


24 January 2014

**MYANMAR DRILLING UPDATE:
CHAUK DEEP WELL CDT 12 RESERVOIR TESTING UPDATE**



Interra Resources Limited (the “**Company**” or “**Interra**”) wishes to inform shareholders of the current status of the Chauk deep well CDT 12 in Myanmar. CDT 12 was operated by its jointly controlled entity, Goldpetrol Joint Operating Company Inc. (“**Goldpetrol**”). The well was drilled to a total depth of 11,890 feet as a deep sub-thrust well on a large geologic structure to test several potential reservoirs for recoverable commercial gas.

As announced previously, gas shows were seen while drilling and electric log analysis identified four sub-thrust reservoir zones which were subsequently tested. Goldpetrol finalised these tests with only minor gas flows. Although gas flowed during the test, technical analysis of all data has concluded that these reservoir zones are “tight”, i.e. matrix permeability is poor, and any hydrocarbons or water present will not naturally flow.

One supra-thrust reservoir was also tested and flowed gas at sub-commercial rates. The same technical conclusion was reached (as for the deeper tests) with respect to reservoir quality.

Goldpetrol believes that one or more of these reservoirs have the potential to produce commercial volumes of hydrocarbons, assuming proper reservoir enhancement is performed – primarily via hydraulic fracturing. At present, there is no such specialised equipment available in the country which would be capable of performing this as required.

Furthermore, the tests conducted on CDT 12 confirm the existence of hydrocarbons in the structure and provides valuable information and data for future exploration in the surrounding areas. For this reason, further work on CDT 12 will be suspended so that the wellbore can be re-entered at a later date to perform further tests on these reservoirs as described above.

This will allow Goldpetrol to concentrate its equipment and resources on the drilling programme that is planned for both the Yenangyaung and Chauk fields in 2014 with a view of increasing production.

Interra’s share of the total cost with respect to the drilling of CDT 12 until the suspension of the well is expected to be approximately US\$6,200,000, and this amount will be impaired and taken to the statement of financial position for the financial year ended 31 December 2013 (“**FY2013**”). Based on preliminary financial figures and the information currently available, Interra is expected to still be profitable after the above impairment for the FY2013. Further details of Interra’s financial



performance will be disclosed when Interra finalises and announces its unaudited results for FY2013, which will be no later than 1 March 2014.

The Company will advise shareholders of any future plans with respect to CDT 12 where appropriate.

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.