

14 June 2010



**MYANMAR DRILLING UPDATE:
DRILLING COMMENCEMENT OF
YENANGYAUNG DEVELOPMENT WELL YNG 3238**

Interra Resources Limited (the “Company” or “Interra”) wishes to inform shareholders that its jointly controlled entity, Goldpetrol Joint Operating Company Inc. (“Goldpetrol”), has commenced drilling infill development well YNG 3238 in the Yenangyaung Field in central Myanmar.


Interra has a 60% interest in the Improved Petroleum Recovery Contract of the Yenangyaung Field and also owns 60% of Goldpetrol which is the operator of the field.

Well YNG 3238 will be drilled using Goldpetrol’s Cooper LTO 350 rig in the northern area of the field. Interra’s share of the cost of drilling will be funded from existing funds on hand.

The proposed well is intended to be drilled to a targeted depth of approximately 1300 feet as a direct offset to the YNG 3208 re-opened well, which has been producing for approximately 1.5 years and has a current stable production of 110 barrels oil per day. The primary objective of the new well is to accelerate production from Well YNG 3208 drainage area and the addition of new fetch area for oil production from the current productive zones.

Interra estimates that the results of the drilling should be available in approximately four 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 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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This announcement has been prepared by the Company and its contents have been reviewed by the Company’s sponsor (“Sponsor”), Collins Stewart Pte. Limited, for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (“SGX-ST”). It has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

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