

26 December 2018

**MYANMAR DRILLING UPDATE:
DRILLING COMMENCEMENT OF
YENANGYAUNG DEVELOPMENT WELL YNG 3274**

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 YNG 3274 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 3274 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.

YNG 3274 is drilled as an infill development well in the northern Yenangyaung field fault block. This fault block contains numerous wells that produced before World War II and were subsequently destroyed while still producing. YNG 3274 is located in an undrained portion of the fault block and the primary objective is to accelerate production from several oil reservoirs that produce in the fault block.

YNG 3274 is a part of the approved 2019 drilling programme. Considering favourable dry season surface conditions and rig availability, the decision was made to commence this well ahead of calendar year 2019 schedule.

Interra estimates that the drilling and completion results should be available within 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.