


15 September 2011



**MYANMAR DRILLING UPDATE:
YENANGYAUNG DEVELOPMENT WELL YNG 3240
COMPLETED AS AN OIL PRODUCER**

Interra Resources Limited (the “**Company**” or “**Interra**”) wishes to inform shareholders that its jointly controlled entity, Goldpetrol Joint Operating Company Inc. (“**Goldpetrol**”), has completed infill development well YNG 3240, which commenced drilling in August 2011 at the Yenangyaung oil field in Myanmar, as an oil producer.

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 successful development well to be completed this year in the Yenangyaung field and fifth overall in the 2011 Myanmar drilling campaign. The well was drilled using Goldpetrol’s Cooper LTO 350 rig and employing a relatively simple completion plan. As such, costs were comparatively low and Interra’s share of the drilling costs was funded from current cash assets.

The well was drilled to total depth of 1,570 feet and was completed using a pre-perforated liner, which was open in the bore hole to the targeted L900FT through 1600FT reservoirs over an interval of 825 feet. These reservoirs produce from five surrounding wells in the same fault block. Following 4 days of production testing by pump, the well has stabilised at 133 barrels of oil per day and establishes it as the current best onshore oil producer in Myanmar.

This is a continuation of the emphasis on drilling shallow to intermediate depth wells using Goldpetrol's own rig to develop areas in producing reservoirs that are not currently drained by existing wells.

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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