

18 August 2016

**MYANMAR DRILLING UPDATE:  
DRILLING COMMENCEMENT OF  
CHAUK DEVELOPMENT WELL CHK 1200**

Interra Resources Limited (the “**Company**” or “**Interra**”) wishes to inform shareholders that its joint venture entity, Goldpetrol Joint Operating Company Inc. (“**Goldpetrol**”), has commenced drilling development well CHK 1200 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 1200 is being drilled using Goldpetrol’s ZJ 450 rig, thus drilling costs are expected to be relatively low. Interra’s share of the cost of drilling is funded from existing funds on hand.

Due to the worldwide depressed oil prices, new drilling was suspended following the final well in the 2015 budget. In light of the current improved conditions, the decision has been made to drill a medium depth well with reasonable production expectations. Therefore, CHK 1200 will be the first well to be drilled in Myanmar under the approved 2016 budget and is proposed to be drilled a depth of 2,600 feet as an east offset to producing wells CHK 1170 and CHK 1181. The primary objective is to accelerate production from the oil reservoirs that produce from these and several other wells in this fault block.

Interra estimates that the results of the drilling and completion should be available in approximately six weeks. The Company will announce the results of the drilling operation 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 petroleum exploration and production (E&P). Our E&P activities include petroleum production, field development and exploration. We are positioning ourselves to become a leading regional independent producer of petroleum.