


8 July 2011




**MYANMAR DRILLING UPDATE:  
YENANGYAUNG DEVELOPMENT WELL YNG 3237  
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 performed additional completion work at infill development well YNG 3237 in the Yenangyaung oil field in Myanmar, of which the drilling commencement was announced on 26 April 2011, and the well has now been completed as an oil producer.

Interra has a 60% interest in the Improved Petroleum Recovery Contract of the Yenangyaung oil field and also owns 60% of Goldpetrol which is the operator of the field. YNG 3237 was drilled in the central area of the field using Goldpetrol’s Cooper LTO 350 rig and as such, drilling costs were minimised. Interra’s share of the cost of drilling was funded from existing funds on hand.

Following casing perforation over five zones in the two deeper reservoir objectives, the well was tested by pump and oil production was less than predicted. After analysis, it was presumed that damage could have occurred at the reservoir near the borehole formation during drilling and therefore, an “acid job” was performed in an attempt to stimulate oil production. The resultant production was not an appreciable improvement over that of pre-stimulation. Hence, it was decided that seven zones in four shallow primary objective sandstone reservoirs (which were interpreted to be oil-bearing on electric wireline logs) be perforated and production from these be co-mingled with that from the deeper zones. This operation was carried out immediately following the perforation of newest well YNG 3239 and production has stabilised at 17 barrels of oil per day.

YNG 3237 was a continuation of Goldpetrol’s focus on drilling shallow to intermediate depth development wells and optimised reactivations of old wells that have been identified from geologic and reservoir engineering studies.



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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