

23 August 2011



**MYANMAR DRILLING UPDATE:
DRILLING COMMENCEMENT OF
YENANGYAUNG DEVELOPMENT WELL YNG 3240**


Interra Resources Limited (the “**Company**” or “**Interra**”) wishes to inform shareholders that its jointly controlled entity, Goldpetrol Joint Operating Company Inc. (“**Goldpetrol**”), has commenced drilling infill development well YNG 3240 in the Yenangyaung oil field in central 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. YNG 3240 is the third development well to be drilled this year in the central area of the Yenangyaung field. Since the well will be drilled using Goldpetrol’s Cooper LTO 350 rig and 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 programmed to be drilled to a targeted depth of approximately 1,500 feet and is intended to produce oil from the L900FT through 1400FT reservoirs that are not being efficiently drained by surrounding wells. There are five wells in the same fault block that produce 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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