Prime Minister visits operation

SINGAPORE and PORT MORESBY, April 27, 2015 /CNW/ -- InterOil Corp. (NYSE: IOC; POMSoX: IOC) has begun flow testing at the Elk-Antelope gas field in Papua New Guinea as part of the field appraisal.

Papua New Guinea Prime Minister the Honorable Peter O'Neill and the Minister for Department of Petroleum and Energy the Honorable Nixon Duban today visited the Antelope-5 well site in the Gulf Province to see the operation and to be briefed on the Elk-Antelope LNG Project, a joint venture of InterOil, Total of France, and Oil Search.

InterOil Chief Executive Dr Michael Hession, Total Managing Director in Papua New Guinea Philippe Blanchard, and Oil Search Managing Director Peter Botten accompanied Prime Minister O'Neill and Minister Duban.

The Antelope-5 flow rate is constrained by reservoir engineers to a maximum test rate of about 70 million standard cubic feet a day.

Dr Hession said pressure gauges are planned to be placed in the field to monitor the pressure response during an extended test of Antelope-5.

"Antelope-5 has the best reservoir thickness, quality and fracture density of all wells on the field, which signifies a world-class reservoir," Dr Hession said.

"By flowing the well under different conditions, we will be able to calculate maximum potential flow rates and better understand reservoir size, productivity and connectivity."

Dr Hession said data from the testing would help the joint venture to optimize design of the LNG plant and associated infrastructure.

The joint venture is finalizing plans for field testing, including drilling another well, Antelope-6, to define the eastern flank of the reservoir.

Drilling operations at Antelope-4 in the southern flank of the reservoir have been suspended at a measured depth of 2,134 meters. Cores were cut in the upper part of the reservoir as planned, resulting in a recovery of 33 meters of dolomite. Drilling continued in the reservoir and substantial mud losses were experienced at 2,110 meters indicating the well had intersected a significant fracture system. The PRL15 Joint Venture is evaluating the information obtained from the well before deciding on next steps for Antelope-4.

During his visit, the Prime Minister was told the venture remained on track to select a preferred development concept by mid-year, to begin early development work in 2016, and to award contracts for construction in 2017.

About InterOil

InterOil Corp. is an independent oil and gas business with a primary focus on Papua New Guinea. InterOil's assets include one of Asia's largest undeveloped gas fields, Elk-Antelope, in the Gulf Province, and exploration licenses covering about 16,000sqkm. The company employs more than 2,000 staff and contractors. Its main offices are in Singapore and Port Moresby. InterOil is listed on the New York and Port Moresby stock exchanges.

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Forward Looking Statements

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To view the original version on PR Newswire, visit:http://www.prnewswire.com/news-releases/antelope-flow-testing-starts-300072365.html

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