

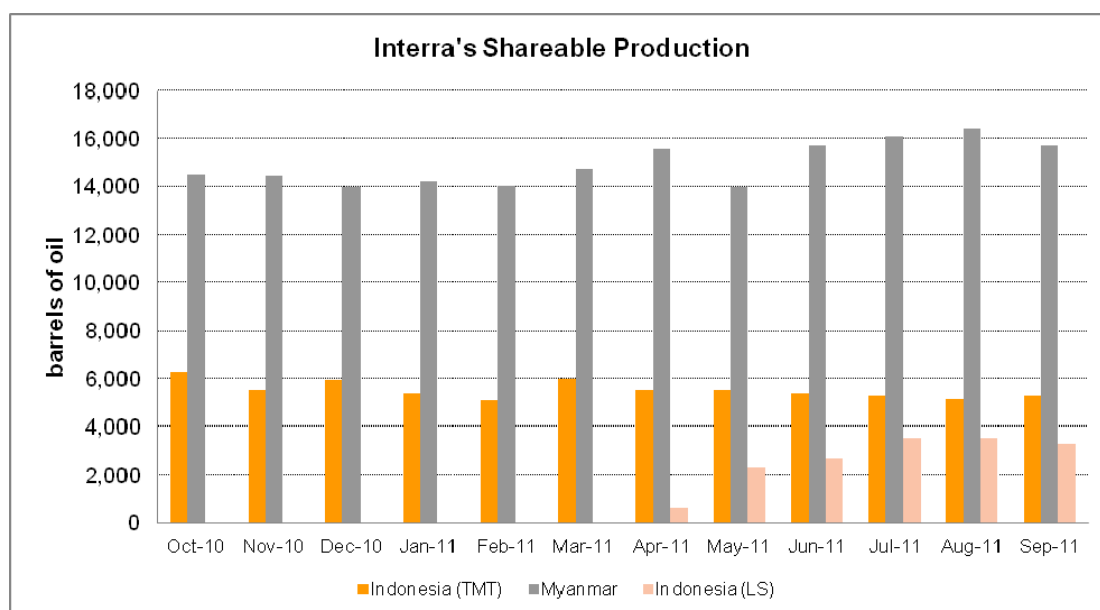
25 October 2011

PRODUCTION, DEVELOPMENT & EXPLORATION ACTIVITIES FOR THE QUARTER ENDED 30 SEPTEMBER 2011 (“Q3 2011”)

Highlights in Q3 2011

- Total shareable production increased by 3% as compared to the previous quarter, due to higher contribution from Tanjung Miring Timur (“TMT”) field of 14% which was partially offset by lower contribution from Linda Sele (“LS”) fields of 5%

Production Profile	Myanmar		Indonesia (TMT)		Indonesia (LS)	
	Q2 2011 (barrels)	Q3 2011 (barrels)	Q2 2011 (barrels)	Q3 2011 (barrels)	Q2 2011 (barrels)	Q3 2011 (barrels)
Gross production	200,285	200,839	23,619	26,762	12,581	12,004
Non-shareable production	(119,788)	(119,851)	(1,128)	(1,102)	(2,196)	(2,129)
Shareable production	80,497	80,988	22,491	25,660	10,385	9,875
Interra's share of shareable production	48,299	48,593	15,742	17,962	10,385	9,875



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.



Development and Production Activities

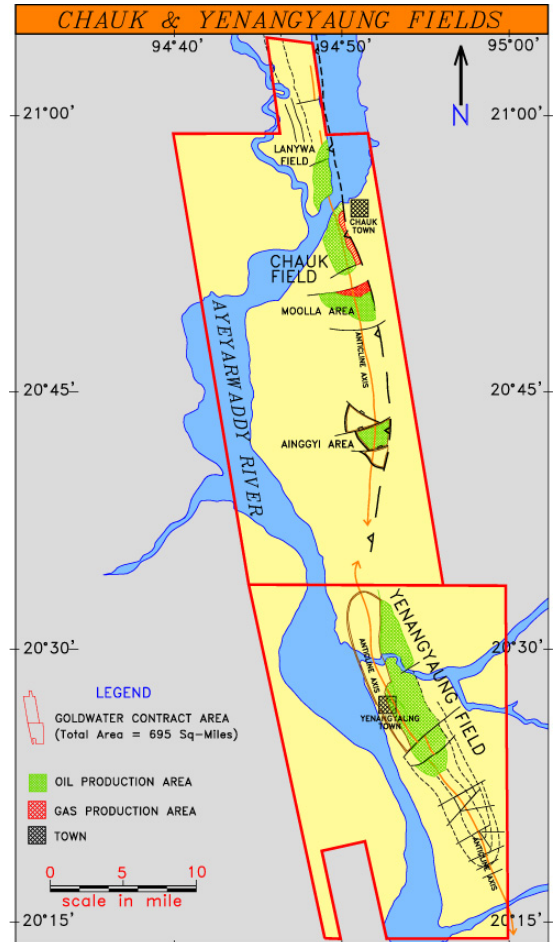
Myanmar: Chauk and Yenangyaung IPRCs (Interra 60%)

In Q3 2011, the combined gross production for both fields was 200,839 barrels of oil, a slight increase over the preceding quarter of 200,285 barrels of oil. Production and development costs for the quarter were US\$1,511,615 and US\$192,519 respectively.

During the quarter, the operator, Goldpetrol Joint Operating Company Inc. (“Goldpetrol”) (Interra 60%), completed three infill development wells at the Yenangyaung field as oil producers. The well of note was the most recent YNG 3240, which was completed with a stabilised production of 133 barrels of oil per day (“bopd”) and after one month, increased slightly to 135 bopd. YNG 3240 is currently the best onshore oil producer in Myanmar.

At the Chauk field, CHK 1162 was completed at a total depth of approximately 2,200 feet as the second best oil producer in the field with a stabilised production of 48 bopd. These are a continuation of the emphasis on drilling shallow to intermediate depth wells using in-house rig to develop producing reservoirs that are currently not drained by existing wells. Preliminary approval has been received from the relevant government authority to drill a deep subthrust well at the Chauk field. The location is based on proprietary 2D seismic data acquired in 2010. Final technical issues for this well are currently under review.

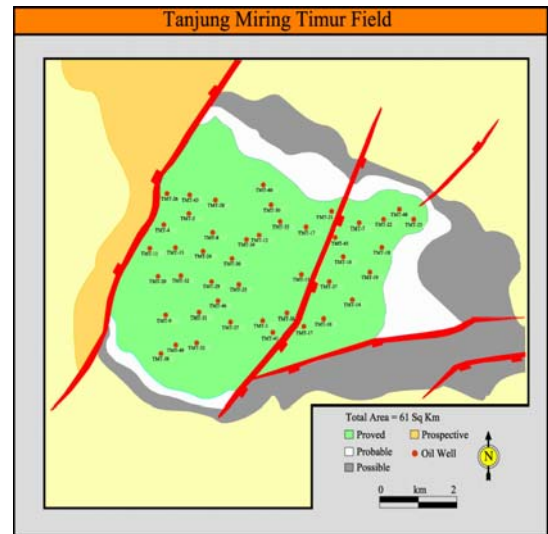
Throughout the quarter, Goldpetrol continued with the optimised reactivation of old wells in both fields that have been identified from geologic and reservoir engineering studies. Ongoing production enhancements and scheduled maintenance also continued with the objective of maintaining (or increasing) current production levels.





Indonesia: Tanjung Miring Timur TAC (Interra 70%)

The processing of the approximately 40 square kilometres of 3D seismic data over the TMT field has begun, following which the data will be interpreted with the objective of yielding a better understanding of the subsurface structural geometry and reservoir characteristics. As previously reported, new drillings have been postponed until after the completion of the 3D seismic data interpretation. Currently, Interra is awaiting the final approval from Pertamina for the assignment agreement to purchase operator's remaining 30% interest.



In Q3 2011, gross production was 26,762 barrels of oil, an increase of 13% as compared to the previous quarter. Production costs and development costs (including 3D seismic costs) for the quarter were US\$934,375 and US\$30,211 respectively.

Indonesia: Linda Sele TAC (Interra 100%)

Field improvements are underway with the replacement or repair of surface and down-hole equipment at the LS fields. The near-term goal of these activities is to increase oil production from existing wells. Reservoir engineering and geological studies are also ongoing, as well as a preliminary design and surface reconnaissance towards tendering for a possible 3D seismic survey over the two fields.



In Q3 2011, gross production was 12,004 barrels of oil, a decrease of 5% as compared to the previous quarter. During the quarter, there were two upliftings of approximately 21,000 barrels of oil which equated to a billing of US\$1,332,079.

Production costs for the quarter amounted to US\$652,626.



Exploration Activities

Australia: PEP 167 (Interra 50%)

According to the operator, the drilling of Windermere-3 continues to be scheduled in Q4 2011 and discussions are taking place with a potential drilling rig contractor.

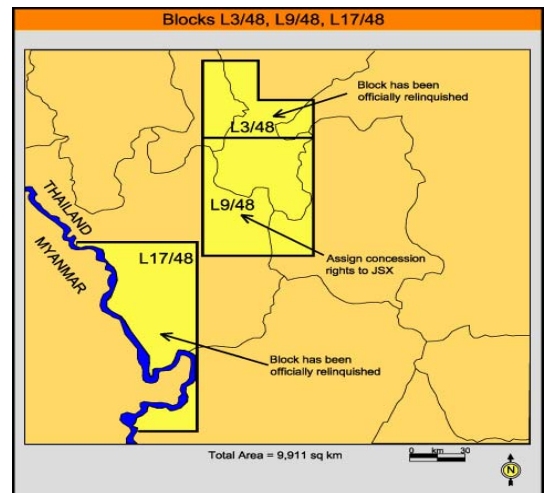
The exploration costs for the quarter amounted to US\$11,034.



Thailand: Blocks L9/48 and L17/48 PCAs

Interra has received notice from the Thailand Department of Mineral Fuels confirming the relinquishment of Block L17/48 after having fulfilled all contractual commitments.

During the quarter, Interra has entered into an agreement with JSX Energy (Thailand) Limited ("JSXT"), the holder of the remaining 50% interest in Block L9/48, to assign all the concession rights in the block to JSXT for certain cash considerations and contingent on government approval.



Other Matters

Interra continues to evaluate acreage opportunities throughout the Southeast 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 petroleum exploration and production (“E&P”). Our E&P operations 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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