

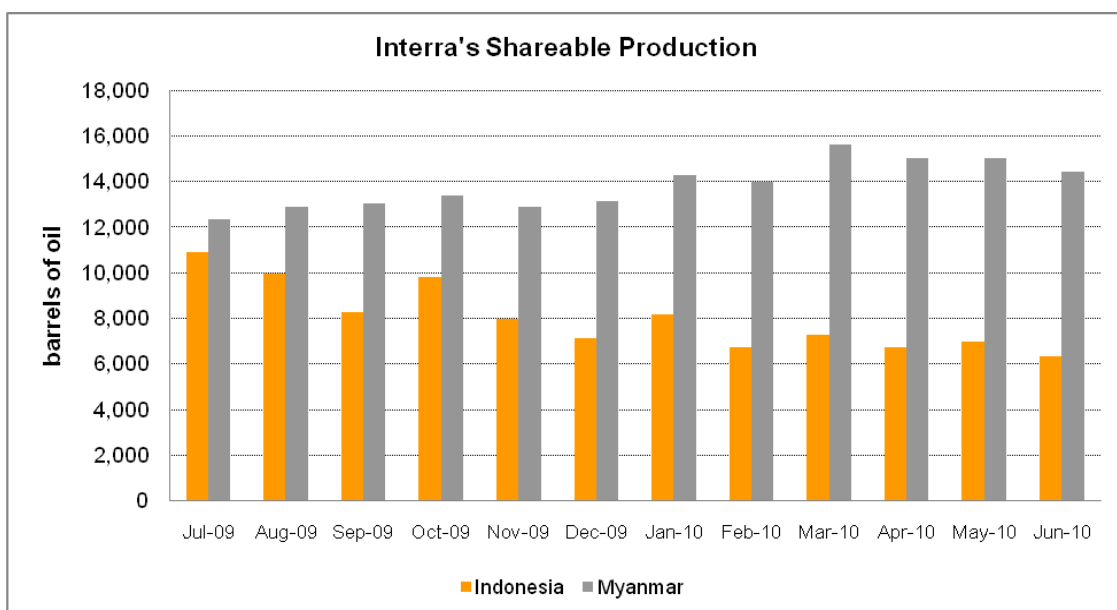
29 July 2010

## PRODUCTION, DEVELOPMENT & EXPLORATION ACTIVITIES FOR THE QUARTER ENDED 30 JUNE 2010

### Highlights in Q2 2010

- Shareable production in Myanmar increased by 1% compared to previous quarter, completed a development well as an oil producer
- Shareable production in Indonesia decreased by 9% compared to previous quarter due to significant equipment down time
- Higher weighted average transacted oil price in Q2 2010 of US\$83 per barrel as compared to previous quarter of US\$78 per barrel

Production Profile	Myanmar		Indonesia	
	Q1 2010 (barrels)	Q2 2010 (barrels)	Q1 2010 (barrels)	Q2 2010 (barrels)
Gross production	197,995	199,115	34,033	30,990
Non-shareable production	(124,852)	(124,919)	(2,351)	(2,275)
Shareable production	73,143	74,196	31,682	28,715
Interra's share of shareable production	43,886	44,518	22,177	20,100
Weighted average transacted oil price (US\$ per barrel)	78.47	82.75	78.48	82.76



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

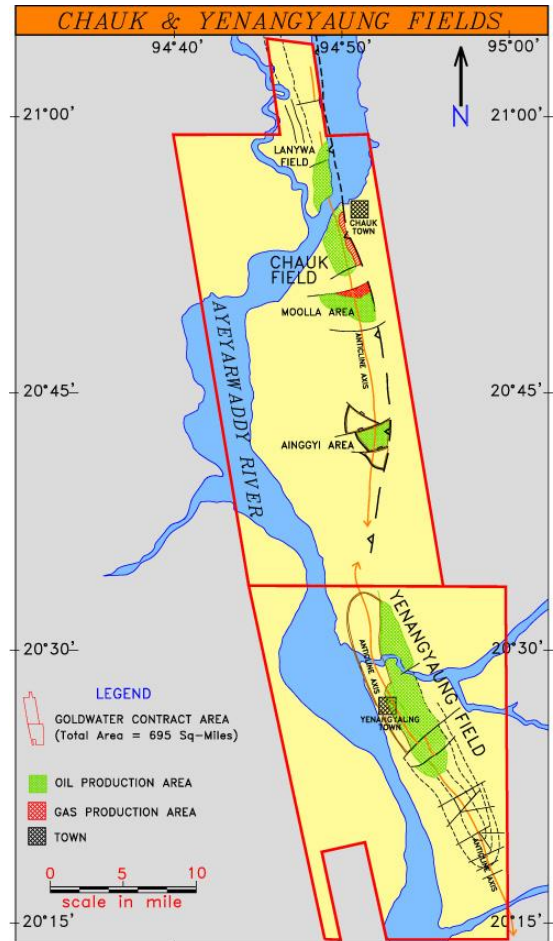
### Myanmar: Chauk and Yenangyaung IPRCs (Interra 60%)

During Q2 2010, the combined gross production for both fields was 199,115 barrels of oil, an increase of 1% over the preceding quarter. Production and development costs for the period were US\$1,111,090 and US\$656,733 respectively.

At the Yenangyaung field, Goldpetrol Joint Operating Company Inc. ("GJOC"), the project operator in which Interra owns a 60% interest, completed development well YNG 3238 as an oil producer. Interra's share of the drilling and completion costs was funded by existing internal resources. This well is a continuation of the focus on drilling shallow to intermediate depth development wells using GJOC's own rig and optimised reactivations of old wells. Plans are currently underway for drilling the next development well at Yenangyaung which is expected to commence in the 3<sup>rd</sup> quarter of the year.

At the Chauk field, GJOC progressed on schedule with the acquisition of 2D seismic data using an external seismic acquisition company. The survey, when completed in mid July, will comprise of fifteen 2D seismic lines totalling approximately 278 kilometres. The purpose of the survey is to evaluate further field development opportunities and the possible south flank deeper potential of the field. These data augment existing seismic and will yield a better understanding of the structural architecture of the field, and is expected to lead to new drillable prospects. Interra's share of the cost of seismic survey is being funded from existing funds on hand. Processing of the seismic data by a reputable international seismic processing contractor will commence immediately following the completion of seismic survey and is expected to take twelve weeks.

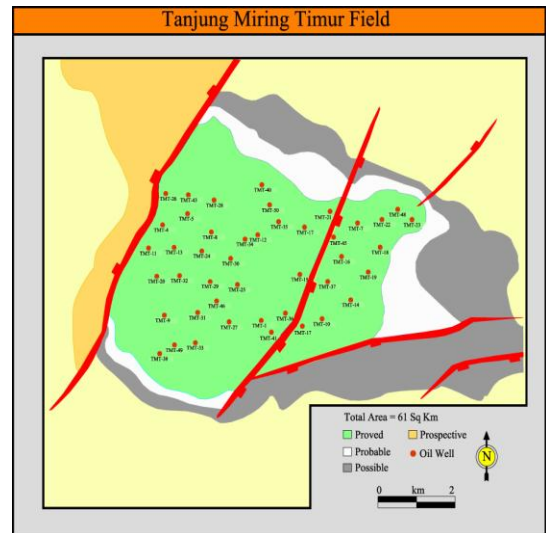
Ongoing production enhancements continued in both fields with the objective of maintaining (or increasing) current production levels.





**Indonesia: Tanjung Miring Timur TAC (Interra 70%)**

The declining oil production at TMT is under technical review by both Interra and the operator. These include ongoing geologic and reservoir engineering studies as well as critical review of field surface and well bore production hardware and practices. The tender process is underway for the acquisition of 3D seismic data which was budgeted for 2010. In Q2 2010, gross production was 30,990 barrels of oil, a decrease of 9% compared to the previous quarter. Production and development costs for the period were US\$775,842 and US\$470 respectively.

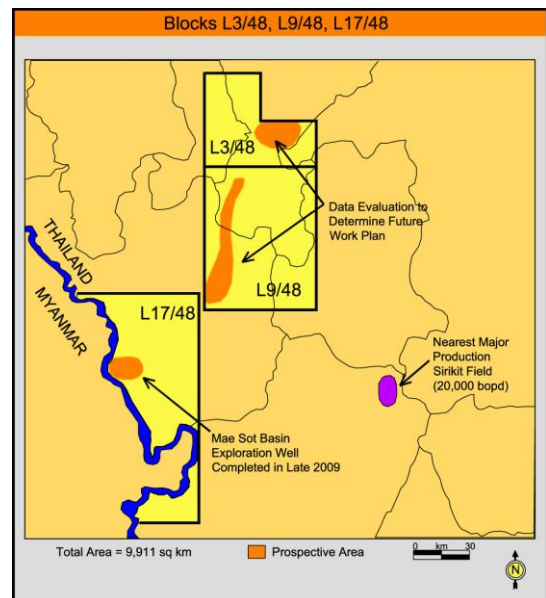


**Exploration Activities**

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

The Interra technical team continues to evaluate all data with respect to exploration well MS-1 which was drilled in the Mae Sot Basin of Block L17/48 late last year. This consists primarily of attempting to incorporate the newly acquired borehole data with the existing seismic and other subsurface data. The specifics of the subsequent exploration program in Blocks L17/48 and L9/48 are dependent on this ongoing technical evaluation.

As reported in the previous Quarterly Activity Report, Interra had determined that further work in Block L3/48 would not be technically justified and had since informed the Department of Mineral Fuels that it was to be relinquished at the end of the "First Obligation Period" in April 2010.



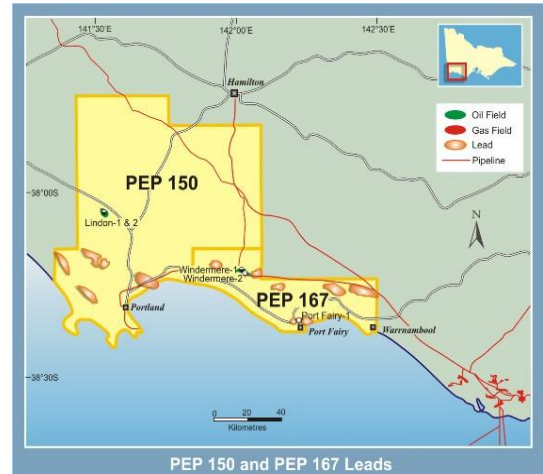
Exploration costs for the quarter totalled US\$20,165.



### Australia: PEP 167 (Interra 50%)

The acquisition of the Windermere 3D seismic program was completed in April 2010 and data processing is expected to be concluded by early 3<sup>rd</sup> quarter of the year, after which interpretation will commence. This is expected to give a detailed structural and stratigraphic architecture of the sub-surface and delineate a possible appraisal well location of the oil zone encountered in the Windermere-1 well. Additional follow-up leads will also be evaluated by the survey.

Exploration costs for the quarter totalled US\$33,536.



### Other Matters

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

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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