

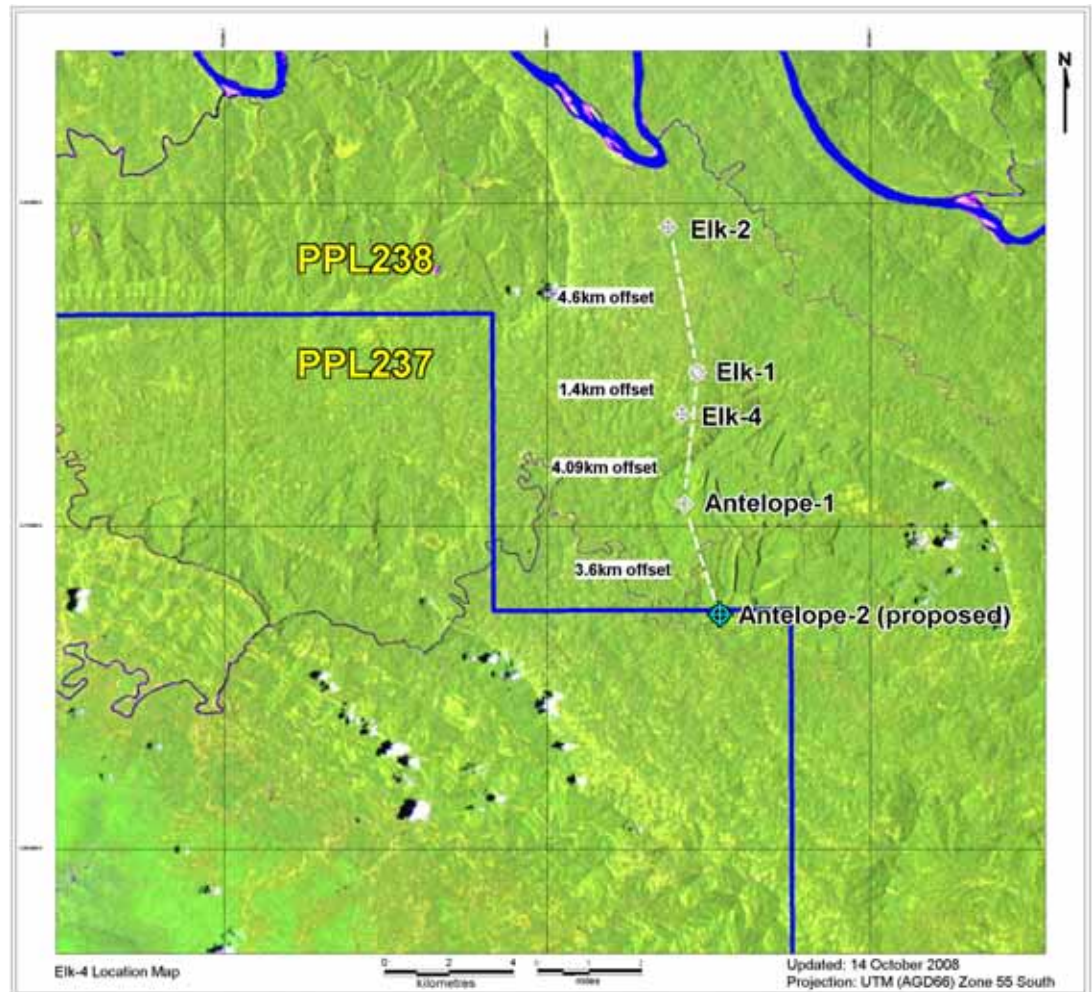


# Antelope-1 Well Drilling Update



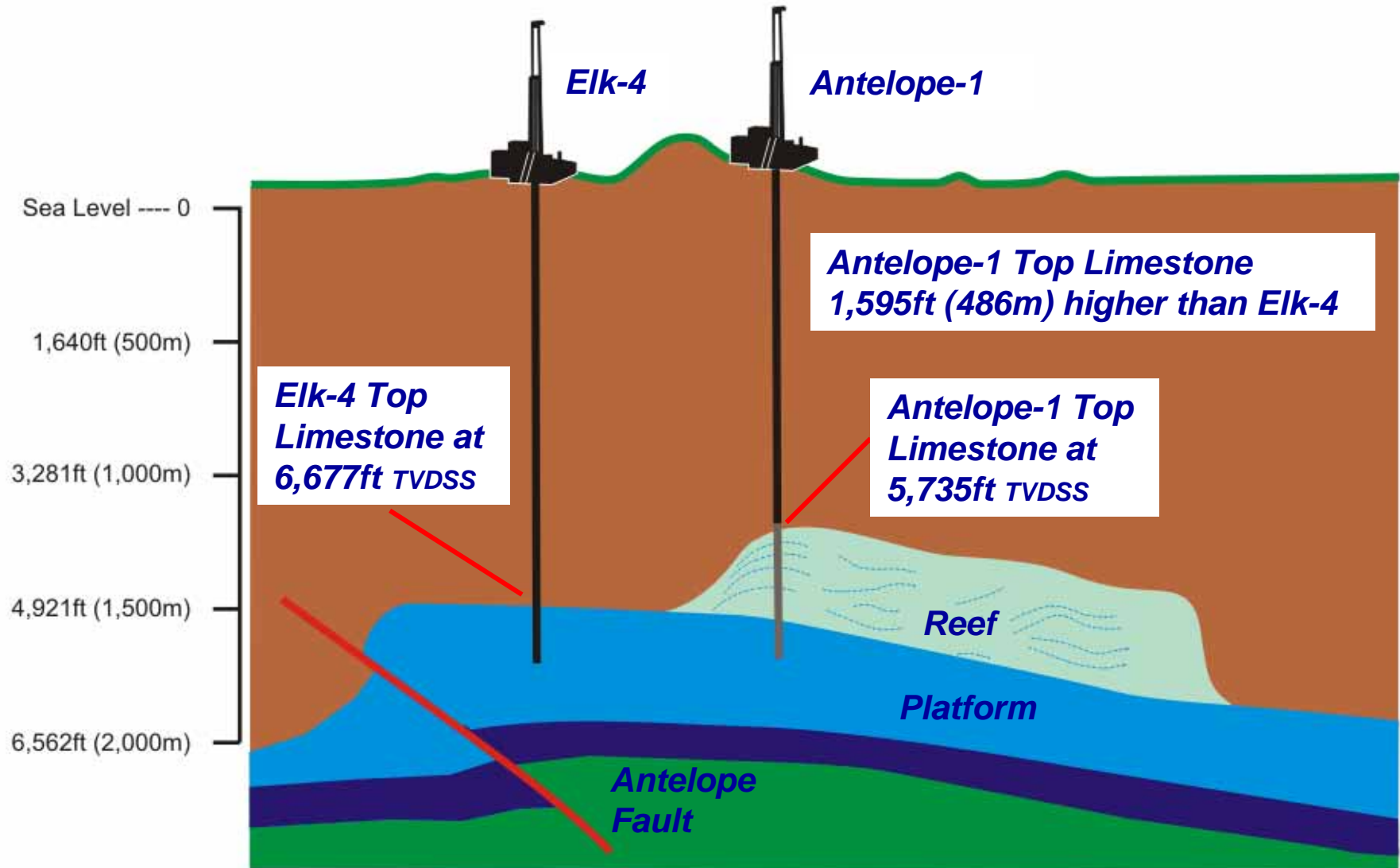
December 18, 2008

- The Antelope-1 well is the 4<sup>th</sup> appraisal well in InterOil's Elk/Antelope gas field
- Antelope-1 lies 1.73 miles (2.29 km) from the Elk-4 discovery well
- Antelope-1 is the first test of the reef play in the field



- **12 1/4" hole section has been drilled from 3,288 feet (1,002 meters) to 5,738 feet (1,749 meters)**
- **Dolomite/Limestone was encountered at 5,735 feet (1,748 meters) close to the pre-drill prognosed depth**
- **The top of the limestone reservoir in Antelope-1 is 1,595 feet (486 meters) higher than encountered in the Elk-4 well establishing a significant attic in the Antelope structure**

# Antelope Platform / Reef Complex Model



- **Run 9 5/8" initial stage of casing to the top of limestone along with the required Downhole Deployment Valves**
- **Perform VSP and wireline logging operations**
- **Drill the limestone formation with 8 1/2" hole**
  - Log entire limestone section to establish reservoir properties and hydrocarbon column height
  - Perform required well testing
- **Evaluate Logging/Testing data and assess gas volumes**



# Cautionary & Forward Looking 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 InterOil expects, believes or anticipates will or may occur in the future are forward-looking statements. In particular, this press release contains forward looking statements concerning drilling activities in the Elk/Antelope field. 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, 2007 on Form 40-F and its Annual Information Form for the year ended December 31, 2007. In particular, there is 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.
- We currently have no resources or reserves as defined in Canadian National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities. The United States Securities and Exchange Commission permits oil and gas companies, in their filings with the SEC, to disclose only proved reserves that a company has demonstrated by actual production or conclusive formation tests to be economically and legally producible under existing economic and operating conditions. The Company includes in this presentation information that the SEC’s guidelines strictly prohibit the Company from including in filings with the SEC. Investors are urged to consider closely the disclosure in the Company’s Form 40-F, available from us at [www.interoil.com](http://www.interoil.com) or from the SEC at [www.sec.com](http://www.sec.com) and Annual Information Form in the year ended December 31, 2007 on SEDAR at [www.sedar.ca](http://www.sedar.ca).