INTERRA RESOURCES LIMITED

Singapore Company Registration No. 197300166Z
Australian Registered Body No. 129 575 275

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

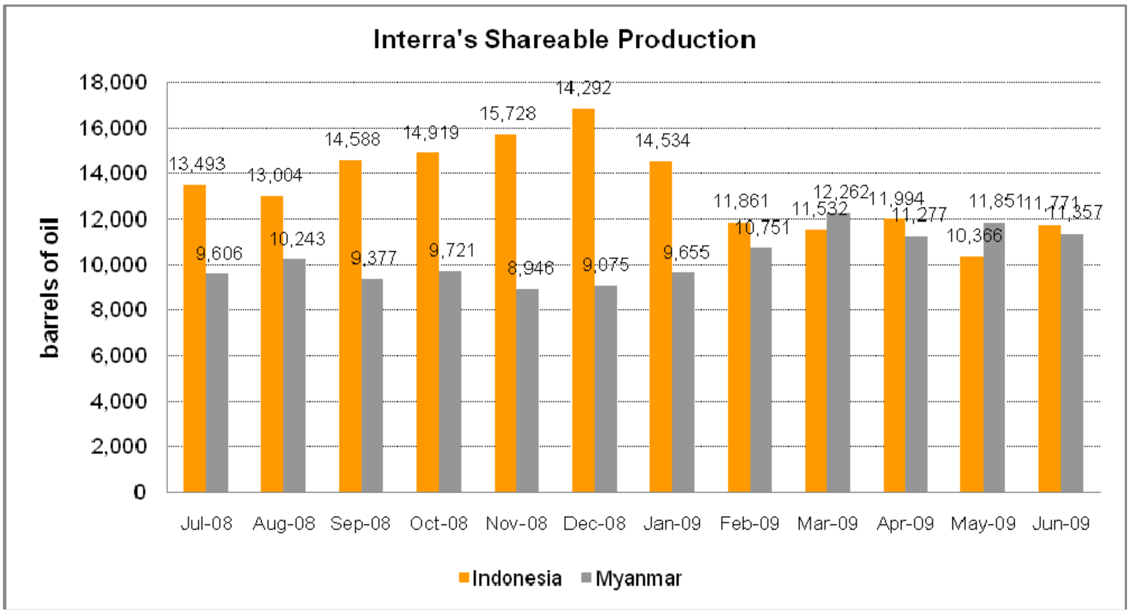
30 July 2009

EXPLORATION & PRODUCTION ACTIVITIES FOR THE QUARTER ENDED 30 JUNE 2009

Highlights in Q2 2009

- Shareable production in Myanmar increased by 5% compared to previous quarter
- Shareable production in Indonesia decreased by 10% compared to previous quarter due to higher field water cut and technical difficulties
- Transacted oil price increased to US$62 per barrel from US$46 per barrel

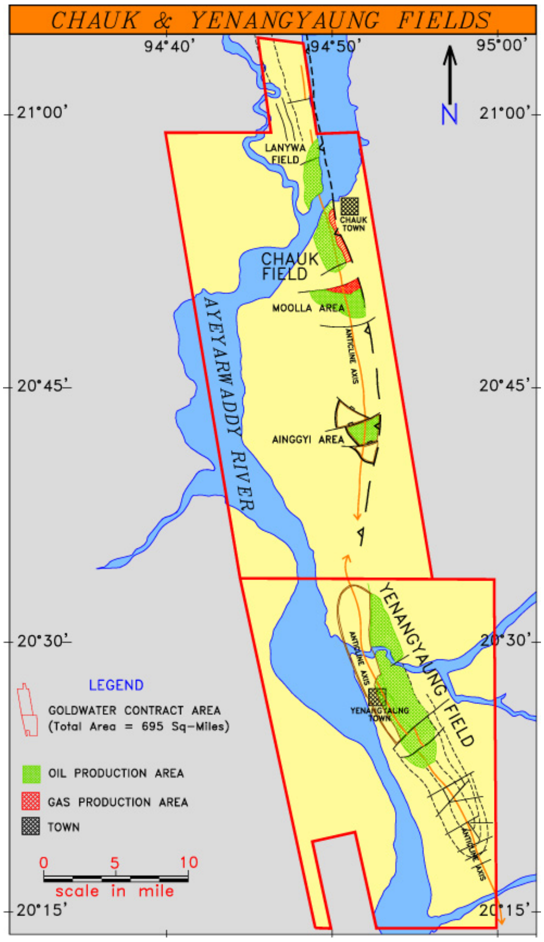
Production Profile	Myanmar		Indonesia	
	Q1 2009 (barrels)	**Q2 2009 (barrels)**	**Q1 2009 (barrels)**	**Q2 2009 (barrels)**
Gross production	184,680	187,771	57,170	51,353
Non-shareable production	(130,232)	(130,295)	(2,988)	(2,593)
Shareable production	54,448	57,476	54,182	48,760
Interra's share of shareable production	33,669	34,486	37,927	34,132
Weighted average transacted oil price (US$ per barrel)	46.12	62.34	45.84	62.34



Gross production refers to the total volume of oil produced in a specific field. "Non-shareable production" is the quantity of oil or gas which is deducted from gross production and allocated directly to the contract counterparty or host government. The amount of oil or gas remaining is "shareable production" which is then split between the contract counterparty or host government in accordance with the relevant contractual terms. The chart above represent Interra's share of shareable production prior to application of the contractual terms.

Production Activities

Myanmar: Chauk and Yenangyaung IPRCs (Interra 60%)

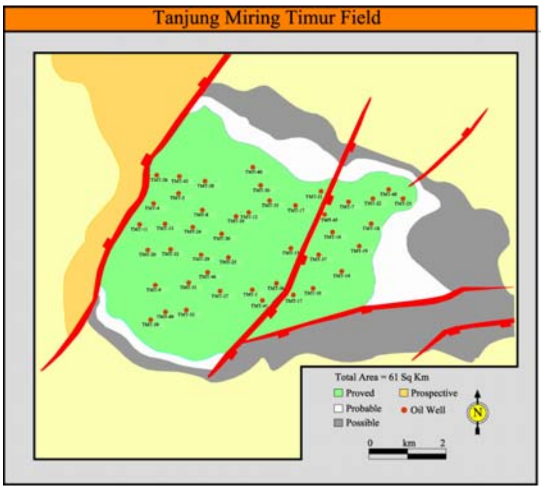


During Q2 2009, the combined gross production for both fields was 187,771 barrels of oil, an increase of 5% over the preceeding quarter. Production and development costs for the period were US$589,128 and US$21,539 respectively.

The Yenangyaung field production continues to be higher in comparison to the previous quarter and is benefiting primarily from two new wells drilled in late 2008 and one significant old well re-opened in Q1 2009. Due to the success of the latter, an aggressive re-opening campaign is ongoing, in addition to the normal production enhancements through replacing and upgrading of production facilities.

In Chauk field a projected 3,000 foot infill development well, Chauk 1160, commenced drilling in Q2 using the operator's own drilling rig. The objective is to drain the oil from Oligocene sandstone reservoirs that are not drained by surrounding producing wells. As at Yenangyaung, attempts at production enhancement continued via hardware up-grades and replacements, and continuing efficient production practices. Daily production generally remained consistent with the previous quarter's production.

Indonesia: Tanjung Miring Timur TAC (Interra 70%)

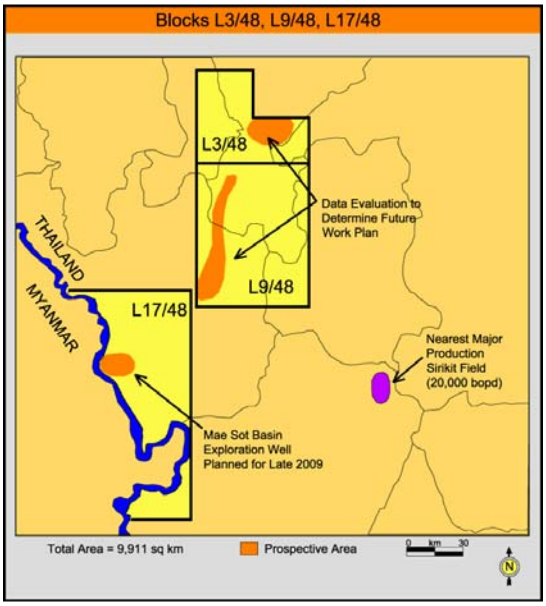


During Q2 2009, gross production was 51,353 barrels of oil, a decrease of 10% compared to the previous quarter. An increase in the water cut in fluid production and mechanical difficulties in the lifting and transportation equipment were experienced by the operator during the quarter. Production and development costs for the period were US$1,101,658 and US$24,829 respectively.

As previously announced, the two development wells that were to be drilled following the completion in Q1 of TMT-51 which offset TMT-48 (the best well in the field over the past two years) have been postponed. Evaluation of drilling results and production declines is ongoing and findings will be incorporated into future work plans.

Exploration Activities

Thailand: Blocks L3/48, L9/48 and L17/48 PCAs (Interra 50%)



A drilling contract has been executed with a rig contractor for the drilling of Interra's first well in the country. It will be drilled as an exploration well in the Mae Sot Basin portion of Block L17/48 and will fulfil the commitment for the First Obligation Period.

The construction of the government access road is well underway and the site construction of the drilling pad should begin within the month of July. Most suppliers of materials and services have been selected and long lead time materials will be ordered soon.

In addition to Block L17/48, analysis continues with respect to Blocks L3/48 and L9/48 to determine the future work programs for these blocks.

Exploration costs for the quarter totalled US$310,313.

Other Matters

Interra continues to evaluate acreage opportunities both throughout the South East Asia region and Australia.

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. We are positioning ourselves to becoming a leading regional independent producer of oil and gas.

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