

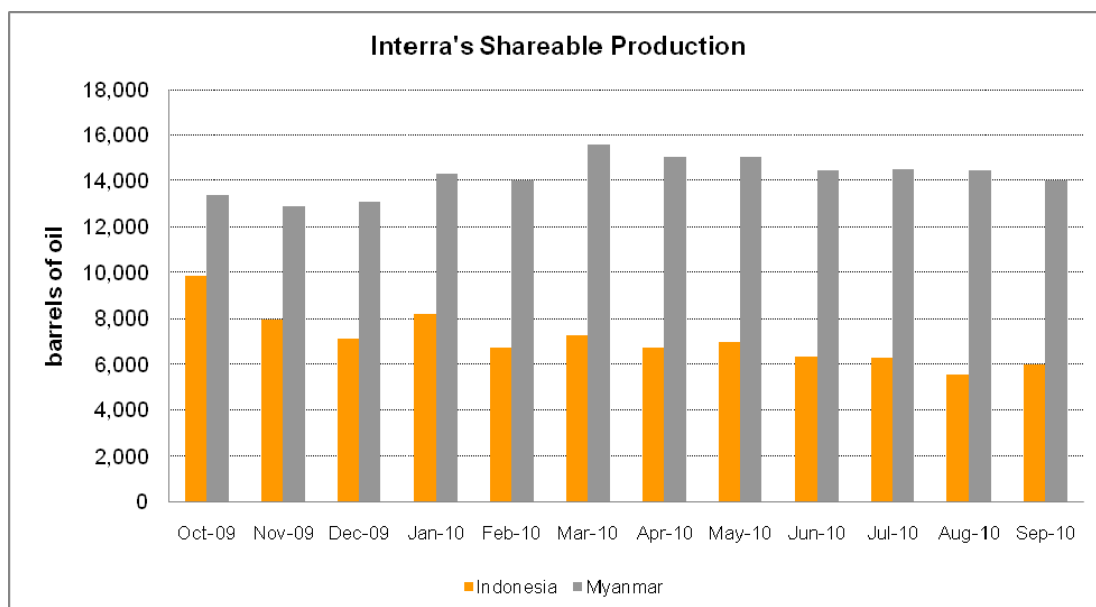
22 October 2010

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

Highlights in Q3 2010

- Total shareable production decreased by 6% as compared to previous quarter, with Myanmar and Indonesia decreased by 4% and 11% respectively
- Lower weighted average transacted oil price in Q3 2010 of US\$77 per barrel as compared to previous quarter of US\$83 per barrel

Production Profile	Myanmar		Indonesia	
	Q2 2010 (barrels)	Q3 2010 (barrels)	Q2 2010 (barrels)	Q3 2010 (barrels)
Gross production	199,115	196,574	30,990	27,620
Non-shareable production	(124,919)	(124,977)	(2,275)	(2,203)
Shareable production	74,196	71,597	28,715	25,417
Interra's share of shareable production	44,518	42,958	20,100	17,791
Weighted average transacted oil price (US\$ per barrel)	82.75	77.18	82.76	77.15



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.

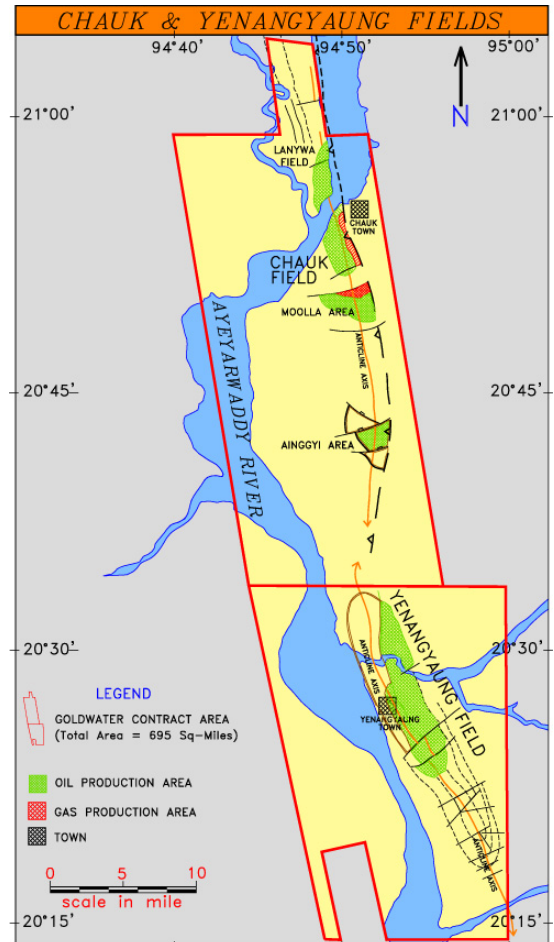


Production Activities

Myanmar: Chauk and Yenangyaung IPRCs (Interra 60%)

During Q3 2010, the combined gross production for both fields was 196,574 barrels of oil, a decrease of 4% over the preceding quarter. Production and development costs for the period were US\$1,052,967 and US\$772,364 respectively.

At the Yenangyaung field, Goldpetrol Joint Operating Company Inc. (“GJOC”), the project operator in both fields and in which Interra owns a 60% interest, completed development well YNG 3235 as an oil producer. Interra’s share of the drilling and completion costs was funded by existing internal resources. This is the third consecutive shallow development well to be completed as an oil producer in the same fault block in 2010 and is a continuation of the focus on drilling shallow to intermediate depth development wells and optimised reactivations of old wells using GJOC’s own rigs. Plans are currently underway for drilling the next development well which is expected to commence in the early 4th quarter of the year.



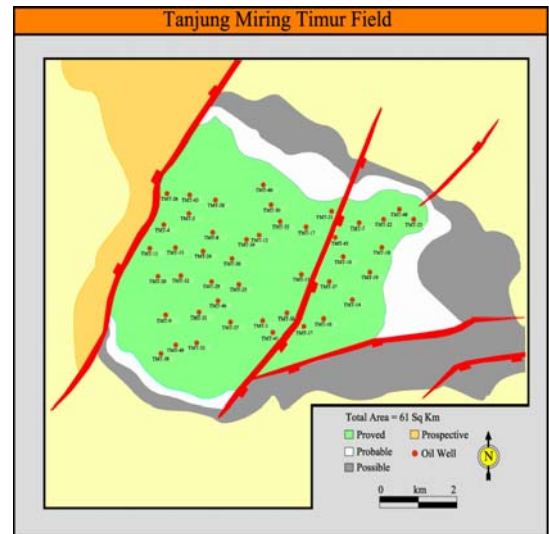
At the Chauk field, GJOC has in mid July 2010 completed the acquisition of approximately 278 kilometres of 2D seismic data comprising 15 lines using an external seismic acquisition company. The data processing is ongoing and will be completed by end October 2010 at which point interpretation will begin. Results will be incorporated into 2011 planning with respect to evaluating further field development opportunities and the possible south flank deeper potential of the field. These data augment existing seismic data for the field and are expected to lead to new drilling. Field-wide production enhancements by pump upgrades and replacements, reopening and reactivations are ongoing. Development planning is enhanced by detailed reservoir engineering and geologic studies to high grade prospective areas. Interra’s share of the cost of seismic survey is being funded from existing funds on hand.

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



Indonesia: Tanjung Miring Timur TAC (Interra 70%)

The operator has received approval from Pertamina to conduct the planned approximately 40 square kilometres 3D seismic survey over the field and the contract has been awarded to an approved contractor. A 3D seismic survey will lead to a far greater understanding of the subsurface structure and stratigraphy of the field and hence more confidence in picking future drilling sites. All new drillings have been postponed until after the 3D seismic data acquisition. The declining oil production continues to be under technical review by both Interra and the operator.

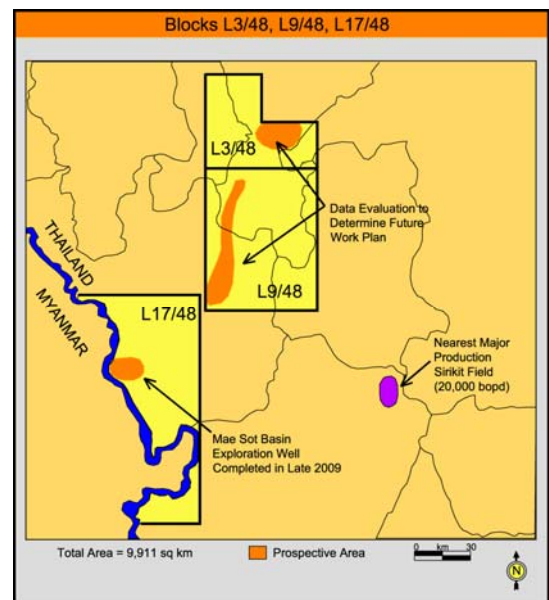


In Q3 2010, gross production was 27,620 barrels of oil, a decrease of 11% compared to the previous quarter. Production costs for the period were US\$872,911.

Exploration Activities

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

Interra has contracted a company specialising in the analysis of well bore samples to aid in determining the geologic age and stratigraphic relationship of the returned samples from exploration well MS-1 which was drilled in the Mae Sot Basin of Block L17/48 late last year. The results of this analysis when completed will be incorporated 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.



Exploration costs for the quarter totalled US\$6,989.



Australia: PEP 167 (Interra 50%)

The processing of the Windermere 3D seismic data acquired in April 2010 was finalised in early August 2010. Interpretation of the data was subsequently initiated and is anticipated to be near completion early November 2010. Preliminary mapping results are encouraging and broadly support the case for oil potential and a possible appraisal well location at the Windermere area which is the primary focus. The early mapping results also indicate the potential for additional leads in the area covered by the 3D survey.



Exploration costs for the quarter totalled US\$24,643.

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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