

24 July 2013



**MYANMAR DRILLING UPDATE:
DRILLING COMMENCEMENT OF
YENANGYAUNG DEVELOPMENT WELL YNG 3256**

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 YNG 3256 in the Yenangyaung oil field in Myanmar.

Interra has a 60% interest in the Improved Petroleum Recovery Contract of the Yenangyaung field and also owns 60% of Goldpetrol which is the operator of the field. YNG 3256 is being drilled using Goldpetrol’s Cooper LTO 350 rig and thus drilling costs are expected to be comparatively low. Interra’s share of the cost of drilling will be funded from existing funds on hand.

YNG 3256 is drilled as an infill development well between recently completed producing wells YNG 3251 and YNG 3254. YNG 3256 is intended to be drilled to a depth of 3,000 feet with the primary objective of accelerating oil production from the reservoirs that produce in the offset wells.

Interra estimates that the results of the drilling and completion should be available in approximately six weeks. The Company will announce the results as soon as they may be ascertained as well as updates reflecting critical or unexpected events during drilling.

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 SGX Mainboard, is engaged in the business of oil and gas exploration and production (E&P). Our E&P activities include oil and gas production, field development and exploration. We are positioning ourselves to become a leading regional independent producer of oil and gas.