


17 January 2011



**MYANMAR PRODUCTION UPDATE:
RECENT RE-ENTRY AND RECOMPLETION
SUCCESS OF SHUT-IN WELLS**


Interra Resources Limited (the “Company” or “Interra”) wishes to inform shareholders that its jointly controlled entity, Goldpetrol Joint Operating Company Inc. (“Goldpetrol”), has recently re-entered several shut-in wells in the Yenangyaung and Chauk oil fields in Myanmar and recompleted them as oil producers. Interra has a 60% interest in the Improved Petroleum Recovery Contracts of the Yenangyaung and Chauk fields and also owns 60% of Goldpetrol which is the operator of the fields.

In Yenangyaung, Goldpetrol re-entered shut-in well YNG 2459, which was drilled in 1931 and completed in the 900FT sand, and was later shut in at the onset of World War II. The well was put on pump in December 2010 and has given a stable 22 barrels of oil per day (“bopd”) since.

At the Chauk field, the operator worked on shut-in well Chauk 950, which was initially drilled in 1956 and completed in the “5th” sand as an oil producer. This well was subsequently shut in in 1982 after producing over 206,000 barrels of oil. The well was put on pump in December 2010 and production has now stabilised at 32 bopd.

Goldpetrol has successfully re-entered and recompleted several shut-in wells as oil producers in 2010 which have in total contributed around 90 bopd towards the total production in Myanmar. Cost of the re-entries has been minimal and Interra’s share was funded from existing internal resources.

Successful re-entries could potentially lead to additional development of the producing sands in the proximity of these wells. Going forward, Goldpetrol will continue to focus on drilling shallow to intermediate depth development wells and optimise reactivations/recompletions 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. Although results of these wells are very positive, it is not certain that future re-entries of old wells as 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 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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