

27 August 2014

**INDONESIA DRILLING UPDATE:
DRILLING COMMENCEMENT OF DEVELOPMENT WELL TMT-60**

Interra Resources Limited (the “**Company**” or “**Interra**”) wishes to inform shareholders that its wholly owned subsidiary, Goldwater TMT Pte. Ltd. (“**GTMT**”), has commenced drilling development well TMT-60 at the Tanjung Miring Timur (“**TMT**”) field in South Sumatra, Indonesia. GTMT has 100% operating interest in the Technical Assistance Contract of the TMT field and the cost of drilling is funded from existing funds on hand.

TMT-60 is the first of four proposed development wells of the current 2014 drilling programme all to be drilled back-to-back using an externally contracted rig, and is a continuation of the successful drilling programme which began in October 2012 to test new geologic and reservoir concepts derived from the 2012 3D seismic survey. TMT-60 is a direct northern offset to producing well TMT-53 which was completed in April 2013. To date, TMT-53 has produced more than 220,000 barrels of oil from the Talang Akar Formation (“**TAF**”).

TMT-60 will be drilled to a projected depth of 1,250 metres and is expected to be structurally slightly higher at TAF than TMT-53. The primary objective is to produce oil from these producing reservoirs with the secondary objectives being shallower reservoirs that are indicated to be very prospective from the data recorded in TMT-53.

Interra estimates that the results of the drilling should be available in approximately eight 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.

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, 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.