


2 December 2011




**MYANMAR DRILLING UPDATE: DRILLING COMMENCEMENT OF  
DEVELOPMENT WELL YENANGYAUNG 3242**

Interra Resources Limited (“Interra”) wishes to inform shareholders that its jointly controlled entity, Goldpetrol Joint Operating Company Inc (“Goldpetrol”), commenced drilling infill development well YNG 3242 in the Yenangyaung oil field in 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 3242 is the fifth development well to be drilled this year in Yenangyaung field. Since the well will be drilled using Goldpetrol’s Cooper LTO 350 rig employing a relatively simple completion plan, costs are anticipated to be comparatively low and Interra’s share of the cost of drilling will be funded from existing funds on hand.

The well is an offset to and located in the same fault block as YGN 3240 which was completed in September 2011 as the highest oil producer in onshore Myanmar and continues to average approximately 135 barrels of oil per day. The well is programmed to be drilled to a targeted depth of 1650 feet and is intended to produce oil from the same reservoirs as YGN 3240 namely the L900FT through 1600FT sandstones. In total there are six wells in the same fault block in which YGN 3242 is being drilled that currently produce oil from one or more of the targeted horizons.

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 as well as updates reflecting critical or unexpected events during drilling.



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 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"). Collins Stewart Pte. Limited has not independently verified the contents of this announcement. This announcement 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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