

21 January 2010



**MYANMAR DRILLING UPDATE:
COMPLETION OF DEVELOPMENT WELL YNG 3234 AS OIL PRODUCER**

Further to the announcement of 17 December 2009 on the drilling commencement of infill development well YNG 3234, Interra Resources Limited (the “Company” or “Interra”) wishes to inform shareholders that its jointly controlled entity, Goldpetrol Joint Operating Company Inc (“Goldpetrol”), has completed the drilling of YNG 3234 in the Yenangaung oil field in Myanmar as an oil producer.

Interra has a 60% interest in the Improved Petroleum Recovery Contract of the Yenangaung oil field and also owns 60% of Goldpetrol which is the operator of the field. YNG 3234 was drilled using Goldpetrol’s Cooper LTO 350 rig and as such, drilling costs have been minimized. Interra’s share of the cost of drilling was funded by existing internal resources.

YNG 3234 is producing through perforations in five lower sand objectives at the current rate of 68 barrels oil per day. This well is a continuation of Goldpetrol’s focus on drilling shallow to intermediate depth development wells and optimized reactivations of old wells that have been identified from geologic and reservoir engineering studies.

The Company wishes to advise that investors should exercise due care and caution when trading Interra’s shares. Although indications are very positive, 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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