



InterOil Limited
PO Box 1971
Defens Haus
Cnr Champion Parade
and Hunter Street
Port Moresby
Papua New Guinea NCD
Phone: (675) 321 7040
Fax: (675) 321 1553
www.interoil.com

MEDIA RELEASE

Wednesday, 30 July 2008

Elk-4 results - a “real bonanza” for LNG Project

PORT MORESBY: The Liquid Niugini Gas Project received a major boost following the release of the latest evaluation data from InterOil’s Elk-4 exploration drill site.

InterOil, a foundation partner in the LNG Project, says the results indicate Elk-4 to be a significant discovery of gas and condensate.

Tests performed to date have confirmed the Company’s initial expectations.

InterOil President Bill Jasper has described the results as “extremely positive”.

“On this basis we can confirm that Elk-4 is expected to be a production well able to feed the planned Liquid Niugini Gas Project”.

Among the key results of the most recent testing are

- Evidence that the subterranean gas column is 618 metres thick
- A condensate ratio two and a half times greater than the results obtained from the top of the Elk-1 discovery well.
- A strong stabilized gas flow rate. The well flowed at a rate of 10-point-4 million cubic feet per day and the calculated stabilized rate (without resistance or zero skin) is in excess of 130 million cubic feet per day. The calculated Absolute Open Flow rate is more than a massive 340 million cubic feet per day.

“It’s a real bonanza and justifies our belief that the Elk-Antelope exploration fields would yield exceptional results”.

InterOil originally struck gas at the Elk-4 site in early May.

A series of test results over recent months continued to return positive results.

It was InterOil’s second promising gas strike in that part of Papua New Guinea in less than two years.

The company has been very encouraged by the testing at Elk-4 and has begun preparations for appraisal drilling at the nearby Antelope-1 site

The exploration site and camp have been prepared and drilling will commence in the weeks ahead.

“This latest drilling report is great news for all our partners in the LNG Project”, Mr. Jasper said.

The multi billion Kina construction project would be one of the largest investments ever made in Papua New Guinea.

The project involves the construction of a new gas processing plant on land adjacent InterOil’s Port Moresby refinery and a pipeline to transport the gas from the Gulf Province.

For further in formation please contact

Susuve Laumaea

Senior Manager Media Relations InterOil Corporation

Ph: 321 7040

Mobile: + (675) 684 5168

Email: susuve.laumaea@interoil.com