

2 December 2009



**THAILAND DRILLING UPDATE:
BLOCK L17/48 EXPLORATION WELL MS-1**

Further to the announcement on 16 November 2009 of the drilling commencement of exploration well MS-1 in the Mae Sot Basin of Western Thailand, Interra Resources Limited (the “Company” or “Interra”) wishes to inform shareholders of the current drilling status of this well.

As previously reported, Interra’s wholly owned subsidiary, Interra Resources (Thailand) Limited (“IRT”), has a 50% interest in Block L17/48 where the well is located, and is the operator of record with the Thailand Department of Mineral Fuels (“DMF”) and as such, is responsible for all current drilling activities and any future project work in the exploration block.

After drilling to 408 feet with 16” drill bit and cementing 13^{3/8}” casing, the borehole has now reached a total depth of 2,167 feet using a 12^{1/4}” measurement while drilling/log while drilling (“MWD/LWD”) bottom hole assembly (“BHA”). The expected rock assemblages of shales, claystones and limestones have been encountered thus far in the borehole. Operations are now underway to drill out of the 9^{5/8}” casing and continue drilling in new formation with 8^{1/2}” MWD/LWD BHA towards an estimated final total measured depth of 6,500 feet. Targets remain as given in the initial well announcement.

The Company wishes to advise that investors should exercise due care and caution when trading Interra’s shares. The exploration drilling discussed above is by its nature of high risk that commercially recoverable hydrocarbons or profitable production will be established.

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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