

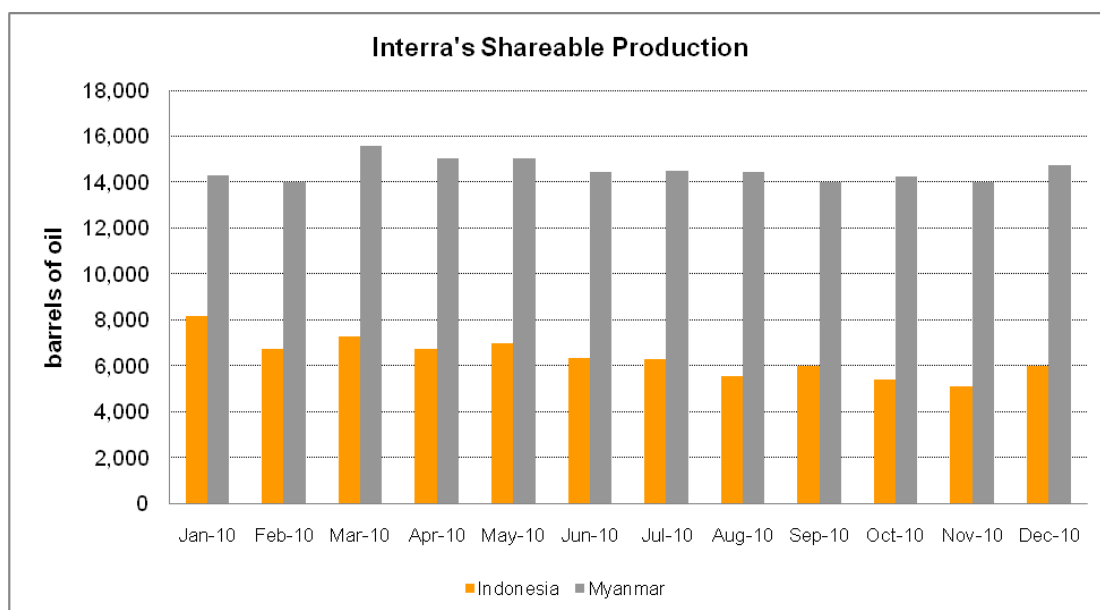
28 January 2011

PRODUCTION, DEVELOPMENT & EXPLORATION ACTIVITIES FOR THE QUARTER ENDED 31 DECEMBER 2010

Highlights in Q4 2010

- Total shareable production decreased by 2% as compared to previous quarter, with Indonesia's contribution declining by 7%
- Higher weighted average transacted oil price in Q4 2010 of US\$88 per barrel as compared to previous quarter of US\$77 per barrel

Production Profile	Myanmar		Indonesia	
	Q3 2010 (barrels)	Q4 2010 (barrels)	Q3 2010 (barrels)	Q4 2010 (barrels)
Gross production	196,574	195,193	27,620	25,758
Non-shareable production	(124,977)	(123,511)	(2,203)	(2,133)
Shareable production	71,597	71,682	25,417	23,625
Interra's share of shareable production	42,958	43,009	17,791	16,538
Weighted average transacted oil price (US\$ per barrel)	77.18	87.56	77.15	87.74



Gross production refers to the total volume of oil produced in a specific field. "Non-shareable production" is the quantity of oil or gas which is deducted from gross production and allocated directly to the contract counterparty or host government. The amount of oil or gas remaining is "shareable production" which is then split between the contract counterparty or host government in accordance with the relevant contractual terms. The chart above represent Interra's share of shareable production prior to application of the contractual terms.

Production Activities

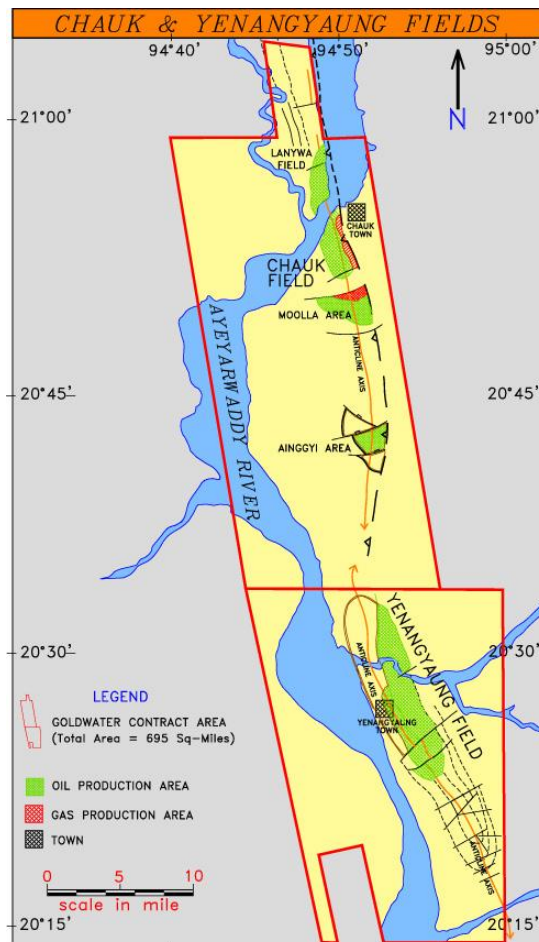
Myanmar: Chauk and Yenangyaung IPRCs (Interra 60%)

In Q4 2010, the combined gross production for both fields was 195,193 barrels of oil, a decrease of 1% over the preceding quarter. Production and development costs for the period were US\$1,166,470 and US\$212,128 respectively.

During the quarter, at the Yenangyaung field, Goldpetrol Joint Operating Company Inc. ("GJOC"), the project operator of both fields and in which Interra owns a 60% interest, completed development well YNG 3236 as the fourth consecutive shallow development well to be completed as an oil producer in 2010. The well was a continuation of GJOC's focus on the drilling of shallow to intermediate depth development wells and the optimized reactivations of old wells that have been identified from geologic and reservoir engineering studies. Besides that, pre-World War II well YNG 2459 was re-entered and put on pump and has given a stable 22 barrels of oil per day ("bopd").

At the Chauk field, the processing of the approximately 278 kilometres of 2D seismic data was ongoing in Q4 2010. When completed, these data will be interpreted and incorporated into the existing seismic interpretation with respect to evaluating further field development opportunities and possibly the south flank deeper potential of the field. During the quarter, GJOC worked on well CHK 950, which was drilled in 1956 and completed as an oil producer, and later shut-in in 1982. Following unsuccessful pumping tests of the well in the past productive sand, well CHK 950 was perforated in three shallower zones and put on pump and has stabilized at 32 bopd.

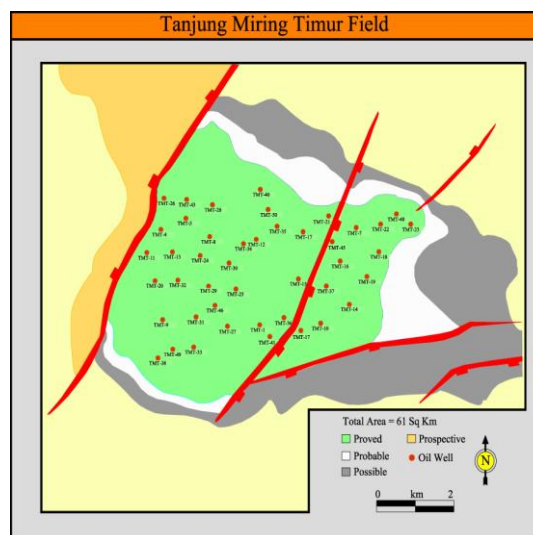
Ongoing production enhancements and scheduled maintenance continued in both fields with the objective of maintaining (or increasing) current production levels.





Indonesia: Tanjung Miring Timur TAC (Interra 70%)

The approximately 40 square kilometres of 3D seismic survey over the field commenced in Q4 2010, with the acquisition phase expected to be completed in Q1 2011. Following this, the seismic data will be processed and interpreted with respect to yielding a better understanding of the subsurface structural geometry and reservoir characteristics. It is anticipated that new drill site locations will be delineated with a much higher degree of confidence. As previously reported, new drillings have been postponed until after the completion of the 3D seismic data acquisition and interpretation. The declining oil production continues to be under technical review by both Interra and the operator.



In Q4 2010, gross production was 25,758 barrels of oil, a decrease of 7% compared to the previous quarter. Production costs and development costs for the period were US\$800,937 and US\$457,315 respectively.

Exploration Activities

Australia: PEP 167 (Interra 50%)

The interpretation of the Windermere 3D seismic data was completed and a firm drill site location will be presented to the government soon. The primary results of the interpretation have been a high resolution delineation of subsurface structure, particularly the fault geometry. This has yielded a more confident interpretation of the Windermere-1 drilling results and subsequent testing of oil from the Heathfield Formation, and hence increased confidence with respect to a new offset location. Well design and planning by the operator are now underway.

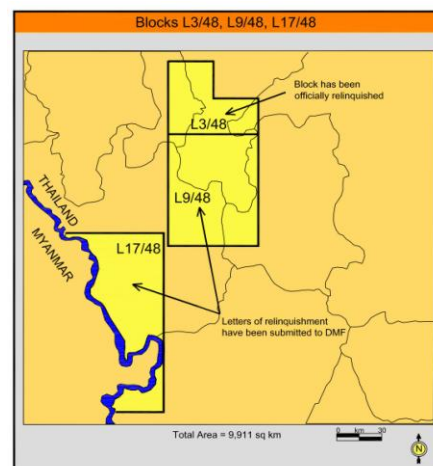


There were no exploration costs for the quarter.



Thailand: Blocks L9/48 and L17/48 PCAs

After extensive technical evaluation and other significant considerations, it was determined by Interra that further appraisal work during the petroleum exploration period was not warranted in Blocks L9/48 and L17/48. Therefore, through its wholly owned subsidiary, Interra Resources (Thailand) Limited, letters have been submitted to the DMF, stating the intention to relinquish Interra's interest in the two blocks. An announcement will be made once official notification approving the relinquishment is received.



Other Matters

Interra continues to evaluate acreage opportunities throughout both the South East Asia region and Australia.

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 operations 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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