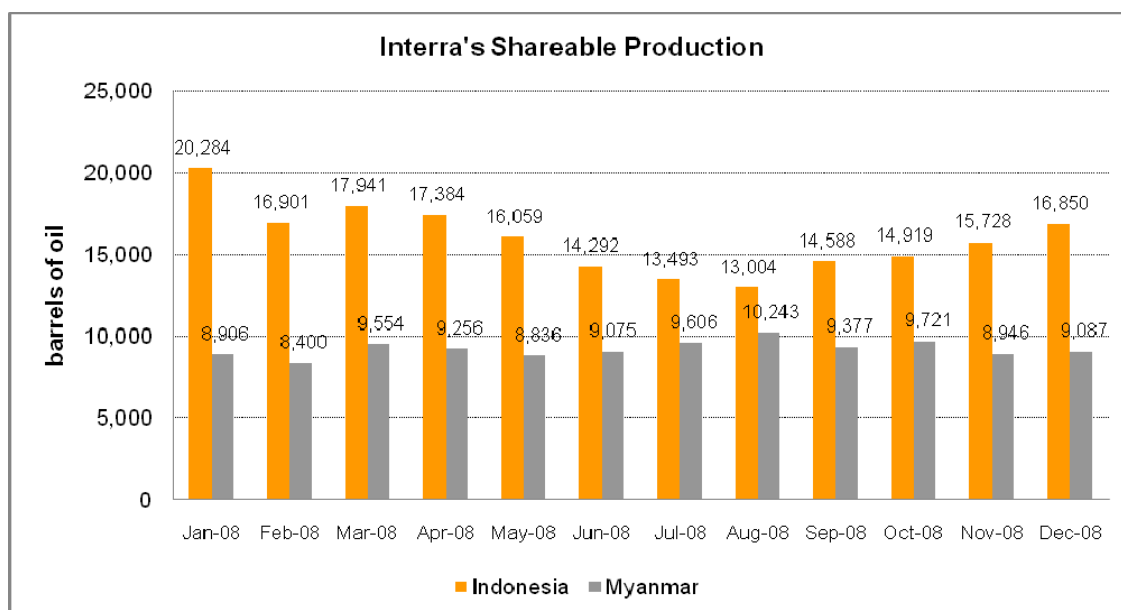


EXPLORATION & PRODUCTION ACTIVITIES FOR THE QUARTER ENDED 31 DECEMBER 2008

Highlights in Q4 2008

- Gross production increased by 2% compared to the previous quarter
- The transacted oil price decreased by 51% compared to the previous quarter
- Two development wells were drilled in the Yenangyaung oil field in Myanmar
- A development well was spud in Indonesia

Production Profile	Myanmar		Indonesia	
	Q3 2008 (barrels)	Q4 2008 (barrels)	Q3 2008 (barrels)	Q4 2008 (barrels)
Gross production	184,688	180,797	62,064	71,105
Non-shareable production	(135,979)	(134,541)	(3,371)	(3,252)
Shareable production	48,709	46,256	58,693	67,853
Interra's share of shareable production	29,226	27,754	41,085	47,497
Weighted average transacted oil price (US\$ per barrel)	119.92	58.44	119.34	57.31



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.



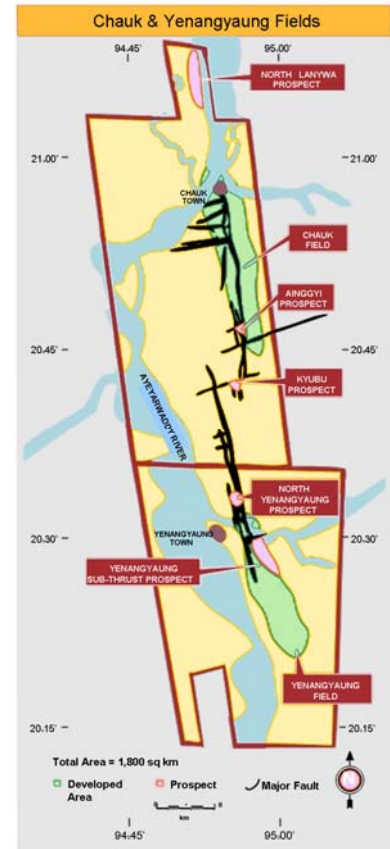
Production Activities

Myanmar: Chauk and Yenangyaung IPRCs (Interra 60%)

During Q4 2008, the combined gross production for both fields was 180,797 barrels of oil. This is a 2.1% decrease over the preceding quarter. Production decreased at the Yenangyaung field due to amongst other things, colder weather which causes the oil to congeal in the flow lines thus reducing the flow of oil.

During the quarter, an intermediate 3,100 ft development well was drilled in the Yenangyaung field using the operator's own drilling rig. A deep 7,785 ft development well was also drilled in this field during the quarter using an external contractor's rig. Production testing continues at both these wells.

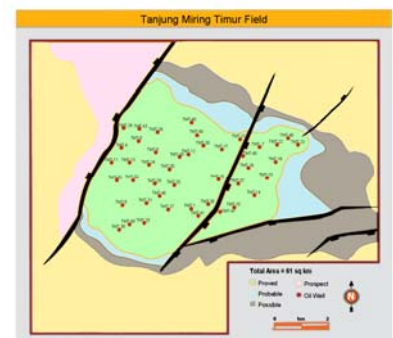
Production and development costs for the period were US\$598,722 and US\$1,211,801 respectively.



Indonesia: Tanjung Miring Timur TAC (Interra 70%)

During Q4 2008, gross production was 71,105 barrels of oil, an increase of almost 15% compared to the previous quarter. Less mechanical difficulties were experienced as compared to the previous quarter.

The first well of a 3 well development program was spud during the quarter. Progress drilling the well has been slow due to mechanical breakdowns. Preparations for the remaining 2 wells have been completed and these wells will be drilled back to back after the current well is completed. Plans to undertake a 3D seismic survey of the field have been temporarily suspended in light of current market conditions. Gas powered engines which power the lifting units are gradually being introduced into the field. These engines will use the associated gas which is currently flared and will replace the existing diesel powered engines. This initiative is expected to reduce the field's ongoing operating costs.

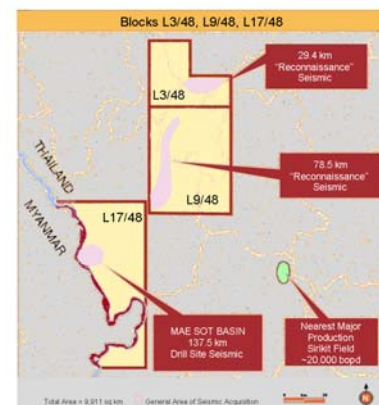


Production and development costs for the period were US\$1,590,115 and US\$363,920 respectively.

Exploration Activities

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

The environmental impact assessment (“EIA”) in respect of the exploration well planned to be drilled in Block L17/48 was completed during the quarter. It was lodged with the Office of Natural Resources and Environmental Policy and Planning (“ONEP”). A hearing was held with the ONEP in early January 2009 during which verbal, conditional approval of the EIA was granted. Written approval from the ONEP must be obtained before any physical work on the well or well site can commence. Such written approval may take at least 2 months. In the meantime, significant planning and preparation for the well are being undertaken.



Exploration costs for the quarter totalled US\$47,154.

Other Matters

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

By Order of the Board

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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.