

22 May 2014

**MYANMAR DRILLING UPDATE:
DRILLING COMMENCEMENT OF
YENANGYAUNG DEVELOPMENT WELL YNG 3269**

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 YNG 3269 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. YNG 3269 is being drilled using hired ZJ 750 rig. Interra’s share of the cost of drilling is funded from existing funds on hand.

YNG 3269 is drilled in South-Central Yenangyaung field as an infill well to five relatively new wells which have been completed as oil producers since July 2013. YNG 3269 will be drilled to a targeted depth of 4,200 feet with the primary objective of accelerating production from the oil reservoirs that produce from 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 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.