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## ***NEWS RELEASE***

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### **INTEROIL ANNOUNCES GAS FLOW RESULTS AT ELK-4 / ANTELOPE STRUCTURE**

**June 10, 2008 - InterOil Corporation (IOL:TSX)(IOC:AMEX) (IOC:POMSoX)**, a Canadian company with operations in Papua New Guinea, announced that it has concluded Drill Stem Test No.2 at the Elk-4 well in the Antelope structure and is pleased with the extremely positive results. “New data from the wellbore continues to surpass our initial pre-drill expectations and we will be looking to target additional gas column,” stated Mr. Phil Mulacek.

Key highlights from DST #2:

- Gas column height from the highest known gas at Elk-1 is 1,948 feet, an increase of 184 feet since DST #1 at Elk-4
- Reservoir pressure at 7,507 feet (gauge depth) was 3,692 psia
- Formation flow capacity was 48,375 millidarcy feet
- Gas flowrate was 14.1 million cubic feet per day (with no water)
- Condensate production rate was 175 barrels per day
- Calculated stabilized gas flow rate exceeded 160 million cubic feet per day

The next steps to be undertaken are Drill Stem Test No.3 and the evaluation of logs and other test results.

#### **Cautionary Statements**

This press release may include “forward-looking statements” as defined in United States federal and Canadian securities laws. All statements, other than statements of historical facts, included in this press release that address activities, events or developments that the Company expects, believes or anticipates will or may occur in the future are forward-looking statements. These statements are based on certain assumptions made by the Company based on its experience and perception of historical trends, current conditions, expected future developments and other factors it believes are appropriate in the circumstances. Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the Company, which may cause our actual results to differ materially from those implied or expressed by the forward-looking statements.

We currently have no reserves as defined in Canadian National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities. All information contained herein regarding resources are references to undiscovered resources under Canadian National Instrument 51-101, whether stated or not.

FOR FURTHER INFORMATION:

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