



**InterOil Corporation
Antelope-2 Well
Drilling Report No. 2
October 9, 2009**

Prospect: Antelope

Type: Appraisal well

Location: PPL 237, Eastern Papua Basin
295,377.77mE; 9,207,339.97mN - AGD 66, Zone 55

Current Status: Currently preparing to obtain core in the dolomite from 6,057 feet (1,846 meters). Drilled the top of the carbonate reservoir from 6,011 feet (1,832 meters) to 6,057 feet (1,846 meters), including the acquisition of a 5.4 meter core. Gas was recovered at surface while drilling overbalanced. Encountered dolomite facies at 6,044 feet (1,842 meters). Following the coring, we plan to drill switch and drill underbalanced through the reservoir and begin DST's.

Past activity:

- Intersected the top of the Antelope reservoir at 6,007 feet (1,831 meters measured depth) which was 345 feet (105 meters) higher than the pre-drill estimates.
- Successfully ran a 9 5/8 inch liner to the top of the reservoir and cemented.
- Conducted a CBL (cement bond log) and a VSP (velocity seismic profile).
- Ran a 9 5/8 inch tieback string incorporating dual DDV's (downhole deployment valves).
- Rigged up BOP and rotating head for pressure control.

Planned Total Depth: Approximately 8,366 feet (2,550 meters)

Operator: InterOil subsidiary, SPI (220) Limited

Prospect Description: This well is targeting the Antelope reef dolomite and limestone

FOR INVESTOR RELATIONS ENQUIRIES:

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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 InterOil expects, believes or anticipates will or may occur in the future are forward-looking statements, including in particular statements concerning proposed drilling of the Antelope-2 well in the Elk/Antelope field and the characteristics of the Antelope reef structure. These statements are based on certain assumptions made by the Company based on its experience and perception of current conditions, expected future developments and other factors it believes are appropriate in the circumstances. No assurances can be given however, that these events will occur. Actual results will differ, and the difference may be material and adverse to the Company and its shareholders. 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. Some of these factors include the risk factors discussed in the Company’s filings with the Securities and Exchange Commission and SEDAR, including but not limited to those in the Company’s Annual Report for the year ended December 31, 2008 on Form 40-F and its Annual Information Form for the year ended December 31, 2008. In particular, there is no guarantee that the Antelope-2 well will be successful, no established market for natural gas in Papua New Guinea and no guarantee that gas from the Elk/Antelope field will ultimately be able to be extracted and sold commercially.

Investors are urged to consider closely the disclosure in the Company’s Form 40-F, available from us at www.interoil.com or from the SEC at www.sec.gov and its and its Annual Information Form available on SEDAR at www.sedar.com.

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.