


7 January 2011



**RELINQUISHMENT OF CONCESSION RIGHTS
IN BLOCK L9/48 IN THAILAND**

Further to our announcement on 3 December 2010, Interra Resources Limited (the “**Company**” or “**Interra**”) wishes to inform shareholders that it is in the process of relinquishing its concession rights (the “**Relinquishment**”) in the onshore petroleum exploration block, Block L9/48 (the “**Block**”). The Company had on 4 January 2011 submitted a letter to the Department of Mineral Fuels of Thailand (“**DMF**”) to inform the DMF of the Company’s intention with respect to the Relinquishment.

Certain rights, benefits and obligations in relation to the Block were granted to the Company by the Ministry of Energy of Thailand under the Supplementary Petroleum Concession (No. 1) to Petroleum Concession No. 8/2550/84 in order for the Company to be able to jointly conduct petroleum operations within the Block.

After careful technical evaluation and other significant considerations, it was determined by the Company that further evaluation work during the petroleum exploration period is not warranted.

The Company is currently assessing the costs associated with the Relinquishment and will make the necessary provision in the financial statements for the financial year ended 31 December 2010.

The Company wishes to inform shareholders that upon the Relinquishment, the Company will no longer hold any rights, benefits or obligations with respect to any concessions in Thailand.

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 upstream 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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