

8 January 2009

## FINANCIAL UPDATE

The Board of Directors of Interra Resources Limited (“**Interra**” or the “**Company**”) would like to provide a brief update to shareholders with respect to the financial status of the Company.

As an unhedged producer of oil, Interra’s profitability is significantly affected by the recent severe decline in oil prices. As a result, the Company expects to incur a net loss for the 4<sup>th</sup> quarter of 2008. This is in contrast to the profits which the Company generated in the first 3 quarters of the year. The Company is expected to be profitable for the year ended 31 December 2008.

Since the decline in oil prices, the Company has been working with its partners to take swift and decisive action to minimize operating costs and planned capital expenditure in our various areas of operation for the coming year.

It has not been the Company’s policy to release forward looking statements or expected financial results. However, the Company is in a sound financial position and has no debt. Interra has sufficient cash on hand to meet its operating costs for the foreseeable future. Accordingly, in the absence of any acquisition or corporate action, the Company does not anticipate raising new capital or bank debt at this time. That said, the Company believes that this period of unprecedented volatility will give rise to opportunities for companies in our position. Interra continues to examine various opportunities which will add shareholder value.

Interra believes that it is well placed in the current environment and will continue to strive to add shareholder value in a disciplined manner.

Thank you for your ongoing support of the Company.

Yours sincerely

The Board of Directors  
Interra Resources Limited



**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 low risk 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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