


30 June 2011



**MYANMAR DRILLING UPDATE:
DRILLING COMMENCEMENT OF
CHAUK DEVELOPMENT WELL CHK 1162**


Interra Resources Limited (the “**Company**” or “**Interra**”) wishes to inform shareholders that its jointly controlled entity, Goldpetrol Joint Operating Company Inc. (“**Goldpetrol**”), has commenced drilling infill development well CHK 1162 at the Chauk oil field in Myanmar.

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

CHK 1162 is programmed to be drilled to a targeted depth of approximately 2,750 feet and is intended to produce oil from reservoirs that have not been drained by surrounding wells. CHK 1162 is located approximately 100 metres from producing well CHK 945 and 210 metres from CHK 1161 which was completed in March 2011 as an oil producer. CHK 1162 will be drilled with the same objectives as CHK 1161, namely the primary objective of the 4th Sand and secondary reservoir zones 3rd Sand and 3300FT Sand. Two additional zones may be tested dependent upon the results of testing the primary and secondary objectives.

Interra estimates that the results of the drilling should be available in approximately five weeks’ time. The Company will announce the results of the drilling operation as soon as they may be ascertained as well as updates reflecting critical or unexpected events during drilling.

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.

The contact person for the Sponsor is Mr Alex Tan, Managing Director, Corporate Finance, Collins Stewart Pte. Limited, at 77 Robinson Road #21-02 Singapore 068896, telephone (65) 6854 6160.