

3 December 2010

**RELINQUISHMENT OF CONCESSION RIGHTS
IN BLOCK L17/48 IN THAILAND**

Interra Resources Limited (the “**Company**” or “**Interra**”) wishes to inform shareholders that it will relinquish its concession rights (the “**Relinquishment**”) on or before 7 December 2010, being the end of the first year of the Second Obligation Period, granted by the Ministry of Energy of Thailand under the Supplementary Petroleum Concession (No. 1) to Petroleum Concession No. 5/2549/73 to conduct petroleum operations in the onshore petroleum exploration block, Block L17/48 (the “**Block**”).

After careful technical evaluation and other significant considerations, it is determined that in the Company's judgement, 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 current financial year ending 31 December 2010.

Subsequent to the Relinquishment, the Company will only retain the concession rights of Block L9/48 in Thailand, and will assess the viability of retaining the Block L9/48 in due course.

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 has not independently verified the contents of this announcement. This announcement has not been examined or reviewed 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.