


9 January 2012



**MYANMAR DRILLING UPDATE:
DRILLING COMMENCEMENT OF
CHAUK DEVELOPMENT WELL CHK 1163**

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 1163 in the Chauk oil field in Myanmar.

Interra has a 60% interest in the Improved Petroleum Recovery Contract of the Chauk field and also owns 60% of Goldpetrol which is the operator of the field. The well 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 1163 is programmed to be drilled to a targeted depth of approximately 3,090 feet and is intended to produce oil from reservoirs that have not been drained by surrounding wells. CHK 1163 is located approximately 130 metres from CHK 1162 and 445 metres from CHK 1161, both of which were completed in 2011 as oil producers from the 4th Sandstone reservoir. There are also two older wells along the same trend that produce from the 4th Sandstone and this will be the primary objective reservoir of CHK 1163, with secondary objectives of the 3300FT and 3700FT Sandstones.

Interra estimates that the results of the drilling should be available in approximately four weeks. 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, a Singapore-incorporated company listed on the SGX Catalist, is 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.

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