This presentation includes “forward-looking statements” as defined in United States federal and Canadian securities laws. All statements, other than statements of historical facts, included in this presentation that address activities, events or developments that the Company expects, believes or anticipates will or may occur in the future are forward-looking statements. In particular, this presentation contains forward-looking statements pertaining to business plans and strategies, estimated characteristics of the Antelope-1 & 2 discovery, exploration prospects, proposed development of a condensate stripping facility, modular liquefied natural gas processing facility with Energy World Corporation, (including design conclusions, costs, timing of development, economics of the facility and ownership of such facility, timing of first cargo and completion costs), farm-in process on the Elk and Antelope fields, negotiation and finalization of definitive agreements with Mitsui & Co., Ltd. and/or Energy World Corporation, the proposed sale of interest in the Elk and Antelope resources, operations in the proposed LNG plant and LNG offtake agreements, and exploration and development activities including, potential resource revisions, proposed seismic program, horizontal drilling, acquiring a second drilling rig, bolt-on acquisitions for mid- and downstream infrastructure. 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. No assurances can be given however, that any of these events will occur. 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 inherent uncertainty of oil and gas exploration activities; the availability and cost of drilling rigs, oilfield equipment, and other oilfield exploration services; the Company’s ability to finance the development of its LNG facility; the Company’s ability to timely construct and commission the LNG facility; turmoil in the financial and capital markets; political, legal and economic risks in Papua New Guinea; landowner claims; weather conditions and unforeseen operating hazards; the impact of legislation regulating emissions of greenhouse gases; and 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 Information Form in the year ended December 31, 2009 and the MD&A for the period ended December 31, 2009, available at www.sec.com and www.sedar.com. Readers are cautioned that the foregoing list of factors that may affect future results is not exhaustive. The forward-looking statements contained in this presentation are made as of the date hereof and InterOil does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, except as required by applicable securities laws. The forward-looking statements contained herein are expressly qualified by this cautionary statement.

We currently have no reserves as defined in Canadian National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities. 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 or from the SEC at www.sec.com and Annual Information Form in the year ended December 31, 2009 on SEDAR at www.sedar.ca

All calculations converting natural gas to crude oil equivalent have been made using a ratio of six mscf of natural gas to one barrel of crude equivalent. BOE’s may be misleading, particularly if used in isolation. A BOE conversion ratio of six mscf of natural gas to one barrel of crude oil equivalent is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.
Cautionary & Forward-Looking Statements

Contingent resources referred to in this presentation are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development. There is no certainty that it will be commercially viable to produce any portion of the resources. These resource estimates are not classified as reserves primarily due to lack of marketing infrastructure, further project application, facility and reservoir design work. There is no guarantee that all or any part of the estimated resources will be recovered. Although a final project has not yet been sanctioned, pre-Front End Engineering and Design (FEED) studies are ongoing for LNG and condensate stripping operations as options for monetization of the gas and condensate. The proposed LNG plant will consist of a 220 mile pipeline from the Elk/Antelope field to the plant which is to be located adjacent to the InterOil refinery near Port Moresby. An export terminal will also be constructed at the LNG plant. However, commerciality of any monetization project has not been implemented for the purposes of deriving the resource estimates.

The accuracy of resource estimates are in part a function of the quality and quantity of the available data and of engineering and geological interpretation and judgment. Other factors in the classification as a resource include a requirement for more delineation wells, detailed design estimates and near term development plans. The size of the resource estimate could be positively impacted, potentially in a material amount, if additional delineation wells determined that the aerial extent, reservoir quality and/or the thickness of the reservoir is larger than what is currently estimated based on the interpretation of the seismic and well data. The size of the resource estimate could be negatively impacted, potentially in a material amount, if additional delineation wells determined that the aerial extent, reservoir quality and/or the thickness of the reservoir are less than what is currently estimated based on the interpretation of the seismic and well data.

The “low” estimate of contingent resources set forth in this presentation is considered to be a conservative estimate of the quantity that will actually be recovered. It is likely that the actual remaining quantities recovered will exceed the low estimate. If probabilistic methods are used, there should be at least a 90 percent probability (P90) that the quantities actually recovered will equal or exceed the low estimate. The “best” estimate is considered to be the best estimate of the quantity that will actually be recovered. It is equally likely that the actual remaining quantities recovered will be greater or less than the best estimate. If probabilistic methods are used, there should be at least a 50 percent probability (P50) that the quantities actually recovered will equal or exceed the best estimate. The “high” estimate is considered to be an optimistic estimate of the quantity that will actually be recovered. It is unlikely that the actual remaining quantities recovered will exceed the high estimate. If probabilistic methods are used, there should be at least a 10 percent probability (P10) that the quantities actually recovered will equal or exceed the high estimate. Marketable gas estimates exclude CO2, shrinkage and gas used for fuel.
InterOil committed to an exploration program based on State incentives in 2003. We hold 3.9 million acres and have spent over US$400 million in a mostly abandoned frontier area.

In 2006 InterOil discovered the Elk gas field and followed up in 2008 with the discovery of the massive Antelope Gas field.

Appraisal of Elk/Antelope immediately ensued and the results have yielded a gross resource of approximately 10.6 TCF of gas in place (see page 24 of 2009 AIF).

These results have initiated our plans for accelerated monetization of gas and liquids in PNG.
InterOil Added 889 mn BOE of Contingent Resources in 2009

<table>
<thead>
<tr>
<th>Case</th>
<th>As at 31 December, 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>Best</td>
</tr>
<tr>
<td>Original Gas-In-Place (tcf)</td>
<td>9.65</td>
</tr>
<tr>
<td>Initial Recoverable Raw Gas (tcf)</td>
<td>6.87</td>
</tr>
<tr>
<td>Initial Recoverable Sales Gas (tcf)</td>
<td>6.19</td>
</tr>
<tr>
<td>Initial Recoverable Condensate (mmbbls)</td>
<td>117.1</td>
</tr>
</tbody>
</table>


InterOil organically increased the estimated contingent resources associated with the Elk, Antelope and Mule Deer fields to 1.52 Billion BOE’s over two years.

*Resources are presented on a 2C basis

** 6 mmscf = 1 mboe

~ 9.12tcf
Flow Rate Comparison of Elk/Antelope Wells

<table>
<thead>
<tr>
<th>Well</th>
<th>Gross Reservoir</th>
<th>Net Reservoir</th>
<th>Percent Pay</th>
<th>Production Tubing OD</th>
<th>Flow Test Natural Gas Condensate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elk-1</td>
<td>620 Ft.</td>
<td>88 Ft.</td>
<td>14%</td>
<td>5.5 inch</td>
<td>102 MMcfd 510 BCPD</td>
</tr>
<tr>
<td>Elk-4</td>
<td>600 Ft.</td>
<td>166 Ft.</td>
<td>28%</td>
<td>4.5 inch</td>
<td>105 MMcfd 1,890 BCPD</td>
</tr>
<tr>
<td>Antelope-1</td>
<td>2,600 Ft.</td>
<td>2,277 Ft.</td>
<td>88%</td>
<td>7.0 inch</td>
<td>382 MMcfd 5,000 BCPD</td>
</tr>
<tr>
<td>Antelope-2</td>
<td>1,224 Ft.</td>
<td>1,175 Ft.</td>
<td>96%</td>
<td>7.0 inch</td>
<td>705 MMcfd 11,200 BCPD</td>
</tr>
</tbody>
</table>

InterOil believes the Antelope-2 well and previous wells have potential productive capacity of over 1.2 Bcf/d. The condensate ratio established at the bottom of the Antelope-2 reservoir further assists the economic attractiveness of the proposed condensate stripping facility.
# Top 10 Papua New Guinea Oil & Gas Fields

<table>
<thead>
<tr>
<th>Oil Fields¹</th>
<th>MMSTBO</th>
<th>BCF</th>
<th>MMBC</th>
<th>BCF</th>
<th>MMBOE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elk &amp; Antelope²</td>
<td></td>
<td></td>
<td>156.5</td>
<td>8,120</td>
<td>1,509.8</td>
</tr>
<tr>
<td>Hides</td>
<td></td>
<td></td>
<td>101.0</td>
<td>5,371</td>
<td>996.2</td>
</tr>
<tr>
<td>Kutubu</td>
<td>348.6</td>
<td>1,722</td>
<td></td>
<td></td>
<td>635.6</td>
</tr>
<tr>
<td>Angore</td>
<td></td>
<td></td>
<td>5.0</td>
<td>3,328</td>
<td>559.7</td>
</tr>
<tr>
<td>Juha³</td>
<td></td>
<td></td>
<td>2,100</td>
<td></td>
<td>350.0</td>
</tr>
<tr>
<td>Moran</td>
<td>110.0</td>
<td>206</td>
<td></td>
<td></td>
<td>144.3</td>
</tr>
<tr>
<td>Pandora</td>
<td></td>
<td></td>
<td>644</td>
<td></td>
<td>107.3</td>
</tr>
<tr>
<td>Barikewa</td>
<td></td>
<td></td>
<td>605</td>
<td></td>
<td>100.8</td>
</tr>
<tr>
<td>SE Gobe</td>
<td>43.5</td>
<td>176</td>
<td></td>
<td></td>
<td>72.9</td>
</tr>
<tr>
<td>Gobe main</td>
<td>28.2</td>
<td>132</td>
<td></td>
<td></td>
<td>50.2</td>
</tr>
</tbody>
</table>

¹ Estimate on 50% probability basis. Source PNG DPE 2007
² GLJ Resource Estimate – February 2010
³ Estimated from public data
2010 Achievements

- Increased Certified Resources in the Elk/Antelope fields with GLJ from 4.7 to 10.6 Tcf of Gas-in-Place
- Enhanced the understanding of the Antelope reservoir with 2 horizontal wells drilled from Antelope 2 well along with significant geoscience and engineering programs
- Completed the 100km Appraisal Seismic program
- Exploration seismic shot over Bwata and Wolverine prospects
- Partnership with Mitsui and progressed works on Condensate Stripping plant
- Progressed licensing of the CSP and developed a licensing group to oversee this function for the Upstream and Mid-stream
- Construction business has put us in a position to initiate early works to reduce risk and overall capital costs
- Acquisition of Rig 3
Drilling

Antelope 2 Well Summary

- Drilled vertical well to 2465 meters MD
- Drilled Horizontal 1 to 3201 meters MD, an additional 1055 meters resulting in 934 meters lateral away from the vertical well in WNW direction
- Drilled Horizontal 2 to 2960 meters MD, an additional 541 meters of new hole resulting in 686 meters lateral away from the vertical well in ESE direction

Drilled, tested and logged an additional 1596 meters all in pay within the Antelope reservoir
Antelope 2 Wellbore Schematic

WELLOBE SCHEMATIC - ANTELOPE-2 PLUG BACK & SUSPENSION

12th October 2010

Note: All bridge plug were set using RKB of rig 7.33m

Ground Level: 135m
GL - RKB: 7.95m
Subsea - RKB: 142.05m

InterOil
Once drilled into the reservoir there is reservoir pressure constantly at surface

Dual DDV’s have been run to insure safety and continuous operations (first ever)

Ran 7” dual DDV’s then pulled them back out to maximize wellbore deliverability and to be re-run at later date

Ran 5 ½” liner through 7” casing to allow for large enough horizontal wellbore (many said could not be done)

Drilled horizontal sections with two different horizontal TVD’s
  ➢ Ran full suite of electric logs with drill pipe conveyed shuttle tools to TD in both horizontals
  ➢ Successfully tested each depth in isolation with slim hole DST tools

Many of these things need much forethought and planning in order to perform without delays
  ➢ Need to work closely with contractors, in some cases special equipment must be manufactured
  ➢ Must pre-invest wisely to allow for this flexibility without spending too much risk money early

Use of Bi-center bits to counteract the reactive and stressed shales

Jacking up our rig to enable for rotating head to fit under substructure

No Lost Time Incidents
CSP Layout With Expansion Potential
Revised Case

Fig. G  Phase-1 Only (w/o Amine)  Fig. H  All Phases (w/o Amine)
Proposed Upstream Development

- Elk/Antelope Field
- Upstream JV Equity
- Up to 7 additional wells
- Condensate Stripping
- Gathering Pipeline
- Gas Pipeline
- Petroleum Development License
- Condensate Stripping Plant
- CSP No.1 – 450 MMSCFPD
- IOC/Mitsui (State to Entry)
- Project Financed by Mitsui – Direct or Third Parties
- 10 year Tolling Agreement – Fixed Return
- End Agreement Assets Owned by Upstream JV
- Currently Only Covers CSP No. 1
Mid-Stream: Pipeline and LNG Plant

Condensate Pipeline
Upstream JV
Equity

Condensate Terminal
Upstream JV
Equity

Dry Gas Pipeline
LNGL* Equity or Other Means

Mid-size LNG
LNGL EWC

LNG Loading Jetty
(& Condensate)
LNGL Equity *

Petroleum Processing
Facilities License

Initial HOA – 2mtpa

* Depends on best to obtain non-equity financing

Pipeline License

Gulf Coast Location

* Shared Facilities – Likely recovery CAPEX used fee
Construction Projects

• Six key projects are either underway or in the planning stages
  I. Pipeline right-of-way from Elk Antelope field to the CSP
    a. Access track to field for Husky’s
  II. CSP/Herd Staging development
  III. Pipeline right-of-way from CSP to the coast near Orokola Bay
  IV. Land based Mid-Size LNG site
  V. LNG/Condensate Jetty
  VI. Napa Napa Laydown/Wharf expansion

The following map identifies each of these projects
Additional Proposed Construction Operations

• Well location construction
• Rig moves co-share with drilling
• In field track construction to well locations
• Equipment maintenance
  – At Herd
  – At Napa Napa
  – In field
Elk/Antelope Monetization

(1) Pipeline - Field to CSP

(II) CSP/Herd

(III) Pipeline – CSP to Coast

(V) LNG/Condensate jetty

(IV) LNG

(VI) Napa Laydown/Wharf
Development of Modular LNG

Energy World Group developed Australia’s first domestic LNG plant over 18 years ago (Alice Springs LNG Facility) and pioneered the transportation of LNG by road.

Energy World Group decided LNG was the best way to supply Asia’s growing energy demands and protect the environment.

Energy World Group approached liquefaction equipment makers asking for their standard equipment – when standard equipment does not exist.

Energy World Group ordered a FEED Study to design a standard modular ½ MTPA liquefaction train using standard pipeline gas.

1. Cold Box
2. Brazed Aluminum Heat Exchanger
3. Compression
4. Air Cooled Heat Exchanger
5. Pre-Treatment
6. LNG Storage Tank
In Summary

- Resource has been solidified
- CSP has been significantly progressed
- LNG has been defined

2011 *is all about development execution and performance and maximizing value of our extensive exploration acreage*