



ANNUAL GENERAL MEETING – 30 JUNE 2014

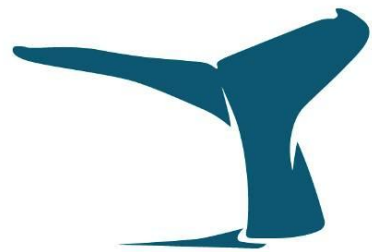
- 1. Opening of the general meeting by the chairman of the Board of Directors Anne-Grete Ellingsen**
- 2. Presentation of list of participating shareholders, in person or by proxy**
- 3. Appointment of person to chair the meeting and to co-sign the minutes**
- 4. Approval of notice of meeting and agenda**
- 5. Information regarding the operations of the Company**
- 6. Approval of the annual accounts for 2013 for the Company and the group, and the directors' report for 2013, including the allocation of the result for the year**
- 7. Information regarding the Company's principles for corporate governance**
- 8. Determination of the remuneration to the members of the Board of Directors, the audit committee and the nomination committee**
 - 1. Remuneration to members of the Board of Directors*
 - 2. Remuneration to the audit committee*
 - 3. Remuneration to the members of the nomination committee*
- 9. Approval of the auditor's fee**
- 10. Election of board members**
- 11. Election of members to the nomination committee**
- 12. The Board of Directors' declaration on salary and other remuneration for the management in Interoil Exploration and Production ASA**
- 13. Board authorisations to increase the share capital**

- Opening of the general meeting by the chairman of the Board of Directors Anne-Grete Ellingsen**
 - No voting

- Presentation of list of participating shareholders, in person or by proxy**
- Proposed resolution:
 - It is proposed that the list of participating shareholders is approved

- ❑ **Appointment of person to chair the meeting and a person to co-sign the minutes**
- ❑ Proposed resolution:
 - It is proposed that Arne Didrik Kjørnæs from Wikborg Rein law firm is appointed to chair the meeting
 - It is proposed that that an individual amongst the attending shareholders is elected to co-sign the minutes together with the chairman of the meeting

- Approval of notice of meeting and agenda**
- Proposed resolution:
 - It is proposed that the notice of meeting and agenda are approved



INTEROIL

**ITEM 5 - Annual General Meeting
30 June 2014**

1. Highlights
2. Peru update
3. Colombia update

- ❑ **Strong financial performance**
 - USD 35 million private placement and debt maturities extended – bankruptcy avoided
 - Corporate overhead savings of USD 10 million p.a. achieved
 - USD 19 million net profit on EBITDAx of USD 57 million

- ❑ **12-well drilling program completed on time and budget**
 - Colombia oil production increase of 55%
 - Increased production and stronger cash flows sufficient to fund 2014 development program
 - Enabled us to enhance our geological model for the Puli-C field

- ❑ **Simplified and strengthened corporate structure**
 - African activities terminated at no cost to InterOil
 - Isolated holding structures for Peru and Colombia

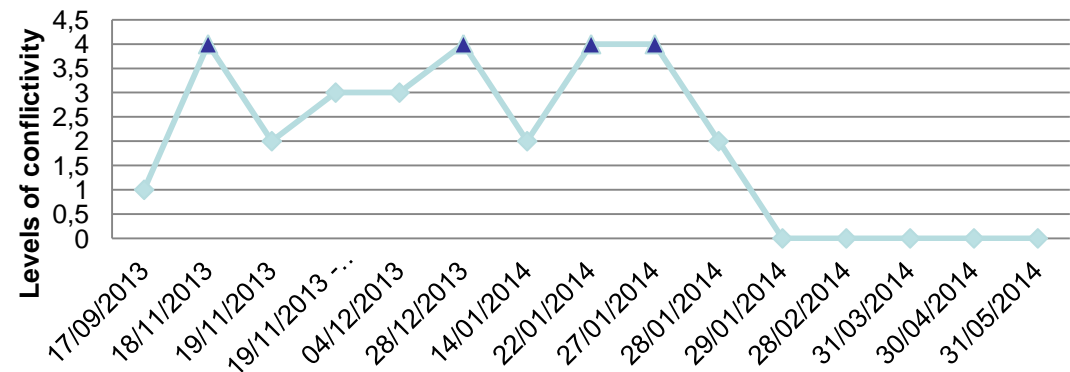


- ▣ **New organization and governance structure**
 - New management in Peru and Colombia - increased transparency and operational control
 - Designed new exploration and operation departments in Colombia with strong G&G capabilities
 - Increased operational control and HSE performance



- ▣ **Designed and implemented new CSR organization and strategy – important competition differentiator**
 - Ensure that our contributions to minimizing environmental impact, contributions to local communities, respect for human rights and labor standards drive operational performance
 - IOX includes the expectations from stakeholders in our operational planning

Community disputes



- ❑ Interoil shall grow to become one of the strongest E&P companies operating in Colombia and Peru
 - Maintain a strong balance sheet by adopting a disciplined financial philosophy that balances profitability and sustainable growth.
 - Allocate and deploy capital with a focus on achieving returns well in excess of Interoil's cost of capital.
 - Grow oil and gas production primarily through development programs focused on maximizing the value of our asset portfolio and secondary by acquiring new assets with a balanced risk profile.
 - Become the employer of choice for E&P professionals in Latin America.
 - Systematically contribute to the development of stakeholders in areas where we operate.
 - Continuously focus on improving our HSE performance in line with best practices in the Latin American E&P sector.

- ❑ 2014 Colombian development program on-track
 - Targeting production increase of 40% and significantly higher reserves
 - USD 11 mill in net capex, funded by internal cash flows
 - Medium term target to double recovery factor to build reserves

- ❑ LLA-47 exploration license: Early 3D seismic results positive
 - Final volume interpretation confirm expectation of more than 30 million barrels in reserve potential, with substantial further upside
 - USD 15 mill spent on seismic, less than USD 1 mill remaining on communities and permits
 - Drilling to start in Q4 2015

- ❑ Negative arbitration ruling in Peru
 - Interoil and advisors unable to understand legal merits of the ruling
 - Funding of SG&A and bond coupon secured through 12 month license contract with Perupetro
 - Full focus on cash flow optimization



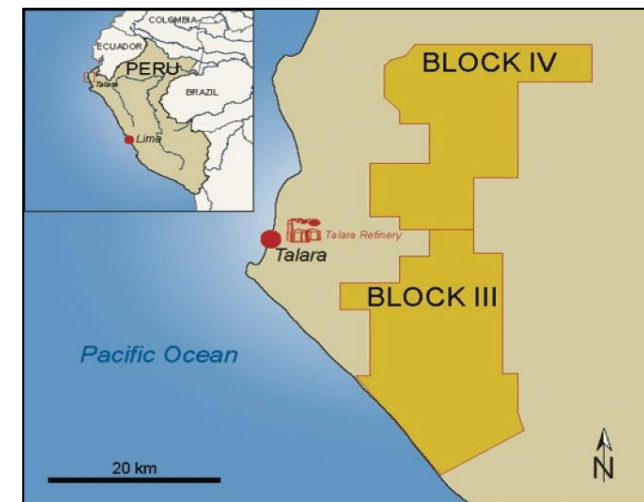
Operated portfolio of four licenses in Colombia

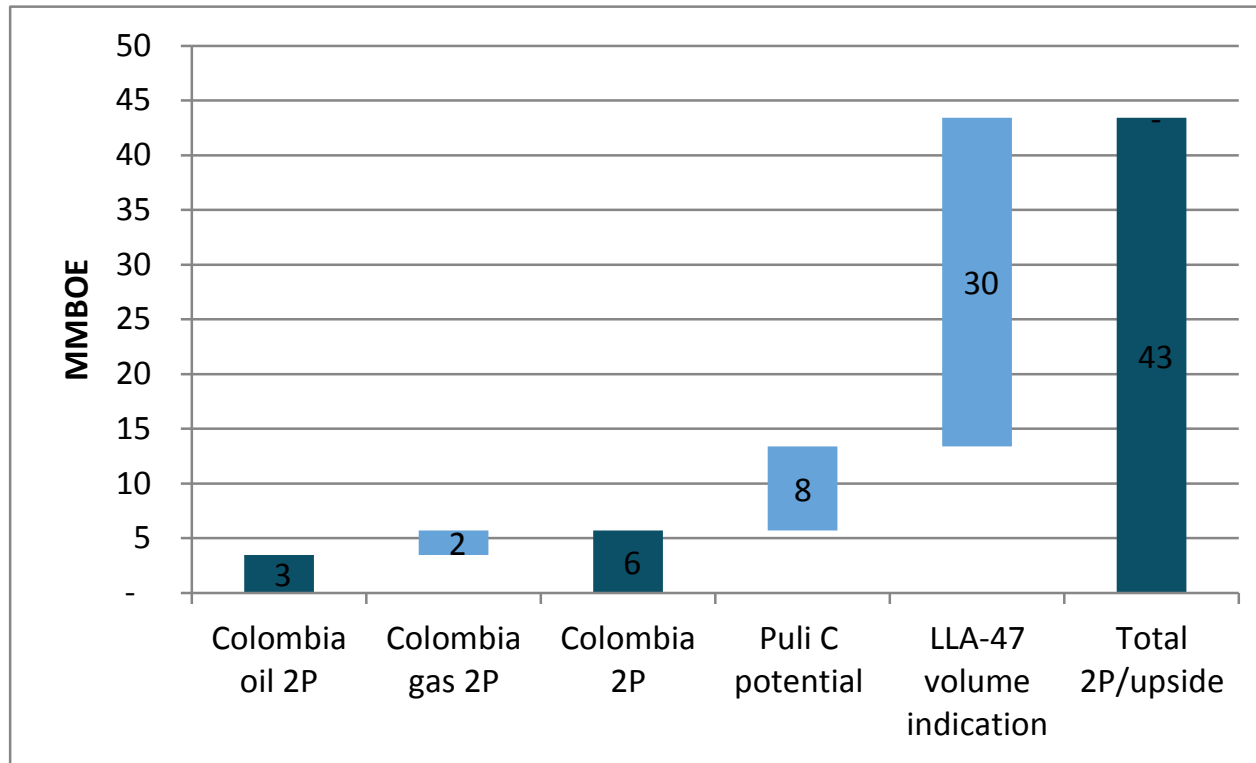
- ❑ Puli-C is the main producing block, (70% working interest, Ecopetrol 30%)
- ❑ LLA-47 exploration block in the Llanos Basin with large upside potential – to be drilled Q4 2015
- ❑ Altair currently producing 130 bopd from 1 well. Another well is under evaluation. Upside potential through new perforations and further drilling. All commitments have been fulfilled.
- ❑ In dialogue with ANH regarding technical, social and environmental issues on Cor-6. No activities planned



Operated portfolio of two licenses in Peru

- ❑ 12 month contracts, terminating in April 2015
- ❑ Upcoming bid round for same blocks. Interoil still aiming to participate, but needs qualification





❑ Colombia 2P reserves of 5,7 million boe

❑ Upside potential:

- Puli C: through increasing recovery factor from 7% to 14% (7,7 million boe) and new exploration drilling activities
- LLA-47: resource potential of more than 30 million boe based on 3D seismic
- Altair: Exploration upside distributed in various structures

- ❑ A 4% lower oil price and 11% fall in production, caused revenues to decline 18% to USD 97 million.
- ❑ EBITDA adjusted for exploration reached USD 57 million, down from USD 69 million in 2012.
- ❑ Due to significantly reduced depreciation charges, profit before tax increased from negative USD 32 million in 2012 to USD 39 million in 2013.
- ❑ The 2013 operating cash flows of USD 15 million was negatively affected by a significant strengthening of working capital.
- ❑ USD 18 million in capex, the vast majority of which was related to the 12-well drilling campaign in Colombia, in addition to USD 4 million relating to seismic on LLA-47, gave a total capex of USD 22 million, double that of 2012.
- ❑ Book equity increased by more than USD 50 million, due to the USD 35 million private placement and USD 19 million net profit.
- ❑ Interest-bearing debt was reduced by USD 10 million while working capital, including cash, increased by more than USD 30 million.

Figures in USD millions	2013	2012
Realized oil price	103	107
Production (boed WI after royalty)	4 251	4 799
Sales	97	118
EBITDAX	57	69
Profit/loss before tax	39	-32
Net income	19	-24
Operating cash flows (excl. expl)	15	39
Capex (inc expl)	22	11
Total cash flow	6	-13
Equity	-11	-63
Net working capital	-13	-38
Interest-bearing debt	65	75
Cash	16	10

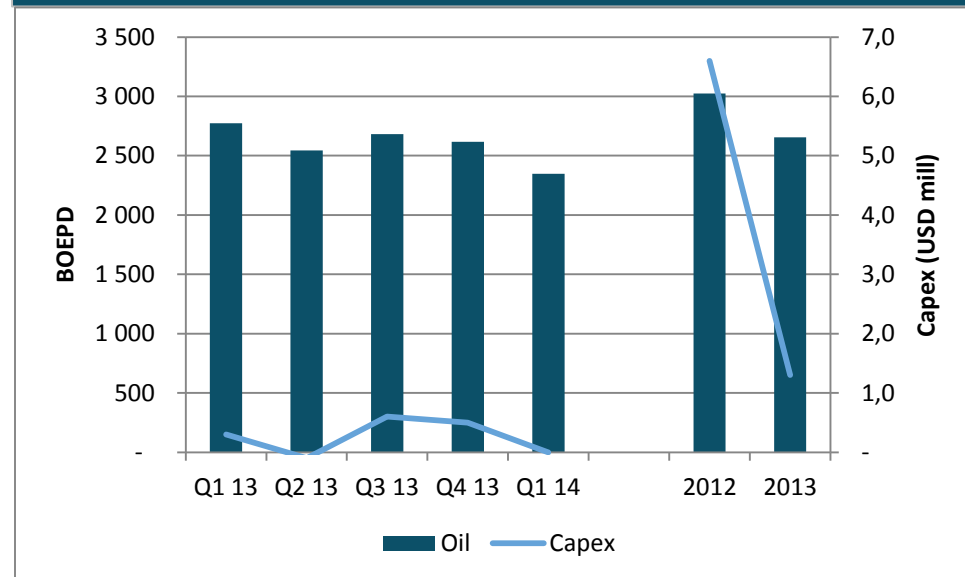
1. Highlights
2. Peru update
3. Colombia update

- ❑ Both blocks operated under a 12 month contract, expiry in April 2015
 - Investments to be kept at a minimum
 - Continued production decline to be expected

- ❑ Full focus on cash flow optimization
 - All debts repaid
 - Headquarter G&A and debt servicing supported by Peru

- ❑ Aiming to participate in upcoming bid round
 - New operator likely to be selected based on royalty rate and investment program
 - 30 year licenses with reserve potential of more than 20 million bbls
 - Bid round participants need to be qualified by Perupetro
 - Outcome highly uncertain

Working Interest Production, bbl/day



- ❑ The International Chamber of Commerce (ICC) Arbitral Tribunal dismisses Perupetro's claim for alleged financial damages against IOX arising out of the force majeure injunction.



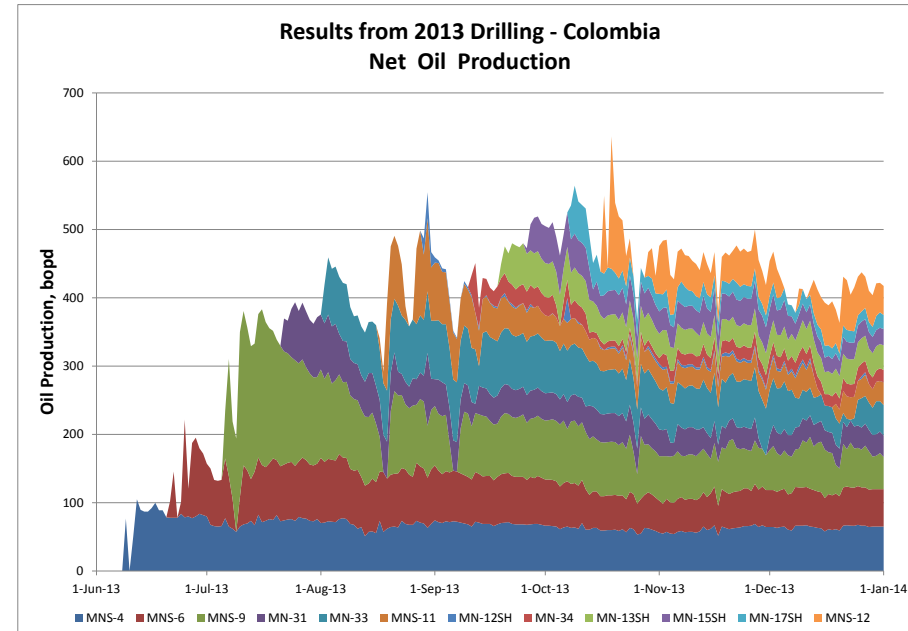
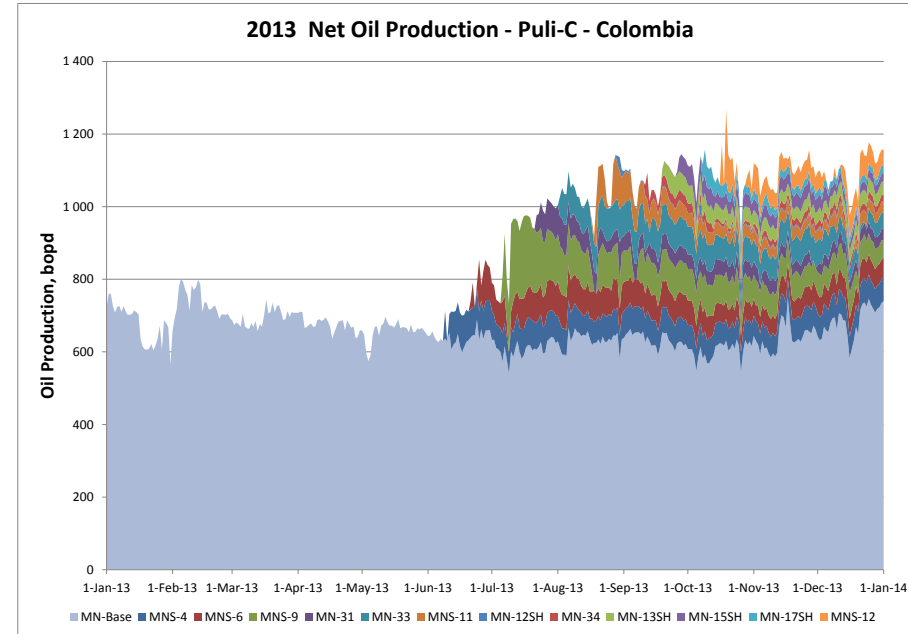
1. Highlights
2. Peru update
3. Colombia update

- ❑ 12 well drilling program profitable on all metrics:
 - IRR of 50%
 - NPV(10%) of USD 10 mill (net, after tax)

- ❑ 735 Mboe of net reserves added
 - Net capex of USD 15 mill
 - Expected ultimate recovery (EUR) of 735 Mboe (525 Mbbl oil and 1.1 BCF gas)
 - Capex per boe of appr. USD 20
 - Payback of appr. 24 months

- ❑ 66% production increase on Puli C from start of drilling program in Q2
 - Program necessary to increase cash flow
 - At year-end, new wells accounting for appr. 40% of total production

- ❑ Decline rates higher than expected:
 - Initial decline rates of 10-20% per month gave production at low-end of expectations
 - New management in place with G&G competence
 - 2014 investment program revised

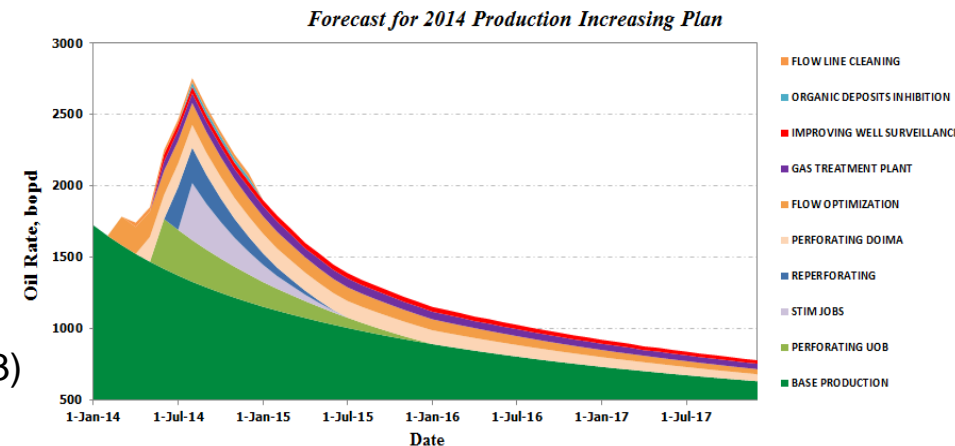


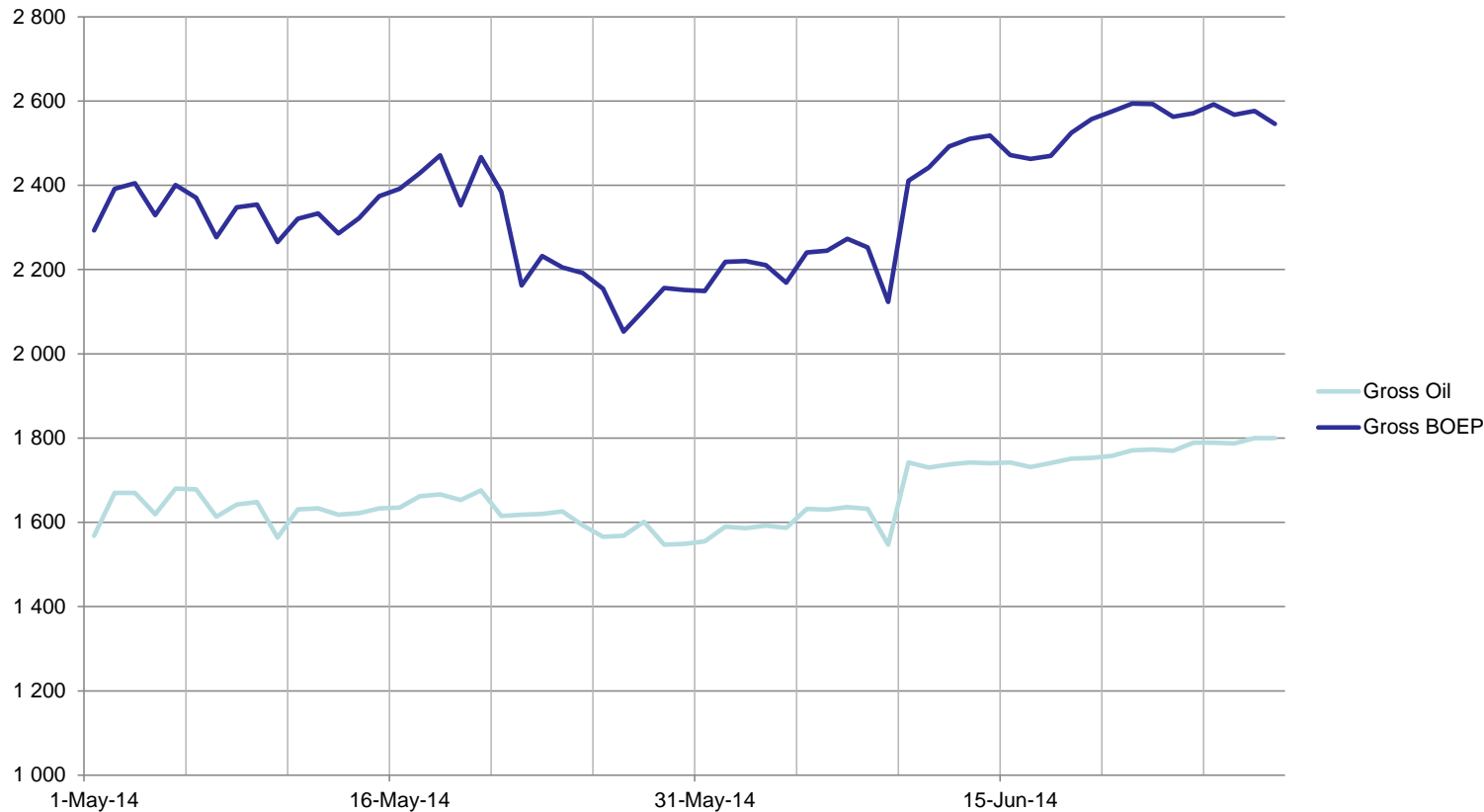
- The 2014 development plan designed to optimize production and reserves growth:
 - Operational activities aimed at reducing decline rates, increasing production and reducing operating expenses
 - The drilling of 2-3 strategic wells to increase production and reserves

- Operational activities targeting to double the recovery factor:
 - More than 110 MMbbls OOIP, but current recovery factor at 7%
 - Several initiatives implemented to reduce decline rates and increase recover factor:
 - Flow optimization – designed to reduce pressure from gas to increase oil production
 - Perforating 8 new intervals in Monserrate reservoir
 - Perforating 5 new intervals in Doima reservoir
 - Improving well surveillance and maintenance
 - Longer term (in 2015), EOR project planned to re-inject gas and water into reservoir to drive oil pressure (not included in production graph below)

- Drilling of 3 strategic wells
 - Of which 2 exploration wells

- Program expected to yield strong results:
 - Total capex of USD 14 Mill (gross)
 - 1,1 MMBoe year gross production (40% higher than 2013)
 - More than 5 MMbbls in new gross reserves
 - Program funded by internal cash flows





Production increase in June:

- Flow optimization project delayed due to Ecopetrol issues
- Perforation activities initiated in mid-June. 3 day shut-down for each well perforated
- Additional perforations planned during July

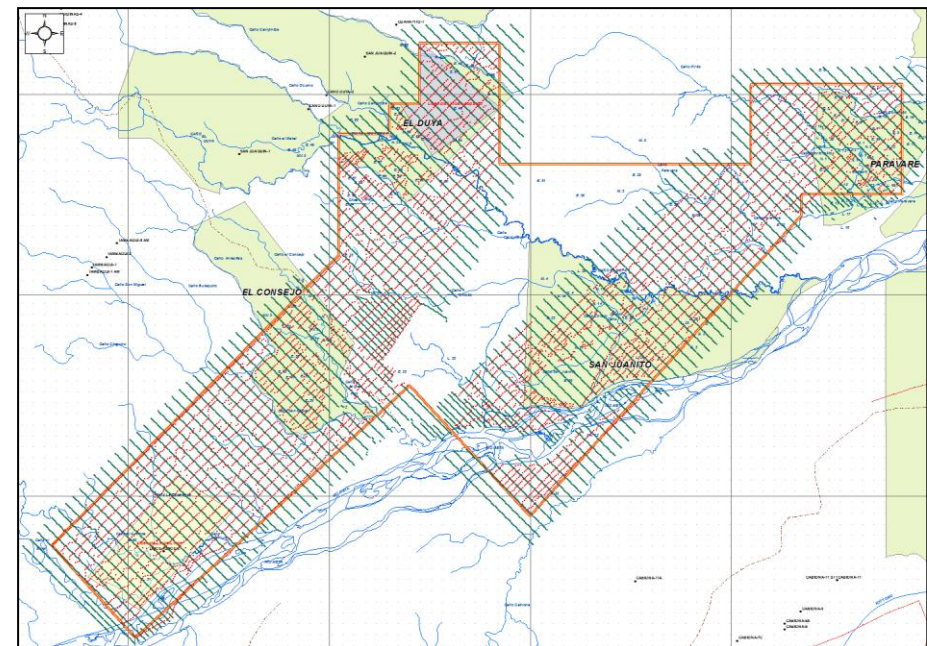
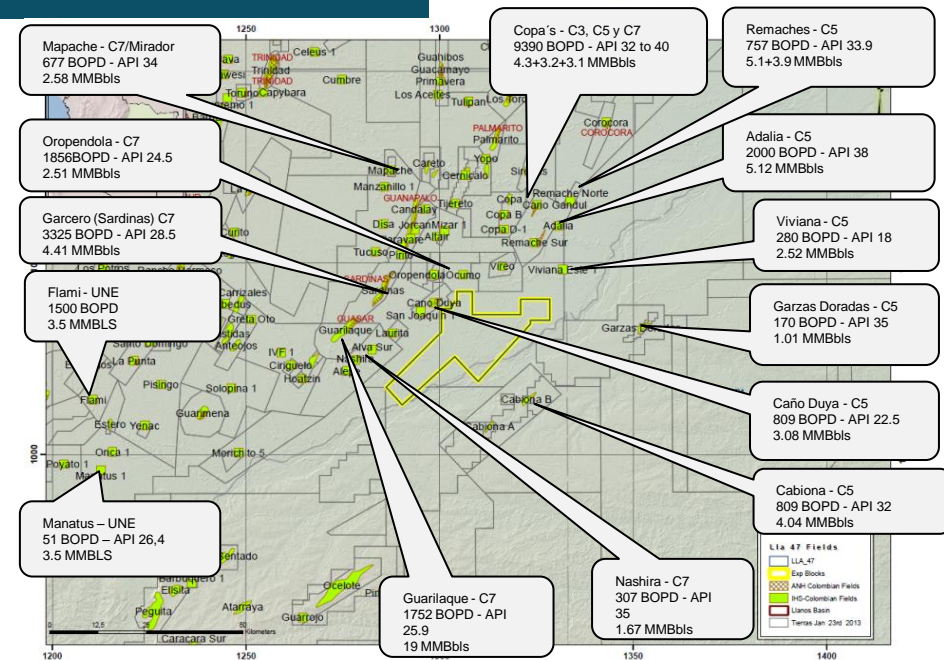
Marked production increase expected for July

- License situated in prolific neighborhood:
 - Producing from 5 different reservoirs
 - Several producers in immediate vicinity
 - Average field size of 5,5 MMbbls, API of 18-35

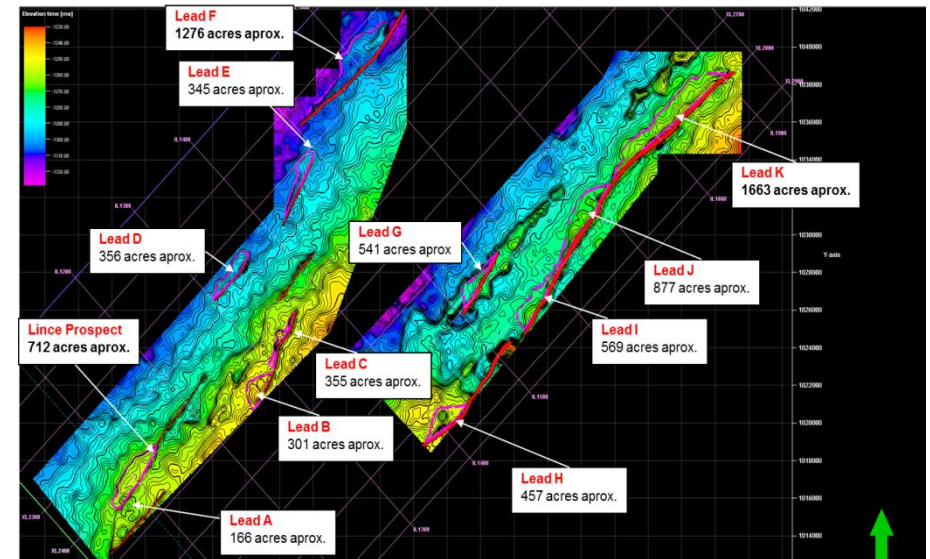
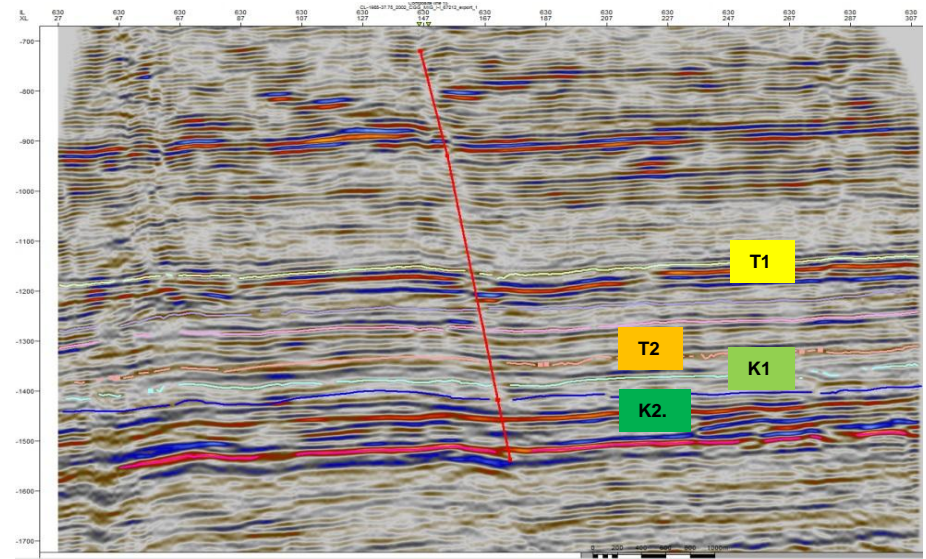
- LLA-47 3D seismic acquisition completed in March
 - At least 3 different productive trends identified
 - Final seismic volume interpreted. At least 12 structures mapped

- Environmental process in progress and the license is expected by 3Q 2015

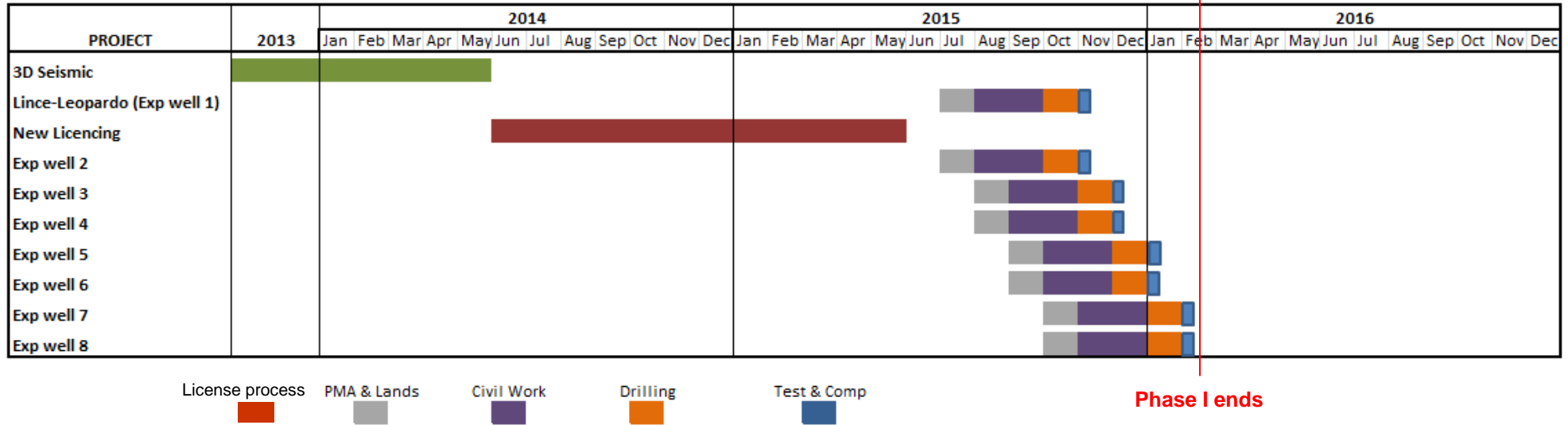
- Farm-out process ongoing
 - Expect to enter into agreement by 3Q 2014



- ❑ Seismic processing with encouraging results
- ❑ Several opportunities mapped:
 - 11 opportunities in one Tertiary reservoir
 - 12 opportunities in one Cretaceous reservoir
 - Another 3 possible reservoirs with large potential upside
 - Large area per opportunity (between 0,8 to 8 km²)
- ❑ High volume potential per opportunity:
 - 1 opportunity mapped, estimate between 4,7 (P90) – 30 (P10) MMbbls reserves
 - Probability of geological success higher than 40%
- ❑ Even in a very conservative scenario, there are more than 100 MMbbls original oil in place (OOIP)
 - Support for reserve potential of more than 30 MMbbls, based on prevailing recovery factors in the Llanos basin (neighboring fields average recovery factor of 45-50%)



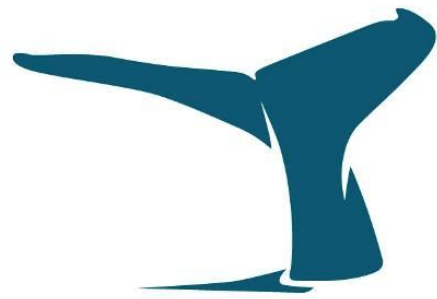
LLA-47 E&P – Project timeline



- ❑ 3D Seismic acquisition completed. Final volume processing in interpretation
 - G&G Interpretation confirms 2P reserve potential of more than 30 million barrels

- ❑ Timing of drilling dependent on obtaining the necessary ANLA permits
 - Permits expected in Q3 2015, and drilling to start in Q4 2015 (assume 2 rigs)
 - Potential to drill 1 lead in Q4 2014 – will cause drilling sequence gap and higher mobilization costs
 - Timing also dependent on interests of potential partner

- ❑ Development costs 2014 and 2015:
 - Exploration expenses of appr. USD 6 mill in Q2-Q4 2014, including seismic processing, land- and environmental permits
 - Capex per well: USD 5 mill (dry-hole), including mobilization costs and road construction costs



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- ❑ **Approval of the annual accounts for 2013 for the Company and the group, and the directors' report for 2013, including the allocation of the result for the year**
- ❑ Proposed resolution:
 - The Board of Directors proposes that the general meeting approves the annual accounts for 2013 for InterOil Exploration and Production ASA and the group, and the directors' report for 2013. The Board of Directors proposes use this year's net profits in accordance with the Board's recommendation.
 - The annual report for 2013, including the statement on corporate governance pursuant to the Norwegian Accounting Act section 3-3 b, is available on the Company's webpage.

- ❑ **Presentation of the Company’s principles for corporate governance by the Chairman of the Board of Directors, Anne Grete Ellingsen**
 - No voting



Corporate Governance

General meeting in Interoil Exploration and Production ASA

30 June 2014

Ms Anne Grete Ellingsen – Chairman

- ❑ In the beginning of 2013, the Company had an unclear strategy and corporate governance policy.
- ❑ The current Board of Directors believes sound principles for corporate governance are an important prerequisite for building trust between the Company and its stakeholders and securing shareholder value.
- ❑ The Company has a new governance structure, and all management contracts with former main shareholders, board members etc. are terminated. The Company's corporate governance principles are based on the Norwegian Code of Practice for Corporate Governance.
- ❑ The Company has adopted a clear vision and strategy: *To become one of the strongest E&P companies operating in Colombia and Peru.*
- ❑ Interoil encourages as many shareholders as possible to exercise their rights by participating in the annual general meeting.
- ❑ Due to the equity situation and the financial results of 2013, Interoil will not pay out any dividend in the near future.

- ❑ The Board of Directors leads the Company's strategic planning and make decisions that form the basis for the executive personnel to prepare and implement investments and structural measures.
- ❑ The Board is a collegiate body and an individual Board member may not undertake dispositions on behalf of the Board and/or the Company unless being authorised in a Board meeting. Any compensation given for work authorized by the Board must be recorded together with the scope of such assignments.
- ❑ The Board of Directors instructions clearly states that the members should not take on specific assignments for the Company in addition to their appointment as Board members.
- ❑ The remuneration of the Board of Directors should reflect the responsibilities, the expertise and the time commitment, as well as the complexity of the business. The remuneration is proposed by the nomination committee.
- ❑ Sound corporate governance principles implies that remuneration to board members should not be linked to the company's performance or options.

- ❑ The Chief Executive Officer is responsible for the Company's daily operations and ensures that all necessary information is presented to the Board of Directors.

- ❑ Clear command lines/responsibilities and reporting routines have been established.

- ❑ The Chief Executive Officer shall, at least once per month, provide information to the members of the Board on the Company's activities, liquidity and financial situation. The orientation may be given either in monthly report or in a meeting.

- ❑ Interoil's information policy is based on transparency and on providing the shareholders, investors and financial market with correct and timely information, in a way that safeguards the principle of equal treatment of all shareholders and satisfies the regulations and practice applicable to listed companies.
- ❑ Interoil's key communication objectives are visibility, transparency and openness and the Company will achieve these objectives through precise, relevant, timely and consistent information.
- ❑ In a bid situation, the Board and the management have an independent responsibility to ensure that shareholders are treated equally and that the Company's business activities are not disrupted unnecessarily.
- ❑ The Board has a particular responsibility to ensure that shareholders are given sufficient information and time to form a view of the offer.
- ❑ *For further information related to Interoil's corporate governance principles, please refer to page 106 of the Annual Report for 2013.*

Remuneration to members of the Board of Directors

Proposed resolution:

- In accordance with the proposal from the nomination committee, the general meeting resolved the following remuneration to the members of the Board of Directors for the period from the annual general meeting in 2014 to the annual general meeting in 2015:
 - Chairman of the Board – NOK 500,000/year
 - Directors - NOK 400,000/year
 - Alternate Director - NOK 400,000/year

- The above is the total compensation proposed for the InterOil Board of Directors.

Remuneration to the audit committee

Proposed resolution:

- The remuneration to the Board of Directors under section 8.1 has been proposed based on an assumption that all directors and the alternate director will be participating in the audit committee in the period from June 2014 to June 2015, and that additional remuneration therefore is not awarded for this work.

- If the board decides that all directors shall not participate in the audit committee, a proposal shall be made to the general meeting in 2015 to the effect that a proportion of the remuneration shall be allocated to the members of the audit committee.

- ❑ **Remuneration to the members of the nomination committee**

- ❑ Proposed resolution:
 - The nomination committee has proposed the following remuneration to the members of the nomination committee:
 - NOK 10,000 to the chairman of the nomination committee for the period from and including 21 June 2013 and until the date hereof.

 - NOK 10,000 to each of the committees other members for the period from and including 21 June 2013 and until the date hereof.

- Approval of the auditor’s fee**

- Proposed resolution:
 - The Board of Directors proposes that the general meeting approves the auditor’s fee for 2013 for Interoil Exploration and Production ASA in accordance with the invoice from the auditor.

Election of board members

Proposal from the nomination committee:

- It is proposed that the general meeting appoint the following directors for a period of two years:
 - Jean-Philippe S. Flament (proposed chairman)
 - Lindsay Trzaska
 - Silje Augustson
 - Thor Kristian Haugnaess
 - (Håkon Sandby (alternate director) – not up for election)

Alternative proposal from a group of shareholders:

- As per proposal from a group of shareholders published 23 June 2014, it is proposed that the following directors are appointed for a period of two years:
 - Leif Christian Salomonsen (proposed chairman)
 - Mimi K. Berdal
 - Ragnhild Wiborg
 - Eystein Koppang
 - (Håkon Sandby (alternate director) – not up for election)

Voting will be held in writing for this agenda item. On the voting sheet, select “For” to support the proposal from the nomination committee or select “Mot” to support the alternative proposal from shareholders.

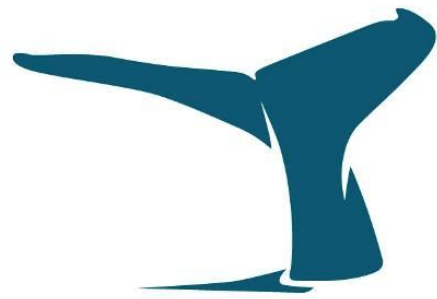
To abstain from voting; select “Avstår”.

- Election of members to the nomination committee**
- Proposal from the nomination committee:
 - It is proposed that the general meeting appoint the following members to the nomination committee for a term of two years:
 - Hans Bjerke
 - Khing Oei
 - Colin Whipp
- Alternative proposal from a group of shareholders:
 - As per proposal from a group of shareholders published 23 June 2014, it is proposed that the general meeting appoint the following members to the nomination committee:
 - Håkon Sætre
 - Mathias Wilding
 - One additional person to be named at the general meeting
- In the case of written voting: On the voting sheet, select “For” to support the proposal from the nomination committee or select “Mot” to support the alternative proposal from shareholders.
- To abstain from voting; select “Avstår”.

- The Board of Directors' declaration on salary and other remuneration for the management in Interoil Exploration and Production ASA**

- Proposed resolution:
 - It is proposed that the general meeting endorses the Board's statement regarding the determination of salaries and other remunerations of leading employees pursuant to the Public Limited Liability Act Section 6-16a.

- ❑ **Board authorisations to increase the share capital**
- ❑ Proposed resolution:
 - 1. In accordance with the Public Limited Liability Act Section 10-14 the Board is authorized to execute a share capital increase on the total amount of NOK 4,036,159.
 - 2. The authorization may be used to issue shares in order to secure the financing of the Company's development. The authorization can also be used in connection with acquisitions, mergers and other business purposes that serve the Company's development. Shares can be issued against cash deposit or against other assets (contribution in kind).
 - 3. The Board of Directors is authorized to decide upon the subscription terms, including subscription price, date of payment and the right to sell shares to others in relation to an increase of share capital.
 - 4. This authorization is valid until the annual general meeting in 2015, however, at the latest until 30 June 2015.
 - 5. Existing shareholders' pre-emptive right to subscribe for shares according to Section 10-4 of the Public Limited Liability Act may be set aside.
 - 6. The authorization includes decision on merger according to Section 13-5 of the Public Limited Liability Act.
 - 7. The general meeting authorizes the Board of Directors to amend the Company's articles of association concerning the share capital and number of shares when the authorization is used.



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