


29 July 2011



**MYANMAR DRILLING UPDATE:
CHAUK DEVELOPMENT WELL CHK 1162
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 CHK 1162, which commenced drilling in June 2011 at the Chauk field in central Myanmar, as an oil producer. This is the second well in the Chauk field and the fourth well overall to be drilled and completed as an oil producer by Goldpetrol in its Myanmar 2011 drilling campaign.

Interra has a 60% interest in the Improved Petroleum Recovery Contract of the Chauk field and also owns 60% of Goldpetrol which is the operator of the field. CHK 1162 was drilled in the northern area of the field using Goldpetrol’s Cooper LTO 350 rig. Interra’s share of the cost of drilling was funded from existing funds on hand.

CHK 1162 was drilled to a depth of approximately 2,800 feet and production casing was cemented to 2,206 feet, after which two zones in the primary objective 4th sandstone were perforated and production testing by pump commenced. Production has stabilised at an average of 50 barrels of oil per day. The primary objective of CHK 1162 is to produce oil from the 4th sandstone which is contributing oil at nearby CHK 950, CHK 945 and the recently completed CHK 1161. With this completion at the high end of the predicted oil production rate, the continued study of this area with the objective of delineating new development locations with similar objectives will be accelerated. 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.

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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