



NEWS RELEASE

INTEROIL ANNOUNCES THIRD QUARTER 2007 FINANCIAL RESULTS

TORONTO – November 13, 2007 -- InterOil Corporation (TSX:IOL) (AMEX:IOC) (POMSoX:IOC) today announced a net loss of \$17.9 million, or \$0.60 per share (diluted), for the third quarter of 2007, compared with \$7.3 million net loss or \$0.25 per share (diluted) in the third quarter of 2006. Earnings before interest, taxes, depreciation and amortization (EBITDA) were negative \$10.3 million in the third quarter, compared with positive \$1.4 million in the same quarter last year. The third quarter of 2007 results included \$4.7 million in expensed seismic and general exploration costs and expenses totalling \$4.1 million related to the LNG joint venture project.

In the third quarter, the refinery's gross margin was \$2.0 million on 1.92 million barrels, up by \$2.4 million on the gross margin posted in the same quarter of 2006. These operational improvements were more than offset by losses on derivative contracts and lower foreign exchange gains.

The Company's wholesale and retail distribution business reported gross margin of \$6.1 million on sales volumes of 141.9 million liters, an increase of \$0.7 million from the third quarter of last year.

Drilling activities at the Elk-2 well concluded in the quarter, reaching a total depth of 10,919 feet (3,329 meters). Formation testing and evaluation was also conducted. The seismic acquisition program over the Elk and Antelope structures have also been completed. Current operations include, preparing to drill the Elk-4 appraisal well. The Company expects that well to be spudded shortly.

As announced by the Company during the quarter, InterOil reached a key milestone in its LNG project with the signing of a shareholder agreement with Merrill Lynch Commodities and Pacific LNG. This agreement and the partnership formalised by it, established the foundation to proceed with the project, commencing with front-end engineering and design work.

CONFERENCE CALL TOMORROW

InterOil will host a conference call on Wednesday, November 14, 2007 at 8:30 a.m. Eastern to discuss third quarter results and the company's outlook for the remainder of the year. The call conference can be heard through a live audio web cast on the company's website at www.interoil.com or accessed by dialing (612) 332-0226. A replay of the broadcast will be available on the website after the call.

FINANCIAL DISCLOSURE DOCUMENTS FILED

InterOil filed its unaudited financial statements and accompanying notes for the quarter ended September 30, 2007 and the related management's discussion and analysis with the relevant Canadian and United States securities regulatory authorities. Copies of the documents may be accessed electronically at www.sedar.com, www.sec.gov or on our website at www.interoil.com. Summary financial and operational data have been included with this release. You should read this summary together with our financial statements and Management's Discussion and Analysis.

COMPANY DESCRIPTION

InterOil Corporation is developing a vertically integrated energy business with its primary focus in Papua New Guinea and the immediately surrounding region. InterOil's assets consist of petroleum licences covering about nine million acres, an oil refinery, and retail and commercial distribution assets, all located in Papua New Guinea. During 2006, InterOil announced a gas and condensate discovery, completed an optimization program at the refinery, and doubled its downstream business. In addition, InterOil is participating in a joint venture established to construct Papua New Guinea's first LNG plant on a site adjacent to its refinery.

FOR FURTHER INFORMATION

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CAUTIONARY STATEMENTS

This news release contains projections and other forward-looking statements within the meaning of United States and Canadian securities laws. These projections and statements reflect the company's current views with respect to future events and financial performance. No assurances can be given, however, that these events will occur or that these projections will be achieved and actual results could differ materially from those projected as a result of certain factors. Some of the factors which could affect our future results and could cause results to differ materially from those expressed in our forward-looking statements include: the ability of our refinery to operate at full capacity and to operate profitably; the success of our exploration activities; political, legal and economic risks related to our operations in Papua New Guinea; our ability to market refinery output; our dependence on exclusive relationships with our suppliers and customers; our ability to obtain necessary licenses; our ability to renew our petroleum licenses with the Papua New Guinea government; adverse weather, explosions, fires, natural disasters and other operating hazards, some of which may not be insured; the impact of competition; the enforceability of legal rights; the volatility of prices for crude oil and the volatility of the difference between our purchase price of oil feedstock and the sales price of our refined products; the uncertainty of our ability to attract capital; uninsured operations; covenants in our financing and other agreements that may limit our ability to engage in business activities, raise additional financing or respond to changes in markets or competition; and the risk factors discussed in our filings with the Securities and Exchange Commission, including but not limited to those in our Annual Report for the year ended December 31, 2006 on Form 40-F/A.

Any forward-looking statement speaks only as of the date on which such statement is made and the company undertakes no obligation to correct or update any forward-looking statement, whether as a result of new information, future events or otherwise.

InterOil currently has no *reserves* as defined in Canadian National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101"). Any information contained herein regarding resources are references to *undiscovered resources* under NI 51-101, whether stated or not.

NON-GAAP MEASURES – EBITDA

Earnings before interest, taxes, depreciation and amortization, commonly referred to as EBITDA, represents our net income (loss) plus total interest expense (excluding amortization of debt issuance costs), income tax expense, depreciation and amortization expense. EBITDA is used by InterOil to analyse operating performance. EBITDA does not have a standardized meaning prescribed by Canadian generally accepted accounting principles and, therefore, may not be comparable with the calculation of similar measures for other companies. The items excluded from EBITDA are significant in assessing our operating results. Therefore, EBITDA should not be considered in isolation or as an alternative to net earnings, operating profit, net cash provided from operating activities, and other measures of financial performance prepared in accordance with Canadian generally accepted accounting principles. Further, EBITDA is not a measure of cash flow under Canadian generally accepted accounting principles and should not be considered as such.

INTEROIL CORPORATION
Supplemental Financial Data

Consolidated – Operating results (\$ thousands, unless otherwise indicated)	Quarter ended Sept 30,		Nine months ended Sept 30,	
	2007 ⁽¹⁾	2006 (restated)	2007 ⁽¹⁾	2006 (restated)
Sales and operating revenues	188,365	109,352	453,604	340,758
Interest revenue	501	1,048	1,734	2,375
Other non-allocated revenue	1,239	583	2,203	2,150
Total revenue	190,105	110,982	457,541	345,283
Cost of sales and operating expenses	(180,366)	(104,460)	(419,871)	(335,078)
Office and administration and other expenses	(14,836)	(9,079)	(33,029)	(27,911)
Foreign exchange gain/(loss)	2,011	4,402	2,240	4,494
Gain on LNG shareholder agreement	-	-	6,553	-
Loss on proportionate consolidation of LNG Project	(2,432)	-	(2,432)	-
Exploration costs	(4,232)	(505)	(12,071)	(6,227)
Exploration impairment	(505)	(31)	(526)	(1,528)
Earnings before interest, taxes, depreciation and amortization	(10,255)	1,370	(1,595)	(20,967)
Depreciation and amortization	(2,959)	(3,100)	(10,038)	(8,799)
Interest expense	(5,223)	(5,350)	(14,562)	(11,626)
Loss from ordinary activities before income taxes	(18,437)	(7,079)	(26,195)	(41,392)
Income tax expense	473	(291)	(71)	(1,337)
Non-controlling interest	72	47	66	307
Total net loss	(17,892)	(7,323)	(26,200)	(42,422)
Net loss per share (dollars)	(0.60)	(0.25)	(0.88)	(1.44)
Net loss per diluted share (dollars)	(0.60)	(0.25)	(0.88)	(1.44)
Cash flows from operations	(19,668)	1,137	(19,782)	(15,927)

INTEROIL CORPORATION
Supplemental Financial Data

Operating results – unaudited (\$ thousands, unless otherwise indicated)	Quarter ended Sept 30,		Nine months ended Sept 30,	
	2007	2006	2007	2006
Upstream	1,176	900	1,967	4,544
Midstream – refinery and marketing	168,737	94,687	386,377	304,617
Midstream – liquefaction	10	—	15	—
Downstream	102,786	39,527	273,785	105,329
Corporate and consolidated	(82,605)	(24,132)	(204,604)	(69,207)
Sales and operating revenues	190,105	110,982	457,541	345,283
Upstream	(4,716)	(1,310)	(14,865)	(8,743)
Midstream – refinery and marketing	(12,199)	(4,309)	(11,805)	(27,769)
Midstream – liquefaction	(4,104)	(298)	(4,871)	(298)
Downstream	(255)	1,278	4,038	3,421
Corporate and consolidated	3,382	(2,684)	1,303	(9,033)
Net income (loss) per segment	(17,892)	(7,323)	(26,200)	(42,422)

Key Operating Metrics	Quarter ended Sept 30,		Nine months ended Sept 30,	
	2007	2006	2007	2006
Midstream – Refinery and Marketing				
Throughput (barrels thousands)	1,494	1,294	4,509	3,697
Operating days	71	75	229	188
Distillates as percentage of production	65%	70%	65%	64%
Sales volumes (barrels thousands)	1,915	1,010	4,694	4,127
Gross margin (\$ thousands)	1,957	(365)	14,682	(8,093)
Cost of production (\$ per barrel)	\$2.12	\$4.13	\$2.38	\$3.27
Downstream				
Sales volumes (liters thousands)	141,926	54,418	406,854	156,320
Gross margin (\$ thousands)	6,058	5,379	17,876	14,122
Cost of distribution (\$ per liter)	\$0.02	\$0.06	\$0.02	\$0.06