

05 December 2014

**MYANMAR DRILLING UPDATE:
DRILLING COMMENCEMENT OF
CHAUK DEVELOPMENT WELL CHK 1195**

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 development well CHK 1195 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. CHK 1195 is being drilled using hired ZJ 750 rig to a total measured depth of 2,650 feet. Though drilling has commenced in December 2014, CHK 1195 is the first well to be drilled in the approved 2015 budget. Interra’s share of the cost of drilling is funded from existing funds on hand.

CHK 1195 will be the seventh well drilled by Goldpetrol in a continuation of the successful development programme of directional drilling under the Ayeyarwaddy River from the east bank in northern Chauk field and will attain a high angle of deviation reaching an expected maximum of 56 degrees. The well is drilled as an up-dip development well to CHK 1193 which was completed in September 2014 at 150 barrels of oil per day and will have the primary objective of accelerating production from the oil reservoirs that produce from this and other nearby 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.