

29 June 2009



**MYANMAR DRILLING UPDATE:
DEVELOPMENT WELL CHAUK 1160 SPUD**

Interra Resources Limited (“Interra”) wishes to inform shareholders that its jointly controlled entity, Goldpetrol Joint Operating Company Inc (“Goldpetrol”), commenced drilling an infill development well, Chauk 1160, in the Chauk oil field in Myanmar.

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 will be drilled by Goldpetrol’s Cooper LTO 350 rig in the central area of the field. Interra’s share of the cost of drilling will be funded from internal resources.

The objective of Chauk 1160 is to be a development well to drain the oil from the Oligocene sandstone reservoirs (“Sands”) that cannot be drained by surrounding producing wells. It will encounter these Sands at approximately 950 feet horizontal distance from current producing well 1076 which has cumulative production of over 297,000 barrels of oil and continues to produce at over 27 barrels of oil per day with a minor water cut. It is expected that the eight objective Sands encountered and the reservoir quality of these will be similar to that of well 1076. The well will be drilled to approximately 3,000 feet as vertical with a “natural” deviation to the west due to the steep structural dip of the east flank.

Interra estimates that the results of the drilling should be available in approximately six weeks time. The Company will announce the results of the drilling operation as soon as they may be ascertained. Additional updates reflecting critical or unexpected events during drilling will also be announced.

The Company wishes to advise that investors should exercise due care and caution when trading Interra’s 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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