



**InterOil Corporation
Elk-4 Well
Drilling Report No. 6
May 14, 2008**

Elk Prospect

Type: Gas appraisal / oil exploration well

Location: PPL 238, Eastern Papua Basin
294,206m E, 9213,459m N

Current Status: Drilling ahead after setting a 7" tie back casing string with a new Down Hole Deployment Valve (to enhance safety). A full reservoir evaluation will be performed after the well reaches total depth.

Prior to running the 7" tie back casing string InterOil performed the first Drill Stem Test (Elk#4 DST 1) in the Antelope limestone reservoir covering an open hole interval from 7,205 to 7,400 feet (2,196 to 2,256 meters). At surface the well flowed at a peak rate of 7.23 MMCFPD, 82 barrels of condensate per day, and approximately 100 barrels of load water and drilling mud was produced during clean-up and testing, on a one inch choke with a flowing pressure of 510psi. A surface shut-in pressure of 3,050 psi was recorded during operations.

The condensate ratio of 11.5 barrels per million cubic feet of gas produced is significantly greater than the 5 barrels per million cubic feet yield measured in the initial Elk-1 well. The downhole gauges have been retrieved and the data is currently being analyzed by third party specialists.

DST#1 establishes a new lowest known gas for the Elk and Antelope fields. The forward plan is to continue drilling to TD at which time the well will be fully evaluated with third party evaluation of multiple DST results.

Past Data: Elk-4 well successfully penetrated the Antelope structure at 7,402 feet (2,256 meters). Gas kick experienced with flow of gas and gas liquids (C1 to C5+) to surface.

Planned Total Depth: Approximately 8,000 feet (2,450 meters)

Operator: InterOil subsidiary, SPI (208) Limited.

Prospect Description: This well is targeting the Puri and Mendi, and Antelope Reef limestone.

FOR FURTHER INFORMATION: Please see the InterOil web site at www.interoil.com

FOR INVESTOR RELATIONS ENQUIRIES:

Anesti Dermedgoglou

anesti@interoil.com

Phone: +61 7 4046 4600

**A detailed Technical Update Presentation of the Elk - 4 well Dated May 14, 2008
may be viewed at; www.interoil.com**

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.