

5 August 2013



**MYANMAR DRILLING UPDATE:
DRILLING COMMENCEMENT OF
YENANGYAUNG DEVELOPMENT WELL YNG 3257**

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 3257 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. Due to a drilling depth that exceeds Goldpetrol’s own two drilling rig capacities, YNG 3257 is being drilled using an externally contracted Sinopec Service XJ 750 rig. Several other, deeper and more difficult wells are scheduled to be drilled in the Myanmar fields employing this rig. Interra’s share of the cost of drilling will be funded from existing funds on hand.

YNG 3257 is drilled in the producing Nyaung Do fault block located in southern Yenangyaung field as an infill development well offsetting YNG 3142, which was drilled in December 1979 but shut-in before completion. Electric log analysis clearly shows hydrocarbons in the primary 3700FT reservoir and oil was noted during drilling. YNG 3257 is drilled with the primary objective of establishing oil production in this area of the Nyaung Do fault block. There are at least four additional reservoirs that have oil production potential in this area.

Interra estimates that the results of the drilling and completion should be available in approximately eight 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.