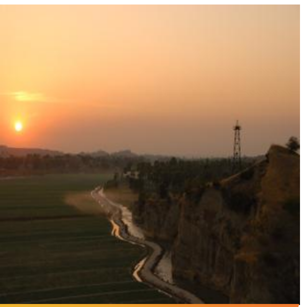


INTERRA RESOURCES LIMITED

Singapore Company Registration No. 197300166Z
Australian Registered Body No. 129 575 275

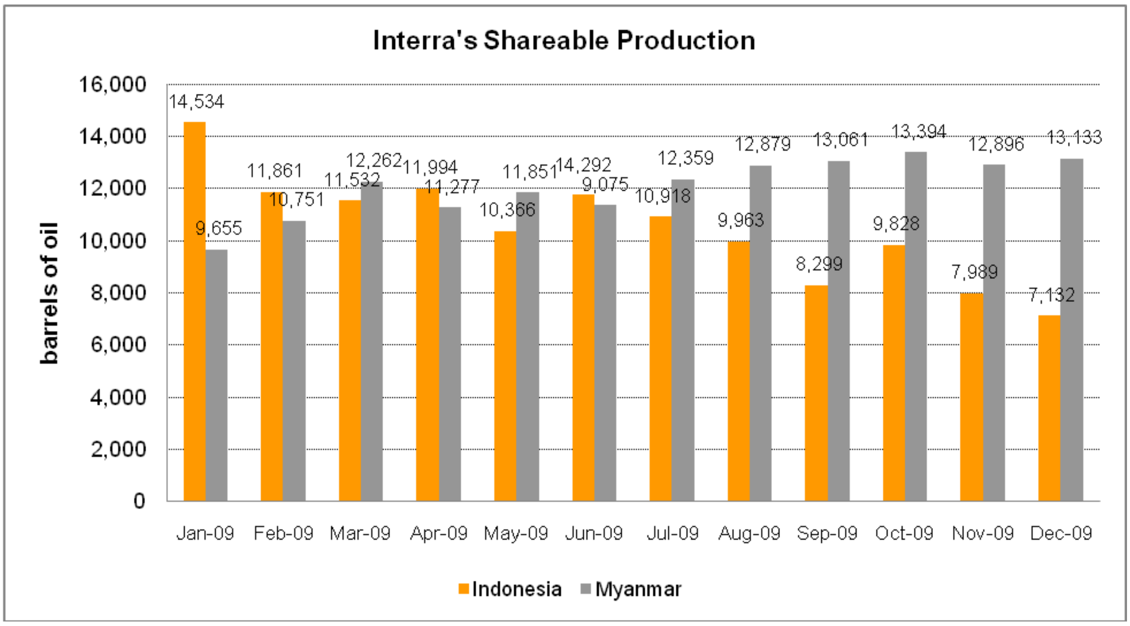
SGX Code: Interra Res (5GI), ASX Code: ITR

29 January 2010

PRODUCTION, DEVELOPMENT & EXPLORATION ACTIVITIES FOR THE QUARTER ENDED 31 DECEMBER 2009

Highlights in Q4 2009
• Shareable production in Myanmar increased by 1% compared to previous quarter • Shareable production in Indonesia decreased by 14% compared to previous quarter due to faulty equipment resulting in significant down time • Weighted average transacted oil price increased to US$78 per barrel in Q4 2009 from US$70 per barrel in Q3 2009

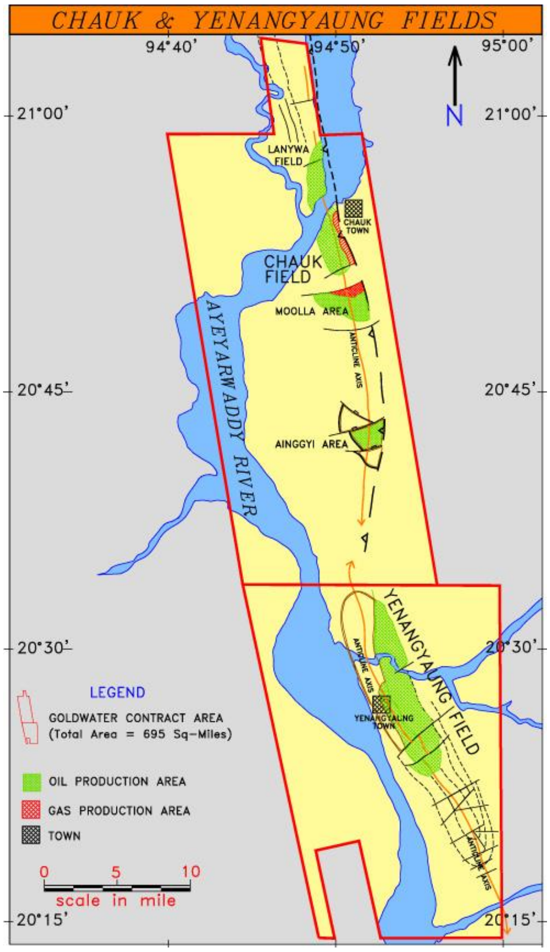
Production Profile	Myanmar		Indonesia	
	Q3 2009 (barrels)	**Q4 2009 (barrels)**	**Q3 2009 (barrels)**	**Q4 2009 (barrels)**
Gross production	193,653	194,685	44,193	38,068
Non-shareable production	(129,821)	(128,978)	(2,508)	(2,428)
Shareable production	63,832	65,707	41,685	35,640
Interra's share of shareable production	38,299	39,424	29,180	24,948
Weighted average transacted oil price (US$ per barrel)	70.42	77.88	70.35	77.88



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%)

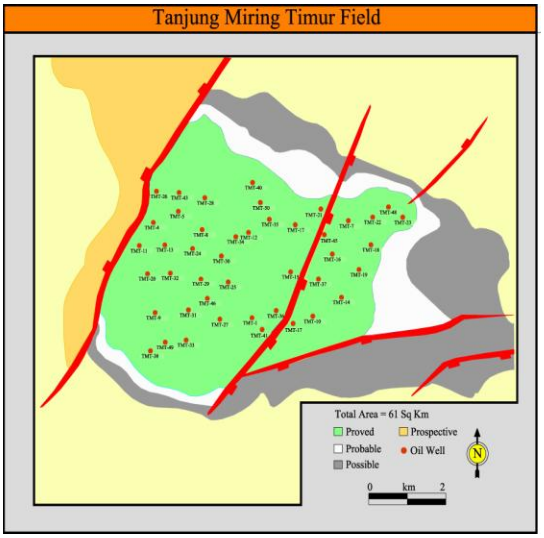


During Q4 2009, the combined gross production for both fields was 194,685 barrels of oil, an increase of 1% over the preceding quarter. Production and development costs for the period were US$911,517 and US$72,967 respectively.

Drilling commenced in mid December at development well YNG 3234 in the Yenangyaung oil field in Myanmar by Goldpetrol JOC, the project operator in which Interra owns a 60% interest. Interra's share of the drilling costs was funded by existing internal resources. YNG 3234 is a continuation of Goldpetrol's focus on drilling low risk, low cost, shallow to intermediate depth development wells using Goldpetrol's Cooper LTO 350 rig.

Detailed reservoir engineering and geologic studies continued with the objective of delineating prospective development areas for new infill well locations as well as potential re-opening candidates. Ongoing production enhancements continued by replacement and refurbishing of production equipment and optimizing production practices. These have resulted in a continued slight increase in production over this quarter relative to the previous.

Indonesia: Tanjung Miring Timur TAC (Interra 70%)



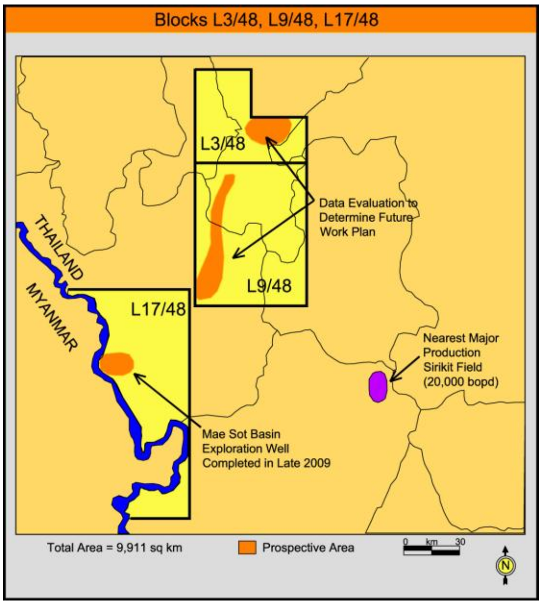
During Q4 2009, gross production was 38,068 barrels of oil, a decrease of 14% compared to the previous quarter. Mechanical difficulties in the lifting equipment resulted in significant down time. Oil movement and transportation equipment problems were experienced by the operator during the quarter. Production and development costs for the period were US$739,173 and US$1,039 respectively.

A reassessment of the current production activities and plans, and an evaluation of the scope of future development strategy are underway by both the operator and Interra internally.

Exploration Activities

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

In Block L17/48, exploration well MS-1 was drilled to a total depth of 5,770 feet as of 7 December 2009 and after careful review, it was 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 expected reservoir rocks required for hydrocarbon entrapment were not present. As such, there were no hydrocarbon shows seen or other encouraging data which would allow the well to be completed as a hydrocarbon producing well. The well was therefore plugged and abandoned.



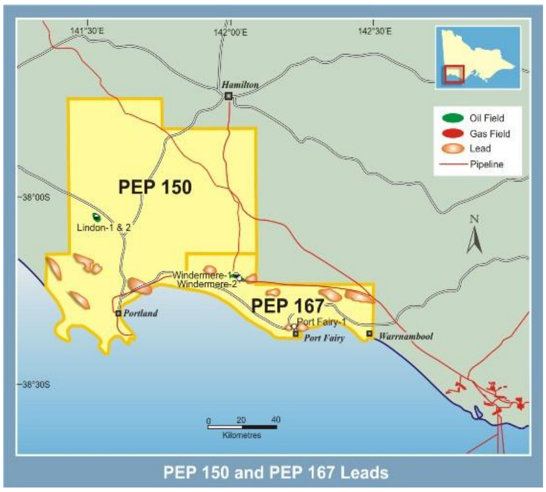
This was a high risk/high reward wildcat, especially considering this being the first well in the Mae Sot basin and the nearest producing well approximately 125 kilometres to the east and in a different geologic basin. Evaluation of collected borehole data and all previous obtained geologic and geophysical will be combined and re-interpreted to determine the implications of this well on future work plans for this block (also Blocks L3/48 and L9/4).

Exploration costs for the quarter totalled US$1,179,560.

Technical evaluation of all three blocks continued separately to determine future work plans going into the Second Obligation Period in 2010.

Australia: PEP 167 (Interra 50%)

On 23 November 2009, the Company through its wholly owned subsidiary Interra Resources (Australia) Pte. Ltd., (“IRA”) acquired a 50% participating interest from Bass Strait Oil Company Ltd (“BAS”) in PEP 167 located in the onshore Otway Basin and the right to participate on an equal basis with BAS in respect of BAS’s rights under PEP 150 (which is adjacent to PEP 167).



PEP 150 and PEP 167 Leads

The initial work to be done in first quarter 2010 will include a 3D seismic survey which will be acquired to delineate an offset location to oil discovery drilled in 1987.

In exchange for the 50% participating interest, IRA agreed to:
(a) pay a sum of A$250,000 in cash to BAS; and

(b) pay 100% of the seismic survey costs up to a cap of A$1,750,000 provided that any seismic survey costs and all joint venture expenditures which are in excess of the A$1,750,000 cap will be charged to both the parties in proportion to their participating interests.

Other Matters

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

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.

For corporate enquiries, please contact:
Marcel Tjia
Chief Executive Officer
mtjia@interraresources.com

For technical enquiries, please contact:
Frank Hollinger
Chief Technical Officer
frank@interraresources.com

This report has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Collins Stewart Pte. Limited, for compliance with the relevant rules of the 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 report including the correctness of any of the statements or opinions made or reports contained in this report.

The contact person for the Sponsor is Mr Alex Tan, CEO of Collins Stewart Pte. Limited, address 77 Robinson Road #21-02 Singapore 068896, telephone (65) 6854 6160.