

11 April 2011



**AUSTRALIA UPDATE:
PEP 167 PROJECT STATUS**

Interra Resources Limited (the “Company” or “Interra”) refers to the announcement on 29 November 2010 (the “Announcement”) with regard to the PEP 167 joint venture plans to drill a new well to follow up on the 1987 Windermere-1 oil discovery in the onshore Otway Basin, near Portland, in Western Victoria.

Further to the Announcement, the Company wishes to inform shareholders that, in view of the wet conditions attributable to unseasonable weather around the well location and to avoid the adverse weather during winter in the area of Otway Basin, the PEP 167 joint venture is now planning to drill the new well (Windermere-3) in the fourth quarter of 2011, instead of second quarter of 2011 as previously announced.

The Company wishes to advise that investors should exercise due care and caution when trading Interra’s shares. It is not certain that the 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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