



NEWS RELEASE

INTEROIL ANNOUNCES SPUDDING OF THE ELK-4 APPRAISAL WELL IN PAPUA NEW GUINEA

PORT MORESBY – November 15, 2007 -- InterOil Corporation (IOL:TSX) (IOC:AMEX) (IOC:POMSoX), today announced that drilling has commenced on the Elk-4 appraisal well, located approximately 1 mile (1.5 km) south of the 2006 Elk-1 discovery well in Petroleum Prospecting License 238. The Elk-4 is planned to test the Puri and Mendi limestone formations and is expected to take between 85 to 110 days to drill. The target depth of the well is approximately 7,874 feet (2,400 meters) measured depth.

"Elk-4 is targeted to drill the high pressure gas column experienced in the Elk-1 discovery well and to intersect the underlying Antelope structure identified by the newly acquired seismic program. This well will further delineate the natural gas resource in the Elk / Antelope structures," said Mr. Phil Mulacek, Chairman and CEO.

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.

InterOil's common shares trade on the Toronto Stock Exchange under the symbol IOL in Canadian dollar and on the American Stock Exchange under the symbol IOC in US dollars.

For more information please see the InterOil website at: www.interoil.com.

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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 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.

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.