


17 December 2009



**MYANMAR DRILLING UPDATE: DRILLING COMMENCEMENT OF
DEVELOPMENT WELL YENANGYAUNG 3234**

Singapore, 17 December 2009 – Interra Resources Limited (“Interra”) wishes to inform shareholders that its jointly controlled entity, Goldpetrol Joint Operating Company Inc (“Goldpetrol”), commenced drilling infill development well YNG 3234 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. Well YNG 3234 will be drilled using Goldpetrol’s Cooper LTO 350 rig in the northern area of the field. Interra’s share of the cost of drilling will be funded from existing funds on hand.

The proposed well is intended to be drilled to a depth of approximately 2950 feet as a replacement well for a well previously shut in for mechanical reasons while still producing 60 barrels per day. The primary objective of this well is to produce remaining oil from the 3000FT sand to 3200FT sand, with a secondary objective to produce oil not drained by existing wells from shallower sands.

Interra estimates that the results of the drilling should be available in approximately six weeks time. The Company will announce the results of the drilling operation as soon as they may be ascertained. Additional updates reflecting critical or unexpected events during drilling will also be announced.

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, 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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