk 1160 was to produce oil from Oligocene sandstone reservoirs ("Sands") that would not have been drained by surrounding producing wells. The bore hole intercepted these Sands at approximately 950 feet horizontal distance from current producing well Chauk 1076 which has cumulative production of over 297,000 barrels of oil and continues to produce at over 25 bopd with minor water cut. Chauk 1160 was drilled vertical with a 'natural' deviation to the west due to the steep structural dip of the east flank. Total depth was reached at 2,950 feet and was perforated in three objective Sands, namely the Middle and Lower 3rd, Middle 5th and L3000B, all of which exhibited good reservoir quality on wireline logs. Shallower Sands also exhibit good log character and will be addressed in the future.

Chauk 1160 is a continuation of Goldpetrol's focus on drilling shallow to intermediate depth development wells and optimized reactivations of old wells that have been identified from geologic and reservoir engineering studies.



The Company wishes to advise that investors should exercise due care and caution when trading Interra 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
Marcel Tjia
Chief Executive Officer

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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