

11 December 2009




**THAILAND DRILLING UPDATE:
BLOCK L17/48 EXPLORATION WELL MS-1**

Further to the drilling update announcement of 2 December 2009 for exploration well MS-1 in the Mae Sot Basin of Western Thailand, Interra Resources Limited (the “Company” or “Interra”) wishes to inform shareholders of the current status of this well.

As previously reported Interra’s wholly owned subsidiary, Interra Resources (Thailand) Limited (“IRT”), has a 50% interest in Block L17/48 (totalling 3,996 square kilometres) where the drill site is located. IRT is the operator of record with the Thailand Department of Mineral Fuels (“DMF”) and as such, is responsible for all current drilling activities and any future project work in the exploration block. IRT also has a 50% interest and is the operator of two other exploration blocks, namely Blocks L3/48 and L9/48 (totalling 5,915 square kilometres).

MS-1 has been drilled to a total depth of 5,770 feet as of 7 December 2009 and after careful review, it has been determined that enough data has been collected to warrant making the decision to cease drilling. Although some zones of hydrocarbon source rocks were encountered in the borehole, the desired reservoir rocks required for hydrocarbon accumulations were not intercepted. As such, there were no hydrocarbon shows recorded in the well, or other encouraging data which would allow the well to be completed as a hydrocarbon producing well. The well has therefore been plugged and abandoned.

IRT commenced this project with the realization that this was a true high risk/high reward wildcat, based on this being the first well in the basin and with the nearest producing well approximately 125 kilometres to the east and in a different geologic basin. A further comprehensive evaluation of collected borehole data and all previously obtained geologic and geophysical will commence immediately to determine the effects and implications of this well on future work plans for this block (also Blocks L3/48 and L9/48).



The Company wishes to advise that investors should exercise due care and caution when trading Interra's shares. All exploration drilling globally is by its nature of high risk that commercially recoverable hydrocarbons or profitable production will be established.

By Order of the Board of Directors of
INTERRA RESOURCES LIMITED

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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